



# **G.G. AUTOMOTIVE GEARS LTD.**



**45<sup>th</sup> Annual Report 2018-19**

**G. G. AUTOMOTIVE GEARS LIMITED**

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

CIN: L29130MP1974PLC035049

Tel No.: 91 (7272) 405310 / 404802

Fax.: 91 (7272) 404802

Web site: www.ggautomotive.com

Email ID: ggautomotive@yahoo.com

**VISION & MISSION**

G. G. Automotive Gears Ltd. was incorporated under the Companies Act 1956 in the state of Maharashtra, India, in the year 1974.

Subsequently, the company became a Public Limited Company in 1995. G.G. Automotive Gears Ltd. is a leading manufacturer of traction gears and pinions, based out of Dewas, Madhya Pradesh in India. A unit spun off from its parent company, M/s Gajra Gears Ltd., GGAG has been a market leader in automotive gears for the last 45 years. Established in 1974, the company undertakes to manufacture of traction gears as a strategic shift from its traditional business of automotive gears.

Over 200 satisfied OE customers assert by our quality, which is backed by ISO:9001:2015 certificate by TUV INDIA. We have the capability of manufacturing helical and spur gears ranging from 50 mm die to 1600 dia up to 30 modules, hardened and ground to DIN class 3 / 4 accuracies.

**BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

<b>Name</b>	<b>Designation</b>	<b>DIN/PAN</b>
Mr. Kennedy Ram Gajra	Managing Director	02092206
Mr. Anmol Kennedy Gajra	Whole Time Director	07835836
Mr. Shailendra Ajmera	Non-Executive Independent Director	02138042
Mr. Pravin Kumar Shishodiya	Non-Executive Independent Director	03011429
Mrs. Ruchi Sogani	Non-Executive Independent Director	02805170
Mr. Narayan Shrivastava	Chief Financial Officer (CFO)	BPVPS3147F
Ms. Shreya Thombre	Company Secretary	AVRPT3473C

**BANKERS**

Union Bank of India

**AUDITORS**

M/s. Mukesh & Associates,  
Chartered Accountants, Mumbai

**SECRETARIAL AUDITORS**

HS Associates,  
Company Secretaries, Mumbai

**REGISTERED & ADMINISTRATIVE OFFICE**

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

**SHARE TRANSFER AGENT**

Purva Sharegistry (India) Pvt. Ltd  
9, Shiv Shakti Industrial Estate,  
J. R. Boricha Marg, Lower Parel (East),  
Mumbai – 400 011.  
Contact No. +91 (22) 23018261  
Email: busicom@gmail.com

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**45<sup>th</sup> ANNUAL GENERAL MEETING**

Date : 29<sup>th</sup> August, 2019  
Day : Thursday  
Time : 11:30 A.M.  
Place : Dewas (Madhya Pradesh)

**NOTICE**

NOTICE IS HEREBY GIVEN THAT THE 45<sup>th</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF G. G. AUTOMOTIVE GEARS LIMITED WILL BE HELD ON THURSDAY THE 29<sup>th</sup> AUGUST, 2019 AT 11:30 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.

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**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March 2019 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. To consider and approve the appointment of Statutory Auditors of the Company to hold office for a period of Five years until the conclusion of the 50th Annual General Meeting and to fix their remuneration and to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 139 of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014, (including any re-enactment or modification thereto), and such other applicable provisions, if any, M/s. Mukesh & Associates, Chartered Accountants, Mumbai, with registration number 106599W be and are hereby appointed as the Statutory Auditors of the Company, to hold office of from conclusion of this Annual General Meeting till the conclusion of the Fiftieth Annual General Meeting of the Company, on remuneration of Rs. 2,50,000/- (Two Lakhs Fifty Thousand Only) plus applicable taxes, if any or other such amount as may be mutually agreed between the Board of Directors and M/s. Mukesh & Associates.”

**SPECIAL BUSINESS:**

4. To consider and if thought fit to pass with or without modification(s) the following resolution as a **SPECIAL RESOLUTION:**

“**RESOLVED THAT** pursuant to provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, as amended from time to time thereto and the Articles of Association of the Company and subject to such modifications, variations as may be approved and acceptable, approval of the Company be and is hereby accorded for the re-appointment of Mr. Kennedy Ram Gajra (DIN: 02092206) as Managing Director of the Company, whose office will be liable to determination by retirement by rotation, for a period of three years from 1st July, 2018 to 30th June, 2021 and payment of remuneration for the aforesaid period on the terms and conditions which are set out in Explanatory Statement annexed to the notice convening this meeting.

“**RESOLVED FURTHER THAT** approval of the Members of the Company be and is hereby accorded for payment of Maximum remuneration of Rs. 2,00,00,000/- (Two Crores) per annum including in the event of loss or inadequacy of profits in any financial year during the tenure of appointment of Mr. Kennedy Ram Gajra (DIN: 02092206), as Managing Director of the Company with liberty to the Board / Nomination and Remuneration Committee to alter and vary the terms and conditions of the said appointment and remuneration payable per annum within the Maximum Limits as approved.

**RESOLVED FURTHER THAT** the Board of Directors of Company is hereby severally authorized to vary/increase the terms of remuneration payable to the Managing Director from time to time subject to amount approved.

**RESOLVED FURTHER THAT** any Director of the Company is hereby severally authorized to make and sign the necessary application and take necessary steps and to execute the deeds and to do the things as may necessary to give effect to the said resolution.”

5. To consider and if thought fit to pass with or without modification(s) the following resolution as a **SPECIAL RESOLUTION**:

“**RESOLVED THAT** pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Pravin Kumar Shishodiya (DIN: 03011429), who was appointed as a Non-Executive Independent Director of the Company for a term of five years up to March 31, 2019, by the members at the 40th Annual General Meeting, in terms of Section 149 of the Companies Act, 2013, be and is hereby re-appointed as a Non-Executive Independent Director of the Company for a second term of five consecutive years commencing from April 1, 2019 up to March 31, 2024, not liable to retire by rotation.”

6. To consider and if thought fit to pass with or without modification(s) the following resolution as a **SPECIAL RESOLUTION**:

“**RESOLVED THAT** pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Shailendra Ajmera (DIN: 02138042), who was appointed as a Non-Executive Independent Director of the Company for a term of five years up to March 31, 2019, by the members at the 40th Annual General Meeting, in terms of Section 149 of the Companies Act, 2013, be and is hereby re-appointed as a Non-Executive Independent Director of the Company for a second term of five consecutive years commencing from April 1, 2019 up to March 31, 2024, not liable to retire by rotation.”

7. To consider and if thought fit to pass with or without modification(s) the following resolution as a **SPECIAL RESOLUTION**:

“**RESOLVED THAT** pursuant to the provisions of Section 4 and Section 13 of the Companies Act, 2013, and other applicable provisions read with the rules and regulations made there under including any amendment, re-enactment or statutory modification thereof, approval of the members be and is hereby accorded to amend the Memorandum of Association of the Company by deleting the Object Clauses of the Company mentioned under Clause III (C) – Other Objects and all the clauses shall be renumbered from 1 to 33 (both inclusive) of revised Memorandum of Association of the Company

**FURTHER RESOLVED THAT** in accordance with the Table A of the Schedule I of the Act, the Clause III (A) and III (B) of the Memorandum of Association of the Company, be renamed as under:

Clause III (A) – The Main Object To Be Perused By The Company Is:

Clause III (B) – Matters which are necessary for furtherance of the objects specified in Clause III (A) are:

**FURTHER RESOLVED THAT** any Director of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms with Ministry of Corporate Affairs or submission of documents with any other authority, for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto.”

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

SD/-

**KENNEDY RAM GAJRA**

(CHAIRMAN CUM MANAGING DIRECTOR)

(DIN: 02092206)

Place : Dewas, Madhya Pradesh

Date : 27<sup>th</sup> July, 2019

### 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 DP ID 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. Estate, J. R. Boricha Marg, Lower Parel (E), Mumbai 400011.
5. A route map showing directions to reach the venue of the 45th 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 Friday, 23rd August, 2019 to Thursday, 29th August, 2019. (both days inclusive).
9. Electronic copy of the Notice convening the 45th 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 CDSL. The process for voting through e-voting is annexed hereto. The remote e-voting period will commence on Monday, 26th August, 2019 at 9.00 a.m. and will end on Wednesday, 28th August, 2019 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. 22nd August, 2019, may cast their vote by remote e-voting. The remote e-voting module will be disabled by CDSL 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, Mr. Prasad R. Chavan, Partner of HS Associates, (Membership No. 49921, COP: 20415), at the Registered Office of the Company not later than by 28th August, 2019. 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. 22nd August, 2019 have the option to request for physical copy of the Ballot Form by sending an e-mail to [npshrivass@ggautomotive.com](mailto:npshrivass@ggautomotive.com) or [support@purvashare.com](mailto:support@purvashare.com) by mentioning their Folio / DP ID and Client ID No. Ballot Forms received after 5.00 p.m. on 28th August, 2019 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 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. Thursday, 22nd August, 2019.
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 Sharegistry (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 Sharegistry (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 Monday, 26th August, 2019 at 9.00 a.m. and will end on Wednesday, 28th August, 2019 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 Thursday 22nd August, 2019 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 DPID 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 field.</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 RA0000001 in the PAN field.</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 field 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 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.
- (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 190730010 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.
  - 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 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.
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
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 Ram Gajra
DIN	02092206
Experience	Mr. Kennedy Ram Gajra is 57 years of age and associated with the Company from last 35 years and during such association, he has served the Company. Considering his association with the Company and adequate experience in various fields, the Board recommends confirmation of the appointment.
Relationship with Directors	He is Managing Director of the Company an holding 16,67,514 Shares.
Expertise in specific functional area	Wide Managerial in the Field Manufacturing of Railway Gears.
Board Membership of Companies as on March 31, 2019	G. G. Automotive Gears Limited
Number of Shares held in the Company as on March 31, 2019	1667514

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

Date : 27th July, 2019  
Place : Dewas, Madhya Pradesh.

SD/-  
**KENNEDY RAM GAJRA**  
(CHAIRMAN CUM MANAGING DIRECTOR)  
DIN: 02092206



**ANNEXURE TO THE NOTICE**

**EXPLANATORY STATEMENT**

**(Pursuant to Section 102 of the Companies Act, 2013)**

**Item No. 3**

As required by Section 102 of the Companies Act, 2013 (“Act”) the following explanatory statement sets out all material facts relating to the business mentioned under item No. 3 of the accompanying Notice:

The Board of Directors at the Board Meeting held on August 31, 2018 appointed M/s. Mukesh & Associates, Chartered Accountants, FRN 106599W to fill the casual vacancy caused due to expiry of Validity of Peer Review Certificate of the Statutory Auditors M/s. S. C. Kabra & Co., Chartered Accountant.

As per the provisions of Companies Act, 2013 read with rules made thereunder a causal vacancy caused due to resignation of Statutory Auditor needs to be approved by the members in a general meeting within three months. Accordingly, the Company obtained the members approval through postal ballot meeting and passed the postal ballot special resolution dated 15th November, 2018 to hold to hold office till the conclusion of the ensuing Annual General Meeting.

Now Accordingly, the Board of Directors have recommended the appointment of M/s. Mukesh & Associates, Chartered Accountants Mumbai to the members of the company for their approval at the Annual General Meeting by way of passing an ordinary resolution to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the Fiftieth Annual General Meeting.

M/s. Mukesh & Associates, Chartered Accountants, Mumbai, have conveyed their consent to be appointed as the Statutory Auditors of the Company along with the confirmation that, their appointment, if approved by the shareholders, would be within the limits prescribed under the Act.

Your Directors recommend the resolution for approval of members.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in the proposed item no. 3 except to the extent of their shareholding.

**Item No. 4**

Mr. Kennedy Ram Gajra (DIN: 02092206) had been re-appointed as Managing Director of the Company on June 1, 2013 for a period of 5 years. The term of office of Mr. Kennedy Ram Gajra, Managing Director of the Company was due to expire on 30th June, 2018. The Board of Directors of the Company (the ‘Board’), at its meeting held on November 17, 2018 re-appointed him as Managing Director of the Company for a further period of 3 years from 1st July, 2018 to 30th June, 2021 subject to ratification of appointment by shareholders in the ensuing Annual General Meeting. Shareholders’ approval is also to be received for payment of remuneration as is recommended by the Nomination and Remuneration committee in its meeting held on 17th November, 2018. In addition Regulation 17 (6) of SEBI (Listing obligations Disclosures Requirements), 2015, states that the fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, where there is more than one such director, if the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity:.

The Companies (Amendment) Act, 2017 brought changes in the provisions of Section 197 and Schedule V of the Companies Act, 2013 relating to Appointment and Remuneration of Managerial Personnel by removing the requirement of Central Government approval for payment of remuneration in excess of 11% of net profits of the company and also increased the limits of yearly Managerial remuneration in case of no profit or inadequate profit.

The Companies Amendment Act, 2017 replaces the Central Government approval with the requirement of obtaining shareholders’ approval through a special resolution.

Approval of the shareholders is, therefore, being sought for the revision of remuneration of Mr. Kennedy Ram Gajra, Managing Director of the company as specified in the resolution and for payment of overall managerial remuneration in excess of 11% of net profits, including in the event of loss or inadequacy of profits in any financial year during the tenure of appointment of the company computed in accordance with Schedule V of the Companies Act, 2013 which shall be approved for the remaining tenure of the appointment.

Major terms of Remuneration of Mr. Kennedy Ram Gajra, Managing Director:

As per Terms & Conditions entered into an agreement with Mr. Kennedy Ram Gajra as a Managing Director. Mr. Kennedy Ram Gajra holding DIN 02092206 is 57 years of age and associated with the Company from last 35 years and during such association, he has served the Company. Considering his association with the Company and wide experience in the Field of Manufacturing of Railway Gears, the Board recommends confirmation.

The details and information to be provided as per schedule V of the Companies Act, 2013 with the notice of Annual General Meeting for providing remuneration in case of inadequate profits is done away with as per Notification dated 12th September, 2018. Hence the same is not provided herein as part of notice of Annual General Meeting.

The terms of remuneration as set out in the Resolution are in accordance with the applicable provisions of Companies Act, 2013, Rules made there under read with Schedule V to the Companies Act, 2013.

The Board of Directors are of the opinion that the revised remuneration of Mr. Kennedy Ram Gajra, Managing Director, is in the best interest of the Company and accordingly, recommend the resolution as set in Item No. 4 for approval of the members.

Other than Mr. Kennedy Ram Gajra holding 16,67,514 Equity Shares and Mr. Anmol Gajra being relative, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

#### **Item No. 5**

Mr. Pravin Kumar Shishodiya, is a Non-Executive Independent Director of the Company and Chairperson of the Stakeholder Relationship Committee and Nomination and Remuneration Committee of the Board of Directors of the Company. He joined the Board of Directors of the Company in January, 2010. Pursuant to the Act, Mr. Pravin Kumar Shishodiya, was appointed as a Non-Executive Independent Director to hold office for five consecutive years for a term upto 31st March, 2019, by the Members of the Company in the 40th AGM held on 28th August, 2014.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and the Listing Regulations, Mr. Pravin Kumar Shishodiya, being eligible for re-appointment as an Independent Director and offering herself for re-appointment, is proposed to be re-appointed as an Independent Director for another term of five consecutive years from 1st April, 2019 upto 31st March, 2024.

He is a Chartered Accountant from the Institute of Chartered Accountant of India and holds a graduation degree in Commerce. He has 30 years experience in finance.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Pravin Kumar Shishodiya as an Independent Director.

Accordingly, the Board recommends Special Resolution in relation to eligibility and re-appointment of Mr. Pravin Kumar Shishodiya as a Non-Executive Independent Director for another term of five consecutive years with effect from 1st April, 2019 to 31st March, 2024, for the approval by the shareholders of the Company.