

25th ANNUAL REPORT
1998-99



G.S. AUTO INTERNATIONAL LTD.
AN ISO-9002 COMPANY

G.S. AUTO INTERNATIONAL LTD.

BOARD OF DIRECTORS

BHAGAT SINGH

Chairman

JAGAT SINGH

Managing Director

JASBIR SINGH

Executive Director

SURINDER SINGH

Director Commercial

AUDITORS

VIRDI & COMPANY

Chartered Accountants

2128, Urban Estate, Phase-1

Dugri Road, Ludhiana.

REGISTERED OFFICE & WORKS

G.S. Estate, P.O.Box 711

G.T.Road, LUDHIANA-141003

MARKETING OFFICE

D-47, South Extension,

Part-I, New Delhi-II

BRANCH OFFICES

Shop No. 262, Sector-II

Transport Nagar Agra.

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III-M-30-C

Nehru Nagar,

Ambedkar Road, Ghaziabad-201001

BANKERS

Bank of Baroda.

Punjab & Sind Bank

G.S. AUTO INTERNATIONAL LTD.

NOTICE

Notice is hereby given that the 25th Annual General Meeting of the Members of the Company will be held at G.S.Estate,G.T.Road, Ludhiana on Thursday the 30th day of September, 1999 at 10.30 AM to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statement of Accounts for the year ended 31-3-1999 and reports of the Auditors and Directors thereon.
2. To Appoint a Director in Place of S.JASBIR SINGH who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

4. To Consider and if thought fit, to pass with or without modification, the following resolution as Special Resolution:-

"RESOLVED that subject to the provisions of Section 198,269,309,310 &311, Schedule XIII, and other applicable provisions, if any, of the Companies Act, 1956, the appointment of Mr. Jagat Singh as Managing Director of the Company for the period of five years from 3.5.99 on the remuneration and perquisites set out in the draft Agreement between the company and Mr. Jagat Singh, placed before the Meeting and initialled by the Chairman for the purpose of identification, be and is hereby approved and the Directors of the Company be and are hereby authorised to execute the Agreement behalf of the Company with Mr. Jagat Singh in terms of said draft Agreement."

"RESOLVED further that the Board of Directors be and are hereby authorised to take such steps as may be necessary, desirable or expedient to give effect to this resolution."

By Order of the Board of Directors

Place: Ludhiana
Dated: 23.8.99

Sd/-
(JAGAT SINGH)
MANAGING
DIRECTOR

G.S. AUTO INTERNATIONAL LTD.

NOTES:

- 1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy and the proxy need not be a member of Company. The proxy in order to be effective must be received by the Company not less than 48 hours before the meeting. A blank proxy form is enclosed.**
- 2. The Register of Members and Share Transfer Books of the Company will remain closed from 23.9.1999 to 30.09.1999 (both days inclusive).**
- 3. Members are requested to intimate the queries, if any, regarding accounts/ notice at least seven days before the meeting to enable the Management to keep the information required available at the time of the meeting.**
- 4. Members are requested to bring their copies of the Annual Report to the meeting alongwith attendance slip.**
- 5. The explanatory statement pursuant to Section 173 of the Companies Act,1956,in respect of the special Business as set out above is annexed hereto.**
- 6. All documents referred to in the accompanying notice and explanatory statements are open for inspection at the Registered Office of the company on all working days,except Holidays,between 8.30 a.m. to 10.00a.m. upto the date of the Annual General Meeting.**

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ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT UNDER SECTION 173 OF THE COMPANIES ACT, 1956 ITEM NO.4

Mr. Jagat Singh was appointed as Managing Director of the Company for a period of five years w.e.f. 1.8.95. His appointment was approved by the shareholders in their meeting held on 30.9.95. Mr Jagat Singh has reached the age of 70 years on 3.5.99. In terms of provisions of Schedule XIII to the Companies Act, 1956 the appointment of Mr. Jagat Singh is required to be approved by shareholders by a special resolution.

The Board of Directors of the Company at its Meeting held on 24.4.1999 appointed Mr. Jagat Singh as Managing Director of the Company for a period of five years from 3.5.1999 on the terms and conditions set out in the draft Agreement between the Company and Mr. Jagat Singh referred to in the resolutions of item No.4 of the Notice.

The Material terms and conditions of the draft Agreement are as follows:

1. **SALARY:**
Rs. 18,000 per month in the scale of Rs. 18,000 to Rs. 23,000/- with increment of Rs. 1,000/- per annum.
2. **PERQUISITES:**
Perquisites will be allowed in addition to salary, subject to a ceiling of 75% of his annual salary, such ceiling to be applied, only to the perquisites referred to in part "A" below:-

PART "A"

- a) **HOUSING:-**
 - i) The expenditure by the Company on hiring unfurnished accommodation will be subject to ceiling of 60% of the salary payable to Mr. Jagat Singh.
 - ii) If the Company does not provide accommodation as aforesaid, House Rent Allowance shall be paid by the Company at a minimum of 40% and may be increased up to a maximum of 60% of the salary payable to Mr. Jagat Singh.
 - iii) Gas, electricity, water and furnishings shall be provided by the Company in respect of Mr. Jagat Singh's residence and these will be valued as per the Income Tax Rules, 1962, as amended from time to time.
- b) **MEDICAL**
Reimbursement of actual medical and hospital expenses for self, family and dependent parents.
- c) **LEAVE TRAVEL ASSISTANCE:**
Leave Travel Assistance equivalent to his monthly salary prevailing at the time of such availment, for self and family, as per rules of the Company.
- d) **CLUB FEES:**
Fees of clubs excluding admission and life Membership fees.
- e) **PERSONAL ACCIDENT INSURANCE:**
Premium for personal accident insurance.

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PART "B"

- a) **Provident Fund:**
Company's contribution towards provident Fund subject to a ceiling of 12% of the salary.
- b) **Superannuation:**
Company 's Contribution towards pension/ Superannuation Fund.Such contribution together with contribution to the provident fund shall not exceed 25% of his salary.
- c) **Gratuity:**
Gratuity payable shall not exceed half months salary for each year of completed services.

PART "C"

Company Car and Telephone:

The Company shall provide a car with driver and telephone facility at the residence of Mr.Jagat Singh,which will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the company to Mr.Jagat Singh.

4. **Minimum Remuneration:**
In the event of loss or inadequacy of profits in any year,Mr.Jagat Singh shall be entitled to all the aforementioned remuneration and perquisites as minimum remuneration,subject to the limits prescribed in Schedule XIII of the companies Act,1956,as may be amended from time to time.
5. **Leave:**
Earned/privilege leave on full pay and allowances as per the Rules of the Company,but not more than on month's salary.
Encashment of accumulated leave of the end of his tenure,would be permitted in accordance with the rules of the company.

The approval of the Central Government is not required to be obtained for the appointment of Mr.Jagat Singh as Managing Director on the terms and conditions set out in the aforementioned draft Agreement as the remuneration and perquisites are in accordance with schedule XIII of the Companies Act.1956.

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As required by the provisions of section 269 read with schedule XIII of the Companies Act, 1956, the approval of the shareholders in general meeting is required to be obtained to the appointment of Mr. Jagat Singh as Managing Director on the remuneration and perquisites set out in the aforementioned draft Agreement.

The Draft Agreement referred to in the resolution at item No.4 will be open for inspection by the members at the registered office of the company between 8.30 a.m. to 10.00a.m. on any working day.

Mr. Jagat Singh is interested in the resolution as it concerns him. Mr. Bhagat Singh, Mr. Jasbir Singh and Mr. Surinder Singh being relatives of Mr. Jagat Singh, may also be deemed to be concerned or interested in this item.

This explanatory statement may also be considered as an Abstract of the terms of the appointment of Mr. Jagat Singh as Managing Director in compliance with the requirements of section 302 of The Companies Act, 1956. The Directors commend this resolution for members favourable consideration.



G.S. AUTO INTERNATIONAL LTD.**DIRECTORS' REPORT**

Your Directors' are pleased to present their Twenty fifth Annual Report together with Audited Statement of Accounts for the year ended 31st March, 1999.

FINANCIAL RESULTS

	For the year ended 31-3-99 (Rs. in Lacs)	For the year ended 31-3-98 (Rs. in Lacs)
Sales and other income	3061.58	2646.10
Operating Profit before Intt.	205.73	229.57
Dep.& Taxes		
Interest and Financial Exp.	100.27	123.16
Net Profit /(Loss)	105.46	106.41

OPERATIONS

Overall performance of the Company has been better than the last year. The Gross Income under review was 3061.58 Lacs as against Rs.2646.10 Lacs of the previous year. During the year Company has set off all the brought forward losses and unabsorbed depreciation.

This year your Company expects to have substantial jump in sales and perform better than last year.

DIRECTOR

Mr. Jasbir Singh Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

DEPOSITS

During the year, the Company did not accept any deposits under Section 58(A) of the Companies Act, 1956 and the rules made thereunder.

Y2K COMPLIANCE

The Company's Hardware/software system are Y2K compliance

AUDITORS REPORT

The Observations of the Auditors have been suitably explained in the various notes forming part of the accounts for the year and necessary steps wherever required have been initiated by the Company.

AUDITORS

M/S. Viridi & Company, Chartered Accountants, retire as Auditors of the Company at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

PARTICULARS OF EMPLOYEES

There were no employees covered under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975.

DISCLOSURE OF PARTICULARS

Information as per the Companies (Disclosure of particulars in the report of Board of Directors) Rule, 1988 relating to the Conservation of energy, technology, absorption, foreign exchange earning and outgo is given forming part of this report.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation of the sincere efforts put in by all the employees. Your Directors also express their thanks to the Bankers and various Government Authorities for their continued support to your Company.

By order of the Board of Directors

PLACE: LUDHIANA
DATED: 23.8.99

Sd/
(JAGAT SINGH)
MG. DIRECTOR

G.S. AUTO INTERNATIONAL LTD.

INFORMATION AS PER SECTION 217(1) (e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 1999.

I. CONSERVATION OF ENERGY

- a) Energy Conservation measures taken :- Various austerity measures were undertaken to curb consumption of Furnace oil consequent of change over to Electrical System during the year.
- b) Total Energy consumption and energy consumption per unit of production as per Form 'A' of the Annexure to the Rules in respect of Industries specified in the Schedule thereto:

FORM-A

A. POWER & FUEL CONSUMPTION		Current year	Previous year
1. Electricity			
a)	Purchased Unit	5,725,690	5,281,810.00
	Total Amount (Rs.)	16,215,671	13,954,973.00
	Rate/Unit (Rs.)	2.83	2.64
b)	own Generation		
i)	Through Diesel Generator	21,20,818	1,875,030.00
	Unit	3.15	3.10
	Unit per Ltr. of Diesel Oil	3.33	
	Cost/Unit (Rs.)		3.15
	ii) Through steam Turbine/Generator		
	Unit per Ltr. of Fuel Oil/Gas		
	Cost/Unit (Rs.)		
2. Coal			
	Quantity (Tonnes)	85,747	70,175
	Total Cost (Rs.)	300,115	224,855.00
	Average Rate (Rs.)	3500	3,204.00
3. Furnace Oil			
	Quantity (Ltr.)	1004658	982,836.00
	Total Amount	6932138	6,604,660.72
	Average Rate (Rs.)	6.90	6.72