



47th Annual Report 2020-2021



G.G. AUTOMOTIVE GEARS LTD.

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 Locomotive gears for the last 40 years. Established in 1974, the company undertakes to manufacture of traction gears as a strategic shift from its traditional business of automotive gears.

Within a few years into the start of its traction gear business, the company assumed market leadership because of its unmatched cost, quality and delivery standards. G.G. Automotive Gears Ltd. is a self-sufficient organization capable of developing and manufacturing locomotive and industrial application gears & pinions, gearboxes and forged automotive components



Mission

To become a world renowned manufacturer of gears and forged components

Vision

GG Automotive Gears Ltd. aims to: Attain maximum customer satisfaction by ensuring timely supply of quality products. Minimize employee turnover ratio, to retain its valuable knowledge base grow exponentially with commitment towards continual improvement, while focusing on safeguarding the environment preservation of natural resources and adhering to legal compliances

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

CIN: L29130MPI974PLC035049

Tel: 91 (7272) 405310/404802 | Fax: 91 (7272) 404802

Web: www.ggautomotive.com | Email: ggmarketing@ggautomotive.com

G. G. Automotive Gears Limited

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Name	Designation	DIN/PAN
Mr. Kennedy Ram Gajra	Managing Director	02092206
Mr. Anmol Gajra	Whole Time Director	07835836
Mr. Shailendra Ajmera	Non-Executive Independent Director	02138042
Mr. Pravin Kumar Shishodiya	Non-Executive Independent Director	03011429
Mrs. Ruchi Sogani	Non-Executive Independent Director	02805170
Mr. Narayan Shrivastava	Chief Financial Officer (CFO)	BPVPS3147F
Ms. Divya Desai	Company Secretary	FFGPD9199F

BANKERS

UNION BANK OF INDIA

SHARE TRANSFER AGENT

PurvaSharegistry (India) Pvt. Ltd
 9, Shiv Shakti Industrial Estate, Sitaram Mills
 Compound, J. R. Boricha Marg, Lower Parel
 (East), Mumbai – 400 011.
 Contact No: 23018261
 Email: busicom@gmail.com

AUDITORS

M/S. MUKESH & ASSOCIATES,
 CHARTERED ACCOUNTANTS, MUMBAI

SECRETARIAL AUDITORS

HS ASSOCIATES,
 COMPANY SECRETARIES,
 MUMBAI



G. G. Automotive Gears Limited

Chairman's Message



MR. KENNEDY RAM GAJRA
CHAIRMAN

Dear Shareholders,

We are happy to share with you our Annual Report for FY 2020-21. GGAG delivered a good performance during the year as we made steady progress in reducing lead times to our customers, while increasing total output and maintaining the highest standards of quality. We have faced in a fiercely competitive and challenging environment (due to the COVID-19 pandemic)

PERFORMANCE REVIEW

Your Company has reported total turnover of Rs. 300,623,179/- (Rupees Thirty crore, six lacs, twenty three thousand and one hundred seventy nine only).

FUTURE OUTLOOK

In light of the Covid-19 pandemic, and the economic repercussions that we face globally, there will be initial disturbances in supply chain management, and aggregate demand reaching normal levels. There is downward sentiment overall, but GGAG is confident of achieving similar growth levels in the coming financial year. Our strong brand value and market presence in the Indian Railways, along with lucrative opportunities opening up in the global railway market should help us achieve these targets.

Additionally, GGAG's foray into diversified markets such as earth moving equipment, mining, steel and industrial applications should help us insulate from negative business cycle effects as a result of the pandemic. GGAG shall continue to invest in better technology so as to remain true to our goal of reducing costs per components and improving customer satisfaction.

Our aim is to maintain our dominant presence in the Indian Railways and explore newer markets globally – with key areas being East Asia & the America. There have been numerous projects undertaken under the R&D wing of the company that should reach fruition in the near future and complement our pursuit of growth. We would like to strengthen our position in diversified business vertical built over the last year.

KEY INITIATIVES

GGAG undertook several initiatives during the financial year that helped reduce our costs per component and better our lead times, whilst focusing strongly on quality control by keeping rejection rates at the bare minimum, all of which has led to improving overall customer satisfaction. In terms of our improving our facilities, we have retrofitted and refurbished existing machines, and have invested in newer machines that improve the capacity and capabilities of the production unit. With better industrial engineering in place, standard operating procedures have been set to improve upon cycle times. The company has also worked hard via its engineering and procurement departments to reduce the costs of consumables, and emphasized the importance of better systems in place. The company has upgraded its Enterprise Resource Planning (ERP) software, keeping in line with this goal.

In terms of the marketing front, we have participated in online and offline expos and exhibitions, increasing our customer reach and increasing RFQs, eventually generating promising leads. GGAG has also bagged the 'Most Promising SME' award at the Rail Analysis' Rail & Metro Awards held in New Delhi in 2020.

Lastly, we are looking to make our organization leaner and more effective, and have utilized team building tools to make the organization more effective and result-oriented. We encourage de-centralization of decision making and democratize information flow. It is our endeavor to reach standards set by the Industry 4.0 in the coming years, and we are working towards the same.

ACKNOWLEDGEMENTS

I would like to thank each and every stakeholder in the organization, most importantly the company's staff, executives and workforce for their dedicated service. I would also like to thank all my colleagues on the Board for their valuable advice and constant encouragement. My thanks are also due to the bank for its help in the sustained progress of the Company.

Sd/-

KENNEDY RAM GAJRA
CHAIRMAN & MANAGING DIRECTOR

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47th ANNUAL GENERAL MEETING

Date: 25th September, 2021.

Day: Saturday

Time: 11:30 A.M.



NOTICE

NOTICE IS HEREBY GIVEN THAT THE 47th ANNUAL GENERAL MEETING OF THE MEMBERS OF G. G. AUTOMOTIVE GEARS LIMITED WILL BE HELD ON SATURDAY THE 25TH SEPTEMBER, 2021 AT 11.30 A.M. THROUGH VIDEO CONFERENCING/ OTHER AUDIO-VISUAL MEANS (“VC/OAVM”) FACILITY TO TRANSACT FOLLOWING BUSINESS:

ORDINARY BUSINESS:-

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2021 together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Kennedy Ram Gajra (DIN:02092206), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:-

3. **To re-appoint Mr. Kennedy Ram Gajra (DIN: 02099206) as Managing Director of the Company**

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, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company and subject to such modifications, variations as may be approved and acceptable, approval of the Members 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, 2021 to 30th June, 2024 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 the terms of remuneration as set out in the Explanatory Statement of this Resolution shall be deemed to form part hereof and in the event of any inadequacy or absence of profits in any financial year or years, the remuneration comprising salary, perquisites and benefits approved herein be continued to be paid as minimum remuneration to the Managing Director, subject to such other approvals as may be necessary;

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee of Directors) be and is hereby authorized to vary and/or revise the remuneration of Mr. Kennedy Ram Gajra as Managing Director within the overall limits under the Act and to do all such acts, deeds and things and execute all such documents, instruments as may be necessary and expedient to give effect to the said resolution.

4. **To re-appoint Mr. Anmol Gajra (DIN: 07835836) as Whole-Time Director of the Company**

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, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) 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. Anmol Gajra (DIN: 07835836) as Whole-Time Director of the Company, whose office will be liable to determination by retirement by rotation, for a period of three years from 1st June, 2020 to 31st May, 2023 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 the terms of remuneration as set out in the Explanatory Statement of this Resolution shall be deemed to form part hereof and in the event of any inadequacy or absence of profits in any financial year or years, the remuneration comprising salary, perquisites and benefits approved herein be continued to be paid as minimum remuneration to the Whole Time Director, subject to such other approvals as may be necessary;

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee of Directors) be and is hereby authorized to vary and/or revise the remuneration of Mr. Anmol Gajra as Whole Time Director within the overall limits under the Act and to do all such acts, deeds and things and execute all such documents, instruments as may be necessary and expedient to give effect to the said resolution.

By order of the Board of Directors of
G. G. AUTOMOTIVE GEARS LIMITED

Sd/-
DIVYA DESAI
COMPANY SECRETARY
ACS: 61179

Place : Dewas, Madhya Pradesh.

Date : 14th August, 2021

IMPORTANT NOTES:

1. In view of the massive outbreak of Covid-19 pandemic, social distancing is the norm to be followed and pursuant to the Ministry of Corporate Affairs (“MCA”) vide its Circular No. 20/2020 dated May 05, 2020 read with Circular No. 14/2020 dated April 08, 2020 and Circular No.17/2020 dated April 13, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time (collectively referred to as “MCA Circulars”) and Securities and Exchange Board of India (“SEBI”) vide circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and Circular number SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 (collectively referred to as “SEBI Circulars”) permitted the holding of the Annual General Meeting (“the Meeting”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), MCA Circulars and SEBI Circulars, the Meeting of the Company is being held through VC / OAVM.

For this purpose, necessary arrangements have been made by the Company with Purva Sharegistry (India) Private Limited and instructions for the process to be followed for attending and participating in the ensuing AGM through VC / OAVM is forming part of this Notice.

2. The statement pursuant to section 102(1) of the Act (“Explanatory Statement”) relating to the Item No. 3 and 4 (special business) to be transacted at the meeting is annexed hereto.
3. A Member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote on his/ her behalf and the proxy need not be a Member of the Company. However, pursuant to MCA Circulars and SEBI Circular, the AGM will be held through VC/OAVM and the physical attendance of Members in any case has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Meeting and hence the Proxy Form is not annexed to this Notice.
4. Pursuant to Section 113 of the Act representatives of Corporate Members may be appointed for the purpose of voting through remote e-voting or for participation and voting in the Meeting to be conducted through VC/OAVM.

Corporate Members intending to attend the Meeting through their authorised representatives are requested to send a Certified True Copy of the Board Resolution and Power of Attorney, (PDF/JPG Format) if any, authorizing its representative to attend and vote on their behalf at the Meeting. The said Resolution/Authorisation shall be sent to the Company by email through its registered email address, to compliance@ggautomotive.com with a copy marked to helpdesk.evoting@cdslindia.com.

5. In compliance with the aforesaid MCA Circulars and SEBI Circular, Notice of the Meeting along with the Annual Report for FY 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report for FY 2020-21 will also be available on website of the Company, i.e. <https://www.ggautomotive.com/>, website of the Stock Exchanges i.e. BSE Limited and at www.bseindia.com, and on the website of the CDSL www.evotingindia.com.
6. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 14.
7. Members attending the Meeting through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
8. Relevant documents referred to in the accompanying Notice and the Explanatory Statement, Registers and all other documents will be available for inspection in electronic mode. Members can inspect the same by sending an email to the Company at compliance@ggautomotive.com.
9. Notice is also given under Section 91 of the Act read with Regulation 42 of the Listing Regulations, that the Register of Members and the Share Transfer Book of the Company will remain closed from Sunday 19th September, 2021 to Saturday 25th September, 2021. (both days inclusive).
10. For registration of email id for obtaining Annual Report and User ID/password for e-voting and updation of bank account mandates is annexed to this Notice use the link <http://www.purvashare.com/email-and-phone-updation/>.
11. Members are requested to intimate changes, if any, pertaining to their name, postal address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, to their Depository Participants (“DPs”) in case the shares are held by them in dematerialized form and to the Registrar and Share Transfer Agents of the Company i.e. Purva Sharegistry (India) Pvt. Ltd. in case the shares are held by them in physical form.

12. The Company has designated an exclusive email id called compliance@ggautomotive.com to redress Members' complaints/ grievances. In case you have any queries/ complaints or grievances, then please write to us at compliance@ggautomotive.com.
13. Members seeking any information/desirous of asking any questions at the Meeting with regard to the accounts or any matter to be placed at the Meeting are requested to send email to the Company at compliance@ggautomotive.com at least 7 days before the Meeting. The same will be replied by the Company suitably.
14. Information and other instructions relating to e-voting are as under:
 - a) Pursuant to the provisions of Section 108 and other applicable provisions of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the Listing Regulations, MCA Circulars and SEBI Circular the Company is pleased to provide its Members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means.
 - b) The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") to provide e-voting facility to the Members.
 - c) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member/ beneficial owner (in case of electronic shareholding) as on the cut-off date, i.e., Saturday, 18th September, 2021. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
 - d) A person, whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e., Saturday 18th September, 2021, only shall be entitled to avail the facility of e-voting.
 - e) The Board of Directors of the Company has appointed Mr. Prakash Naringrekar, Partner of HS Associates, of Mumbai as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - f) The Scrutinizer, after scrutinizing the votes, will, not later than two working days from the conclusion of the Meeting; make a consolidated scrutinizer's report which shall be placed on the website of the Company, i.e. <https://www.ggautomotive.com/> and on the website of "CDSL". The results shall simultaneously be communicated to the Stock Exchanges.
 - g) Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Meeting, i.e. Saturday 25th September, 2021.
 - h) Information and other instructions relating to e-voting are as under:
 1. The remote e-voting facility will be available during the following period:
Commencement of e-voting: at 9:00 a.m. (IST) on Wednesday 22nd September, 2021.
End of e-voting: at 5:00 p.m. (IST) on Friday 24th September, 2021.
The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by "CDSL" upon expiry of the aforesaid period.
 2. The Members who have cast their vote by remote e-voting prior to the Meeting may also attend/participate in the Meeting through VC / OAVM but shall not be entitled to cast their vote again.

3. The shareholders should log on to the e-voting website www.evotingindia.com.
- (i) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode** is given below:

Login Method	Type of Shareholder
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME/PURVA, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers

<p>Individual Shareholders holding securities in Demat mode with NSDL</p>	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(ii) Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders holding in Demat form & physical shareholders.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on “Shareholder/Member” module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) If you are holding shares in demat form and had logged on to www.evotingindia.com or www.evoting.nsdl.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 5) If you are a first-time user follow the steps given below:

For Shareholders holding shares in Demat Form other than individual and Physical Form
Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
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. 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).

(iii) After entering these details appropriately, click on “SUBMIT” tab.

- (iv) Shareholders holding shares in physical form will then directly reach the Company selection screen.
- (v) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (vi) Click on the EVENT NO. for the relevant <Company Name> on which you choose to vote.
- (vii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO/ABSTAIN” for voting. Select the option YES or NO or ABSTAIN as desired. The option YES implies that you assent to the Resolution, option NO implies that you dissent to the Resolution and option ABSTAIN implies that you are not voting either for or against the Resolution.
- (viii) Click on the “NOTICE FILE LINK” if you wish to view the Notice.
- (ix) 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.
- (x) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xi) **Facility for Non – Individual Shareholders and Custodians – Remote Voting**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - 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 favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutiniser and to the Company at the email address viz., compliance@ggautomotive.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutiniser to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The Company has availed the facility of Video conferencing and e-voting during the meeting of Purva e-Voting System.
2. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is the same as the instructions mentioned above for Remote e-voting.
3. The link for VC/OAVM to attend the meeting will be available where the EVENT NO. of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/ EGM.
5. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
6. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
7. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
8. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **5 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at <https://www.ggautomotive.com>. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **5 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
9. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
10. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
11. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting at the AGM from the Purva e-Voting System, you can write an email to evoting@purvashare.com or contact at 022-49614132 and 022-23018261.

15. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the Meeting.
16. Share transfer documents and all correspondence relating thereto, should be addressed to the Purva Shareigstry (India) Pvt. Ltd. at Unit No. 9 Shiv Shakti ind. Estate J.R. Borich Marg, Lower Parel(E), Mumbai - 400 011 or at their designated email id i.e. support@purvashare.com.
17. The Company, consequent upon introduction of the Depository System (“DS”), entered into agreements with National Securities Depository Limited (“NSDL”) and CDSL. The Members, therefore, have the option of holding and dealing in the shares of the Company in dematerialised form through NSDL or CDSL.
18. The DS envisages elimination of several problems involved in the scrip-based system such as bad deliveries, fraudulent transfers, mutilation of share certificates etc. Simultaneously, DS offers several advantages like exemption from stamp duty on transfer of shares, elimination of concept of market lot, elimination of bad deliveries, reduction in transaction costs, improved liquidity, etc.
19. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified.
20. SEBI has mandated the submission of PAN by every participant of the securities market. Members holding shares in dematerialised form are, therefore, requested to submit their PAN to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Purva Shareigstry.
21. As mandated by SEBI, effective April 01, 2019 except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialised mode with a depository. Accordingly, the Members of the Company were requested to open a demat account and submit physical securities to their DPs.

22. As per Regulation 40(7) of the Listing Regulations, read with Schedule VII to the said Regulations, for registration of transfer of shares, the transferee(s) as well as transferor(s) shall mandatorily furnish copies of their Income Tax PAN Card. Additionally, for securities market transactions and / or for off market / private transactions involving transfer of shares in physical mode for listed Companies, it shall be mandatory for the transferee(s) as well as transferor(s) to furnish copies of PAN Card to the Company/Purva Share Registry for registration of such transfer of shares. In case of transmission of shares held in physical mode, it is mandatory to furnish a copy of the PAN Card of the legal heir(s) / nominee(s). In exceptional cases, the transfer of physical shares is subject to the procedural formalities as prescribed under SEBI Circular No. SEBI/HO/MIRSD/DOS3/CIR/P/2018/139 dated November 06, 2018.
23. Pursuant to Section 72 of the Act, Members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination, pursuant to the Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 are requested to send their requests in Form No. SH- 13, to Purva Share Registry. Further, Members desirous of cancelling/varying nomination pursuant to the Rule 19(9) of the Companies (Share Capital and Debentures) Rules, 2014, are requested to send their requests in Form No. SH-14, to Purva Share Registry. These forms will be made available on request.
24. Information of Director seeking re-appointment at the ensuing Meeting, as required under Regulation 36(3) of the Listing Regulations and SS-2 issued by the Institute of Company Secretaries of India, is as follows:

Name of Director	Kennedy Ram Gajra	Anmol Gajra
Director Identification Number (DIN)	02092206	07835836
Date of birth	05/12/1962	15/01/1995
Age	58 years	26 years
Nationality	Indian	Indian
Qualifications	Gear Manufacturing course from Gleason, USA, Graduate from Bombay University.	B.A.(Hons.) Business Economics – Lancaster University, UK and MSC Management – Cass Business School, London, UK
Date of first Appointment on the Board	25/10/1990	01/06/2017
Tenure with the Company	37 years	5 years
Nature of his expertise in specific functional areas:	Wide Managerial experience in the Field Manufacturing of Railway Gears.	Experience in Manufacturing of Railway Gears.
Relationships between Directors inter-se	Father of Anmol Gajra	Son of Kennedy Ram Gajra
List of the directorships held in other listed companies	NIL	NIL

Number of board Meetings attended during the year	6	6
Chairman/ Member in the Committees of the Boards of companies in which he is Director	Audit Committee- Member Nomination & Remuneration committee- Member Stakeholder Relationship committee- Member	NIL
Number of Shares held in the Company as on March 31, 2021	1976857 Equity Shares	NIL
Remuneration details	Proposed remuneration – Rs. 60,00,000 lacs p.a.	Proposed remuneration – Rs. 18,00,000 lacs p.a.

25. Since the Meeting will be held through VC/ OAVM, the Route Map and Attendance Slip are not annexed to this Notice.

By order of the Board of Directors of
G. G. AUTOMOTIVE GEARS LIMITED

Place : Dewas, Madhya Pradesh.
Date : 14th August, 2021

Sd/-
DIVYA DESAI
COMPANY SECRETARY
ACS: 61179

ANNEXURE TO THE NOTICE EXPLANATORY STATEMENT

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

Item No. 3

The Board of Directors of the Company (the 'Board'), at its meeting held on June 28, 2021 re-appointed Kennedy Ram Gajra as Managing Director of the Company for a further period of 3 years from 1st July, 2021 to 30th June, 2024 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 28th June, 2021. 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 37 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 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 information as required under Schedule V of the Companies Act, 2013 is given below:

I. General Information:

- 1. Nature of Industry:** The Company is the business of Manufacturing Railway Gears and Equipment.
- 2. Date of commencement of commercial production:** The Company is into operation since 1974.
- 3. In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** N.A.

4. Financial Performance:

Amount in (Rs.)

Particulars	31st March, 2021	31st March, 2020
Total Income	30,25,36,389	56,48,28,344
Profit before Tax and Exceptional Items	(2,91,39,896)	2,96,89,796
Provision for Current Tax	-	50,05,512
Earlier Years Tax	(90,959)	25,05,135
Provision for Deferred Tax	(44,81,300)	40,70,308
Net Profit	(2,45,67,638)	1,73,08,841

5. Foreign Investments and Collaboration:

The Company has not made any Foreign Investments and neither entered into any collaborations during the last year.

II. Information about the Appointees:

- Background Details:** Wide managerial expertise in the area of Railway Gear Manufacturing. He is Associated with the Company from last 37 years. He has completed Gear Manufacturing course from Gleason, USA, Graduate from Bombay University.
- Past Remuneration:** 60,00,000/- P.A.
- Recognition and Awards:** He is a senior member of the Society Manufacturing Engineers, USA.
- Job Profile:** He is looking after the overall affairs and operations of the Company guiding the supervision and control of the Board of Directors. He is involved in policy planning, vision and strategy and long term development activities of the Company. He has been instrumental in taking the Company from strength to strength to its present position. The Company has made enormous progress under the stewardship of Mr. Kennedy Ram Gajra
- Remuneration Proposed:** 60,00,000/- P.A.

Salary proposed to Mr. Kennedy Ram Gajra with power to Board to vary from time to time within the limits of schedule V of the Companies Act. and other perquisites, allowances, other benefits etc. respectively, as fully set out herein above.

- Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):**

Taking into consideration the size of the Company, the profile, knowledge, skills and responsibilities shouldered by Mr. Kennedy Ram Gajra, the remuneration proposed to be paid is commensurate with the remuneration packages paid to their similar counterparts in other companies.

7. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel:

Mr. Kennedy Ram Gajra (Managing Director) and Mr. Anmol Gajra (Whole Time Director) being father and son are related.

III. Other Information:

1. Reasons of loss or inadequate profits:

The profits of the Company may not be adequate due to COVID impact and therefore the remuneration payable to the Managing Director would exceed the limits prescribed. Hence this proposal under applicable provisions of Schedule V

2. Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms:

The Company has taken significant steps to reduce costs in line with the projected sales given the COVID impact

IV. Disclosures:

The information and disclosures of the remuneration package of the managerial personnel is mentioned in 47th the Annual Report of the Company.

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. 3 for approval of the members. Other than Mr. Kennedy Ram Gajra 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. 3.

Item No. 4

The Board of Directors of the Company (the 'Board'), at its meeting held on 16th July, 2020 re-appointed Anmol Gajra as Whole-time Director of the Company for a further period of 3 years from 1st June, 2020 to 31st May, 2023, 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 16th July, 2020. 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. Anmol Gajra, Whole-time 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. Anmol Gajra, Whole-time Director: As per Terms & Conditions entered into an agreement with Mr. Anmol Gajra as a Whole-time Director. Mr. Anmol Gajra holding DIN: 07835836 is 26 years of age and associated with the Company from last 5 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. 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 information as required under Schedule V of the Companies Act, 2013 is given below:

I. General Information:

1. **Nature of Industry:** The Company is the business of Manufacturing Railway Gears and Equipment.
2. **Date of commencement of commercial production:** The Company is into operation since 1974.
3. **In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** N.A.
4. **Financial Performance:**

Amount in (Rs.)

Particulars	31st March, 2021	31st March, 2020
Total Income	30,25,36,389	56,48,28,344
Profit before Tax and Exceptional Items	(2,91,39,896)	2,96,89,796
Provision for Current Tax	--	50,05,512
Earlier Years Tax	(90,959)	25,05,135
Provision for Deferred Tax	(44,81,300)	40,70,308
Net Profit	(2,45,67,638)	1,73,08,841

5. **Foreign Investments and Collaboration:**

The Company has not made any Foreign Investments and neither entered into any collaborations during the last year.

II. Information about the Appointees:

1. **Background Details:** Wide expertise in the area of Railway Gear Manufacturing. He is associated with the Company from last 5 years. He has completed B.A.(Hons.) Business Economics – Lancaster University, UK and MSC Management –Cass Business School, London, UK
2. **Past Remuneration:** 18,00,000/- P.A.
3. **Recognition and Awards:** NIL
4. **Job Profile:** He is involved in policy planning, vision and strategy and long term development activities of the Company.

5. Remuneration Proposed: 18,00,000/- P.A.

Salary proposed to Mr. Anmol Gajra with power to Board to vary from time to time within the limits of schedule V of the Companies Act. and other perquisites, allowances, other benefits etc. respectively, as fully set out herein above.

6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

Taking into consideration the size of the Company, the profile, knowledge, skills and responsibilities shouldered by Mr. Anmol Gajra, the remuneration proposed to be paid is commensurate with the remuneration packages paid to their similar counterparts in other companies.

7. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel:

Mr. Kennedy Ram Gajra (Managing Director) and Mr. Anmol Gajra (Whole Time Director) being father and son are related.

III. Other Information:

1. Reasons of loss or inadequate profits:

The profits of the Company may not be adequate due to COVID impact and therefore the remuneration payable to the Managing Director would exceed the limits prescribed. Hence this proposal under applicable provisions of Schedule V

2. Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms:

The Company has taken significant steps to reduce costs in line with the projected sales given the COVID impact

IV. Disclosures:

The information and disclosures of the remuneration package of the managerial personnel is mentioned in 47th the Annual Report of the Company.

The Board of Directors are of the opinion that the revised remuneration of Mr. Anmol Gajra, Whole-time 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. Anmol Gajra and Mr. Kennedy Ram 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.

By order of the Board of Directors of
G. G. AUTOMOTIVE GEARS LIMITED

Sd/-
DIVYA DESAI
COMPANY SECRETARY
ACS: 61179

Place : Dewas, Madhya Pradesh.

Date : 14th August, 2021

DIRECTORS' REPORT

To,
The Members,

G. G. AUTOMOTIVE GEARS LIMITED.

Your Directors have great pleasure in presenting 47th Annual Report along with the Audited Balance Sheet and Profit and Loss Account, for the year ended 31st March, 2021.

1. FINANCIAL RESULTS:

Particulars	(Rs. in INR)	
	Year ended	
	31.03.2021	31.03.2020
Earnings before Interest, Depreciation and Tax	2,21,63,080	8,90,30,550
Less: Finance Cost	2,04,77,176	2,80,45,687
Less: Depreciation	3,08,25,800	3,12,95,067
Profit before tax	(2,91,39,896)	2,96,89,796
Less: Current Tax	-	50,05,512
Earlier year Tax	(90,959)	25,05,135
Deferred Tax	(44,81,300)	48,70,308
Profit after tax for the year	(2,45,67,638)	1,73,08,841

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

During the year, your Company has reported a total turnover of 30,06,23,179 /- (Rupees Thirty Crore, Six Lacs, Twenty Three Thousand and One Hundred Seventy Nine only. And the total expenditure incurred by the Company during the year under review amounted to Rs. 33,26,66,285/- (Rupees Thirty Three Crore Twenty Six Lacs Sixty Six Thousand Two Hundred and Eighty Five). Loss amounted to Rs. 2,45,67,638/- (Rupees Two Crores Forty Five Lacs Sixty Seven Thousand Six Hundred and Thirty Eight).

Your Directors constantly putting their efforts to develop new products for domestic and export, to improve revenue and profit of your company.

3. CHANGE IN THE NATURE OF THE BUSINESS

The company is engaged in the business of Manufacturing of Railway Gears & Pinions, Industrial Gear, and Industrial Gear Boxes etc. There has been no change in the business of the company during the financial year ended 31st March, 2021.

4. FUTURE PROSPECTS OF THE COMPANY

To maintain our dominant presence in the Indian Railways and explore newer markets globally – with key areas being East Asia & the America. There have been numerous projects undertaken under the R&D wing of the company that should reach fruition in the near future and complement our pursuit of growth.

5. TRANSFER TO RESERVES:

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

6. MATERIAL CHANGES AND COMMITMENTS IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There have been no material changes and commitments, which affect the financial position of the company which have occurred between the end of the year to which the financial year to which the financial statements relate and the date of this report.

7. DIVIDEND:

In view of loss and to conserve the resources your company has not recommended any dividend for the year under review

8. CASH FLOW STATEMENTS:

As required under Regulation 34 of the Listing Regulations, a Cash Flow Statement is part of the Annual Report.

9. CONSOLIDATED FINANCIAL STATEMENT:

The Company does not have any subsidiaries as on 31stMarch, 2021 and hence not required to publish Consolidated Financial Statements.

10. 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).

11. NUMBER OF BOARD MEETINGS AND ITS COMMITTEES:

During the year under review, 6 (six) Board Meeting were held as under:

1	29.04.2020
2	16.06.2020
3	26.06.2020
4	16.07.2020
5	15.10.2020
6	11.02.2021

12. 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.

13. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND VIGIL MECHANISM

Audit Committee comprises of following members:

Sr. no.	Director	Designation
1.	Pravin Kumar Shishodiya	Chairperson & Non Executive Independent Director
2.	Kennedy Ram Gajra	Member & Managing Director
3.	Shailendra Ajmera	Member & Managing Director

The Company has established a vigil mechanism policy to oversee, the genuine concerns expressed by the employees and other Directors.

14. MEETING OF COMMITTEES OF BOARD

During the year there were in total 4 Audit Committee Meetings, 2 Nomination & Remuneration Committee and 3 Stakeholders Relationship Committee were held.

Audit Committee

S. No	Date
1	16.06.2020
2	16.07.220
3	15.10.2020
4	11.02.2021

Nomination and Remuneration committee

S. No	Date
1	16.07.2020
2	15.07.2020

Stakeholder relationship Committee

S. No.	Date
1	16.06.2020
2	15.07.2020

15. 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.

16. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Shri Kennedy Ram Gajra, Managing Director & CEO, Mr. Anmol Gajra, Wholetime Director, Shri Narayan Shrivastava, CFO and Ms. Divya Desai as a Company Secretary of the Company 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).

Mr. Kennedy Ram Gajra (DIN 02092206) has been reappointed as Managing Director of the company for a period of three years commencing from 1st July 2021, to 30th June, 2024 on such remuneration, subject to members approval at this AGM.

Mr. Anmol Gajra (DIN)has been appointed as Whole Time Director for a period of 3 years w.e.f 1st June, 2020 to 31st May, 2023 on such remuneration subject to members approval at this AGM.

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 V** to this report.

17. LISTING OF SHARES:

The Equity Shares of the Company are listed on the BSE Limited, Mumbai. However, the trading of Shares continues to remain under suspension. Further, during the year the Company has paid reinstatement fees amounting to Rs. 32,40,000/- for revocation of suspension, subsequent to which the Company have received in-principle approval from BSE Ltd., dated 9th December, 2020. However, Listing and trading approval is pending as on date. Your company is regularly compliant with all the listing regulations and waiting for revocation of suspension. Also company has paid the listing fees to the Stock Exchange i.e. Bombay Stock Exchange.

18. 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.

19. 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.

20. 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.

21. POLICY ON DIRECTORS APPOINTMENT, REMUNERATION & BOARD 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. In the opinion of the Board, Independent Directors are of high integrity with relevant expertise and experience.

22. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

1. The meetings of the Board of Directors of the Company during each financial year are organized at different manufacturing plants of the Company and every time, a visit of the respective plant is organized for the Directors, including Independent Directors along with a direct interaction with the heads of production processes to provide a brief idea to the Directors of the production processes and operations of the Company.
2. An elaborated note on business operations with regard to the operations and financial position of the Company as at the end of each quarter is circulated to the Board members with the Agenda of each Board Meeting and also presented at the meeting in the form of a power point presentation. The same is duly deliberated upon at the Meeting in presence of the Key Managerial Personnel who answer the queries of the Directors, if any arising out of such reports to the satisfaction of the Directors.
3. The Company strives towards updating the Directors of any amendments in laws, rules and regulations as applicable on the Company through various presentations at the Board Meeting(s) in consultation with the Statutory Auditors, Internal Auditors and the Secretarial Auditors of the Company likewise the Companies Act, SEBI Laws, Listing Agreement and such other laws and regulations as maybe applicable.

4. The Company has framed Code of Conduct and Ethics and Code of Conduct for prevention of Insider Trading respectively which all the Directors need to comply with. The said code(s) of conduct are placed before the Board for review after a period of every 2 (Two) years so as to familiarize the Directors with the codes and ensure that the said code(s) are in conformity with the latest laws, rules and regulations.

Disclosure: This familiarization process is uploaded on the official website of the Company i.e <https://ggautomotive.com/policies/>

Review:

The familiarisation process shall be reviewed at regular intervals to analyse if there is a need to amend the same as may be deemed necessary to keep the Directors of the Company informed of the operations of the Company vis-à-vis the latest developments vis-à-vis the laws and regulations as applicable on the Company for the time being in force

23. ANNUAL EVALUATION BY THE BOARD

In compliance with the Companies Act, 2013, and Regulation 17 of the Listing Regulations, the performance evaluation of the Board and its Committees were carried out during the year under review.

24. STATUTORY AUDITORS:

M/s. Mukesh & Associates, Chartered Accountants (FRN: 106599W) appointed as Statutory Auditors of the Company in the 45th Annual General Meeting held on 29th August, 2019 hold office till the conclusion of the 50th Annual General Meeting.

25. SECRETARIAL AUDITORS

The Company has appointed M/s. H.S. Associates, Company Secretaries, as Secretarial Auditors of the Company to carry out the Secretarial Audit for the Financial Year 2020-21 and to issue Secretarial Audit Report as per the prescribed format under rules in terms of Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

26. SECRETARIAL AUDIT 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. Pursuant to Regulation 31(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 100% of the Promoters Shareholding is not in Demat Mode and, 11,47,398 (Eleven Lakhs Forty Seven Thousand Three Hundred and Ninety Eight) Equity Shares of Rs. 10 each constituting 47.19% held by Promotes are yet to be dematerialized.

Directors Comments: The same is under process.

2. Company has not maintained structural database as per SEBI Circular SEBI/HO/CFD/DCR1/CIR/P/2018/8.

Directors Comments: The same is under implementation.

27. COST AUDITORS

The provision of Cost Audit as per section 148 of Companies Act, 2013 and rule there under is not applicable to the company.

28. COMMENTS ON STATUTORY AUDITOR'S REPORT:

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. Mukesh & Associates, Statutory Auditors, in their report.

29. 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.

30. 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.

31. 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.

32. CREDIT RATING

The company has been rated by Infomerics Valuation and Rating Pvt. Ltd, accredited by Securities and Exchange Board of India (SEBI) and Reserve bank of India(RBI) for bank facility and SME. The company has been awarded with 'IVR BBB-'for bank facility and SME Rating-'IVR SME 2'.

33. 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 under **Annexure VI** to this report.

34. SUBSIDIARIES/ JOINT VENTURES & ASSOCIATE COMPANY'S:

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.

35. INTERNAL AUDITORS:

As per section 138 of the Companies Act, 2013, the Company has appointed M/s Tanishq Tharani & Co., internal auditors for the year to 2020-21 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 reviews.

36. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

The requirement of transfer of unclaimed dividend to Investor Education and Protection Fund as per the provisions of Sec.125 (2) of the Companies Act, 2013, does not apply to the Company, for the year ended on March 31, 2021.

37. CORPORATE GOVERNANCE REPORT.

As per Schedule V Part C of Listing obligation and disclosure requirements, the provision of corporate governance is not applicable to the Company as equity share capital of the company does not exceed 10 crores and net worth of the Company does not exceed 25 Crore as on last previous Financial Year.

Note – As per Schedule V Part C [(10) (i)] of Listing obligation and disclosure requirements, Company does not require to take certificate of 'Non- Disqualification of Director' from practicing Company Secretary.

38. INTERNAL FINANCIAL CONTROL:

The Company has in place adequate internal financial Controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

39. COMPLIANCE WITH SECRETARIAL STANDARDS

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

40. 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.

41. DETAILS OF MATERIAL AND SIGNIFICANT ORDER PASSED BY THE REGULATORS, COURTS AND TRIBUNALS

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

42. CORPORATE SOCIAL RESPONSIBILITY

As per the regulatory requirement of Companies Act, 2013 and Rules framed there under, Corporate Social Responsibility is not applicable to the company. As such CSR Committee has not been formulated.

43. RISK MANAGEMENT POLICY

Risk Management is the process of identification, assessment and prioritization of risk followed by coordinated efforts to minimize, monitor, and mitigate the probability and/or impact of unfortunate events or o maximize the realization of opportunities. The company has laid down a comprehensive Risk assessment and minimization procedure which is reviewed

by the Board from time to time. These procedure are reviewed to ensure that executive management controls risk through means of properly defined framework.

44. 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>. No instance under the whistle Blower policy was reported during the financial year 2020-21.

45. DISCLOSURE UNDER SEXUAL HARASSMENT ACT:

The company has complied with the provision of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 relating to the constitution of Internal Complaints Committee and other applicable provisions. During the financial year under review, the Company has not received any complaints of sexual harassment from any of the employees of the Company.

46. POLICIES

The Company seeks to promote highest levels of ethical standards in the normal business transaction guided by the value system. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates formulation of certain policies for Listed Companies. The Policies are reviewed periodically by the Board and are updated based on the need and compliance as per the applicable laws and rules and amended from time to time. The policies are available on the official website of the Company at www.ggautomotive.com.

47. OTHER DISCLOSURES

The company does not have any Employees Stock Option Scheme in force and hence particulars are not furnished, as the same are not applicable.

No application has been made under Insolvency and Bankruptcy Code: hence requirement to disclose the details of application made or any proceedings pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the Financial Year is not applicable to the Company.

The requirement to disclose the details of difference between amount of valuation done at the time of onetime settlement and valuation done while taking loan from the Banks and Financial Institutions along with the reasons thereof is also not applicable.

47. ACKNOWLEDGEMENTS:

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

For and on behalf of Board of Directors of
G. G. AUTOMOTIVE GEARS LIMITED

Sd/-
KENNEDY RAM GAJRA
MANAGING DIRECTOR
(DIN:02092206)

Place : Dewas, Madhya Pradesh.

Date : 14th August, 2021

ANNEXURE - I
SECRETARIAL AUDIT REPORT

Form No. MR-3

For the financial year ended on 31st March, 2021.

[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, 2021, 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 2021, to the extent applicable provisions of:

- I. The Companies Act, 2013 (“The Act”) and the Rules made there under;
- II. The Securities Contracts (Regulation) Act, 1956 (“SCRA”) and the Rules made there under;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under 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, 2018;
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

- e. Except as mentioned elsewhere in this report the Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited.

VI 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 as issued and revised by The Institute of Company Secretaries of India with effect from 1st October, 2017.
- ii) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended and made effective from time to time.

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

- Pursuant to Regulation 31(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 100% of the Promoters Shareholding is not in Demat Mode and, 11,47,398 (Eleven Lakhs Forty Seven Thousand Three Hundred and Ninety Eight) Equity Shares of Rs. 10 each constituting 47.19% held by Promotes are yet to be dematerialized.
- Company has not maintained structural database as per SEBI Circular SEBI/HO/CFD/DCR1/CIR/P/2018/85.

We further report that:

The Board of Directors of the Company is duly constituted with 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:

1. The 46th Annual General Meeting of the Members of the Company held on 29th July, 2020 at 11.30 A.M. through Video Conferencing / Other Audio Visual Means (“VC/OAVM”) in view of Outbreak of COVID-19 Pandemic and the relevant MCA and SEBI circulars.

2. Mr. Anmol Gajra (DIN: 07835836) Whole Time Director who retired from the office of Director by rotation was re-appointed as director;
3. The Company obtained shareholders' approval for appointment of Mrs. Ruchi Sogani (DIN:02805170) as a Non-Executive Independent Director of the Company for a second term of five consecutive years commencing from 1stApril , 2020 up to 31st March, 2025, not liable to retire by rotation.
4. Due to penal actions, the shares of the company are suspended for trading on BSE Ltd., in the reporting period. Further, the Company has paid reinstatement fees amounting to Rs. 32,40,000/- for revocation of suspension, subsequent to which the Company received in-principle approval from BSE Ltd., dated 9th December, 2020. However, Listing and trading approval is pending as on date.

This report is to be read with our letter of even date which is annexed as **Annexure – I** and forms an integral part of this report.

Date: 14th August, 2021

Place: Mumbai

ICSI UDIN: A005941C000785247

**For HS Associates
Company Secretaries**

Sd/-

**Mr. Prakash Naringrekar
Partner**

ACS No.: 5941

CP No.: 18955

ANNEXURE - II
FORM NO. MGT - 9
EXTRACT OF ANNUAL RETURN

As on the financial year ended 31.03.2021

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

I. REGISTRATION AND OTHER DETAILS:

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, Madhya Pradesh - 455001 Tel: 91 (7272) 405310 E-mail: ggmarketing@ggautomotive.com
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	Purva Sharegistry (India) Pvt. Ltd 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: -

Sr. No.	Name and Description of Main Product/Services	NIC Code of the Product	% 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 –

Sr. No.	Name and Address of the Company	CIN/GIN	Holding/Subsidiary of the Company	% of shares held	Applicable Section
Not Applicable to the Company as there are no Subsidiaries, Associates & Holding Companies					

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 01-4-2020]				No. of Shares held at the end of the year [As on 31-3-2021]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
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	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	1076524	900000	1976524	24.97	1076524	9,00,333	1976857	24.97	No Change
F(ii) Directors Relative	207346	239065	446411	5.64	207346	238732	446078	5.64	No Change
Sub-total (A) (1)	1283870	1139065	2422935	30.61	1283870	1139065	2422935	30.61	No change
(2) Foreign									
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	--
Sub-total (A) (2)	0	8333	8333	0.11	0	8333	8333	0.11	No Change
Total Shareholding of promoter (A) = (A) (1) + (A) (2)	1283870	1147398	2431268	30.71	1283870	1147398	2431268	30.71	No change
B. Public Shareholding									
1. Institutions									
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	--
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	--
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	184008	9799	193807	2.45	178889	9799	188688	2.38	-0.07
ii) Overseas	0	0	0	0	0	0	0	0	--

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-4-2020]				No. of Shares held at the end of the year [As on 31-3-2021]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	3509226	144177	3653403	46.15	3562034	144177	3706211	46.82	-0.67
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	1176788	183866	1360654	17.19	1126532	183866	1310398	16.55	-0.64
c) Others (specify)									
NRI (Repat&Non Repat)	39077	14331	53408	0.67	41244	14331	55575	0.70	+0.03
Hindu Undivided Family	176663	0	176663	2.23	166563	0	166563	2.10	-0.13
Clearing Members	19200	0	19200	0.24	18700	0	18700	0.24	No change
Other Body Corporates (LLP)	25235	0	25235	0.32	36235	0	36235	0.32	No Change
Employee	0	2529	2529	0.03	0	2529	2529	0.03	No Change
Sub-total (B)(2):-	5130197	354702	5484899	69.29	5130197	354702	5484899	69.29	No Change
Total Public Shareholding (B)=(B)(1)+ (B)(2)	5130197	354702	5484899	69.29	5130197	354702	5484899	69.29	No Change
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	--
Grand Total (A+B+C)	6414067	1502100	7916167	100	6414067	1502100	7916167	100	No Change

(ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year 01-04-2020			Shareholding at the end of the year 31-03-2021			% 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	1976524	24.97	--	1976857	24.97	--	No Change
2	Anita Ravichandran	156500	1.98	--	156500	1.98	--	No Change
3	Vinita JaiamGajra	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 Gajra	42656	0.54	--	42656	0.54	--	No Change
8	Swaranjeet Singh Nagpaul	2499	0.03	--	2499	0.03	--	No Change
9	J. S. Gajra	1000	0.01	--	1000	0.01	--	No Change
10	Ram S. Gajra	1024	0.01	--	691	0.01	--	No Change
11	Prem Gajra	166	0.00	--	166	0.00	--	No Change
12	Patton International Limited	0	0.00	--	0	0.00	--	No Change
TOTAL		2431268	30.71	-	2431268	30.71	-	--

(iii) Change in Promoters' Shareholding

S No.	Name & Type of Transaction	Shareholding at the beginning of the year – 2020		Transactions during the year		Cumulative Shareholding at the end of the year – 2021	
		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	Kennedy Ram Gajra	1976524	24.79	--	--	1976524	24.79
	Buy			25-12-2020	333	1976857	24.79
	At the end of the year	--	--	--	--	1976857	24.97
2	Ram Gajra	1024	0.01	--	--	1024	0.01
	Sell			25-12-2020	-333	1024	0.01
	At the end of the year	--	--	--	--	691	0.01

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

S No.	Name & Type of Transaction	Shareholding at the beginning of the financial year 2019-2020		Transactions during the year		Cumulative Shareholding at the end of the financial year 2020-2021	
		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.	Narayan Shrivastava	448653		-	-	448653	
	Sell			30-09-2020	-10	448643	
2.	Rajan M Shah	151091		-	-	151091	
3.	Varsha Rajni Sanghvi	133141		-		133141	
4.	Masood Qamar	124020				124020	
5.	Madhubala P Trivedi	114650				114650	1.45
6.	Paresh Amrutlal Trivedi	112147	1.42	-	-	112147	1.42
	Buy			23-10-2020	1000	113147	1.43
7.	Yogesh Rasiklal Doshi	50400	0.64				
	Buy			15-05-2020	10000		
	Sell			22-05-2020	-25000		
	Buy			19-06-2020	16800		

	Sell			30-09-2020	-6600		
	Sell			30-10-2020	-2000		
	Buy			06-11-2020	5000		
	Buy			20-11-2020	200		
	Buy			04-12-2020	1000		
	Sell			11-12-2020	-725		
	Sell			25-12-2020	-2000		
	Sell			31-12-2020	-31000		
	Buy			22-01-2021	10000		
	Buy			12-02-2021	2500		
	Sell			19-02-2021	-2000		
	Buy			26-03-2021	25000		
	At the end of the year			31-03-2021		51575	0.65
8.	Venkat Rangachary Mangavelli	31900	0.40			2735	0.03
	Sell			15-05-2020	-10000		
	Buy			17-07-2020	400		
	Sell			30-09-2020	-19190		
	Sell			23-10-2020	-1500		
	At the end of the year			31-03-2021		1610	0.02
9.	Ratna Gosami	30000	0.38	-	-	30000	0.38
10.	Tejash Finstock Pvt Ltd	29775	0.37	-	-	29775	0.37

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Shareholding at the end of 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)	1976524	24.97	1976857	24.97
2.	Anmol Kennedy Gajra (WTD)	5000	0.06	0	0
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)	448653	5.67	448643	5.67
7.	Divya Desai (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
Indebtedness at the beginning of the financial year				
i) Principal Amount	17,83,88,811	7,22,23,132	-	25,06,11,943
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	17,83,88,811	7,22,23,132	-	25,06,11,943
Change in Indebtedness during the financial year				
Addition	1,59,15,526	-	-	
Reduction		13,94,191	-	
Net Change	1,59,15,526	13,94,191		(14521335)
Indebtedness at the end of the financial year				
i) Principal Amount	19,43,04,337	7,08,28,941	-	26,51,33,278
ii) Interest due but not paid			-	-
iii) Interest accrued but not due			-	-
Total (i+ii+iii)	19,43,04,337	7,08,28,941		26,51,33,278

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	60,00,000	18,00,000	78,00,000
	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 - As % of Profit - Others, specify	Nil	Nil	Nil
5.	Others, 1. Sitting Fees 2. Gross Provision to PF	Nil -- 5,70,000	Nil -- 2,16,000	-- -- 7,86,000
	Total (A)	60,00,000	18,00,000	78,00,000
	Ceiling as per the Act	NA	NA	NA

B. Board sitting fee to independent directors:

Sr. No.	Particulars	Name of Directors		
		Shailendra Ajmera (Non-Executive Independent Director)	Ruchi Sogani (Non-Executive Independent Director)	Pravin Kumar Shishodiya (Non-Executive Independent Director)
	• Fee for attending board committee meetings	50000	50000	50000
	• Commission	Nil	Nil	Nil
	• Others, please specify	-	-	-
	Total (1)	50000	50000	50000
	Other Non-Executive Directors	-	-	-
	• Fee for attending board committee meetings	-	-	-
	• Commission	-	-	-
	• Others, please specify	-	-	-
	Total (2)	Nil	Nil	Nil
	Total (B) = (1+2)	50000	50000	50000
	Total Managerial Remuneration	Nil	Nil	Nil
	Overall Ceiling as per the Act			

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

S. no.	Particulars of Remuneration	Key Managerial Personnel		
		Narayan Shrivastava (CFO)	Divya Desai (CS)	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9,60,000	3,00,000	12,60,000
	(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...	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL
	Total	9,60,000	3,00,000	12,60,000

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, if any (give details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of Board of Directors of
G. G. AUTOMOTIVE GEARS LIMITED

Sd/-
KENNEDY RAM GAJRA
MANAGING DIRECTOR
(DIN:02092206)

Place : Dewas, Madhya Pradesh.

Date : 14th August, 2021

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, 2021.

(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 2020-2021 the company has not spent amount on capital investment on energy conservation equipment.

(B) Technology absorption: -

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

C. Foreign Exchange Earnings and Outgo:

(Rs. In Lacs)

	2020-2021	2019-2020
Foreign Exchange earned	140.66	33.59
Foreign Exchange used	305.16	551.73
Net Foreign Exchange earnings/-outgo	-164.50	-518.14

For and on behalf of Board of Directors of
G. G. AUTOMOTIVE GEARS LIMITED

Sd/
KENNEDY RAM GAJRA
MANAGING DIRECTOR
DIN:02092206

Place : Dewas, Madhya Pradesh.

Date : 14th August, 2021

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 Ram Gajra (Managing director)	Annually	As per the terms of the agreement	6,00,000/- p.a.
Mrs. Indira Ram Gajra	Rent given to mother of Kennedy Ram Gajra (Managing director)	Annually	As per the terms of the agreement	12,00,000/- p.a.

For and on behalf of Board of Directors of
G. G. AUTOMOTIVE GEARS LIMITED

Sd/
KENNEDY RAM GAJRA
MANAGING DIRECTOR
DIN:02092206

Place : Dewas, Madhya Pradesh.
Date : 14th August, 2021

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: 47.4 times Mr. Anmol Gajra Ratio: 14.2 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	+26.31%
		Mr. Anmol Gajra	Whole Time Director	No Change
		Narayan Srivas	Chief Financial Officer	No Change
		Divya Desai	Company Secretary	No Change
3.	Percentage increase in the median remuneration of employees in the financial year	-19.95%		
4.	Number of permanent employees on the rolls of Company at the end of the year	244		
5.	Explanation on the relationship between average increase in remuneration and Company performance	The remuneration expense of the Company has been increased with the increase in performance during the financial year 2020-21.		
6.	Comparison of the remuneration of the Key Managerial Personnel (KMP) against the performance of the Company	It is in line of company performance. However, the increase is over a period of time.		

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	Particulars	March 31, 2021	March 31, 2020	Variation (%)
		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, 2021, 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 1.12% and there is 26.31% of increase in KMPs remuneration			
9.	Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company	Directors/KMP	Designation	Remuneration	FY 2020-21
				% of PBT (standalone)	% of PBT (Consolidated)
		Kennedy Ram Gajra	Managing Director	20.59%	20.59%
		Anmol Gajra	Wholetime Director	6.18%	6.18%
		Shailendra Ajmera	Independent Director	NIL	NIL
		Pravin Kumar Shishodiya	Independent Director	NIL	NIL
		Ruchi Sogani	Independent Director	NIL	NIL
		Narayan Shrivastava	CFO	3.29%	3.29%
		Divya Desai	Company Secretary	1.02%	1.02%

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: ➤ Group Performance; ➤ Business Performance; and ➤ 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

For and on behalf of Board of Directors of
G. G. AUTOMOTIVE GEARS LIMITED

Sd/-
KENNEDY RAM GAJRA
MANAGING DIRECTOR
DIN:02092206

Place : Dewas, Madhya Pradesh.
Date : 14th August, 2021

ANNEXURE - VI

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Development:

Previous one and half year has been tough worldwide because of pandemic situation of Covid-19. G. G. Automotive Gears Limited is not an exception and had to suffer due to reduced demand of Indian Railways.

However, the company has bounced back and has come out strongly in a shortest possible time frame. The company has built good order book and expecting further orders which will help the company to come back on pre Covid-19 status.

Review of Operations:

During the year, the Company reported a revenue of Rs. 30.06 Crore, which is substantially lower compared to previous year. Despite being so lower, the company could contain its losses by way of cash generation of Rs. 16.86 lacs.

Future Plans and Outlook:

The company has undertaken a project of Rs. 11 Crore to meet the enhanced demand as well as to add new product line in product range. The project is proposed to be completed by March, 2022.

The outlook appears bright.

Segment wise Performance:

The company is engaged in single segment i.e. manufacturing of traction gears and pinions with allied activities. The performance is reflected in the Balance Sheet and Profitability Statement. The company has improved its performance in forging manufacturing which is mainly being used for captive consumption. This helps in improving value addition.

Risk Factors:

The product is influenced by the major fluctuation in Steel price.

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 being followed in the Company.

The Audit committee reviews the plan for Internal Audit, significant internal audit observations and its satisfactory closure.

Ratio Analysis:

Particulars	2020-21	2019-20	Change in %
Debtors Turnover Ratio	3.01	2.81	6.89%
Inventory Turnover Ratio	2.09	1.90	9.95%
Interest coverage Ratio	1.31	2.73	-52.23%
Current Ratio	1.12	1.03	9.86%
Debt Equity Ratio	0.62	0.28	112.77%
Operating Profit Margin Ratio (%)	-10.66	4.61%	-331.18%
Net Profit Margin Ratio (%)	-8.09	3.15%	-356.95%
Return on Net worth (%)	-12.30	6.54%	-288.05%

Debtors Turnover Ratio: Change is due to delayed realization because of Covid-19.

Inventory Turnover Ratio: The ratio indicates slower stock movement due to overall impact of Covid-19.

Interest Coverage Ratio: It is negatively impacted due to downward generation.

Current Ratio: The company could improve on this front due to the reserves created over a period of time.

Debt Equity Ratio: Change is due to additional loans announced by RBI. However it is well within range.

Return on Net worth: It is due to negative growth.

For and on behalf of Board of Directors of
G. G. AUTOMOTIVE GEARS LIMITED

Sd/-
KENNEDY RAM GAJRA
MANAGING DIRECTOR
DIN:02092206

Place : Dewas, Madhya Pradesh.

Date : 14th August, 2021

CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

To,
The Board of Directors,
G. G. Automotive Gears Limited
2-A, I.S. Gajra Industrial Area-1, A.B. Road,
Dewas, Madhya Pradesh - 455001

We, Kennedy Ram Gajra, Chief Executive Officer and Narayan Shrivastava, Chief financial Officer of the Company do hereby certify that:

1. We have reviewed the financial statement and the cash flow statements for the year and that to the best of our knowledge and belief:
 - (a) These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
 - (b) 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.
2. 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 violative of the Company's code of conduct.
3. 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 or operation of internal controls, if any of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit Committee:
 - (a) Significant changes, if any, in internal control over financial reporting during the year;
 - (b) Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and.
 - (c) Instances of significant fraud, if any, of which we have become aware and the involvement therein, if any, of management or an employee having a significant role in the Company's internal control system over financial reporting.

FOR G. G. AUTOMOTIVE GEARS LIMITED

FOR G. G. AUTOMOTIVE GEARS LIMITED

Sd/-
KENNEDY RAM GAJRA
CEO

Sd/-
NARAYAN SHRIVASTAVA
CFO

Place: Dewas, Madhya Pradesh.

Date :14th August, 2021

Declaration signed by the chief executive officer stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management

In terms of the requirements of the Listing Obligation and Disclosure Requirements, Regulations 2015, Code of Conduct as approved by the Board of Directors of the Company I, Kennedy Ram Gajra, Managing Director on behalf of the board of directors and senior management of the Company hereby declare that all Board members and senior management personnel affirm compliance with the code on an annual basis for the period 31st March, 2021.

For and on behalf of Board of Directors of
G. G. AUTOMOTIVE GEARS LIMITED

Sd/-
KENNEDY RAM GAJRA
MANAGING DIRECTOR
DIN:02092206

Place : Dewas, Madhya Pradesh.
Date : 14th August, 2021

DECLARATION

I, Kennedy Ram Gajra, CEO of the Company hereby declare that all Board members and Senior Management personnel have affirmed compliance with the code on an annual basis.

For and on behalf of Board of Directors of
G. G. AUTOMOTIVE GEARS LIMITED

Sd/-
KENNEDY RAM GAJRA
MANAGING DIRECTOR
DIN:02092206

Place : Dewas, Madhya Pradesh.
Date : 14th August, 2021

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 2021, and the statement of Profit and Loss (including other comprehensive income), statement of changes in equity as at March 31, 2021 and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the “standalone financial statements”).

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 Companies Act, 2013 (the “Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the loss and total comprehensive income, 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of matter

In View of Continuation of COVID 19 Pandemic situation we draw your attention to attached note no.3(iv) to the Standalone financial Statements which explains the management’s assessment of the financial impact due to the lock-down and other restrictions and conditions related to Continuation of COVID-19 pandemic situation for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matter
Adoption of Ind AS 116 Leases	
IndAS 116 introduces a new lease accounting model since 2019-20 wherein lessees are required to recognise a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet. The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/ arrangement	The company has adopted the IND AS 116 since 2019-20. During the year certain leases are closed pre-maturely and accordingly changes are recognized in Financial Statements in (ROU) Assets and lease liability. Refer note no.27 to Financial Statements.

Information other than the Financial Statement and Auditor’s Report Thereon

The Company’s board of director is responsible for the preparation of the other information. The other information comprises the information included in the Management discussion and Analysis, Board’s Report, Business Responsibility Report, Corporate Governance and Shareholder’s information, but does not include the standalone financial and our auditor’s report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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.

That Board of Directors is also responsible for overseeing the Company’s financial reporting process.

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 Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Mukesh & Associates
Chartered Accountants
FRN - 106599W

Place: Mumbai
Date: 28/06/2021

Sd/-
(CA. Mukesh Shah)
Proprietor
M.NO. – 035005
UDIN – 21035005AAAAET5728

ANNEXURE “A” 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, 2021 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 judgment, 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, 2021, 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**

**Sd/-
(CA. Mukesh Shah)
Proprietor
M.NO. – 35005
UDIN -21035005AAAAET5728**

**Place: Mumbai
Date : 28/06/2021**

ANNEXURE “B” 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, 2021

- 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 programmed 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. At year End Full verification could not be done due to COVID 19 outbreak. However alternate audit procedure were applied for arriving at the physical record of the Inventory. The discrepancies noticed on physical verification were not material and have been properly dealt with in the books accounts.
- 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.
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: 28-06-2021

Sd/-
(CA. Mukesh Shah)
Proprietor
M.NO. – 35005
UDIN -21035005AAAAET5728

BALANCE SHEET as at March 31, 2021

PARTICULARS	Note No.	As at March 31, 2021 (Rupees)	As at March 31, 2020 (Rupees)
ASSETS			
(1) Non-current assets			
(a) Property, Plant & Equipment	4(A)	31,47,65,543	29,77,67,337
(b) Right-of-use asset	27	28,40,338	75,74,235
(c) Intangible Assets	4(B)	96,439	1,28,585
(d) Intangible Assets under development	4(C)	10,08,932	8,88,932
(e) Financial assets			
(i) Other financial assets	5	1,22,39,200	77,21,127
(f) Other Non Current Assets	6	-	38,85,850
(g) Income Tax Assets	7	9,57,992	43,26,904
Total non-current assets		33,19,08,444	32,22,92,970
(2) Current assets			
(a) Inventories	8	5,23,76,176	8,88,95,674
(b) Financial Assets			
(i) Trade receivables	9(A)	7,53,57,413	13,15,65,042
(ii) Cash and cash equivalents	9(B)	20,51,280	1,80,14,164
(iii) Bank balances other than (ii) above	9(C)	-	47,13,521
(c) Other Current Assets	10	8,12,86,991	9,68,43,012
Total current assets		21,10,71,860	34,00,31,413
Total assets		54,29,80,304	66,23,24,383
EQUITY & LIABILITIES			
Equity			
(a) Equity Share Capital	11	7,91,61,670	7,91,61,670
(b) Other Equity	12	12,06,00,264	14,51,67,902
Total equity		19,97,61,934	22,43,29,572
Liabilities			
(1) Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	12,34,18,161	6,51,38,403
(ii) Lease liability	27	21,72,513	62,20,850
(b) Deferred Tax Liabilities (Net)	24	2,99,03,735	3,43,85,035
Total non-current liabilities		15,54,94,410	10,57,44,288
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14(A)	10,71,96,999	14,30,79,349
(ii) Lease liability	27	9,37,912	17,02,234
(iii) Trade Payables	14(B)	-	-
Total Outstanding of micro enterprises and small enterprises		-	-
Total Outstanding due of creditors other than of micro enterprises and small enterprises		3,77,81,445	13,54,57,012
(iv) Other financial liabilities	14(C)	3,45,18,118	4,23,94,191
(b) Current Tax Liability (net)	15	-	7,48,772
(c) Other Current Liabilities	16	72,89,483	88,68,965
Total current liabilities		18,77,23,957	33,22,50,523
Total equity and liabilities		54,29,80,304	66,23,24,383

See accompanying notes to the financial statements

As per our Report of even date attached.

For Mukesh & Associates
Chartered Accountants
FRN - 106599W

Sd/-
(CA. Mukesh Shah)
Proprietor
M.NO. - 35005
UDIN - 21035005AAAAET5728

Place: Dewas
Date: 28/06/2021

On behalf of the Board

Sd/-
KENNEDY RAM GAJRA
MANAGING DIRECTOR

Sd/-
NARAYAN SHRIVAS
CFO

Sd/-
ANMOL GAJRA
EXECUTIVE DIRECTOR

Sd/-
DIVYA DESAI
CS

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED March 31, 2021

PARTICULARS	Note No.	For the year ended March 31, 2021 (Rupees)	For the year ended March 31, 2021 (Rupees)
Revenue from operations	17	30,06,23,179	56,10,04,023
Other Income	18	29,03,210	38,24,321
Total Revenue		30,35,26,389	56,48,28,344
Expenses:			
Cost of raw material consumed	19	11,32,37,390	33,21,42,843
Changes in inventories of finished goods and work-in-progress - Decrease / (Increase)	20	3,53,63,944	(4,42,71,856)
Employee benefits expense	21	5,70,40,739	6,73,43,312
Finance cost	22	2,04,77,176	2,80,45,687
Depreciation and amortisation of expenses	4(A & B) and 27	3,08,25,800	3,12,95,067
Other expenses	23	7,57,21,236	12,05,83,495
Total Expenses		33,26,66,285	53,51,38,548
Profit before tax		(2,91,39,896)	2,96,89,796
Tax expense:			
Current tax		-	50,05,512
Earlier Year Income Tax		(90,959)	25,05,135
Deferred tax	24	(44,81,300)	48,70,308
Profit for the year		(2,45,67,638)	1,73,08,841
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		(2,45,67,638)	1,73,08,841
Earning per equity share (for continuing operations)			
(1) Basic		(3.10)	2.19
(2) Diluted		(3.10)	2.19

See accompanying notes to the financial statements

As per our Report of even date attached.

For Mukesh & Associates

On behalf of the Board

Chartered Accountants

FRN - 106599W

Sd/-
KENNEDY RAM GAJRA
MANAGING DIRECTOR

Sd/-
ANMOL GAJRA
EXECUTIVE DIRECTOR

Sd/-
(CA. Mukesh Shah)

Proprietor
M.NO. - 35005
UDIN - 21035005AAAAET5728

Sd/-
NARAYAN SHRIVAS
CFO

Sd/-
DIVYA DESAI
CS

Place: Dewas

Date: 28/06/2021

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2021

PARTICULARS	For the year ended March 31, 2021 (Rupees)	For the year ended March 31, 2021 (Rupees)
A. Cash flow from operating activities		
Net profit before tax & extraordinary items	(2,91,39,896)	2,96,89,796
Adjustment for :		
Depreciation	3,08,25,800	3,12,95,067
Interest paid	2,04,77,176	2,80,45,687
Less : Profit on Sales of Assets	-	5,01,586
Less : Interest and dividend received	21,11,451	25,34,641
Operating profit before working capital changes	2,00,51,629	8,59,94,323
Adjustment for :		
Trade and other receivables	6,72,45,577	4,18,94,680
Inventories	3,65,19,498	(4,27,29,586)
Trade and other payables	(9,92,55,049)	3,44,11,469
Cash generated from operations	2,45,61,655	11,95,70,885
Direct Tax paid	27,11,099	75,10,647
Net cash from operating activities	2,72,72,754	11,20,60,238
B. Cash flow from investment activities		
Sale of fixed assets (Net)	78,452	20,50,000
Purchase of Fixed Assets	(4,65,70,143)	(2,50,57,979)
Capital WIP, Cap. Adv. & Pre-op. Exps.	38,85,850	(47,74,782)
Interest received	21,11,451	25,34,641
Investment/ disinvestment in Fixed deposit	47,13,521	7,91,092
Net cash from investment activities	(3,57,80,869)	(2,44,57,028)
C. Cash flow from financing activities		
Payment of lease liability	(14,98,932)	(15,44,709)
Repayment of borrowings	(4,23,94,191)	(6,50,34,091)
Proceeds from borrowings	5,69,15,526	2,31,72,666
Interest paid	(2,04,77,176)	(2,80,45,687)
Net cash from financing activities	(74,54,773)	(7,14,51,821)
Net increase in cash and cash equivalents	(1,59,62,888)	1,61,51,389
Cash and cash equivalents at beginning of the year	1,80,14,164	18,62,775
Cash and cash equivalents at end of the year	20,51,280	1,80,14,164

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 2021, 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 of even date attached.

For Mukesh & Associates
Chartered Accountants
FRN - 106599W

Sd/-
(CA. Mukesh Shah)

Proprietor
M.NO. - 35005
UDIN - 21035005AAAAET5728

Place: Dewas

Date: 28/06/2021

On behalf of the Board

Sd/-
KENNEDY RAM GAJRA
MANAGING DIRECTOR

Sd/-
NARAYAN SHRIVAS
CFO

Sd/-
ANMOL GAJRA
EXECUTIVE DIRECTOR

Sd/-
DIVYA DESAI
CS

Statement of changes in equity for the year ended March 31, 2021

Equity share capital

Authorised	Amount in Rs.
8,000,000 Equity Shares of Rs. 10/- each (Previous year 8,000,000 shares of Rs. 10/- each)	8,00,00,000
Issued, Subscribed and Paid-up (7,916,167 Equity Shares of Rs. 10/- each fully paidup)	<u>7,91,61,670</u>
Share Capital	
Changes in equity share capital during the year	-
Balance as at March 31, 2020	<u>7,91,61,670</u>
Changes in equity share capital during the year	-
Balance as at March 31, 2021	7,91,61,670

Shareholder's Holding more than 5% shares	2021	%	2020	%
Name of the shareholder	No. of shares held	No. of shares held	No. of shares held	No. of shares held
Mr. K.R. Gajra	19,76,857	24.97	19,76,524	24.97
Mr. Narayan Shrivastava	4,48,653	5.67	4,48,653	5.67

Other Equity

Amount in Rs.

Particulars	Reserves and Surplus			Total Other Equity
	Securities premium reserve	Retained earnings	Other Comprehensive Income	
Balance as at April 1, 2019	1,06,49,830	12,60,67,782	(88,58,551)	12,78,59,061
Profit for the year	-	1,73,08,841	-	1,73,08,841
Other comprehensive income for the year, net of income tax	-	-	-	-
Balance as at April 1, 2020	1,06,49,830	14,33,76,623	(88,58,551)	14,51,67,902
Profit for the year	-	(2,45,67,638)	-	(2,45,67,638)
Other comprehensive income for the year, net of income tax	-	-	-	-
Balance as at March 31, 2021	1,06,49,830	11,88,08,985	(88,58,551)	12,06,00,264

As per our Report of even date attached.

For Mukesh & Associates
Chartered Accountants
FRN - 106599W

On behalf of the Board

Sd/-
(CA. Mukesh Shah)
Proprietor
M.NO. - 35005
UDIN - 21035005AAAAET5728

Sd/-
KENNEDY RAM GAJRA
MANAGING DIRECTOR

Sd/-
ANMOL GAJRA
EXECUTIVE DIRECTOR

Sd/-
NARAYAN SHRIVASTAVA
CFO

Sd/-
DIVYA DESAI
CS

Place: Dewas

Date: 28/06/2021

Notes to the financial statements for the year ended March 31, 2021

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.

Statement of compliance and Basis of preparation and presentation

(a) 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) Functional and presentation currency :

These financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency. All amounts have been rounded off to two decimal places to the nearest rupees, unless otherwise indicated

2. Significant Accounting Policies:

(a) 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 capitalized 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 recognized 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:

Particulars	Useful life (in years)
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.

b 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.

c 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.

d 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.

e 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.

f 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 of 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.

g 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. Re-measurement, 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. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized 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 categorized 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.

h 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.

i 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.

The basis of determination of cost remains as follows:

- *Raw material, packing material: Moving weighted average cost.*
- *Stores & stores: Moving Weighted average cost.*
- *Work-in-progress: Cost of input plus overhead up to the stage of completion.*
- *Finished Goods: Cost of input plus appropriate overhead.*
- *Scrap: at net realisable value.*

j 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.

k 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.

l 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.

m Leases

Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the

asset belongs. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

n 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.

(iv) Estimation of uncertainties relating to the global health pandemic from COVID- 19:

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues and investments. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

(v) Allowance for credit losses on receivables and unbilled revenue :

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates. In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID-19.

Judgements :

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 27 – lease; whether an arrangement contains a lease and:

Note 27 – lease classification

4 Standards issued but not yet effective

There is no additional standard issued as on date which is not yet effective.

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

Amount in Rs.

Description of assets	Lease Hold Land	BUILDING	Plant & Machinery*	Computers	Office equipment	Vehicles	Furniture and fixtures	Total
I. Cost								
Balance as at April 1, 2019	9,607	1,83,33,245	48,14,48,859	49,48,097	26,24,819	2,34,68,803	11,52,382	53,19,85,812
Additions	-	57,33,528	1,37,02,413	3,57,202	2,71,262	49,63,124	30,450	2,50,57,979
Disposals	-	-	-	-	-	74,34,447	-	74,34,447
Balance as at March 31, 2020	9,607	2,40,66,773	49,51,51,272	53,05,299	28,96,081	2,09,97,480	11,82,832	54,96,09,344
Additions	-	-	4,60,37,775	1,57,311	2,07,809	-	47,250	4,64,50,145
Disposals	-	-	-	-	-	3,44,674	-	3,44,674
Balance as at March 31, 2021	9,607	2,40,66,773	54,11,89,047	54,62,610	31,03,890	2,06,52,806	12,30,082	59,57,14,815
II. Accumulated depreciation/impairment								
Balance as at April 1, 2019	4,136	81,55,577	20,16,52,098	45,36,272	19,15,338	1,14,71,325	6,23,931	22,83,58,677
Depreciation for the year	97	23,71,958	2,41,43,506	1,31,416	1,85,193	24,83,369	53,823	2,93,69,362
Written Back During the year	-	-	-	-	-	58,86,033	-	58,86,033
Balance as at March 31, 2020	4,232	1,05,27,535	22,57,95,604	46,67,688	21,00,531	80,68,661	6,77,754	25,18,42,006
Depreciation for the year	97	4,45,021	2,60,68,252	2,45,387	2,02,808	23,53,009	58,911	2,93,73,485
Disposals	-	-	-	-	-	2,66,222	-	2,66,222
Balance as at March 31, 2021	4,329	1,09,72,556	25,18,63,856	49,13,075	23,03,339	1,01,55,448	7,36,665	28,09,49,268
Net block (I-II)								
Balance as at March 31, 2021	5,278	1,30,94,217	28,93,25,191	5,49,535	8,00,551	1,04,97,358	4,93,417	31,47,65,543
Balance as at March 31, 2020	5,375	1,35,39,238	26,93,55,668	6,37,611	7,95,550	1,29,28,819	5,05,078	29,77,67,338

* Certain plant and machineries are hypothecated as primary security to the bank for loan against such machineries.

Note 4(B) - Intangible assets

Description of asset	Software
I. Cost	
Balance as at April 1, 2019	3,21,461
Additions	-
Balance as at March 31, 2020	3,21,461
Additions	-
Deletion	-
Balance as at March 31, 2021	3,21,461
II. Accumulated impairment losses	
Balance as at March 31, 2019	1,60,730
Amortization for the year	32,146
Balance as at March 31, 2020	1,92,876
Amortization for the year	32,146
Balance as at March 31, 2021	2,25,022
Net block (I-II)	
Balance as at March 31, 2021	96,439
Balance as at March 31, 2020	1,28,585

4(C)

Intangible assets under software development	10,08,932
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	2021	2020
Note No. 5 : Financial assets		
Margin money for B.G.	78,62,672	38,82,000
Security Deposits	43,76,528	38,39,127
	1,22,39,200	77,21,127
Note No. 6 : Other Non Current Assets		
Capital Advances	-	38,85,850
	-	38,85,850
Note No. 7 : Income Tax Assets		
Advance income tax	9,57,992	43,26,904
	9,57,992	43,26,904
Note No. 8 : Inventories		
(Lower of cost and net realisable value)		
Raw Materials	1,29,05,875	1,43,61,535
Work in progress	2,85,90,480	3,92,32,160
Finished goods	99,83,325	3,46,95,589
Stores & Spares	8,50,996	5,50,890
Scrap	45,500	55,500
	5,23,76,176	8,88,95,674
Note No. 9 : Other Financial Assets		
(A) Trade Receivables	7,53,57,413	13,15,65,042
Unsecured, considered good	7,53,57,413	13,15,65,042

Notes for Receivables :

- 1) The average credit period is 30-90 days from the date of invoice. No interest is recovered on trade receivables for payments received after due date.
- 2) The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information alongwith changes in credit risk of specific parties/companies. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix.

Particulars	2021	2020
0-180 days past due	6,26,35,498	10,75,03,412
> 180 days	1,62,16,453	2,75,56,168
	7,88,51,951	13,50,59,580

Less Provison	34,94,538	34,94,538
	7,53,57,413	13,15,65,042

Movement in expected credit loss allowance

Particulars

Balance at the beginning of the year	34,94,538	34,94,538
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	-	-
Balance at the end of the year	34,94,538	34,94,538

(B) Cash & Cash Equivalents

(a) Balances with Banks :

In deposit account	13,05,046	1,73,74,883
In current account	54,860	89,237

(b) Cash on Hand	6,91,374	5,50,044
	20,51,280	1,80,14,164

(c) Balances with Banks : \$

Deposit with maturity less than 12 months		47,13,521
	-	47,13,521

*Held as Security against guarantee

\$ Deposits on lien with bank as security

Note No. 10 : Other Current Assets

Balance with Government Authorities		
- GST input credit	4,89,14,763	5,67,72,734
Staff Advances	1,38,046	2,58,290
Other advances	3,22,34,182	3,98,11,988
	8,12,86,991	9,68,43,012

Note : Other advances include of Rs 3.10 Cr (Previous year)given in the course of Business for supply of Raw Material. Management has received assurance from supplier for delivery of material during the current year which was delayed due to COVID-19 pandemic.

Note No. 11 : Equity share capital

	Amount in Rs.
Authorised	8,00,00,000
8,000,000 Equity Shares of Rs. 10/- each (Previous year 8,000,000 shares of Rs. 10/- each)	
Issued, Subscribed and Paid-up	7,91,61,670
(7,916,167 Equity Shaers of Rs. 10/- each fully paidup)	
Share Capital	
Changes in equity share capital during the year	-
Balance as at March 31, 2020	7,91,61,670
Changes in equity share capital during the year	-
Balance as at March 31, 2021	7,91,61,670

Shareholder's Holding more than 5% shares	2021	2020
Name of the shareholder	No. of shares held	No. of shares held
Mr. K.R. Gajra	19,76,857	19,76,524
Total	19,76,857	19,76,524

(d) Terms/ Right attached to Shares

- (i) The equity shares of the Company, having par value of Rs. 10 each, rank pari passu in all respects including voting rights and entitlement to dividend.
- (ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Note 12 - Other Equity

Particulars	Amount in Rs.	
	As at March 31, 2021	As at March 31, 2020
Reserve and surplus		
(a) Security premium reserve	1,06,49,830	1,06,49,830
(b) Retained earnings	11,88,08,985	14,33,76,623
(c) Other Comprehensive Income	(88,58,551)	(88,58,551)
Total	12,06,00,264	14,51,67,902

Description of nature and purpose of each reserve

(a) Security premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve will be utilised in accordance with provisions of the Act.

(b) Retained earnings

Retained earnings are created from the profit / loss of the Company, as adjusted for distributions to owners, transfers to other reserves, etc.

2021 **2020**

Note No. 13 : Non Current Borrowings

Secured Borrowings :

Term Loan from Bank - I	-	1,71,54,379
Vehicle Loan	21,30,886	21,55,083
Term Loan from Bank - II	8,05,562	-
Term Loan from Bank - III	2,52,77,772	-
Term Loan from Bank - IV	2,43,75,000	-
Unsecured Borrowings from Others:		
Loan from Directors	7,08,28,941	4,58,28,941
	12,34,18,161	6,51,38,403

Notes :

Term loan :

1. Term loan is secured by way of hypothecation of specific plant & machinery, extension of charge over fixed assets and guarantee of promoter directors.
2. Term Loan I- Rate of interest - 9.75%
Repayable in 4 quarterly installment of Rs 40 lacs each during June 2020 to March 2022
3. Term Loan II- Rate of interest - 8%
Repayable in 13 Monthly installment of Rs 8.05 lacs each during Apr 2021 to Apr 2022
4. Term Loan III- Rate of interest - 7.5%
Repayable in 32 Monthly installment of Rs 9.72 lacs each during June 2021 to Jan 2024
5. Term Loan IV- Rate of interest - 9.75%
Repayable in 8 quarterly installment of Rs 7.50 lacs each during 2021-22 , 2022-23
Repayable in 8 quarterly installment of Rs 30 lacs each during 2023-24, 2024-25

Vehicle loan :

1. Secured against the vehicle funded

Unsecured loan:

Loan from directors are interest free and repayable on demand

	2021	2020
(A) Secured Borrowings :		
Working Capital	10,71,96,999	13,95,68,232
Overdraft	-	35,11,117
	10,71,96,999	14,30,79,349

(B) Creditors	2,17,49,309	10,11,68,436
Other Credits	1,60,32,136	3,42,88,576
Accrued interest on suppliers' credit	-	-
	3,77,81,445	13,54,57,012

Note:

- Working capital is secured by way of hypothecation of inventory, book debts and collateral security of fixed assets besides personal guarantee of promoter directors.
- Overdraft is secured against fixed deposit with bank.

C) Other Financial Liabilities

Current Maturities of long term debts	3,45,18,118	1,60,00,000
Current maturities of suppliers' credit		2,63,94,191
	3,45,18,118	4,23,94,191

Note No. 15 : Current Tax Liabilities (Net)

Provision for income tax	-	50,05,512
Less : Advance tax	-	42,56,740
Net provision for income tax	-	7,48,772
	-	7,48,772

Note No. 16 : Other Current Liabilities

Salary payable	54,49,272	54,49,272
Statutory Liabilities	7,94,293	7,94,293
Advance from customers	10,45,918	26,25,400
	72,89,483	88,68,965

Note No. 17 : Revenue from operations

Sales of Mfg. Goods	32,14,06,431	60,40,35,782
Less: GST	39183150	5,37,94,346
	28,22,23,281	55,02,41,436
Job Work	1,83,99,898	1,07,62,587
	30,06,23,179	56,10,04,023

	2021	2020
Note No. 18 : Other Income		
Interest	21,11,451	25,34,641
Scrap Sales	3,57,880	6,62,397
Profit on Sale of Assets	-	5,01,586
Miscellaneous income	4,33,879	1,25,697
	29,03,210	38,24,321
Note No. 19 : Raw material consumed		
Opening Stock	1,43,61,535	1,60,42,794
Add : Purchases	11,17,81,730	33,04,61,584
	12,61,43,265	34,65,04,378
Less : Closing Stock	1,29,05,875	1,43,61,535
	11,32,37,390	33,21,42,843
Note No. 20 : Changes in inventories		
Opening Stock :		
Finished Goods	3,46,95,589	96,88,998
Work In Progress	3,92,32,160	1,99,71,095
Scrap	55,500	51,300
	7,39,83,249	2,97,11,393
Closing Stock :		
Finished Goods	99,83,325	3,46,95,589
Work In Progress	2,85,90,480	3,92,32,160
Scrap	45,500	55,500
	3,86,19,305	7,39,83,249
(Increase)/ Decrease in stock	3,53,63,944	(4,42,71,856)
Note No. 21 : Employee benefits expenses		
Salary and wages	4,36,64,132	5,43,09,863
Contribution to Welfare funds	46,84,993	52,47,716
Staff & Labour welfare & Hospitality	8,91,614	12,35,733
Directors' remuneration	78,00,000	65,50,000
	5,70,40,739	6,73,43,312

	2021	2020
Note No. 22 : Finance Cost		
Interest :		
Working capital	1,40,54,100	1,76,53,654
Term loan	59,10,081	49,99,795
Others	5,12,995	53,92,238
	2,04,77,176	2,80,45,687

Note No. 23 : Other Expenses

(a) Manufacturing Exp.

Consumption of stores, spares & tools	2,08,28,198	3,90,74,381
Power & Fuel	2,38,04,013	2,99,63,430
Repair to Plant & Machinery	46,66,875	35,64,021
Job Charges	31,04,003	71,87,488
Freight, Cartage etc.	13,24,687	32,76,207
Insurance charges	10,30,947	9,79,261
Repair to Building	8,01,758	2,26,179
Diesel	2,07,528	3,97,093
Inspection Charges	33,941	-
Testing Charges	3,71,488	3,25,693

(b) Office & Administrative exp.

Printing & Stationery	2,32,263	4,22,597
Postage & Courier Charges	67,007	1,36,647
Telephone	1,95,570	2,85,014
Rent	16,839	-
Vehicle Repairs & Maintenance	10,52,534	9,23,551
Conveyance	2,91,086	7,95,606
Legal & Professional Charges	37,23,069	34,92,668
Licence & Registration fee	10,45,260	12,67,931
Electricity & Water charges	3,74,877	3,16,713
General repairs	70,527	18,05,804
Membership & Subscription	4,44,410	7,09,332
Office Expenses	3,22,891	11,73,003
BSE Re-Instatement Fees	30,00,000	-
Foreign Exchange Loss	49,934	-
Donation	2,00,000	-
Listing Fee	3,54,000	3,54,000
Rates & Taxes	55,977	1,99,081

	2021	2020
Directors' Travelling & Other Expenses	5,03,906	45,75,346
Directors' Sitting Fee	1,50,000	1,50,000
Auditors' Remuneration*	3,25,000	2,58,969
(c) Selling & Distribution expenses		
Packing, forwarding & freight	53,65,081	1,08,61,484
Discount	2,65,227	19,59,259
Rebate	-	15,39,000
Liquidated damages	-	8,14,500
Statutory Advertisements	69,608	79,773
Sales Promotion	7,89,676	23,86,302
Travelling Exp.	4,32,307	8,12,777
Other Selling exp.	1,50,749	2,70,385
	7,57,21,236	12,05,83,495

*Audit Fee - 250000

Tax Audit Fees - 75000

Out of pocket expenses - Nil (Previous year 8969)

BSE Re-Instatement Fees - Rs 3000000

It is relevant to notify that Bombay Stock Exchange where stocks of G.G. Automotive Gears Ltd are listed has revoked the suspension vide email dated 09/12/2020. The revocation fee payable to BSE has been provided for and forming part of expenditure.

Note No. 24 : Deferred Tax

Deferred Tax Liability On account of timing difference

Particulars	As at March 31, 2020	Recognised in P&L	As at March 31, 2021
Deferred Tax Liability On account of timing difference			
A. Depreciation	3,47,74,515	36,54,388	3,84,28,903
Total	3,47,74,515	36,54,388	3,84,28,903
Deferred Tax Assets			
On account of timing difference			
A. Unabsorbed Losses	-	80,60,549	80,60,549
B. U/S 43B dis-allowance	3,89,480	-	3,89,480
C. Lease	-	75,138	75,138
Total	3,89,480	81,35,687	85,25,167
Net	3,43,85,035	(44,81,300)	2,99,03,735

Note 25 - Additional information to the financial statements

Amount in Rs.

	Particulars	As at March 31, 2021	As at March 31, 2020
(a)	Contingent Liabilities		
	Bank Guarantee	3,07,25,104	3,53,05,475

Amount in Rs.

	Particulars	As at March 31, 2021	As at March 31, 2020
(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 27 - Leases

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

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- The effect of depreciation and interest related to Right Of Use Asset and Lease Liability are reflected in the Statement of Profit and Loss under the heading "Depreciation and Amortisation Expense" and "Finance costs" respectively
- The weighted average incremental borrowing rate applied to lease liabilities is 9.75%

The changes in the carrying value of ROU assets for the year ended March 31, 2021 are as follows:

Particulars	Category of ROU asset-Building	Total amount
Balance as at April 01, 2019	94,67,794	94,67,794
Addition	-	-
Deletion	-	-
Depreciation	(18,93,559)	(18,93,559)

Particulars	Category of ROU asset-Building	Total amount
Balance as at April 01, 2020	75,74,235	75,74,235
Addition	-	-
Deletion	(33,13,728)	(33,13,728)
Depreciation	(14,20,169)	(14,20,169)
Balance as at March 31, 2021	28,40,338	28,40,338

The break-up of current and non-current lease liabilities as at March 31, 2021 is as follows

Particulars	As at March 31, 2021	As at March 31, 2020
Current lease liabilities	9,37,912	17,02,234
Non-current lease liabilities	21,72,513	62,20,850
Total	31,10,425	79,23,085

The movement in lease liabilities during the year ended March 31, 2021 is as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Current lease liabilities	9,37,912	17,02,234
Non-current lease liabilities	21,72,513	62,20,850
Total	31,10,425	79,23,085

The movement in lease liabilities during the year ended March 31, 2021 is as follows:

Particulars		As on March 31, 2021
Balance as at April 01, 2019		94,67,794
Addition		-
Deletion		-
Finance cost accrued		8,55,291
Payment of lease liabilities		(24,00,000)
Balance as at April 01, 2020		79,23,085
Addition		-
Deletion		(35,25,655)
Finance cost accrued		5,12,995
Payment of lease liabilities		(18,00,000)
Balance as at March 31, 2021		31,10,425

The details of the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Not later than one year	12,00,000	24,00,000
Later than one year but not later than five years	24,00,000	72,00,000
More than five years	-	-

Note 28 - Earnings Per Share

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit after tax for the year attributable to the equity shareholders	(2,45,67,638)	1,73,08,841
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.)	(3.10)	2.19

Note 29 - Segment reporting

Business segments

The Company is primarily engaged in manufacturing of traction gears and pinions. Accordingly, there is no other separate reportable segment as defined by Ind AS 108 "Operating Segments".

Geographical segments

The Company provides all its products from India only and hence location of plant 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 30- 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	78,00,000	-
2	Contribution to PF	8,97,000	-
3	Rent	-	18,00,000

Note 31 - 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 13, 14A and 14C offset by cash and bank balances) and total equity of the Company.

Amount in Rs.

Particulars	As at March 31, 2021	As at March 31, 2020
Debt *	26,51,33,278	25,06,11,943
Cash and bank balances	20,51,280	1,80,14,164
Net debt (A)	26,30,81,998	23,25,97,779
Total equity (B)	19,97,61,934	22,43,29,572
Net debt to equity ratio (A/B)	1.32	1.04

*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 counterparty 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, 2021; the Company had 3 customers (31 March 2020: 3 customers) that owed the Company more than Rs. 1 crore each and accounted for approximately 65.26 % of all the receivables outstanding (31 March, 2020: 68.68%).

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

Amount in Rs.

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Receivables (Unsecured)		
Over six months	1,27,21,915	22,43,864
Less than six months	6,26,35,498	16,89,88,505
Total	7,53,57,413	17,12,32,369

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

Amount in Rs.

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at beginning of the year	34,94,538	34,94,538
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	-	-
Balance at end of the year	34,94,538	34,94,538

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.

(1) Foreign currency risk

The Company undertakes transactions denominated in foreign currencies, consequently exposures to exchange rate fluctuations arise. The management has taken a position not to hedge this currency risk.

The carrying amounts of financial liability of the Company denominated in foreign currency other than its functional currency is as follows:

Amount in Rs.

Particulars	Currency	As at March 31, 2021	As at March 31, 2020
Trade Payables	EURO		2,63,72,266

(2) Foreign currency sensitivity analysis

The following table details the Company's sensitivity to a 10% increase and decrease in the Rupee against the relevant foreign currency. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit where the Rupee strengthens 10% against the relevant currency. For a 10% weakening of the Rupee against the relevant currency, there would be a comparable impact on the profit and the balance would be negative.

Amount in Rs.

Particulars	Sensitivity analysis	Effect on Profit Before tax	
		As at March 31, 2021	As at March 31, 2020
EURO	+10%	-	(26,37,227)
EURO	-10%	-	26,37,227

(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;

Amount in Rs.

	Due in 1st year	Due in 2nd to 5th year	Due after 5 years	Total contracted cash flows	Carrying value
As at March 31, 2021					
Trade payables and other financial liabilities	3,77,81,445	-	-	3,77,81,445	3,77,81,445
Lease liability	9,37,912	21,72,513	-	31,10,425	31,10,425
Borrowings	14,17,15,117	12,34,18,161	-	26,51,33,278	26,51,33,278
Total	18,04,34,474	12,55,90,674	-	30,60,25,148	30,60,25,148
As at March 31, 2020					
Trade payables and other financial liabilities	13,54,57,012	-	-	13,54,57,012	13,54,57,012
Lease liability	17,02,234	62,20,850	-	79,23,085	79,23,085
Borrowings	18,54,73,540	6,51,38,403	-	25,06,11,943	25,06,11,943
Total	32,26,32,786	7,13,59,253	-	39,39,92,040	39,39,92,040

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 31 - Financial instruments

(c) Categories of financial instruments and fair value thereof

	As at March 31, 2021		As at March 31, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
A Financial assets				
i) Measured at fair value				
Investment	-	-	-	-
ii) Measured at amortised cost				
Trade Receivables	7,53,57,413	7,53,57,413	17,12,32,369	17,12,32,369
Cash and cash equivalents	20,51,280	20,51,280	18,62,775	18,62,775
Bank balances other than above	-	-	55,04,613	55,04,613
Other financial assets	1,22,39,200	1,22,39,200	1,30,64,254	1,30,64,254
Total	8,96,47,893	8,96,47,893	19,16,64,011	19,16,64,011

	As at March 31, 2021		As at March 31, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
B Financial liabilities				
i) Measured at amortised cost				
Borrowings	26,51,33,278	26,51,33,278	25,06,11,943	25,06,11,943
Lease liability	31,10,425	31,10,425	79,23,085	79,23,085
Trade payables	3,77,81,445	3,77,81,445	13,54,57,012	13,54,57,012
Total	30,60,25,148	30,60,25,148	39,39,92,040	39,39,92,040

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.

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 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 fair value hierarchy not disclosed

As per our Report of even date attached.

For Mukesh & Associates
Chartered Accountants
FRN - 106599W

Sd/-
(CA. Mukesh Shah)
Proprietor
M.NO. - 35005
UDIN - 21035005AAAAET5728

Place: Dewas
Date: 28/06/2021

On behalf of the Board

Sd/-
KENNEDY RAM GAJRA
MANAGING DIRECTOR

Sd/-
NARAYAN SHRIVAS
CFO

Sd/-
ANMOL GAJRA
EXECUTIVE DIRECTOR

Sd/-
DIVYA DESAI
CS

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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, Madhya Pradesh - 455001

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

(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

Name: _____

Address: _____

Name of the Security Holder (s): _____

Signature _____

Witness with the name and address: _____

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 Madhya Pradesh – 455001.

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)

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

PARTICULARS OF NOMINEE/S –

Name:

Date of Birth:

Father’s/Mother’s/Spouse’s name:

Occupation:

Nationality:

Address:

E-mail Id:

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 the name and address: _____



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 • Email ID: ggautomotive@yahoo.com