



TRANSPARENT CAPITAL



G.G. Automotive Gears

Company Overview

G.G. Automotive Gears Ltd. is a leading manufacturer of traction gears and pinions, based out of Dewas, Madhya Pradesh in India. G.G. Automotive Gears Ltd has been a market leader in Locomotive gears for the last 40 years. Established in 1974, the company undertakes to manufacture of traction gears as a strategic shift from its traditional business of automotive gears.

” The pinion is the only thing with the help of which power is transferred from engine to wheel. It is situated inside the traction motor of the engine. The material of the pinion is cast iron. The gear of pinion is mounted on the gear of the axle of the wheel. When power comes from the engine to the traction motor, this rotates the pinion on its axis which rotates the axle gear. This, in turn, rotates the wheel. Hence the engine moves forward”

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

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 signalling 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 market is also expanding its market by adding more products in its products range.

Key Initiatives

GGAG undertook several initiatives during the financial year that helped reduce our costs per component and better our lead times, whilst focusing strongly on quality control by keeping rejection rates at the bare minimum, all of which has led to improving overall customer satisfaction. In terms of our facilities, we have retrofitted and refurbished existing machines, and have invested in newer machines that improve the capacity and capabilities of the production unit. With better industrial engineering in place, standard operating procedures have been set to improve upon cycle times.

The company has also worked hard via its engineering and procurement departments to reduce the cost of consumables, and emphasized the importance of better systems in place.

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

Mission

To become a world renowned manufacturer of gears and forged components

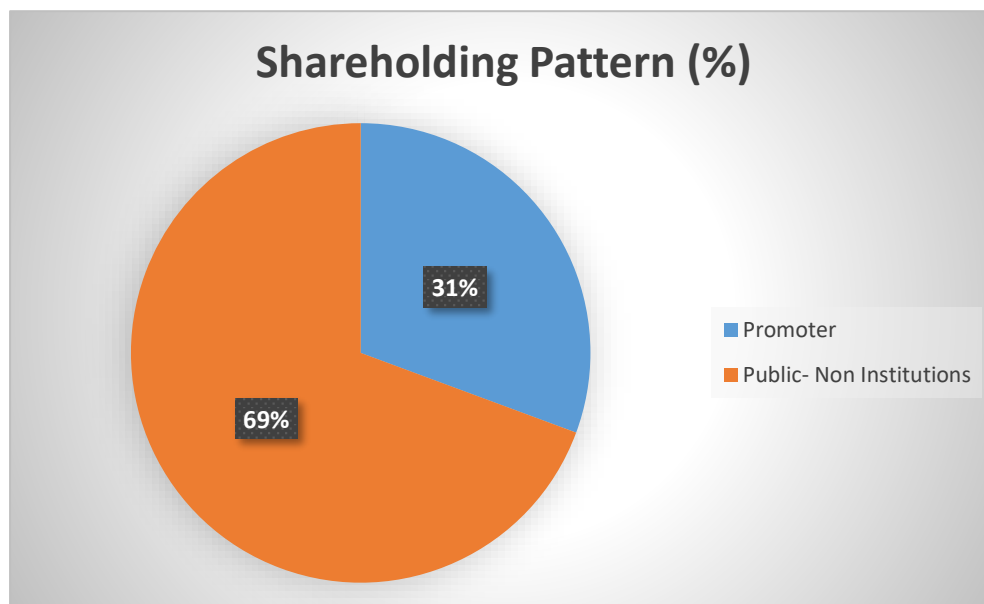
Vision

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

Shareholding Pattern As On 31/03/2020

A. Promoters-30.61%

B Public- Non Institutions- 69.29%



Promoters and Management

(i) Mr. Kennedy R. Gajra (Managing Director & CEO)

(ii) Mr. Anmol Gajra (Whole Time Director)

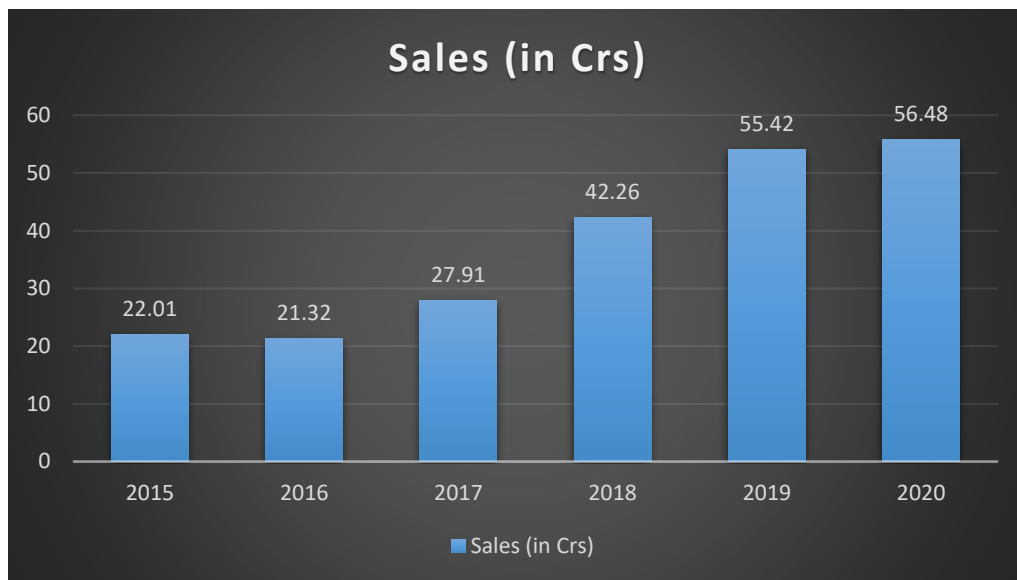
(iii) Mr. Shailendra Ajmera (Non-Executive, Independent Director)

(iv) Mr. Pravin Kumar Shishodiya (Non-Executive, Independent Director)

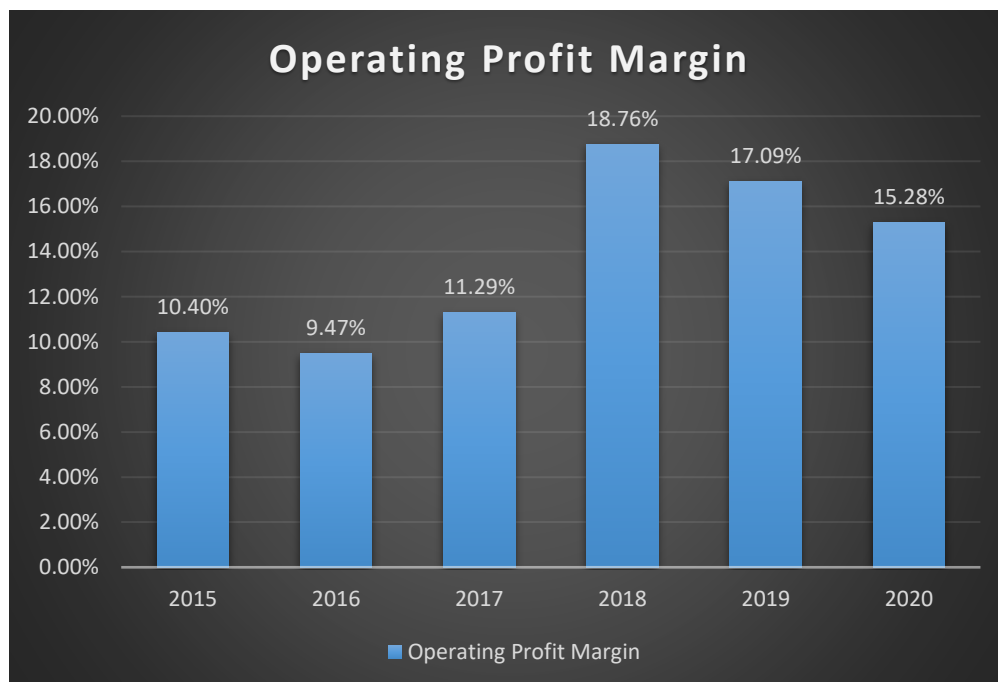
(v) Mrs. Ruchi Sogani (Non-Executive, Independent Director)

Financial Overview

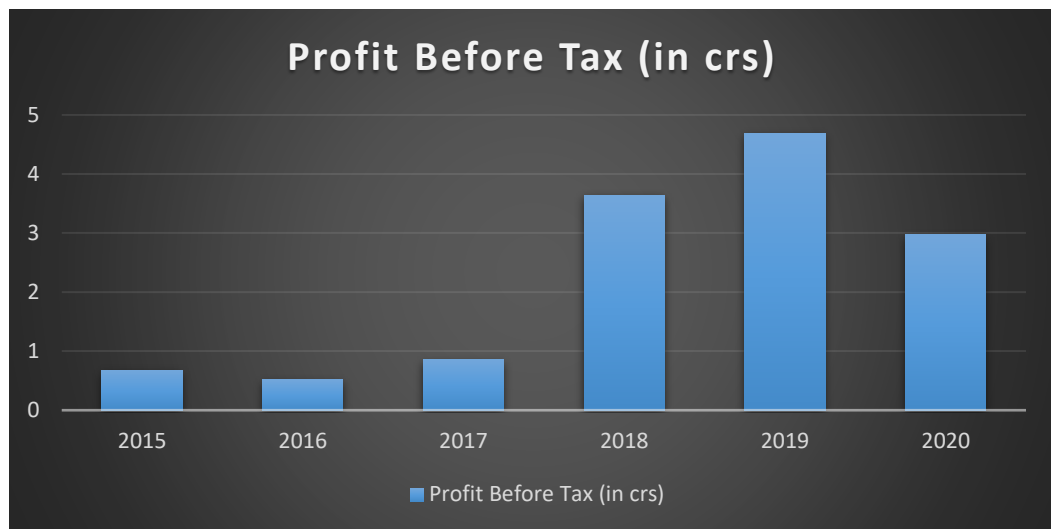
Sales Figures



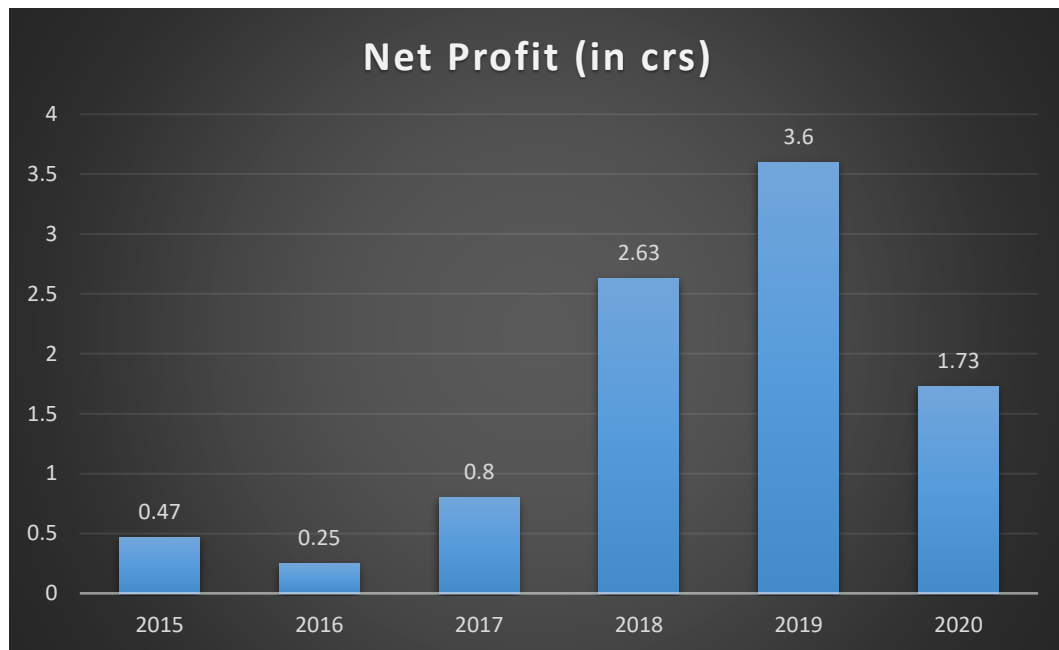
Operating Profit Margin



Profit Before Tax



Net Profit



Ratio Analysis:

Particulars	2019-20	2018-19	Change in %
Debtors Turnover Ratio	2.81	3.75	-25.03
Inventory Turnover Ratio	1.90	1.01	87.88
Interest coverage Ratio	2.73	3.74	-26.95
Current Ratio	1.03	1.15	-10.89
Debt Equity Ratio	0.28	0.49	-43.56
Operating Profit Margin Ratio (%)	4.61%	7.33%	-37.10
Net Profit Margin Ratio (%)	3.15%	6.57%	-52.08
Return on Net worth (%)	6.54%	12.90%	-49.34

Comments

- The company reported a revenue of Rs. 56.48 crores, 2.48% 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 Profit before Tax for the year was Rs. 296.90 lacs against Rs. 469.35 lakhs in previous year due to the pandemic situation.
- There was an improvement in the Debtors Turnover Ratio due to the better realisation from the customers
- The change in Inventory Turnover Ratio was due to the Covid-19 wherein the year end sale remained in stock.
- The interest coverage ratio went down due to lower profit caused by the pandemic situation.
- The change in the current ratio went high due to the higher inventory, increased creditors and lower profit.
- The fall in Debt Equity ratio was due to the repayments done.
- The Net worth came drastically low due to lower profit.