

29th ANNUAL REPORT
2002 - 2003



G.S. AUTO INTERNATIONAL LTD.
A QS-9000/ISO-9002 COMPANY

G.S. AUTO INTERNATIONAL LTD.

BOARD OF DIRECTORS

BHAGAT SINGH

Chairman

JAGAT SINGH

Managing Director

JASBIR SINGH

Jt. Mg. 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

BANKERS

Bank of Baroda.

Punjab & Sind Bank (IBD)

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G.S. AUTO INTERNATIONAL LTD.

NOTICE

Notice is hereby given that the 29th Annual General Meeting of the Company will be held at G.S. Estate, G.T. Road, Ludhiana on Monday, the 29th day of September, 2003 at 10.30 A.M. to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Accounts for the year ended 31.3.2003.
2. To appoint a Director in place of Mr. Surinder Singh, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of the next Annual General Meeting and fix their remuneration.

By order of the Board of Directors

Sd/-

(JAGAT SINGH)

MANAGING DIRECTOR.

PLACE: LUDHIANA.

DATED: 13/8/03

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 the Company. The proxy in order to be effective must be received by the Company not less than 48 hours before the meeting. A proxy form is enclosed.
2. The Register of members and Share Transfer Books of the Company will remain closed from 24.9.2003 to 29.9.2003 (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.

G.S. AUTO INTERNATIONAL LTD.

DIRECTORS' REPORT

Your Directors' present their Twenty Ninth Annual Report together with Audited Statement of Accounts for the year ended 31st March, 2003.

FINANCIAL RESULTS:

Partiulars	For the year ended 31.03.2003 (Rs. in Lacs)	For the year ended 31.03.2002 (Rs. in Lacs)
-Sales & other Income	4303.70	3804.65
-Operating Profit before Intt.	197.87	236.53
-Depreciation	40.45	36.82
-Financial expense	64.70	73.39
-Net Profit before tax	92.72	126.32

It was a moment of great sorrow for all those associated with GS family when there were Two deaths in the family last month. Wife of our Worthy MD passed away on 3rd August followed by demise of our chairman Giani Bhagat Singh Ji on 11th August 2003

On this occasion, it is worth mentioning the contributions of Gianiji, whose Vision and technical expertise proved instrumental in building up of GS Group, where it stands today. His dedication and zeal to promote education was also remarkable.

Let's pay our homage to the great personality whose life was devoted to the services of society.

OPERATIONS:

Overall performance of the Company has been better than the last year. The Gross Income under review Rs.4303.70 lacs as against Rs.3804.65 lacs of the previous year.

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

DIRECTORS:

S. Surinder Singh Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

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.

AUDITORS REPORT

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

PARTICULARS OF EMPLOYEES

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

DISCLOSURE OF PARTICULARS:

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

ACKNOWLEDGEMENT

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.

PLACE:LUDHIANA.

DATED: 13/8/2003

By order of the Board of Directors,

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, 2003.

1. CONSERVATION OF ENERGY.

- a) Energy Conservation measures taken:- The Company has over the previous year taken several steps to conserve energy wherever possible. This continues to remain thrust area with studies, discussions and analysis being taken over regularly for further improvement.
- 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	7,237,653	6,570,998	
Total amount(Rs.)	27,894,409.00	23,453,094.00	
Rate/Unit (Rs.)	3.85	3.57	
b) Own Generation			
i) Through Diesel Generator Unit	1,641,812	1,678,921	
Unit per Ltr.of Diesel Oil	3.50	3.50	
Cost/Unit(Rs.)	5.71	5.00	
ii) Through steam Turbine/Generator	---	---	
Unit per Ltr.of Fuel Oil/ Gas			
Cost/Unit (Rs.)			
2. Coal			
Quantity(Tonnes)	102.267	71.325	
Total cost(Rs.)	4,93,939.00	326,826.00	
Average Rate(Rs.)	4,830.00	4,502.20	
3. HPS/LDO			
Quantity (Ltr.)	981,468.00	860,418	
Total Amount	14,769,408.40	12,028,645.30	
Average Rate	15.04	13.98	
4. Others/Internal Generation			
Quantity	-	-	
Total Cost	-	-	
Average Rate(Rs.)	-	-	

B CONSUMPTION PER UNIT OF PRODUCTION**

Product	-	-
Electricity	-	-
Furnace Oil	-	-
Coal	-	-
Others	-	-

**In view of various items produced, it is not possible to give the required information.

G.S. AUTO INTERNATIONAL LTD.**II. TECHNOLOGY ABSORPTION**

The Company is carrying on its manufacturing operation by its in-house technology generated.

III. FOREIGN EXCHANGE EARNING AND OUTGO.

- a) Activities relating to exports, initiatives to increase exports development of new exports markets for products and services, and export plants:- The Company has appointed agents in different countries to develop new export markets from time to time.

b) Total foreign exchange Used and earned	Current year	Previous year
Used	1,279,844.00	1,464,680.00
Earned	37,262,857.00	33,443,910.00

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G.S. AUTO INTERNATIONAL LTD.

AUDITOR'S REPORT

To
The Members
G.S.Auto International Limited,
G.S.Estate, G.T.Road,
LUDHIANA.

We have audited the attached Balance Sheet of M/s. G.S. Auto International Limited, as at 31st March, 2003 and also the Profit and Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion. Further we report that :-

- (a) We have obtained all the informations and explanations which to the best of our knowledge and belief were considered necessary for the purpose of our audit.
- (b) Proper books of accounts as required by law have been kept by the Company so far as appears from our examination of such books.
- (c) The Balance Sheet and Profit & Loss Account referred to in this report is agreement with the Books of Accounts.
- (d) In our opinion and to the best of our information and according to the explanations given to us, the said statements of accounts read with notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
 - in the case of Balance Sheet of the State of affairs, of the Company as at 31.3.2003 and;
 - in the case of Profit & Loss Account, of the profit for the year ended on that date.
 - in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
- (e) In our opinion the Profit & Loss Account and Balance Sheet comply with mandatory accounting statements referred to in Sub-Section (3c) of Section 211 of the

Companies Act, 1956.

- (f) On the basis of the confirmation received from the Directors and taken on record by the Board of Directors none of the Director is disqualified from being appointed as Director as on the dates certified by the Directors under Section 274(1)(g) of the Companies Act, 1956.

As required by the Manufacturing and other Companies(Auditors Report) Order 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, and on the basis of such checks as considered appropriate and the information and explanations given to us, we further state that:

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The management has confirmed that wherever practicable physical verification of all major items of fixed assets has been carried out during the year and no serious discrepancies have been noticed.
2. None of the fixed assets were revalued during the year under report.
3. The stocks of finished goods, stores and spare parts and raw material have been physically verified by the management at reasonable period and at the end of the year. In our opinion, the frequency of verification is reasonable.
4. The procedure of physical verification of stocks followed by the management are reasonable and adequate in relations to the size of the Company and the nature of its business.
5. No material discrepancies were noticed on verification between the physical stocks and the book records.
6. On the basis of our examination of stock records, we are of the opinion that the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles, and is on the same basis as in the preceeding year.
7. In our opinion loans have been obtained from Companies, firms or other parties listed in the register maintained under Section 301 and 370(1B) of the Companies Act, 1956 are not prima facie prejudicial to the interest of the Company.
8. In respect of loans given to Companies, firms or other parties listed in the register maintained under section 301 and 370(1B) of The Companies Act, 1956, there is