



G. G. Automotive Gears Ltd

40th Annual report 2013-14

40th Annual Report 2013-14

G.G AUTOMOTIVE GEARS LIMITED

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

CIN:- L29130MH1974PLC017202

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

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

BOARD OF DIRECTORS

Mr. Ram S. Gajra

Mr. Kennedy R. Gajra

Mr. Shailendra Ajmera

Mr. Pravin Kumar Shishodiya

Chairman and Managing Director

Joint Managing Director

Non-Executive, Independent Director

Non-Executive, Independent Director

(DIN 02092248)

(DIN 02092206)

(DIN 02138042)

(DIN 03011429)

BANKERS

Union Bank of India

Axis Bank Ltd

ICICI Bank Ltd

AUDITORS

Shah Gandhi & Co,

Chartered Accountants,

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

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

Mumbai- 400 067.

REGISTERED OFFICE

20/16, Gajra House,

First Floor, 57-SCH, Sewri,

Wadala Road # 37, Wadala,

Mumbai- 400031.

ADMINISTRATIVE OFFICE

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

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

SHARE TRANSFER AGENT

Purva Shareregistry (India) Pvt. Ltd

9, Shiv Shakti Industrial Estate,

Sitaram Mills Compound,

J. R. Boricha Marg,

Opp. Kasturba Hospital,

Lower Parel (East), Mumbai – 400 013

Contact No. 91 (22) 23016761

Email-busicomp@vsnl.com

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Vision and Mission

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

NOTICE

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

Ordinary Business :

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

Special Business

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

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

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

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

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

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

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

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

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

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

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

Notes:

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

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

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

In case of members receiving e-mail:

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

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

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

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

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

In case of members receiving the physical copy:

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

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

By Order of the Board

G.G. AUTOMOTIVE GEARS LIMITED,

Ram Gajra

Chairman and Managing Director

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

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

Item No. 4

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

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

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

Item No. 5

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

Item No. 6 and 7

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

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

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

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

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

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

Item No. 8

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

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

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

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

By Order of the Board

G.G. AUTOMOTIVE GEARS LIMITED,

Ram S Gajra (02092248)
Chairman and Managing Director

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

DIRECTORS' REPORT

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

Your Directors have great pleasure in presenting their 40th **Annual Report** along with the Audited Balance Sheet and Profit and Loss Account for the year ended 31st March 2014.

FINANCIAL RESULTS

The financial Results are briefly indicated below:

Particulars	2013-2014 (Rs.)	2012-2013 (Rs.)
Gross Sales and Other Income	25,96,96,960	30,21,55,703
Gross Profit	2,93,86,978	4,53,09,478
Less: Depreciation and amortization expenses	2,00,97,518	1,96,99,380
Less: Extra-ordinary and exceptional items	5,000	8,97,555
Less: Provision for Taxation	31,70,573	57,38,084
Profit after Tax	61,13,887	1,89,74,459
Appropriations		
General Reserves	-	-
Profit and Loss Account	-	-
Balance brought forward from previous year	4,25,44,882	2,35,70,423
Balance carried forward to Balance Sheet	4,86,58,769	4,25,44,882

FINANCIAL OPERATIONS

During the year your Company has reported a total turnover of Rs.25,96,96,960/- (Rupees Twenty Five Crores Ninety Six Lakhs Ninety Six Thousand Nine Hundred and Sixty Only). However the total expenditure incurred by the Company during the year under review amounted to Rs.25,04,07,500/- (Rupees Twenty Five Crores Four Lakhs Seven Thousand Five Hundred Only).

During the year, due to sluggish and adverse market trend your Company has reported a reduced amount of net profit of Rs. 61,13,887/- (Rupees Sixty One Lakhs Thirteen Thousand Eight Hundred and Eighty Seven Only) as compared to net profit of Rs. 1,89,74,459/- (Rupees One Crore Eighty Nine Lakhs Seventy Four Thousand Four Hundred and Fifty Nine) in previous year.

DIVIDEND

Your Directors do not recommend dividend for the year 31st March, 2014 with a view to conserve the resource.

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DEPOSITS

The Company has not accepted any deposits from public within the meaning of section 58A and 58AA of the Companies Act, 1956 and the rules made there under during the year under review.

DIRECTORS

During the year Mr. Kennedy Gajra, Director, retiring by rotation as per the provisions of Articles of Association of the Company at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

SUBSIDIARIES

Since the Company has no subsidiaries, provision of section 212 of the Companies Act, 1956 do not apply to the Company.

DIRECTOR'S RESPONSIBILITY STATEMENT

As required under section 217 (2AA) of the Companies Act, 1956 the Board of Directors hereby confirms:

- I. That in the preparation of the Annual Accounts, the applicable accounting standards have 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 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.

CORPORATE GOVERNANCE

The Board is pleased to inform that the Company has complied with the mandatory requirements of the Corporate Governance as detailed in Clause 49 of the Listing Agreement.

A separate statement on Management Discussion and Analysis and Corporate Governance is enclosed as a part of the Annual Report along with the certificate of the Statutory Auditors, Shah Gandhi & Company, Chartered Accountants confirming compliance of the code of Corporate Governance.

AUDITORS

M/s. Shah Gandhi & Co., Chartered Accountants, the Auditors of the Company, retires at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. You are requested to appoint Auditors for the current financial year and to fix their remuneration.

AUDITORS' REPORT

The notes to Auditors Report are self explanatory and hence no explanation is required from the Board as such.

COST AUDITORS.

In accordance with the order received from the Central Government, the Company has appointed M/s Mihir Turakhia & Associates, Cost Accountants, as Cost Auditors for the financial year ending March 31, 2014.

SECRETARIAL AUDIT.

In pursuance of section 204 of the Companies Act, 2013, the Company has appointed M/s. HS Associates, Company Secretaries for auditing the secretarial and related records of the Company.

CONSERVATION OF ENERGY, TECHNOLOGICAL ABSORPTION & FOREIGN EXCHANGE

Statement giving the particulars relating to conservation of energy, technology absorption & foreign exchange earnings & outgo, as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rule, 1988 is attached as Annexure A.

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 section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Amendment Rules 2011.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to express their gratitude for the assistance and continued co-operation extended by Banks, Government authorities, clients, and suppliers. The Directors are pleased to record their sincere appreciation for the devotion and sense of commitment shown by the employees at all levels and acknowledges their contribution towards sustained progress and performance of your Company.

By Order of the Board

For, **G.G. AUTOMOTIVE GEARS LIMITED,**

Ram S Gajra (02092248)
Chairman and Managing Director

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

Annexure A**Form A: Disclosure of particulars with respect to conservation of Energy.****Annexure A**

Information under Section 217(1)(e) of The Companies Act, 1956 read with The Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of Director's Report.

FORM A**(Form for Disclosure of Particulars with respect to Conservation of Energy)**

Sr. No.	Power and Fuel Consumption (Electricity)	Current Year (2013-14)	Previous Year (2012-13)
1	Purchased unit Amount (In Rs.) Rate / Unit (Rs)	16,45,820 1,10,03,484 6.68	19,68,480 1,26,86,635 6.44

Our own generation

Sr. No.	Power and Fuel Consumption (Electricity)	Current Year (2013-14)	Previous Year (2012-13)
1	Through D.S. Set unit (KWH) Amount (In Rs.) Rate / Unit (Rs)	Nil Nil Nil	Nil Nil Nil

FORM B

(Form for Disclosure of Particulars with respect to Research & Development and Technology Absorption)

A. Research and Development (R&D)

Your Company has not incurred any expenditure on research and development during the year

B. Technology Absorption, Adoption and Innovation

The company has installed certain precision equipments which has resulted in enhanced production capacity and better quality product at lower power consumption.

C. Foreign Exchange Earnings and Outgo

	Current Year (2013-14)	Previous Year (2012-13)
Earning (Rs)	8.81	Nil
Outgo (Rs)	120.47	362.92

Place: Mumbai

Date: 25th July, 2014.

MANAGEMENTDISCUSSIONANDANALYSIS

Industry Structure and Development:

The Company is in Locomotive Gears and allied products industry. It is registering steady growth over a period of time. The company is expanding its market by adding more products in its product range.

Review of Operations:

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

Future Plans and Outlook:

Government of India is bullish on Indian Railways and have announced series of measures in last budget for rapid growth. This gives an indication of bright future.

Segment wise Performance:

The company is engaged in manufacturing of Locomotive and allied products . There is no other segment.

Risk Factors:

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

Financial Performance:

Financial performance is forming part of the Directors Repot.

Human Resources/industrial Relations:

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

Internal Control System and Adequacy:

Your company has been maintaining an adequate internal control system commensurate with the size and nature of its business.

By Order of the Board

For, **G.G. AUTOMOTIVE GEARS LIMITED,**

Ram S Gajra (02092248)

Chairman and Managing Director

Place: Mumbai.

Date: 25th July, 2014.

REPORT ON CORPORATE GOVERNANCE

1. Company's philosophy:

The Corporate Governance is an ethically driven business process that is committed to values aimed at enhancing organization wealth generating capacity. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values, while meeting stakeholder's expectation.

The Company believes in maximum utilization of resources at minimum cost and attaining maximum long-term shareholders wealth.

2. Board of Directors:

The Board of the Company comprises of Four Directors out of which one is Chairman cum Managing Director, one is Managing Director and the remaining two Directors are Non Executive, Independent Directors. However, there is no Nominee or Institutional Directors in the Company.

The Chairman of the Board is an Executive Director and the Board of Directors of the Company consists of fifty percent Non-Executive Independent Directors. This is in compliance with the clause 49(I) (A) of the Listing Agreement.

None of Directors have any pecuniary or business relationship with the Company other than as mentioned elsewhere in the Annual Report. No Director of the Company is either member in more than ten committees and/or Chairman of more than five committees across all Companies in which he is Director.

Sr. No.	Name of Director	Category	No. of Board meetings Attended	Attendance at Last AGM	No. Of Other Directorship	No. Of Other Committee membership In other Companies
1.	Mr. Ram Gajra	Chairman & Managing Director	06	Yes	NIL	NIL
2.	Mr. Kennedy Gajra	Managing Director	06	Yes	NIL	NIL
3.	Mr. Shailendra Ajmera	Non-Executive Independent Director	06	Yes	2	NIL
4.	Mr. Pravin Kumar Shishodiya	Non-Executive Independent Director	06	Yes	NIL	NIL

During the year there were in total Six (6) Board Meetings held on 16th May, 2013, 26 Jul 2013, 14 Aug 2013, 25 Oct 2013, 23 Jan 2014 and 12th March, 2014 The time gap between the two meetings was not more than 4 months. All the information required to be furnished to the Board was made available to them along with detailed Agenda notes.

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Audit Committee

Pursuant to provisions of section 292A of the Companies Act, 1956 and clause 49 of the listing agreement the audit committee shall have minimum three directors as members. Two third members of audit committee shall be Independent Directors. The committee consists of Three members out of which 1 member is Promoter Director.

Following is composition of audit committee-

Name of the Member	No. of Committee meetings held	No. of Committee meetings attend
Mr. Pravin Kumar Shishodiya Chairman & Independent Non-Executive Director	4	4
Mr. Shailendra Ajmera Member & Independent Non -Executive Director	4	4
Mr. Ram Gajra Member & Promoter Director	4	4

During the year there were in total 4 Audit Committee meetings were held on **26 Jul 2013, 14 Aug 2013, 25 Oct 2013 and 23 Jan 2014**. The time gap between the two meetings was not more than 4 months.

Brief terms of reference of the Audit Committee are as follows-

- a) Reviewing audit reports of statutory auditors with auditors and management.
- b) Reviewing financial reporting systems, internal control systems and control procedures.
- c) Ensuring compliance with regulatory guidelines.
- d) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- e) Recommending to the Board, the appointment, re-appointment and, if required the replacement or removal of the statutory auditor and fixation of audit fees.
- f) Appointment of statutory auditor and fixing their remuneration.
- g) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- h) Reviewing, with the management, the quarterly financial statements before submission to the board for approval.

Remuneration Committee

Pursuant to the provisions of clause 49 of the Listing Agreement, a Remuneration Committee shall have minimum three directors as members; all of whom should be Non-Executive Directors.

Disclosure on Remuneration of Directors-

- a) All elements of remuneration package of individual Directors summarized under major groups, such as salary benefits, bonuses, stock option, pension etc. – All these managerial persons are drawing remuneration & P.F., the details of the same are mentioned elsewhere in this report in detail.
- b) Details of fixed component and performance linked incentives, along with the performance criteria - NIL

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- c) Service contracts, notice period, severance fees – NIL
- d) Stock option details, if any - and whether issued at a discount as well as the period over which accrued and over which exercisable - NIL

Details of remuneration paid to Directors for the year ended 31st March 2014.

Particulars	(Amount in Rupees)
	Remuneration (p.a.)
Salaries	42,00,000
Contribution to P.F.	3,60,000

Following is the list of Non-Executive Directors and their Shareholdings in the Company.

Sr. No.	Name of the Non-Executive Independent Directors	Number of Equity Shares	Sitting fees	Non convertible Instruments
1.	Mr. Shailendra Ajmera	166	NIL	Nil
2.	Mr. Pravin Kumar Shishodiya	1332	NIL	Nil

Shareholders/Investors Grievance Committee

The Shareholders/Investors Grievance Committee comprises of 3 (Three) Members, The Committee consists of three Directors out of which one Director is Promoter Director and other two are Independent Non-Executive Directors. The committee looks into the shareholder and investors grievances that are not settled at the level of Compliance Officer and helps to expedite the share transfers and related matters.

The Attendance at the Shareholders Committee Meeting was as under:

Name of the Member	No. of Committee meetings held	No. of Committee meetings attend
Mr. Mr. Pravin Kumar Shishodiya Chairman & Independent Non-Executive	2	2
Mr. Shailendra Ajmera Member & Independent Non - Executive Director	2	2
Mr. Ram Gajra Member & Promoter Director	2	2

Name, designation & address of Compliance Officer

Name: Ram Gajra (DIN : 02092248)

Designation: Compliance officer.

Address: 20/16, Gajra House, First Floor,

57-SCH, Sewri, Wadala Road # 37,

Wadala, Mumbai- 400031

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General Body Meetings

Details of last three Annual General Meetings are given below:

Financial Year	Date	Time	Venue	Special Resolution(s)
2010-2011	16-09-2011	11.00 a.m.	Radio Club, 157, Arthur Bunder Road, Colaba, Mumbai- 400005	N.A
2011-2012	29-06-2012	11.30 a.m.	Radio Club, 157, Arthur Bunder Road, Colaba, Mumbai- 400005	N.A
2012-2013	19-06-2013	11.30 a.m.	Radio Club, 157, Arthur Bunder Road, Colaba, Mumbai- 400005	1] To obtain the consent of the members to the re-appointment of Mr. Kennedy Gajra as Joint Managing Director of the Company for a period of 5 (five) years w.e.f. 01st June 2013. 2] To obtain the consent of the members to the re-appointment of Mr. Ram Gajra as Managing Director of the Company for a period of 5 (five) years w.e.f. 01st June 2013.

Disclosures

During the year under review, besides the transactions reported elsewhere in the Annual Report, there were no other related party transactions with the Promoters, Directors, the management or their subsidiaries or relatives that may have potential conflict with the interest of the company at large.

There were no instances of Non-compliance on any matter related to the capital market during the past three years and no penalties or strictures were imposed on the Company by any Stock Exchange or SEBI. However, the trading in shares of the Company is suspended and the Company is in process in revocation of suspension.

3. Means of Communication

The quarterly/yearly results are submitted to stock Exchanges and also published in newspapers by the Company. Further, the Company has its own website.

No presentation was made during the year either to Institutional Investors or to the analysts.

Management Discussion & Analysis Report is attached herewith forming part of the Annual Report.

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4. General Shareholders Information

1. The 40th Annual General Meeting is scheduled to be held on Thursday the 28th August, 2014 at 11.00 a.m. at Radio Club, 157, Arthur Bunder Road, Colaba, Mumbai- 400005. The Financial year of the company is from April to March.
2. The financial calendar is as per following

First quarter results (30th June)	Last Week of July 2014
Mailing of Annual Reports	1st Week of August 2014
Annual General Meeting	28th August, 2014
Payment of Dividend	Not Applicable
Second quarter results (30th September)	2nd week of November 2014
Third quarter results (31st December)	2nd week of February 2015
Fourth quarter / Annual Results	4th Week of May 2015

3. Book Closure dates are from Thursday 21st August 2014 to Thursday 28th August 2014 (both days inclusive).
4. The Board of Directors has not proposed any dividend for the current financial Year.
5. The company's shares are listed at Bombay Stock Exchange, Indore Stock Exchange, New Delhi Stock Exchange, Ahmedabad Stock Exchange & Chennai Stock Exchange, out of which Bombay Stock Exchange is a Regional Stock Exchange. The trading on the said Bombay Stock Exchange has been suspended due to non-compliance of the Listing Agreements. The Board is in process of complying with the same and revocation of suspension is under process.
6. Stock Code
Demat – ISIN No. Of NSDL & CDSL- INE493B01017
7. Market Price Data (Bombay Stock Exchange)
Since the Company Shares were suspended for trading the market price data is not available.
8. Registrar and Transfer Agent
Purva Shareregistry (India) Pvt. Ltd
9, Shiv Shakti Industrial Estate, Sitaram Mills
Compound, J. R. Boricha Marg, Opp. Kasturba,
Hospital, Lower Parel (East), Mumbai – 400 013
Contact No. 91 (22) 23016761
Website:- <http://www.purvashare.com/>
9. Share Transfer System

Share Transfer in physical form can be lodged with Purva Shareregistry (India) Pvt. Ltd. at the above mentioned address. The transfers are normally processed within 10-12 days from the date of receipt, if the documents are complete in all respects. The shares in dematerialized mode are transferred through depositories.

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10. Distribution of Shareholding as on 31st March 2014.

Share holding of Nominal Value of Rs.	Shareholders No.	% of Total	Share Amt. Rs.	% of Total
UPTO 5,000	3473	64.57	8675220	10.96
5001-10,000	954	17.74	8228080	10.39
10,001- 20,000	463	8.61	7357060	9.29
20,001- 30,000	176	3.27	4579500	5.79
30,001- 40,000	99	1.84	3519780	4.45
40,001- 50,000	58	1.08	2737010	3.46
50,001- 1,00,000	96	1.78	6993710	8.83
1,00,001 AND ABOVE	60	1.12	37071310	46.83
TOTAL	5379	100.00	79161670	100.00

11. Dematerialization of securities and liquidity

Your Directors are pleased to report that the Company is having connectivity from the Central Depository Services Limited (CDSL) and National Depository Services Limited (NSDL) to provide facilities to all members and investors to hold the Company's Shares in Dematerialized Form. Equity Shares of the Company may be held in Electronic Form.

The company's shares were dematerialized, tripartite agreement executed between CDSL and the Company. As on 31st March 2014, 56,96,984 Equity Shares representing 71.97% were held in Demat form in CDSL & NSDL the balance 22,19,183 Equity Shares representing 28.03% were in physical form.

2. Company has not issued ESOP or any GDRs /ADRs /Warrants /Convertible instrument.

3. Plant Locations

The Company's Plants are located at the following address-

2A, Industrial Area, 1 A.B. Road, Dewas 455 001.

4. Address for correspondence

Shareholders of the company can send correspondence at company's Share & Transfer Agent's Office or at the administration office of the company situated at the following address-

2-A, I.S. Gajra Industrial Area-1,

A.B. Road, Dewas- 455001,

Madhya Pradesh

Shareholders of the Company can also log on to the company's website www.ggautomotive.com.

AUDITORS' REPORT ON CORPORATE GOVERNANCE

To,
**The Board of Directors,
G. G. Automotive Gears Limited
20/16, Gajra House, First Floor,
57-SCH, Sewri, Wadala Road # 37,
Wadala, Mumbai- 400031**

We have reviewed the implementation of Corporate Governance produced by the company during the year ended 31st March 2014 with the relevant records and documents maintained by the company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

The Compliance of the conditions of the Corporate Governance is the responsibility of the Management. Our examination is neither an audit nor an expression of opinion of the financial statements of the company.

On the basis of the above and according to the information and explanations given to us, in our opinion, the Company has complied in all material respects with the conditions of Corporate Governance stipulated in the Clause 49 of the Listing Agreement with the Stock Exchanges.

We further state that our examination of such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Shah Gandhi & company**

**Chartered Accountants
Kamlesh Mehta
Partner
Membership No. 036323
Date: 30/05/2014
Place: Mumbai**

CEO/CFO CERTIFICATION

To,
The Board of Directors,
G. G. Automotive Gears Limited
20/16, Gajra House, First Floor,
57-SCH, Sewri, Wadala Road # 37,
Wadala, Mumbai- 400031

We hereby certify that for the financial year, ending 31st March 2014 on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief that:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
2. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violating the company's code of conduct;
4. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the audit committee, deficiencies in the design and operation of the internal controls, if any of which we are aware and the steps we have taken or purpose to take to rectify these deficiencies;
5. We further certify that:
 - a. There have been no significant changes in internal control during the year.
 - b. There have been no significant changes in accounting policies during the year.
 - c. There have been no instances of significant fraud of which we are become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

For **G. G. AUTOMOTIVE GEARS LIMITED**

Kennedy Gajra
(Joint MD & CEO)

Narayan Shrivastava
(CFO)

Date : 25TH July, 2014

Place : Mumbai

DECLARATION

In accordance with Clause 49 sub clause I (D) of the Listing agreement with the stock exchange, I hereby confirm that, all the Directors and senior management personnel have affirmed compliance to their codes of Conduct, as applicable to them for the financial year ended 31st March, 2014.

For **G. G. AUTOMOTIVE GEARS LIMITED**

Date- 25th July, 2014
Place- Mumbai

Kennedy Gajra
(Joint MD & CEO)

INDEPENDENT AUDITOR'S REPORT

To the Members of G.G. Automotive Gears Limited

Report on the Financial Statements

We have audited the accompanying financial statements of G.G. Automotive Gears Limited, which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

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2. As required by section 227(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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For Shah Gandhi & Company
Chartered Accountants
Firm's Registration Number: 109569W

Kamlesh Mehta
Partner
Membership Number: 036323

Place: MUMBAI
Date: 30.05.2014

G. G. AUTOMOTIVE GEARS LIMITED

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, 2014

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) Based on our scrutiny of records of the company and the information and explanations received by us, we report that there is nothing which affect going concern concept of the company.
2.
 - (a) The inventory has been physically verified by the management during the year at reasonable intervals. In our opinion, the frequency of verification is reasonable.
 - (b) The procedure followed by the management for physical verification of stocks is reasonable and adequate in relation to the size of the company and nature of its business.
 - (c) On the basis of our examination of stock records, we are of the opinion that the record of stocks is fair and proper in accordance with the normally accepted accounting principles and no material discrepancies were noticed on physical verification.
3.
 - (a) The company has not granted/raised unsecured loans to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - (b) In our opinion and according to the information and explanations given to us, the terms and conditions of the unsecured loans taken by the company are not prima facie prejudicial to the interest of the company.
 - (c) According to the information and explanations given to us, we do not find any terms and conditions as far as repayment is concerned.
 - (d) There is no overdue amount of loans taken from companies, firms or other parties listed in the registers maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our random checking, no major weaknesses have been noticed in the internal controls.
5.
 - (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act have been entered into the register required to be maintained under that section.
 - (b) In our opinion and according to the information available the transactions made in pursuance of such contracts or arrangements have been made at prices, which are reasonable, having regard to the prevailing market prices at the relevant time.
6. 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 58A and 58AA of the Companies Act, 1956 or any other relevant provisions of the Act and the rules framed there under.
7. In our opinion, the company has adequate internal audit system commensurate with the size and nature of its business.

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8. The company is covered under the clause regarding maintenance of cost records as prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956 and according to the cost auditor's report the company has maintained proper accounts and records for the same.
9. (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, wealth tax, service tax, custom duty, excise duty, 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/wealth tax, excise duty/cess on account of any dispute except income tax to the tune of Rs. 24,22,840/- for A. Y. 2001-02 which has not been deposited since the matter is in appeal before I.T.A.T./C.I.T. at Mumbai.
10. The company is not a sick industrial company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985.
11. According to information and explanation given to us the company has not defaulted in repayment of dues to any financial institution or bank. The company has not issued any debentures.
12. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. Being a Manufacturing company, the provision of any special statute applicable to nidhi/mutual benefit fund/societies is not applicable to the company.
14. There were no dealing or trading in shares, securities, debentures and other investments held by the company.
15. The company has not given any guarantee to any bank or financial institution for loan taken by others.
16. The term loans have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
18. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
19. There was no debenture issue during the year.
20. No money was raised by public issues by the company during the year under audit.
21. No fraud on or by the company has been noticed or reported during the year.

For Shah Gandhi & Company
Chartered Accountants
Firm's Registration Number: 109569W

Kamlesh Mehta
Partner
Membership Number: 036323

Place: MUMBAI
Date: 30.05.2014

**G.G. AUTOMOTIVE GEARS LTD.
BALANCE SHEET AS AT 31.03.2014**

I. EQUITY & LIABILITIES	Note No.	2014 (Rupees)	2013 (Rupees)
(1) Shareholders' funds			
(a) Share Capital	1	79,161,670	79,161,670
(b) Reserves & Surplus	2	54,460,899	48,347,012
(2) Non-current Liabilities			
(a) Long-term borrowings	3	33,624,035	43,106,965
(b) Deferred tax liabilities (Net)		19,078,100	20,280,222
(c) Long Term Provision	4	3,337,239	2,826,239
(3) Current Liabilities			
(a) Short Term borrowings	5	61,247,668	64,874,205
(b) Trade payables	6	41,711,738	54,351,835
(c) Other current liabilities	7	13,215,522	22,660,888
(d) Short-term provisions	8	3,531,746	9,116,640
TOTAL		<u>309,368,617</u>	<u>344,725,676</u>
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	134,595,175	148,430,054
(ii) Intangible assets	10	500,000	500,000
(2) Current assets			
(a) Inventories	11	30,276,575	41,820,003
(b) Trade receivables	12	97,559,608	119,485,545
(c) Cash & cash equivalents	13	33,529,438	19,867,163
(d) Short term loans and advances	14	12,907,821	14,622,911
Total		<u>309,368,617</u>	<u>344,725,676</u>

See accompanying notes to the financial statements

As per our Report of even date attached.

**For Shah Gandhi & Company
Chartered Accountants**

On behalf of the Board

Kamlesh Mehta
Partner

R.S.GAJRA
CHAIRMAN &
MG. DIRECTOR

K.R.GAJRA
MANAGING
DIRECTOR

Membership No 036323
FRN No : 109569W
Date : 30.05.2014
Place : MUMBAI

**G.G. AUTOMOTIVE GEARS LTD.
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2014**

Particulars	Note No.	2014 (Rupees)	2013 (Rupees)
INCOME :			
I. Revenue from operations	15	257,321,070	300,940,760
II. Other Income	16	2,375,890	1,214,943
III. Total Revenue		<u>259,696,960</u>	<u>302,155,703</u>
IV. Expenses:			
Cost of materials consumed	17	112,233,429	146,357,999
Changes in inventories of finished goods and work-in-progress	18	11,366,537	(14,066,244)
Employee benefits expense	19	24,648,215	22,424,410
Finance cost	20	6,762,996	13,075,372
Depreciation and amortisation expenses	8	20,097,518	19,699,380
Other expenses	21	75,298,805	89,054,688
Total expenses		<u>250,407,500</u>	<u>276,545,605</u>
V. Profit before exceptional and extraordinary items and tax		9,289,460	25,610,098
VI. Exceptional Items	21 A	5,000	897,555
VII. Profit before tax		9,284,460	24,712,543
VIII. Tax expense:	22		
(1) Current tax		4,372,695	5,419,949
(2) Deferred Tax		(1,202,122)	318,135
IX. Profit/(Loss) for the year		<u>6,113,887</u>	<u>18,974,459</u>
X. Earning per equity share:			
(1) Basic		0.77	2.40
(2) Diluted		0.77	2.40

See accompanying notes to the financial statements

As per our Report of even date attached.

**For Shah Gandhi & Company
Chartered Accountants**

On behalf of the Board

**Kamlesh Mehta
Partner**

**R.S.GAJRA
CHAIRMAN &
MG. DIRECTOR**

**K.R.GAJRA
MANAGING
DIRECTOR**

**Membership No 036323
FRN No : 109569W
Date : 30.05.2014
Place : MUMBAI**

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NOTES TO THE FINANCIAL STATEMENTS

Note no. 1 : Share Capital

	2014 (Rupees)	2013 (Rupees)
(a) Authorised		
8,000,000 Equity Shares of Rs. 10/- each	80,000,000	80,000,000
(Previous year 8,000,000 shares of Rs. 10/- each)	80,000,000	80,000,000
(b) Issued, Subscribed and Paid-up		
(7,916,167 Equity Shares of Rs. 10/- each fully paidup)	79,161,670	79,161,670
Share Capital	79,161,670	79,161,670
(c) Reconciliation of no. of shares outstanding as at 31.03.2014 and 31.03.2013		
No. of shares at the beginning of the year	7,916,167	7,916,167
Add: Shares issued	-	-
No. of shares at the end of the year	7,916,167	7,916,167
(d) Shareholder's Holding more than 5% shares		
Name of the shareholder	No. of shares held	% of shareholding
Mr. K.R. Gajra	1,308,920	16.53%
Total	1,308,920	16.53%

Note no. 2 : Reserve & Surplus

Security premium	5,802,130	5,802,130
Surplus :		
Balance B/F	42,544,882	23,570,423
Add/Less : Profit/(loss) during the year	6,113,887	18,974,459
	54,460,899	48,347,012

Note no. 3 : Long term borrowings

(a) TERMLOANS :	Rate of interest		
(i) From Banks:			
Union bank of India :			
(a) Term loan	14.65%	5,784,854	7,192,300
(b) Vehicle loan I	12%	-	397,001
(c) Vehicle loan II	12%	-	1,228,230
		5,784,854	8,817,531

Note : Term loan has been guaranteed by some of the directors and secured by first charge over factory land, building and plant and machinery

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NOTES TO THE FINANCIAL STATEMENTS

(ii) From others:

Hofler machine Baugmbh Germany - 4,674,974
(Credit for machinery)

From Directors (Interest free)	Interest free	26,464,452	28,574,590
		<u>26,464,452</u>	<u>33,249,564</u>

(iii) Other loan & advances
(Customer Credit Balance) Interest free 1,374,729 1,039,870

Total (i + ii + iii)		<u>33,624,035</u>	<u>43,106,965</u>
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Note : Supplier's credit (Hofler Machine Baugmbh Germany) for machinery is secured by hypothecation of the equipment supplied on credit. Loan from directors and members are unsecured.

Note no. 4 : Long Term Provisions

Provision for Gratuity		<u>3,337,239</u>	<u>2,826,239</u>
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Note no. 5 : Short term borrowings

Working capital Loan from Union bank of India		<u>61,247,668</u>	<u>64,874,205</u>
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Note: Working capital loan is secured by way of hypothecation of inventory, book debts and collateral security of fixed assets besides personal guarantee of some of the directors.

Note no. 6 : Trade payables

Sundry Creditors		<u>41,711,738</u>	<u>54,351,835</u>
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Note no. 7 : Other Current Liabilities

Other Creditors		2,365,404	8,404,896
Current maturities of long term debt		6,756,128	11,404,508
Central Excise Duty on Closing Stock		4,093,990	2,851,484
		<u>13,215,522</u>	<u>22,660,888</u>

Note no. 8 : Short term provisions

Income Tax		4,372,695	5,419,949
Less : TDS & Advance tax		3,839,353	390,919
		533,342	5,029,030
Provision for employees expenses		2,241,057	2,914,702
Provision for expenses		757,347	1,172,908
		<u>3,531,746</u>	<u>9,116,640</u>

NOTES TO THE FINANCIAL STATEMENTS

Note No. 9 : Tangible Assets
G.G-AUTOMOTIVE GEARS LTD.31/03/2014

DESCRIPTION OF ASSETS.	RATE OF DEP.	GROSS BLOCK AS ON 01.04.2013	ADDITION DURING THE YEAR	GROSS BLOCK AS ON 31.03.2014	DEPRECIATION		NET BLOCK		
					UP TO 01.04.2013	PROVIDED DURING THE YEAR	AS ON 31.03.2014	AS ON 31.03.2014	AS ON 31.03.2013
LEASE HOLD LAND BUILDING	10 %	9,607	-	9,607	3,553	97	3,650	5,957	6,054
PLANT & MACHINERY (BEFORE 01.04.89)	NIL	9,216,066	-	9,216,066	7,030,303	29,601	7,059,904	2,156,162	2,185,763
PLANT & MACHINERY (AFTER 01.04.89)	10.34 % SLM	29,390,509	-	29,390,509	24,911,501	-	24,911,501	4,479,008	4,479,008
FURNITURE & FIXTURE	18.1 % WDV	225,876,855	4,563,861	230,440,716	94,449,137	18,281,607	112,730,745	117,709,971	131,427,718
OFFICE EQUIPMENT	13.91 % WDV	2,603,528	93,508	2,697,036	2,553,210	17,656	2,570,866	126,170	50,318
ELECTRICAL	13.91 % WDV	2,125,003	62,654	2,187,657	1,861,028	43,723	1,904,751	282,906	263,975
LABORATORY	13.91 % WDV	1,757,437	150,000	1,907,437	994,689	106,383	1,101,072	806,365	762,748
EQUIPMENT	13.91 % WDV	177,958	365,213	543,171	59,492	33,784	93,276	449,895	118,466
VEHICLES (AFTER 1.4.96)	9.50 % SLM	13,480,559	892,353	14,372,912	4,795,643	1,150,096	5,945,739	8,427,173	8,684,916
COMPUTER (BEFORE 1.4.96)	40 % WDV	1,802,629	-	1,802,629	1,802,629	-	1,802,629	-	-
COMPUTER (AFTER 1.4.96)	16.21 % SLM	2,898,747	135,050	3,033,797	2,447,659	434,571	2,882,230	151,567	451,088
TOTAL		289,338,898	6,262,639	295,601,537	140,908,845	20,097,516	161,006,362	134,595,175	148,430,054
PREVIOUS YEAR		281,130,030	9,082,556	290,212,586	122,083,152	19,699,380	141,782,532		
Add : Capital Work in progress, Capital Advances & Pre-operative exps.									-
									134,595,175
									148,430,054

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NOTES TO THE FINANCIAL STATEMENTS

Note no. 10: Intangible assets

Goodwill	500,000	500,000
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Note no. 11 : Inventories

Raw Materials	812,880	2,212,187
Work in progress	1,958,305	13,237,113
Finished goods	23,186,030	23,070,259
Stores, Tools, Jig & Spares	115,370	135,460
Scrap	110,000	313,500
Excise Duty on Closing Stock	4,093,990	2,851,484
	30,276,575	41,820,003

Note No. 12 : Trade receivables

(Unsecured, Considered good)		
Outstanding for a period exceeding six months	2,912,759	2,550,415
Others	94,646,849	116,935,130
	97,559,608	119,485,545

Note No. 13 : Cash and cash equivalents

Cash in hand	335,363	827,891
Balance with Banks :		
(i) On current accounts	157,686	4,824,865
(ii) On Deposit accounts	33,036,389	14,214,407
	33,529,438	19,867,163

(Fixed Deposits are given as security against Bank guarantee and foreign letter of credit)

Note No. 14 : Short term loans and advances

Others		
(Unsecured, considered good)		
Advances (Recoverable in cash or kind or for value to be received)	9,709,417	12,880,538
Deposits	1,666,534	1,742,373
Interest accrued against FDR	1,531,870	-
	12,907,821	14,622,911

Note No. 15 : Revenue from operations

Sales of Mfg. Goods	263,415,982	311,553,630
Less : Excise duty	29,546,668	34,120,349
	233,869,314	277,433,281
Job Work	23,451,756	23,507,479
	257,321,070	300,940,760

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NOTES TO THE FINANCIAL STATEMENTS

Note No. 16 : Other Income

Interest	1,907,190	1,047,209
Scrap Sales	468,700	120,020
Miscellaneous income	-	47,714
	2,375,890	1,214,943

Note No. 17 : Cost of materials consumed

(a) Raw materials consumption

Opening Stock	2,212,187	548,500
Add : Purchases	110,834,122	148,021,686
	113,046,309	148,570,186
Less : Closing Stock	812,880	2,212,187
	112,233,429	146,357,999

Note No. 18 : Changes in inventories

Opening Stock :		
Finished Goods	23,070,259	2,733,458
Work In Progress	13,237,113	19,801,170
Scrap	313,500	20,000
	36,620,872	22,554,628
Closing Stock :		
Finished Goods	23,186,030	23,070,259
Work In Progress	1,958,305	13,237,113
Scrap	110,000	313,500
	25,254,335	36,620,872
(Increase)/ Decrease in stock	11,366,537	(14,066,244)

Note No. 19 : Employee benefits expenses

Salary, Wages, Bonus & Allowances	21,652,957	19,640,119
Contribution to Welfare funds	1,894,282	1,769,130
Staff & Labour welfare & Hospitality	589,976	515,161
Gratuity	511,000	500,000
	24,648,215	22,424,410

Note No. 20 : Finance Cost

Interest	6,053,326	6,891,147
Other Borrowing cost	709,670	6,184,225
	6,762,996	13,075,372

NOTES TO THE FINANCIAL STATEMENTS

Note No. 21 : Other Expenses

(a) Manufacturing Exp.		
Consumption of stores	12,071,076	12,994,713
Power & Fuel	11,003,484	12,686,635
Repair to Plant & Machinery	8,610,862	7,353,306
Job Charges	1,316,805	2,032,537
Freight, Cartage etc.	1,562,641	2,041,427
Insurance charges	602,590	573,187
Repair to Building	722,547	564,388
Diesel	436,664	250,996
Inspection Charges	28,226	27,209
Testing Charges	55,782	50,461
Entry tax	158,447	132,565
(b) Office & Administrative exp.		
Printing & Stationery	265,894	278,727
Postage & Telegram	186,858	135,793
Telephone	282,078	404,025
Rent	429,596	983,986
Vehicle Repairs & Maintenance	689,296	574,340
Conveyance	1,134,674	2,102,831
Legal & Professional Charges	1,552,951	1,750,234
Licence & Registration fee	691,245	563,270
Electricity & Water charges	396,194	334,994
General repairs	119,455	162,325
Membership & Subscription	247,829	70,078
Office Expenses	1,833,715	2,681,521
Listing Fee	28,090	28,240
(c) Selling & Distribution expenses		
Packing, forwarding & freight	4,366,719	4,516,614
Discount	1,678,433	3,257,820
Rebate	1,827,512	3,156,977
Liquidated damages	8,543,008	16,045,399
Advertisements	96,044	123,018
Sales Promotion	892,518	1,308,840
Travelling Exp.	1,148,759	1,660,765
Other Selling exp.	456,994	399,236
(d) Other Expenses		
Auditors' Remuneration :		
Audit Fee	150,000	150,000
Tax Audit Fees	50,000	50,000
Out of packet exp.	8,214	24,720
Donation	400,000	200,000
Foreign Exchange Fluctuation Loss	1,859,227	1,914,356
Directors' remuneration :		
(i) Gross salary	4,200,000	4,200,000
(ii) Gross Contribution to PF	360,000	360,000
Directors' Other Expenses :		
(i) Travelling & Other Expenses	4,834,378	2,909,155
	75,298,805	89,054,688

NOTES TO THE FINANCIAL STATEMENTS

Note No. 21 A : Exceptional Items

Prior period Exps.	<u><u>5,000</u></u>	<u><u>897,555</u></u>
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Note No. 22 : Tax Expense

(a) Current tax :

Provision for Income tax	4,372,695	5,419,949
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(b) Deferred Tax :	(1,202,122)	318,135
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	<u><u>3,170,573</u></u>	<u><u>5,738,084</u></u>
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G. G. AUTOMOTIVE GEARS LIMITED

NOTES ON ACCOUNTS :

1. SIGNIFICANT ACCOUNTING POLICIES:

(A) ACCOUNTING CONVENTION

The financial statements are prepared on the basis of going concern, under historical cost convention on an accrual basis and in accordance with the requirement of the Companies Act, 1956 and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

(B) INVESTMENTS:

Investments are stated at cost.

(C) INVENTORIES

Finished goods are valued at lower of cost and market price, while Raw Material and Work in Progress are valued at cost. The Scrap is valued at realizable value. Cost of work in progress excludes expenses on material received for processing on Job basis.

(D) FIXED ASSETS AND DEPRECIATION:

Fixed assets are stated at cost and depreciated on written down value (WDV) method in accordance with provisions of schedule XIV of the Companies Act, 1956 except addition on Machinery w.e.f. 01.04.1989, vehicle and computer w.e.f. 01.04.1996 where S.L.M. method is followed.

(E) REVENUE RECOGNITION:

Sales are recognised at the point of dispatch to customers.

2. ACCOUNTING STANDARDS:

- a) Accounting Standard 11 – Accounting for effects of change in Foreign Exchange

Transactions in foreign currency are recorded at exchange rates prevailing on the date of the transaction. Assets and Liabilities related to foreign currency transactions, remaining unsettled at the year end, are stated at the contracted rates, when covered under forward exchange contracts and at year end rates in other cases. The premium payable on forward foreign exchange contracts is amortized over the period of contract. Exchange gains /losses are recognized in the profit and loss account.

	Rs. In Lacs	
	2014	2013
Earning in foreign currency	Rs.8.81	Nil
Expenditure in foreign currency		
-For capital goods	Rs. 120.47	Rs. 357.11
-For others	Nil	Rs. 5.81
Foreign exchange fluctuation gain /(loss) recognized in P&L	Rs. (18.59)	Rs. (19.14)

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b) Related parties disclosure as per accounting Standard 18:

The related parties, as defined by Accounting Standard 18 'Related party disclosure' issued by The Institute of Chartered Accountants of India, in respect of which the disclosures have been made and identified on the basis of disclosures made by the company.

Sr. No.	Particulars	Associates	Key Management Personnel	Relatives of Key Management Personnel
1.	Rent	-	-	1,80,000/-
2.	Salary	-	42,00,000/-	7,32,000/-
3.	Other expenses	-	48,34,378/-	-
4.	Contribution to PF	-	3,60,000/-	57,600/-

Name of the related parties and description of relationship.

Sr.No.	Particulars	Name of the party
1.	Key Management Personnel	Mr.R.S.Gajra Mr.K.R.Gajra
2.	Relatives of Key Management Personnel	Mrs.B.K.Gajra Ms Aashna Gajra Mr. Anmol Gajra

c) Lease Agreement as per Accounting Standard 19:

The company has entered into Lease Agreement for Mumbai Office on 25.08.2010. This has become null and void w.e.f. vacating the office.

d) Earning per share as per Accounting Standard 20:

	2013-14	2012-13
a. Weighted average number of share at the beginning and end of the year	7,916,167	7,916,167
b. Net Profit after tax available for equity share holders	6,113,887	18,974,459
c. Basic and Diluted earnings per share	0.77	2.40

e) Taxes on Income Tax as per Accounting Standard 22:

- i. Provision for Income Tax is made in accordance with the Income Tax Act, 1961.
- ii. Current Tax is determined as the amount of tax payable in respect of taxable income for the year.
- iii. The company has recognized Deferred Taxes which result from timing difference between the Book profits and Tax profits. Consequently, as required by the said standard, the company has recognised the deferred tax balance that would have accumulated prior to adopting the standard, as if the standard had been in effect.

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3. Contingent Liability :

Particulars	2014	2013
Bank guarantee issued by company's Bankers	Rs.324.68 Lac	Rs. 448.78 Lac
Income tax (A.Y. 2001-02) in appeal at Mumbai	24.22 Lac	Rs. 24.22 Lac

3. In the opinion of the Board, the Current Assets, Loans and advances Debtors & Creditors have a value on realization in ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet. However no confirmation has been obtained on the same.
4. The Company has been advised that the computation of net profit for the purpose of Directors remuneration under section 349 of the Companies Act, 1956 need not be enumerated since no commission has been paid to the Directors. Fixed monthly remuneration has been paid as per Schedule XIII of the Companies Act, 1956 and as per resolution passed by the Shareholders in their meeting.

Directors Remuneration:	2013-14	2012-13
Salaries	4200000	4200000
Contribution to P.F.	360000	360000

6. In compliance with the requirement of the Accounting Standard on valuation of Inventories issued by the Institute of Chartered Accountant of India, Excise Duty payable amounting to Rs. 4093990/- (Prev. Year 2851484/-) on Finished Goods as on 31st March, 2014 has been included in the valuation of the said stocks. This has no impact on profit for the year.
7. Amount due to small industries Rs. Nil as on 31.03.2014 out of which amount outstanding for more than Rs. 1.00 lac and due for more than 30 days is Rs. Nil.

As Per our report attached

For Shah Gandhi & Company
Chartered Accountants

On behalf of the Board

Kamlesh Mehta
Partner

Membership No 036323
FRN No : 109569W
Date : 30.05.2014
Place : MUMBAI

R.S.GAJRA
CHAIRMAN &
MG. DIRECTOR

K.R. GAJRA
MANAGING
DIRECTOR

G.G.AUTOMOTIVE GEARS LIMITED

8 QUANTITY DETAILS	2013-2014	2012-2013		
	QTY. NOS.	VALUE RS.	QTY. NOS.	VALUE RS.
(A) MANUFACTURING ACTIVITY				
a Licensed Capacity				
b Installed Capacity				
i) Gear Box Housings	18000 NOS		18000 NOS	
ii) Railways Gears	450 MT		450 MT	
c Production(in nos)				
i) Railways & Indl Gears & Job work	7996		9372	
		<u>257470000</u>		<u>293263000</u>
d Sales				
i) Railways & Ind Gears(inc.exports)		233869314		277433281
ii)Ind Gear box	8181	233869314	8442	277433281
iii) Job Total with jobwork		23451756		23507479
e Opening Stocks				
ii) Railways & ind Gears Boxes	1315	23070259	385	2733458
f Closing Stocks		23070259		2733458
ii) Railways & ind Gears & Hyd	1130	23186030	1315	23070259
		23186030		23070259
g Raw materials Consumed				
I) Forgings			7725	
	6100			
	TOTAL	<u>112233429</u>	TOTAL	<u>146357999</u>

As Per our report attached
For Shah Gandhi & Company
Chartered Accountants

On behalf of the Board

Kamlesh Mehta
Partner

Membership No 036323
FRN No : 109569W
 Date : 30.05.2014
 Place : MUMBAI

R.S.GAJRA
CHAIRMAN &
MG. DIRECTOR

K.R. GAJRA
MANAGING
DIRECTOR

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G.G. AUTOMATIVE GEARS LIMITED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2014

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
A. Cash flow from operating activities		
Net profit before tax & extraordinary items	9,284,460	24,712,543
Adjustment for :		
Depreciation	20,097,518	19,699,380
Deferred Revenue Exps. Write-offs	-	-
Interest paid	6,762,996	13,075,372
Less : Interest and dividend received	1,907,190	1,047,209
Operating profit before working capital changes	34,237,784	56,440,086
Adjustment for :		
Trade and other receivables	23,641,027	5,561,344
Inventories	11,543,428	(18,279,020)
Trade and other payables	(30,785,894)	8,309,607
Cash generated from operations	38,636,345	52,032,017
Direct Tax paid	4,372,695	5,419,949
Net cash from operating activities	34,263,650	46,612,069
B. Cash flow from investment activities		
Sale of fixed assets (Net)	0	-
Profit on sale of Investment	0	-
Purchase of Fixed Assets	(6,262,639)	(9,082,556)
Capital WIP, Cap. Adv. & Pre-op. Exps.	0	-
Sale of Investment	0	-
Interest received	1,907,190	1,047,209
Dividend received	0	-
Net cash from investment activities	(4,355,449)	(8,035,347)
C. Cash flow from financing activities		
Repayment of long-term borrowings	-	-
Repayment of borrowings	(9,482,930)	(36,189,185)
Public Issue/Preiliminary Expenses	-	-
Interest paid	(6,762,996)	(13,075,372)
Dividend paid	-	-
Net cash from financing activities	(16,245,926)	(49,264,557)
Net increase in cash and cash equivalents	13,662,275	(10,687,835)
Cash and cash equivalens at beginning of the year	19,867,163	30,554,998
Cash and cash equivalens at end of the year	33,529,438	19,867,163

We have checked the above cash flow statement of G.G. Automative Gears Limited, derived from the audited annual financial statement for the period ended 31st March 14, 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 Shah Gandhi & Company
Chartered Accountants

On behalf of the Board

Kamlesh Mehta
Partner

R.S.GAJRA
CHAIRMAN &
MG. DIRECTOR

K.R. GAJRA
MANAGING
DIRECTOR

Membership No 036323
FRN No : 109569W
Date : 30.05.2014
Place : MUMBAI

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G. G. AUTOMOTIVE GEARS LIMITED

CIN L29130MH1974PLC017202

Regd. Off:- 20/16, GAJRA HOUSE, FIRST FLOOR, 57-SCH,
SEWRI, WADALA ROAD # 37, WADALAMUMBAI- 400031. Tel no.: 91-7272-405310, 404802

Fax : 91-7272-404802, Website : www.ggautomotive.com,

Email ID: npshrivas@ggautomotive.com

ATTENDANCE SLIP
40th Annual General Meeting

Reg. Folio/DP & Client No: No .of Shares.....

I certify that I am a registered Shareholder/Proxy for the registered shareholder of the Company. I hereby record my presence at the 40th Annual General Meeting of the Company held on Thursday the 28th August, 2014 at 11.00 a.m. at Radio Club, 157, Arthur Bunder Road, Colaba, Mumbai- 400005

Member's Name :

Proxy's Name : Member's/ Proxy's Signature

Note: 1. Please fill this attendance slip and hand it over at the entrance of the Hall.

1. Members/Proxy Holders/Authorised Representatives are requested to show their Photo ID Proof for attending the Meeting.
2. Authorized Representatives of Corporate members shall produce proper authorization issued in their favor.

Form No. MGT-11

G. G. AUTOMOTIVE GEARS LIMITED

CIN L29130MH1974PLC017202

**Regd. Off:- 20/16, GAJRA HOUSE, FIRST FLOOR, 57-SCH,
SEWRI, WADALA ROAD # 37, WADALAMUMBAI- 400031. Tel no.:- 91-7272-405310, 404802**

Fax: - 91-7272-404802, Web site: - www.ggautomotive.com,

Email ID: npshrivas@ggautomotive.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 DPID.....

I/We, being the member(s) holding 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

proxy to attend and vote(on a poll) for me/us and on my/our behalf at the 40th Annual General Meeting of the Company, to be held on Thursday the 28th August, 2014 at 11.00 a.m. at Radio Club, 157, Arthur Bunder Road, Colaba, Mumbai- 400005 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No. 1:..... 2:..... 3:.....

Signed this.....day of2014

Signature of shareholder

Signature of Proxy holder(s)

Note: This form duly filled up, stamped and signed by the appointer or his attorney duly authorized in writing or if the appointer is a Body Corporate, under the seal or signed by an attorney duly authorized by it shall be deposited at the Registered Office of the Company along with the power of Attorney, if any under which the Proxy Form is signed, not less than 48 hours before the time for holding the meeting.

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Pursuant to applicable provisions of the Companies Act, 2013, none of the Directors & Key Managerial Personnel of the Company and their relatives are concerned or interested, in the said resolution.

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March 2014 including audited Balance sheet as at 31st March, 2014 and the statement of Profit & Loss for the year ended on that date and the Report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Kennedy Gajra, Joint Managing Director (Holding Din 02092206) who retires by rotation & being eligible offers himself for re-appointment.
3. To appoint auditors of the Company to hold office from the conclusion of this Annual General Meeting, until the conclusion next Annual General Meeting and to fix their remuneration.
4. Appointment of Mr. Shailendra Ajmera (holding DIN 02138042) Director of the Company, who retires by rotation at the Annual general Meeting, as an Independent Director.
5. Appointment of Mr. Pravin Kumar Shishodiya (holding DIN 03011429) Director of the Company, who retires by rotation at the Annual general Meeting, as an Independent Director.
6. Lease or mortgage, charge or create any security on the whole or substantially the whole of the undertaking of the Company including moveable or immovable properties and assets of the Company, to secure the repayment of term loan/financial assistance obtained/to be obtained for business purpose for an amount not exceeding Rs. 50 Crores.
7. For borrowing from time to time any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board shall not at any time exceed Rs. 50 Crores
8. Appointment of M/s. MIHIR TURAKHIA & ASSOCIATES, Cost Accountants as Cost Auditors of the Company.

Signed this.....day of2014

**Affix
Revenue
stamp**

Signature of shareholder

Signature of first Proxy holder

Signature of second Proxy holder

Signature of third Proxy holder

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.

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
Regd. Office: 20/16, Gajra House,
Wadala, Mumbai – 400 031.

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 No

(1) 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:

(2) IN CASE NOMINEE IS A MINOR -

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

Name : _____

Address : _____

Name of the Security Holder (s) : _____

Signature : _____

Witness with the name and address : _____

If undelivered, please return to :



G.G AUTOMOTIVE GEARS LIMITED

2-A, I. S. Gajra Industrial Area No. 1, A. B. Road, Dewas - 455 001 (M.P.)

CIN:- L29130MH1974PLC017202

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

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