



ANNUAL REPORT 2020

G.S. AUTO INTERNATIONAL LIMITED

Website: www.gsgroupindia.com

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.

In addition to Auto Components, the company is planning to provide more contemporary and sustainable business and life solutions. In line with this, the company showcase concept electrical car PECCAN at Auto Expo 2020 held at noida. The Company is identifying space for itself in Electric Mobility Ecosystem, Personal Mobility and Commercial Mobility in EV segment.

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.



Board of Directors

Mr. Jasbir Singh Ryait	Chairman & Jt. Managing Director
Mr. Surinder Singh Ryait	Managing Director
Mrs. Dalvinder Kaur Ryait	Executive Director
Mrs. Amarjit Kaur Ryait	Executive Director
Mr. Harkirat Singh Ryait	Executive Director
Mr. Sharwan Sehgal	Independent Director
Mr. Upkar Singh Ahuja	Independent Director
Mr. Avinash Sharma	Independent Director
Mr. Pardeep Sehgal	Independent Director
Mr. Mohit Bansal	Additional Independent Director

CHIEF FINANCIAL OFFICER

Mr. Deepak Chopra

AUDITORS

M/s. Sukhminder Singh & Co.
Chartered Accountants
170-A, Model Housel, Ludhiana-141002,
Punjab, India

COMPANY SECRETARY

Mrs. Amninder Kaur

BANKERS

Punjab National Bank

REGISTERED OFFICE & WORKS- UNIT 1

G.S. Auto International Limited
G.S. Estate, G T Road,
Ludhiana-14101; Punjab, India
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Fax No.: 0161-2510885
CIN: L34300PB1973PLC003301

Unit-II

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Tata Kundra Main Road, Industrial Area,
Adityapur Industrial Development Authority,
Jamshedpur-832402-Jharkhand, India
Website: www.gsgroupindia.com
Email : info@gsgroupindia.com

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,
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VISION

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

We will be a world class preferred Auto Component Brand for all the Original Equipment Manufactures (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 Visions 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.

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 Special 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.

Their lifetime knowledge, skills and experience was handed over by them to their next generation sons. The participation of Mr. Jasbir Singh Ryait, Chairman & Jt. Managing Director, Mr. Surinder Singh Ryait (Managing Director) and Mr. Harkirat Singh Ryait, Executive Director further catalyzed growth of the Company. Mr. Harkirat Singh Ryait, being a next generation tech entrepreneur has recently taken active involvement in the group now after observing the organization from the sidelines. He believes in getting involved at shopfloor levels since there lies the real strength and catalysts of the organization's success.

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, Ashok 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 nationwide 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 had 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.

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 not restricted to the shop floor of the company but also through the supply change.

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.

Our Journey so far:

- **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.
- **2005:** ISO / TS 16949 **2007:** The Company entered into trailer parts segments as well as also launched Commercial vehicle "Axle" Certification in April 2005 by BVQI, U.K.
- **2010:** The Company entered into manufacturing of parts for earth moving equipments.
- **2011:** lay down the foundation stone for the new manufacturing unit at Jamshedpur with a total capex of Rs.64 Cr.,
- **2014:** Successfully commenced the commercial production of the first phase of new manufacturing unit at Jamshedpur in July, 2013

Management Discussion and Analysis:

Overview:

G.S. Auto International Limited (GS) is a north India based auto component manufacturing company, primarily for commercial vehicle industry, catering to all the three verticals of auto component industry in India. GS is one of the trusted brands in the automotive suspension industry supplying to almost all the major Original Equipment Manufacturers and one of the first auto component manufactures, supplying to after sales market through its pan India network of Distributors/Dealers and retailers.

The Company enjoys an unstinted confidence from its valued customers for providing quality products. With the widely recognized brand “GS”, superior quality, strong distribution network and a committed team of employees, the “GSAIL” is well positioned to take the advantages of the opportunities and withstand market challenges.

The superior quality of product of the Company gives a competitive edge in the market place. The Company is committed to sustain its domestic market share by offering wide range of products at competitive rates.

We operate mainly in three segments i.e. Original Equipment Manufacturers, After Sales Market & Export Market. The Company has balanced approach to the Original Equipment Manufacturers, After Sales Market & Export Market, which helps us in capitalizing to our strength in all the three segments and to respond to market fluctuation and customer strategies.

World Economy:

Global growth decelerated markedly in FY 2019-20 with continuous weakness in global trade and investment. Global growth weakened to an estimated 2.4% in 2019 being the lowest rate of expansion since the global financial crisis. Global trade growth—which is estimated to have slowed sharply from 4% in 2018 to 1.4% in 2019, expected to be at the weakest pace since the global financial crisis.

The first impact of COVID-19 on China and its slowdown was felt around the world. Virus Outbreak has disrupted manufacturing supply chains and sharply curtailed energy and commodity demand. While Countries and Companies continue to understand the enormity of scale of this pandemic, it is undeniable that the experience of going through the crisis, will lead to questioning of fundamental assumptions and priorities which will be both a challenge and an opportunity.

Indian Economy:

The economic impact of the 2020 coronavirus pandemic

in India has been largely disruptive. Economic growth slowed to an 11-year low of 4.2% in 2019-20, the growth rate of Gross Domestic product (GDP) fell to 3.1%, reflecting the impact of the first week of the COVID-19 lockdown which began in the last week of March' 2020. It came at a time when India's economy was already slowing due to persistent financial sector weakness. The severe disruption of economic activities caused by COVID-19, both demand and supply shocks, has overtaken the incipient recovery in the Indian Economy leading to mass job losses. IMF expects FY20 growth at 4.2% as against 5% estimated by the India's Statistics Department.

Company's response to COVID-19:

World Health Organization (WHO) declared outbreak of Corona Coronavirus Disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this, Government of India declared lockdown on March 23, 2020 and the Company temporarily suspended the operations in its units at Ludhiana and Jamshedpur in compliance with the lockdown instructions issued by the Central and State Governments. COVID-19 has impacted the normal business operations of the Company by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lock down of production facilities etc. during the lockdown period which has been extended till May 17, 2020. However, production and supply of goods has partially commenced during the month of June 2020 on various dates after obtaining permissions from the appropriate government authorities. The Company extended its support and cooperation towards all Government Initiatives/ Directions for combating the escalating COVID-19 situation. Keeping in mind the safety and well-being of its employees as top priority, the Company decided to temporarily shut down its manufacturing facilities and offices, as per the directions/ guidelines issued by the Central / State Governments.

About The Company:

Your Company is presently manufacturing auto components for commercial vehicles only. We are manufacturing three categories of auto components, namely: Casting Components, machined Auto Components and Forged Auto Components. The Company is supplying almost all its products in all the three verticals of automobile industry namely:- Original Equipment Manufacturers (OEM), After Sales Market (Replacement Market) and Exports Market.

Company's Financial Performance and Operational Performance:

During the year under review, there is decline in the overall performance of the company inspite of better product mix and lower capacity utilization on account of recession in the Auto sector especially commercial vehicle segment resulting in sluggish demand for commercial vehicles and affecting the auto component manufacturing units. The revenue from operations has decreased to **Rs. 8391.57 lakhs**, as compared to revenue from operations of Rs. **15391.00 lakhs** of the previous year.

During the year, your company has earned profit before depreciation & amortization, Interest & taxes (PBDIT) of **Rs. 527.61 Lakhs (6.29% of Net Income)** as compared to previous year's profit before depreciation & amortization, Interest & taxes (PBDIT) of Rs. **806.71 lakhs (5.24% of Net Income)** with an overall increase in the margin by 1.05% as compared to previous year. The increase in the EBITDA margin is mainly on account of increase in the prices of its products and better product mix so to compensate the prices of its raw material and allied products and services. After provision for depreciation and amortization of **Rs. 419.95 lakhs** (previous year of Rs. **428.66 lakhs**), Interest & financial expenses of **Rs 455.16 lakhs** (previous year of Rs. **466.91 lakhs**), the company has earned a marginal loss before taxes of **Rs. 347.50 lakhs** as compared to the previous year's loss before taxes (PBT) of Rs. **88.85 lakhs**.

Opportunities for longer term:

Automotive Industry is the key driver of any growing economy. It plays a pivotal role in country's rapid economic and industrial development. It caters to the requirement of equipment for basic industries like steel, non-ferrous metals, refineries, petrochemicals, shipping, textiles, plastics, glass, rubber, capital equipments, logistics, paper, cement, sugar, etc. It facilitates the improvement in various infrastructure facilities like power, rail and road transport. Due to its deep forward and backward linkages with almost every segment of the economy, the industry has a strong and positive multiplier effect and thus propels progress of a nation.

The rapidly globalizing world is opening up newer avenues for the transportation industry, especially while it makes a shift towards electric, electronic and hybrid cars, which are deemed more efficient, safe and reliable modes of transportation. Over the next decade, this will lead to newer verticals and opportunities for auto-component manufacturers, who would need to adapt to the change via systematic research and development. The Indian auto-components industry is set to become the third largest in the world by 2025. Indian auto-component

makers are well positioned to benefit from the globalization of the sector as exports potential could be increased by up to four times to US\$ 40 billion by 2020.

In the Budget 2020, the Government of India has announced to provide additional Income Tax deduction of Rs. 1.5 lakhs on the interest paid on the loans taken to purchase Electric vehicles. The Government of India has also launched Faster Adoption and Manufacturing of Hybrid and Electric Vehicles (FAME) and National Electric Mobility Mission plan 2020 (NEMMP) to promote Electric Cars.

Threats:

Any delay in the recovery of the world economy adversely affects the commercial vehicle segment, as commercial vehicle segment is a face of revival in the economy. Further any increase in the prices of commodities, be it rise in the steel prices, rise in crude prices along with the rise in the interest rate in the domestic market will cause to slow down in the Indian economy as well as in the World economy. Rise in the crude prices coupled with the rise in the interest cost ultimately will affect the demand of commercial vehicles as financing will be not be easy for the purchase of new vehicles. Further, as the entire major auto component manufacturer are now tapping the untapped after sale market, there will increase in the competition which will ultimately reduce the margin in the after sale market in the days to come. However, your Company is well positioned in the after sale market and has a huge network of distributors and retailers along with a reputed brand name "GS", which will counter any increase in the competition in the aftermarket sale segment.

Human Resource Development:

Human resource is one of the key assets of any organization. The Company believes that human resources enable the Company to consistently meet customer requirements and deliver exceptional performance for growth. To strive for success and growth in any organization, human resource will have to play a key role in the overall development of the organization. We feel that the organization will grow, only & only if, each & every employee of the organization will grow with regards to their personal developments, as well as, at organization level, along with the organization. The Company provides ample opportunity to employees to enhance their knowledge & skill, which will ultimately contribute to the growth of the organization. Your Company considers its human resource as "the most valuable asset", is thus committed to the welfare of its employees and their families, and by recognizing this

devotes a considerable part of its time and resource in motivation, training & development of its employees in various traits, a part from job related skills, over the years, your Company has benefited from a pool of committed and dedicated employees. In an environment of general workforce shortages, retaining and motivating talent has become a key challenge. However, attrition in “GS” has been less as compared to the Industry average, which reflects the loyalty of your Company’s employees. Recruiting & retaining qualified skilled manpower poses to be a great challenge due to rapid growth in the economy. The Company has undertaken special HR initiatives with a view to develop strong and stable organization having intrinsic strength to meet the current business challenges.

The Company organizes celebration of festivals at various locations. Employees’ families participate in large numbers and appreciate the opportunity provided by the Company. In the year under review given the changes in the external environment there was a significantly different challenge on the human resource management front. Using the dual responsibility mythology, scope of existing Employees’ roles is being widened.

Industrial Relations:

The total numbers of permanent employees on the roll of the Company were 731 as on March 31, 2020 (previous year 867). Your Company had maintained its excellent industrial relations records of not loosing even a single day due to industrial action since its inception, which further shows the relation of the Company with its workmen. This facilitated the following:

- Leadership development programme planned for office bearers at each and every level of the organization and for Executive committee members.

Employee Welfare:

- On April 1st, of every year, Annual day is being celebrated and all the employees and their family members are attending the function. This is an occasion of family get together. Various cultural and religious activities were conducted for employees and their family members.

Risk and Concerns:

The Company has developed built-in procedures and a practice to effectively mitigate the adverse effects of the risk involved in the business and has laid down procedures for handling risks in carrying out the business

to the best advantage of all the stakeholders and to improve the stakeholder value and ensure continuity of business. The Company is committed to high standards of business conduct and the risk management with a view to protect the Company’s Assets, Achieve Sustainable business growth and ensuring compliance with applicable legal and regulatory requirements.

Internal Control System:

The Company’s internal audit department is regularly reviewing the adequacy of the internal control systems and suggests corrective measure, wherever found necessary. Review mechanisms are in place to monitor & improve the internal control systems. The internal audit department draws up yearly plans keeping in view the complexities of the businesses. All areas are covered periodically & report submitted to the departmental heads. Corrective actions, if any, are taken within an agreed time frame. The audit committee of the board periodically reviews the report & recommendations and follows up with necessary actions. Statutory auditors also review the adequacy of internal audit system and suggest improvements wherever feel necessary, at regular intervals.

Cautionary Statement:

Certain Statements in this Management Discussion and Analysis describing your Company’s objectives, projections, estimates, expectations or predictions may be ‘forward looking statements’ within the meaning of applicable securities laws and regulations. Forward looking statements are based on certain assumptions and expectation of future events. The Company cannot guarantee that those assumptions and expectations are accurate or will realize. Actual results could differ substantially or materially from those expressed or implied. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events. Important developments that could affect your Company’s operations include a downtrend in the Automobile Industry- global or domestic or both, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest rate and other costs including commodity prices.