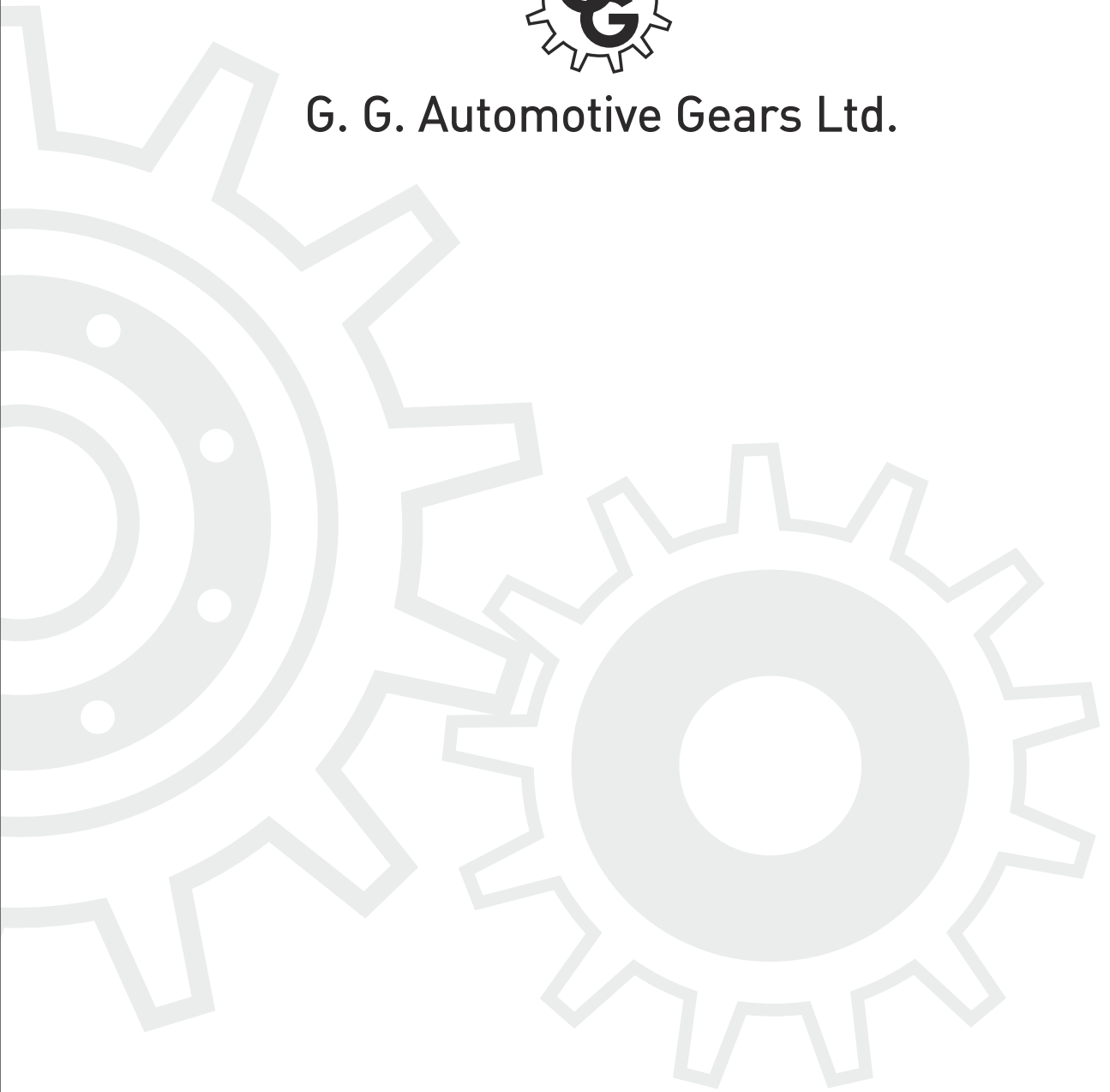




**G. G. Automotive Gears Ltd.**



**42<sup>nd</sup> Annual Report 2015-16**

**G.G AUTOMOTIVE GEARS LIMITED**

2-A, I.S. Gajra Industrial Area-1, A. B. Road,  
Dewas, MP 455001.

CIN: L29130MP1974PLC035049

Tel No.: 91 (7272) 405310/404802

Fax.: 91 (7272) 404802

Web site: www.ggautomotive.com

Email ID: ggautomotive@yahoo.com

**BOARD OF DIRECTORS**

Mr. Ram S. Gajra	Chairman and Managing Director	(DIN 02092248)
Mr. Kennedy R. Gajra	Jt. Managing Director	(DIN 02092206)
Mr. Shailendra Ajmera	Non-Executive, Independent Director	(DIN 02138042)
Mr. Pravin Kumar Shishodiya	Non-Executive, Independent Director	(DIN 03011429)
Mrs. Ruchi Sogani	Non-Executive, Independent Director	(DIN 02805170)
Mr. Narayan Shrivats	Chief Financial Officer (CFO)	(PAN BPVPS3147F)

**BANKERS**

Union Bank of India

**AUDITORS**

Shah Gandhi & Co, Chartered Accountants,  
Mumbai - 400 067

**REGISTERED & ADMINISTRATIVE OFFICE**

2-A, I. S. Gajra Industrial Area No. 1,  
A.B. Road, Dewas- 455001 (MP)

**SHARE TRANSFER AGENT**

Purva Sharegistry (India) Pvt. Ltd  
9, Shiv Shakti Industrial Estate,  
Sitaram Mills Compound,  
J. R. Boricha Marg,  
Lower Parel (East),  
Mumbai – 400 011.  
Contact No. 91 (22) 23016761  
Email-busicomp@vsnl.com

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**42nd ANNUAL GENERAL MEETING**

Date : 27th August 2016.

Day : Saturday

Time : 11:00 A.M.

Place : Dewas.

**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 innovative thought, has been defined over 41 countries across the globe.

## **NOTICE**

NOTICE IS HEREBY GIVEN THAT THE 42ND ANNUAL GENERAL MEETING OF THE MEMBERS OF G. G. AUTOMOTIVE GEARS LIMITED WILL BE HELD ON SATURDAY THE 27TH AUGUST, 2016 AT 11:00 A.M. AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT 2-A, I.S. GAJRA INDUSTRIAL AREA-1, A.B. ROAD, DEWAS, MP 455001 TO TRANSACT THE FOLLOWING BUSINESS.

\*\*\*\*\*

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March 2016 together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri. Kennedy Gajra (DIN: 02092206), who retires by rotation and being eligible, offers himself for re-appointment.
3. Ratification of Appointment of Statutory Auditors:

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

**“RESOLVED THAT** M/s. Shah Gandhi & Co., Chartered Accountants, Mumbai registered with the Institute of Chartered Accountants of India vide firm registration no 109569W who were appointed as Statutory Auditors of the Company at the 40th Annual General Meeting held on 28th August, 2014 (hereinafter referred as said AGM) from the conclusion of the said AGM till the conclusion of 43rd Annual General Meeting to be held in the year 2017, be and are hereby ratified for the financial year 2016-17 to audit the accounts of the Company, including the audit of Cash Flow statements, on a remuneration plus service tax and out of pocket expenses to be mutually decided by the Board in consultation with the Statutory Auditors of the Company.”

**BY ORDER OF THE BOARD OF DIRECTORS  
FOR G. G. AUTOMOTIVE GEARS LIMITED**

Date : 30.07.2016  
Place : Dewas.

SD/-  
**RAM GAJRA**  
(MANAGING DIRECTOR)  
(DIN: 02092248)

## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) OF THE COMPANY MAY APPOINT A PROXY TO ATTEND AND ON A POLL, VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing the proxy should be deposited at the Registered Office of the Company not less than forty-eight hours before commencement of the Annual General Meeting. Proxies submitted on behalf of companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital carrying voting rights may appoint single person as a proxy and such person shall not act as proxy for any other member.
2. During the period beginning 24 hours before the time fixed for the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company provided that not less than three days of notice in writing is given to the Company.
3. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialized form are requested to bring their Client ID and DPID numbers for identification.
4. Corporate members intending to send their authorized representatives to attend the AGM pursuant to Section 113 of the Companies Act, 2013 are requested to send a duly certified copy of the Board Resolution together with their specimen signatures authorizing their representative(s) to attend and vote on their behalf at the AGM to the Company's Registrar and Transfer Agent, Purva Sharegistry (India) Pvt. Ltd. Unit no. 9 Shiv Shakti Ind. Estt. J. R. Boricha Marg Opp. Kasturba Hospital Lane Lower Parel (E) Mumbai 400 011.
5. A route map showing directions to reach the venue of the 42nd AGM is given along with this Annual Report as per the requirement of the "Secretarial Standards - 2" on General Meetings.
6. As a measure of austerity, copies of the Annual Report will not be distributed at the AGM. Members are, therefore, requested to bring their copies of the Annual Report to the Meeting.
7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM. The Register of Contracts or Agreements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
8. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 20th August, 2016 to Tuesday, 27th August, 2016 (both days inclusive).
9. Electronic copy of the Notice convening the 42nd AGM of the Company, Annual Report along with the Attendance Slip and Proxy Form are being sent to the members who have registered their email ids with the Company / Depository Participant(s). For members who have not registered their email ids, physical copies of the aforementioned documents are being sent in the permitted mode.
10. Members who have not registered their email address so far, are requested to register their email ids for receiving all communications including Annual Report, Notices, etc., from the Company electronically.
11. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 hereinafter referred to as 'Listing Regulations' (including any statutory modification(s) and / or re-enactment(s) for the time being in force), the members are provided with the following alternatives by which they may cast their votes:

- (i) by electronic means through the remote e-voting platform provided by NSDL. The process for voting through e-voting is annexed hereto. The remote e-voting period will commence on Wednesday, 24th August, 2016 at 9.00 a.m. and will end on Friday, 26th August, 2016 at 5.00 p.m. During this period, members of the Company holding shares either in physical or dematerialized form, as on the cut-off date, i.e. Saturday, 20th August, 2016, may cast their vote by remote e-voting. The remote e-voting module will be disabled by NSDL for voting thereafter.
  - (ii) Members who do not have access to remote e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Shri Nitin Sarfare, Partner of HS Associates, (Membership No. 36769, COP: 13729), at the Registered Office of the Company not later than by 5.00 p.m. on Friday, 26th August, 2016. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. Saturday, 20th August, 2016 have the option to request for physical copy of the Ballot Form by sending an e-mail to [npskrivas@ggautomotive.com](mailto:npskrivas@ggautomotive.com) or [busibusicomp@gmail.com](mailto:busibusicomp@gmail.com) by mentioning their Folio / DP ID and Client ID No. Ballot Forms received after 5.00 p.m. on Friday, 26th August, 2016 will be treated as invalid. A member can opt for only one mode of voting i.e. either through remote e-voting or by Ballot. If a member casts vote by both modes, voting done through remote e-voting shall prevail and Ballot shall be treated as invalid.
  - (iii) The facility of e-voting shall also be made available at the AGM venue for the members who have not cast their votes earlier.
12. Members who have cast their votes by remote e-voting or by Ballot Form prior to the AGM may also attend the Meeting but they shall not be entitled to cast their vote again.
13. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital in the Company as on the cut-off date i.e. Saturday, 20th August, 2016.
14. The Securities Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to Purva Share registry (India) Pvt. Ltd.
15. Members holding shares in single name are advised to avail the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Companies Act, 2013. Members holding shares in physical form desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to Purva Share registry (India) Pvt. Ltd., Company's R&T Agent. Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility.
16. The instructions for shareholders voting electronically are as under:
- (i) The voting period begins on Wednesday, 24th August, 2016 at 9.00 a.m. and will end on Friday, 26th August, 2016 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Saturday 20th August 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
  - (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (iv) Click on Shareholders.
  - (v) Now Enter your User ID

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

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>For demat shareholders: Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department.</p> <p>For physical shareholders, please use the first two letters of your name and the 8 digits of the sequence number in the PAN card.</p> <ul style="list-style-type: none"> <li>In case the sequence 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 sequence number 1 then enter RA00000001 in the PAN card.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details card as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach 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 card. 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant G. G. Automotive Gears Limited on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

- (xviii) If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) 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.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
17. 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) 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](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
18. If you are already registered with CDSL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
19. 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).
20. Information required under Regulation 36(3) of the Listing Regulations (relating to Corporate Governance) with respect to the Directors retiring by rotation and being eligible seeking re-appointment is as under:

Name of Director	Kennedy Gajra
DIN	02092206
Experience	Having 33 years of experience.
Relationship with Directors	Son of Ram Gajra
Expertise in specific functional area	Wide managerial experience
Board Membership of Companies as on March 31, 2016	G. G. Automotive Gears Limited
Number of Shares held in the Company as on March 31, 2016	1667514

BY ORDER OF THE BOARD OF DIRECTORS  
FOR **G. G. AUTOMOTIVE GEARS LIMITED**

Date : 30.07.2016  
Place : Dewas.

SD/-  
**RAM GAJRA**  
(MANAGING DIRECTOR)  
(DIN: 02092248)

**DIRECTORS' REPORT**

To,  
The Members,  
**G. G. AUTOMOTIVE GEARS LIMITED.**

Your Directors have great pleasure in presenting 42nd ANNUAL REPORT along with the Audited Balance Sheet and Profit and Loss Account, for the year ended 31st March, 2016.

**1. FINANCIAL RESULTS:**

	<b>(Rs. in Lacs)</b>	
	<b>Year ended on</b>	
	<b>31.03.2016</b>	<b>31.03.2015</b>
Profit Before Depreciation	18,473,990	19,387,742
Less: Depreciation	13,339,729	12,585,936
Profit before tax	5,134,261	6,801,806
Less: Provision for Income Tax	986,656	1,950,469
Less: Provision for Deferred Tax Liability/ (Asset)	1,679,891	200,206
Profit after tax	2,467,714	4,651,131
Add: Previous year's profit brought forward	—	—
Balance carried to Balance sheet	2,467,714	4,651,131

**2. FINANCIAL OPERATIONS & STATE OF AFFAIRS OF THE COMPANY:**

During the year your Company has reported a total turnover of Rs. 21,79,30,897/- (Rupees Twenty-One Crore Seventy-Nine Lakhs Thirty Thousand Eight Hundred and Ninety-Seven Only). However, the total expenditure incurred by the Company during the year under review amounted to Rs. 21,27,96,636/- (Rupees Twenty-One Crores Twenty-Seven Lakhs Ninety-Six Thousand Six Hundred and Thirty-Six Only)

During the year, due to sluggish and adverse market trend your Company has reported a reduced amount of net profit of Rs. 24,67,714/- (Rupees Twenty-Four Lakhs Sixty-Seven Thousand Seven Hundred and Fourteen Only) as compared to net profit of Rs. 46,51,131 /- (Rupees Forty-Six Lakhs Fifty-One Thousand One Hundred and Thirty-One Only) in previous year. Your Directors are taking optimum efforts to increase the profits, through aggressive sales campaign.

**3. TRANSFER TO RESERVES:**

There are no transfers to any specific reserves during the year.

**4. DIVIDEND:**

Your directors do not recommend dividend for the year 31st March 2016 with a view to conserve the resources.



### 5. PUBLIC DEPOSITS:

During the year under review, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force).

### 6. CORPORATE GOVERNANCE REPORT:

With the introduction of the new Companies Act, 2013 and the issue of SEBI circular no. CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014, the provisions of amended Clause 49 of the Listing Agreement related to the corporate governance would be applicable with effect from 1st October, 2014 to the Company Companies having paid up equity share capital not exceeding Rs.10 crore and Net Worth not exceeding Rs.25 crores, as on the last day of the previous financial year. As such your company does not fall in this category thus this report is not annexed.

### 7. ACCOUNTS AND ACCOUNTING STANDARDS:

The Company adheres to the Accounting Standards as prescribed under section 133 of the Companies Act, 2013 and Rule 7 of the Companies (Accounts) Rules, 2014 in the preparation of its financial statements.

### 8. DISCLOSURES:

The Company has made adequate disclosures regarding related party transactions, contingent liabilities, and significant accounting policy in the Notes to Accounts as an integral part of the Balance Sheet and Statement of Profit & Loss.

### 9. STOCK EXCHANGES – COMPLIANCE OF LISTING AGREEMENTS:

The Company's shares are listed at the BSE Ltd. and the Company has paid the listing fees to the Stock Exchange. Further, the Company has demat connectivity with both the Depositories, NSDL and CDSL and paid Annual Fees to both the Depositories. The company has entered into new listing agreement with BSE Ltd.

### 10. NUMBER OF BOARD MEETINGS AND ITS COMMITTEES:

During the year under review, 7 Board Meeting were convened and held as on 22nd May 2015, 13th August 2015, 29th October 2015, 16th December 2015, 09th February 2015, 12th February 2015 and 02nd March 2015

Details of the Meetings held during the financial year are as follows:

#### **Audit Committee:**

Composition:

Pursuant to the provisions of section 177 of the Companies Act, 2013 and read with revised clause 49 of the Listing Agreement the audit committee shall have minimum three directors as members. Two thirds of the members of audit committee shall be Independent Directors.

The said committee consists of 3 (Three) Members out of which 2 (Two) members are Independent and 1 (one) is Promoter Director.

During the year there were in total 4 Audit Committee Meetings were held on 22nd May 2015, 13th August 2015, 29th October 2015 and 09th February 2016. The time gap between the two meetings was not more than 120 days.

**Nomination and Remuneration Committee:**

During the year there was two (2) Nomination and Remuneration Committee Meetings was held on 13th August 2015 and 09th February 2016. The members of the Nomination and Remuneration Committee comprises of Mr. Pravin Kumar Shishodiya (Independent, non-executive), Mr. Shailendra Ajmera (Independent, non-executive), Mrs. Ruchi Sogani (Independent Non-Executive Director)

**STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The stakeholders Relationship Committee is duly constituted. The composition of the committee is Mr. Pravin Kumar Shishodiya-Chairman & Independent Non-Executive, Mr. Shailendra Ajmera- Member & Independent Non - Executive Director, Mrs. Ruchi Sogani-Member & Independent Non - Executive Director.

**11. INDUSTRIAL RELATIONS:**

Your Company has always considered its workforce as its valuable asset and continues to invest in their excellence and development programs. Your Company has taken several initiatives for enhancing employee engagement and satisfaction.

**12. DIRECTORS AND KEY MANAGERIAL PERSONNEL:****Retirement by rotation and subsequent re-appointment:**

Shri. Kennedy Gajra is liable to retire by rotation at the ensuing AGM pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of your Company and being eligible has offered himself for reappointment. Appropriate resolutions for their re-appointment is being placed for your approval at the ensuing AGM. The brief resume of the Directors and other related information has been detailed in the Notice convening the 42nd AGM of your Company. Your Directors recommend his re-appointment as Executive Director of your Company.

During the year the company revised the remuneration payable to Mr. Ram Gajra, Managing Director of the company.

The Independent Directors of your Company hold office upto 31st March, 2019 and are not liable to retire by rotation. Shri Kennedy Gajra, Managing Director & CEO and Shri Narayan Shrivastava, CFO, are the Key Managerial Personnel of your Company in accordance with the provisions of Sections 2(51), 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force).

**Disclosure Relating to Remuneration of Directors, Key Managerial Personnel and particulars of Employees:**

The remuneration paid to the Directors is in accordance with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations (including any statutory modification(s) or re-enactment(s) for the time being in force).

The information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors/ employees of your Company is set out in Annexure VI to this report and is also available on the website of your Company ([www.ggautomotive.com](http://www.ggautomotive.com))