



# **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

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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**

Name	Designation	DIN/PAN
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 Shrivias	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.

\*\*\*\*\*

**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**

SD/-

**KENNEDY RAM GAJRA**

(CHAIRMAN CUM MANAGING DIRECTOR)

DIN: 02092206

Date : 27th July, 2019

Place : Dewas, Madhya Pradesh.



**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.

Except Mr. Pravin Kumar Shishodiya, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the accompanying Notice of the AGM. Mr. Pravin Kumar Shishodiya is not related to any Director of the Company.

### Item No. 6

Mr. Shailendra Ajmera, is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in January, 2010. Pursuant to the Act, Mr. Shailendra Ajmera, 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. Shailendra Ajmera, 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 holds a Graduation Degree from Mumbai University. He has over 28 years of 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. Shailendra Ajmera as an Independent Director.

Accordingly, the Board recommends Special Resolution in relation to eligibility and re-appointment of Mr. Shailendra Ajmera 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.

Except Mr. Shailendra Ajmera, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the accompanying Notice of the AGM. Mr. Shailendra Ajmera a is not related to any Director of the Company.

### Item No. 7

G. G. Automotive Gears Limited was incorporated on 15th February, 1974 under the provisions of the Companies Act, 1956.

Upon enactment of the Companies Act, 2013, the Memorandum of Association of the Company were required to be re-aligned as per the provisions of the new Act.

Your directors' in its meeting held on 27th July, 2019 had approved (subject to the approval of members) the amendment in the Memorandum of Association of the Company with respect to the following:

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:

Clause III(C) – Other objects have been deleted and Renumbered from 1 to 33 (both inclusive);

The draft of the amended Memorandum of Association proposed for approval, are circulated along with this notice of the Annual General Meeting and also available for inspection by the shareholders of the Company during normal business hours at the Registered office of the Company and copies thereof shall also be made available for inspection at the Corporate Office of the Company and also at the place of the meeting on the meeting day.

In terms of Section 4 and 13 of the Companies Act, 2013, the consent of the Members by way of Special Resolution is required for proposed amendments in the Memorandum of Association of the Company.

Your Directors commend passing of this resolution by way of a special resolution.

None of the directors, KMPs, or their relatives are interested or concerned, financially or otherwise, in the resolution set out at item no. 7 of the notice except to the extent of their shareholding in the Company.

BY ORDER OF THE BOARD  
For **G. G. AUTOMOTIVE GEARS LIMITED**

Sd/-  
**KENNEDY RAM GAJRA**  
CHAIRMAN CUM MANAGING DIRECTOR  
DIN: 02092206

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

**DIRECTORS' REPORT**

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

Your Directors have great pleasure in presenting 45TH ANNUAL REPORT along with the Audited Balance Sheet and Profit and Loss Account, for the year ended 31st March, 2019.

**1. FINANCIAL RESULTS:**

Particulars	(Rs. in INR)	
	Year ended	
	31.03.2019	31.03.2018
Profit Before Interest and Depreciation	9,93,35,534	8,02,25,441
Less: Finance Cost	2,36,37,667	1,60,65,998
Less: Depreciation	2,87,62,800	2,78,22,077
<b>Profit before tax</b>	<b>4,69,35,067</b>	<b>3,63,37,366</b>
Less: Current Tax	90,00,000	56,44,696
Deferred Tax	19,79,642	43,80,321
<b>Profit After Tax</b>	<b>3,59,55,426</b>	<b>2,63,12,350</b>
Less: Foreign Exchange Fluctuation Gain - Unrealized	—	(88,58,551)
<b>Profit for the Year</b>	<b>3,59,55,426</b>	<b>1,74,53,799</b>

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

During the year your Company has reported a total turnover of Rs. 54,73,91,446/- (Rupees Fifty-Four Crores Seventy-Three Lakhs Ninety-One Thousand Four Hundred and Forty-Six Only). However, the total expenditure incurred by the Company during the year under review amounted to Rs. 50,72,64,939/- (Rupees Fifty Crores Seventy-Two Lakhs Sixty-Four Thousand Nine Hundred Thirty-Nine Only)

During the year, due to Better and favorable market conditions your Company has reported an increased amount of net profit after tax of Rs. 3,59,55,426/- (Rupees Three Crores Fifty-Nine Lakhs Fifty-Five Thousand Four Hundred and Twenty-Six only) as compared to net profit of Rs. 1,74,53,799/- (Rupees One Crores Seventy-Four Lakhs Fifty-Three Thousand Seven Hundred and Ninety-Nine Only) in previous year. Your Directors are taking continuous efforts to increase the profits, turnover through aggressive sales campaign and increasing production capacities with the quality.

**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 financial year ended 31st March 2019 with a view to conserve the resources use it for purchase of machines & expansion of divisions for better manufacturing facilities.

**5. CASH FLOW AND CONSOLIDATED FINANCIAL STATEMENTS:**

As required under Regulation 34 of the Listing Regulations, a Cash Flow Statement is part of the Annual Report. The Company does not have any subsidiaries as on 31st March, 2019 and hence not required to publish Consolidated Financial Statements.

**6. 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).

**7. NUMBER OF BOARD MEETINGS AND ITS COMMITTEES:**

During the year under review, 9 Board Meeting were held.

**8. COMMITTEES OF THE BORAD:**

The Company's Board has the following committees:

1. Audit, Risk and Compliance Committee
2. Nomination and Remuneration Committee
3. Shareholders/Investors Grievance Committee (Stakeholders' Relationship Committee)

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, 3 Nomination & Remuneration Committee and 4 Stakeholders Relationship Committee were held.

**9. 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.

**10. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Mr. Kennedy Ram Gajra Re-Appointment as a Managing Director for A Period of Three Years with Effect From 1st July, 2018 to 30th June, 2021 and payment of remuneration to Mr. Kennedy Ram Gajra as a Managing Director of the Company subject to approval of members in the ensuing General Meeting.

Mr. Pravin Kumar Shishodiya (DIN: 03011429) and Mr. Shailendra Ajmera (DIN: 02138042) re-appointed as a Non-Executive Independent Director of the Company for second term of 5 (Five) consecutive years for the period starting from 1st April, 2019 to 31st March, 2024, subject to approval of members in the ensuing General Meeting.

The Independent Directors of your Company are not liable to retire by rotation. Shri Kennedy Gajra, Managing Director & CEO, Mr. Anmol Gajra, Wholetime Director, Shri. Narayan Shrivastava, CFO and Ms. Shreya Thombre appointed as a Company Secretary of the Company w.e.f. 22nd June, 2018 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).

During the year there is no change in the Composition of Key managerial Personnel of the Company except Appointment of Ms. Shreya Thombre as a Company Secretary w.e.f. 22nd June, 2018:

**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 Managing Director & CEO of your Company does not receive remuneration from any of the subsidiaries of your Company.

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.

### 11. LISTING OF SHARES:

The Equity Shares of the Company are listed on the BSE Limited, Mumbai. However, the trading of Shares has been suspended by BSE.

Your Company received Listing Approval for 10,77,267 (Ten Lakhs Seventy-Seven Thousand Two Hundred Sixty-Seven) Bonus Equity Shares kept in abeyance dated 23rd May, 2018 and subsequently Trading Approval dated 26th September, 2018 from Bombay Stock Exchange for trading said 10,77,267 (Ten Lakhs Seventy-Seven Thousand Two Hundred Sixty-Seven) Bonus Equity Shares kept in abeyance. The said shares also listed at Bombay Stock Exchange w.e.f. 27th September, 2018.

Further your company has already in progress to obtaining in-principle approval from Bombay Stock Exchange for Revocation of Company.

### 12. EXTRACT OF ANNUAL RETURN:

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in **Annexure II** and is attached to this Report.

### 13. DIRECTORS RESPONSIBILITY STATEMENT:

The Board of Directors hereby confirms.

- i) That in the preparation of the annual accounts, the applicable accounting standard had been followed along with proper explanation relating to material departures.
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the Profit or Loss of the Company for that period.
- iii) That the Directors have taken proper and sufficient care for the maintenances of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) That the Directors have prepared the Annual accounts on a going concern basis.
- v) That the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi) That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating.

**14. DECLARATION OF INDEPENDENT DIRECTORS:**

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(7) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

**15. POLICY ON DIRECTORS APPOINTMENT, REMUNERATION & BOARDS PERFORMANCE:**

During the year, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Chairman, who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

The said policy is available on the website of the Company under the following link <https://www.ggautomotive.com/wp-content/uploads/2019/06/Nomination-Remuneratio-n-Policy.pdf>.

**16. COMMENTS ON AUDITOR'S REPORT:**

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. Mukesh & Associates, Statutory Auditors, in their report. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

**17. STATUTOY AUDITORS:**

**M/s. S. C. Kabra & Co.**, Chartered Accountants having firm registration No. 000337C, vacated as a Statutory Auditor due to expired Validity of Peer Review Certificate w.e.f. 14th August, 2018. **M/s. Mukesh & Associates**, Chartered Accountants (FRN: 106599W) appointed as Statutory Auditors of the Company in the Board Meeting held on 31st August, 2018 and subsequently take members approval by passing of Postal Ballot Resolution dated 15th November, 2018 to hold office till the conclusion of the ensuing annual general meeting.

**“RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and other Rules framed thereunder, and pursuant to the recommendation of the Audit Committee of the Board of Directors, M/s. Mukesh & Associates., Chartered Accountants having firm registration no 106599W, Mumbai be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting (AGM) to the conclusion of Fiftieth AGM of the Company (Subject to ratification of the appointment by the members at every AGM held after this AGM), on remuneration of Rs. 2,50,000/- (Two Lakhs Fifty Thousand Only) as mutually decided by the Board of Directors.”

The resolution for their appointment is put forward for your approval in the ensuing Annual General Meeting.



### 18. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There are no Loans, Guarantees or Investment made by the Company under Section 186 of the Companies Act, 2013.

### 19. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

The particulars of contracts or arrangements with related parties referred to in Section 188(1), as prescribed in Form AOC – 2 of the rules prescribed under Chapter IX relating to Accounts of Companies under the Companies Act, 2013, is appended as- **Annexure IV**

All Related Party Transactions are presented to the Audit Committee and the Board. A statement of all related party transactions is presented before the Audit Committee specifying the nature, value and terms and conditions of the transactions.

### 20. CONSERVATION OF ENERGY, TECHNOLOGY & FOREIGN EXCHANGE:

Information on conservation of energy, technology absorption, foreign exchange earnings and out go, is required to be given pursuant to provision of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 is annexed hereto marked Annexure III and forms part of this report.

### 21. WHISTLE BLOWER POLICY/VIGIL MECHANISM:

The Company has established a vigil mechanism for Directors and employees to report their genuine concerns, details of which have been available on the Company's website: <https://www.ggautomotive.com/whistleblower-policy>.

### 22. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

The Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, is annexed to this report under annexure no. VI.

### 23. SUBSIDIARIES/ JOINT VENTURES & ASSOCIATE COMPANYS:

The Company operates as a single entity with no subsidiaries or Joint Venture or Associate Companies as explained within the meaning of the Companies Act, 2013. Since the Company has no Joint Venture or Associate Companies the company is not required to give information in AOC-1 as required under Companies Act, 2013.

### 24. SECRETARIAL AUDITOR & REPORT:

The Board of Directors of the Company has appointed M/s. HS Associates, Practicing Company Secretary; to conduct the Secretarial Audit and their Report on Company's Secretarial Audit is appended to this Report as Annexure I.

#### **Auditors Observation:**

1. 100% Promoter Shareholding is not in demat from as per Regulation 31, of LODR.

#### **Directors Comment:**

1. The Company has in progress to demat Promoter Shareholding to be complied with laws.

**25. INTERNAL AUDITORS:**

As per section 138 of the Companies Act, 2013, the Company has appointed M/s. S.N. Gadiya & Co., internal auditors for the year to 2019-2020 to conduct the internal audit and to ensure adequacy of the Internal controls, adherence to Company's policies and ensure statutory and other compliance through, periodical checks and internal audit.

**26. PARTICULARS OF EMPLOYEES:**

There are no employees in the Company, who if employed throughout the financial year, were in receipt of remuneration, whose particulars if so employed, are required to be included in the report of the Directors in accordance with the provisions of Rule 5 (2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**27. DISCLOSURE UNDER SEXUAL HARASSMENT ACT:**

Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 do not mandate the Company to Sexual Harassment Redressal Mechanism within the Company, as there are no female employees in the Company.

**28. ACKNOWLEDGEMENTS:**

Your Directors wish to place on record their appreciation of the support which the Company has received from its promoters, lenders, business associates including distributors, vendors and customers, the press and the employees of the Company.

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

SD/-

**KENNEDY RAM GAJRA**  
(CHAIRMAN CUM MANAGING DIRECTOR)

DIN: 02092206

Date: 27th July, 2019

Place: Dewas, Madhya Pradesh.

**ANNEXURE I**

**Secretarial Audit Report  
Form No. MR-3**

**For the financial year ended on 31st March, 2019.**

**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014].**

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **G. G. AUTOMOTIVE GEARS LIMITED** (hereinafter called "The Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our limited verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period ended on 31st March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers and minute books, Forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2019, to the extent applicable provisions of:

- I. The Companies Act, 2013 ("The Act") and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") to the extent applicable to the Company: -
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
  - e. The Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited.
- V. The Management has identified and confirmed the applicable Acts, Laws and Regulations specifically applicable to the Company as mentioned bellows:
  - i) The Environment Protection Act, 1986; and
  - ii) Air (Prevention and Control of Pollution) Act 1981 and Rules issued by State Pollution Control Board; and
  - iii) Water (Prevention and Control of Pollution) Act 1974 and Rules issued by State Pollution Control Board; and
  - iv) Hazardous Wastes (Management and Handling) Rules, 1989

We have also examined compliances with the applicable clauses of the following:

- i) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India.
- ii) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

During the year under review, the Company in general has complied with the provisions of the Act, Rules, Regulations, Guidelines, and Standards otherwise as mentioned elsewhere in this report. etc. as mentioned above subject to the following observations:

- 100% Promoter Shareholding is not in demat from as per Regulation 31, of LODR.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There are no changes in the composition of the Board of Directors were took place during the year under review.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has:

1. Board Approved appointment of Ms. Shreya Thombre as a Company Secretary w.e.f. 22nd June, 2018.
2. Board Approved Re-Appointment of Mr. Kennedy Ram Gajra (DIN: 02092206) as a Managing Director of the Company for three years w.e.f. 1st July, 2018 subject to approval in the ensuing general meeting.
3. Board Approved appointment of M/s. Mukesh & Associates, Statutory Auditors of the Company on 31st August, 2018 due to casual vacancy of M/s. S. C. Kabra & Co. on 14th August, 2018.
4. Obtained members approval through postal ballot resolution passed on 15th November, 2018 for appointment M/s. Mukesh & Associates, Statutory Auditors of the Company due to casual vacancy of M/s. S. C. Kabra & Co.
5. Board Approved Re-appointment of M/s. Mr. Pravin Kumar Shishodiya as a Non-Executive Independent Director of the Company for second term of five years from 1st April, 2019 upto 31st March, 2024 subject to approval in the ensuing general meeting.
6. Board Approved Re-appointment of M/s. Mr. Shailendra Ajmera as a Non-Executive Independent Director of the Company for second term of five years from 1st April, 2019 upto 31st March, 2024 subject to approval in the ensuing general meeting.
7. The Company shares are suspended for trading on Bombay Stock Exchange.

For **HS Associates**  
Company Secretaries

Date : 27th July, 2019  
Place : Mumbai

Sd/-  
**Prasad R. Chavan**  
Partner  
ACS No.: 49921  
CP No.: 20415

**ANNEXURE II**  
**FORM NO. MGT - 9**

**EXTRACT OF ANNUAL RETURN**

**As on the financial year ended 31.03.2019**

**[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]**

<b>I. REGISTRATION AND OTHER DETAILS:</b>	
i) CIN	L29130MP1974PLC035049
ii) Registration Date	15/02/1974
iii) Name of the Company	G. G. AUTOMOTIVE GEARS LIMITED
iv) Category / Sub-Category of the Company	Limited by Shares/ Indian Non-Government Company.
v) Whether listed Company (Yes/No)	YES
vi) Address of the Registered Office and contact details	2-A, I.S. Gajra Industrial Area-1, A.B. Road, Dewas, MP - 455001 Tel: 91 (7272) 405310 E-mail: ggautomotive@yahoo.com
vii) Name, Address and Contact details of Registrar and Transfer	<b>Purva Sharegistry (India) Pvt. Ltd</b> 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Lower Parel (East), Mumbai – 400 013 Tel: 91-22-2301 6761 / 8261 Fax: 91-22-2301 2517 Email: support@purvashare.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacturing of Railway Gears & Pinions, Industrial Gear, Industrial Gear Boxes	2814	100 %

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
<b>Not Applicable to the Company as there are no Subsidiaries, Associates &amp; Holding Companies</b>					

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

## i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-4-2018]				No. of Shares held at the end of the year [As on 31-3-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>1) Indian</b>									
a) Individual/ HUF	0	0	0	0	0	0	0	0	—
b) Central Govt	0	0	0	0	0	0	0	0	—
c) State Govt(s)	0	0	0	0	0	0	0	0	—
d) Bodies Corp.	0	0	0	0	0	0	0	0	—
e) Banks / FI	0	0	0	0	0	0	0	0	—
f) Any other	0	0	0	0	0	0	0	0	—
f(i) Directors	768205	900333	1668538	21.08	768205	900333	1668538	21.08	No Change
F(ii) Directors Relative	165665	238732	404397	5.10	165665	238732	404397	5.10	No Change
<b>Sub-total (A) (1)</b>	<b>933870</b>	<b>1139065</b>	<b>2072935</b>	<b>26.18</b>	<b>933870</b>	<b>1139065</b>	<b>2072935</b>	<b>26.18</b>	—
<b>(2) Foreign</b>									
a) NRIs – Individuals	0	8333	8333	0.11	0	8333	8333	0.11	No Change
b) Other – Individuals	0	0	0	0	0	0	0	0	—
c) Bodies Corp.	0	0	0	0	0	0	0	0	—
d) Banks / FI	0	0	0	0	0	0	0	0	—
e) Any Other	0	0	0	0	0	0	0	0	—
<b>Sub-total (A) (2)</b>	<b>0</b>	<b>8333</b>	<b>8333</b>	<b>0.11</b>	<b>0</b>	<b>8333</b>	<b>8333</b>	<b>0.11</b>	<b>No Change</b>
<b>Total Shareholding of promoter (A) = (A) (1) + (A) (2)</b>	<b>933870</b>	<b>1147398</b>	<b>2081268</b>	<b>26.29</b>	<b>933870</b>	<b>1147398</b>	<b>2081268</b>	<b>26.29</b>	<b>No Change</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	—
b) Banks / FI	0	0	0	0	0	0	0	0	—
c) Central Govt.	0	0	0	0	0	0	0	0	—
d) State Govt. (s)	0	0	0	0	0	0	0	0	—
e) Venture Capital Funds	0	0	0	0	0	0	0	0	—
f) Insurance Companies	0	0	0	0	0	0	0	0	—
g) FIIs	0	0	0	0	0	0	0	0	—
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	—
i) Others (specify)	0	0	0	0	0	0	0	0	—
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>—</b>

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Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-4-2018]				No. of Shares held at the end of the year [As on 31-3-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	612365	9799	622164	7.86	525742	9799	535541	6.77	-1.09
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	3483231	137276	3620507	45.74	3325406	134976	3460382	43.71	-2.02
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	1134480	194066	1328546	16.78	1392976	194066	1587042	20.05	3.27
c) Others (specify)									
NRI (Repat& Non Repat)	35576	14331	49907	0.63	37742	14331	52073	0.66	0.03
Hindu Undivided Family	165486	0	165486	2.09	16	0	163013	2.06	-0.03
Clearing Members	20725	0	20725	0.26	19084	0	19084	0.24	0.02
Other Body Corporates	25035	0	25035	0.32	25235	0	25235	0.32	No Change
Employee	2529	0	2529	0.03	2529	0	2529	0.03	No Change
<b>Sub-total (B)(2):-</b>	<b>5476898</b>	<b>358001</b>	<b>5834899</b>	<b>73.71</b>	<b>5489198</b>	<b>355701</b>	<b>5844899</b>	<b>73.83</b>	<b>0.13</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>5476898</b>	<b>358001</b>	<b>5834899</b>	<b>73.71</b>	<b>5489198</b>	<b>355701</b>	<b>5844899</b>	<b>73.83</b>	<b>0.13</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>—</b>
<b>Grand Total (A+B+C)</b>	<b>6410768</b>	<b>1505399</b>	<b>7916167</b>	<b>100</b>	<b>6413068</b>	<b>1503099</b>	<b>7916167</b>	<b>100</b>	<b>No Change</b>

**(ii) Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01-04-2018			Shareholding at the end of the year 31-03-2019			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Kennedy Ram Gajra	1667514	21.07	—	1667514	21.07	—	No Change
2	Anita Ravichandran	156500	1.98	—	156500	1.98	—	No Change
3	Versa J Gajra	141000	1.78	—	141000	1.78	—	No Change
4	Savitri J. Gajra	93900	1.19	—	93900	1.19	—	No Change
5	Suresh Gajra	8333	0.11	—	8333	0.11	—	No Change
6	Indira R. Gajra	7666	0.10	—	7666	0.10	—	No Change
7	Bela Bajaj	1666	0.021	—	1666	0.021	—	No Change
8	Swaranjeet Singh Nagpaul	2499	0.031	—	2499	0.031	—	No Change
9	J. S. Gajra	1000	0.013	—	1000	0.013	—	No Change
10	Ram S. Gajra	1024	0.012	—	1024	0.012	—	No Change
11	Prem S. Gajra	166	0.002	—	166	0.002	—	No Change
	<b>TOTAL</b>	<b>2081268</b>	<b>26.29</b>	<b>—</b>	<b>2081268</b>	<b>26.29</b>	<b>—</b>	<b>—</b>

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

There is no change in the Promoter shareholding during the year.

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year – 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No of shares held	% of total shares of the company
1	<b>NARAYAN SHRIVAS</b>	453893	5.73	-	-	453893	5.73
	Market Sell			01/06/2018	-5220	4486736	5.67
	Market Sell			06/07/2018	-10	4486663	5.67
	Market Sell			13/07/2018	-10	4486653	5.67
	At the end of the year	-	-	-	-	4486653	5.67
2	<b>PATTON INTERNATIONAL LIMITED</b>	350000	4.42	-	-	350000	4.42
	At the end of the year	-	-	-	-	350000	4.42
3	<b>VIPUL RASIKLAL SHAH</b>	78201	0.99	-	-	78201	0.99
	Market Sell			28/02/2019	-20000	58201	0.74
	Market Sell			08/03/2019	-20000	38201	0.48
	At the end of the year	-	-	-	-	38201	0.48



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4	<b>VARSHA RAJNI SANGHVI</b>	54661	00.69	-	-	54661	00.69
	Buy			06/04/2018	+550	55211	00.70
	Sell			13/04/2018	-2000	53211	00.67
	Buy			20/04/2018	+4500	57711	00.73
	Buy			27/04/2018	+7000	64711	00.82
	Buy			01/06/2018	+5000	69711	00.88
	Buy			03/08/2018	+5000	74711	00.94
	Buy			10/08/2018	+500	75211	00.95
	Buy			23/11/2018	+5000	80211	01.01
	Buy			30/11/2018	+1000	81211	01.03
	Buy			28/12/2018	+400	81611	01.03
	Buy			15/03/2019	+22413	104024	1.31
	At the end of the year	-	-	-	-	104024	1.31
5	<b>3A FINANCIAL SERVICES LIMITED</b>	54132	00.68	-	-	54132	00.68
	Buy			06/04/2018	+1800	55932	00.71
	Buy			13/04/2018	+4306	60238	00.76
	Buy			20/04/2018	+7300	67538	00.85
	Buy			27/04/2018	+4266	71804	00.91
	Buy			04/05/2018	+2166	73970	00.93
	Buy			18/05/2018	+2499	76469	00.97
	Buy			25/05/2018	+2666	79135	01.00
	Buy			08/06/2018	+1132	80267	01.01
	Sell			15/06/2018	-2000	78267	00.99
	Buy			22/06/2018	+1000	79267	01.00
	Buy			06/07/2018	+1300	80567	01.02
	Buy			13/07/2018	+996	81563	01.03
	Buy			17/07/2018	+500	82063	01.04
	Buy			10/08/2018	+1666	83729	01.06
	Buy			17/08/2018	+700	84429	01.07
	Buy			31/08/2018	+166	84595	01.07
	Sell			07/09/2018	-100	84495	01.07
	Buy			12/10/2018	+1500	85995	01.09
	Buy			26/10/2018	+300	86295	01.09
	Buy			02/11/2018	+300	86595	01.09
	Buy			09/11/2018	+1250	87845	01.11
	Buy			16/11/2018	+1250	89095	01.13
	Buy			23/11/2018	+2200	91295	01.15
	Buy			30/11/2018	+366	91661	01.16
	Buy			07/12/2018	+155	91816	01.16
	Buy			14/12/2018	+200	92016	01.16
	Buy			11/01/2019	+166	92182	01.16
	Sell			25/01/2019	-91482	700	00.01

**G.G AUTOMOTIVE GEARS LIMITED**

	Buy			01/02/2019	+35946	36646	00.46
	Buy			08/02/2019	+13923	50569	00.64
	Buy			15/02/2019	+5725	56294	00.71
	Buy			22/02/2019	+2500	58794	00.74
	Buy			28/02/2019	+150	58944	00.74
	Sell			01/03/2019	-58794	150	00.00
	Buy			08/03/2019	+500	650	00.01
	Buy			15/03/2019	+500	1150	00.01
	Buy			22/03/2019	+100	1250	00.02
	Buy			29/03/2019	+496	1746	00.02
	At the end of the year	-	-	-	-	1746	00.02
6	<b>BHAVESH DHIRAJLAL TANNA</b>	33994	00.43	-	-	33994	00.43
	Sell			13/04/2018	-8400	25594	00.32
	Sell			20/04/2018	-10000	15594	00.20
	Buy			27/04/2018	+3995	19589	00.25
	Buy			04/05/2018	+2000	21589	00.27
	Sell			18/05/2018	-14000	7589	00.10
	Buy			25/05/2018	+24000	31589	00.40
	Sell			31/05/2018	-20000	11589	00.15
	Buy			29/06/2018	+2600	14189	00.18
	Buy			06/07/2018	+1000	15189	00.19
	Sell			13/07/2018	-5000	10189	00.13
	Sell			27/07/2018	-2500	7689	00.10
	Buy			24/08/2018	+11500	19189	00.24
	Sell			31/08/2018	-7200	11989	00.15
	Sell			07/09/2018	-7200	4989	00.06
	Sell			14/09/2018	-3500	1489	00.02
	Buy			26/10/2018	+2246	3735	00.05
	Sell			09/11/2018	-900	2835	00.04
	Sell			23/11/2018	-2500	335	00.00
	Buy			11/01/2019	+2684	3019	00.04
	Sell			18/01/2019	-2978	41	00.00
	Buy			25/01/2019	+4668	4709	00.06
	Buy			31/01/2019	+10000	14709	00.19
	Sell			28/02/2019	-14000	709	00.01
	At the end of the year	-	-	-	-	709	00.55
7.	<b>RAJNI KANTILAL SANGHVI</b>	32323	00.41	-	-	32323	00.41
	Buy			06/04/2018	+2365	34688	00.44
	Buy			13/04/2018	+1100	35788	00.45
	Buy			20/04/2018	+8500	44288	00.56
	Buy			04/05/2018	+875	45163	00.57
	Sell			25/05/2018	-1250	43913	00.55

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	Buy			01/06/2018	+5000	48913	00.62
	Sell			08/06/2018	-2567	46346	00.59
	Buy			10/08/2018	+534	46880	00.59
	Sell			17/08/2018	-2500	44380	00.56
	Buy			31/08/2018	+750	45130	00.57
	Buy			23/11/2018	+5000	50130	00.63
	Buy			28/12/2018	+400	50530	00.64
	Buy			08/02/2018	+1000	51530	00.65
	Sell			15/03/2018	-22413	29117	00.37
	At the end of the year	-	-			29117	00.37
8	<b>TILAKRAJ NATHALAL SOLANKI</b>	30000	00.38	-	-	30000	00.38
	Sell			31/01/2019	-10000	20000	00.25
	At the end of the year	-	-	-	-	20000	00.25
9	<b>VASUDHA J RATHI</b>	30000	00.38	-	-	30000	00.38
	At the end of the year	-	-	-	-	30000	00.38
10	<b>RATNA GOSWAMI</b>	30000	00.38	-	-	30000	00.38
	At the end of the year	-	-	-	-	30000	00.38

### (v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Kennedy Gajra (MD & CEO)	1667514	21.064	1667514	21.064
2.	Anmol Kennedy Gajra (WTD)	Nil	Nil	5000	0.06
3.	Shailendra Ajmera (Independent director)	166	0.002	166	0.002
4.	Pravin Kumar Shishodiya (Independent Director)	1332	0.02	1332	0.02
5.	Ruchi Sogani (Independent Director)	Nil	Nil	Nil	Nil
6.	Narayan Shrivastava (CFO)	453893	5.73	448653	5.67
7.	Shreya Thombre (CS)	Nil	Nil	Nil	Nil

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	19,79,36,511	4,94,88,941	—	24,74,25,452
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
<b>Total (i+ii+iii)</b>	<b>19,79,36,511</b>	<b>4,94,88,941</b>	<b>—</b>	<b>24,74,25,452</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	—	2,21,90,000	—	2,21,90,000
Reduction	1,54,26,646	—	—	1,54,26,646
Net Change	1,54,26,646	2,21,90,000	—	67,63,354
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	18,25,09,865	7,16,78,941	—	25,41,88,806
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
<b>Total (i+ii+iii)</b>	<b>18,25,09,865</b>	<b>7,16,78,941</b>	<b>—</b>	<b>25,41,88,806</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager Rs. in INR		
		Kennedy Ram Gajra (Managing Director)	Anmol Kennedy Gajra (Whole-Time Director)	Total
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act	30,00,000	18,00,000	48,00,000
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission	Nil	Nil	Nil
	- As % of Profit			
	- Others, specify			
5.	Others,	Nil	Nil	
	1. Sitting Fees	—	—	—
	2. Gross Provision to PF	3,60,000	2,16,000	5,76,000
	<b>Total (A)</b>	<b>30,00,000</b>	<b>18,00,000</b>	<b>48,00,000</b>
	Ceiling as per the Act	84,00,000	84,00,000	84,00,000

**B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of Director		
		SHAIENDRA AJMERA (Non-Executive Independent Director)	RUCHI SOGANI (Non-Executive Independent Director)	PRAVIN KUMAR SHISHODIYA (Non-Executive Independent Director)
	Independent Directors			
	• Fee for attending board committee meetings	50000	50000	50000
	• Commission	Nil	Nil	Nil
	• Others, please specify	-	-	-
	<b>Total (1)</b>	<b>50000</b>	<b>50000</b>	<b>50000</b>
	Other Non-Executive Directors	-	-	-
	• Fee for attending board committee meetings	-	-	-
	• Commission	-	-	-
	• Others, please specify	-	-	-
	<b>Total (2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	<b>Total (B) = (1+2)</b>	<b>50000</b>	<b>50000</b>	<b>50000</b>
	Total Managerial Remuneration	Nil	Nil	Nil
	Overall Ceiling as per the Act			

**C. Remuneration To Key Managerial Personnel other than MD/Manager/WTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Narayan Shrivastava (CFO)	Shreya Thombre (CS)	Total
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,20,000	2,31,600	9,51,600
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission	NIL	NIL	NIL
	- as % of profit			
	- others, specify...	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL
	<b>Total</b>	<b>7,20,000</b>	<b>2,31,600</b>	<b>9,51,600</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Detail
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

BY ORDER OF THE BOARD  
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 III

Report on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo and forming part of Board's Report for the year ended 31st March, 2019.

## (A) Conservation of Energy:

- (i) **Steps taken or impact on conservation of energy:** The company is taking adequate steps progressively on conservation of energy.
- (ii) **Steps taken by the Company for utilizing alternate sources of energy:** The company is not making use of alternate sources of energy.
- (iii) **capital investment on energy conservation equipment's:** During the Financial year 2018-2019 the company has not spent amount on capital investment on energy conservation equipment.

## (B) Technology absorption: -

1. <b>The efforts made towards technology absorption</b>	During the year the company has not made any technological changes.
2. <b>The benefits derived like product improvement, cost reduction, product development or import substitution</b>	The installed equipment's has resulted in enhanced production capacity and better quality product at lower power consumption
3. <b>In case of imported technology (imported during the last three years reckoned from the beginning of the financial year:</b>  a) <b>the details of technology imported</b>  b) <b>the year of import</b>  c) <b>whether the technology been fully absorbed</b>  d) <b>If not fully absorbed, areas where absorption has not taken place, and the reasons thereof</b>	The company has not imported technology during the last three financial years.

## C. Foreign Exchange Earnings and Outgo: (Rs. In Lacs)

	2018-2019	2017-2018
Foreign Exchange earned	80.49	36.00
Foreign Exchange used	482.67	364.00
Net Foreign Exchange earnings	-402.18	-328.00

**Annexure - IV****FORM NO. AOC - 2**

**[Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies(Accounts) Rules, 2014]**

Form for disclosure of particulars of contracts / arrangements entered into by the Company with the related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

Sr. No	Name of the Related Party & Nature of Relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
Not Applicable								

**2. Details of contracts or arrangements or transactions at arm's length basis:**

Name of the Related Party & Nature of Relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Amount paid as advances, if any
Mrs. B. K. Gajra	RENT GIVEN TO WIFE OF KENNEDY GAJRA (Managing Director)	Annually	AS PER THE TERMS OF THE AGREEMENT	12,00,000/- p.a.
Mrs. Indira Ram Gajra	RENT GIVEN TO MOTHER OF KENNEDY GAJRA (Managing Director)	Annually	As per the terms and conditions of appointment of Managing Director	12,00,000/- p.a.

Kennedy Ram Gajra  
Chairman cum Managing Director  
DIN: 02092206

Anmol Gajra  
Whole Time Director  
DIN: 02138042

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



ANNEXURE V

Sr. No.	Disclosure Requirement	Disclosure Details		
1.	Ratio of the remuneration of each director to the median remuneration of the employees for the financial year	Mr. K. R. GAJRA Ratio: 17.70 times  Mr. Anmol Gajra Ratio: 10.62 Times  Mr. Shailendra Ajmera Ratio: NIL times  Mr. Pravin Kumar Shisodiya Ratio: NIL times  Mrs. Ruchi Sogani Ratio: Nil Times		
2.	Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Director/KMP	Designation	% increase/ (decrease) in Remuneration
		Mr. KENNEDY RAM GAJRA	Chairman & Managing Director	No Change
		Mr. ANMOL GAJRA	Whole Time Director	No Change
3.	Percentage increase in the median remuneration of employees in the financial year	10%		
4.	Number of permanent employees on the rolls of Company at the end of the year	120.		
5.	Explanation on the relationship between average increase in remuneration and Company performance	The remuneration expense of the Company has not changed during the financial year 2018-19.		
6.	Comparison of the remuneration of the Key Managerial Personnel (KMP) against the performance of the Company	During the year, there is no change in the Remuneration of KMP (CFO).		

7.	Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer	<b>Particulars</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>	<b>Variation (%)</b>
		Market Capitalisation	N.A.	N.A.	N.A.
		Price earnings ratio (based on consolidated EPS)	N.A.	N.A.	N.A.
		As on March 31, 2019, the trading of shares of the Company has been suspended by BSE Limited considering this the price cannot be ascertained.  The Company share are not traded due to suspension the information regarding price earning and market capitalization cannot be asserted.			
8.	Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The aggregate remuneration of employees other than managerial Personnel have increased by 10% and there is no change in KMPs remuneration.			
9.	Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company	Directors/KMP	Designation	Remuneration	FY 2018-19
				% of PBT (standalone)	% of PBT (Consolidated)
		Narayan Shrivasa	CFO	1.53	1.53
		Kennedy Ram Gajra	MD	6.39	6.39
		Anmol Gajra	Wholetime Director	3.83	3.83
		Shailendra Ajmera	Independent Director	NIL	NIL
		Pravin Kumar Shishodiya	Independent Director	NIL	NIL
		Ruchi Sogani	Independent Director	NIL	NIL
	Shreya Thombre	Company Secretary	0.49	0.49	
10.	Key parameters for any variable component of remuneration availed by the directors	The key parameters for variable component of remuneration availed by directors are: <input type="checkbox"/> Group Performance; <input type="checkbox"/> Business Performance; and <input type="checkbox"/> Individual Performance			
11.	Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	Not applicable.			
12.	Affirmation that the remuneration is as per the remuneration policy of the Company	Remuneration paid to the employees including KMPs is as per the Remuneration Policy of the Company			

**ANNEXURE VI  
MANAGEMENT DISCUSSION AND ANALYSIS**

**Industry Structure and Development:**

Your Company is in the business of design, manufacture, supply and servicing of Gears and Pinions & Gear boxes. The market this year has been largely static. The market for Gear is trending towards higher sizes due to larger capacities being planned by the various users. Accompanying these trends is the scale-up in capital equipment sizes. Newer technologies, energy efficiency and space reduction are emerging as key drivers in the Gear industry. India, in recent years, is witnessing a growth in the planetary Gear segment signaling a maturing of the market.

The Company is in automotive gears and allied products industry; it has registered a steady growth over a period of years. The trend has been upward and gives an indication of bright future. In line with market developments, the company is also expanding its market by adding more products in its product range.

**Review of Operations:**

During the year, the Company reported a revenue of 55.42 Crores, 30.34% higher than the previous year, also grew its orders booked during the year and continues to put efforts to enhance presence in the market. The approach involves enhancing its reach by strengthening its Sales and Service teams, building references in high potential segments.

Operations of the company have been satisfactory despite of sluggish and weaken market conditions prevailing in the types of industry in which the company belongs and more particularly described in Directors' Report.

The Profit before Tax for the year was at 447.72 Lakhs, against 363.37 Lakhs in the previous year with a growth of 29.16%. Company's focus on enhancing service levels, growing in profitable segments, improving operating efficiencies and specific cost reduction initiatives has resulted in higher profitability than previous year.

**Future Plans and Outlook:**

The Company remains confident that the future is positive given the confidence of its customers on the Company's products, service and its ability to provide lasting value. Expectations of a more conducive economic environment especially with the initiatives of the government to revive manufacturing growth in India augur well for the Company.

Automotive market is on up swing and registering a steady growth. The outlook appears bright.

**Segment wise Performance:**

The company is engaged in manufacturing of automotive parts as well as trading thereof with allied activities. The performance is reflected in the Balance Sheet and Profit and Loss Account.

**Risk Factors:**

The product is influenced by the major changes in Govt. policy.

**Human Resources/industrial Relations:**

The Company continued to invest in human resources, its key strength, with a view to building a pool of talented people to lead the Company into the future. Skill development and employee engagement initiatives continued to receive high attention.

The Company is in process to get ISO Certification 14001: 2004 Environment Management System.

Your company considers its human resources as its most valuable assets, among all other assets of the company. it has been the policy of the company to promote the talent by providing opportunities to develop themselves within the organization. The company continued to have very cordial and harmonious relations with its employees.

**Internal Control System and Adequacy:**

The Company has an Internal Audit system commensurate with its size and operations. The internal audit is carried out by external experts covering key aspects of the business. The internal team periodically evaluates the adequacy and effectiveness of internal controls.

The Audit committee reviews the plan for Internal Audit, significant internal audit observations and its satisfactory closure and functioning of the internal audit department on a periodical basis.

**Ratio Analysis:**

Particulars	2018-19	2017-18	Change
Debtors Turnover Ratio	3.75	2.98	25.84
Inventory Turnover Ratio	1.01	1.52	-33.55
Interest coverage Ratio	3.74	3.82	-2.09
Current Ratio	1.15	1.09	5.50
Debt Equity Ratio	0.18	0.21	-14.29
Operating Profit Margin Ratio (%)	7.33	8.17	-10.28
Net Profit Margin Ratio (%)	6.57%	4.12%	59.47
Return on Net worth (%)	17.37%	10.20%	70.29

Debtors Turnover Ratio: Change is due to increase turnover in last quarter and lower budget available with Indian railways.

Inventory Turnover Ratio: Change is by way of better inventory management.

Interest Coverage Ratio: Slide change is due to higher interest cost.

Current Ratio: The change is because of better performance.

Debt Equity Ratio: Change is due to repayment

Return On Net Worth: The Company has been able to generate better return by registering almost 30 % growth

By Order of the Board  
For **G. G. AUTOMOTIVE GEARS LIMITED**

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

DATE: 27th July, 2019  
PLACE: DEWAS, MADHYA PRADESH

## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of G. G. Automotive Gears limited**

**Report on the Standalone Financial Statements**

### **Opinion**

We have audited the standalone financial statements of G. G. Automotive Gears limited (“the Company”), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the state of affairs of the company as at 31st March, 2019, and its loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind. AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matter
<b>Revenue Recognition under Ind AS 115, “Revenue from contracts with customers”</b>	
<p>Ind AS 115 has become applicable on the Company with effect from April 1, 2018 which prescribes detailed guidance for various elements of revenue recognition and requires detailed contract assessment as per the accounting principles prescribed under the newly applicable accounting standard.</p> <p>The application of new revenue accounting standard involves certain key judgements and interpretations relating to identification of separate performance obligations, principal versus agent considerations, recognition of revenue over the period and recognition of contract acquisition costs.</p> <p>Accordingly, the matter has been identified as KAM.</p>	<p>The procedures performed includes following:</p> <ul style="list-style-type: none"> <li>• Assessed the Company’s process to identify the impact of adoption of new revenue accounting standard;</li> <li>• Selected a sample of contracts and evaluated them along with supporting evidence to determine whether various elements of revenue recognition are assessed in accordance with the principles prescribed under Ind AS 115;</li> <li>• Read and assessed the disclosure made in the financial statements for assessing compliance with disclosure requirements.</li> </ul>

### Auditor’s Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit

evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books ;
  - c) The Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

**For Mukesh & Associates**  
**Chartered Accountants**  
**FRN - 106599W**

**Place: Mumbai**  
**Date : 30.05.2019**

**(CA. Mukesh Shah)**  
**Proprietor**  
**M.NO. – 35005**

**ANNEXURE REFERRED TO IN POINT 1 OF REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OF THE REPORT OF THE AUDITORS ON THE ACCOUNTS OF G.G. AUTOMOTIVE GEARS LIMITED FOR THE YEAR ENDED 31st MARCH, 2019**

- 1 (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) A major portion of the assets has been physically verified by the management in accordance with the phased programme of verification adopted by the company. In our opinion, the frequency of verification is reasonable. To the best of our knowledge, no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable property are held in the name of the company.
- 2 The inventory has been physically verified by the management during the year at reasonable intervals. In our opinion, the frequency of verification is reasonable. On the basis of our examination of stock records, we are of the opinion that no material discrepancies were noticed on physical verification.
- 3 The company has not granted any secured or unsecured loans to any companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- 4 The company has no such transaction during the year to which the provisions of section 185 and 186 of the Companies Act, 2013 gets attracted.
- 5 In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of section 73 to 76 of the Companies Act, 2013 or any other relevant provisions of the Act and the rules framed there under.
- 6 The company is not covered under the clause regarding maintenance of cost records as prescribed by the Central Government under section 148 (1) of the Companies Act, 2013 and as certified by the cost auditor, the company has maintained proper accounts and records for the same.
- 7 (a) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, custom duty, excise duty, value added tax, cess and other statutory dues applicable to it.
- (b) According to the records of the company, there are no dues of sales tax, service tax, custom duty, excise duty or value added tax on account of any dispute except due of income tax as follows:
 

A.Y.	Amount	Forum where dispute is pending
2013-14	16,40,540	CIT (A), appeal filed on 25.04.2016
- 8 According to information and explanation given to us the company has not defaulted in repayment of dues to any financial institution, bank or government. The company has not issued any debentures.
- 9 The company has not raised money by way of initial public offer or further public offer (including debt instrument) during the year. According to the information and explanation given to us the term loan of the company were applied for the purpose for which those are raised.
- 10 No fraud on or by the company has been noticed or reported during the year.



11. According to information and explanation given to us the company has paid or provided the managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 of the Companies Act, 2013.
12. The said company is not a Nidhi company. Hence the provisions of Nidhi company are not applicable.
13. According to information and explanation given to us the company has disclosed all the transactions with the related parties in compliance with the sections 177 and 188 of the Companies Act, 2013 and details have been enclosed in the Financial Statements as required by applicable accounting standard.
14. The company has not made any preferential allotment or private placements of shares.
15. According to information and explanation given to us the company has not entered into any non cash transactions with directors or persons connected with them.
16. The company is not required to registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Mukesh & Associates**  
**Chartered Accountants**  
**FRN - 106599W**

**Place: Mumbai**  
**Date: 30.05.2019**

**(CA. Mukesh Shah)**  
**Proprietor**  
**M.NO. – 35005**

**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF G.G. AUTOMOTIVE GEARS LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of G.G. AUTOMOTIVE GEARS LIMITED ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance 168 Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Mukesh & Associates**  
**Chartered Accountants**  
**FRN - 106599W**

**Place: Mumbai**  
**Date: 30.05.2019**

**(CA. Mukesh Shah)**  
**Proprietor**  
**M.NO. – 35005**

## BALANCE SHEET AS AT 31.03.2019

	Note No.	31.03.2019 (Rupees)	31.03.2018 (Rupees)	
<b>ASSETS</b>				
<b>(1) Non-current assets</b>				
(a)	Property, Plant & Equipment	4(A)	30,36,27,135	31,74,31,600
(b)	Intangible Assets	4(B)	1,60,730	1,92,877
(c)	Financial assets			
(i)	Other financial assets	5	1,30,64,254	-
(d)	Other Non Current Assets	6	30,87,648	38,00,037
(e)	Income Tax Assets	7	47,52,354	50,19,559
<b>Total non-current assets</b>			<b>32,46,92,121</b>	<b>32,64,44,073</b>
<b>(2) Current assets</b>				
(a)	Inventories	8	4,61,66,088	5,36,45,519
(b)	Financial Assets			
(i)	Trade receivables	9(A)	17,12,32,369	10,52,90,250
(ii)	Cash and cash equivalents	9(B)	18,62,775	1,92,33,392
(iii)	Bank balances other than (ii) above	9(C)	55,04,613	-
(iv)	Other financial assets	10(A)	4,91,91,986	3,43,61,621
(c)	Other Current Assets	10(B)	4,10,22,154	3,21,84,175
<b>Total current assets</b>			<b>31,49,79,985</b>	<b>24,47,14,957</b>
<b>Total assets</b>			<b>63,96,72,106</b>	<b>57,11,59,031</b>
<b>EQUITY &amp; LIABILITIES</b>				
<b>Equity</b>				
(a)	Equity Share Capital	11	7,91,61,670	7,91,61,670
(b)	Other Equity	12	12,78,59,062	9,19,03,635
<b>Total equity</b>			<b>20,70,20,732</b>	<b>17,10,65,305</b>
<b>Liabilities</b>				
<b>(1) Non-current Liabilities</b>				
(a)	Financial Liabilities			
(i)	Borrowings	13	13,02,82,123	14,85,05,240
(b)	Deferred Tax Liabilities (Net)	14	2,95,14,726	2,75,35,085
<b>Total non-current liabilities</b>			<b>15,97,96,849</b>	<b>17,60,40,325</b>
<b>(2) Current Liabilities</b>				
(a)	Financial Liabilities			
(i)	Borrowings	15(A)	11,99,06,683	9,49,20,212
(ii)	Trade Payables	15(B)	9,40,17,504	7,33,95,336
(iii)	Other financial liabilities	15(C)	4,22,84,562	4,62,21,830
(b)	Current tax liabilities (net)	16	27,52,438	-
(c)	Other Current Liabilities	17	1,38,93,338	95,16,023
<b>Total current liabilities</b>			<b>27,28,54,525</b>	<b>22,40,53,401</b>
<b>Total equity and liabilities</b>			<b>63,96,72,106</b>	<b>57,11,59,031</b>

## See accompanying notes to the financial statements

As per our Report of even date attached.

For Mukesh &amp; Associates

Chartered Accountants

FRN - 106599W

Sd/-  
(CA. Mukesh Shah)

Proprietor

M. No. - 35005

Place : DEWAS

Date : 30.05.2019

On behalf of the Board

Sd/-  
Kennedy Ram Gajra  
Chairman & Managing Director  
DIN : 02092206Sd/-  
Anmol Gajra  
Wholtime Director  
DIN : 07835836Sd/-  
Narayan Shrivastava  
CFOSd/-  
Shreya Thombre  
CS  
ACS 55429

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2019**

Particulars	Note No.	31.03.2019 (Rupees)	31.03.2018 (Rupees)
Revenue from operations	18	54,73,91,446	42,34,46,017
Other Income	19	6,808,560	17,46,906
<b>Total Revenue</b>		<b>55,42,00,006</b>	<b>42,51,92,923</b>
Expenses:			
Cost of materials consumed	20	25,54,12,631	20,82,79,589
Changes in inventories of finished goods and work-in-progress - Decrease / (Increase)	21	1,99,26,843	(1,48,70,904)
Employee benefits expense	22	5,65,32,819	4,69,15,553
Finance cost	23	2,36,37,667	1,60,65,998
Depreciation and amortisation expenses	24	2,87,62,800	2,78,22,077
Other expenses	25	12,29,92,179	10,46,43,244
<b>Total expenses</b>		<b>50,72,64,939</b>	<b>38,88,55,557</b>
Profit before tax		4,69,35,067	3,63,37,366
Tax expense:			
Current tax		90,00,000	56,44,696
Deferred tax	26	19,79,642	43,80,321
Profit for the year		<b>3,59,55,426</b>	<b>2,63,12,350</b>
<b>Other Comprehensive Income</b>		-	-
-Foreign Exchange Fluctuation Gain - Unrealised		-	<b>(88,58,551)</b>
Total Comprehensive Income for the period (XIII+XIV)		<b>3,59,55,426</b>	<b>1,74,53,799</b>
Earning per equity share (for continuing operations)			
(1) Basic		4.54	3.32
(2) Diluted		4.54	3.32
<b>See accompanying notes to the financial statements</b>			
As per our Report of even date attached.			

**For Mukesh & Associates**  
Chartered Accountants  
FRN - 106599W

Sd/-  
(CA. Mukesh Shah)  
Proprietor  
M. No. - 35005

Place : DEWAS  
Date : 30.05.2019

On behalf of the Board

Sd/- <b>Kennedy Ram Gajra</b> Chairman & Managing Director DIN : 02092206	Sd/- <b>Anmol Gajra</b> Wholtime Director DIN : 07835836
Sd/- <b>Narayan Shrivastava</b> CFO	Sd/- <b>Shreya Thombre</b> CS ACS 55429

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31.03.2019**

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
<b>A. Cash flow from operating activities</b>		
Net profit before tax & extraordinary items	4,69,35,068	2,74,78,815
Adjustment for :		
Depreciation	2,87,62,800	2,78,22,077
Loss on sale of asset	-	6,96,922
Interest paid	2,36,37,667	1,60,65,998
Profit on Sales of Assets	(1,47,560)	-
Less : Interest and dividend received	14,72,083	12,84,687
Operating profit before working capital changes	9,77,15,892	7,07,79,125
Adjustment for :		
Trade and other receivables	(6,59,42,119)	(8,53,53,582)
Inventories	(74,79,431)	(28,68,744)
Trade and other payables	2,06,22,168	8,13,29,529
Cash generated from operations	4,49,16,510	6,38,86,327
Direct Tax paid	90,00,000	56,44,695
Net cash from operating activities	3,59,16,510	5,82,41,632
<b>B. Cash flow from investment activities</b>		
Sale of fixed assets (Net)	12,36,541	1,00,001
Purchase of Fixed Assets	(1,07,02,698)	(16,43,51,921)
Capital WIP, Cap. Adv. & Pre-op. Exps.	5,05,000	(9,18,630)
Interest received	14,72,083	12,84,687
Net cash from investment activities	(74,89,074)	(16,38,85,863)
<b>C. Cash flow from financing activities</b>		
Repayment of borrowings	(2,21,60,385)	12,73,89,052
Interest paid	(2,36,37,667)	(1,60,65,998)
Net cash from financing activities	(4,57,98,052)	11,13,23,054
Net increase in cash and cash equivalents	(1,73,70,617)	56,78,822
Cash and cash equivalents at beginning of the year	1,92,33,392	1,35,54,570
Cash and cash equivalents at end of the year	18,62,775	1,92,33,392

We have checked the above cash flow statement of G. G. Automotive Gears Limited, derived from the audited annual financial statement for the period ended 31st March 19, with the books and records maintained in the ordinary course of business and found the same to be in accordance therewith

As Per our report attached

**For Mukesh & Associates**  
**Chartered Accountants**  
**FRN - 106599W**

Sd/-  
**(CA. Mukesh Shah)**  
**Proprietor**  
**M. No. - 35005**

**Place : DEWAS**

**Date : 30.05.2019**

On behalf of the Board

Sd/-  
**Kennedy Ram Gajra**  
**Chairman & Managing Director**  
**DIN : 02092206**

Sd/-  
**Anmol Gajra**  
**Wholetime Director**  
**DIN : 07835836**

Sd/-  
**Narayan Shrivastava**  
**CFO**

Sd/-  
**Shreya Thombre**  
**CS**  
**ACS 55429**

### Notes to the financial statements for the year ended March 31, 2019

#### 1 Corporate Information

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. G. G. Automotive Gears Ltd. is a leading manufacturer of traction gears and pinions, based out of Dewas, Madhya Pradesh in India. GGAG has been a market leader in automotive gears for the last 44 years. Established in 1974, the company undertakes to manufacture of traction gears as a strategic shift from its traditional business of automotive gears.

#### 2 Significant accounting policies

##### a Statement of compliance and Basis of preparation and presentation

The standalone financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the Ind AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 (the Act) read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act. The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policy below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

##### b Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated returns, rebates and other similar allowances. Revenues consist of sale of locomotive and industrial application gears & pinions, gearboxes and forged automotive components. The Company recognises revenues on the sale of products, net of discounts, sales incentives, customer bonuses and rebates granted, when products are delivered to dealers which is when control including risks and rewards and title of ownership passed to the customer.

Income from rendering other operating services are recognised as the services performed. Revenue is recognised when it is earned and it is probable that economic benefit will flow to the Company. Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is recorded using the applicable Effective Interest Rate (EIR), which is the rate that exactly discounts estimated future cash receipts over the expected life of the financial asset to that asset's net carrying amount on initial recognition.

##### c Foreign currencies

The Company's financial statements are presented in INR, which is also the Company's functional currency. (i) All transactions in foreign currency are recorded at the rates of the exchange prevailing on the dates when the relevant transactions took place; any gain/ loss on account of the fluctuations in the rate of exchange is recognized in the statement of Profit and Loss. (ii) Monetary items in the form of loans, current assets and current liabilities in foreign currencies at the close of the year are converted in the Indian currency at the appropriate rate of exchange prevailing on the dates of the Balance Sheet. Resultant gain or loss on account of fluctuation in the rate of exchange is recognized in the statement of Profit and Loss. (iii) In respect of the Forward Exchange Contracts entered into to hedge foreign currency risks, the difference between the Forward Rate and Exchange Rate at the inception of the contract is recognized as income or expense.

**d Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

**e Employee benefits****(i) Retirement benefit costs and termination benefits**

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense.' Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of termination benefit and when the entity recognises any related restructuring costs.

**(ii) Short-term and other long-term employee benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.



Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees' upto the reporting date.

**(iii) Contributions from employees or third parties to defined benefit plans**

Discretionary contributions made by employees or third parties reduce service cost upon payment of these contributions to the plan. When the formal terms of the plans specify that there will be contributions from employees or third parties, the accounting depends on whether the contributions are linked to service, as follows:

- If the contributions are not linked to services (e.g. contributions are required to reduce a deficit arising from losses on plan assets or from actuarial losses), they are reflected in the remeasurement of the net defined benefit liability (asset).
- If contributions are linked to services, they reduce service costs. For the amount of contribution that is dependent on the number of years of service, the Company reduces service cost by attributing the contributions to periods of service using the attribution method required by Ind AS 19.70 for the gross benefits. For the amount of contribution that is independent of the number of years of service, the Company reduces service cost in the period in which the related service is rendered/reduces service cost by attributing contributions to the employees' periods of service in accordance with Ind AS 19.70.

**f Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

**(i) Current tax**

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Current tax for current period is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**(ii) Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

**(iii) Current and deferred tax for the year**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

**g Property, plant and equipment**

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price (net of trade discount and rebates) and any directly attributable cost of bringing the asset to its working condition for its intended use and for qualifying assets, borrowing costs capitalised in accordance with the Ind AS 23. Capital work in progress is stated at cost, net of accumulated impairment loss, if any. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred. Depreciation commences when an asset is ready for its intended use. Freehold land and assets held for sale are not depreciated. Regulated Assets: Depreciation on Property, plant and equipments in respect of electricity business of the Company covered under Part B of Schedule II of the Companies Act, 2013, has been provided on the straight line method at the rates using the methodology as notified by the regulator. Non-Regulated Assets: Depreciation is recognised on the cost of assets (other than freehold land and properties under construction) less their residual values over their estimated useful lives, using the straight-line method.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipments over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Estimated useful lives of the Regulated and Non-Regulated assets are as follows:

<b>Particulars</b>	<b>Useful life (in years)</b>
Building	30
Plant & machinery	15
Office equipments	5
Furniture and fixtures	10
Vehicles	8
Computers	3

**Decapitalization**

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipments is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

### **h Intangible assets**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over the estimated useful lives.

The estimated useful life for intangible assets is 3 years. The estimated useful and amortisation method are reviewed at each reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment loss.

### **I Impairment of tangible and intangible assets**

The carrying amounts of the Company's property, plant and equipment and intangible assets are reviewed at each reporting date to determine whether there is any indication that those assets have suffered any impairment loss. If there are indicators of impairment, an assessment is made to determine whether the asset's carrying value exceeds its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

An impairment loss is recognised in statement of profit and loss whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets for which the estimates of future cash flows have not been adjusted.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. Reversal of an impairment loss is recognised immediately in profit or loss.

### **j Inventories**

Inventories are valued at the lower of cost and net realizable value. Cost is determined on a weighted average basis and includes all applicable overheads in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs to make the sale.

### **k Provisions, contingent liabilities and contingent assets**

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that the outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised in the financial statements, however they are disclosed where the inflow of economic benefits is probable. When the realisation of income is virtually certain, then the related asset is no longer a contingent asset and is recognised as an asset.

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits to be received from the contracts.

## **I Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### **(i) Initial recognition**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in the statement of profit and loss.

### **(ii) Financial assets**

#### **(I) Classification of financial assets**

Financial assets are classified into the following specified categories: amortised cost, financial assets 'at fair value through profit and loss' (FVTPL), 'Fair value through other comprehensive income' (FVTOCI). The classification depends on the Company's business model for managing the financial assets and the contractual terms of cash flows.

#### **(II) Subsequent measurement**

- Debt Instrument - amortised cost

Debt instruments that meet the following conditions are subsequently measured at amortised cost: (a) if the asset is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### **- Fair value through other comprehensive income (FVTOCI)**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets.
- (b) The asset's contractual cash flows represent solely payments of principal and interest.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the effective interest rate method.

**- Fair value through Profit and Loss (FVTPL):**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is considered only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

**(III) Derecognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement~ and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

**(IV) Effective interest method**

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimating future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premium or discounts) through the expected life of the debt

instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in profit or loss and is included in the “Other income” line item.

**(V) Impairment of financial assets**

The Company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through other comprehensive income (FVTOCI) Expected credit losses are measured through a loss allowance at an amount equal to:
  - the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
  - full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument). The Company follows ‘simplified approach’ for recognition of impairment loss allowance on:
    - Trade receivables or contract revenue receivables; and
    - All lease receivables Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12-month ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

**(iii) Financial liabilities and equity instruments**

**(I) Classification of debt or equity**

Debt or equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**- Equity instruments:**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised on the purchase, sale, issue or cancellation of the Company's own equity instruments.

**(II) Subsequent measurement**

- Financial liabilities measured at amortised cost:

Financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the statement of profit and loss.

- Financial liabilities measured at fair value through profit and loss (FVTPL):

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

**(III) Derecognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

**(IV) Fair value measurement**

The Company measures financial instruments such as debts and certain investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or

- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**m Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**n Leases**

Company as a lessee

Leases of assets under which the lessor effectively retains all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.



In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Company as a lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

### **o Earnings per share**

Basic earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the period. Dilutive earnings per share is computed and disclosed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period, except when the results are anti-dilutive.

## **3 Key accounting judgements and estimates**

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

### **(i) Useful lives of property, plant and equipment**

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

### **(ii) Defined benefit obligation**

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with IND AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates.

### **(iii) Allowance for uncollectible trade receivables**

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balances and historical experience. Additionally, a large number of minor receivables is grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible.

#### 4 Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, upto the date of issuance of the Company's financial statements is disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

##### **Ind AS 116 - Leases**

Ind AS 116 Leases was notified in March 2019 and it replaces Ind AS 17 Leases. Ind AS 116 is effective for annual periods beginning on or after 1st April, 2019. It sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Ind AS 116 requires lessees and lessors to make more extensive disclosures than under Ind AS 17. The Company is in the process of evaluating the requirements of the standard and its impact on its financial statements.

##### **Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)**

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in statement of profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12. The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

##### **Ind AS 109 – Prepayment Features with Negative Compensation**

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

##### **Ind AS 19 – Plan Amendment, Curtailment or Settlement**

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

##### **Ind AS 23 – Borrowing Costs**

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

### **Ind AS 28 – Long-term Interests in Associates and Joint Ventures**

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not currently have any such long-term interests in associates and joint ventures

### **Ind AS 103 – Business Combinations and Ind AS 111 - Joint Arrangements**

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Note 4(A) - Property, plant and equipment**

Description of assets	Lease Hold Land	Building	Plant & Machinery before 01/04/89	Plant & Machinery After 01/04/89	Computers before 01/04/86	Computers after 01/04/86	Office equipment	Electrical Installation	Vehicles	Laboratory Equipment	Furniture and fixtures	Amount in Rs. Total
<b>I. Cost</b>												
Balance as at April 1, 2017	9,607	1,79,45,764	2,38,99,902	29,65,10,459	13,76,072	32,21,676	18,28,811	64,14,361	1,71,55,838	8,79,190	4,98,582	36,97,40,262
Additions	-	-	-	16,06,71,495	-	80,651	-	-	33,27,331	-	2,72,444	16,43,51,921
Disposals	-	-	-	1,59,38,459	-	-	-	-	-	-	-	1,59,38,459
Balance as at March 31, 2018	9,607	1,79,45,764	2,38,99,902	44,12,43,495	13,76,072	33,02,327	18,28,811	64,14,361	2,04,83,169	8,79,190	7,71,026	51,81,53,724
Additions	-	3,87,481	-	90,11,911	-	2,69,697	7,96,009	-	42,22,174	-	3,81,356	1,50,68,628
Additions on Acquisition	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	12,36,541	-	-	12,36,541
Balance as at March 31, 2019	9,607	1,83,33,245	2,38,99,902	45,02,55,406	13,76,072	35,72,024	26,24,820	64,14,361	2,34,68,802	8,79,190	11,52,382	53,19,85,811
<b>II. Accumulated depreciation/impairment</b>												
Balance as at April 1, 2017	3,942	63,55,258	1,94,84,386	14,63,49,073	13,76,072	28,43,386	14,61,146	23,44,117	75,09,730	4,08,321	4,38,296	18,85,73,727
Depreciation for the year	97	9,30,480	-	2,24,17,850	-	1,35,930	1,49,647	11,28,850	23,55,514	1,28,964	42,600	2,72,89,932
Written Back During the year	-	-	1,51,41,536	-	-	-	-	-	-	-	-	1,51,41,535
Balance as at March 31, 2018	4,039	72,85,738	43,42,850	16,87,66,923	13,76,072	29,79,316	16,10,793	34,72,967	98,65,244	5,37,285	4,80,896	20,07,22,124
Depreciation for the year	97	8,69,839	-	2,36,65,256	-	1,80,883	3,04,545	7,73,187	27,00,181	93,631	1,43,035	2,87,30,654
Disposals	-	-	-	-	-	-	-	-	10,94,101	-	-	10,94,101
Balance as at March 31, 2019	4,136	81,55,577	43,42,850	19,24,32,179	13,76,072	31,60,199	19,15,338	42,46,154	1,14,71,324	6,30,915	6,23,931	22,83,58,676
<b>Net block (I-II)</b>												
Balance as at March 31, 2019	5,471	1,01,77,668	1,95,57,052	25,78,23,227	-	4,11,825	7,09,482	21,68,207	1,19,97,478	2,48,275	5,28,451	30,36,27,135
Balance as at March 31, 2018	5,568	1,06,60,026	1,95,57,052	27,24,76,572	-	3,23,011	2,18,018	29,41,394	1,06,17,925	3,41,905	2,90,130	31,74,31,600

**NOTES TO THE FINANCIAL STATEMENTS****Note 4(B) - Goodwill and Intangible assets**

<b>Description of assets</b>	<b>Software</b>
<b>I. Cost</b>	
<b>Balance as at April 1, 2017</b>	3,21,461
<b>Additions</b>	-
<b>Balance as at March 31, 2018</b>	3,21,461
<b>Additions</b>	(0)
<b>Deletion</b>	-
<b>Balance as at March 31, 2019</b>	3,21,461
<b>II. Accumulated impairment losses</b>	
<b>Balance as at April 1, 2017</b>	96,438
<b>Amortization for the year</b>	32,146
<b>Balance as at March 31, 2018</b>	1,28,584
<b>Amortization for the year</b>	32,146
<b>Written Back during the year</b>	(0)
<b>Balance as at March 31, 2019</b>	1,60,730
<b>Net block (I-II)</b>	
<b>Balance as at March 31, 2019</b>	1,60,730
<b>Balance as at March 31, 2018</b>	1,92,877

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Note No. 5 : Financial assets</b>		
Margin money for B.G.	38,82,000	-
Fixed Deposits with original maturity of more than 12 months	91,82,254	-
	<b>1,30,64,254</b>	<b>-</b>
<b>Note No. 6 : Other Non Current Assets</b>		
Security Deposits	30,87,648	32,95,037
Capital Advances	-	5,05,000
	<b>30,87,648</b>	<b>38,00,037</b>
<b>Note No. 7 : Income Tax Assets</b>		
Income Tax Refundable	47,52,354	50,19,559
	<b>47,52,354</b>	<b>50,19,559</b>
<b>Note No. 8 : Inventories</b>		
Raw Materials	1,60,42,794	30,16,743
Work in progress	1,99,71,095	3,85,62,045
Finished goods	96,88,998	1,09,51,691
Stores & Spares	4,11,901	9,90,540
Scrap	51,300	1,24,500
	<b>4,61,66,088</b>	<b>5,36,45,519</b>
<b>Note No. 9 : Financial Assets</b>		
<b>(A) Trade Receivables</b>	17,12,32,369	10,52,90,250
Unsecured Considered good	<b>17,12,32,369</b>	<b>10,52,90,250</b>
<b>(B) Cash &amp; Cash Equivalents</b>		
(a) Balances with Banks - FDR	1,38,673	1,75,91,567
Held as Security against gaurantee		
(b) Other Balances with Banks	93,471	37,137
(c) Cash on Hand	16,30,631	16,04,688
	<b>18,62,775</b>	<b>1,92,33,392</b>
<b>(C) Balances with Banks - FDR</b>	55,04,613	-
	<b>55,04,613</b>	<b>1,92,33,392</b>
<b>Note No. 10 : Other Current Assets</b>		
<b>(A) Loans &amp; Advances</b>	4,91,91,986	3,43,61,621
	<b>4,91,91,986</b>	<b>3,43,61,621</b>
<b>(B) Others</b>		
Balance with Government Authorities		
-GST Credit	3,86,73,796	3,15,99,690
- Staff Advances	23,48,358	5,84,485
	<b>4,10,22,154</b>	<b>3,21,84,175</b>

## 45th Annual Report 2018-19

### Statement of changes in equity for the year ended March 31, 2019

#### Note No. 11 : Equity share capital

	Amount in Rs.
<b>Authorised</b>	<b>8,00,00,000</b>
8,000,000 Equity Shares of Rs. 10/- each (Previous year 8,000,000 shares of Rs. 10/- each )	
<b>Issued, Subscribed and Paid-up</b>	<u>7,91,61,670</u>
(7,916,167 Equity Shares of Rs. 10/- each fully paid up) Share Capital	
Changes in equity share capital during the year	-
<b>Balance as at March 31, 2018</b>	<u>7,91,61,670</u>
Changes in equity share capital during the year	-
<b>Balance as at March 31, 2019</b>	<u><b>7,91,61,670</b></u>

#### Shareholder's Holding more than 5% shares

Name of the shareholder	No. of shares held	No. of shares held
Mr. K.R. Gajra	16,67,514	16,67,514
<b>Total</b>	<u><b>16,67,514</b></u>	<u><b>16,67,514</b></u>

#### Note No. 12 : Other Equity

Particulars	Amount in Rs.					
	Capital reserve	Securities premium reserve	General reserve	Retained earnings	Other Comprehensive Income	Total Other Equity
<b>Balance as at April 1, 2017</b>		1,06,49,830	-	6,38,00,006	-	7,44,49,836.00
Profit for the year		-	-	2,63,12,350		2,63,12,350
Other comprehensive income for the year, net of income tax		-	-	-	(88,58,551)	(88,58,551)
Issue of equity shares		-	-	-	-	-
<b>Balance as at April 1, 2018</b>	-	1,06,49,830	-	9,01,12,356	(88,58,551)	9,19,03,635
Profit for the year		-	-	3,59,55,426		3,59,55,426
Other comprehensive income for the year, net of income tax		-	-	-	-	-
Issue of equity shares		-	-	-	-	-
<b>Balance as at March 31, 2019</b>	-	1,06,49,830	-	12,60,67,782	(88,58,551)	12,78,59,061

As per our Report of even date attached.

For Mukesh & Associates  
Chartered Accountants  
FRN - 106599W

(CA. Mukesh Shah)  
Proprietor  
M. NO. - 35005

Place: DEWAS  
Date: 30.05.2019

On behalf of the Board

Sd/-  
Kennedy Ram Gajra  
Chairman & Managing Director  
DIN : 02092206

Sd/-  
Narayan Shrivastava  
CFO

Sd/-  
Anmol Gajra  
Wholetime Director  
DIN : 07835836

Sd/-  
Shreya Thombre  
CS  
ACS 55429

## NOTES TO THE FINANCIAL STATEMENTS

**For the year ended**    **For the year ended**  
**March 31, 2019**        **March 31, 2018**

**Note No. 13 : Financial Liabilities****Secured Borrowings :**

Union Bank of India Term Loan*	3,18,82,088	3,13,44,782
BMW India Financial Pvt Ltd	21,77,008	-
- Klingenberg GMBH Germany	2,45,44,086	6,76,71,517

**Unsecured Borrowings from Others:**

- Directors (Interest free)	7,16,78,941	4,94,88,941
	<b>13,02,82,123</b>	<b>14,85,05,240</b>

\*(Secured against hypothecation of plant & machinery )

Terms of repayment:

4 quarterly installment of Rs 10 lacs each during the period June 2019 to March 2020  
and thereafter 8 quarterly installment of Rs 40 lacs each during June 20 to March 2022

**Note No. 14 : Deferred Tax Liabilities (Net)**

Opening Balance	2,75,35,085	2,31,54,764
Add : Provision for the year	19,79,642	43,80,321
	<b>2,95,14,726</b>	<b>2,75,35,085</b>

**Note No. 15 : Financial Liabilities****(A) Secured Borrowings :**

Union Bank of India : Working Capital	11,34,51,083	8,54,08,442
: SOD A/c	64,55,600	95,11,770
	<b>11,99,06,683</b>	<b>9,49,20,212</b>

**(B) Trade Payables**

Other Credits	5,97,87,201	5,72,18,925
	3,42,30,303	1,61,76,411
	<b>9,40,17,504</b>	<b>7,33,95,336</b>

Note:

(i) Working capital is secured by way of hypothecation of inventory, book debts and collateral security of fixed assets besides personal guarantee of promoter directors.

**(C) Other Financial Liabilities**

Current Maturities of other non current liabilities	3,82,84,562	4,22,21,830
Term Loan (Current maturities of long term debts)	40,00,000	40,00,000
	<b>4,22,84,562</b>	<b>4,62,21,830</b>



## 45th Annual Report 2018-19

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended  
March 31, 2019

For the year ended  
March 31, 2018

#### Note No. 16 : Current Tax Liabilities (Net)

Income Tax	90,00,000	56,44,695
Less : TDS & Advance tax	62,47,562	73,67,205
	<b>27,52,438</b>	<b>(17,22,510)</b>
Income Tax Refundable	-	17,22,510
	<b>27,52,438</b>	<b>-</b>

#### Note No. 17 : Other Current Liabilities

Provision for employees benefits	56,47,572	46,12,010
Provision for other expenses	25,95,873	24,50,521
Statutory Liabilities	6,63,609	10,12,834
Customer Credit Balance	24,22,288	14,40,658
Accrued interest - Germany	25,63,996	-
	<b>1,38,93,338</b>	<b>95,16,023</b>

#### Note No. 18 : Revenue from operations

Sales of Mfg. Goods	59,15,99,433	45,09,46,626
Less : Excise duty	-	48,82,766
Less: GST	5,64,00,921	3,17,22,841
	<b>53,51,98,512</b>	<b>41,43,41,019</b>
Job Work	1,21,92,934	91,04,998
	<b>54,73,91,446</b>	<b>42,34,46,017</b>

#### Note No. 19 : Other Income

Foreign Exchange Fluctuation Gain	17,99,442	-
Interest	40,36,079	12,84,687
Scrap Sales (Net)	6,97,705	3,94,950
Profit on Sale of Assets	1,47,560	-
Miscellaneous income	1,27,774	67,269
	<b>68,08,560</b>	<b>17,46,906</b>

#### Note No. 20 : Cost of materials consumed

##### (a) Raw materials consumption

Opening Stock	30,16,743	1,49,87,518
Add : Purchases	26,84,38,682	19,63,08,814
	27,14,55,425	21,12,96,332
Less : Closing Stock	1,60,42,794	30,16,743
	<b>25,54,12,631</b>	<b>20,82,79,589</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended  
March 31, 2019      For the year ended  
March 31, 2018

**Note No. 21 : Changes in inventories**

Opening Stock :		
Finished Goods	1,09,51,691	1,19,93,023
Work In Progress	3,85,62,045	2,27,32,309
Scrap	1,24,500	42,000
	<u>4,96,38,236</u>	<u>3,47,67,332</u>
Closing Stock :		
Finished Goods	96,88,998	1,09,51,691
Work In Progress	1,99,71,095	3,85,62,045
Scrap	51,300	1,24,500
	<u>2,97,11,393</u>	<u>4,96,38,236</u>
(Increase)/ Decrease in stock	<u>1,99,26,843</u>	<u>(1,48,70,904)</u>

**Note No. 22 : Employee benefits expenses**

Salary, Wages, Bonus & Allowances	4,93,14,581	4,27,24,153
Contribution to Welfare funds	38,48,863	33,19,634
Staff & Labour welfare & Hospitality	11,69,375	7,71,766
Payments to LIC Group Gratuity Scheme	22,00,000	1,00,000
	<u>5,65,32,819</u>	<u>4,69,15,553</u>

**Note No. 23 : Finance Cost**

Interest : Loans on Demand	2,12,07,339	1,22,34,667
: Term Loan & Others	24,30,328	38,31,331
	<u>2,36,37,667</u>	<u>1,60,65,998</u>

**Note No. 24 : Depreciation and amortisation of expenses**

On Property, Plant & Equipment	2,87,30,654	2,72,89,930
On Goodwill	-	5,00,000
On Other Intangible Assets	32,146	32,146
	<u>2,87,62,800</u>	<u>2,78,22,077</u>

**Note No. 25 : Other Expenses****(a) Manufacturing Exp.**

Consumption of stores, spares & tools	3,70,15,330	2,87,80,313
Power & Fuel	2,68,81,049	2,24,00,807
Repair to Plant & Machinery	43,23,666	51,55,668
Job Charges	56,72,145	39,41,618
Freight, Cartage etc.	23,33,817	19,00,244
Insurance charges	10,03,558	10,82,068
Repair to Building	4,56,190	10,67,977
Diesel	9,61,928	13,26,552
Inspection Charges	8,000	14,316
Testing Charges	3,55,035	3,52,319
Entry tax	-	55,472

NOTES TO THE FINANCIAL STATEMENTS

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>(b) Office &amp; Administrative exp.</b>		
Printing & Stationery	3,03,307	3,09,363
Postage & Courier Charges	2,60,663	1,64,508
Telephone	3,82,504	6,36,890
Rent	25,60,000	24,92,800
Vehicle Repairs & Maintenance	9,63,576	7,92,335
Conveyance	4,73,837	4,49,997
Legal & Professional Charges	39,33,586	49,96,895
Licence & Registration fee	13,07,107	5,91,519
Electricity & Water charges	3,58,151	5,36,912
General repairs	26,79,855	2,73,394
Membership & Subscription	2,93,032	3,65,851
Office Expenses	3,55,863	8,07,235
Listing Fee	2,50,000	4,13,510
Rates & Taxes	3,40,082	1,79,255
<b>(c) Selling &amp; Distribution expenses</b>		
Packing, forwarding & freight	88,17,021	83,36,458
Discount	34,94,538	4,22,534
Rebate	28,01,795	4,52,255
Liquidated damages	9,64,700	9,54,585
Statutory Advertisements	1,33,682	57,088
Sales Promotion	10,99,078	18,73,579
Travelling Exp.	14,28,357	14,04,815
Other Selling exp.	1,86,392	3,86,127
<b>(d) Other Expenses</b>		
Auditors' Remuneration :		
Audit Fee	1,75,000	1,50,000
Tax Audit Fees	75,000	50,000
Out of pocket exp.	-	8,539
Loss on sale of asset	-	6,96,922
Foreign Exchange Fluctuation Loss	-	16,49,329
Directors' remuneration :		
(i) Gross salary	48,00,000	45,00,000
(ii) Gross Contribution to PF	5,76,000	5,40,000
(iii) Sitting Fees	1,50,000	1,50,000
Directors' Travelling & Other Expenses	48,18,335	39,23,195
	<b>12,29,92,179</b>	<b>10,46,43,244</b>
<b>Note No. 26 : Deferred Tax</b>		
Deferred Tax Liability On account of timing difference		
A. Depreciation	20,08,892	46,71,030
<b>Total</b>	<b>20,08,892</b>	<b>46,71,030</b>
Deferred Tax Assets		
On account of timing difference		
A. Unabsorbed Losses	-	-
B. U/S 43B dis-allowance	(29,250)	(5,20,150)
C. Carry over losses	-	2,29,440
<b>Total</b>	<b>(29,250)</b>	<b>(2,90,710)</b>
Net	19,79,642	43,80,321

**Notes to the financial statements for the year ended March 31, 2019****Note 27- Related party disclosures**

Details of related parties and their relationship

**(a) Key management personnel (KMP)/Director**

Mr. Kennedy Ram Gajra

Mr. Anmol Gajra

**(b) Relatives of Key Management Personnel**

Mrs. B.K. Gajra (Wife of Mr. K.R. Gajra)

Mrs. I.R. Gajra (Mother of Mr. K.R. Gajra)

**(c) Related Party Transaction**

Sr. No.	Particulars	Key Management Personnel	Relatives of Key Management Personnel
1	Salary	48,00,000	–
2	Contribution to PF	5,76,000	–
3	Sitting fees	1,50,000	–
4	Rent		24,00,000

**(d) Other Independent Directors**

Mr. Pravin Kumar Shishodiya

Mr. Shailendra Ajmera

Ms. Ruchi Sogani

**(e) Payment of sitting fees to independent directors**

In Rs.

Particulars	2018-19	2017-18
Sitting Fees	1,50,000	1,50,000

**Note 28 - Operating leases**

The Company's significant leasing arrangements are in respect of office premises and warehouse taken on leave and licence basis.

**(a) Operating lease payments recognised in the statement of profit and loss**

Amount in Rs.

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Lease rental charges for the year	25,60,000	24,92,800

**(b) Future minimum lease payments under non- cancellable operating lease**

Amount in Rs.

Particulars	As at March 31, 2019	As at March 31, 2019
Not later than one year	24,00,000	24,00,000
Later than one year but not later than five years	48,00,000	72,00,000
More than five years	-	-

**Note 29 - Earnings Per Share**

Amount in Rs.

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit after tax for the year attributable to the equity shareholders	3,59,55,426	2,63,12,350
No of Equity Shares Outstanding at the end of the year	79,16,167	79,16,167
Weighted average number of equity shares (Nos.)	79,16,167	79,16,167
Face value per share (In Rs.)	10	10
Basic and diluted earnings per share (in Rs.)	4.54	3.32

**Note 30 - Segment reporting**

**Business segments**

The Company is primarily engaged in business of providing records management services, which is considered by the management to constitute one business segment. Accordingly, there is no other separate reportable segment as defined by Ind AS 108 “Operating Segments”.

**Geographical segments**

Geographical revenues are allocated based on the location of service facilities and other assets of an enterprise. The Company provides all its services from India only and hence location of service facility is considered to be in India only, thus the Statement of profit and loss and Balance sheet depicts the picture of segment results and the Segmental assets and liabilities.

**Note 31 - Additional information to the financial statements**

**Amount in Rs.**

<b>Particulars</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
<b>(a) Contingent Liabilities</b>		
Bank Guarantee	43,26,540	39,12,000

**Note 32 - Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

**Amount in Rs.**

	<b>Particulars</b>	<b>For the year ended March 31, 2019</b>	<b>For the year ended March 31, 2018</b>
(a)	Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(b)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(c)	The amount of principal paid beyond the appointed day	-	-
(d)	The amount of interest due and payable for the year	-	-
(e)	The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(f)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

**Note 33 - Financial instruments**

**(a) Capital management**

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximizing the return to shareholders through the optimization of the debt and equity.

The capital structure of the Company consists of net debt (borrowings as detailed in notes 14, 17 and 19 offset by cash and bank balances) and total equity of the Company.

Amount in Rs.

Particulars	As at March 31, 2019	As at March 31, 2018
Debt *	25,01,88,806	24,34,25,452
Cash and bank balances	73,67,388	1,92,33,392
<b>Net debt (A)</b>	<b>24,28,21,418</b>	<b>22,41,92,060</b>
Total equity (B)	20,70,20,731	17,10,65,305
<b>Net debt to equity ratio (A/B)</b>	<b>1.17</b>	<b>1.31</b>

\* Debt is defined as long-term and short-term borrowings (excluding financial guarantee contracts) including current maturities of long term debt.

#### (b) Financial risk management objectives

The Company's principal financial liabilities comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets includes trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks.

#### (i) Credit risk management

Credit risk is the risk of financial loss to the Company if a customer or counter party fails to meet its contractual obligations and arises principally from the Company's receivables, deposits given, loans given, and balances at bank.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables.

In case of trade receivables, the Company does not hold any collateral or other credit enhancements to cover its credit risks. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain.

Trade receivables are non-interest bearing and the average credit period is 30-90 days. At 31 March, 2018, the Company had 20 customers (31 March 2019: 9 customers; 01 April, 2018: 9 customers) that owed the Company more than Rs. 1 crore each and accounted for approximately 56.34 % of all the receivables outstanding (31 March, 2019: 46.57%; 01 April, 2018: 43.36%).

The carrying amount of following financial assets represents the maximum credit exposure;

Amount in Rs.

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Receivables (Unsecured)		
Over six months	22,43,864	-
Less than six months	16,89,88,505	10,52,90,250
<b>Total</b>	<b>17,12,32,369</b>	<b>10,52,90,250</b>

Movement in allowance for credit loss during the year was as follows;

Amount in Rs.

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at beginning of the year	-	-
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	-	-
<b>Balance at end of the year</b>	<b>-</b>	<b>-</b>

Trade receivable consists of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of the accounts receivable. Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by credit-rating agencies.

**(ii) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

**(2) Interest rate risk**

The borrowings of the Company are at fixed interest rates, consequently the Company is not exposed to interest rate risk.

**(iii) Liquidity Risk**

**(1) Liquidity risk management**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The Company's principal source of liquidity are cash and cash equivalents and the cash flow generated from operations. The Company manages liquidity risk by maintaining adequate banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Trade and other payables are non-interest bearing and the average credit term is 30-90 days.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments;

	Due in 1st year	Due in 2nd to 5th year	Due after 5 years	Total contracted cash flows	Carrying value
<b>As at March 31, 2019</b>					
Trade payables and other financial liabilities	9,40,17,504	-	-	9,40,17,504	9,40,17,504
Borrowings	25,01,88,806	-	-	25,01,88,806	25,01,88,806
<b>Total</b>	<b>34,42,06,310</b>	<b>-</b>	<b>-</b>	<b>34,42,06,310</b>	<b>34,42,06,310</b>
<b>As at March 31, 2018</b>					
Trade payables and other financial liabilities	7,33,95,336	-	-	7,33,95,336	7,33,95,336
Borrowings	24,34,25,452	-	-	24,34,25,452	24,34,25,452
<b>Total</b>	<b>31,68,20,788</b>	<b>-</b>	<b>-</b>	<b>31,68,20,788</b>	<b>31,68,20,788</b>

The amount of financial guarantees included in contingent liabilities are the maximum amounts the Company could be forced to settle under the arrangement for the full guaranteed amount if the amount is claimed by the counterparty to the guarantee.

## Note 34 - Financial instruments

## (c) Categories of financial instruments and fair value thereof

Amount in Rs.

	As at March 31, 2019		As at March 31, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>A Financial assets</b>				
i) Measured at cost				
Investment in subsidiary				
ii) Measured at fair value				
Investment				
Other financial assets	1,30,64,254	1,30,64,254	-	-
iii) Measured at amortised cost				
Trade Receivables	17,12,32,369	17,12,32,369	10,52,90,250	10,52,90,250
Cash and cash equivalents	18,62,775	18,62,775	1,92,33,392	1,92,33,392
Bank balances other than above	55,04,613	55,04,613	-	-
<b>Total</b>	<b>19,16,64,011</b>	<b>19,16,64,011</b>	<b>12,45,23,642</b>	<b>12,45,23,642</b>
<b>B Financial liabilities</b>				
i) Measured at amortised cost				
Borrowings	25,01,88,806	25,01,88,806	24,34,25,452	24,34,25,452
Trade payables	9,40,17,504	9,40,17,504	7,33,95,336	7,33,95,336
Other financial liabilities	4,22,84,562	4,22,84,562	4,62,21,830	4,62,21,830
<b>Total</b>	<b>38,64,90,872</b>	<b>38,64,90,872</b>	<b>36,30,42,618</b>	<b>36,30,42,618</b>

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

## (d) Fair value measurement

All the financial assets and liabilities of the Company are measured at amortised cost except for investment and security deposit.

Financial instruments measured at amortised cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values, except for security deposit and investment since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

**Fair value hierarchy:**

Assets are classified at amortised cost hence fairvalue hierarchy not disclosed

As per our Report of even date attached.

For Mukesh & Associates  
Chartered Accountants  
FRN - 106599W

(CA. Mukesh Shah)  
Proprietor  
M. NO. - 35005

Place: DEWAS  
Date: 30.05.2019

Sd/-  
Kennedy Ram Gajra  
Chairman & Managing Director  
DIN : 02092206

Sd/-  
Narayan Shrivastava  
CFO

On behalf of the Board

Sd/-  
Anmol Gajra  
Wholetime Director  
DIN : 07835836

Sd/-  
Shreya Thombre  
CS  
ACS 55429



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**FORM NO SH-13****Nomination Form**

[Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies  
(Share Capital and Debentures) Rules 2014]

To,

**G. G. AUTOMOTIVE GEARS LIMITED**

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

I/We \_\_\_\_\_ the holder(s) of the securities  
particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in  
whom shall vest, all the rights in respect of such securities in the event of my/our death.

1. PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)

Nature of Securities	Folio No.	No. of Securities	Certificate No.	Distinctive Nos.

2. PARTICULARS OF NOMINEE/S –

- a) Name :
- b) Date of Birth:
- c) Father's/Mother's/Spouse's name:
- d) Occupation:
- e) Nationality:
- f) Address:
- g) E-mail Id:
- h) Relationship with the security holder:

3. IN CASE NOMINEE IS A MINOR -

- a) Date of Birth
- b) Date of attaining majority
- c) Name of guardian
- d) Address of guardian

**45th Annual Report 2018-19**

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Name: \_\_\_\_\_

Address: \_\_\_\_\_

Name of the Security Holder(s) \_\_\_\_\_

Signature \_\_\_\_\_

Witness with name and address \_\_\_\_\_

Signature \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Name of the Security Holder(s)

Signature

Witness with name and address

Signature

**FORM NO SH-14**

**Cancellation or Variation of Nomination**

[Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014.]

To,  
**G. G. AUTOMOTIVE GEARS LIMITED**  
2-A, I.S. Gajra Industrial Area-1, A. B. Road,  
Dewas - 455001 (MP)

I/We hereby cancel the nomination(s) made by me/us in favor of \_\_\_\_\_  
(name and address of the nominee) in respect of the below mentioned securities.

Or

I/We hereby nominate the following person in place of \_\_\_\_\_  
as nominee in respect of the below mentioned securities in whom shall vest all rights in respect of such securities  
in the event of my/our death.

**PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)**

<b>Nature of Securities</b>	<b>Folio No.</b>	<b>No. of Securities</b>	<b>Certificate No.</b>	<b>Distinctive Nos.</b>

**PARTICULARS OF NOMINEE/S –**

Name:

Date of Birth:

Father's/Mother's/Spouse's name:

Occupation:

Nationality:

Address:

E-mail Id:

**45th Annual Report 2018-19**

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Relationship with the security holder:

IN CASE NOMINEE IS A MINOR -

Date of Birth

Date of attaining majority

Name of guardian

Address of guardian

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Name of the Security Holder (s) : \_\_\_\_\_

Signature \_\_\_\_\_

Witness with the name and address: \_\_\_\_\_

Signature \_\_\_\_\_

Name of the Security Holder(s) \_\_\_\_\_

Witness with name and address \_\_\_\_\_

**G. G. AUTOMOTIVE GEARS LIMITED**

CIN:- L29130MP1974PLC035049

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

Tel No.: 91-7272-405310, 404802 Fax: 91-7272-404802

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

**ATTENDANCE SLIP**

I/we hereby record my/our presence at the 45th Annual General Meeting of the Company held on Thursday the 29th 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, Madhya Pradesh - 455001.

	Serial:	
Name and Address of the Shareholder (s):		
Joint Holder (s):		
Registered Folio /DP ID & Client ID		
No. of Share (s)		
If Shareholder (s), please sign here	If Proxy, please mention name and sign here	
	Name of the Proxy	Signature

Note: Please sign this Attendance Slip and hand it over at the ENTRANCE OF THE MEETING HALL.

<b>ELECTRONIC VOTING PARTICULARS</b>		
Electronic Voting Sequence Number (EVS/N)	User ID	*Default PAN
<b>190730010</b>		

\*Only Members who have not updated their PAN with the Company / Depository Participant (DP) shall use default PAN in the PAN field.

**Note: Please read the instructions for e-voting given in the notice of the 45th Annual General Meeting. The Voting period starts from Monday the 26th August, 2019 at 09:00 a.m. to Wednesday the 28th August, 2019 at 5.00 p.m. The voting module shall be disabled by CDSL for voting thereafter.**

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**Form No. MGT-11**

**G. G. AUTOMOTIVE GEARS LIMITED**

CIN:- L29130MP1974PLC035049

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

Tel No.: 91-7272-405310, 404802 Fax: 91-7272-404802

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

**PROXY FORM**

(Pursuant to Section 105(6) of the Companies Act, 2013 and rules 19(3) of the Companies (Management and Administration) Rules, 2014).

Name of the member (s) : .....

Registered Address: .....

E.Mail Id:..... Folio No./Client Id ..... DP ID.....

I/We,being the member(s) holding of.....shares of the above named Company, hereby appoint

1. Name: .....

Address: .....

.....E.mail ID.....Signature:..... or failing him

2. Name: .....

Address: .....

.....E.mail ID.....Signature:..... or failing him

3. Name: .....

Address: .....

.....E.mail ID.....Signature:..... as my/our

Email ID: .....Signature: ..... as my/our proxy to attend

and vote (on a poll) for me/us and on my/our behalf at the 45th Annual General Meeting of the Company, to be held on Thursday, 29th 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, Madhya Pradesh - 455001 at any adjournment thereof in respect of such resolutions as are indicated below:

<b>Resolution No</b>	<b>Resolutions</b>		
	<b>Ordinary Business</b>	<b>For</b>	<b>Against</b>
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 Mr. Kennedy Ram Gajra (DIN:02092206), who retires by rotation and being eligible, offers himself for re-appointment.		



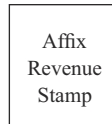
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3.	To appointment of M/s. Mukesh & Associates as a Statutory Auditors for the financial year 2019-20.		
	<b>Special Business</b>		
4.	To Re-Appointment of Mr. Kennedy Ram Gajra(DIN: 02092206) as a Managing Director for a period of Three Years.		
5.	To Re-Appointment of Mr. Pravin Kumar Shishodiya (Din: 03011429) as a Non-Executive Independent Director for a period of Five Years.		
6.	To Re-Appointment of Mr. Shailendra Ajmera (Din: 02138042) as a Non-Executive Independent Director for a period of Five Years.		
7.	To adoption of new set of Memorandum of Association as per Companies Act, 2013.		

Signed this.....day of .....2019

Signature of Shareholder .....

Signature of Proxy holder(s).....



### Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the resolutions, explanatory statements and notes, please refer to the notice of 45th Annual General Meeting.
3. It is Optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolution, your proxy will be entitled to vote in the manner as he / she thinks appropriate.
4. Please complete all details including details of member(s) in the above box before submission.

**G. G. AUTOMOTIVE GEARS LIMITED**

CIN:- L29130MP1974PLC035049

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

Tel No.: 91-7272-405310, 404802 Fax: 91-7272-404802

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

**BALLOT FORM**

1. Name(s) & Registered Address : .....  
Of the sole / first named Member
2. Name(s) of the Joint-Holder(s) : .....  
If any
3. i) Registered Folio No. : .....  
ii) DP ID No & Client ID No. : .....  
[Applicable to Members  
Holding shares in dematerialized Form]
4. Number of Shares(s) held : .....
5. I/ W hereby exercise my/our vote in respect of the following resolutions to be passed for the business stated in the Notice of the 45th Annual General Meeting dated 29th August, 2019, by conveying my/ our assent or dissent to the resolutions by placing tick (✓) mark in the appropriate box below:

Resolution No	Resolutions		
	<b>Ordinary Business</b>	<b>For</b>	<b>Against</b>
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 Mr. Kennedy Ram Gajra (DIN: ), who retires by rotation and being eligible, offers himself for re-appointment.		
3.	To appointment of M/s. Mukesh & Associates as a Statutory Auditors for the financial year 2019-20.		
	<b>Special Business</b>		
4.	To Re-Appointment of Mr. Kennedy Ram Gajra as a Managing Director for a period of Three Years.		
5.	To Re-Appointment of Mr. Pravin Kumar Shishodiya (Din: 03011429) as a Non-Executive Independent Director for a period of Five Years.		
6.	To Re-Appointment of Mr. Shailendra Ajmera (Din: 02138042) as a Non-Executive Independent Director for a period of Five Years.		
7.	To adoption of new set of Memorandum of Association as per Companies Act, 2013.		

Place:  
Date:

.....  
Signature of the Member  
Or  
Authorised Representative

Note: Please read the instructions printed overleaf carefully before exercising your vote.

### GENERAL INSTRUCTIONS

1. This Ballot Form is provided for the benefit of Members who do not have access to remote e-voting facility.
2. A Member can opt for only one mode of voting i.e. either through remote e-voting or by Ballot. If a Member casts votes by both modes, then voting done through remote e-voting shall prevail and ballot shall be treated as invalid.
3. The scrutinizer will collate the votes downloaded from the remote e-voting system and votes received through ballot to declare the final result for each of the resolutions forming part of the Notice of the AGM.
4. The results declared along with Scrutinizer's Report, shall be placed on the Company's website [www.ggautomotive.com](http://www.ggautomotive.com) and on the website of the Central Depository Service (India) Private Limited <https://www.cdslindia.com/evoting/evotingproc.html> within two (2) days of the passing of the Resolutions at the 45th AGM of the Company on 29th August, 2019 and communicated to the BSE Limited, where the shares of the Company are listed.

### PROCESS AND MANNER FOR MEMBERS OPTING TO VOTE BY USING THE BALLOT FORM

1. Voting rights are reckoned on the basis of the shares registered in the names of the Members/Beneficial Owners as on 22nd August, 2019.
2. Please complete and sign the Ballot Form and return the form in the self-addressed Business Reply envelope so as to reach the Scrutinizer, Mr. Prasad Chavan at G. G. Automotive Gears Limited-2-A, I.S. Gajra Industrial Area-1, A.B. Road, Dewas, Madhya Pradesh - 455001 appointed by the Board of Directors of the Company on or before 28th August, 2019 before 5.00 p.m.
3. The Form should be signed by the Member as per the specimen signature registered with the Company/Depositories. In case of joint holding, the Form should be completed and signed by the first named Member and in his/her absence, by the next named joint holder. A Power of Attorney (POA) holder may vote on behalf of a Member, mentioning the registration number of the POA registered with the Company or enclosing an attested copy of the POA. Exercise of vote by Ballot is not permitted through proxy.
4. In case the shares are held by companies, trusts, societies, etc. the duly completed Ballot Form should be accompanied by a certified true copy of the relevant Board Resolution together with their specimen signatures authorizing their representative.
5. A Member may request for a duplicate Ballot Form, if so required. However, duly filled in and signed duplicate Form should reach the Scrutinizer not later than the date and time specified in serial no. b above
6. Unsigned, incomplete, improperly or incorrectly tick marked Ballot Forms will be rejected. The Form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the Member or as to whether the votes are in favor or against or if the signature cannot be verified.
7. The decision of the Scrutinizer on the validity of the Ballot Form and any other related matter shall be final.

## ROUTE MAP



**45th Annual General Meeting Venue**  
**G. G. AUTOMOTIVE GEARS LIMITED**  
2-A, I.S. Gajra Industrial Area-1,  
A. B. Road, Dewas - 455001. (MP)





If undelivered, please return to:



**G. G. AUTOMOTIVE GEARS LIMITED**

CIN: L29130MP1974PLC035049

2-A, I.S. Gajra Industrial Area-1, A. B. Road, Dewas - 455 001. (MP)

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

Web site: - [www.ggautomotive.com](http://www.ggautomotive.com) • Email ID: [ggautomotive@yahoo.com](mailto:ggautomotive@yahoo.com)