



G. G. Automotive Gears Ltd

40th Annual report 2013-14

40th Annual Report 2013-14

G.G AUTOMOTIVE GEARS LIMITED

20/16, Gajra House, First Floor, 57-SCH, Sewri, Wadala Road # 37, Wadala, Mumbai- 400031.

CIN:- L29130MH1974PLC017202

Tel no.: 91-7272-405310, 404802 • Fax : 91-7272-404802

Email ID: npshrivas@ggautomotive.com • Web site:- www.ggautomotive.com

BOARD OF DIRECTORS

Mr. Ram S. Gajra

Mr. Kennedy R. Gajra

Mr. Shailendra Ajmera

Mr. Pravin Kumar Shishodiya

Chairman and Managing Director

Joint Managing Director

Non-Executive, Independent Director

Non-Executive, Independent Director

(DIN 02092248)

(DIN 02092206)

(DIN 02138042)

(DIN 03011429)

BANKERS

Union Bank of India

Axis Bank Ltd

ICICI Bank Ltd

AUDITORS

Shah Gandhi & Co,

Chartered Accountants,

B/401, 4th Floor, Sahyog Co-op Hsg. Soc. Ltd.

above Central Bank, S.V.Road, Kandivali (W),

Mumbai- 400 067.

REGISTERED OFFICE

20/16, Gajra House,

First Floor, 57-SCH, Sewri,

Wadala Road # 37, Wadala,

Mumbai- 400031.

ADMINISTRATIVE OFFICE

2-A, I. S. Gajra Industrial Area No. 1,

A.B. Road, Dewas- 455001 (MP)

SHARE TRANSFER AGENT

Purva Shareregistry (India) Pvt. Ltd

9, Shiv Shakti Industrial Estate,

Sitaram Mills Compound,

J. R. Boricha Marg,

Opp. Kasturba Hospital,

Lower Parel (East), Mumbai – 400 013

Contact No. 91 (22) 23016761

Email-busicomp@vsnl.com

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Vision and Mission

G. G. Automotive Gears Ltd. was incorporated under the Companies Act in the state of Maharashtra, India, in the year 1974. Subsequently, the company became a Public Limited Company in 1995. The company's vision, which is a clear testimony of a blend of commitment and innovate thought, has been defined over 41 countries across the globe.

NOTICE

Notice is hereby given that the 40th Annual General Meeting of the members of G. G. Automotive Gears Limited will be held on Thursday the 28th August, 2014 at 11.00 a.m. at Radio Club, 157, Arthur Bunder Road, Colaba, Mumbai- 400005 to transact the following business.

Ordinary Business :

1. To receive, consider and adopt the Financial Statements for the year ended 31st March 2014 along with notes and schedules thereon as on that date and the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Kennedy Gajra, Joint Managing Director (Holding Din 02092206) who retires by rotation & being eligible offers himself for re-appointment.
3. To appoint auditors of the Company to hold office from the conclusion of this Annual General Meeting, until the conclusion next Annual General Meeting and to fix their remuneration.

Special Business

4. To Consider and if thought fit, to pass with or without modification (s), the Following resolutions as an **Ordinary Resolution.**
“RESOLVED THAT pursuant to the provisions of **Sections 149,150,152** and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modifications(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, **Mr. Shailendra Ajmera (holding DIN 02138042)** Director of the Company who retires by rotation at the Annual general Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five Consecutive years for a term up to 31st March, 2019.
5. To Consider and if thought fit, to pass with or without modification (s), the Following resolutions as an **Ordinary Resolution.**
“RESOLVED THAT pursuant to the provisions of Sections 149,150,152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modifications(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, **Mr. Pravin Kumar Shishodiya (holding DIN 03011429)** Director of the Company who retires by rotation at the Annual general Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five Consecutive years for a term up to 31st March, 2019.
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution.**
“RESOLVED THAT in supersession of the earlier resolutions passed and pursuant to the provisions of section 180 (1) (a) (corresponding to Section 293(1)(a) of the Companies Act, 1956) and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modifications or any amendments or any substitution or re-enactment thereof for the time being in force and all other applicable Acts, laws, rules, regulations and guidelines for the time being in force; and subject to the approvals, consents, permissions and sanctions as may be necessary from the authorities concerned and subject to such terms and conditions as may be imposed by them, consent be and is hereby accorded to the Board of Directors of the Company, to lease or mortgage, charge or create any security on the whole or substantially the whole of the undertaking of the Company including moveable or immoveable properties and assets of the Company, to secure the repayment of term loan/financial assistance obtained/to be obtained for business purpose for an amount not

exceeding Rs. 50 Crores (Fifty Crores) for availing credit facilities from various Financial Institutions and / or Banks for the Company, or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or if Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to vary and/or alter the terms and conditions of the security aforesaid in consultation with the financial institutions/banks/other lenders and mortgages as may be necessary.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to prepare, finalize and execute in favour of the said financial institution/banks/other lenders the documents, writing and such other agreements, as may be necessary for creating mortgages and/or charges as aforesaid and to do all such acts, deeds, matters and things as may be necessary and/or expedient in that behalf.”

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**.

“RESOLVED that in supersession of the earlier resolutions passed, the consent of the Company be and is hereby accorded in terms of Section 180 (1) (c) (corresponding to Section 293(1)(d) of the Companies Act, 1956) and other applicable provisions, if any, of the Companies Act, 2013 to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof) for borrowing from time to time any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board shall not at any time exceed Rs. 50 Crores (Fifty Crores only).

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board of Directors of the Company be and are hereby severally authorized to take all such actions and to give all such directions and to do all such acts, deeds, matters and things as may be necessary and/or expedient in that behalf.’

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board of Directors of the Company be and are hereby severally authorized to take all such actions and to give all such directions and to do all such acts, deeds, matters and things as may be necessary and/or expedient in that behalf.”

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**.

“RESOLVED THAT pursuant to provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications(s) or re- enactment thereof for the time being in force) and any other applicable provisions, if any, the appointment of M/s. MIHIR TURAKHIA & ASSOCIATES , Cost Accountants as Cost Auditors of the Company by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year 2014-15 and remuneration of Rs.42,000/- p. a. plus service taxes as paid to them be and are hereby ratified.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Notes:

1. **A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.**
2. **Proxies in order to be effective must be deposited at the Registered Office of the Company not less than forty-eight hours before the time fixed for the commencement of the Meeting.**

3. The Register of Members and Share Transfer Register in respect of equity shares of the Company will remain closed from **21st August, 2014 (Thursday) to 28th August, 2014 (Thursday)** (both days inclusive).
4. As a measure of economy, copies of the Annual Reports and Accounts will not be distributed at the Meeting. Members are therefore, requested to bring their copies to the Meeting.
5. In furtherance of Green Initiative in Corporate Governance by Ministry of Corporate Affairs, the Shareholders are requested to register their email id with the Company or with the Registrar and Transfer Agents.
6. Members/Proxies are requested to produce the attendance slip duly signed, sent along with the Annual Report and Accounts, for admission to the meeting hall.
7. Members who are holding shares in identical order or names in more than one folio are requested to write to the company to enable the company to consolidate their holdings in one folio.
8. Members whose shareholding is in the electronic mode are requested to direct change of address notifications and updation of Savings Bank Account details to their respective Depository Participants.
9. In terms of section 205A Companies Act, 1956, any dividend remaining unpaid for a period of seven years from the due date of payment is required to be transferred to Investor Education and Protection Fund. Members who have not encashed their dividend warrants are requested to write to the Registrars and Share Transfer Agents. The details of dividend unclaimed are uploaded on the Company's website at **www.ggautomotive.com** for shareholders information.
10. Notice of the 40th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 40th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
11. Members may also note that the Notice of the 40th Annual General Meeting and the Annual Report for 2014 will also be available on the Company's website www.ggautomotive.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id ggautomotive@yahoo.com
12. Voting through electronic means :

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 40th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL):

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANYNAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID

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- a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DPID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none">• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.• In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN Field.
DOB#	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none">• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant G.G. AUTOMOTIVE GEARS LIMITED which is **140724018** on which you choose to vote.

- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
 - (B) The voting period begins on Friday the 22nd August, 2014 (10:00 am) and ends on Saturday the 23rd August, 2014 (5:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday the 25th July, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- 13. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.CDSL.com.
 - 14. If you are already registered with CDSL for e-voting then you can use your existing userID and password/PIN for casting your vote.
 - 15. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

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16. The e-voting period commences on Friday the 22nd August, 2014 (10:00 am) and ends on Saturday the 23rd August, 2014 (5:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday the 25th day of July, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
17. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of Friday the 25th day of July, 2014
18. Mr. Hemant Shetye, Partner of M/s HS Associates, Practicing Company Secretaries (Membership No. FCS 2827) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent Manner.
19. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company
20. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.ggautomotive.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.
22. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 6.00 pm) on all working days, up to and including the date of the Annual General Meeting of the Company.
23. The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" (Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011) allowing companies to dispatch documents to the shareholders through electronic mode. Considering the above theme, your company had decided to send Annual Report through electronic mode. However, if required the copy of the Annual Report shall be provided to the shareholder at the Annual General Meeting.

By Order of the Board

G.G. AUTOMOTIVE GEARS LIMITED,

Ram Gajra

Chairman and Managing Director

**Place: Mumbai.
Date: July 25, 2014.**

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EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (CORRESPONDING TO SECTION 173(2) OF THE COMPANIES ACT, 1956)

Item No. 4

Pursuant to Sections 149, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors,) Rules, 2014, it is proposed to appoint Mr. Shailendra Ajmera, Mr. Pravin Kumar Shishodiya as Independent Directors of the Company upto 5 (five) consecutive years upto 31st March, 2019. The Company has also received notice pursuant to Section 160 of the Companies Act, 2013 from members , proposing the appointment of aforesaid Independent Directors.

A brief Profile along with other details of the Independent Directors are as follows:

Name of the Director	Mr. Shailendra Ajmera
Director Identification Number	02138042
Profile of the Director	<p>Mr. Shailendra Ajmera is a fellow member of the Institute of Chartered Accountants of India and having over 3 decades of post qualification experience in the field of Finance and Accountancy (his educational and other expertise)</p> <p>His area of specialization includes audit, business consultancy, business valuation, corporate management, financial management, pre-acquisition studies, and corporate laws.</p>
No of Shares held	Mr. Shailendra Ajmera holds 166 Equity shares in G.G. AUTOMOTIVE GEARS LIMITED.
Directorship and Committee membership in other companies*	* CARBOTAINERS PACKAGING PVT LTD * VAISHNAV FIBRE LIMITED

Item No. 5

Name of the Director	Mr. Pravin Kumar Shishodiya
Director Identification Number	03011429
Profile of the Director	Mr. Pravin Kumar Shishodiya is a Fellow member of the Institute of Chartered Accountants of India having over 3 decades of experience in the field of Corporate laws and Business Valuations.
No of Shares held	Mr. Pravin Kumar Shishodiya holds 1332 Equity shares in G.G. AUTOMOTIVE GEARS LIMITED.
Directorship and Committee membership in other companies*	Mr. Pravin Kumar Shishodiya is not a Director of any other Company.

Item No. 6 and 7

The Company proposes to raise terms loans/financial assistance in near future in view of the meeting its working capital needs. The borrowings of loans from the Banks / Financial Institutions will require the Company to create mortgage/charge on the whole or substantially the whole of the undertakings of the Company for the purpose of securing financial assistance.

Therefore, pursuant to the provisions of Section 180 of the Companies Act, 2013; shareholders' approval is required by way of special resolution in general meeting.

Section 180(1)(c) of the Companies Act, 2013 provides, inter alia, that the Board of Directors of the Company shall not without the consent of shareholders in the General Meeting borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loan obtained from the bankers of the Company in the ordinary course of business) exceeding the aggregate of paid-up capital and free reserves of the Company. It is expected that the ceiling may be exceeded after the acceptance of loans/financial assistance and therefore, your Directors place before you the proposal to increase the maximum borrowing limits to Rs. 50 Crores (Rupees Fifty Crores Only) at any point of time for your approval.

Section 180(1)(a) of the Companies Act, 2013 provides, inter alia, that the Board of Directors of the Company shall not, without the consent of shareholders in the General Meeting, sell, lease or create any security on the assets of the Company or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or if Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking. Since the mortgage of the Company's immovable and movable properties may be regarded as disposal of Company's properties/undertakings, consent of the Members is being sought for the purpose.

The Board of Directors accordingly recommends the Resolutions set out at Item Nos. 6 and 7 of the accompanying Notice for the approval of the Members.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in aforementioned resolution(s).

Item No. 8

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of Rs. 42,000/- p. a. to be paid to M/s Mihir Turakhia & Associates, Cost Accountants as Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2014 -15

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 8 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2014 - 15.

The Board of Directors accordingly recommends the Resolutions set out at Item No. 8 of the accompanying Notice for the approval of the Members.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in aforementioned resolution.

By Order of the Board

G.G. AUTOMOTIVE GEARS LIMITED,

Ram S Gajra (02092248)
Chairman and Managing Director

Place: Mumbai.
Date: 25th July, 2014.