

30th ANNUAL REPORT

2003 - 2004



For G.S. Auto International Ltd.

[Signature]
Compliance Officer

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

G.S. AUTO INTERNATIONAL LTD.

BOARD OF DIRECTORS

JASBIR SINGH

Chairman

SURINDER SINGH

Managing Director

Mrs. DALVINDER KAUR

Director

Mrs. AMARJIT KAUR

Director

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 30th Annual General Meeting of the Company will be held at G.S. Estate, G.T. Road, Ludhiana on Tuesday, the 28th day of September, 2004 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 31.3.2004.
2. To confirm appointment of Mrs. Dalvinder Kaur, who was earlier appointed as Additional Director in the Board Meeting held on 06-03-2004, so as to fill vacancy arising due to death of S. Bhagat Singh.
3. To confirm appointment of Mrs. Amarjit Kaur, who was earlier appointed as Additional Director in the Board Meeting held on 06-03-2004.
4. To appoint a Director in place of Mr. Jasbir Singh, who retires by rotation and being eligible offers himself for re-appointment.
5. 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/-

(SURINDER SINGH)
MANAGING DIRECTOR.

PLACE: LUDHIANA.
DATED: 17-08-2004

For G.S. Auto International Ltd.

Compliance Officer

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 23.9.2004 to 28.9.2004 (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 30th Annual Report together with Audited Statement of Accounts for the year ended 31st March, 2004.

FINANCIAL RESULTS:

Particulars	For the year ended 31.03.2004 (Rs. in Lacs)	For the year ended 31.03.2003 (Rs. in Lacs)
-Sales & other Income	5427.31	4303.70
-Operating Profit before Intt.	350.25	197.87
-Depreciation	47.21	40.45
-Financial expense	72.40	64.70
-Net Profit before tax	230.64	92.72

It was a moment of great sorrow for all those associated with GS family that the Managing Director S. Jagat Singh passed away on 12th day of March 2004.

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

OPERATIONS:

Overall performance of the Company has been better than the last year. The Gross Income under review Rs.5427.31 lacs as against Rs.4307.70 lacs of the previous year.

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

DIRECTORS:

1. S. Jasbir Singh Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.
2. Appointment of Mrs. Dalvinder Kaur as Director of the Company shall be confirmed at the forthcoming Annual General Meeting. She who was earlier appointed as Additional Director of the Company at Board Meeting held on 6-3-2004 so as to fill vacancy arising due to death of S. Bhagat Singh.
3. Appointment of Mrs. Amarjit Kaur as Director of the Company shall be confirmed at the forthcoming Annual General Meeting. She who was earlier appointed as Additional Director of the Company at Board Meeting held on 6-3-2004

DEPOSITS

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

AUDITORS REPORT

The observations of the Auditors Report 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.

PARTICULARS OF EMPLOYEES

There were no employees 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) 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.

For G.S. Auto International Ltd.

PLACE: LUDHIANA.
DATED: 17-08-2004

By order of the Board of Directors,
Sd/-
(SURINDER SINGH)
MG. DIRECTOR

Company Officer

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, 2004.

1. 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	8,160,930	7,237,653.00	
Total amount (Rs.)	33,358,514.00	27,894,409.00	
Rate/Unit (Rs.)	4.09	3.85	
b) Own Generation			
i) Through Diesel Generator Unit	1,351,964.00	1,641,812.00	
Unit per Ltr. of Diesel Oil	3.50	3.50	
Cost/Unit (Rs.)	6.57	5.71	
ii) Through steam Turbine/Generator	---	---	
Unit per Ltr. of Fuel Oil/ Gas			
Cost/Unit (Rs.)			
2. Coal			
Quantity (Tonnes)	134.959	102.267	
Total cost (Rs.)	696,724.00	493,939.00	
Average Rate (Rs.)	5,162.48	4,830.00	
3. HPS/LDO			
Quantity (Ltr.)	1,093,722.00	981,468.00	
Total Amount	16,715,254.00	14,769,408.40	
Average Rate	15.28	15.04	
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, 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	879,291.00	1,279,844.00
Earned	40,663,405.00	37,262,857.00

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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, 2004 and the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. 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.

1. As required by the Companies (Auditors' Report) Order 2003 issued by the Central Government in terms of sub section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
2. Further to our comments in the Annexure referred to above, we report that :
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our Audit :
 - (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
 - (c) The Balance Sheet and Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the Books of Accounts :

- (d) In our opinion, the Balance Sheet and Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting Standards referred to in Section 211 (3) (C) of the Companies Act, 1956.
- (e) On the basis of written representations received from the Directors as on 31st March, 2004 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st day of March, 2004 from being appointed as a director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.
- (f) The applicable rate of levy of cess as per section 441A of the Companies Act, 1956 for the year ended 31st March, 2004 is still to be notified by the Central Government. Therefore, the quantum of cess payable and not paid by the company as per section 441A cannot be commented upon by us.
- (g) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with Accounting Policies and Notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - in case of Balance Sheet of the State of affairs of the Company as at 31st March, 2004.
 - in case of Profit & Loss Account, of the profit of the Company for the year ended on that date and
 - in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For VIRDI & COMPANY,
CHARTERED ACCOUNTANTS,

sd/-
(P.C.S. VIRDI)
PROPRIETOR.

PLACE: LUDHIANA.
DATED : 17-08-2004

For G.S. Auto International Ltd.

Compliance Officer

G.S. AUTO INTERNATIONAL LTD.

Annexure to the Auditor's Report for the year ended on 31st March, 2004. (Referred in Paragraph (1) of our Report of even date)

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b) As explained to us, major fixed assets have been Physically verified by the management according to a regular programme, which in our opinion, is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies with respect to book records were noticed on such verification.

c) The Company has not disposed off any substantial part of its fixed assets, which has any effect on its going concern during the year.

2. a) As explained to us, inventories have been physically verified by the Management at regular intervals during the year.

b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.

c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.

3. The Company has neither granted nor taken any loans, secured or unsecured from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, we have not observed any major weakness in internal controls.

5. a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

b) In our opinion and according to the information and explanations given to us, the transactions in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956, aggregating during the year exceeding Rs. 5,00,000/- (Rupees Five Lacs only) in respect of any party have been made at the prices which are reasonable having regard to prevailing market prices at the relevant time.

6. The Company has not accepted any deposits from the Public under section 5B-AA of the Companies Act, 1956.

7. In our opinion, the company has reasonable internal audit system commensurate with the size and nature of its business.

8. We have reviewed the cost records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of Cost Records under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the records have been made and maintained. We have not, however, made a detailed examination of the records, with a view to determine whether they are accurate or complete.

9. a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2004 for a period of more than six months from the date of becoming payable.

b) The disputed statutory dues that have not been deposited on account of matters pending before the appropriate authorities are as under:-

Name of the Statute	Nature of the dues	Year to which it relates	Amount (in Lacs)	Forum where dispute is pending
A) Excise Act. 1944.	Excise duty.	1999-2000	1.06*	Custom & Central Excise Service Tax Appellate Tribunal.
--do--	--do--	2000-2001	0.58*	Commissioner Central Excise Appeals, Ldh.
--do--	--do--	2000-2001	0.59*	--do--
--do--	--do--	2001-2002	0.26*	--do--
--do--	--do--	2002-2003	0.47*	--do--
--do--	--do--	2002-2003	0.04*	--do--