

**Date: 28.08.2024**

To,  
Listing Department  
**BSE Limited**  
PhirozeJejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai- 400 001.

**Scrip Code: 531399**

**Sub: Annual Report for the Financial Year 2023-24**

Dear Sir/ Madam,

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the 50th Annual Report of the Company for the Financial Year 2023-24, which has been sent to the shareholders of the Company through electronic mode on their registered e-mail ids.

The Annual Report for the financial year 2023-24 is also available on the website of the Company i.e. [www.ggautomotive.com](http://www.ggautomotive.com).

Kindly take the same on your record and acknowledge receipt of the same.

Thanking you,  
Yours truly,

**FOR G. G. AUTOMOTIVE GEARS LIMITED**

**Kennedy  
Ramchand  
Gajra**

Digitally signed by Kennedy Ramchand Gajra  
DN: c=IN, st=Madhya Pradesh,  
2.5.4.20=e65de1616d11e6e367b042148b7e5688d  
154b398273965aa13a31705e8bac16,  
postalCode=452010, street=3B-B, ashiana A/6,  
scheme no78,vijay nagar,Indore,Vijay  
Nagar,Indore,Indore  
pseudonym=442a35249785e7f8ce8ac41bea57e7f  
, title=1512,  
serialNumber=1b0225f6eb0f25c4685f3764e40863  
adaeaa86f3d7498f6d7d6b15a803e219, o=Personal,  
cn=Kennedy Ramchand Gajra  
Date: 2024.08.28 12:42:58 +05'30'



**KENNEDY RAM GAJRA**  
**MANAGING DIRECTOR**  
**(DIN: 02092206)**

Encl: A/a



# GG Automotive Gears Ltd

We engineer. You accelerate.

---

50<sup>th</sup> Annual Report  
2023-24





# Inside the Report

<b>Corporate Overview</b>	<b>4-15</b>
Introduction to GG Automotive Gears Ltd	4
Facts & Figures, Accreditations	5
Company History	6
Key Financial Indicators	8
Building Partnerships	9
Pursuing Growth	10
Milestones	11
Chairman & Managing Director's Message	12
Corporate Information	16
<b>Director's Report</b>	<b>18-93</b>
Notice	18
Directors' Report	48
Secretarial Audit Report	69
Management Discussion and Analysis Report	87
CEO/CFO Certification	91
Declaration on code of conduct	93
<b>Independent Auditor's Report</b>	<b>94-117</b>
Annexure 'A' to Independent Auditor's Report	100
Annexure 'B' to Independent Auditor's Report	103
Balance Sheet	109
Statement of Profit & Loss	112
Cash Flow	114
<b>Financial Statements</b>	<b>118-167</b>
Financial Statements	118
Notes to Financial Statements	136





## About Us

GG Automotive Gears Ltd. (GGAG) is a premier manufacturer of traction gears and pinions, strategically located in Central India. With a legacy spanning over 50 years, GGAG has been a dominant force in the locomotive gear market since its founding in 1974. Initially focused on smaller automotive gears, the company successfully pivoted to producing medium to large gears, securing its leadership position through a commitment to cost efficiency, superior quality, and reliable delivery. GGAG is a fully integrated organization, proficient in developing and manufacturing a wide range of locomotive and industrial gears and pinions, gearboxes, and forged components. Our products serve diverse industries, including railways, metro systems, oil & gas, defense, wind energy, and power transmission, among others. More than 500 clients confidently endorse the quality of our products, which adhere to stringent ISO, IRIS, and TS standards. Our manufacturing capabilities include producing helical and spur gears ranging from 50 mm to 1600 mm in diameter, with modules up to 35, hardened and ground to DIN class 3 / 4 accuracies. Supported by comprehensive product service capabilities, GGAG offers end-to-end solutions—from product conceptualization to rigorous testing—ensuring excellence at every stage of production.



## Mission

To drive continuous growth by providing high-quality, innovative components and engineering solutions that power essential industries worldwide.



## Vision

To be the global benchmark in gear manufacturing, continually expanding our impact by advancing technology and fostering long-term partnerships across critical industries.



# Facts & Figures

<p><b>50</b> Years of Experience</p>	<p>Exporting to <b>20+</b> countries globally</p>	<p><b>6,000+</b> MT of forging production capacity annually</p>	<p><b>10,000+</b> Gears produced annually</p>
<p><b>20,000+</b> Pinions/Shfts produced annually</p>	<p><b>150+</b> machines in-house</p>	<p>Dedicated team of <b>500+</b> Employees</p>	<p><b>250+</b> satisfied OE Customers</p>

# Accreditations



ZED (Zero Effect Zero Defect)



IRIS (International Railway Industry Standard)



TS (Automotive Standard)



ISO 9001



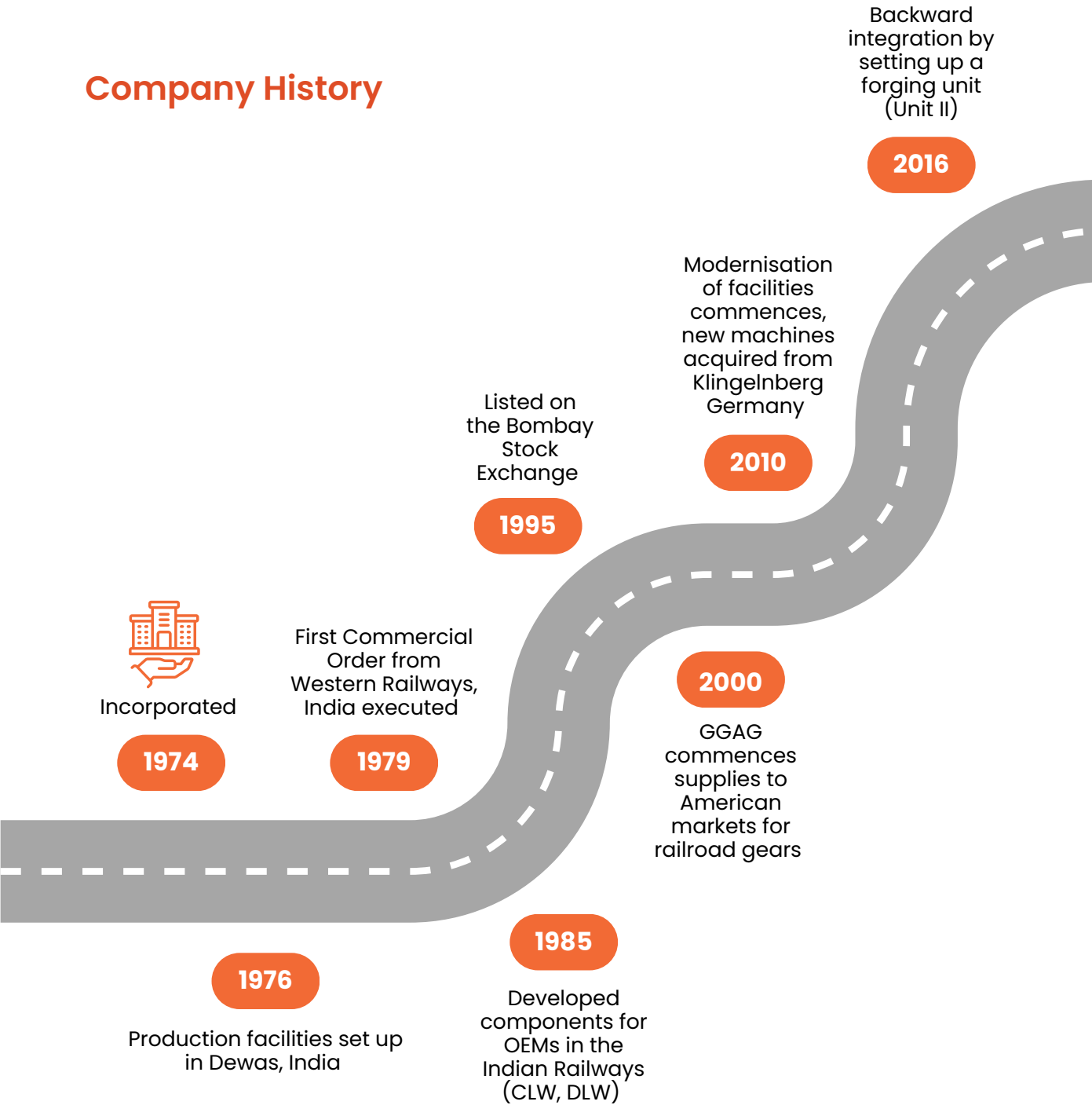
ISO 14001



ISO 45001



## Company History



A new line of CAPEX with additions to gear cutting and gear grinding facilities

**2017**

GGAG receives International Railway Industry Standard (IRIS) certification & gets accredited by the Government of India as an 'R&D Centre of Excellence'

**2018**

Received recognition as 'SME of the year' by Rail Analysis India

**2020**

**2021**

Relisted on the Bombay Stock Exchange

**2021**

Forayed into metro gears by supplying to European customers for single stage and two stage gearboxes

**2022**

Unit III commences operations, a facility dedicated to pinion shaft manufacturing

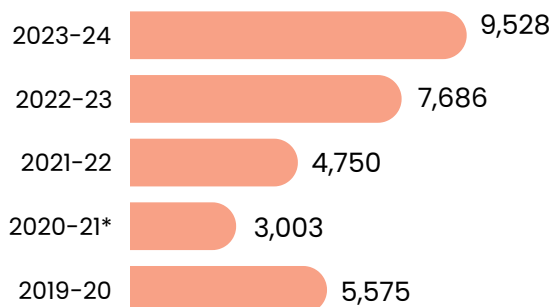
**2024**

Unit IV commences operations, adding 25,000+ Sq. feet of space for operations

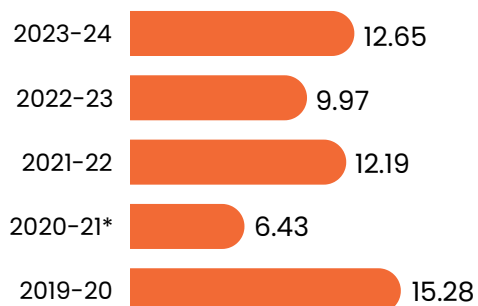


## Key Financial Indicators

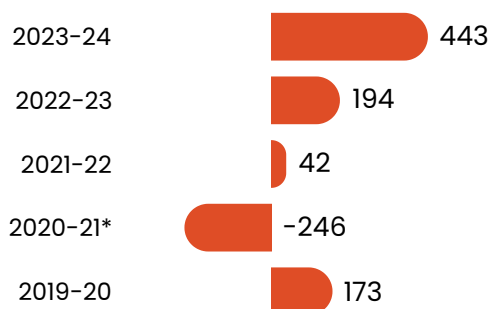
### Total Income (INR, Lakhs)



### EBITDA (%)



### PAT (INR, Lakhs)



### FY 2023-2024

Current Ratio – 1.25

ROCE – 14.84%

EPS – INR 5.32

\*Performance Impacted due to Covid-19

## Building Partnerships

GGAG serves a broad range of industries and applications, and our goal is to forge enduring, mutually beneficial synergies with our customers. Our commitment to building long-term relationships is reflected in the fact that some of our clients have been with us for over five decades. This longstanding association underscores the value we place on our partnerships. GGAG adheres to the principle of OTIF (On Time, In Full) to adhere to delivery schedules and maintains the highest quality standards through integrated management systems.

### Industries served



### Customers



## Pursuing Growth

We are dedicated to boosting productivity and capabilities, reducing costs, advancing technology and processes, and broadening our market presence and customer base. Our strong emphasis on innovation distinguishes us from our competitors. With our strategic approach and advanced capabilities, we are poised to capitalize on emerging industry trends and propel future growth. GGAG has made significant investments in machining, heat treatment, metallurgy, and quality control. Additionally, we have expanded our facilities with new sheds totalling over 30,000 square feet.





## Milestones



GGAG received an award for **'Best Employer Brand'** at the Madhya Pradesh Best Employer Brand Awards 2023 in Indore, India.

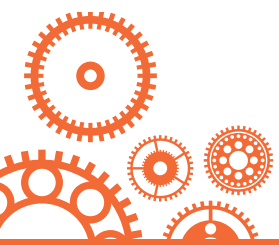


**GGAG was honoured at the Rail & Metro Awards in New Delhi**, receiving recognition for its outstanding achievements in forging manufacturing for railway components.



Shri Basudev Panda, General Manager, Banaras Locomotive Works inaugurated **GGAG Unit-III, a state-of-the-art facility** built specifically for machining of pinions & shafts.





## Chairman and Managing Director's Message

### Celebrating 50 Glorious Years

As we celebrate our Golden Jubilee, we extend our heartfelt gratitude to you for your unwavering support and trust over the years. This milestone is a testament to our collective dedication, innovation, and resilience. Your belief in GGAG has been pivotal in our journey, and we are excited to continue building on this legacy. Here's to 50 years of excellence and to many more years of shared success and growth.



Dear Shareholders,

It is with great pleasure that on behalf of the Board of Directors, I present to you the 50th Annual Report of GG Automotive Gears Ltd (GGAG) for the Financial Year ended 31st March, 2024 (FY 2023-24).

In FY2023-24, GGAG achieved a total income of Rs. 95.28 crores, marking a 24% increase from the previous year, and reported an operating income of Rs. 12.05 crores, up by 57%. This growth trajectory underscores GGAG's dedication to its stakeholders and highlights the company's commitment to realizing its vision of becoming a globally recognized manufacturer of gears, forged components, and reduction gearboxes.

## Overview of the Economy and Industry

The fiscal year 2023–24 has been remarkable for India. It emerged as one of the fastest-growing major economies globally and demonstrated impressive resilience, even as many developed countries grappled with slowing growth, high inflation, and geopolitical challenges. During FY 2022–23, the Indian economy grew by 8.2%, following a robust 7.2% growth in the previous fiscal year.

India's enhanced outlook is due to the government's focus on self-reliance and its emphasis on boosting domestic manufacturing. Additionally, the 'China Plus One' strategy is gaining traction as companies look to diversify their dependencies beyond China. This shift has positioned India advantageously, given its strengths in manufacturing, research and development, and access to affordable, skilled labour.

Inflation and interest rates appear to be under control, and we anticipate that supply chains will continue to stabilize, which should help manage raw material prices and enhance operational efficiencies in the short to medium term. However, commodities like steel remain vulnerable to geopolitical and economic uncertainties.

In the industries that GGAG serves, demand remains strong and robust across various sectors, driven by solid domestic consumption. The Indian Railways has increased its locomotive production target by 27%, reflecting growth opportunities for GGAG's core business. The government's initiatives to modernize and electrify the railways, expand freight capacity, and advance technology are expected to support continued growth and improved performance in the railway sector. As India aims to become a global hub for metro systems, with extensive metro projects underway nationwide, GGAG anticipates expansion in the metro gear sector as well. Additionally, other sectors where GGAG operates—including oil and gas, power transmission, wind energy, cooling towers, mining, and automotive—are also experiencing rising demand.

## Key Initiatives

During the financial year, GGAG implemented several initiatives that successfully reduced our costs per component and improved lead times, while maintaining rigorous quality control to minimize rejection rates. These efforts have significantly enhanced overall customer satisfaction.

In terms of facility upgrades, we have retrofitted and refurbished existing machinery and invested in new equipment to boost the capacity and capabilities of our production unit. GGAG has added an additional 30,000+ square feet of space to accommodate this newly added equipment. Improved industrial engineering practices have led to the establishment of standard operating procedures aimed at optimizing cycle times. Additionally, our engineering and procurement teams have focused on reducing consumable costs and reinforcing the importance of robust systems.

## Future Outlook

GGAG is optimistic about achieving similar growth levels in the upcoming financial year. Our strong brand reputation and market presence, combined with emerging opportunities globally, position us well to meet these goals. Additionally, our expansion into diverse markets such as wind energy, earth-moving equipment, mining, steel, and industrial applications will help mitigate the impacts of business cycle fluctuations and dependencies on any one business sector. GGAG's order book is at a record high, and our objective is to capitalize on this momentum through efficient execution to solidify our position as industry leaders.

Warm regards,

**Kennedy Ram Gajra**

Chairman and Managing Director











## BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

NAME	DIN/PAN	DESIGNATION
Mr. Kennedy Ram Gajra	02092206	Chairman and Managing Director
Mr. Anmol Gajra	07835836	Whole Time Director
Mr. Shailendra Ajmera	02138042	Non-Executive Independent Director upto 31/03/2024.
Mr. Pravin Kumar Shishodiya	03011429	Non-Executive Independent Director upto 31/03/2024 and Non-Executive Director w.e.f. 1st April, 2024.
Mr. Kamlesh Joshi	01783387	Non-Executive Independent Director
Ms. Divyanshi Joshi	10752152	Non-Executive Independent Director
Ms. Ruchi Sogani	02805170	Non-Executive Independent Director
Mr. Manoj Sharma	GRQPS9948E	Chief Financial Officer (CFO)
Ms. Lata Narang	FLIPS3155N	Company Secretary





### **AUDITORS**

M/s. S. N. Gadiya & Co.  
Chartered Accountants  
241 Apollo Tower, 2 M.G. Road,  
Indore- 452001

### **SECRETARIAL AUDITORS**

HSPN & Associates LLP (Formerly  
known as HS Associates), Practicing  
Company Secretaries, Mumbai

### **REGISTRAR AND SHARE TRANSFER AGENTS**

PurvaSharegistry (India) Pvt. Ltd.  
9, Shivshakti Industrial Estate, Sitaram  
Mills Compound, J.R. Boricha Marg,  
Lower Parel (East), Mumbai – 400 011.  
contact no. 23018261  
EMAIL: [support@purvashare.com](mailto:support@purvashare.com)

### **REGISTERED OFFICE**

Plot No.2A, I.S. Gajra Industrial Area  
No.1, A. B. Road, Dewas - 455001 (M. P.)  
India  
Email id:-  
[ggmarketing@ggautomotive.com](mailto:ggmarketing@ggautomotive.com)  
Tel.: +91-7272405310, 9302120433,  
6262609720

### **SHARES LISTED AT**

BSE Limited, Mumbai  
PhirozeJeejeebhoy Towers, Dalal  
Street,  
Mumbai – 400 001.

### **ANNUAL GENERAL MEETING**

Date: 21st September, 2024 through  
VC/ OAVM  
Day: Saturday  
Time: 11.30 A.M.  
Visit us at:  
<https://www.ggautomotive.com/>

### **50th Annual General Meeting**

Date: 21st September, 2024  
Day: Saturday  
Time: 11:30 AM



## **NOTICE**

**NOTICE IS HEREBY GIVEN THAT THE 50<sup>th</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF GG AUTOMOTIVE GEARS LIMITED WILL BE HELD ON SATURDAY, 21st September, 2024 AT 11:30 AM. 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 31<sup>st</sup> March, 2024 together with the reports of the Board of Directors and Auditors thereon.**

**“RESOLVED THAT** the audited financial statements of the Company for the financial year ended March 31, 2024 and the reports of the Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby considered and adopted.”

- 2. To appoint a Director in place of Mr. Anmol Gajra (DIN: 07835836), who retires by rotation and being eligible, offers himself for re-appointment.**

**“RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Anmol Gajra (DIN: 07835836), who retires by rotation at this Annual General Meeting, and being eligible for re-appointment, be and is hereby appointed as a Director of the Company.”

### **SPECIAL BUSINESS:**

- 3. To Re-appoint Mr. Kennedy Ram Gajra (DIN NO: 02092206) as a 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, and the rules made there under (including any statutory modification(s) from time to time or any re-enactment thereof for the time being in force) read with Schedule V to the said Act, and all other applicable circulars, notifications and guidelines issued by the Ministry of Corporate Affairs or any other authorities from time to time and other necessary approvals, permissions and sanctions, as may be required, and such conditions and modifications as may be prescribed or imposed by any of the authorities while granting such approvals, permissions and sanctions are agreed to by the Board of Directors (hereinafter referred to as ‘the Board’, which term shall be deemed to include any ‘Committee’ thereof and any person authorized by the Board in this behalf) and, further to the recommendation of Nomination and Remuneration Committee, the consent of the members of the Company be and is hereby accorded for the re-appointment of Mr. Kennedy Ram Gajra (DIN NO: 02092206) as Managing Director of the Company, whose office will be liable to determination by retirement by rotation, for the period of three years i.e. 1st July 2024 to 30th June 2027 and payment of remuneration for the aforesaid period on the terms and conditions which shall be upto Rs. 168 Lakh as 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 (DIN NO: 02092206) as a 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. **Revision in the Managerial Remuneration of Mr. Anmol Gajra (DIN-0783583) being Whole-Time Director of Company.**

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

**“RESOLVED THAT** in accordance with the provisions of Section 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company (the Board) at their respective meetings, approval of the Members of the Company be and is hereby accorded to increase the maximum remuneration of Mr. Anmol Gajra, Whole Time Director of Company upto Rs. 168 Lakhs w.e.f. 1<sup>st</sup> October, 2024 till his remaining tenure, i.e. upto 31<sup>st</sup> May, 2026.

**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 (DIN NO: 0783583) as a 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”.

**“RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year, Mr. Anmol Gajra shall be entitled to receive remuneration including perquisites, etc. upto the limit as approved by the members herein above, as minimum remuneration.”



5. **Appointment of Mr. Pravin Kumar Shishodiya as a Non-Executive Director of the Company**

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

**"RESOLVED THAT** pursuant to provisions of Section 152 read with Rule 8, 9 and 14 of Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and provisions of the Articles of Association of the Company consent of the shareholders of the Company be and is hereby accorded to appoint Mr. Pravin Kumar Shishodiya as a Non-Executive Director of the Company having (DIN- 03011429) is appointed w.e.f. 1<sup>st</sup> April, 2024.

**RESOLVED FURTHER THAT** Director of the Company are hereby authorized to file all necessary documents with the Registrar of Companies and other statutory authorities, to make necessary entries in the Statutory registers of the company and to do all such acts/ deeds/ things as may deem fit to give effect to this resolution."

6. **Appointment of Mr. Kamlesh Joshi as a Non-Executive Independent 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 Section 149 and Section 152 read with Rule 8, 9 and 14 of Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and provisions of the Articles of Association of the Company consent of the shareholders of the Company be and is



hereby accorded to appoint Mr. Kamlesh Joshi as a Non-Executive Independent Director of the Company having (DIN- 01783387) is appointed w.e.f. 24<sup>th</sup> August, 2024 for a period of 5 Years upto 23<sup>rd</sup> August, 2029.

**RESOLVED FURTHER THAT** the Directors of the Company are hereby severally authorized to file all such necessary documents with the Registrar of Companies and other statutory authorities, to make necessary entries in the Statutory registers of the company and to do all such acts/ deeds/ things as may deem fit to give effect to this resolution."

7. **Appointment of Ms. Divyanshi Joshi as a Non-Executive Independent 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 Section 149 and Section 152 read with Rule 8, 9 and 14 of Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and provisions of the Articles of Association of the Company consent of the shareholders of the Company be and is hereby accorded to appoint Ms. Divyanshi Joshi (DIN- 10752152) as a Non-Executive Independent Director of the Company having is appointed w.e.f. 24<sup>th</sup> August, for a period of 5 Years upto 23<sup>rd</sup> August, 2029.

**RESOLVED FURTHER THAT** Directors of the Company are hereby severally authorized to file all such necessary documents with the Registrar of Companies and other statutory authorities, to make necessary entries in the Statutory registers of the company and to do



all such acts/ deeds/ things as may deem fit to give effect to this resolution."

8. **To make investments, give loans, guarantees and security in excess of limits specified under section 186 of the Companies Act, 2013**

To consider and, if thought fit, to pass with or without modifications, the following resolution as a **SPECIAL RESOLUTION**:

**"RESOLVED THAT** pursuant to the provisions of Section 186 of the Companies Act, 2013, read with The Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof for the time being in force), if any, consent of the shareholders of the Company be and is hereby accorded to (a) give any loan to any person(s) or other body corporate(s) ; (b) give any guarantee or provide security in connection with a loan to any person(s) or other body corporate(s) ; and (c) acquire by way of subscription, purchase or otherwise, securities of any other body corporate from time to time in one or more tranches as the Board of Directors as in their absolute discretion deem beneficial and in the interest of the Company, for an amount not exceeding Rs. 50 Crores (Rupees Fifty Crores) outstanding at any time, notwithstanding that such investments, outstanding loans given or to be given and guarantees and security provided are in excess of the limits prescribed under Section 186 of the Companies Act, 2013.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, any Director of the Company, be and are hereby severally authorized to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to all matters arising out of and incidental thereto and to sign and to execute deeds, applications, documents and file returns with Registrar of Companies, that may be required, on behalf of the Company and generally to do all such acts,





deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”

By order of the Board of Directors of  
**GG AUTOMOTIVE GEARS LIMITED**

Sd/-

LATA NARANG

Place : Dewas, Madhya Pradesh.

COMPANY SECRETARY & COMPLIANCE OFFICER

Date : 24<sup>th</sup> August, 2024

MEM NO. A66669

### **IMPORTANT NOTES:**

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM/EGM will thus be held through video conferencing (VC) or other audio-visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an



agreement with Purva Sharegistry (India) Private Limited (Purva) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by Purva.

3. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, , the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at <https://ggautomotive.com/> The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and



www.nseindia.com respectively. The AGM/EGM Notice is also disseminated on the website of PURVA (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. <https://evoting.purvashare.com/>.

7. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. In continuation of this Ministry's **General Circular No. 20/2020**, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021.

**THE INSTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM/EGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:**

- (i) The voting period begins on <Date and Time> and ends on <Date and Time>. During this period shareholder's of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Record Date> may cast their vote electronically. The e-voting module shall be disabled by Purva for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to



its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting **to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) 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.



Type of shareholders	Login Method
<p>Individual Shareholders holding securities in Demat mode with <b>CDSL</b></p>	<ol style="list-style-type: none"> <li>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 <b><a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a></b> or visit <b><a href="http://www.cdslindia.com">www.cdslindia.com</a></b> and click on Login icon and select New System Myeasi.</li> <li>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 &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. <b>CDSL/NSDL/KARVY/LINKINTIME/PURVA</b>, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available - <b><a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></b></li> <li>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 <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page.</li> </ol>



	<p>The system will authenticate the user by sending OTP on registered Mobile &amp; 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>
<p>Individual Shareholders holding securities in demat mode with <b>NSDL</b></p>	<ol style="list-style-type: none"> <li>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: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> 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 &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, <b>click on the</b></li> </ol>



	<p><b>icon “Login” which is available under ‘Shareholder/Member’ section.</b> A new screen will open. You will have to <b>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.</b> 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 &amp; voting during the meeting</p>
<p>Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b></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 &amp; voting during the meeting.</p>

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:

**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**

<b>Login type</b>	<b>Helpdesk details</b>
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	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 <b>NSDL</b>	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

**(v) Login method fore-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 **<https://evoting.purvashare.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](http://www.evotingindia.com) or **[www.evoting.nsdl.com](http://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
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>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.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen.



- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVENT NO. 16 for the relevant G.G. Automotive Gears Ltd on which you choose to vote.
- (x) 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.
- (xi) Click on the “NOTICE FILE LINK” if you wish to view the Notice.
- (xii) 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.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) 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



<https://evoting.purvashare.com> and register themselves in the “Custodians / Mutual Fund” module.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [evoting@purvashare.com](mailto:evoting@purvashare.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.
- 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 Scrutinizer and to the Company at the email address viz; [compliance@ggautomotive.com](mailto:compliance@ggautomotive.com) (designated email address by company) if they have voted from individual tab & not uploaded same in the Purva e-voting system for the scrutinizer to verify the same.

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

1. 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.



2. The link for VC/OAVM to attend the meeting will be available where the EVENT NO. 16 of company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. 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.
4. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. 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 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 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.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.



9. 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 EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/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 from the Purva e-Voting System, you can write an email to [evoting@purvashare.com](mailto:evoting@purvashare.com) or contact at 022-49614132 and 022-49700138.



All grievances connected with the facility for voting by electronic means may be addressed to Ms. Deepali Dhuri, Compliance Officer, Purva Sharegistry (India) Private Limited, Unit No. 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Lower Parel (East), Mumbai - 400011 or send an email to **evoting@purvashare.com** or contact **at 022- 022-49614132 and 022-35220056**.

**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:**

<b>Name of Director</b>	<b>Kennedy Ram Gajra</b>	<b>Anmol Gajra</b>	<b>Parveen Kumar Shishodiya</b>
Director Identification Number (DIN)	02092206	07835836	02138042
Date of birth	05/12/1962	15/01/1995	16/02/1960
Age	62 years	29 years	64 years
Nationality	Indian	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.	Chartered Accountant (CA)- Member of Institute of Chartered Accountants India.
Date of first Appointment on the Board	25/10/1990	01/06/2017	27/01/2010



Tenure with the Company	34 years	7 years	14 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.	Experience in the manufacturing industry stands poised to significantly enhance its trajectory, solidifying his reputation as a cornerstone figure in the sector's evolution.
Relationships between Directors inter-se	Father of Anmol Gajra	Son of Kennedy Ram Gajra	N.A.
List of the directorships held in other listed companies	NIL	NIL	NIL
Number of board Meetings attended during the year	7	7	7
Chairman/ Member in the Committees of the Boards of companies in which he is Director	Nil	Nil	N.A.
Number of Shares held in	19,76,857	1,332	Nil



the Company as on March 31, 2024			
----------------------------------	--	--	--

<b>Name of Director</b>	<b>Kamlesh Joshi</b>	<b>Divyanshi Joshi</b>
Director Identification Number (DIN)	01783387	10752152
Date of birth	24.07.1975	16.06.1999
Age	49 Years	25 Years
Nationality	Indian	Indian
Qualifications	Fellow member of the Institute of Company Secretaries of India (FCS-5096), 'Master of Commerce in Taxation' and Bachelor of Legislative Laws (Honours) from Devi Ahilya University, Indore.	Company Secretary, Member of Institute of Company Secretaries of India (ICSI).
Date of first Appointment on the Board	24/08/2024	24/08/2024
Tenure with the Company	N.A.	N.A.
Nature of his expertise in specific functional areas;	Worked with Khaitan Chemicals and Fertilizers Limited as Company Secretary and Senior General Manager (Key Managerial Personnel)	Three years of experience in corporate governance, legal compliance, and company law. She has consistently demonstrated excellence in advising companies on complex legal and regulatory





	for 25 years (1998 to 2023). Headed various departments such as Secretarial, Legal, Purchase, Finance, Procurement of Raw Materials & Agri Commodities, Stores Purchase, Personal & HR Function, Import & Export, Sale of Refined Oil and De-Oiled Cake, Chemicals and Derivatives Business.	matters, ensuring adherence to the Companies Act and fostering a culture of transparency and ethical governance.
Relationships between Directors inter-se	N.A.	N.A.
List of the directorships held in other listed companies	NIL	NIL
Number of board Meetings attended during the year	N.A.	N.A.
Chairman/ Member in the Committees of the Boards of companies in	Nil	Nil



which he is Director		
Number of Shares held in the Company as on March 31, 2024	Nil	Nil

**Place: Dewas, Madhya Pradesh**

**Date: 24<sup>th</sup> August, 2024**

**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 23<sup>rd</sup> May, 2024 reappointed Mr. Kennedy Ram Gajra (DIN NO: 02092206), Managing Director of the Company, for the period of three years i.e. 1st July 2024 to 30th June 2027, subject to approval 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 23<sup>rd</sup> May, 2024. 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 (DIN NO: 02092206), 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 (DIN NO: 02092206), Managing Director shall be as per Terms & Conditions entered into an agreement with Mr. Kennedy Ram Gajra (DIN NO: 02092206) as Managing Director. Mr. Kennedy Ram Gajra (DIN NO: 02092206), Managing Director is 62 years of age and associated with the Company from last 34 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 Board recommends the resolution at Item no.3 to be passed as Special Resolution.

#### **Item No. 4**

Pursuant to the provisions of Section 196, 197 and 198 of the Companies Act, 2013 read with Schedule V, a company having inadequate/no profits, may subject to



certain conditions including the passing of a special resolution, pay such remuneration to its managerial personnel Mr. Anmol Gajra, as a Whole Time Director as may be decided by the Board of Directors on the recommendation of Nomination and Remuneration Committee. Mr. Anmol Gajra has contributed to Companies success and wellbeing through his immense hard work and expertise leading to companies progress, thus the Nomination and Remuneration Committee has decided to revise his remuneration upto Rs. 168 Lakhs. Considering his association with the Company and adequate experience in various fields, the Board recommends confirmation. 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 Board recommends the resolution at Item no.4 to be passed as Special Resolution.

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

To approve the appointment of Mr. Praveen Kumar Shishodiya, (DIN: 03011429) as a Non-Executive Director of the Company based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, it is proposed to appoint Mr. Praveen Kumar Shishodiya as a Non-Executive Director of the Company. In terms of Section 152 read with Schedule IV and other applicable provisions, if any of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014, appointment as a Non-Executive Director requires the approval of shareholders. The Company has received from Mr. Praveen Kumar Shishodiya, consent in writing to act as director in Form DIR-2 and declaration to the effect that he is not disqualified to be appointed as director in Form DIR-8. In the opinion of the Board Mr. Praveen Kumar Shishodiya fulfils the conditions for appointment as a Non-Executive Director as specified in Companies Act, 2013.



The proposed as a Non-Executive Director Mr. Pravin Kumar Shishodiya, a seasoned Chartered Accountant with over three decades of expertise, has been immersed in manufacturing since the outset of his professional journey. Renowned as a catalyst for industry rejuvenation, he has successfully restored multiple ailing enterprises, bolstering their financial robustness and orchestrating lucrative divestitures at premium valuations. With a notable tenure in the sugar sector exceeding two decades, his profound insights and adept stewardship have left an indelible mark on numerous ventures. His forthcoming involvement promises to be instrumental, serving as a pivotal asset to the industry's advancement.

Pravin Kumar Shishodiya's wealth of experience in the manufacturing industry stands poised to significantly enhance its trajectory, solidifying his reputation as a cornerstone figure in the sector's evolution. Mr. Praveen Kumar Shishodiya also brings a strong governance perspective and regulatory interface and knowledge, specifically in the Banking/Financial Services and Management domains.

The Board recommends the resolution at Item no. 5 to be passed as Ordinary Resolution.

#### **Item No. 6**

To approve the appointment of Mr. Kamlesh Joshi, (DIN:01783387) as an Independent Director of the Company for a term of Five consecutive years Based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, it is proposed to appoint Mr. Kamlesh Joshi as an Independent Director of the Company. In terms of Section 149 and 152 read with Schedule IV and other applicable provisions, if any of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014, appointment of Independent Directors requires the approval of shareholders. The Company has received from Mr. Kamlesh Joshi, consent in writing to act as director in Form DIR-2 and declaration to the effect that he is not disqualified to be appointed as director in Form DIR-8. In the opinion of the Board Mr. Kamlesh Joshi fulfils the conditions for appointment as Independent Director as specified in Companies Act, 2013 and is independent of the management. The proposed Independent Director has



significant professional expertise and rich experience across a wide spectrum of functional areas and hence the Board considered that his association with the Company would be of immense benefit to the Company. A brief profile of the proposed Independent Director is provided below:

The Board of Directors, at their meeting held on 24<sup>th</sup> August, 2024 appointed Mr. Kamlesh Joshi (DIN: 01783387) as Independent Director w.e.f 24<sup>th</sup> August, 2024 for a period of 5 years. The shareholders have to approve the same at the ensuing Annual General Meeting. His DIN is 01783387. Mr. Kamlesh Joshi is a fellow member of ICSI (FCS – 5096) and has done Master of Commerce in Taxation and Bachelor of Legislative Law (Honours) from Delhi Ahilya University, Indore. Mr. Kamlesh Joshi is a fellow member of ICSI (FCS – 5096) and has done Master of Commerce in Taxation and Bachelor of Legislative Law (Honours) from Delhi Ahilya University, Indore.

Mr. Kamlesh Joshi has worked with Khaitan Chemicals and Fertilizers Limited as Company Secretary and Senior General Manager (Key Managerial Personnel) for 25 years (1998 to 2023). During his service tenure he has headed various departments such as Secretarial, Legal, Purchase, Finance, Procurement of Raw Materials & Agri Commodities, Stores Purchase, Personal & HR Function, Import & Export, Sale of Refined Oil and De-Oiled Cake, Chemicals and Derivatives Business.

None of the Directors, Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the aforementioned resolution. The Board recommends the resolution at Item no. 6 to be passed as Special Resolution.

#### **Item No. 7**

To approve the appointment of Ms. Divyanshi Joshi as an Independent Director of the Company for a term of Five consecutive years Based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, it is proposed to appoint Ms. Divyanshi Joshi as an Independent Director of the Company. In terms of Section 149 and 152 read with Schedule IV and other applicable provisions, if any of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014, appointment of Independent Directors requires the approval of shareholders. The Company has



received from Ms. Divyanshi Joshi, consent in writing to act as director in Form DIR-2 and declaration to the effect that he is not disqualified to be appointed as director in Form DIR-8. In the opinion of the Board Ms. Divyanshi Joshi fulfils the conditions for appointment as Independent Director as specified in Companies Act, 2013 and is independent of the management. The proposed Independent Director has significant professional expertise and rich experience across a wide spectrum of functional areas and hence the Board considered that his association with the Company would be of immense benefit to the Company. A brief profile of the proposed Independent Director is provided below:

Ms. Divyanshi Joshi is a distinguished professional, recognized as an All India Ranker in the Company Secretary (CS) examination, graduated from DAVV University as a Bachelor of Law (L.L.B) and Bachelor of Commerce. She is having 3 years of experience in corporate governance, legal compliance, and company law. She has consistently demonstrated excellence in advising companies on complex legal and regulatory matters, ensuring adherence to the Companies Act and fostering a culture of transparency and ethical governance.

Stepping into the role of an Independent Director, she brings a rare combination of top-tier academic achievement and practical experience. Their strong foundation in legal frameworks, coupled with hands-on experience in corporate compliance, makes them exceptionally qualified to provide independent oversight and strategic guidance to the board of Company.

She is well-equipped to contribute to board discussions with a legal and compliance perspective that is both insightful and informed by a thorough understanding of statutory obligations. The Board of Directors, at their meeting held on 24<sup>th</sup> August, 2024 appointed Mr. Divyanshi Joshi (DIN: 10752152) as Independent Director w.e.f. 24<sup>th</sup> August, 2024 for a period of 5 years. The shareholders have to approve the same at the ensuing Annual General Meeting.

The Board recommends the resolution at Item no. 7 to be passed as Special Resolution.





## Item No. 8

In order to make optimum use of funds available with the Company and also to achieve long term strategic and business objectives, the Board of Directors of the Company proposes to make use of the same by making investment in other bodies corporate or granting loans, giving guarantee or providing security to other persons or other body corporate as and when required.

Members may note that pursuant to Section 186 of the Companies Act, 2013 (“Act”), the Company can give loan or give any guarantee or provide security in connection with a loan to any other body corporate or person and acquire securities of any other body corporate, in excess of 60% of its paid up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more, with approval of Members by special resolution passed at the general meeting.

In view of the aforesaid, it is proposed to take approval under Section 186 of the Companies Act, 2013, by way of special resolution, up to a limit of Rs. 50 Crores (Rupees Fifty Crores), as proposed in the Notice.

The above proposal is in the interest of the Company and the Board recommends the Resolution as set out at Item No.8 for approval by the members of the Company.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned with or interested, financially or otherwise in the resolution at Item no.4 of the accompanying notice.

The Board recommends the resolution at Item no.8 to be passed as Special Resolution.

By order of the Board of Directors of  
**GG AUTOMOTIVE GEARS LIMITED**

Sd/-

LATA NARANG  
COMPANY SECRETARY & COMPLIANCE OFFICER

Place : Dewas, Madhya Pradesh.

Date : 24<sup>th</sup> August, 2024

MEM NO. A66669



## **DIRECTORS' REPORT**

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

Your Directors have great pleasure in presenting 50<sup>th</sup> Annual Report along with the Audited Balance Sheet and Profit and Loss Account, for the year ended 31<sup>st</sup> March, 2024.

### **1. FINANCIAL RESULTS:**

Particulars	(Rs. in INR)	
	Year ended	
	31.03.2024	31.03.2023
Earnings before Interest, Depreciation and Tax	12,48,35,460	8,02,73,931
Less: Finance Cost	2,22,37,635	2,62,60,715
Less: Depreciation	3,90,61,956	3,58,68,649
<b>Profit before tax</b>	<b>6,35,35,869</b>	<b>1,81,44,567</b>
Less: Current Tax	1,09,65,366	30,49,169
MAT Credit	-	(91,06,549)
Deferred Tax	8250,284	47,94,557
<b>Profit after tax for the year</b>	<b>4,43,20,219</b>	<b>1,94,07,389</b>

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

During the year, your Company has reported a total turnover of 95,28,20,246/- (Rupees Ninety Five Crore Twenty-Eight Lacs Twenty Thousand and Two Hundred Forty Six only). And the total expenditure incurred by the Company during the year under review amounted to Rs. 89,36,17,666/- (Rupees Eighty Nine Crore Thirty Six Lacs Seventeen Thousand Six Hundred & Sixty Six Only). Profit amounted to Rs. 4,43,20,219/- (Rupees Four Crore Forty Three Lacs Twenty Thousand Two Hundred & Nineteen Only).



As on date of this Annual Report Company has issued equity share of 7,13,833 to its Non-Promoter and 4,55,000 Shares to its Promoter Category via conversion of Warrants through which company raised Rs. 5,25,97,485/-.

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 31<sup>st</sup> March, 2024.

### **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:**



1. During the period, the company has taken approval from Board of Directors on 08th September, 2023 & Shareholders' approval in EGM dated 30th September, 2023 for:
  - a. Increased the Authorised Share Capital of the Company from existing Rs. 8,00,00,000 (Rupees Eight crore) divided into 80,00,000 (Eighty-Lakhs) Equity Shares of Rs.10/- each to Rs.10,00,00,000 (Rupees Ten Crore) divided into 1,00,00,000 (One Crore) Equity Shares of Rs. 10/-each ranking paripassu in all respect with the existing Equity Shares of the Company as per the Memorandum and Articles of Association of the Company
  - b. Issue and allotment of 4,15,000 Equity Shares of face value of Rs. 10/- each at an issue price of Rs. 60./- (including Premium of Rs. 50 per share) aggregating to Rs. 2,49,00,000 (Rupees Two-Crore Forty-Nine Lakhs only) to Promoter and to create, offer, issue and allot in one or more tranches up to 16,58,833 (Sixteen Lakhs Fifty-Eight Thousand Eight Hundred Thirty-Three) Share Warrants Convertible into Equivalent Equity Shares at a price of Rs. 60./- (including Premium of Rs. 50 per share) per Share Warrant, each convertible into One (1) Equity Share of face value of Rs. 10/- each aggregating to Rs. 9,95,29,980/- (Rupees Nine Crore Ninety-Five Lakhs Twenty-Nine Thousand Nine Hundred Eighty only) to group of person under Promoter and Non-Promoter Category.
  - c. The amount raised and mentioned above consist of 100% of application money for 415000 (Four Lac Fifteen Thousand) Equity shares and 25% of 1658833 (Sixteen Lac Fifty Eight Thousand Eight Hundred & Thirty Three) Warrants allotted to allottees amounting to Rs. 4,97,82,495/- (Rupees Four Crore Ninety Seven Lac Eighty Two Thousand Four Hundred & Ninety Five only). The said amount was totally



deployed and the entire amount was spent for the purpose mentioned in the offer document.

2. In-principle approval under Regulation 28(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been obtained for the above mentioned allotment of 415000 (Four Lac Fifty Thousand) Equity shares as on 25th October, 2023. Further Listing approval for the same has being obtained by BSE on 05th December, 2023 & Trading approval on 21st December, 2023.
3. The above results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meeting held on 18th January 2024. The Statutory Auditors of the Company have carried out a Limited Review of the Results for these financial.
4. Company business activity falls within a Single primary business segment i.e. Manufacturing of Railway Gears.

**7. DIVIDEND:**

In view of conserving 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 31<sup>st</sup> March, 2024 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, 7 (seven) Board Meeting were held as under:

1	18-05-2023
2	21-07-2023
3	02-08-2023
4	08-09-2023
5	08-11-2023
6	18-01-2024
7	29-02-2024

**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**

#### **A. Audit Committee comprises of following members:**

<b>Sr. no.</b>	<b>Director</b>	<b>Designation</b>
1.	Pravin Kumar Shishodiya	Chairperson & Non-Executive Independent Director
2.	Kennedy Ram Gajra	Member & Independent Non-Executive Director
3.	Shailendra Ajmera	Member & Independent Non-Executive Director

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

- \* The 2<sup>nd</sup> Term of Mr. Pravin Kumar Shishodiya & Mr. Shailendra Ajmera has ceased as on 31<sup>st</sup> March, 2024. However, Mr. Pravin Kuman Shishodiya is appointed in the capacity of Non-Executive Director.
- \* The Audit Committee reviewed company to raise capital of Rs. 3,56,07,495/- (Three Crores Fifty Six Lakh Seven Thousand Four Hundred and Ninety Five Only) in FY 2023-24 via issue of 4,15,000 (Four Lakh Fifteen Thousand) Equity Share Capital to Promoters and 7,13,833 (Seven Lakh Thirteen Thousand Eight Hundred and Thirty Three) Warrants at Rs. 60 each in which Rs. 10 (Ten) is face value and Rs. 50 (Fifty) is premium, being 25% of the amount received in FY 2023-24. The said money was deployed and used as per the terms of offer document, there is no deviation with the object for which the amount was raised and no money is pending to be spent.

#### **B. Nomination and Remuneration Committee comprises of following members:**





Sr. no.	Director	Designation
1.	Pravin Kumar Shishodiya	Chairperson & Non-Executive Independent Director
2.	Ruchi Sogani	Member & Independent Non-Executive Director
3.	Shailendra Ajmera	Member & Independent Non-Executive Director

- \* The 2<sup>nd</sup> Term of Mr. Pravin Kumar Shishodiya & Mr. Shailendra Ajmera has ceased as on 31<sup>st</sup> March, 2024. However, Mr. Pravin Kuman Shishodiya is appointed in the capacity of Non-Executive Director.

**C. Stakeholders Relationship Committee comprises of following members:**

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

- \* The 2<sup>nd</sup> Term of Mr. Pravin Kumar Shishodiya & Mr. Shailendra Ajmera has ceased as on 31<sup>st</sup> March, 2024. However, Mr. Pravin Kuman Shishodiya is appointed in the capacity of Non-Executive Director.

**14. MEETING OF COMMITTEES OF BOARD**

During the year there were in total 4 (Four) Audit Committee Meetings, 2 (Two) Nomination & Remuneration Committee and 1 (One) Stakeholders Relationship Committee were held.



a. Audit Committee

Sr. No	Date
1	18-05-2023
2	21-07-2023
3	02-08-2023
4	08-11-2023

b. Nomination and Remuneration committee

Sr. No	Date
1	03.11.2023
2	20.01.2024

c. Stakeholder relationship Committee

Sr. No	Date
1	20.01.2024

## 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, Whole time Director, Shri Manoj Sharma, CFO and Ms. Lata Narang 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 NO: 02092206) was re-appointed as the Managing Director of the Company, for the period of three years i.e. 1st July 2024 to 30th June 2027 on remuneration upto Rs. 168 Lakhs subject to members approval at this AGM. The remuneration of Anmol Gajra is proposed to be revised subject to approval of Shareholders w.e.f. 1<sup>st</sup> October, 2024 upto Rs. 168 Lakhs.

The 2nd Term of Mr. Pravin Kumar Shishodiya & Mr. Shailendra Ajmera has ceased as on 31st March, 2024. However, Mr. Pravin Kuman Shishodiya is appointed in the capacity of Non-Executive Director to be approved in the ensuing General Meeting.

### **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 IV** to this report.

## **17. LISTING OF SHARES:**



The Equity Shares of the Company are listed on BSE Limited, Mumbai. The Company has paid the Listing Fees for the Financial Year 2023-24 and Financial Year 2024-25.

#### **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. The copy of Draft Annual Report or MGT 7 form can be found on the official website of the Company.

#### **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. ATTRIBUTES, QUALIFICATIONS & INDEPENDENCE OF DIRECTORS, THEIR APPOINTMENT AND REMUNERATION**

The Nomination & Remuneration Committee of Directors have approved a Policy for Selection, Appointment and Remuneration of Directors which inter-alia requires that composition and remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and senior management employees and the Directors appointed shall be of high integrity with relevant expertise and experience so as to have diverse Board and the Policy also lays down the positive attributes/criteria while recommending the candidature for the appointment as Director.

## **21. 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.

## **22. 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.

### **23. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS**

1. The meetings of the Board of Directors of the Company are normally organized at manufacturing plant of the Company and every time, a visit 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 like wise 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 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.

## **24. 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.

## **25. STATUTORY AUDITORS:**

M/s. S. N. Gadiya & Co. (Firm Registration No. 002052C) having Peer Review No.012731, is appointed as the Statutory Auditors of the Company for a period of Five (5) consecutive years to hold office from the conclusion of this Annual General Meeting till the conclusion of the 54th Annual General Meeting to be held in the year 2028.

## **26. SECRETARIAL AUDITORS**

The Company has appointed M/s. HSPN & Associates LLP (formerly known as HS Associates), Practicing Company Secretaries, Mumbai, as Secretarial Auditors of the Company to carry out the Secretarial Audit for the Financial Year 2023-24 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.

## **27. SECRETARIAL AUDIT REPORT:**

The Board of Directors of the Company has appointed M/s. HSPN & Associates LLP (formerly known as HS Associates), Practicing Company Secretaries; to conduct the Secretarial Audit for the Financial Year 2023-24 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, 2,45,732 (Two Lacs Forty Five Thousand Seven Hundred & Thirty Two) Equity Shares of Rs. 10 each constituting 8.16% held by Promoters are yet to be dematerialized.

Directors Comments: The same is in process.

2. The 2nd (Second) term of Mr. Pravin Kumar Shishodiya- Independent Director & Mr. Shailendra Ajmera- Independent Director has ceased as on 31st March, 2024. However, no appointment in their place has filled due to which re-constitution of the committees are pending. Mr. Pravin Kuman Shishodiya is appointed in the capacity of Non-Executive Director and Mr. Shailendra Ajmera cease to be Director w.e.f. 31<sup>st</sup> March, 2024.

Directors Comments: The same is in process.

## **28. 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.

## **29. COMMENTS ON STATUTORY AUDITOR'S REPORT:**

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. S. N. Gadiya & Co. Statutory Auditors, in their report.

## **30. 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.



### **31. 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 III.**

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.

### **32. 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 IV** and forms part of this report.

### **33. CREDIT RATING**

The company has been rated by Infomercials 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 BB+' for bank facility

### **34. 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.



### **35. 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.

### **36. 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 2024-25 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.

### **37. 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, 2023.

### **38. 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 the paid-up 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.



#### **39. 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.

#### **40. 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.

#### **41. 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.

#### **42. 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.

#### **43. 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.



#### **44. 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 to 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.

#### **45. 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://ggautomotive.com/policies/>. No instance under the whistle Blower policy was reported during the financial year 2023-24.

#### **46. 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.

#### **47. 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 <https://ggautomotive.com/policies/>

#### **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.

#### **48. 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  
GG AUTOMOTIVE GEARS LIMITED**

**KENNEDY RAM GAJRA**

Place : Dewas, Madhya Pradesh. **CHAIRMAN & MANAGING DIRECTOR**  
Date : 24<sup>th</sup> August, 2024 **(DIN:02092206)**







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

**FOR FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH 2024**

[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,  
GG AUTOMOTIVE GEARS LIMITED.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GG 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 verification of the 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 **31<sup>st</sup> March, 2024**, 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, minute books, Forms and returns filed and other records maintained by **GG AUTOMOTIVE GEARS LIMITED** ("The Company"), for the year ended on 31st March, 2024 to the extent applicable to the provisions of:



- I. The Companies Act, 2013 (the Act) and the rules made there under to the extent applicable;
- II. The Securities Contracts (Regulation) Act, 1956 ("**SCRA**") and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") to the extent applicable to the Company:
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **Not Applicable to the Company during the period under review;**
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **Not Applicable to the Company during the period under review;**
  - f. The Securities and Exchange Board of India (Registrars to and Issue and Share Transfer Agents) Regulations, 1993 regarding the



Companies Act and dealing with client; **Not Applicable to the Company during the period under review;**

- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **Not Applicable to the Company during the period under review;** and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable to the Company during the period under review.**

VI. The Management has identified and confirmed the applicable Acts, Laws and Regulations specifically applicable to the Company as given below:

- i) The Environment Protection Act, 1986; and Rules made there under;
- ii) Air (Prevention and Control of Pollution) Act 1981 and Rules issued by State Pollution Control Board;
- 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:

- a) Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India.
- b) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (with effect from 1st December, 2015);



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

1. Mr. Kennedy Ram Gajra (DIN NO: 02092206) was re-appointed as a Managing Director of the Company, for the period of three years i.e. 1st July 2024 to 30th June 2027.

2. The 2<sup>nd</sup> (Second) term of Mr. Pravin Kumar Shishodiya- Independent Director & Mr. Shailendra Ajmera- Independent Director has ceased as on 31st March, 2024. However, both these Directors are proposed to be appointed as Non-Executive Non-Independent Directors w.e.f. 01<sup>st</sup> April, 2024 subject to approval in the ensuing Annual General Meeting.

The Board of Director of the Company have balance of Executive and Non-Executive Independent Directors.

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. Pursuant to Regulation 31(2) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, 100% of the Promoter Shareholding is not in Demat Mode and 2,37,399 (Two Lakh Thirty Seven Thousand Three Hundred and Ninety Nine) Equity shares of Rs. 10 each are yet to be dematerialized as on Date of this Report.



2. During the period, the company has taken approval from Board of Directors on 08<sup>th</sup> September, 2023 & Shareholders' approval in EGM dated 30<sup>th</sup> September, 2023 for:
  - A. Increased the Authorised Share Capital of the Company from existing Rs. 8,00,00,000 (Rupees Eight crore) divided into 80,00,000 (Eighty-Lakhs) Equity Shares of Rs.10/- each to Rs.10,00,00,000 (Rupees Ten Crore) divided into 1,00,00,000 (One Crore) Equity Shares of Rs. 10/- each ranking paripassu in all respect with the existing Equity Shares of the Company as per the Memorandum and Articles of Association of the Company
  - B. Issue and allotment of 4,15,000 Equity Shares of face value of Rs. 10/- each at an issue price of Rs. 60./- (including Premium of Rs. 50 per share) aggregating to Rs. 2,49,00,000 (Rupees Two-Crore Forty-Nine Lakhs only) to Promoter and to create, offer, issue and allot in one or more tranches up to 16,58,833 (Sixteen Lakhs Fifty-Eight Thousand Eight Hundred Thirty-Three) Share Warrants Convertible into Equivalent Equity Shares at a price of Rs. 60./- (including Premium of Rs. 50 per share) per Share Warrant, each convertible into One (1) Equity Share of face value of Rs. 10/- each aggregating to Rs. 9,95,29,980/- (Rupees Nine Crore Ninety-Five Lakhs Twenty-Nine Thousand Nine Hundred Eighty only) to group of person under Promoter and Non-Promoter Category.

2. It is to be noted that 49<sup>th</sup> Annual General Meeting of the Company was held on 21<sup>st</sup> August, 2023 in which shareholders approved the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2023 together with the reports of the Board of Directors and Auditors thereon.

3. The Extra-Ordinary General Meeting was held on 30<sup>th</sup> September, 2023 in which approval was taken to increase the authorised share capital and consequential amendment in Memorandum of Association and approved the issuance of Equity Shares and warrants convertible into equity shares on preferential basis. The amount raised and mentioned above consist of





100% of application money for 415000 (Four Lac Fifteen Thousand) Equity shares and 25% of 1658833 (Sixteen Lac Fifty Eight Thousand Eight Hundred & Thirty Three) Warrants allotted to allottees amounting to Rs. 4,97,82,495/- (Rupees Four Crore Ninety Seven Lakhs Eighty Two Thousand Four Hundred & Ninety Five only). The said amount was totally deployed and the entire amount was spent for the purpose mentioned in the offer document.

4. In-Principal approval under Regulation 28(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been obtained for the above-mentioned allotment of 415000 (Four Lac Fifteen Thousand) Equity shares as on 25th October, 2023. Further Listing approval for the same has being obtained by BSE on 05th December, 2023 & Trading approval on 21st December, 2023.

5. That the term of Mr. Pravin Kuman Shishodiya and Mr. Shailendra Ajmera has come to end on 31<sup>st</sup> March, 2024. However, Mr. Pravin Kuman Shishodiya is appointed in the capacity of Non-Executive Non-Independent Director and Mr. Shailendra Ajmera ceases to be Director of the Company.

**For HSPN & ASSOCIATES LLP  
Company Secretaries**

**Sd/-**

**Date: 24<sup>th</sup> August, 2024**  
**Place: Mumbai**  
**ICSI UDIN: A005941F001038258**  
**PEER REVIEW NO:2507/2022**

**Prakash D. Naringrekar**  
**Designated Partner**  
**ACS No.: 5941**  
**COP No.: 18955**

**Note:** This report is to be read with our letter of even date which is annexed as **Annexure A** and forms as integral part of this report.



## Annexure A

To,  
The Members,  
GG AUTOMOTIVE GEARS LIMITED.  
105/106, Ground Floor, Dream Square,  
Dalia Industrial Estate, Off New Link Road,  
Andheri West, Mumbai – 400053.

1. Our report of even date is to be read along with this letter.
2. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that processes and practices, we followed provide a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts, and related documents of the Company.
5. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events, etc.
6. The Compliance of the provisions of applicable laws, rules, regulations, standards is the responsibility of Management. Any fraud, error, misstatements arising, if any would be the responsibility of the Board and Management. Our examination was limited to the verification of procedures on test basis.



7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For HSPN & ASSOCIATES LLP  
Company Secretaries**

**sd/-**

**Date: 24<sup>th</sup> August, 2024**  
**Place: Mumbai.**  
**ICSI UDIN: A005941F001038258**  
**PEER REVIEW NO:2507/2022**

**Prakash D. Naringrekar**  
**Designated Partner**  
**ACS No.: 5941**  
**COP No.: 18955**

### **Annexure - III**

#### **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:**

S r. N o	Name of the Relate d Party & Nature of Relati onship	Nature of contracts/arrangem ents/transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contrac ts or arrang ements or transac tions includi ng the value, if any	Justific ation for enterin g into such contrac ts or arrang ements or transac tions	Date (s) of appr oval by the Boar d	Amo unt paid as advan ces, if any	Date on whic h the speci al resol ution was pass ed in gene ral meet ing as requi red unde r first provi so to secti on 188
Not Applicable								



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

<b>Name of the Related Party &amp; Nature of Relationship</b>	<b>Nature of contracts/arrangements/transactions</b>	<b>Duration of the contracts/arrangements/transactions</b>	<b>Salient terms of the contracts or arrangements or transactions including the value, if any</b>	<b>Amount paid as advances, if any</b>
Mrs. Indira Ram Gajra	Rent given to mother of Kennedy Ram Gajra (Managing director)	Annually (* paid for 7 months)	As per the terms of the agreement	700000

For and on behalf of Board of Directors of  
GG AUTOMOTIVE GEARS LIMITED

Sd/-  
KENNEDY RAM GAJRA  
MANAGING DIRECTOR

Place : Dewas, Madhya Pradesh.

Date : 07<sup>th</sup> August, 2024

(DIN:02092206)



## Annexure - IV

### Report on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo and forming part of Board's Report for the year ended 31<sup>st</sup> March, 2024.

#### (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 2023-2024 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.	<p>In case of imported technology (imported during the last three years reckoned from the beginning of the financial year:</p> <p>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</p>	<p>The company has not imported technology during the last 3 financial years.</p>
----	--	---

### C. Foreign Exchange Earnings and Outgo:

(Rs. In Lacs)

	2023-2024	2022-2023
Foreign Exchange earned	311.64	257.69
Foreign Exchange used	212.59	5.43
Net Foreign Exchange earnings/-outgo	99.05	252.26

For and on behalf of Board of Directors of  
GG AUTOMOTIVE GEARS LIMITED

Sd/-

KENNEDY RAM GAJRA

Place : Dewas, Madhya Pradesh. MANAGING DIRECTOR

Date : 07<sup>th</sup> August, 2024 (DIN:02092206)



## 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	<p>Mr. K. R. GAJRA Ratio: 28.18 times</p> <p>Mr. Anmol Gajra Ratio: 08.45 Times</p> <p>Mr. Shailendra Ajmera Ratio: NIL times</p> <p>Mr. Pravin Kumar Shisodiya Ratio: NIL times</p> <p>Mrs. Ruchi Sogani Ratio: Nil Times</p>		
2.	Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	<b>Director/KMP</b>	<b>Designation</b>	<b>% increase/ (decrease) in Remuneration</b>
		Mr. Kennedy Ram Gajra	Chairman & Managing Director	No Change
		Mr. Anmol Gajra	Whole Time Director	No Change
		Manoj Sharma	Chief Financial Officer	No Change
		Lata Narang	Company Secretary	No Change
3.	Percentage increase in	17.47%		



	the median remuneration of employees in the financial year							
4.	Number of permanent employees on the rolls of Company at the end of the year	298						
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 2023-24.						
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 capitalization of the	<table border="1"> <thead> <tr> <th>Particulars</th> <th>March 31, 2024</th> <th>March 31, 2023</th> </tr> </thead> <tbody> <tr> <td>Market Capitalization</td> <td>87.95 Crore</td> <td>24.35 Crore</td> </tr> </tbody> </table>	Particulars	March 31, 2024	March 31, 2023	Market Capitalization	87.95 Crore	24.35 Crore
		Particulars	March 31, 2024	March 31, 2023				
Market Capitalization	87.95 Crore	24.35 Crore						



	<p>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</p>	<p>Price earnings ratio (based on consolidated EPS)</p>	<p>32.38</p>	<p>12.56</p>
<p>8.</p>	<p>Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial</p>	<p>The aggregate remuneration of employees other than managerial Personnel have increased by 9.01%.</p>		



	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				
9.	Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company	Directors/KMP	Designation	Remuneration	FY 2023-24
				% of PBT (standalone)	% of PBT (Consolidated)
		Kennedy Ram Gajra	Managing Director	9.44%	NA
		Anmol Gajra	Wholetime Director	2.83%	NA
		Shailendra Ajmera	Independent Director	NIL	NA
		Pravin Kumar Shishodiya	Independent Director	NIL	NA
		Ruchi Sogani	Independent Director	NIL	NA





		Manoj Sharma (appointed on 03 <sup>rd</sup> November, 2022)	CFO	0.45%	NA
		Lata Narang	Company Secretary	0.47%	NA
10.	Key parameters for any variable component of remuneration availed by the directors	<p>The key parameters for variable component of remuneration availed by directors are:</p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Group Performance;</li> <li><input checked="" type="checkbox"/> Business Performance; and</li> <li><input checked="" type="checkbox"/> Individual Performance.</li> </ul>			
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	Remuneration paid to the employees including KMPs is as per the Remuneration Policy of the Company			





	the Company	
--	-------------	--

For and on behalf of the Board of Directors of  
GG AUTOMOTIVE GEARS LIMITED

SD/-  
KENNEDY RAM GAJRA  
CHAIRMAN & MANAGING DIRECTOR

Place : Dewas, Madhya Pradesh.  
Date : 24<sup>th</sup> August, 2024

(DIN:02092206)



## ANNEXURE - VI

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### Industry Structure and Development:

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

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

#### Review of Operations:

During the year, the Company reported a revenue of 95.28 Crores, 23.30% higher than the previous year, also grew its orders booked during the year and continues to put efforts to enhance presence in the market. The approach involves enhancing its reach by strengthening its Sales and Service teams, building references in high potential segments.

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

The Profit before Tax for the year was Rs. 635.36 Lakhs against Rs. 181.45 Lakhs profit in the previous year.



### **Future Plans and Outlook:**

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

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.

### **Opportunities and Threats:**

The union budget 2023-24 proposal to hike capital expenditure substantially can bring a lot of opportunities to the industry. A focus on building the national highways network, affordable homes under the PM Awas Yojana and new-generation trains is expected to increase the demand for sectors such as cement, engineering goods and industrial manufacturing. The consolidation of major central labour laws relating to wages, social security, industrial relations, and occupational safety and health, is indeed a welcome step that underlines the Government's attempt to boost ease of doing business and reform domestic laws in order to bring them in line with modern best practices subject to notification.

The impact of pandemic was both domestic as well as external. Domestically it resulted in factory shutdowns, travel restrictions and reduced discretionary spending. Whereas external impacts are supply chain disruptions, weaker global demand, lower commodity prices etc.

Manufacturers of Railway Gears & Pinions, are increasingly facing competition from rise in the number of emerging players across India who



manufacture similar products at much lower price is expected to lead to significant competition in the market.

### **Risk Factors:**

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

### **Human Resources/Industrial Relations:**

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

The Company has got 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	2023-24	2022-23	Change in %
Debtors Turnover Ratio	4.93	6.17	-20.10%
Inventory Turnover Ratio	3.48	3.42	1.75%
Interest coverage Ratio	3.86	1.69	128.40%
Current Ratio	1.25	1.15	8.70%
Debt Equity Ratio	0.86	1.52	-43.43%
Operating Profit Margin Ratio (%)	34.92	27.04	29.14%
Net Profit Margin Ratio (%)	0.05	0.03	67%
Return on Net worth (%)	13.95	8.69	60.53%

Debtors Turnover Ratio: Change is due to better realisation from customers.

For and on behalf of the Board of Directors of  
GG AUTOMOTIVE GEARS LIMITED

SD/-  
KENNEDY RAM GAJRA  
CHAIRMAN & MANAGING DIRECTOR

Place : Dewas, Madhya Pradesh.

Date : 24<sup>th</sup> August, 2024 (DIN:02092206)



## CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

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

We, Kennedy Ram Gajra, Managing Director and Manoj Sharma, 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**

**Sd/-  
KENNEDY RAM GAJRA  
MANAGING DIRECTOR**

**FOR GG AUTOMOTIVE GEARS  
LIMITED**

**Sd/-  
MANOJ SHARMA  
CFO**

**Place: Dewas, Madhya Pradesh.**

Date: 07<sup>th</sup> August, 2024

---

**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, 2024.







For and on behalf of Board of Directors of  
GG AUTOMOTIVE GEARS LIMITED

Sd/-

KENNEDY RAM GAJRA

Place : Dewas, Madhya Pradesh. CEO

Date : 07<sup>th</sup> August, 2024 (DIN:02092206)

---

### **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  
GG AUTOMOTIVE GEARS LIMITED

Sd/-

KENNEDY RAM GAJRA

Place : Dewas, Madhya Pradesh. MANAGING DIRECTOR

Date : 07<sup>th</sup> August, 2024 (DIN:02092206)



## INDEPENDENT AUDITOR'S REPORT

To the Members of GG Automotive Gears limited Report on the Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of GG Automotive Gears limited ("the Company"), which comprise the balance sheet as at 31st March 2024, and the statement of Profit and Loss (including other comprehensive income), statement of changes in equity as at March 31, 2024 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, 2024, 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 there under, 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.



## 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	
<p>Ind AS 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</p>	<p>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.</p>

## 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.

Those Board of Directors are 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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 M/s. S. N. Gadiya & Co**  
**Chartered Accountants,**

sd/-

**S N Gadiya**  
**(Proprietor)**

**Membership No-71229**

**FRN-002052C**

**UDIN NO: 24071229BKCQYO9287**

**Date: 23/05/2024**

**Place: Indore**



## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF GG 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 GG AUTOMOTIVE GEARS LIMITED (“the Company”) as of March 31, 2024 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, 2024, 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 M/s. S. N. Gadiya & Co  
Chartered Accountants,**

Sd/-

**S N Gadiya  
(Proprietor)**

**Membership No-71229**

**FRN-002052C**

**UDIN NO: 24071229BKCCQYO9287**

**Date: 23/05/2024**

**Place: Indore**



**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 GG AUTOMOTIVE GEARS LIMITED FOR THE YEAR ENDED 31st MARCH, 2024**

3(i)		Property, Plant and Equipment
(a)	(A)	The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
	(B)	The company has maintained proper records showing full particulars of intangible assets;
(b)		The Property, Plant and Equipment have been physically verified by the management at reasonable intervals and in accordance with the confirmation provided by the management there was no material discrepancy found on such verification;
(c)		The title deeds of all the immovable properties disclosed in the financial statements are held in the name of the company;
(d)		There was no revaluation of Property, Plant and Equipment or intangible assets during the year under audit;
(e)		There have been no proceedings found initiated or are pending against the company for holding any Benami Property under the Benami Transactions (Prohibition) Act, 1988 and Rules made there under;
3(ii)		Inventories
(a)		Physical verification of inventory has been conducted as at reasonable intervals by the management and in our opinion, the coverage and the procedure adopted for such verification by the management is found appropriate. As per the information provided by the management, there was no major discrepancy noticed during the course of verification;
(b)		The company has been enjoying working capital limits in excess of 5 Crore Rupees, in aggregate, from banks on the basis of security of current assets. The company has been regular in filing quarterly returns and other statements required by the bank and those are in agreement with the books of account of the company;



3(iii)	Investments, guarantees, loans and advances
	The company has not made any investment, provided any guarantee or security or granted any loans and advances in the nature of loans, secured or un-secured, to companies, firms, LLPs or any other party except bank guarantees in favour of Govt. Departments and advances for supplies in normal course of business which are not prejudicial to the interest of the company;
3(iv)	Compliance of section 185 and 186 of The Companies Act, 2013
	The company has adhered to the provisions of section 185 and 186 of The Companies Act, 2013 in respect of loans, investments, guarantees and security;
3(v)	Deposits U/s 73 to 76 of The Companies Act, 2013
	The company has not accepted deposits or amounts which are deemed to be deposits and thereby the provisions of section 73 to 76 or any other relevant provisions of The Companies Act and the Rules framed there under as well as directives issued by Reserve Bank of India have been complied with;
3(vi)	Maintenance of cost records
	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;
3(vii)	Statutory dues
The company is regular in depositing statutory dues including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues to the appropriate authorities except followings which have not been deposited or deposited under protest since the demand is sub-judice being in appeal:	



Particulars		
Name of statute	Income Tax	PF
Amount	1640540	1182277
Period to which the amount relates	A.Y. 2013-14	March 2002 to June 2009
Forum where the dispute is pending	CIT Mumbai	Registrar, EPFAT, Jabalpur
Due date for payment	Already Paid	Not specified
Arrears in amount at the balance sheet date	Nil	1182277
Reason for arrears	N.A.	Disputed

3(viii)	Unrecorded transactions
	During the course of audit, we have not come across any transaction not recorded in the books of account required to be surrendered or disclosed as income during the year in the tax assessments under The Income Tax Act, 1961;
3(ix)	Long term funds and its utilization
(a)	The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender;
(b)	The company has not been declared willful defaulter by any bank or financial institution or other lender;
(c)	As per our scrutiny, term loans borrowed during the year were applied for the purpose for which the loans were obtained;
(d)	We have not come across any instance of fund raised on short term basis having been utilized for long term purposes;



(e)	The company has not taken any funds from any entity or person on account of or to meet the obligation of its subsidiaries, associates or joint ventures;
(f)	The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies;
3(x)	Public Money and Preferential Allotments
(a)	The company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and therefore we have no comments to offer whether the raised funds were applied for the purposes for which those are raised;
(b)	The company has issued 415000 equity shares fully paid (face value) Rs 10/- each issued on preferential basis at Rs. 60/- each during the year. and there is no contravention of Section 42 and 62 of the Companies Act, 2013; The Company has not made any preferential allotment or private placement of shares of convertible debentures (fully, partially or optionally convertible) during the year.
3(xi)	Fraud, Fraudulent Transactions and Whistle Blowing
(a)	We have not noticed any fraud by the company or any fraud on the company which has been reported during the year;
(b)	We have not come across an instance of fraud while performing our duties as an Auditor which is required to be reported under sub-section (12) of section 143 of The Companies Act, 2013;
(c)	We have not found any whistle blower complaint received during the year by the company;
3(xii)	Compliance of Provisions related to Nidhi Companies
	The provisions related to a Nidhi company are not applicable to the company being not a Nidhi Company;



3(xiii)	Related party transactions
	All transactions with the related parties are in compliance with section 177 and 188 of The Companies Act, where applicable and relevant details have been disclosed in the financial statements etc., as required by the applicable accounting standards;
3(xiv)	Internal audit under section 138 of The Companies Act, 2013
(a)	The company has an internal audit system commensurate with the size and nature of its business;
(b)	The reports of the internal auditor for the period under audit are placed on record and reviewed by us before finalizing the audit report;
3(xv)	Non cash transactions
	During the course of our random checking, we have not come across any non-cash transaction with directors or persons connected with directors by the company or vice versa;
3(xvi)	NBFC related provisions
	The company is not required to be registered under section 45-IA of The Reserve Bank of India Act, 1934 (2) of 1934 since the company has neither conducted any Non- banking Financial or Housing Finance Activities nor investment activities;
3(xvii)	Cash losses
	The company has not incurred cash losses in the financial year and in the immediately preceding financial year;
3(xviii)	Resignation of auditor
	There has not been any resignation of the Statutory Auditors during the year under audit;



3(xix)	Financial Ratio Analysis
	On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of the Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report about the company's capability of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date;
3(xx)	Corporate Social Responsibility under section 135 of The Companies Act, 2013
	It is not applicable to the company for the year under audit;
3(xxi)	Consideration of consolidate components
	We have no comments to offer under this paragraph of CARO being no consolidation of financial statements during the year under audit;

For M/s. S. N. Gadiya & Co  
Chartered Accountants,

Sd/-

S N Gadiya  
(Proprietor)

Membership No-71229

FRN-002052C

UDIN NO: 24071229BKCQYO9287

Date: 23/05/2024

Place: Indore





## BALANCE SHEET AS AT MARCH 31, 2024

PARTICULARS	Note No.	As at March 31, 2024 (In Lakhs)	As at March 31, 2023 (In Lakhs)
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant & Equipment	4(A)	3,791.48	3,630.57
(b) Capital work in progress	4(C)	136.68	-
(c) Right-of-use asset	27	0.00	9.47
(d) Intangible Assets	4(B)	12.79	13.25
(e) Financial assets			
(i) Other financial assets	5	58.80	94.05
(f) Income Tax Assets	7	94.90	97.20
(g) Other Non Current Assets	6	-	28.82
<b>Total non-current assets</b>		<b>4,094.66</b>	<b>3,873.35</b>
<b>(2) Current assets</b>			
(a) Inventories	8	1,284.85	1,456.00
(b) Financial Assets			
(i) Trade receivables	9(A)	2,290.47	1,577.29
(ii) Cash and cash equivalents	9(B)	92.89	10.81
(iii) Bank balances other than (ii) above	9(C)	145.75	76.30
(c) Other Current Assets	10	159.08	145.27
<b>Total current assets</b>		<b>3,973.04</b>	<b>3,265.66</b>
<b>Total assets</b>		<b>8,067.70</b>	<b>7,139.01</b>

## EQUITY & LIABILITIES

### Equity

(a) Equity Share Capital	11	833.12	791.62
(b) Other Equity	12	2,092.36	1,441.65
(c) Money received against Share Warrants		248.83	-
<b>Total equity</b>		<b>3,174.30</b>	<b>2,233.27</b>

### Liabilities

#### (1) Non-current Liabilities

(a) Financial Liabilities			
(i) Borrowings	13	1,291.76	1,730.93
(b) Deferred Tax Liabilities (Net)	24	423.12	340.62
<b>Total non-current liabilities</b>		<b>1,714.88</b>	<b>2,071.55</b>

PARTICULARS	Note No.	As at March 31, 2024 (In Lakhs)	As at March 31, 2023 (In Lakhs)
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	14(A)	1,430.50	1,672.99
(ii) Lease liability	27	-	11.39
(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		1,422.18	1,021.31
(iv) Other financial liabilities	14(C)	96.45	84.88
(b) Current Tax Liability (net)	15	18.72	4.32
(c) Other Current Liabilities	16	210.68	39.30
<b>Total current liabilities</b>		<b>3,178.52</b>	<b>2,834.19</b>
<b>Total equity and liabilities</b>		<b>8,067.70</b>	<b>7,139.01</b>



**See accompanying notes to the financial statements**

**1.25**

**1.15**

As per our Report of even date attached

For **M/s. S. N. Gadiya & Co**  
Chartered Accountants,  
FRN-002052C

Sd/-

**CA. S. N. Gadiya**

(Proprietor)

Membership No-71229

UDIN NO: 24071229BKCQYO9287

Place: Dewas

Date: 23/05/2024

On behalf of the Board

**KENNEDY RAM GAJRA**  
MANAGING DIRECTOR

Sd/-

**MANOJ SHARMA**

CFO

**ANMOL GAJRA**  
EXECUTIVE DIRECTOR

Sd/-

**MS LATA NARANG**

CS



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

PARTICULARS	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
		(In Lakhs)	(In Lakhs)
Revenue from operations	17	9,528.20	7,727.61
Other Income	18	43.33	37.20
<b>Total Income</b>		<b>9,571.54</b>	<b>7,764.81</b>
Expenses:			
Cost of raw material consumed	19	5,066.06	4,384.70
Changes in inventories of finished goods and work-in-progress - Decrease / (Increase)	20	(291.87)	17.43
Employee benefits expense	21	1,036.32	877.52
Finance cost	22	222.38	262.61
Depreciation and amortisation of expenses	4(A & B) & 27	390.62	358.69
Other expenses	23	2,512.67	1,682.42
<b>Total Expenses</b>		<b>8,936.18</b>	<b>7,583.37</b>
Profit before tax		635.36	181.45
Tax expense:			
Current tax		109.65	30.49
MAT credit entitlement		-	(91.07)
Deferred tax	24	82.50	47.95
<b>Profit for the year</b>		<b>443.20</b>	<b>194.07</b>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income for the year</b>		<b>443.20</b>	<b>194.07</b>



Earning per equity share (for continuing operations)

(1) Basic	5.32	2.45
(2) Diluted	5.32	2.45

**See accompanying notes to the financial statements**

As per our Report of even date attached

On behalf of the Board

**For M/s. S. N. Gadiya & Co**

Chartered Accountants,  
FRN-002052C

**KENNEDY RAM GAJRA**  
MANAGING DIRECTOR

**ANMOL GAJRA**  
EXECUTIVE DIRECTOR

Sd/-

**CA. S. N. Gadiya**

(Proprietor)

Membership No-71229

UDIN NO: 24071229BKCQYO9287

Sd/-

**MANOJ SHARMA**

CFO

Sd/-

**MS LATA NARANG**

CS

Place: Dewas

Date: 23/05/2024



## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

Particulars	Year ended March 31, 2024 (in Lakhs)	Year ended March 31, 2023 (in Lakhs)
A. Cash flow from operating activities		
Net profit before tax & extraordinary items	635.36	181.45
Adjustment for :		
Depreciation	390.62	358.69
Interest paid	222.38	262.61
Less : Profit on Sales of Assets	(13.81)	0.00
Less : Interest and dividend received	(12.62)	(21.83)
Operating profit before working capital changes	1,221.92	780.91
Adjustment for :		
Trade and other receivables	(691.76)	(126.67)
Inventories	171.15	(334.26)
Trade and other payables	583.81	189.13
Cash generated from operations	1,285.12	509.11
Direct Tax paid	(92.95)	(7.62)
<b>Net cash from operating activities</b>	<b>1,192.17</b>	<b>501.49</b>
B. Cash flow from investment activities		
Sale of fixed assets (Net)	19.10	150.09
Profit on Sales of Assets	13.81	0.00
Purchase of Fixed Assets	(701.33)	(987.60)
Capital WIP, Cap. Adv. & Pre-op. Exps.	28.82	104.46
Interest received	12.62	21.83
Investment/ disinvestment in Fixed deposit	(69.45)	260.84



<b>Net cash from investment activities</b>	<b>(696.44)</b>	<b>(450.38)</b>
C. Cash flow from financing activities		
Payment of lease liability	(7.44)	(10.34)
Repayment of borrowings	(347.87)	(542.59)
Proceeds from borrowings	(333.79)	765.32
Proceeds from Shares & Warrant	497.82	
Interest paid	(222.38)	(262.61)
<b>Net cash from financing activities</b>	<b>(413.66)</b>	<b>(50.22)</b>
Net increase in cash and cash equivalents	82.08	0.89
Cash and cash equivalents at beginning of the year	10.81	9.92
<b>Cash and cash equivalents at end of the year</b>	<b>92.89</b>	<b>10.81</b>

We have checked the above cash flow statement of G. G. Automotive Gears Limited, derived from the audited annual financial statement for the period ended 31st March 2024, 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

On behalf of the Board

**For M/s. S. N. Gadiya & Co**

Chartered Accountants,  
FRN-002052C

Sd/-

**CA. S. N. Gadiya**

(Proprietor)

Membership No-71229

UDIN NO: 24071229BKCQYO9287

Place: Dewas

Date: 23/05/2024

**KENNEDY RAM GAJRA**

MANAGING DIRECTOR

Sd/-

**MANOJ SHARMA**

CFO

**ANMOL GAJRA**

EXECUTIVE DIRECTOR

Sd/-

**MS LATA NARANG**

CS

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2024

### Equity Share Capital

	No. of Shares	Amount in Lakhs
<b>Authorised</b>	<b>10,000,000</b>	<b>1,000</b>
1000000 Equity Shares of Rs. 10/- each (Previous year 8,000,000 shares of Rs. 10/- each)		
<b>Issued, Subscribed and Paid-up</b>	7,916,167	791.62
( 8331167 Equity Shares of Rs. 10/- each fully paidup)		
<b>Share Capital</b>		
Balance as at March 31, 2022	7,916,167	791.62
Changes in equity share capital during the year		
Balance as at March 31, 2023	7,916,167	791.62
Changes in equity share capital during the year		
	415,000	415.00
Balance as at March 31, 2024	8,331,167	833.12

Shareholder's Holding more than 5% shares	31-Mar-24	% age	31-Mar-23	%age
Name of the shareholder	No. of shares held (In lacs)	No. of shares held	No. of shares held (In lacs)	No. of shares held
Mr. K. R. Gajra	19.77	23.73	19.77	24.97
Mr. Narayan Shrivias	4.49	5.38	4.49	5.67
Mrs. Bela Gajra	6.22	7.47	1.58	2.00





## Other Equity

Particulars	Reserves and Surplus			Total Other Equity
	Securities premium reserve	Retained earnings	Other Comprehensive Income/warrants	
<b>Balance as at April 1, 2022</b>	<b>106.50</b>	<b>1,141.08</b>	-	<b>1,247.58</b>
Addition during the year	-	194.07	-	194.07
Other comprehensive income for the year, net of income tax	-	-	-	-
<b>Balance as at March 31, 2023</b>	<b>106.50</b>	<b>1,335.16</b>	-	<b>1,441.65</b>
Addition during the year	207.50			
Other comprehensive income net of tax / warrants	-	-	-	-
<b>Balance as at March 31, 2024</b>	<b>314.00</b>	<b>1,778.37</b>	-	<b>2,092.36</b>

As per our Report of even date attached.

On behalf of the Board

For **S.N. Gadiya & Co.**

Chartered Accountants

FRN - 002052C

Sd/-

**CA. S.N. Gadiya**

Proprietor

M.NO. - 71229

UDIN - 24071229BKCQYO9287

Place : Dewas

Date : 23/05/2024

**KENNEDY RAM GAJRA**

MANAGING

DIRECTOR

Sd/-

**MANOJ SHARMA**

CFO

**ANMOL GAJRA**

EXECUTIVE

DIRECTOR

Sd/-

**MS LATA NARANG**

CS

# Notes to the financial statements for the year ended March 31, 2024

## 1. Corporate Information

GG Automotive Gears Ltd (GGAG) 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. GG 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 in lacs, 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 recognized 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 recognized 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
Electrical Installation	10
Laboratory Equipment	10
Office equipments	5
Furniture and fixtures	10
Vehicles	8
Computers	3



## Decapitalization

An item of property, plant and equipment is derecognized 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 recognized 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 amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over the estimated useful lives.

The estimated useful life for intangible assets is 3 years. The estimated useful and amortization 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 recognized 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 recognized for the asset (or cash generating unit) in prior years. Reversal of an impairment loss is recognized 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 recognizes 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 recognized as the services performed. Revenue is recognized when it is earned and it is probable that economic benefit will flow to the Company. Interest income from a financial asset is recognized 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 recognized 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**

**h) Retirement benefit costs and termination benefits**

Payments to defined contribution retirement benefit plans are recognized 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 recognized 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;
- re-measurement

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 recognized 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 recognized at the earlier of when the entity can no longer withdraw the offer of termination benefit and when the entity recognizes any related restructuring costs.

### **i) Short-term and other long-term employee benefits**

A liability is recognized 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 recognized 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 recognized 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.

### **ii) 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 1970.



## i) 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 recognized 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 recognized for all taxable temporary differences.

Deferred tax assets are generally recognized 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 utilized. Such deferred tax assets and liabilities are not recognized 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 realized, 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 recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized 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.

### j) Inventories

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

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

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 realizable value.

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

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

The amount recognized 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 recognized 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 recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

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

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

## **i) Financial instruments**

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

### **i) Initial recognition**

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 recognized 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: amortized 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 - amortized cost

Debt instruments that meet the following conditions are subsequently measured at amortized 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 recognized 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 derecognized (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 recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes 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 amortized 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;
- All lease receivables Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes 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 analyzed.

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 recognizing 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 recognized at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized on the purchase, sale, issue or cancellation of the Company's own equity instruments.



## (II) Subsequent measurement

### -Financial liabilities measured at amortized 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 recognized 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 derecognized 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 recognized 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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 recognized in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

#### m) **Cash and cash equivalents**

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

#### n) **Leases**

##### **Company as a lessee**

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.

### **o) Earnings per share**

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

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

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



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

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

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

**ii) Defined benefit obligation**

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

**iii) Allowance for uncollectible trade receivables**

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

**iv) 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 recognized 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 for the year ended March 31, 2024

## Note 4(A) – Property, plant and equipment

Description of assets	Lease Hold Land	Building	Plant & Mahinery*	Computers	Office equipment	Vehicles	Furniture and fixtures	Total
<b>I. Cost</b>								
Balance as at April 1, 2022	0.10	195.65	5,215.68	44.37	31.99	340.95	13.08	5,841.82
Additions	-	91.47	835.19	2.46	14.60	125.16	1.87	1,070.75
Disposals	-	-	-	-	-	173.59	-	173.59
Balance as at March 31, 2023	0.10	287.11	6,050.87	46.83	46.60	292.51	14.95	6,738.97
Additions	-	15.29	484.85	3.40	11.21	46.57	1.85	563.17
Disposals	-	-	9.90	-	-	42.22	-	52.12
Balance as at March 31, 2024	0.10	302.40	6,525.83	50.24	57.80	296.85	16.80	7,250.02
<b>II. Accumulated depreciation/impairment</b>								
Balance as at April 1, 2022	0.04	69.15	2,536.55	38.43	25.37	106.94	7.99	2,784.49
Depreciation for the year	0.00	5.08	304.09	2.09	3.38	31.99	0.78	347.42
Written Back During the year	-	-	-	-	-	23.50	-	23.50
Balance as at March 31, 2023	0.05	74.24	2,840.64	40.52	28.75	115.44	8.77	3,108.41
Depreciation for the year	0.00	7.68	339.29	2.61	5.46	27.15	0.98	383.16
Disposals	-	-	9.41	-	-	23.62	-	33.03
Balance as at March 31, 2024	0.05	81.92	3,189.33	43.13	34.21	118.97	9.75	3,458.54
<b>Net block (I-II)</b>								
Balance as at March 31, 2024	0.05	220.48	3,336.50	7.11	23.60	177.89	7.05	3,791.48
Balance as at March 31, 2023	0.05	212.87	3,210.23	6.31	17.85	177.08	6.18	3,630.57

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

**Note:**

(a) Details of benami property held:

Title deeds of immovable properties not held in name of the company

(b) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee, and property mentioned below), to the financial statements, are held in the name of the company.



## Note 4(B) - Intangible assets

Description of asset	Software
<b>I. Cost</b>	
Balance as at April 1, 2022	17.57
Additions	1.35
Balance as at March 31, 2023	18.92
Additions	1.48
Deletion	-
Balance as at March 31, 2024	20.40
<b>II. Accumulated impairment losses</b>	
Balance as at April 01, 2022	3.87
Amortization for the year	1.80
Balance as at March 31, 2023	5.67
Amortization for the year	1.94
Balance as at March 31, 2024	7.61
Net block (I-II)	
Balance as at March 31, 2024	12.79
Balance as at March 31, 2023	13.25
NOTE 4© Capital WIP	136.68

## Note No. 5 : Other non current financial assets

(Rupees in Lakhs)

Particulars	March 31, 2024 (Amount `)	March 31, 2023 (Amount `)
Margin money for B.G.	-	61.18
Security Deposits	58.80	32.86
	<b>58.80</b>	<b>94.05</b>



## Note No. 6 : Other Non Current Assets

(Rupees in Lakhs)

Particulars	March 31, 2024 (Amount `)	March 31, 2023 (Amount `)
Capital Advances	-	28.82
	-	<b>28.82</b>

## Note No. 7 : Income Tax Assets

(Rupees in Lakhs)

Particulars	March 31, 2024 (Amount `)	March 31, 2023 (Amount `)
MAT credit entitlement	88.77	91.07
Income Tax refundable	6.14	6.14
	<b>94.90</b>	<b>97.20</b>

## Note No. 8 : Inventories

(Rupees in Lakhs)

Particulars	March 31, 2024 (Amount `)	March 31, 2023 (Amount `)
(Lower of cost and net realisable value)		
Raw Materials	124.46	587.10
Work in progress	1,018.32	658.23
Finished goods	126.72	195.24
Stores & Spares	13.80	14.18
Scrap	1.55	1.25
	<b>1,284.85</b>	<b>1,456.00</b>



## Note No. 9 : Current Financial Assets

(Rupees in Lakhs)

Particulars	March 31, 2024 (Amount `)	March 31, 2023 (Amount `)
<b>(A) Trade Receivables</b>		
Unsecured, considered good	2,290.47	1,577.29
	<b>2,290.47</b>	<b>1,577.29</b>

### 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.
- 3) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.



(Rupees in Lakhs)

As at March 31, 2024						
Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	2,249.75	16.26	24.46	-	-	2,290.47
Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	
Disputed Trade receivables – considered good	-	-	-	-	-	
Disputed Trade Receivables – considered doubtful	-	-	-	-	-	
<b>Total</b>	<b>2,249.75</b>	<b>16.26</b>	<b>24.46</b>	<b>-</b>	<b>-</b>	<b>2,290.47</b>

(Rupees in Lakhs)

As at March 31, 2023						
Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	1,399.08	74.10	89.02	15.72	-	1,577.92
Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	
Disputed Trade receivables – considered good	-	-	-	-	-	
Disputed Trade Receivables – considered doubtful	-	-	-	-	-	
<b>Total</b>	<b>1,399.08</b>	<b>74.10</b>	<b>89.02</b>	<b>15.72</b>	<b>-</b>	<b>1,577.92</b>





(Rupees in Lakhs)

Particulars	March 31, 2024 (Amount `)	March 31, 2023 (Amount `)
<b>(B) Cash &amp; Cash Equivalents</b>		
(a) Balances with Banks :		
In fixed deposits accounts with maturity within 3 months	85.00	-
In Current a/c	7.89	0.90
(b) Cash on Hand	-	9.91
	<b>92.89</b>	<b>10.81</b>
<b>(C) Bank balances other than cash and cash equivalents</b>		
Investment in Term deposit with original maturity of more than 3 months but less than 12 months of reporting date	145.75	76.30
	<b>145.75</b>	<b>76.30</b>

### Note No. 10 : Other Current Assets

(Rupees in Lakhs)

Particulars	March 31, 2024 (Amount `)	March 31, 2023 (Amount `)
Balance with Government Authorities		
GST input credit	2.07	67.65
Staff Advances	3.49	26.38
Advance to supplier	125.89	50.37
Other advances	27.64	0.87
	<b>159.08</b>	<b>145.27</b>

## Note No. 11 : Equity share capital

(Rupees in Lakhs)

Particulars	No. of Shares	(Amount `)
<b>Authorised</b>	<b>10,000,000</b>	<b>1,000.00</b>
10000000 Equity Shares of Rs. 10/- each		
(Previous year 8,000,000 shares of Rs. 10/- each )		
<b>Issued, Subscribed and Paid-up</b>	<b>7,916,167</b>	<b>791.62</b>

(Rupees in Lakhs)

Particulars	No. of Shares	(Amount `)
<b>Share Capital</b>		
<b>Balance as at March 31, 2022</b>	7,916,167	791.62
Changes in equity share capital during the year		
<b>Balance as at March 31, 2023</b>	<b>7,916,167</b>	<b>791.62</b>
Changes in equity share capital during the year	<b>415,000</b>	<b>41.50</b>
<b>Balance as at March 31, 2024</b>	<b>8,331,167</b>	<b>833.12</b>
<b>(8,331,167) Equity Shares of Rs. 10/- each fully paid up)</b>		

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

Particulars	March 31, 2024	March 31, 2023
<b>Name of the shareholder</b>	<b>No. of shares held</b>	
Mr. K.R. Gajra	1,976,857	1,976,857
Mr. Narayan Shrivastava	448,653	448,653
Mrs. Bela Gajra	622,492	158,351
<b>Total</b>	<b>3,048,002</b>	<b>2,583,861</b>

### (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.

### (E) Issue during the year

(i) During the year 415000 equity shares fully paid (face value ) Rs 10/- each issued on preferential basis at Rs. 60/- each.

### Details of shares held by promoters

As at March 31, 2024					
Promoter Name	No. of shares at the beginning of the year (Amount `)	Change during the year	No. of shares at the end of the year (Amount `)	% of Total Shares	% change during the year
<b>Indian- Individuals (Resident Individuals/ Hindu undivided Family)</b>					
Kennedy Ram Gajra	1,976,857	-	1,976,857	19.79	(5.18)
Bela Gajra	158,351	464,141	622,492	6.23	4.23
Indira R Gajra	7,666	-	7,666	0.08	(0.02)
Ram Gajra	691	-	691	0.01	-
Prem Gajra	166	-	166	-	-
J S Gajra	1,000	-	1,000	0.01	-
Savitri Gajra	93,900	-	93,900	0.94	(0.25)
Vinita Jairam Gajra	141,000	-	141,000	1.41	(0.37)
Anita Ravichandran	156,500	-	156,500	1.57	(0.41)
Swaranjeet Singh Nagpaul	2,499	-	2,499	0.02	(0.01)
<b>Foreign - Individuals (Non Resident Individuals/ Foreign Individuals)</b>					
Suresh R Gajra	8,333	-	8,333	0.08	(0.03)
<b>Total</b>	<b>2,546,963</b>	<b>464,141</b>	<b>3,011,104</b>	<b>30.14</b>	<b>(2.04)</b>

As at March 31, 2023					
Promoter Name	No. of shares at the beginning of the year (Amount `)	Change during the year	No. of shares at the end of the year (Amount `)	% of Total Shares	% change during the year
<b>Indian- Individuals (Resident Individuals/ Hindu undivided Family)</b>					
Kennedy Ram Gajra	1,976,857	-	1,976,857	24.97	-
Bela Gajra	42,656	115,695	158,351	2.00	1.47
Indira R Gajra	7,666	-	7,666	0.10	-
Ram Gajra	691	-	691	0.01	-
Prem Gajra	166	-	166	-	-
J S Gajra	1,000	-	1,000	0.01	-
Savitri Gajra	93,900	-	93,900	1.19	-
Vinita Jairam Gajra	141,000	-	141,000	1.78	-
Anita Ravichandran	156,500	-	156,500	1.98	-
Swaranjeet Singh Nagpaul	2,499	-	2,499	0.03	-
<b>Foreign - Individuals (Non Resident Individuals/ Foreign Individuals)</b>					
Suresh R Gajra	8,333	-	8,333	0.11	-
<b>Total</b>	<b>2,431,268</b>	<b>115,695</b>	<b>2,546,963</b>	<b>32.18</b>	<b>1.47</b>

## Note 12 - Other Equity

(Rupees in Lakhs)

Particulars	March 31, 2024 (Amount `)	March 31, 2023 (Amount `)
Reserve and surplus		
(a) Security premium reserve	314.00	106.50
(b) Retained earnings	1,778.36	1,335.16
(c) Other Comprehensive Income	-	-
<b>Total</b>	<b>2,092.36</b>	<b>1,441.65</b>

## 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 of dividends, transfers to other reserves, etc.

## Note No. 13 : Non Current Borrowings

(Rupees in Lakhs)

Particulars	March 31, 2024 (Amount `)	March 31, 2023 (Amount `)
Secured Borrowings:		
Term Loan from Bank - III - 50	-	18.95
Term Loan from Bank - V - 45	88.24	248.24
Term Loan from Bank - VI - 184	104.42	164.08
Vehicle Loan ( UBI) - 4671	17.63	83.33
Unsecured Borrowings from Others:		
Loan from Directors	721.69	566.19
Supplier Credit	261.29	477.62
Deposit from Customer	98.50	172.51
<b>Total</b>	<b>1,291.76</b>	<b>1,730.93</b>

**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.

**1. Term Loan III-50- Rate of interest - 7.5%**

Repayable in monthly installment each during 2024-2025 of Rs 1895304

**2. Term Loan V-45 Rate of interest - 10.8%**

Repayable in 4 quarterly installment of Rs 40 lacs each during 2024-25

Repayable in 2 quarterly installment of Rs 40 lacs each during 2025-26

Repayable in 1 quarterly installment of Rs 8.24 lacs each during 2025-26

**3. Term Loan VI-184 Rate of interest - 7.50%**

Repayable in 12 monthly installment of Rs 4.97 lacs each during 2024-2025

Repayable in 12 monthly installment of Rs 4.97 lacs each during 2025-2026

Repayable in 9 monthly installment of Rs 4.97 lacs each during 2026-2027

**4. Vehicle Loan - 4671 Rate of interest - 8.75%**

Repayable in monthly installment each during 2024-2025 of Rs 2476476

Repayable in monthly installment each during 2025-2026 of Rs 1762797

**5. Term Loan HDFC Rate of Interest - 9 %**

Repayable in monthly installment each during 2024-2025 of Rs 3281285

Unsecured loan:

Loan from directors are interest free and repayable on demand

**Note No. 14 : Financial Liabilities**

(Rupees in Lakhs)

Particulars	March 31, 2024 (Amount `)	March 31, 2023 (Amount `)
<b>(A) Secured Borrowings :</b>		
Working Capital	1,134.28	1,403.53
<b>Short Term Debts</b>		
Current Maturities of long term debts	296.22	269.46
<b>Total</b>	<b>1,430.50</b>	<b>1,672.99</b>



**Note:**

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

(Rupees in Lakhs)

Particulars	March 31, 2024 (Amount `)	March 31, 2023 (Amount `)
<b>(B) Trade payables</b>		
Total outstanding due to micro and small enterprises	-	-
Total outstanding due of creditors other than micro and small enterprises	1,422.18	1,021.31
<b>Total</b>	<b>1,422.18</b>	<b>1,021.31</b>

**Trade payables Ageing Schedule**

(Rupees in Lakhs)

As at March 31, 2024					
Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,422.18	-	-	-	<b>1,422.18</b>
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
<b>Total</b>	<b>1,422.18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,422.18</b>



(Rupees in Lakhs)

As at March 31, 2023					
Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,021.31	-	-	-	<b>1,021.31</b>
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
<b>Total</b>	<b>1,021.31</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,021.31</b>

(Rupees in Lakhs)

Particulars	March 31, 2024 (Amount `)	March 31, 2023 (Amount `)
<b>(C) Other Financial Liabilities</b>		
Salary payable	96.45	84.88
<b>Total</b>	<b>96.45</b>	<b>84.88</b>





### Note No. 15 : Current Tax Liabilities (Net)

(Rupees in Lakhs)

Particulars	March 31, 2024 (Amount `)	March 31, 2023 (Amount `)
Provision for income tax	109.65	30.49
Less : Advance tax/ Tds Certificate/MAT credit	90.94	26.18
Net provision for income tax	18.72	4.32
<b>Total</b>	<b>18.72</b>	<b>4.32</b>

### Note No. 16 : Other Current Liabilities

(Rupees in Lakhs)

Particulars	March 31, 2024 (Amount `)	March 31, 2023 (Amount `)
Statutory Liabilities	210.68	11.64
Advance from customers	-	27.66
<b>Total</b>	<b>210.68</b>	<b>39.30</b>

### Note No. 17 : Revenue from operations

(Rupees in Lakhs)

Particulars	March 31, 2024 (Amount `)	March 31, 2023 (Amount `)
Sales of Mfg. Goods	10,900.09	8,900.45
Less: GST	1,631.71	1,379.86
	<b>9,268.38</b>	<b>7,520.59</b>
Job Work	259.82	207.02
<b>Total</b>	<b>9,528.20</b>	<b>7,727.61</b>



### Note No. 18 : Other Income

(Rupees in Lakhs)

Particulars	March 31, 2024 (Amount `)	March 31, 2023 (Amount `)
Interest	12.62	21.83
Scrap Sales	10.62	7.31
Profit on Sale of Assets	13.81	-
Miscellaneous income	5.34	8.06
Gain on Termination of Lease agreement	0.94	-
<b>Total</b>	<b>43.33</b>	<b>37.20</b>

### Note No. 19 : Raw material consumed

(Rupees in Lakhs)

Particulars	March 31, 2024 (Amount `)	March 31, 2023 (Amount `)
Opening Stock	587.10	238.99
Add : Purchases	4,603.42	4,732.81
	<b>5,190.52</b>	<b>4,971.80</b>
Less : Closing Stock	124.46	587.10
<b>Total</b>	<b>5,066.06</b>	<b>4,384.70</b>



## Note No. 20 : Changes in inventories

(Rupees in Lakhs)

Particulars	March 31, 2024 (Amount `)	March 31, 2023 (Amount `)
<b>Opening Stock</b>		
Finished Goods	195.24	251.93
Work In Progress	658.23	619.26
Scrap	1.25	0.96
	<b>854.72</b>	<b>872.15</b>
<b>Closing Stock :</b>		
Finished Goods	126.72	195.24
Work In Progress	1,018.32	658.23
Scrap	1.55	1.25
	<b>1,146.59</b>	<b>854.72</b>
<b>(Increase)/ Decrease in stock</b>	<b>(291.87)</b>	<b>17.43</b>

## Note No. 21 : Employee benefits expenses

(Rupees in Lakhs)

Particulars	March 31, 2024 (Amount `)	March 31, 2023 (Amount `)
Salary and wages	864.67	713.86
Contribution to Welfare funds	75.89	69.30
Staff & Labour welfare & Hospitality	17.76	16.36
Directors' remuneration	78.00	78.00
<b>Total</b>	<b>1,036.32</b>	<b>877.52</b>



## Note No. 22 : Finance Cost

(Rupees in Lakhs)

Particulars	March 31, 2024 (Amount `)	March 31, 2023 (Amount `)
Interest :		
Working capital	157.94	179.08
Term loan	63.94	81.87
Lease	0.49	1.66
<b>Total</b>	<b>222.38</b>	<b>262.61</b>

## Note No. 23 : Other Expenses

(Rupees in Lakhs)

Particulars	March 31, 2024 (Amount `)	March 31, 2023 (Amount `)
<b>(a) Manufacturing Exp.</b>		
Consumption of stores,spares & tools	701.85	566.62
Power & Fuel	378.17	370.29
Repair to Plant & Machinery	90.50	56.20
Job Charges	126.32	90.88
Freight, Cartage etc.	36.58	33.50
Insurance charges	16.24	17.28
Repair to Building	36.99	7.18
Diesel	29.32	9.85
Testing Charges	19.97	10.37



(Rupees in Lakhs)

Particulars	March 31, 2024 (Amount `)	March 31, 2023 (Amount `)
<b>(b) Office &amp; Administrative exp.</b>		
Printing & Stationery	6.01	4.21
Postage & Courier Charges	0.88	1.15
Telephone	1.66	1.48
Vehicle Repairs & Maintenance	17.49	16.65
Conveyance	5.13	7.93
Legal & Professional Charges	82.56	82.86
Licence & Registration fee	18.59	5.45
Electricity & Water charges	2.50	2.74
General repairs	6.71	3.39
Membership & Subscription	7.78	8.85
Office Expenses	19.45	13.14
Foreign Exchange Loss	39.92	40.21
Statutory Advertisements	1.65	0.72
Listing Fee	3.25	3.00
Rates & Taxes	2.99	3.17
Directors' Travelling & Other Expenses	92.38	67.69
Directors' Sitting Fee	1.50	1.50
Auditors' Remuneration*	7.46	5.99



(Rupees in Lakhs)

Particulars	March 31, 2024 (Amount `)	March 31, 2023 (Amount `)
<b>(c) Selling &amp; Distribution expenses</b>		
Packing, forwarding & freight	166.42	138.10
Discount	149.55	15.30
Rebate	166.41	12.75
Liquidated damages	119.40	13.43
Sales Promotion	61.74	48.53
Travelling Exp.	49.90	20.07
Other Selling exp.	45.42	1.93
<b>Total (A), (B), (C)</b>	<b>2,512.67</b>	<b>1,682.42</b>

\*Audit Fee - 4,00,000

Tax Audit Fees - 1,00,000

Out of pocket expenses - 245958 | (Previous year 99077 )

### Note No. 24 : Deferred Tax

Deferred Tax Liability On account of timing difference

(Rupees in Lakhs)

Particulars	As at March 31, 2023	Recognised in P&L	As at March 31, 2024
<b>Deferred Tax Liability</b>			
On account of timing difference			
A. Depreciation	405.57	25.34	430.91
<b>Total</b>	<b>405.57</b>	<b>25.34</b>	<b>430.91</b>
<b>Deferred Tax Assets</b>			
<b>On account of timing difference</b>			
A. Unabsorbed Losses	57.60	-57.60	-
B. U/S 43B dis-allowance	6.82	0.97	7.79
C. Lease	0.53	-0.53	(0.00)
<b>Total</b>	<b>64.95</b>	<b>(57.16)</b>	<b>7.79</b>
<b>Net</b>	<b>340.62</b>	<b>82.50</b>	<b>423.12</b>

## Note 25 – Additional information to the financial statements

(Rupees in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(a) Contingent Liabilities</b>		
Bank Guarantee	4.98	315.64

## Note 26 – Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

(Rupees in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(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 interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to supplier beyond the appointed day during each accounting year	-	-
(d) The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	-	-
(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 to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006.	-	-



## Note 27 – Leases

The Company's significant leasing arrangements was in respect of office premises taken on leave and licence basis. Which stands withdrawn.

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, 2024 are as follows:

(Rupees in Lakhs)

Particulars	Category of ROU asset - Building	Total amount (in Lakhs)
<b>Balance as at April 01, 2022</b>	<b>18.94</b>	<b>18.94</b>
Addition	-	-
Deletion	-	-
Depreciation	-	-
<b>Balance as at March 31, 2023</b>	<b>9.47</b>	<b>9.47</b>
Addition	-	-
Deletion	-3.94	-3.94
Depreciation	-5.52	-5.52
<b>Balance as at March 31, 2024</b>	<b>(0.00)</b>	<b>(0.00)</b>





The break-up of current and non-current lease liabilities as at March 31, 2024 is as follows:

(Rupees in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Current lease liabilities	-	11.39
Non- current lease liabilities	(0.00)	-
<b>Total</b>	<b>(0.00)</b>	<b>11.39</b>

The movement in lease liabilities during the year ended March 31, 2024 is as follows:

(Rupees in Lakhs)

Particulars	Total amount (in Lakhs)
<b>Balance as at April 01, 2022</b>	<b>21.73</b>
Addition	-
Deletion	-
Finance cost accrued	1.66
Payment of lease liabilities	-12.00
<b>Balance as at March 31, 2023</b>	<b>11.39</b>
Addition	-
Deletion	-4.88
Finance cost accrued	0.49
Payment of lease liabilities	-7.00
<b>Balance as at March 31, 2024</b>	<b>-0.00</b>



The details of the contractual maturities of lease liabilities as at March 31, 2024 on an undiscounted basis are as follows:

(Rupees in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Not later than one year	-	12.00
Later than one year but not later than five years	-	12.00
More than five years	-	-

## Note 28 - Earnings Per Share

(Rupees in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit after tax for the year attributable to the equity shareholders	443.20	194.07
No of Equity Shares Outstanding at the end of the year	83.31	79.16
Weighted average number of equity shares (Nos.)	83.31	79.16
Face value per share (In Rs.)	10	10
Basic and diluted earnings per share (in Rs.)	5.32	2.45

## Note 29 - Segment reporting

### Business segments

The Company is primarily engaged in manufacturing of traction gears, pinions and alloyed products. 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.

### Notes to the financial statements for the year ended March 31, 2024

## 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)

### (c) Related Party Transaction

Sr. No.	Particulars	Key Management Personnel	Relatives of Key Management Personnel
1	Salary	78.00	-
2	Contribution to PF	9.36	-

## 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.



(Rupees in Lakhs)

Particulars		As at March 31, 2024	As at March 31, 2023
Debt *		2,818.71	3,247.87
Cash and bank balances		92.89	10.81
<b>Net debt</b>	<b>(A)</b>	<b>2,725.82</b>	<b>3,237.06</b>
Total equity	<b>(B)</b>	3,174.30	2,233.27
<b>Net debt to equity ratio</b>	<b>(A/B)</b>	<b>0.86</b>	<b>1.45</b>

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

### (b) Financial risk management objectives

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

#### (i) Credit risk management

Credit risk is the risk of financial loss to the Company if a customer or 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.

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



(Rupees in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Trade Receivables (Unsecured)</b>		
Over six months	40.72	178.84
Less than six months	2,249.75	1,398.44
<b>Total</b>	<b>2,290.47</b>	<b>1,577.29</b>

Trade receivable consists of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of the accounts receivable.

Credit risk on cash and cash equivalents is limited as the Company generally invests 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:

(Rupees in Lakhs)

Particulars	Currency	As at March 31, 2024	As at March 31, 2023
Trade Receivables	EURO	1.51	0.17
Trade Receivables	USD	0.38	13.58
Trade Payables	EURO	2.51	5.36

## (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.

(Rupees in Lakhs)

Particulars	Sensitivity analysis	Effect on Profit Before tax	
		As at March 31, 2024	As at March 31, 2023
EURO	+10%	0.15	0.02
EURO	-10%	-0.15	-0.02
USD	+10%	0.04	1.36
USD	-10%	-0.04	-1.36

## (3) 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;

(Rupees in Lakhs)

	Due in 1st year	Due in 2nd to 5th year	Due in 2nd to 5th year	Due after 5 years	Total contracted cash flows	Carrying value
<b>As at March 31, 2024</b>						
Trade payables and other financial liabilities	1,518.63	-	-	-	1,518.63	1,518.63
Lease liability	-	-0.00	-	-	(0.00)	-0.00
Borrowings	1,526.94	1,291.76	-	-	2,818.71	2,818.71
<b>Total</b>	<b>3,045.57</b>	<b>1,291.76</b>	<b>-</b>	<b>-</b>	<b>4,337.33</b>	<b>4,337.33</b>
<b>As at March 31, 2023</b>						
Trade payables and other financial liabilities	1,106.19	-	-	-	1,106.19	1,106.19
Lease liability	11.39	-	-	-	11.39	11.39
Borrowings	1,757.88	1,730.93	-	-	3,488.81	3,488.81
<b>Total</b>	<b>2,875.46</b>	<b>1,730.93</b>	<b>-</b>	<b>-</b>	<b>4,606.39</b>	<b>4,606.39</b>

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



(c) Categories of financial instruments and fair value thereof

(Rupees in Lakhs)

	As at March 31, 2024		As at March 31, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>A Financial assets</b>				
<b>i) Measured at fair value</b>				
Investment	-	-	-	-
<b>ii) Measured at amortised cost</b>				
Trade Receivables	2,290.47	2,290.47	1,577.29	1,577.29
Cash and cash equivalents	92.89	92.89	10.81	10.81
Bank balances other than above	145.75	145.75	76.30	76.30
Other financial assets	58.80	58.80	94.05	94.05
<b>Total</b>	<b>2,587.92</b>	<b>2,587.92</b>	<b>1,758.44</b>	<b>1,758.44</b>
<b>B Financial liabilities</b>				
<b>i) Measured at amortised cost</b>				
Borrowing	2,818.71	2,818.71	3,488.81	3,488.81
Lease liability	(0.00)	(0.00)	11.39	11.39
Trade payables	1,422.18	1,422.18	1,021.31	1,021.31
Other financial liability	96.45	96.45	84.88	84.88
<b>Total</b>	<b>4,337.33</b>	<b>4,337.33</b>	<b>4,606.39</b>	<b>4,606.39</b>

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





#### (d) Fair value measurement

All the financial assets and liabilities of the Company are measured at amortised cost.

#### 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

### Note 32 – Ratio Analysis and its elements

Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	% change	Reason for variance
Current ratio	Current Assets	Current Liabilities	1.25	1.15	8%	
Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.86	1.52	-44%	It has improved due to repayment of debts
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	3.08	2.94	5%	
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	0.16	0.09	89%	Due to increase in bottemline of profitability statement.
Inventory Turnover ratio	Cost of goods sold	Average Inventory	3.48	3.42	2%	
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales – sales return	Average Trade Receivable	4.93	6.17	-20%	



Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	% change	Reason for variance
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchasereturn	Average Trade Payables	5.96	6.54	-9%	
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets - Current liabilities	11.99	17.91	-33%	It has improved due to increase in Net Working Capital
Net Profit ratio	Net Profit	Net sales = Total sales - salesreturn	0.05	0.03	85%	It has improved because of increase in sales and fixed cost remaining static.
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.24	0.17	38%	Due to improved profitability on account of increase in sales.

**Note 33 - Previous years' figure have been regrouped/ reclassified wherever required.**



## Note 34 – The company is dealing with various companies. As per information available no company has been struck off by the Registrar of Companies

As per our Report of even date attached

**For M/s. S. N. Gadiya & Co**

Chartered Accountants,  
FRN-002052C

Sd/-

**CA. S. N. Gadiya**

(Proprietor)

Membership No-71229

UDIN NO: 24071229BKCQYO9287

Place: Dewas

Date: 23/05/2024

On behalf of the Board

**KENNEDY RAM GAJRA**

MANAGING DIRECTOR

Sd/-

**MANOJ SHARMA**

CFO

**ANMOL GAJRA**

EXECUTIVE DIRECTOR

Sd/-

**MS LATA NARANG**

CS





## **GG 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

Website: [www.ggautomotive.com](http://www.ggautomotive.com) | Email ID: [ggautomotive@yahoo.com](mailto:ggautomotive@yahoo.com)

