



2015
2016

42nd Annual Report

G.S. Auto
International
Limited

Manufacturers
of Auto Components

An
ISO/TS 16949
Company

At "G.S Auto" we firmly believe that the Auto Component Industry stands on six pillars, namely... **Commitment, Dedication, Quality, a Reputed Brand, a Professional Team** and above all **The Confidence of all its Stakeholders.**

"The "GS" team of dedicated engineers works hard on each & every component manufactured here. All components pass through stringent quality checks and rechecks, so as to provide complete satisfaction to our extended family composed of a large number of customers be It Original Equipment Manufacturers (OEM), Replacement Market (After Sales Market) or Overseas Customers (Export Market). We strive to ensure that brand "GS" is the epitome of safety for all our valued stakeholders.

We owe our success, not only to our extended family of valuable customers, but to all our suppliers, vendors and all the stakeholders, who have placed their faith in us and have been an integral part our long journey to excellence.....

We at "GS" always say "Go Safe with GS", as we feel whenever you are on road; someone back at the home is always eagerly waiting for your return.

Vision

- **The Global Indian Auto Component Brand:**

We will be a world class preferred Auto Component Brand for all the Original Equipment Manufacturers (OEM's) of the world along with a trusted brand in the After Sales Market through best quality, innovations and cost competitive products. Our Customers will enjoy the benefits of dealing with a global Indian brand that best understand their requirements, needs, customized approach and pragmatic solution across all platforms.

- **To build a World Class Company through reliability and be a great place to work.**

Our Vision is to make our Company the best in the class what we do in our business. The Products and services we offer should be Comparable to the best in the Industry, our business processes and systems should set a benchmark for others. We should earn the respect of our Competitors and work for the benefit of our all the stakeholders and be loved by them.

- **The Most preferred employers in the Auto Component Industry over a period of time.**

Our Company should be the most preferred Company to work, for any employee. Here he should feel like an owner, be able to live his dreams, fulfill all his professional goals and have fun while doing so, because we at "GS" feel, we are all partners for building a reputed/trusted global Indian Auto Component Brand.

- "GS" strives to achieve enhanced customer satisfaction by delivering the quality products in the safe working environment. We dedicate ourselves to continual improvements in all fields of our businesses.
- Growth through organic as well as through value chain & to further to expand our Business on a sustainable basis, by adding more products to its existing product portfolio through diversification in different sectors of the economy, as well as, to expand through multi-locations, building a team that is passionate about growth, quality, value creation and above all serving to all its stakeholders & further committed to making trust, respect & fellowship a way of life;
- Be a Market leader in after sales market for Machined, Cast and Forged Components through better dealer network, to further grow in Export Markets by the supply of best quality Components and further to join hands with all the major OEM's of the world;

As a young, dynamic enterprise, we constantly seek to surpass our past achievements, even in the bad days, and to discover newer, better means, to address challenges, be it problem solving, customer satisfaction or in the research and development. "GS" is geared to respond with utmost dedication and an undying spirit of enthusiasm that inspires and unifies while giving the customer a unique advantage. "GS" culture encourages and enables employees to participate as a team member and take initiatives; this spirit of entrepreneurship is a key mile stone of "GS" philosophy.

Embracing new ideas and new means has been instrumental in our rise and will continue to define our approach. This culture of shared responsibility has given an unmatched reputation to us while winning the trust and goodwill of employees & customers.

PRINCIPLES OF BUSINESS

- **Sense of Urgency & Customer Centric:**

Customer would be the reason of our existence and continuous growth. Every decision we take should add value to our Customers and all our stakeholders. We deliver what we make promises and we will not make promises what we cannot deliver.

- **Better Relationships and better Quality of Products & Services:**

Our Endeavour shall be to create a rewarding experience, every time a customer interacts or transact with us.

- **Reliability**

We shall make sure that our products and services we offer and commitment we make to our stakeholders are most reliable. In all our actions and behaviors, we shall be perceived and seen as reliable and trusted Company.

- **Continuous Improvement for excellence and consistency.**

- **Every employee work with "GS" should work like an owner of that process or partner for the different processes. The Success of that process (s) should create joy and pain for him personally. He should consider himself responsible for the process and do it to the best of his ability and leave mark of his efforts and dedication on it.**

- **We shall endeavor continuously to build trust, in our dealings with all our stakeholders. We shall strive relentlessly to create faith amongst us through our actions. High integrity should be built on a solid foundation of trust and reliability.**

- **We shall be transparent in providing reliable and pertinent information for enabling an objective assessment of our financial, environmental and social performances.**

Contents

Vision & Principles	:	2-3
Board of Directors	:	5
Company Profile	:	6-9
Director's Report	:	10-66
Management Discussion & Analysis	:	67-91
Code of Conduct	:	92-93
Auditor' Report (Standalone)	:	94-99
Financials (Standalone)	:	100-139
Auditor' Report (Consolidated)	:	140-144
Financials (Consolidated)	:	145-187
AOC-1	:	188

Board of Directors:

Mr. Jasbir Singh Ryait
Chairman & Whole Time Director
Din No.00104979

Mr. Surinder Singh Ryait
Managing Director
Din No.00692792

Mrs. Dalvinder Kaur Ryait
Executive Director
Din No.00572812

Mrs. Amarjeet Kaur Ryait
Executive Director
Din No.00572776

Mr. Sanjeev Sethi
(up to 01st July, 2016)
Independent Director
Din No.00257612

Mr. Iqbal Singh
Independent Director
Din No.06692349

Mr. Upkar Singh Ahuja
Independent Director
Din No.01588157

Mr. Jasbir Singh Bir
Independent Director
Din No.00233077

Mr. Sharwan Sehgal
(w.e.f 30th June, 2016)
Independent Director
Din No.07556315

Mr. Neeraj Tuli
Chief Financial Officer

Ms. Amninder Kaur
Company Secretary
Membership No. A31641

Auditors
M/s Nanda and Bhatia
Chartered Accountants
ICAI Firm Registration No.004342N
Red Cross Bhawan, The Mall,
Ludhiana-141001, Punjab, India

Registrar & Share Transfer Agent:
M/s Sky Line Financial Services Pvt. Ltd.,
D-153 A, Okhla Industrial Area, Phase-I,
New Delhi-110020, India
Phone: 011-64732681-88, 011-26812682-83,
Fax No.: 011-26812682
Email: admin@skylinert.com

Registered Office & Works-Unit-I
G.S. Auto International Limited,
G.S. Estate, G T Road,
Ludhiana-141010, Punjab, India
Phone: 0161-2511001-05
Fax No.: 0161-2510885
CIN: L34300PB1973PLC003301

Unit-II
M-09, Large Sector,
Tata Kundra Main Road, Industrial Area,
Adityapur Industrial Development Authority,
Jamshedpur-832402-Jharkhand, India

Unit-III (up to 30th November, 2015)
G.S. Auto International Limited
G.S. Estate, G T Road,
Ludhiana-141010, Punjab, India

Website: www.gsgroupindia.com
Email : info@gsgroupindia.com

Bankers:
Punjab National Bank
Export Import Bank of India
Axis Bank Limited

Company Profile:

"G.S. Auto" Synonymous to Indian Automotive Component Industry is one of the manufacturers of Automotive Suspension and Fastening Components for Indian & International, Utility Vehicles, Commercial Vehicles (LCVs, MCVs, HCVs), Multi-Axle Vehicles, Trailers and Specials Purpose Vehicles.

One of our manufacturing facilities is located in major industrial township of Ludhiana in North India, spread over an area of one million square feet of covered area and other manufacturing facility is located at Jamshedpur in Jharkhand at Adityapur Industrial Area Development Authority (AIADA), spreading over an area of three acres. Both our manufacturing facilities are ISO, QS and TS 16949 certified.

We are an established leader in all our product segments. National and International Tier-1 and Automobile Majors Like Tata Motors Ltd, Ashoka Leyland Limited, Maruti Suzuki Ltd., SML ISUZU Ltd., VE Commercial vehicles limited, Hindustan Motors Ltd., Daimler India Commercial Vehicles, Mahindra & Mahindra Ltd and Arvin Meritor etc. trust all our products. We develop components based on customer's specifications, drawing and also provide designing solution for enhanced product performance and improved quality.

History:

Our journey of excellence started long back in 1938 in pre Independence days when a young man having a great vision translated his dream into reality steered by sheer hard work and determination.

The entrepreneurship of our founder, Baba Gurmukh Singh Ji, began with manufacturing of bicycle components, which afterwards got diversified into manufacturing of automotive components for various motor vehicles. Further momentums were gained with the joining of his son Giani Bhagat Singh (Former Chairman-G.S. Group) and S.Jagat Singh (Former Managing Director-G.S. Group). S.Jagat Singh had great marketing skill and vision to make "GS" a top brand in auto component market of India. He formed a small team of four dedicated people to start marketing activity outside Punjab across India.

They remained for months out of their hometown traveling all small and major towns of India to select dealers and distributors and formed formidable unparalleled pan India network of more than 500 Distributors and even more than 10000 retailers and this process is still on.

Their lifetime knowledge, skills and experience was handed over by them to their next generation sons. The participation of Mr. Jasbir Singh Ryait (Chairman) and Mr. Surinder Singh Ryait (Managing Director) further catalyzed growth of the Company. The brothers complement and supplement each other perfectly giving a great boost to the industry.

Product Range:

On the strength of its expertise in the development and manufacture of components, "GS" has explored new horizon to provide a diverse range of machined, forged and cast (ferrous & nonferrous) components. The following is the Product Range: -

1. Machined Parts:

- King Pin Set
- Spring Pins
- Shackle Bolts
- Check Nuts
- Axle Studs
- U-Bolts
- Centre Bolt & Miscellaneous Bolts and Genuine Nuts

2. **Forged Parts:**
 - High Nuts
 - Castle Nuts
 - Hex Nuts
 - Flange Nuts
 - Washer Type Nuts
 - Misc. Bolts
3. **Non-Ferrous Cast Components:**
 - Customized Aluminum Bronze Parts of different sizes
4. **Ductile Iron Cast Components:**
 - Spring Hanger Shackle/Bracket
 - Engine Mounting
 - Base Plates
 - Threaded Rings
 - Compressor Mounting Bracket
 - Casting in Weight Range 1-20 Kgs
5. **Trailer Parts:**
 - Full Dressed Trailer Axles
6. **Clutch Assemblies, Disc Assemblies and its Components**

Customer Base:

G.S Auto has a strong presence in...

- OEM segment (Original Equipment Manufacturer)
- Replacement Market (After Sales Market)
- Export market

OEM segment:

The strength of G.S Brand lies in its quality endorsement by almost all major Indian and International OEMs such as Tata Motors Ltd, Ashoka Leyland Limited, Maruti Suzuki Ltd., SML ISUZU Ltd., VE Commercial vehicles limited, Hindustan Motors Ltd., Daimler India Commercial Vehicles, Mahindra & Mahindra Ltd and Arvin Meritor etc.

Replacement Market:

A vast network of over 500 Principal Dealers spread nation wide wise cohesively provide support system and act a catalyst to our strength to combat competition. Being looked- after by their strong and dedicated sales team, Company is able to provide efficient services to their dealers throughout the country.

Export market:

G.S Auto has strongly made their presence felt in the different part of the world. Flexible Production Run-up, Production Scheduling and of course, their ability to strictly stick to deliver schedule have endowed leveraging —effect in building-up strong customer base.

Manufacturing Facility:

At present the Company has two manufacturing facilities. One of our manufacturing facilities is located in major industrial township of Ludhiana in North India, spread over an area of one million square feet of covered area and other manufacturing facility is located at Jamshedpur in Jharkhand at Adityapur Industrial Area Development Authority (AIADA), spreading over an area of three acres. Both our manufacturing facilities are ISO, QS and TS 16949 certified.

The Company has in house Foundry Plant with more than ten thousand tons capacity furnace(s) melting 900kgs metal along with Automatic (DISA) & Arpa moulding lines, Linear Moulding Machines & Mould Making Machines. As a manufacturing Company, over the years we have multiplied capacities, built up technologies and invested in equipments that place us in a unique league. At "GS", the focus is on achieving best possible quality through stringent control on repeatability of manufacturing process. All manufacturing processes for processing of Alloy Steel Components i.e annealing, bar drawing, hot forging, cold forging, precision machining, heat treatment an induction hardening are available under one roof and are made to perform to deliver finished goods of highest quality acceptable to valuable customers.

The Company has set up its second manufacturing unit at Jamshedpur, for the manufacture of spheroidal graphite cast iron (SGI) components, with a total capex of Rs.64 (Rs. Sixty four Crores) Cr., in two phases, having state of the art facilities, with an annual capacity of 12000 liquid metals per annum. The Commercial production of its first phase had already commenced its production.

Systemized Approach:

- **Towards Global Competitiveness:**

"GS" always strive to manage the resources using globally tested concepts and techniques. After successful implementation of 5S, 3M concepts within the organization, we are committed to work toward total productive maintenance (TPM) and total quality management (TQM).

- **Customer Support System:**

Feedback in any business is the blue print of its progress. Based on this knowledge, we have always stressed our nerves to keep our customer(s) highly satisfied. Principal approach is cost effectiveness by reduced rejection rate and process control.

- **Access To Latest Technology:**

Technology up-gradations and Know-how can only unlock the fortunes. Smooth and uninterrupted information's flow and data acquisitions not only reduce the lead time to have access to the latest technology but also serve as a road map to the fast changing customer need.

- **Quality is a Mission:**

From the very beginning, "GS" has always shown incessant thirst for product quality and customer satisfaction. At "GS" each component passes through series of stringent tests of quality from design stage to manufacturing. Conformance to quality is jut not restricted to the shop floor of the company but also through the supply chain.

Following quality system requirements are taken care at "GS" for conformance to quality standards, on-time delivery, maintaining product quality and handling customer complaint.

1. **APQP** (Advanced Product Quality Planning)
2. **PPAP** (Production Part Approval Process)
3. **FMEA** (Failure Mode Effect Analysis)
4. **SPC** (Statistical Process Control)
5. **MSA** (Measurement System Analysis)

After having conferred ISO 9002 Certification in 1997 and QS 9000 Certification in 1999 (Re-certified in 2003) by BVQI, UK. The quality movement in "GS" has achieved its next milestone-ISO/TS 16949 re-accreditations in 2016. We are committed for sustain growth and satisfaction of customers through innovative business, technological, management practice and Improving their effectiveness continually.

Philosophy:

- Understanding and serving the needs of customers.
- Providing distinctively superior value to the global market.
- Creating the conducive work environment for its employees.
- Serving the customers with technological advanced products.
- Delivering the best value to customers.

Human Resources:

Working at "GS" means being a part of leading team in the Indian automotives suspension and fastening component industry. Sustained leadership can be maintained only by highly motivated employees. "GS" management always gives its top priority to total job satisfaction and job security. The strength of "GS" is its people and sound Engineering Skills crystallized over a period of more than several decades. Our team of more than one thousand young dedicated technicians works in close co-operation with each other to offer its customers unchallenged quality and total customer satisfaction.

Key milestones since Incorporation:

- 1938:** Start of business activity.
- 1973:** Converted into Private Limited Company as "Gurmukh Singh & Sons Pvt. Ltd." on 29th June, 1973
- 1985:** Renamed as G.S Auto International Ltd. with the successful raising of Funds through Public Issue and further got Listed in "The Bombay Stock Exchange Limited," "The Delhi Stock Exchange Limited"," "The Ludhiana Stock Exchange Limited" and "The Ahmedabad Stock Exchange Limited".
- 1997:** ISO 9002 Certification in March 1997 by BVQI, U.K
- 1999:** QS 9000 Certification in December 1999, by BVQI, U.K
- 2005:** ISO / TS 16949 Certification In April 2005 by BVQI, U.K.
- 2007:** The Company entered into trailer parts segments as well as also launched Commercial vehicle "Axle"
- 2010:** The Company entered into manufacturing of parts for earth moving equipments.
- 2011:** Delisted the equity share of the company from the two regional stock exchanges "The Delhi Stock Exchange Ltd. & "The Ahmedabad Stock Exchange Ltd.", however the equity share of the Company remains to be listed at "The Bombay Stock Exchange Ltd.
- 2011:** lay down the foundation stone for the new manufacturing unit at Jamshedpur with a total capex of Rs.64 Cr., with a total installed capacity of 12000 metric tonnes liquid metal p.a for S.G.Iron casting components.
- 2014:** Successfully commenced the commercial production of the first phase of new manufacturing unit at Jamshedpur in July, 2013.
- 2014:** Amalgamation of One of the group company with itself, in order to consolidate the group activities.