



G.S. AUTO INTERNATIONAL LTD.



Ref: GSA: FIN: 2016

Dated: 05.09.2016

Department of Corporate Services,
Bombay Stock Exchange Limited,
Floor 25, Phiroze Jeejeebhoy Towers,
Dalal Street, MUMBAI-400001

SUB: ANNUAL REPORT

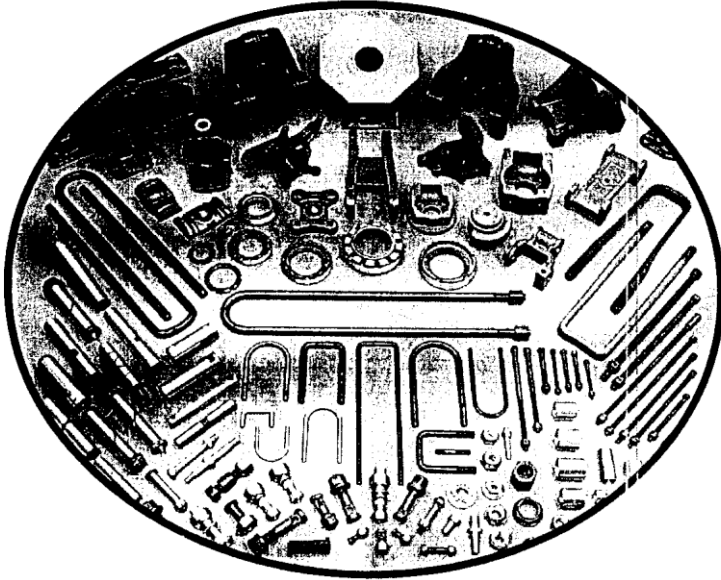
Dear Sir,

This is to inform you that we hereby sending you the Annual Report of Company for the year ended 31st March, 2016.

Thanking You,

Yours Faithfully,
For G.S. AUTO INTERNATIONAL LIMITED

AUTHORISED SIGNATORY



**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 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.**

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Board of Directors:

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

Mr. Surlinder 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. Shanwan 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 Bhatta
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@skylinerta.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 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.

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:** Deltisted 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.

Directors' Report for the Year Ended 31st March, 2016:

Dear Members,

Your Directors have immense pleasure in presenting the 42nd Annual Report on the business and operations of the Company and the accounts for the Financial Year ended 31st March, 2016:-

1. Financial Results (On Standalone Basis):

	(Rs. in Lacs)	
	2015-16	2014-15
Gross Income	18687.10	17486.12
Less: Excise duty on sale	2301.54	1960.62
Net Income	16385.56	15525.50
Profit before Depreciation, Interest & Tax (PBDIT)	815.90	418.24
Less: Depreciation & Amortization	498.26	474.74
Profit/(Loss) before Interest and Taxes (PBIT)	317.64	(56.50)
Interest & Financial expenses	576.06	531.82
Profit/(Loss) before Tax (PBT)	(258.42)	(589.32)
Less: - Provision for Tax		
- Current	00.00	00.00
- Deferred Tax	216.72	166.52
-Wealth Tax	00.95	00.63
Profit/(Loss) after Tax (PAT)	(42.65)	(422.43)
Balance of Profit from Previous Year	2239.16	2861.59
Surplus retained in Profit & Loss Account	2196.51	2239.16
Earnings per Share (Rs.)		
-Basic & Diluted	(00.29)	(2.91)
Dividend per Share (Rs.)	-	-

2. Performance (On Standalone Basis):

During the year under review, the performance of the company was impacted due to lower capacity utilization, delay in the implementation of the second phase of the Jamshedpur plant along with the increase in the overall financial cost & increase in the depreciation, causes to margin pressures on the bottom line of the Company. The newly set up Jamshedpur was not able to utilize its optimum capacity utilization, which had also impacted the bottom line of the Company. However, the overall turnover of the Company, during the year, had marginally increased due to increase in the capacity utilization.

The revenue from operations (net) has increased to Rs.16385.56 lacs, as compared to revenue from operations (net) of Rs.15525.50 lacs of the previous year; this performance seems quite satisfactory.

However, the other income during the year shows a decline of 17.97% to Rs.33.19 lacs, as compared to previous year's other income of Rs.40.46 lacs, which was mainly due to decline in interest income-Bank deposits & others to Rs.20.47 lacs as compared to previous year's interest income of Rs.31.19 lacs. Other Income also includes foreign exchange gain (net) of Rs.04.55 lacs as compared to previous year's loss on foreign exchange rate fluctuations of Rs.09.705 lacs

During the year, your company has earned profit before depreciation & amortization, interest & taxes (PBDIT) of Rs.815.90 lacs (4.98% of Net Income) as compared to previous year's profit before depreciation & amortization, interest & taxes (PBDIT) of Rs.418.24 lacs (2.69% of Net Income), shows an increase of 95.08%. After higher provision for depreciation and amortization of Rs.498.26 lacs (previous year of Rs.474.74 lacs), interest & financial expenses of Rs.576.06 lacs (previous year of Rs.531.82 lacs), the company has earned a loss before taxes of Rs.258.42 lacs as compared to the previous year's loss before taxes (PBT) of Rs.588.32 lacs.

After providing a provision for taxation, deferred tax & wealth tax of Rs.(215.77) lacs (previous year Rs.(165.89) lacs) there was a loss of Rs.42.65 lacs as compared to previous year's loss after tax of Rs.422.43 lacs.

Foreign Exchange Earnings:

During the year, your company is the net foreign exchange outgo and outgo of net foreign exchange of Rs.228.79 lacs (previous year net foreign exchange earner of Rs.152.48 lacs), showing a decrease of Rs.373.58 lacs (previous year Rs.522.14 lacs), after taking into foreign exchange payments of Rs.887.10 Lacs (previous year Rs.607.31 Lacs), on account of foreign exchange outgo, mainly for payment of interest & repayment of foreign currency term loan.

Quality:

The Company has retained its ISO/TS 16949 certifications for its Quality Management System.

3. Dividend:

During the period under review, the Board has decided not to recommend any dividend for the financial year 2015-2016.

4. Reserves:

During the period under review, no amount was transferred to reserves.

5. Management Discussion and Analysis Report:

In terms of the provisions of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report is presented in a separate section forming part of the Annual Report.

6. Adequacy of Internal Control:

The Company has a proper and adequate system of internal control, to ensure that all assets are safeguarded, properly utilized and protected against loss from un-authorized use or disposition and those transactions are authorized and recorded by the concerned departments properly and reported to the Audit Committee/ Board effectively.

The Company has also in place adequate internal financial controls with reference to financial statements. Such controls are tested from time to time and no reportable material weakness in the design or operation has been observed so far.

7. Cash Flow Statement:

In conformity with the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Cash Flow Statement for the year ended 31st March, 2016, is annexed hereto.

8. Material Changes and Commitments:

There were no material changes and commitments, affecting the financial position of the Company that has occurred between the end of the financial year of the Company and the date of signing of this report.

9. Share Capital:

The paid-up share capital of the Company as at 31st March, 2016 is Rs. 7.25 Crores. The Company currently has no outstanding shares issued with differential rights, sweat equity or ESOS.

10. Subsidiary, Joint Venture and Associate Companies:

During the year, the company has formed a subsidiary company but has not done any operation under that subsidiary company. Your Company does not have any Joint Venture & Associate Company.

11. Names of the Companies which have become Subsidiary, Joint Ventures or Associate Companies during the year:

During the year under review, the Company has set up a Subsidiary Company as a Limited Liability Company viz. Bluebasic India Limited in India, which was incorporated on November 19, 2015. This subsidiary will mainly cater to all kinds of ad blue solvents and coolants.

12. Subsidiary:

Annual accounts of the subsidiary company and related detailed information are available to the shareholders of the parent company, subsidiary company and to the statutory authorities. On request, these documents will be made available for inspection at the company's registered office. The company does not have any material subsidiary whose net worth exceeds 20% of the consolidated net worth of the holding company in the immediately preceding financial year or has generated 20% of the consolidated revenue during the previous financial year. The report on performance of subsidiary companies is included in the section, Management Discussion and Analysis.

During the year, the Board of Directors reviewed the affairs of the subsidiary. In accordance with Section 129(3) of the Companies Act, 2013, the consolidated financial statements of the Company forms part of the Annual Report. A statement containing the salient features of the financial statement of our subsidiary in the prescribed format AOC-1 is presented in a separate section forming part of the financial statement.

13. Obligation of Company under the Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013:

In terms of provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has formulated a Policy to prevent Sexual Harassment of Women at Workplace. During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

14. Research And Development:

The Company is developing certain machineries (Special purpose Machines), as per its various in house production process requirements, along with for the requirements of its group Companies, as & when required, under its Research & Development Centre.

15. Human Resource Development:

The Company has a team of able and experienced professionals and is always following the policy of Creating a healthy environment and work culture resulting into harmonious inter-personal relations.

16. Risk Management:

The Board of Directors has constituted Business Development and Risk Management Committee of the Company which has been entrusted with the responsibility to assist the Board to look out for the new ventures/new business opportunities, for the long term growth of the Company, keeping in mind the future prospect of auto component business & overall automotive industry as a whole and with regard to the identification, evaluation and mitigation of operational, strategic and environmental risks efficiently and effectively.

17. Directors And Key Managerial Personnel (KMPs):

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Articles of association of the Company, Mrs. Amarjeet Kaur Ryait, Executive Director, retires by rotation at the at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

As on the date of this report, the Company's Board consists of the following Independent Directors:

- 1) Mr. Upkar Singh Ahuja.
- 2) Mr. Iqbal Singh.
- 3) Mr. Jasbir Singh Bir.
- 4) Mr. Sharwan Sehgal.

During the period under review, the Board of Directors appointed Mr. Sharwan Sehgal as Additional Independent Director with effect from 1st July, 2016 upto the conclusion of the ensuing Annual General Meeting. The appointment of Mr. Sharwan Sehgal is subject to the confirmation by the members.

The Company has received declarations from all the Independent Directors of the Company that each of them meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and there has been no change in the circumstances which may affect their status as Independent director during the year.

In the opinion of the Board, the independent directors possess appropriate balance of skills, experience and knowledge, as required.

A brief note on Director retiring by rotation and eligible for re-appointment is furnished in the Report on Corporate Governance.

18. Key Managerial Personnel:

During the period under review, there was no change in the KMPs of the Company: In terms of Section 203 of the Companies Act, 2013, following persons are the KMPs of the Company:

Mr. Jasbir Singh Ryait	-	Chairman and Whole Time Director
Mr. Surinder Singh Ryait	-	Managing Director
Mr. Neeraj Tuli	-	Chief Financial Officer
Ms. Amninder Kaur	-	Company Secretary

19. Policy On Directors appointment And Remuneration And Other Details:

The Nomination and Remuneration Committee has laid down the criteria for Directors' appointment and remuneration including criteria for determining qualification, positive attributes and independence of a Director. The following attributes/ criteria for selection have been laid by the Board on the recommendation of the Committee:-

- The candidate should possess the positive attributes such as Leadership, Entrepreneurship, Business Advisor or such other attributes which in the opinion of the Committee are in the interest of the Company.
- The candidate should be free from any disqualifications as provided under Section 164 and 167 of the Companies Act, 2013.
- The candidate should meet the conditions of being independent as stipulated under the Companies Act, 2013 and Listing Agreement entered into with Stock Exchanges, in case of an independent director.
- The candidate should possess the appropriate qualification, skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, infrastructure, medical, social service, professional teaching or such other areas or disciplines which are relevant for the Company's business.

20. Board Evaluation:

The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board in the following manner:

Sr. No.	Performance evaluation of	Performance evaluation performed by
1.	Board and individual directors	Board after seeking inputs from all directors
2.	Board Committees	Board seeking inputs from all committee members
3.	Individual Directors	Nomination and Remuneration committee
4.	Non-independent directors, Board as a whole and the Chairman	Separate meeting of Independent directors after taking views from executive directors.
5.	Board, its Committees and Individual Directors	At the board meeting held after the meeting of the independent directors based on evaluation carried out as above.

21. Number of Meetings of the Board:

The Board met six times during the financial year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

22. Familiarization Program For Independent Directors:

To familiarize the new inductees with the strategy, operations and functions of our Company, the senior management personnel make presentations to the inductees about the Company's strategy, operations, product offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management. The details of such familiarization programmes for Independent Directors are posted on the website of the Company www.gsgroupindia.com.

29. Committees of The Board:

Currently, the Board has four committees: the Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Business Development and Risk Management Committee. All committees consist of a combination of Independent as well as non-independent directors as stipulated under the provisions of the Companies Act, 2013.

A detailed note on the Board and its Committees is provided under the Corporate Governance Report section in this Annual Report. The composition of the committees and compliances, as per the applicable provisions of the Act and Rules, are as follows:

Name of the Committee	Composition of the Committee	Highlights of Duties, responsibilities and activities.
Audit Committee	Mr. Sharwan Sehgal Chairman Mr. Jasbir Singh Bir Mr. Jasbir Singh Ryait Mr. Iqbal Singh	<ul style="list-style-type: none"> The Company has adopted the Vigil Mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's Code of Conduct and Ethics. The Vigil Mechanism Policy is appended as Annexure II In accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated policies on related party transactions and material subsidiaries. The policies are available on the website www.gsgroupindia.com.
Nomination and Remuneration Committee	Mr. Jasbir Singh Bir Chairman Mr. Sharwan Sehgal Mr. Upkar Singh Ahuja	<ul style="list-style-type: none"> The committee oversees and administers executive compensation, reviews the compensation program to align both short term and long term compensation with business objectives and to link compensation with the achievement of measurable performance goals. The Nomination and Remuneration Committee has framed the Nomination and Remuneration Policy. A copy of the policy is appended as Annexure III
Stakeholders Relationship Committee	Mr. Sharwan Sehgal Chairman Mr. Upkar Singh Ahuja Mr. Jasbir Singh Bir	<ul style="list-style-type: none"> The committee reviews and ensures redressal of investor grievances. The committee noted that all the grievances of the investors have been resolved during the year.
Business Development and Risk Management Committee	Mr. Surinder Singh Ryait Chairman Mr. Jasbir Singh Ryait Mr. V.K.Sharma Mr. Anadi Sharma	<ul style="list-style-type: none"> The purpose of Committee is to look out for the new ventures/new business opportunities, for the long term growth of the Company, keeping in mind the future prospect of auto component business & overall automotive industry as a whole and with regard to the identification, evaluation and mitigation of operational, strategic and environmental risks efficiently and effectively.

24. Auditors, Audit Report and Audited Accounts:

M/s Nanda & Bhatia (ICAI Firm Registration No. 004342N), Chartered Accountants, Ludhiana, hold office until the conclusion of 43rd Annual General Meeting (AGM) subject to annual ratification by the members at the respective AGMs.

The Auditor has furnished a certificate to the effect that their ratification, if made, at the ensuing AGM, will be within the limits prescribed under Section 141 of the Companies Act, 2013 and that they are not beneficially holding any security or interest in the Company as defined under the Companies Act, 2013. The Board on the recommendation of the Audit Committee recommends the ratification of M/s Nanda & Bhatia as Statutory Auditors for the Financial Year 2016-17 by the members at the AGM. Members are requested to consider the ratification of their re-appointment and authorize the Board of Directors to fix their remuneration for the year 2016-17.

The Auditors' Report read with the notes to the accounts referred to therein are self-explanatory and, therefore, do not call for any further comments. There are no qualifications, reservations or adverse remarks made by the Auditors.

25. Cost Audit:

Pursuant to the provisions of Section 148 of the Companies Act, 2013, M/s. P.K. Verma & Co., Cost Accountants were appointed as the Cost Auditors to conduct audit of cost records.

26. Secretarial Audit:

Pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013, M/s. Bhupesh Gupta & Associates, Practicing Company Secretaries were appointed as the Secretarial Auditor for auditing the secretarial records of the Company for the financial year 2015-16.

The Secretarial Auditors' Report in Form No. MR-3 as required under the Act for the financial year ended March 31, 2016 is annexed hereto. There are no qualifications, reservations or adverse remarks made by the Secretarial Auditors. The Report forms part of this report as Annexure IV.

27. Corporate Governance:

As per the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has complied with the requirements of Corporate Governance in all material aspects.

A report on Corporate Governance (Annexure- I) together with a certificate of its compliance from the Statutory Auditors, forms part of this report.

28. Fixed Deposits:

During the year under review, the Company has not accepted any fixed deposits and as such no amount of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

29. Safety, Environment and Health:

The Company considers safety, environment and health as the management's responsibility. Regular employee training programmes are carried out in the manufacturing facilities on safety, environment and health.

30. Particulars of Loans, Guarantees and Investments:

The Company has not given any loans or guarantees or made investments in contravention of the provisions of the Section 186 of the Companies Act, 2013. The details of the loans and guarantees given and investments made by the Company, if any, are provided in the notes to the financial statements.

31. Related Party Transactions:

All related party transactions that were entered into during the financial year, if any, were on arm's length basis and were in the ordinary course of Company's business. The Company has not entered into any contract, arrangement or transaction with any related party which could be considered as material within the meaning of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All the related party transactions are placed before the Audit Committee for approval on a quarterly basis. Related party transactions under Accounting Standard - AS18 are disclosed in the notes to the financial statements. The Policy on dealing with related party transactions and the Policy for determining material subsidiaries as approved by the Board of Directors may be accessed on the Company's website at www.gsgroupindia.com.

32. Employee Strength:

The total number of permanent employees on the rolls of the Company was 1146 as on March 31, 2016 (1794 was in the previous year) (refer point 39 of the Director's Report).

33. Remuneration of Directors/ Employees and related analysis:

During the period under review, no employee of the Company received salary in excess of the limits as prescribed under the Act. Accordingly, no particulars of employees are being given pursuant to Section 134 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Other information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the company, will be provided upon request. In terms of Section 136 of the Act, the Annual Report excluding the aforesaid information is being sent to all the members and others entitled thereto. Any shareholder interested in obtaining such particulars may write to the Company Secretary at the corporate office of the company. The said information is also available for inspection at the registered office during working hours up to the date of the Annual General Meeting.

34. Code of Conduct:

The Board has laid down a code of conduct for board members and senior management personnel of the Company. The code incorporates the duties of independent directors as laid down in the Companies Act, 2013. The said code of conduct is posted on Company's website www.gsgroupindia.com. The Board members and senior management personnel have affirmed compliance with the said code of conduct. A declaration signed by the Managing Director is given at the end of the Corporate Governance Report.

35. Prevention of Insider Trading:

Based on the requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended from time to time, the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("Code of Fair Disclosure") and the Code of Conduct to regulate, monitor and report trading by employees and other connected persons ("Code of Conduct") as approved by the Board on 14.05.2015 are in force by the Company. The objective of this code is to protect the interest of shareholders at large, to prevent misuse of any price sensitive information and to prevent any insider trading activity by dealing in shares of the Company by its Directors, Designated Employees and Specified Persons. The Company also adopts the concept of Trading Window Closure, to prevent its Directors, Designated Employees and Specified Persons from trading in the securities of the Company at the time when there is unpublished price sensitive information. The code has also been placed on the website of the Company www.gsgroupindia.com.

36. Significant and Material orders passed By the Regulators or Courts:

There are no significant or material orders passed by any regulator, tribunal or court that would impact the going concern status of the Company and its future operations.

37. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

In accordance with the requirements of Section 134 of the Companies Act, 2013, statement showing particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo is furnished as Annexure V to this report.

38. Extract of Annual Return:

In accordance with the requirements of Section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in Form MGT-9 is furnished as Annexure No.VI to this report.

39. During the year under review, the Board of Directors of the Company had leased out its manufacturing unit-III to one of its group concern w.e.f 01st December, 2015, after the required necessary approval by the members of the Company.

40. Directors' Responsibility Statement:

Your Directors confirm:

- a) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) that your Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year March 31, 2016 and of the loss of the Company for the financial year;
- c) that your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that your Directors have prepared the annual accounts on a going concern basis;
- e) that your Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) that your Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

41. Acknowledgements:

Your Directors place on record their sincere appreciation gratitude to the continuing patronage and trust of our valued customers, bankers, financial institutions, business associates, shareholders and other statutory authorities who have extended their continued support and encouragement to your Company. Your Directors wish to convey their deep appreciation to the dealers, distributors of the Company for their achievements in the field of sales and service and to suppliers and vendors and other business associates for their valuable support.

Your directors also place on record their sincere appreciation for the enthusiasm and commitment of all its employees for the growth of the Company and look forward to their continued involvement and support.

For and on behalf of the Board of Directors

Ludhiana: 13th August, 2016

**Sd/-
Jasbir Singh Ryait
Chairman
DIN:00104979**

**Sd/-
Surinder Singh Ryait
Managing Director
DIN:00692792**

Corporate Governance Report:

Corporate governance refers to the set of systems, principles and processes by which a company is governed to ensure the company is managed to suit the best interest of all the stakeholders. The Corporate Governance structure specifies distribution of rights and responsibilities among different participants in the corporation, such as, the board, managers, shareholders and other stakeholders, and spells out the rules and procedures for making decisions on corporate affairs. Corporate governance provide the guidelines as to how the company can be directed or controlled such that it can fulfill all its goals and objectives in a manner that adds to the value of the company and is also beneficial for all the stakeholders in the long term. Stakeholders include everyone ranging from the board of directors, management, shareholders to customers, employees and society. The management of the company hence assumes the role of a trustee for all the others.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Board of Directors and the Management of your Company commit themselves to achieve excellence in Corporate Governance by:

- Ensure transparency and professionalism in the all decisions and transactions of your Company;
- Strive towards the medium and long term enhancement of shareholder value through sound business decisions, prudent financial management and high standard of ethics throughout your Company;
- Conforming to prevalent guidelines on Corporate Governance;
- Regularly reviewing the processes of Board and Management systems directed towards continuous improvement.

2. BOARD OF DIRECTORS/ BOARD MEETINGS:**i. Composition as on March 31, 2016:**

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board. As on March 31, 2016, the present strength of the Board of Directors comprises a Chairman & Whole Time Director, Managing Director two Executive Directors and four Non-Executive Directors. Out of total strength of 8 directors, 4 are independent, thus it meets the stipulated requirement.

- ii. **Board Meetings:** During the financial year 2015-2016, the Board of Directors met 6 times on the following dates:



- iii. **Details of composition and category of Directors and their attendance at the Board Meetings during the year ended March 31, 2016 and at last Annual General Meeting of the Company and also the number of Directorship/ Chairmanship in other Indian Public Limited Companies are as follows:**

Name of Director	Designation & Category	No. of Board Meetings attended	Attendance at last AGM	Total No. of Directorships in other Companies	Total No. of Committee Memberships in other Companies	Total No. of Board Chairmanships in other Companies	Total No. of Committee Chairmanships in other Companies
Mr. Jasbir Singh Ryait	Chairman & Whole Time Director	10	No	1	-	-	-
Mr. Surinder Singh Ryait	Managing Director	10	Yes	-	-	-	-
Ms. Dalvinder Kaur Ryait	Executive Director	10	No	1	-	-	-
Ms. Amarjit Kaur Ryait	Executive Director	10	Yes	-	-	-	-
Mr. Sanjeev Sethi*	Non-Executive Independent Director	10	Yes	-	-	-	-
Mr. Upkar Singh Ahuja	Non-Executive Independent Director	10	No	1	-	-	-
Mr. Jasbir Singh Bir	Non-Executive Independent Director	7	No	-	-	-	-
Mr. Iqbal Singh	Non-Executive Independent Director	10	No	-	-	-	-
Mr. Sharwan Sehgal**	Additional Independent Director	-	No	-	-	-	-

Note : 1. Mr. Jasbir Singh Ryait, Chairman and Whole Time Director, Mrs. Dalvinder Kaur Ryait, Executive Director, Mr. Surinder Singh Ryait, Managing Director and Mrs. Amarjeet Kaur Ryait, Executive Director are related to each other as per Section 2(77) of Companies Act, 2013 read with Rule 4 of the Companies (Specification of definition details) Rules, 2014.

2. For the purpose of SEBI (LODR) Regulations, 2015, the Committees considered are only the Audit Committee and the Shareholders/ Investors Grievance Committee of Public Limited Companies.

3. Directorships of only public limited companies have been considered.

4. * Mr. Sanjeev Sethi resigned w.e.f 1st July, 2016.

****** Mr. Sharwan Sehgal has been appointed w.e.f 30th June, 2016.

iv. Board Procedure:

A detailed folder of agenda & notes thereon is sent to each Director in advance of Board and committee meeting. All material information is incorporated in the agenda for facilitating meaningful and purposeful discussion at the meeting. In special and exceptional circumstances, additional or supplementary Item(s) on the agenda are permitted with the permission of Chairman of the meeting. To enable the Board to discharge their duties effectively, the Managing Director apprises the Board regarding overall performance of the Company at every meeting.

The Board reviews strategy and business plans, annual operating and capital expenditure budgets, investment and exposure limits, compliance reports of all laws applicable to the Company. The board also reviews major legal issues, significant labour problems and their proposed solutions, minutes of the Committees of the board, significant transactions and arrangement entered into by the company, adoption of financial results, transactions pertaining to purchase or disposal of properties, major accounting provisions and information on recruitment of officers just below the Board level including the appointment or removal of Chief Executive Officer and Chief Financial Officer. Board also take note on non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

v. Discussion with Independent Directors:

Pursuant to Schedule IV of the Companies Act, 2013 and the rules made there under, the independent directors of the Company hold at least one meeting in a year without the attendance of non-independent directors and members of the Management. All the independent directors of the Company strive to be present at such meetings. The meeting is intended to review the performance of non-independent directors and the Board as a whole, to review the performance of the Chairman of the Board, take into account the views of the executive directors and non-executive directors; assess the quality, quantity and timeliness of flow of information between the Management and the board that is necessary for it to effectively and reasonable perform its duties.

The separate meeting of the Independent Directors of the Company was held on 14.08.2015 other than the Board Meetings mentioned at pt. No. 2(ii).

3. DIRECTOR'S SHAREHOLDING AS ON 31ST MARCH 2016:



Director's Name	Shareholding
Mr. [Name]	[Shareholding]
Mr. [Name]	[Shareholding]
Mr. [Name]	[Shareholding]
Mr. [Name]	[Shareholding]

4. DIRECTORS' REMUNERATION:

Nomination and Remuneration Committee determines and recommends to the Board the compensation payable to the directors. All Board -level compensation is approved by the shareholders and disclosed in the financial statements. The details of compensation paid during the FY 2015-16 are given below:

(i) Executive Directors:

The Company pays remuneration to Chairman & Whole Time Director, Managing Director and Executive Directors as approved by the Board of Directors and the Members of the Company in the General Meeting.

Category	Salary & Perquisites (₹)
Chairman	36093407
Managing Director	31406907
Executive Director	15084007
Executive Director	15084007

(ii) Non-Executive Director:

The Company does not provide any remuneration, sitting fee or commission to the Non- Executive Directors.

5. BOARD COMMITTEES:

Currently, the Board has four committees: the Audit Committee, the Nomination and Remuneration Committee, the Stakeholders' Relationship Committee and the Business Development and Risk Management Committee. All committees except the Audit Committee consist entirely of independent directors. Recommendations of the committees are submitted to the Board for approval.

A. Audit Committee:

A qualified and independent Audit Committee has been set up by the Board in compliance with the requirements of SEBI (LODR) Regulations, 2015 read with Section 177 of the Companies Act, 2013. The terms of reference of the Audit Committee has been expanded to include the requirements of the Companies Act, 2013 and are inter-alia as under:

- The recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- Review of the quarterly and half yearly financial results with the management and the statutory auditors.
- Review with the management and statutory auditors of the annual financial statements before submission to the board.
- Examination of the financial statement and the auditor's report thereon.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Evaluation of internal financial controls and risk management systems
- Monitoring the end use of funds raised through public offers and related matters.

The Audit Committee met 4 times during the financial year 2015-16 on 30th May, 2015, 14th August, 2015, 14th November, 2015 and 13th February, 2016.

All the Members of Audit Committee are financially literate and have accounting knowledge to interpret and understand the financial statements. Mr. Sharwan Sehgal has been appointed as the Chairman of the Audit Committee in Board Meeting dated 13th August, 2016.

The Audit Committee meetings are held at the Registered Office of the Company and Statutory Auditor, Company Secretary and Head of Accounts Department are permanent invitees to the meetings. The terms of reference of the Audit Committee are specified on the pattern as contained in Section 177 of the Companies Act, 2013 and also in the SEBI (LODR) Regulations, 2015.

B. Stakeholder's Relationship Committee:

The Stakeholders' Relationship Committee has been constituted to look into and redress the Shareholders/ Investors grievances. All the members of the Committee are Non- Executive Independent Directors. The objective of Shareholders and Investors Grievance Committee to look into and redress shareholders/investors grievances relating to transfer of shares, non-receipt of declared dividend, annual reports, all such complaints directly concerning the shareholders/investors as stakeholders of the company, any such matters that may be considered necessary in relation to Shareholders/investors of the company. The committee oversees the performance of the Registrar and Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services.

Mrs. Aminder Kaur, Company Secretary is the Compliance Officer of the Committee. The Committee meets as and when required, to deal with the investor related matters etc. The terms of reference of the Stakeholders Relationship Committee are in accordance with the SEBI (LODR) Regulations, 2015 as amended from time to time.

To expedite the process of share transfers, the Board has delegated the powers of share transfer to the Registrars and Share Transfer Agent and share transfer formalities are approved by them on a fortnightly basis.

The Committee met 4 times during the financial year 2015-16 on 30th May, 2015, 14th August, 2015, 14th November, 2015 and 13th February, 2016.

Detail of Queries/grievances/requests, received and redressed by the Shareholder's Grievance Committee during 2015-2016:



It has also been noted that the shareholding in dematerialized mode as on March 31, 2016 was 94.22%.

C. NOMINATION & REMUNERATION COMMITTEE:

In accordance with requirements of Section 178 of the Companies Act, 2013 and the revised Clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange, the Board in its meeting held on April 18, 2014, has set up the Nomination and Remuneration Committee, the purpose of which is to oversee the nomination process for the top level management and the executive remuneration structure. The Committee identifies, screens and reviews individuals qualified to serve as executive directors, non-executive directors and independent directors consistent with criteria approved by the Board and recommends, for approval by the Board, nominees for election at the AGM. The Committee shall also review and discuss all matters pertaining to the compensation policy.

Mr. Jasbir Singh Bir is the Chairman of the Committee.

D. BUSINESS DEVELOPMENT AND RISK MANAGEMENT COMMITTEE

The Company has set up a Business Development and Risk Management Committee, the purpose of Committee is to look out for the new ventures/new business opportunities, for the long term growth of the Company, keeping in mind the future prospect of auto component business & overall automotive Industry as a whole and with regard to the identification, evaluation and mitigation of operational, strategic and environmental risks efficiently and effectively.

Meetings of Board Committees held during the year and Directors' Attendance:

	2013-14	2014-15	2015-16	2016-17
Meetings Held	4	4	0	0
Mr. Jasbir Singh Ryait	4	N.A.	N.A.	0
Mr. Surinder Singh Ryait	N.A.	N.A.	N.A.	0
Mr. Sanjeev Sethi*	4	4	0	N.A.
Mr. Jasbir Singh Bir	4	4	0	N.A.
Mr. Upkar Singh Ahuja	N.A.	4	0	N.A.
Mr. Iqbal Singh	4	N.A.	N.A.	N.A.
Mr. Anadi Sharma	N.A.	N.A.	N.A.	0
Mr. V.K. Sharma	N.A.	N.A.	N.A.	0
Mr. Sharwan Sehgal**	0	0	0	N.A.

N.A.: Not a member of the Committee

* resigned w.e.f July 1, 2016.

** appointed as member of the Audit Committee, Stakeholders' Relationship Committee and Nomination and Remuneration Committee w.e.f. August 13, 2016.

Mrs. Amninder Kaur, Company Secretary and Compliance Officer is the Secretary of all Board Committees constituted under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

6. GENERAL MEETINGS:

The details of General Meetings held during the last three financial years are given as follows:

Date/Time	Venue
30th September, 2015 at:	Regd. Off. G.S. Estate Road Ludhiana
30th September, 2014 at:	Regd. Off. G.S. Estate Road Ludhiana
30th September, 2013 at:	Regd. Off. G.S. Estate Road Ludhiana

At the last AGM held on 30.09.2014, two special resolutions were passed under Section 180 of the Companies Act, 2013 read with Companies (Meetings of Board and Its Powers) Rules, 2014.

All the resolutions including Special Resolutions set out in the respective notice were passed by the requisite majority of shareholders.

7. POSTAL BALLOT:

During the year, the members approved following matters by passing special resolution through Postal Ballot:

Description	Number of Shares	Percentage	Number of Votes	Percentage of Votes	Date
To alter the Objects Clause (Clause 5a) of the Memorandum of Association of the Company.	5912568	99.975	1461	0.025	June 1, 2015
To consider authorizing the Board to give on lease the whole or a part of the undertaking(s) of the Company.	5927068	99.955	2661	0.045	June 1, 2015

The Company successfully completed the process of obtaining approval of its shareholders for special resolutions on the items detailed above, vide postal ballot. Mr. Bhupesh Gupta of M/s. B.K. Gupta & Associates, Practicing Company Secretaries was appointed as the Scrutinizer for carrying out the postal ballot process in a fair and transparent manner.

Procedure for Postal Ballot:

In compliance with earlier Clause 35B of the Listing Agreement and Sections 108, 110 and other applicable provisions of the Companies Act, 2013 read with the related Rules, the Company provides electronic facility to all its members, to enable them to cast their votes electronically. The Company engages the services of NSDL for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or e-voting.

The Company dispatches the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose names appear on the register of members as on a cut-off date. The postal ballot notice is sent to members in electronic form to the email addresses registered with their depository participants/ the Company's Registrar and Share Transfer Agents. The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules. Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last date of e-voting.

The Scrutinizer submits his report to the Chairman, after the completion of scrutiny, and the consolidated results of the voting by postal ballot are then announced by the Chairman/ authorized officer. The results are also displayed on the website of the Company, www.esgroupindia.com, besides being communicated to the stock exchanges. The date of declaration of results by the Company is deemed to be date of passing of resolutions.

1. DISCLOSURES:

a) Corporate Governance Voluntary Guidelines 2009:

The Ministry of Corporate Affairs, Government of India, has issued the Corporate Governance Voluntary Guidelines 2009 keeping in view the objective of encouraging the use of better practices through voluntary adoption, which not only serve as a benchmark for the corporate sector but also help them in achieving the highest standard of corporate governance. The company is in substantial compliance with the Voluntarily Guidelines and it will always be the company's endeavour to attain the best practices in corporate governance.

b) Code of Conduct:

The Code has been laid down by the Board, which has been circulated to all the concerned and the same is also hosted on the website of the Company www.esgroupindia.com. As required under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013, all board members and senior management have affirmed compliance with this code. A declaration signed by the Managing Director to this effect is forming part of this report.

c) CEO/ CFO Certification:

The Chief Executive Officer and the Chief Financial Officer of the company have certified to the Board of Directors regarding the Financial Statements and matters related to internal control in prescribed format for the year ended 31st March, 2016, which is annexed to this report.

d) Accounting treatment in preparation of financial statements:

The company has followed the Accounting Standards prescribed by the Company (Accounting Standards Rules 2006) in preparation of its financial Statements.

e) Whistle Blower Policy:

The Company has adopted a Whistle Blower Policy (Vigil Mechanism) to provide a formal mechanism to the employees, to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Conduct or Ethics Policy, ensures timely and consistent organizational response, build and strengthen a culture of transparency and trust.

The Company has set up a direct touch initiatives, under which all the employees/ business associates have direct access to the Management. The policy provides for adequate safeguards against victimization of employees.

f) Related Party Transactions:

There was no material/ significant transactions with the Directors or the management and their relatives etc. that have any potential conflict with the Interest of the Company at large.

g) Details of non-compliance:

The Company has complied with all the requirements of the SEBI and the Stock Exchanges on the matters relating to the capital markets as applicable from time to time. There has been no instance of non-compliance by the company or penalty or strictures imposed on the company by the stock exchanges or SEBI or any statutory authority on any matter related to capital market, during the last three years.

h) Code for prevention of Insider Trading:

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations 2015, the company has adopted a Code for Prevention of Insider Trading. The objective of the code is to restrict an insider from dealing in the shares of the company either directly or indirectly when in possession of unpublished price sensitive information. The code is applicable to the directors and designated employees / persons associated with the company. The code enumerates the procedure to be followed for dealing in the shares of the company and periodic disclosures to be made. The Company also informs the stock exchange(s) periodically about the shareholdings of the directors as per the regulations.

i) Management Discussion and Analysis:

The Annual report has a detailed section on Management Discussion and Analysis.

j) Reconciliation of Share Capital Audit:

As stipulated by SEBI, a qualified practicing company secretary carries out share capital audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and report thereon is submitted to the Stock Exchanges.

k) Update Addresses:

To receive all communications promptly, please update your address with the Company or its Registrar.

l) Dealing with Registered Intermediaries:

Members must ensure that they deal with only SEBI registered intermediaries and must obtain a valid contract note/confirmation memo from the broker/sub-broker, within 24 hours of execution of the trade and it should be ensured that the contract note/confirmation memo contains order no., trade no., trade time, quantity, price and brokerage.

m) Compliance Report on Corporate Governance:

The Board of Directors periodically reviewed the compliance of all applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. The Company is in compliance with all mandatory requirements of listing

regulations. The Company has submitted quarterly compliance report on Corporate Governance with Stock Exchanges, in accordance with the requirements of Regulation 27(2)(a) of the Listing Regulations. Corporate Governance Report for the whole of financial year is given in table below:

Particulars Regulation Number Compliance Status		
Details of business	Yes	
Terms and conditions of appointment of independent directors	Yes	
Composition of various committees of board of directors	Yes	
Code of conduct of board of directors and senior management personnel	Yes	
Details of establishment of vigil mechanism/ Whistle Blower policy	Yes	
Criteria of making payments to non-executive directors	Yes	
Policy on dealing with related party transactions	Yes	
Policy for determining 'material' subsidiaries	Yes	
Details of familiarization programmes imparted to independent directors	Yes	
Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances	Yes	
Email address for grievance redressal and other relevant details	Yes	
Financial results	Yes	
Shareholding pattern	Yes	
Details of agreements entered into with the media companies and/or their associates	NA	
New name and the old name of the listed entity	NA	
II. Annual Affirmations:		
Particulars	Regulation Number	Compliance status (Yes / No / NA)
Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or eligibility'	16(1)(b) & 25(6)	Yes
Board composition	17(1)	Yes
Meeting of Board of directors	17(2)	Yes
Review of Compliance Reports	17(3)	Yes

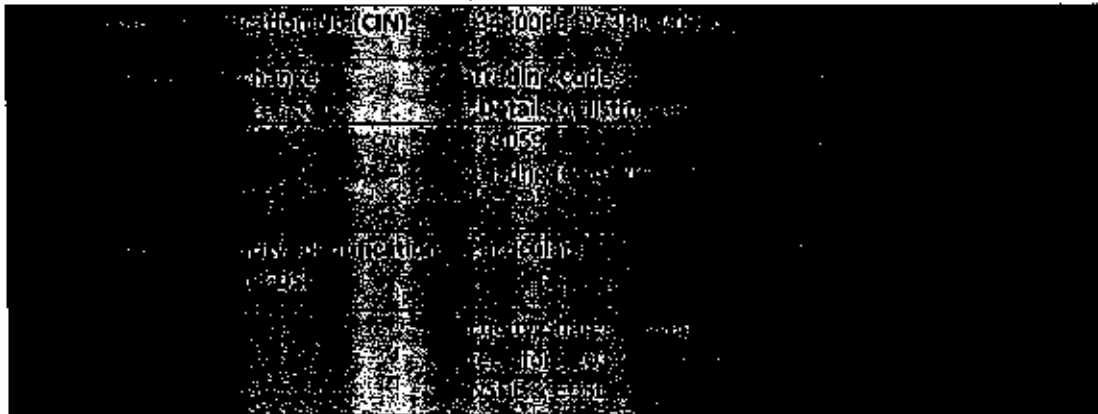
Plans for orderly succession for appointments	17(4)	Yes
Code of Conduct	17(5)	Yes
Fees/compensation	17(6)	Yes
Minimum Information	17(7)	Yes
Compliance Certificate	17(8)	Yes
Risk Assessment & Management	17(9)	Yes
Performance Evaluation of Independent Directors	17(10)	Yes
Composition of Audit Committee	18(1)	Yes
Meeting of Audit Committee	18(2)	Yes
Composition of nomination & remuneration committee	19(1) & (2)	Yes
Composition of Stakeholder Relationship Committee	20(1) & (2)	Yes
Composition and role of Risk Management Committee	21(1),(2),(3),(4)	Yes
Vigil Mechanism	22	Yes
Policy for Related Party Transactions	23(1),(5),(6),(7) & (8)	Yes
Prior or Omnibus approval of Audit Committee for all related party transactions	23(2), (3)	Yes
Approval for material related party transactions	23(4)	N.A.
Composition of Board of Directors of unlisted material Subsidiary	24(1)	Yes
Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6)	Yes
Maximum Directorship & Tenure	25(1) & (2)	Yes
Meeting of independent directors	25(3) & (4)	Yes
Familiarization of independent directors	25(7)	Yes
Memberships in Committees	26(1)	Yes
Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel	26(3)	Yes
Disclosure of Shareholding by Non-Executive Directors	26(4)	Yes
Policy with respect to Obligations of directors and senior management	26(2) & 26(5)	Yes

2. MEANS OF COMMUNICATION:

The Company communicates with the shareholders at large through its Annual Reports, publication of financial results, press releases in leading newspapers and by filing of various reports and returns with the Statutory Bodies like Stock Exchange and the Registrar of Companies. The Quarterly Financial Results are published in daily newspapers viz. "Business Standard" and "Desh Sewak".

3. GENERAL INFORMATION FOR SHAREHOLDERS:

a) Company Registration Details, Listing Details & ISIN Details:



b) 42nd Annual General Meeting:

Date: 30th September, 2016.

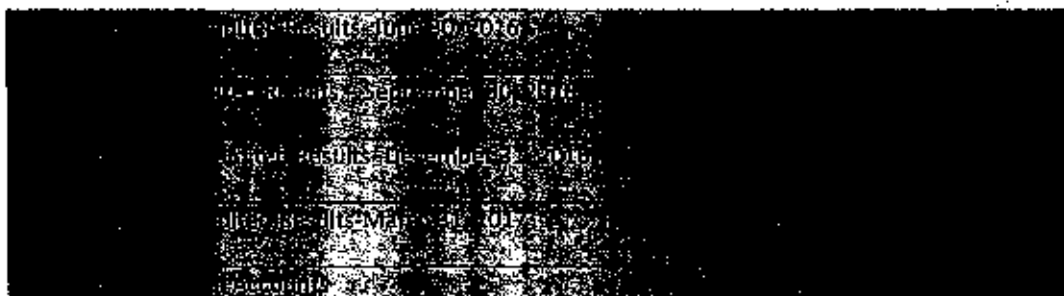
Time: 11.00 A.M.

Venue: Regd. Office, G.S. Estate, G.T. Road, Ludhlana.

c) Financial Year:

The financial year covers a period from 1st April to 31st March.

d) Financial Reporting for 2016-17 (Tentative):



e) Book Closure Date:

25.09.2016 to 30.09.2016 (both days inclusive)

f) Stock Market data:

The monthly-wise highest and lowest stock prices of BSE during the financial year 2015-16 is given below:

*Face value of Rs. 5/- per equity share.

Stock Market Data:

Month	High	Low	Open	Close	Volume
April' 2015	29094.61	26897.54	19	13.3	91,26,982
May' 2015	28071.16	26423.99	15.3	11.04	2,39,343
June' 2015	27968.75	26307.07	16	12	363636
July' 2015	28578.33	27416.39	19.6	13	1796524
Aug' 2015	28417.59	25298.42	25.4	14.4	1640678
Sept' 2015	26471.82	24833.54	17.65	14.8	159600
Oct' 2015	27618.14	26168.71	18.55	14.7	247503
Nov' 2015	26824.30	25451.42	19.3	14.95	352066
Dec' 2015	26256.42	24867.73	23	16	1017223
Jan' 2016	26197.27	23839.76	22.51	15.3	580667
Feb' 2016	25002.32	22494.61	18.4	12.55	162012
Mar' 2016	25479.62	23133.82	14.48	11.65	300302

g) Registrar & Transfer agent:

M/s Skyline Financial Services Pvt. Ltd. New Delhi is the Registrar and Share Transfer Agent of the company for handling the share transfer work in physical and electronic form. All correspondence relating to share transfer, transmissions, dematerialisation, rematerialisation etc. can be made at the following address: M/S Skyline Financial Services Pvt. Ltd., D/153A, Okhla Industrial Area, Phase 1, New Delhi- 110020, Phone: 011-64732681-88, 011-26812682-83, Fax No.: 011-26812682; E – Mail: admin@skylinerta.com.

h) Share Transfer System:

The Company processes the Share Transfer and other related Shareholders services through Registrar and Share Transfer Agent (RTA) on a fortnight basis. The share transfer in physical form is registered within 15 days from the date of receipt, provided the documents are complete in all respects. The Company has a Stakeholders' Relationship Committee, which considered and approves the share transfers and to resolve any query or problem in relation thereto.

i) Distribution of Shareholding as on 31st March, 2016:

j) Categories of equity shareholders as on 31st March, 2016:

Category	Number of Shares
Equity Shareholders	1,00,00,000
Preference Shareholders	1,00,00,000
Total	2,00,00,000

(k) Detail of Interim/Final Dividend Paid and Unclaimed:

The details of the interim/final dividend declared, paid and unclaimed is shown in the table below:

Year	Dividend Paid	Dividend Unclaimed
2015-16	1,00,00,000	1,00,00,000
2014-15	1,00,00,000	1,00,00,000

(l) Company Secretary/ Compliance Officer:

Mrs. Amninder Kaur, ACS is the Company Secretary and Compliance Officer of the Company.

(m) Plant Location:

- : (i) G.S. Estate, G.T. Road, Ludhiana.
- : (ii) M-09 Large Sector, Tata Kundra Main Road, Industrial Area, Adityapur Development Authority, Jamshedpur.

(n) Address for Correspondence:

Registered Office : G S Estate, G.T. Road, Ludhiana – 141010
Telephone : 0161-2511001-05
Fax : 0161-2511085
Web Site : www.gsgroupindia.com
E-mail ID : info@gsgroupindia.com exclusively for the redressal of investor's grievances.

Non Mandatory Requirements

Shareholder's Rights:

The quarterly results of the Company are published in one English and one Punjabi newspaper, having wide circulation in Punjab. In the view of forgoing, the half yearly results of the Company are not sent to the shareholders individually.

Audit Qualification:

It is always the company's endeavour to present unqualified financial statements. There is no audit qualification in the company's financial statements for the year ended 31st March, 2016.

Unclaimed Dividend:

No. Unclaimed dividend for the years prior to and including the financial year has been transferred to the General Revenue Account/ the Investor Education & Protection Fund (IEPF), established by the Central Government, as no amount due under the head.

Permanent Account Number:

SEBI has made it mandatory for every participant in the securities /capital market to furnish PAN Issued by the Income Tax dept. Accordingly all shareholders are required to submit their PAN along with a photocopy of both sides of the Pan card duly attested. Shareholders with shareholding in physical form are requested to send a copy of the PAN card of all holders (including joint holders) duly attested, by Notary Public/Gazetted Officer/ Bank manager under their official seal and stating their full name and address, folio no. to the company or its Registrar and STA. Shareholders holding shares in electronic form are required to furnish their PAN details to their Depository Participant with whom they maintain their account along with the documents as required by them.

Register Nominations:

To enable successors to get the shares transmitted in their favour without hassles, the members may register their nomination. Member(s) desirous of availing this facility may submit their nomination in Form SH-13 which can be obtained from Skyline Financial Services Private Limited (Registrar Cum Share Transfer Agent) at the address mentioned above. Members holding shares in Dematerialized form are requested to register their nomination directly with their respective DPs.

Consolidation of folios and avoidance of multiple mailing:

In order to enable the company to reduce costs and duplicity of efforts for providing services to Investors members who have more than one folio in the same order of names, are requested to consolidate their holdings as under one folio. Members may write to the registrar indicating the folio numbers to be consolidated along with the original share certificates to be consolidated.

Maintaining of Chairperson's office by Non-Executive Director:

No, as the Company has appointed Executive Director as Chairperson.

Declaration

To the Shareholders of G.S Auto International Limited.

Sub: Compliance with Code of Conduct

The Company has adopted a code of conduct which deals with governance practices expected to be followed by the Board members and senior management employees of the Company. Therefore, I hereby declare that all Board Members and Senior Management Personnel have affirmed compliance with 'Code of Conduct for Board & Senior Management Personnel' for the year ended 31st March, 2016.

By order of the Board
For G.S. Auto International Limited

Sd/-
Surinder Singh Ryalt
Managing Director
DIN: 00692792

Ludhiana: 13th August, 2016

Certificate on Compliance of Corporate Governance

The Members of
G.S.Auto International Limited,
Regd. Off. G.S.Estate, G T Road,
Ludhiana.

We have examined the compliance of conditions of Corporate Governance by G.S.Auto International Limited ('the Company'), for the year ended on 31st March, 2016, as stipulated in Clause 49 of the Listing Agreement and Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with the BSE Limited.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with the BSE Limited

We further state that this certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For & on behalf of
NANDA & BHATIA
Chartered Accountants
ICAI Firm Regn. No. 004342N

P.C.S. VIRDI
Partner
Membership No. 17056

Ludhiana: 13th August, 2016

To the Board of Directors of G.S.Auto International Limited certification by Chief Executive Officer/Managing Director and Chief Financial Officer of the company.

(Under Regulation 17 read with Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of G. S Auto International Limited, ("the Company") to the best of our knowledge and belief certify that:

- a) We have reviewed financial statement and the cash flow statement for the year 2015-16 and that to the best of our knowledge and belief:**
- i) these statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;**
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.**
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2015-16 which are fraudulent, illegal or violative of the Company's Code of Conduct.**
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the Internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.**
- d) We have indicated to the Auditors and the Audit Committee:**
- i) significant changes in internal control over financial reporting during the year;**
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statement; and**
 - iii) instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.**

Ludhiana: 13th August, 2016

Surinder Singh Ryait
Chief Executive Officer

Neeraj Tull
Chief Financial Officer

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A.2	Objective
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A.6	Coverage of Vigil Mechanism
A.7	Reporting Mechanism
A.8	Investigation
A.9	Maintaining Secrecy and Confidentiality
A.10	Management Decision
A.11	Communication
A.12	Company's Powers
A.13	Right to amendment

A.1 Introduction

G.S. Auto International Limited (hereafter referred to as "Company") believes in promoting a fair, transparent, ethical and professional work environment. While the Company has adopted the Code of Conduct which defines the expectations from employees in terms of their integrity and professional conduct, the vigil mechanism defines the mechanism for reporting deviations from the standards defined in the code. The mechanism is also intended to cover the Whistleblower Mechanism aspect of the SEBI's Listing Agreement.

Section 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 requires every listed company to establish a vigil mechanism/ whistle blower policy for the Directors and employees to report genuine concerns in such manner as may be prescribed. Clause 49 (II) (F) of the Amended Listing Agreement between Listed Companies and the Stock Exchanges, inter alia, provides for a mandatory requirement for all listed companies to establish a mechanism called 'Whistle Blower Policy' for employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the company's code of conduct or ethics policy. Accordingly, this Vigil Mechanism/ Whistleblower Policy ("the Policy") has been formulated with a view to provide a mechanism for employees of the Company to report to management instances of unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy.

A.2 Objective

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy to come forward and express these concerns without fear of punishment or unfair treatment. Accordingly, this Vigil Mechanism/ Whistleblower Policy ("the Policy") has been formulated with a view to provide a mechanism for employees of the Company to report to management instances of unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy.

A.3 Terms and References:

In the policy, the following terms shall have the following meanings:

- a) **Audit Committee:** An audit committee is an operating committee formed by the Board of Directors in accordance with Section 177 of the Companies Act 2013 and charged with oversight of financial reporting and disclosure.
- b) **Whistleblower:** An individual who makes a protected disclosure under this mechanism. This could be an Employee, Director, Vendor, Supplier, Dealer and Consultant, including Auditors and Advocates of the Company.
- c) **Policy:** "Policy" or "This Policy" means, "Vigil Mechanism/ Whistleblower Policy."

- d) **Protected Disclosure:** Any communication made in good faith that discloses or demonstrates evidence of any fraud or unethical activity within the Company.
- e) **Code of Conduct:** A code of Business Conduct and Ethics.
- f) **Board of Directors:** A body of elected or appointed members who jointly oversee the activities of the Company.
- g) **Ethics Officer:** An officer appointed to receive protected disclosures from whistle blowers, conducting investigation of the case, maintaining records thereof, placing the investigation report to the Audit Committee as the case may be, for its disposal and informing the Whistle Blower of the result thereof.
- h) **Selected employees of the Company** who are authorized to receive whistleblower complaints internally or through a third party helpline.
- i) **Investigators:** Selected employees or third parties charged with conducting investigations to ascertain the credibility of such whistleblower complaints.
- j) **Subject:** A person against whom, or in relation to whom a Protected Disclosure is made.
- k) **Disciplinary Action:** It means any action that can be taken on the completion of/ during the investigation proceedings including but not limiting to a warning, imposition of fine, Suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.

A.4 Guiding Principles:

To ensure effective implementation of vigil mechanism, the company shall:

- a. Ensure protection of the whistleblower against victimization for the disclosures made by him/her.
- b. Ensure complete confidentiality of the whistleblower identity and the information provided by him/her.
- c. Ensure that the protected disclosure is acted upon within specified timeframes and no evidence is concealed or destroyed.
- d. Ensure that the investigation is conducted honestly, neutrally and in an unbiased manner.
- e. Ensure whistleblower would not get involved in conducting any investigative activities other than as instructed or requested by Ethics Committee or Chairman of the Audit Committee.
- f. Ensure the subject or other involved persons in relation with the protected disclosure be given an opportunity to be heard.
- g. Ensure disciplinary actions are taken against anyone who conceals or destroys evidences related to protected disclosures made under this mechanism.

A.5 Protection Mechanism for whistleblower:

- a. A whistleblower would be given the option to keep his/ her identity anonymous while reporting an incident on Ethics Helpline. The company will make no attempt to discover the identity of an anonymous whistleblower.

- b. A whistleblower may make a Protected Disclosure without fear of retaliation or intimidation. The Audit Committee and the Ethics Committee would safeguard the whistleblower from any adverse action. This includes discrimination, victimization, retaliation, demotion, intimidation or adoption of any unfair employment practices.
- c. Any other employee serving as witness or assisting in the said investigation would also be protected to the same extent as the whistleblower.
- d. Protection under this mechanism would not mean protection from disciplinary action arising out of false allegations made by a whistleblower.

A.6 Coverage of the vigil mechanism

All employees, directors, vendors, suppliers, dealers and consultants, including auditors and advocates who are associated with the Company can raise concerns regarding malpractices and events which may negatively impact the company.

- a. Inaccuracy in maintaining the Company's books of account and financial records
- b. Financial misappropriation and fraud
- c. Procurement fraud
- d. Conflict of Interest
- e. False expense reimbursements
- f. Misuse of company assets & resources
- g. Inappropriate sharing of company sensitive information
- h. Corruption & bribery
- i. Insider trading
- j. Unfair trade practices & anti-competitive behaviour
- k. Non-adherence to safety guidelines
- l. Sexual harassment
- m. Child labor
- n. Discrimination in any form
- o. Violation of human rights

All matters not covered under this mechanism can be reported directly to your one over manager or your Human Resources contact.

A.7 Reporting Mechanism:

All Protected Disclosures should be made to the Audit Committee of the Company by letter addressed to the Chairman of the Audit Committee, marked "Protected disclosure under the Whistle Blower policy" and delivered at the following address:

The Chairman,
Audit Committee,
G.S. Auto International Limited,
G.S. Estate, G T Road, Ludhiana-141010.

If a Protected Disclosure is received by any executive of the Company other than Chairman of the Audit Committee, the same should be forwarded to the Chairman of the Audit Committee for further appropriate action.

Protected Disclosures should preferably be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English, Hindi or in the regional language of the place of employment of the Whistleblower.

The Protected Disclosure should be forwarded under a covering letter which may bear the identity of the Whistleblower. The Chairman of the Audit Committee shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.

Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern and the urgency of a preliminary investigative procedure.

The Whistleblower may disclose his/her identity in the covering letter forwarding such Protected Disclosure. Anonymous disclosures will also be entertained. However it may not be possible to interview the Whistleblowers and grant him/her protection under the policy.

A.8 Investigation

- a. The investigation would be carried out to determine the authenticity of the allegations and for fact-finding process.
- b. The investigation team should not consist of any member with possible involvement in the said allegation.
- c. During the course of the investigation:
 - i. Audit Committee will be given authority to take decisions related to the investigation.
 - ii. Any required information related to the scope of the allegation would be made available to the investigators.
- d. The findings of the investigation should be submitted to the Audit Committee by the investigator with all the supporting documents.

A.9 Maintaining secrecy and confidentiality

The Company expects individuals involved in the review or investigation to maintain complete confidentiality. Disciplinary action may be initiated against anyone found not complying with the below:

- a. Maintain complete confidentiality and secrecy of the matter.
- b. The matter should not be discussed in social gatherings or with individuals who are not involved in the review or investigation of the matter.
- c. The matter should only be discussed only to the extent or with the persons required for the purpose of completing the investigation.
- d. Ensure confidentiality of documents reviewed during the investigation should be maintained.
- e. Ensure secrecy of the whistleblower, subject, protected disclosure, investigation team and witnesses assisting in the investigation should be maintained.

A.10 Management decision

- a. The Audit committee shall recommend to the management of the Company to take such disciplinary or corrective action against the Subject as per the Company's disciplinary procedures and can also take legal action, if required.
- b. The decision of the management should be considered as final and no challenge against the decision would be entertained, unless additional information becomes available.
- c. In case of frivolous or false complaints, action may be taken against the complainant.

A.11 Communication:

A Vigil Mechanism/whistle Blower policy cannot be effective unless it is properly communicated to employees. Employees shall be appropriately informed about the same.

A.12 Company's Powers:

Whilst, the Company has made best efforts to define detailed procedures for implementation of this policy, there may be occasions when certain matters are not addressed or there may be ambiguity in the procedures. Such difficulties or ambiguities will be resolved in line with the broad intent of the policy. The Company may also establish further rules and procedures, from time to time, to give effect to the intent of this policy and further the objective of good corporate governance.

A.13 Right to amendment

The Company holds the right to amend or modify the policy. Any amendment or modification of the policy would be done by an appropriate authority as mandated in law. The updated Vigil mechanism would be shared with the employees, suppliers and vendors thereafter.

Preamble

Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement provide that the Board of Directors on the recommendation of Nomination and Remuneration Committee has to formulate Nomination and Remuneration Policy detailing therein *interalia*, the criteria for determining qualifications, positive attributes and Independence of a Director; remuneration for the Directors, Key Managerial Personnel and other employees; review of performance of non-independent directors and Chairman of the Board and performance evaluation of Independent Directors.

Accordingly, the Nomination and Remuneration Policy of G.S. Auto International Limited has been designed to keep pace with the dynamic business environment and market linked positioning. The Policy has been duly approved and adopted by the Board pursuant to recommendations of Nomination and Remuneration Committee of the Company.

Applicability

This Policy is Applicable to:

- (a) Directors (Executive, Non-Executive and Independent)
- (b) Key Managerial Personnel (KMP)
- (c) Senior Management Personnel
- (d) Other employees as may be decided by the Committee

Objective

The Policy provides for criteria for:

1. Determining qualifications, positive attributes and independence of a Director;
2. Performance evaluation of Independent Directors, non-independent Directors, Chairman and the Board;
3. Remuneration of Directors, Key Managerial Personnel, Senior Management Personnel and other employees, as may be decided by the Committee;
4. To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

Definitions

- "Act" means the Companies Act, 2013, Rules framed thereunder and any amendments thereto;
- "Board of Director" or "Board", means the collective body of the Directors of the company;
- "Company", "This Company", "The Company", "Company" wherever occur in the policy shall mean "G.S. Auto International Limited"
- "Independent Director" means a Director, referred to in section 149(6) of the act and Clause 49 of the Listing Agreement.
- "Key Managerial Personnel" means
 - a. the Chief Executive Officer or the Managing Director or the Manager and the Whole Time Director;
 - b. the Company Secretary;
 - c. the Chief Financial Officer;
 - d. and any other person appointed as the KMP by the Board of Directors of the Company;
- "Nomination and Remuneration Committee or committee" shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement.
- "Policy or This Policy" means, "Nomination and Remuneration Policy."

- "Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.
- "Senior Management" means Senior Management means the personnel of the Company who are members of its core management team and comprising all members of management one level below the Board/Executive Directors, including all the functional heads.

Guidelines

I. Nomination

Criteria for identifying persons who are qualified to be appointed as a Director/ KMP /Senior Management Personnel of the Company:

a. Directors

Any person who in the opinion of the Board is a person of integrity and possesses relevant expertise and Experience and is not disqualified in terms of Section 164 of the Companies Act, 2013 and other applicable provisions can be appointed as a Director of the Company.

b. Independent Directors

For appointment as Independent Director he/she should possess qualifications as mentioned in Rule 5 of The Companies (Appointment and Qualification of Directors) Rules, 2014. Further he/she should also fulfill the requirements of Section 149 (6) of the Companies Act, 2013 and clause 49 of Listing Agreement.

c. Senior Management Personnel and KMP and Other Employees

The Company has specific job descriptions for the various positions in the Organization Structure. The job descriptions detail the minimum qualifications and experience requirements of the specific position, including for KMP and other Senior Management Personnel, which commensurate with the size of its business and the nature and complexity of its operations. These positions will be filled internally as well as by lateral hiring. Any new recruit in the Company is to match the requirements prescribed for the position.

II. Remuneration

a. Provisions relating to remuneration of Managing Director, Key Managerial Personnel, Senior Management Personnel and other employees

The Managing Director, Key Managerial Personnel, Senior Management Personnel and other employees receive basic salary, allowances and other perquisites. The Company policy is that remuneration should be fair and reasonable and should be reflective of market competitiveness so as to attract the best talent. The following are the guiding factors: -

- o The scope of duties, the role and nature of responsibilities;
- o The level of skill, knowledge, experience, local factors and expectations of individual;
- o The Company's performance, long term strategy and availability of resources;
- o The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMPs, Senior Management Personnel and other employees of the quality required to run the Company successfully;
- o Relationship of remuneration to performance is clear and meets appropriate performance benchmark; and
- o The remuneration of Managing Director, Key Managerial Personnel and other Senior Management Personnel are determined and reviewed by Nomination and Remuneration

Committee, while the HR department reviews the remuneration of other employees. Any increase in the maximum aggregate remuneration payable beyond permissible limit under the Companies Act, 2013 shall be subject to the approval of the Shareholders' and/or of the Central Government, as may be applicable.

b. Provisions relating to remuneration of Non- Executive / Independent Director(s)

- The amount of sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force and as decided by the Board from time to time.
- The Non-Executive/ Independent Director(s) may also receive remuneration / compensation commission etc as per criteria/limit thereof prescribed under Companies Act, 2013 and rules made thereunder.
- Any increase in the maximum aggregate remuneration payable beyond permissible limit under the Companies Act, 2013 shall be subject to the approval of the Shareholders' and/or of the Central Government, as may be applicable.

III. Evaluation

Section 149 of the Companies Act, 2013 read with Schedule IV of the said Act and Clause 49 of Listing Agreement provides that the Independent Directors shall at its separate meeting review performance of non-independent directors, Chairperson of the Company and the Board as a whole. The performance evaluation of Independent Directors shall be done by the entire Board of Directors excluding the Director being evaluated.

The evaluation will be done on following parameters:

1. Role which he/she is expected to play, internal Board Relationships to make decisions objectively and collectively in the best interest of the Company to achieve organizational successes and harmonizing the Board;
2. Attendance and contribution at Board and Committee meetings;
3. Subject expertise, skills, behaviour, experience, leadership qualities, understanding of business and strategic direction to align company's values and standards;
4. Ability to monitor the performance of management and satisfy himself with integrity of the financial controls and systems in place by ensuring right level of contact with external stakeholders;
5. Vision on Corporate Governance and Corporate Social Responsibility;
6. Ability to create a performance culture that drives value creation and a high quality of discussions;
7. Effective decisions making ability to respond positively and constructively to implement the same to encourage more transparency;
8. Open channels of communication with executive management and other colleague on Board to maintain high standards of integrity;
9. Contribution to enhance overall brand image of the Company; Based on evaluation criteria, the Nomination & Remuneration Committee and the Board shall annually review the performance of the each and every Director.

Based on the rating of performance the Board can decide to extend or continue the term of appointment or to introduce new candidate as a member of the Board or Retirement of the member based on his/her performance rating. Disclosures The Company shall make the necessary disclosures of the policy in the Board Report as required under the Act and Listing Agreement.

Disclosures

The Company shall make the necessary disclosures of the policy in the Board Report as required under the Act and Listing Agreement.

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To
The Members
G S Auto International Limited
G S Estate, G T Road,
Ludhiana- 141010

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by G S Auto International Limited (hereinafter called the company.) Secretarial Audit was conducted in a manner that provided to us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31st March, 2016 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings: Not Applicable during the Audit Period
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999- Not Applicable during the audit period;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- Not Applicable during the audit period;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- Not Applicable during the audit period; and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- Not Applicable during the audit period;
- VI. We have relied on the representation made by the Company & its Officers for system and mechanism formed by the Company for compliances under other applicable Acts as Environmental Laws & Labour Laws as per list attached herewith.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange;

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has passed following special resolution which is having major bearing in the Company's affair in pursuance of above referred laws, rules, regulation, guidelines, standards, etc:-

- Company has conducted a postal ballot & E-Voting for the following matters:
 - i. To alter the Object Clause of the Memorandum of Association of the company.
 - ii. To authorize the Board to give on lease the whole or a part of the undertaking of the company.

For B.K. Gupta & Associates
Company Secretaries

Sd/-
(Bhupesh Gupta)
FCS No.:4590
CP No.: 5708

Ludhiana: 13th August, 2016

- ◆ Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

LIST OF LABOUR LAWS AND ENVIRONMENTAL LAWS WHICH HAVE BEEN VERIFIED DURING AUDIT PERIOD

List of Labour Laws

Factories Act, 1948
Industrial Disputes Act, 1947
The Payment of Wages Act, 1936
The Minimum Wages Act, 1948
Employee's State Insurance Act 1948
The Payment of Bonus Act, 1972
Employees Provident Fund and Miscellaneous Provisions Act, 1952

List of Environmental Laws

Environment (Protection) Act, 1986
The Public Liability Insurance Act, 1991
Water (Prevention and Control of Pollution) Act, 1974
Air (Prevention and Control of Pollution) Act, 1981
Hazardous Waste (Management, Handling and Transboundary Movements) Rules, 2008

The Members,
G S Auto International Limited
G S Estate, G T Road,
Ludhiana- 141010

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For B.K. Gupta & Associates
Company Secretaries

Sd/-
(Bhupesh Gupta)
FCS No.: 4590
C P No.: 5708

Ludhiana: 19th August, 2016

Information as per Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules 2014 forming part of the Director's Report for the year ended 31st March, 2016:

I) Conservation of Energy:

- a) Energy conservation measures taken: - Conservation of energy is a continuous process and further 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		(Rs. in lacs)	
		Financial Year 2015-16	Financial Year 2014-15
A.	Power & Fuel Consumption:		
1.	Electricity		
	a. Purchased Unit	15438918	15893580
	Total amount (Rs.)	1056.75	1124.72
	Rate/Unit	06.84	07.06
	b. Own Generation		
	Through Diesel Generator (Rs.)	76.53	171.63
	Unit per ltr	02.14	02.73
	Cost/Unit	22.73	20.98
2	Coal		
	Quantity (Tones)	03.470	01.500
	Total Cost (Rs.)	0.48	0.36
	Average Rate	13735.45	24208.67
3	HPS/LDO		
	Quantity (Tones)	351.876	300.060
	Total Cost (Rs.)	139.90	123.87
	Average Rate	39.77	41.29
4	Gas		
	Quantity (Tones)	33364	47633
	Total Cost (Rs.)	21.25	37.58
	Average Rate	63.69	78.90
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.

II) Technology Absorption:

Research and Development:

Research and Development efforts in a manufacturing Company like ours, is an ongoing process. It is not possible to determine the benefits derived as a result of above said Research & Development activities. Continuous efforts are being put in by ways of Research & Development activities in all the areas of manufacturing activities so to reduce the cost of major inputs such as steel, fuel & power etc.

Technology Absorption, Adaptation and Innovations:

The Company is carrying on its manufacturing operation by its in house technology generated. However Continuous efforts are being made on conservation of raw material by improving design and layout of dies. No technology has been imported during the last five years.

III) Foreign Exchange Earnings and Outgo:

- a) Activities relating to exports : During the year ended 31st March, 2016 the Export was at Rs.656.00 lacs (previous year Rs.791.59 lacs)
- b) Initiatives taken to increase exports, development of new exports markets for products, services, and exports plans : Vigorous efforts are taken by the marketing department for new multinational customers and other export markets in additions to its Customers and existing export markets.

c) Total Foreign Exchange Used and Earned (On Cash Basis)	(Rs. In lacs)	
	<u>Current Year</u>	<u>Previous Year</u>
Used	887.10	607.31
Earned	658.31	759.79

For and on behalf of the Board of Directors

Ludhiana: 13th August, 2016

Sd/-
Jasbir Singh Ryalt
Chairman
DIN:00104979

Sd/-
Surinder Singh Ryalt
Managing Director
DIN:00692792

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31st March, 2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION DETAILS:

i.	CIN	L34300PB1973PLC003301
ii.	Registration Date	29.06.1973
iii.	Name of the Company	G.S. Auto International Limited
iv.	Category/ Sub-Category of the Company	Automotive Components
v.	Address of the Registered Office and contact details	G.S. Estate, G.T. Road, Ludhiana-141010 Contact No.: 0161-2511001-05 Fax:0161-2510885 Email: arninder@esgroupindia.com
vi.	Whether listed company	Yes
vii.	Name, Address and Contact Details of Registrar and Transfer Agent	M/s Skyline Financial Services Pvt. Ltd. D-153 A, Okhla Industrial Area, Phase-1, New Delhi-110020 Phone: 011-64732681-88, 011-26812682-83, Fax No.: 011-26812682

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

Sr. No.	Name and description of main products/ services	NIC Code of the Product/ Service	% to total turnover of the Company
1.	Casting Components	24319	33.45%
2.	Manufacturing of Suspension Components	29301	57.52%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Bluebasic India Limited	U24297PB2015PLC039887	Subsidiary	75%	2(87)(ii)

IV. SHAREHOLDING PATTERN:

i) Category wise Shareholding:

Promoter and Promoter Group									
Indian									
Individuals/ Hindu Undivided Family	1685200	0	1685200	11.61	1685200	0	1685200	11.61	0.00
Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corporate	4368340	0	4368340	30.10	4368340	0	4368340	30.10	0.00
Financial Institutions/ Banks	0	0	0	0.00	0	0	0	0.00	0.00
Any Others(Specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total(A)(1)	6053540		6053540	41.71	6053540	0	6053540	41.71	0.00
Foreign									0.00
Individuals (Non-Residents)									
Individuals/ Foreign	0	0	0	0.00	0	0	0	0.00	0.00

Individuals)									
Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
Institutions	0	0	0	0.00	0	0	0	0.00	0.00
Any Others(Specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total(A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	6053540	0	6053540	41.71	6053540	0	6053540	41.71	0.00
Public shareholding								0.00	
Institutions								0.00	
Mutual Funds/UTI	0	0	0	0.00	0	0	0	0.00	0.00
Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (B)(1)	0	0	0	0.00	0	0	0	0.00	0.00
Non-Institutions			0	0.00			0	0.00	0.00
Bodies Corporate	2792269	1240	2793509	19.25	1043425	1240	1044665	7.20	-12.05
Individuals			0	0.00			0	0.00	0.00
Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	3620923	802540	4423463	30.48	4343385	796658	5140043	35.41	4.94
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	972949	40700	1013649	6.98	1803109	40700	1843809	12.70	5.72
Any Other (specify)			0	0.00			0	0.00	0.00

NRIs	59405	0	59405	0.41	78438	0	78438	0.54	0.13
Clearing House/ Public Trusts	0	0	0	0.00	0	0	0	0.00	0.00
Corporate Bodies	0	0	0	0.00	0	0	0	0.00	0.00
Intermediary/ other depository A/c	0	0	0	0.00	0	0	0	0.00	0.00
Hindu Undivided Family	145624	0	145624	1.00	346910	0	346910	2.39	1.39
Clearing Members	25390	0	25390	0.17	7175	0	7175	0.05	-0.13
Sub-Total (B)(2)	7616560	844480	8461040	58.29	7622442	838598	8461040	58.29	0.00
Total Public Shareholding (B) = (B)(1)+(B)(2)	7616560	844480	8461040	58.29	7622442	838598	8461040	58.29	0.00
TOTAL (A)+(B)	13670100	844480	14514580	100.00	13675982	838598	14514580	100.00	0.00
Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0.00	0	0	0	0.00	0.00
GRAND TOTAL (A)+(B)+(C)	13670100	844480	14514580	100.00	13675982	838598	14514580	100.00	0.00

ii) Shareholding of Promoters:

1	Jasbir Singh Ryait	580550	4.00	0	580550	4.00	0	0.00
2	Surinder Singh Ryait	654430	4.51	0	654430	4.51	0	0.00
3	Ranjodh Singh Ryait	181540	1.25	0	181540	1.25	0	0.00
4	Smt. Amarjit Kaur	123820	0.85	0	123820	0.85	0	0.00
5	Smt. Dalwinder Kaur	144860	1.00	0	144860	1.00	0	0.00
6	G.J. Holdings Private Limited	4368340	30.10	0	4368340	30.10	0	0.00
	Total	6053540	41.71	0	6053540	41.71	0	0.00

iii) Change In Promoters' Shareholding (Specify if there is no change):

To Promoters (including erstwhile promoters) and erstwhile Promoters (including erstwhile promoters) who have become promoters					
1	Jasbir Singh Ryait				
	At the beginning of the year	580550	4.00	580550	4.00
	Change in Shareholding during the year	No Change	-	-	-
	At the end of the year	580550	4.00	580550	4.00
2	Surinder Singh Ryait				
	At the beginning of the year	654430	4.51	654430	4.51
	Change in Shareholding during the year	No Change	-	-	-
	At the end of the year	654430	4.51	654430	4.51
3	Ranjodh Singh Ryait				
	At the beginning of the year	181540	1.51	181540	1.51
	Change in Shareholding during the year	No Change	-	-	-
	At the end of the year	181540	1.25	181540	1.25
4	Smt. Amarjit Kaur				
	At the beginning of the year	123820	0.85	123820	0.85
	Change in Shareholding during the year	No Change	-	-	-
	At the end of the year	123820	0.85	123820	0.85
5	Smt. Dalwinder Kaur				
	At the beginning of the year	144860	1.00	144860	1.00
	Change in Shareholding during the year	No Change	-	-	-
	At the end of the year	144860	1.00	144860	1.00
6	G.J. Holdings Private Limited				
	At the beginning of the year	4368340	30.10	4368340	30.10
	Change in Shareholding during the year	No Change	-	-	-
	At the end of the year	4368340	30.10	4368340	30.10

iv) Shareholding of Directors' and Key Managerial Personnel:

Shareholding of Directors' and Key Managerial Personnel					
As at 31.03.2023					
Particulars					
No. of Shares Held					
Percentage of Shareholding					
Total					
1	Jasbir Singh Byat				
	At the beginning of the year	580550	4.00	580550	4.00
	Changes during the year	No Change	-	-	-
	At the end of the year	580550	4.00	580550	4.00
2	Surinder Singh Byat				
	At the beginning of the year	654430	4.51	654430	4.51
	Changes during the year	No Change	-	-	-
	At the end of the year	654430	4.51	654430	4.51
3	Smt. Amarjit Kaur				
	At the beginning of the year	123820	0.85	123820	0.85
	Changes during the year	No Change	-	-	-
	At the end of the year	123820	0.85	123820	0.85
4	Smt. Dalwinder Kaur				
	At the beginning of the year	144860	1.00	144860	1.00
	Changes during the year	No Change	-	-	-
	At the end of the year	144860	1.00	144860	1.00
5	Mr. Jasbir Singh Bir				
	At the beginning of the year	0	0.00	0	0.00
	Changes during the year	No Change	-	-	-
	At the end of the year	0	0.00	0	0.00
6	Mr. Sanjeev Sethi				
	At the beginning of the year	0	0.00	0	0.00
	Changes during the year	No Change	-	-	-
	At the end of the year	0	0.00	0	0.00
7	Mr. Upkar Singh Ahuja				
	At the beginning of the year	0	0.00	0	0.00
	Changes during the year	No Change	-	-	-
	At the end of the year	0	0.00	0	0.00
8	Mr. Iqbal Singh				
	At the beginning of the year	0	0.00	0	0.00
	Changes during the year	No Change	-	-	-
	At the end of the year	0	0.00	0	0.00
9	Mr. Naveen Tuli				
	At the beginning of the year	0	0.00	0	0.00
	Changes during the year	No Change	-	-	-
	At the end of the year	0	0.00	0	0.00
10	Ms. Amninder Kaur				
	At the beginning of the year	0	0.00	0	0.00
	Changes during the year	No Change	-	-	-
	At the end of the year	0	0.00	0	0.00

v) Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):											
Sl. No.	CIN	Name of Shareholder	Number of Shares	Percentage	Date	Type of Transaction	Shareholding Pattern				
							Number of Shares	Percentage	Value		
1	IN30154914 209726	RUQSHAD DADABHOY	67325	0.46	31-03-2015						
					10-04-2015	3000	Purchase	70325	0.48		
					24-04-2015	33073	Purchase	103398	0.71		
					01-05-2015	1500	Purchase	104898	0.72		
					12-06-2015	4500	Purchase	109398	0.75		
					19-06-2015	5283	Purchase	114681	0.79		
					26-06-2015	717	Purchase	115398	0.8		
					14-08-2015	6000	Purchase	121398	0.84		
					20-11-2015	6000	Purchase	127398	0.88		
					31-12-2015	18000	Purchase	145398	1		
					11-03-2016	6000	Purchase	151398	1.04		
		151398	1.04	31-03-2016			151398	1.04			
2	IN30154914 209986	FL DADABHOY	64650	0.45	31-03-2015						
					03-04-2015	260	Purchase	64910	0.45		
					10-04-2015	4090	Purchase	69000	0.48		
					24-04-2015	25500	Purchase	94500	0.65		
					01-05-2015	1500	Purchase	96000	0.66		
					12-06-2015	3000	Purchase	99000	0.68		
					19-06-2015	6000	Purchase	105000	0.72		
					14-08-2015	3000	Purchase	108000	0.74		
					20-11-2015	12000	Purchase	120000	0.83		
					31-12-2015	24000	Purchase	144000	0.99		
					08-01-2016	6000	Purchase	150000	1.03		
		150000	1.03	31-03-2016	150000		150000	1.03			
3	120484000 0166224	GUNAVANTHK UMAR G VAID	0	0.00	31-03-2015						
					10-04-2015	13000	Purchase	13000	0.09		
					17-04-2015	26000	Purchase	39000	0.27		
					24-04-2015	69000	Purchase	108000	0.74		
					01-05-2015	29000	Purchase	137000	0.94		

					08-05-2015	2000	Purchase	139000	0.96
					26-06-2015	5427	Purchase	144427	1
					30-06-2015	3573	Purchase	148000	1.02
					24-07-2015	1000	Purchase	149000	1.03
					04-09-2015	-1000	Sale	148000	1.02
			148000	1.02	31-03-2016			148000	1.02
4	IN30154914 209734	P F DADABHOY	64650	0.45	31-03-2015				
					10-04-2015	4350	Purchase	69000	0.48
					24-04-2015	18000	Purchase	87000	0.6
					01-05-2015	1500	Purchase	88500	0.61
					12-06-2015	4500	Purchase	93000	0.64
					19-06-2015	3000	Purchase	96000	0.66
					14-08-2015	3000	Purchase	99000	0.68
					20-11-2015	9000	Purchase	108000	0.74
					31-12-2015	12000	Purchase	120000	0.83
			120000	0.83	31-03-2016			120000	0.83
5	IN30154914 209911	SHIRIN WATWANI	49606	0.34	31-03-2015				
					10-04-2015	4394	Purchase	54000	0.37
					24-04-2015	18000	Purchase	72000	0.5
					01-05-2015	1500	Purchase	73500	0.51
					12-06-2015	4500	Purchase	78000	0.54
					19-06-2015	5276	Purchase	83276	0.57
					26-06-2015	724	Purchase	84000	0.58
					14-08-2015	6000	Purchase	90000	0.62
					20-11-2015	6000	Purchase	96000	0.66
					31-12-2015	18000	Purchase	114000	0.79
					11-03-2016	6000	Purchase	120000	0.83
			120000		31-03-2016			120000	0.83
6	IN30154914 210959	N F DADABHOY	49650	0.34	31-03-2015				
					10-04-2015	4348	Purchase	53998	0.37
					17-04-2015	2	Purchase	54000	0.37
					24-04-2015	18000	Purchase	72000	0.5
					01-05-2015	1500	Purchase	73500	0.51
					12-06-2015	4500	Purchase	78000	0.54
					19-06-2015	5204	Purchase	83204	0.57
					26-06-2015	796	Purchase	84000	0.58
					14-08-2015	6000	Purchase	90000	0.62
					20-11-2015	6000	Purchase	96000	0.66
					31-12-2015	18000	Purchase	114000	0.79
					11-03-2016	6000	Purchase	120000	0.83
			120000	0.83	31-03-2016			120000	0.83
7	IN30352610 001138	GRD SECURITIES LTD.	0	0.00	31-03-2015				
					07-08-2015	25000	Purchase	25000	0.17
					21-08-2015	15000	Purchase	40000	0.28

					04-12-2015	-10000	Sale	30000	0.21
					11-12-2015	2981	Purchase	32981	0.23
					25-12-2015	-1772	Sale	31209	0.22
					08-01-2016	-5000	Sale	26209	0.18
					29-01-2016	90000	Purchase	116209	0.8
					19-02-2016	-1209	Sale	115000	0.79
			115000	0.79	31-03-2016	1650	Purchase	115000	0.79
8	120118000 0014082	AJAY BHASKAR	137000	0.94	31-03-2015				
					31-07-2015	-24000	Sale	113000	0.78
			113000	0.78	31-03-2016	113000	Purchase	113000	0.78
9	IN30114310 427364	GALA FINANCE AND INVESTMENT LTD	0	0.00	31-03-2015				
					04-03-2016	81452	Purchase	81452	0.56
			81452	0.56	31-03-2016	81452			
10	IN30114310 031695	SHIVALIK SECURITIES LTD	0	0.00	31-03-2015				
					12-06-2015	64205	Purchase	64205	0.44
			64205	0.44					
11	IN30114310 095924	MASTER CAPITAL SERVICES LTD	263099	1.81	31-03-2015				
					10-04-2015	7654	Purchase	270753	1.87
					17-04-2015	-7257	Sale	263496	1.82
					24-04-2015	-1426	Sale	262070	1.81
					01-05-2015	1730	Purchase	263800	1.82
					08-05-2015	-1100	Sale	262700	1.81
					15-05-2015	-755	Sale	261945	1.8
					22-05-2015	-432	Sale	261513	1.8
					29-05-2015	-2794	Sale	258719	1.78
					05-06-2015	-1000	Sale	257719	1.78
					12-06-2015	-65672	Sale	192047	1.32
					19-06-2015	-590	Sale	191457	1.32
					26-06-2015	-3200	Sale	188257	1.3
					30-06-2015	-24768	Sale	163489	1.13
					03-07-2015	349	Purchase	163838	1.13
					10-07-2015	-2100	Sale	161738	1.11
					17-07-2015	-1364	Sale	160374	1.1
					24-07-2015	61	Purchase	160435	1.11
					31-07-2015	-950	Sale	159485	1.1
					07-08-2015	-3650	Sale	155835	1.07
					14-08-2015	400	Purchase	156235	1.08
					21-08-2015	-233	Sale	156002	1.07
					28-08-2015	4108	Purchase	160110	1.1

					04-09-2015	-6676	Sale	153434	1.06
					11-09-2015	547	Purchase	153981	1.06
					30-09-2015	-500	Sale	153481	1.06
					09-10-2015	-496	Sale	152985	1.05
					16-10-2015	643	Purchase	153628	1.06
					23-10-2015	1700	Purchase	155328	1.07
					30-10-2015	100	Purchase	155428	1.07
					06-11-2015	807	Purchase	156235	1.08
					13-11-2015	-250	Sale	155985	1.07
					20-11-2015	-5550	Sale	150435	1.04
					27-11-2015	-728	Sale	149707	1.03
					04-12-2015	200	Purchase	149907	1.03
					11-12-2015	-95	Sale	149812	1.03
					18-12-2015	-130	Sale	149682	1.03
					25-12-2015	-2663	Sale	147019	1.01
					31-12-2015	-200	Sale	146819	1.01
					08-01-2016	-2100	Sale	144719	1
					15-01-2016	-566	Sale	144153	0.99
					22-01-2016	1274	Purchase	145427	1
					29-01-2016	-4563	Sale	140864	0.97
					05-02-2016	6725	Purchase	147589	1.02
					12-02-2016	943	Purchase	148532	1.02
					19-02-2016	-2021	Sale	146511	1.01
					26-02-2016	750	Purchase	147261	1.01
					04-03-2016	-82957	Sale	64304	0.44
					11-03-2016	1010	Purchase	65314	0.45
					18-03-2016	-1375	Sale	63939	0.44
					25-03-2016	151	Purchase	64090	0.44
					31-03-2016	100	Purchase	64190	0.44
			64190	0.442245	31-03-2016				
12	IN30109810 763738	SUKHWANI GHANSHYAM JHANGALDAS	50000	0.344481	31-03-2015				
					31-03-2016		No Change	50000	0.344 5
			50000	0.344481	31-03-2016				
13	120527000 0000441	ATLURI HARI LEELA	56000	0.385819	31-03-2015				
					08-01-2016	-10000	Sale	46000	0.316 9
			46000	0.316923	31-03-2016				

V. INDEBTEDNESS:

Indebtedness of the Company including Interest outstanding/ accrued but not due for payment:-

	Secured Loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i. Principal Amount	554647073.49	668062.00	-	555315135.49
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	554647073.49	668062.00	-	555315135.49
Change in Indebtedness during the financial year				
• Addition	592700.00	00.00	-	592700.00
• Reduction	76936130.63	668062.00	-	77604192.63
Net Change	(76343430.63)	(668062.00)	-	(77011492.63)
Indebtedness at the end of the financial year				
i. Principal Amount	478303642.86	00.00	-	478303642.86
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	478303642.86	00.00	0.00	478303642.86

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration of Managing Director, Whole Time Director and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTD				Total Amount
		Mr. Jasbir Singh Ryait	Mr. Surinder Singh Ryait	Ms. Dalvinder Kaur Ryait	Ms. Amarjeet Kaur Ryait	
1.	Gross Salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961.	3322200.00	2860200.00	1508400.00	1508400.00	9199200.00
	(b) Value of Perquisites u/s 17(2) of Income Tax Act, 1961					
	(c) Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	287140.00	280490.00	-----	-----	567630.00
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-

4.	Commission - As % of profit - Others, specify	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
	Total (A)	3609340.00	3140690.00	1508400.00	1508400.00	9766830.00
	Ceiling as per the Act					160.00 Lacs

B. Remuneration to other Directors:

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
	Independent Directors • Fee for attending board/ committee meetings • Commission • Others, please specify	-	-	-	-
	Total	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-

C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD:

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Chief Financial Officer	Company Secretary	
1.	Gross Salary (d) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961. (e) Value of Perquisites u/s 17(2) of Income Tax Act, 1961 (f) Profits In lieu of salary under Section 17(3) of Income Tax Act, 1961	970020.00	269545.00	1239565.00
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - As % of profit - Others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	970020.00	269545.00	1239565.00

VII. PENALTIES/ PUNISHMENT/COMPOUNDING OF OFFENCES:-

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty			N.A.		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			N.A.		
Punishment					
Compounding					
D. OTHER OFFICERS IN DEFAULT					
Penalty			N.A.		
Punishment					
Compounding					

Management Discussion and Analysis:

Overview:

The global economy grew at a sluggish pace in financial year (FY) 2015-16, though the US economy strengthened and certain regions of the Eurozone witnessed growth, overall, the world economy in both emerging and developed markets witnessed sluggish growth and subdued performance, primarily impacted by the developments in the commodities sector, especially the fall in oil prices, monetary policy decisions across countries, sharper-than-expected slowdown in the Chinese economy further causes to reduced commodity prices and a volatile financial and political environment in emerging markets. The subdued performance was mainly due to the continuing deceleration of economic activity in emerging and developing economies amid weakening commodity prices, global trade and capital flows.

The outlook for the global growth remains muted as major macroeconomic realignments are affecting prospects differentially across countries and regions. Global growth has continued to remain sluggish in 2015, slowing to 2.4% compared to 2.6% in 2014. The World Bank's projection for global growth for calendar year (CY) 2016 is expected to be modest; 2.4% primarily on account of a lower-than-expected recovery in advanced economies. The recovery is projected to improve marginally in calendar year 2017. The silver lining came from strong economic recovery in major high-income countries last year. This has been increasingly driven by stronger domestic demand, particularly in the United States, supported by robust consumption and investment in the non-oil private sector. The US Government is incentivising domestic manufacturing with the intention of bringing back the jobs lost to low cost countries.

For the year under review, improvement in Indian economy and urban demand helped to drive growth in the automotive industry. The rural economy continued to be under pressure for the second consecutive year because of deficit monsoon. This had an adverse impact on the domestic rural demand for various vehicles.

In financial year (FY) 2015-16, India was fastest-growing economy ahead of China, it has been mainly confined to sectors of a consumption-led growth. India's GDP grew by 7.6% in financial year 2015-16 primarily aided by policy initiatives of the Government of India, despite contraction of global exports and two consecutive years of inadequate rainfall and will further improve marginally in FY 2017-18 to 7.7%. The International Monetary Fund (IMF) has predicted a growth of 7.50% for FY16 and FY17 for India, while it expects the world economy to grow at 3.20% and 3.50% for FY16 & FY17, respectively. It is encouraging that the Indian Government has announced an ambitious plan to invest substantially to expand the capacity of the Indian Railways and modernise its infrastructure. Similarly, infrastructure development, especially the construction of national highways, has been declared a focus area. If resource mobilization and implementation happen according to plan, these initiatives can stimulate demand in key sectors. The Government of India is focusing on strengthening the economy with various reform measures; and is aiming to improve both social and physical infrastructure in order to set structural drivers for long-term sustainable economic growth. In India, lower commodity prices and a relatively tight monetary stance have resulted in a faster than expected fall in inflation, making room for nominal interest rate cut. For FY16, the Index of Industrial Production (IIP) witnessed a growth of 2.4% against a growth of 2.8% in FY15. Manufacturing, which is the largest segment, grew 2% in FY16 against 2.3% last year. The Government through a continued focus on various initiatives and increased spending is trying to revive the manufacturing industry. Industrial production in FY17 is expected to pick up on the back of increased infrastructure spending by government, improvement in consumer and capital goods segments coupled with lower energy prices and higher real incomes continue to support private consumption. As a company we are familiar with business cycles and have developed the staying power to survive tough times.

Global Automotive Industry

The global automotive industry is in the middle of a far-reaching and widespread transformation. It is facing stringent regulatory requirements and shift from a product-centric past to a customer-centric future. In the CY 2015, global automotive sales for passenger and commercial vehicles stood at a record 89.6 million, which was a growth of 2.0% over the previous year. Source: OICA (Organisation Internationale des Constructeurs d'Automobiles). The European auto industry is witnessing a positive trend in volumes both in the passenger car and heavy truck markets, driven largely by the economic recovery in the EU countries and low fuel prices, on back of a 9.4% growth by EU15 countries.

China retained the distinction of being the world's largest automotive market for the 7th consecutive year with total sales of 24.6 million vehicles, a growth of 4.7%. The emerging economies are seeing some demand constraints. However, slowdown in the Chinese economy has impacted the auto industry growth in the last two years. There has been a considerable de-growth in the auto industry of other emerging countries also. The US market has recovered fully to attain all time high sales of 17.47 million vehicles, with a growth of 5.7% in 2015. The automotive markets in Brazil and Russia continued to decline for the third consecutive year.

Automobile Production Trends (Heavy Commercial Vehicles):

Units	CY2013	CY2014	CY2015
US Trucks data	249,412	297,120	321,000
Europe Trucks data	238,697	225,140	266,552

Source: ACT Research, European Automobile Manufacturer's Association (ACEA).

Indian Automotive Industry-Structure and Developments

Financial year 2016 saw the Indian automobile industry maintain positive growth across all the segments, with the industry (excluding 2W) growing 7.10%. The passenger vehicle (PV) segment, in particular, witnessed a growth of 7.20% and overall commercial vehicle (CV) segment, witnessed a high growth of 11.50% during the year, mainly driven by new launches. This growth was driven by strong fleet replacement due to stricter emission norms for old vehicles and mandatory adoption of safety devices on all new trucking platforms and renewal demand on the back of the improving profitability for operators on declining diesel prices; lower interest cost and firm freight rates, as well as, some demand escalation from high tonnage trucks in the mining and construction sectors also remained robust.

India's automobile industry was the lone star among emerging economies, as it experienced another good year. The Indian automotive industry comprises of, a large number of Indian-origin and multinational players with varying degrees of presence in different segments. Today, almost all the global automotive manufacturers have a presence in India which clearly points to India's importance as a strategic market. Many leading automotive MNCs have established in India the development centers and are developing and launching India specific products. At the same time, they are increasingly using India as an export base too.

The Society of Indian Automobile Manufacturers (SIAM) has predicted a growth rate of 6-8% in FY17 for the overall PV segment. ICRA has also expects domestic PV sales to grow by 8.8 to 9.50% in FY 17 backed by replacement demand and off take from first time buyers, coupled with the improving economic environment. Both SIAM and ICRA have predicted M&HCV to be flag-bearer of the Commercial Vehicle (CV) segment with a growth rate of 12-15% in FY17, driven by replacement demand of ageing fleet, pre buying before BS-IV gets implemented across India, increased focus on infrastructure growth, improved spending on National Highways and lifting off the ban on sand mining in various regions.

Further, prediction by the Indian Meteorological Department (IMD) of an above-average monsoon is expected to revive rural demand. Announcement of the 7th Pay Commission of wage hikes, easing of interest rates and rising disposable incomes in the hands of individuals will provide further fillip to demand. OEMs have lined up a slew of new launches for FY17, which, coupled with lucrative customer incentives, will boost the demand for the overall automotive industry.

India has the largest population of young people in the world, yet a low vehicle penetration of passenger vehicle (32 vehicles per 1,000 people in 2005) makes it one of the world's most attractive markets. The domestic demand for automobiles is likely to be determined by improving economic fundamentals; lowering interest rates and increased public sector spend on infrastructure led by improving consumer confidence. Owing to its unique demographics dividend, and government initiatives such as Make in India and smart cities, a proposal to implement scrappage policy across all vehicle class, stricter emission norms and increased profitability of fleet operators is expected to support the replacement demand in the future. A pick-up in demand from infrastructure and industrial sectors in view of Government's reforms, as well as the initiative to expand the network of roads and highways is expected to keep the commercial vehicle segment on a good growth trajectory. The Indian auto industry holds immense growth potential. According to E&Y analysis, India's PVs are expected to grow from around 29mn during 2015 to more than 48mn vehicles by 2020.

The government's thrust on 'Make in India', with a view to transform India into a manufacturing and technology hub, has attracted foreign direct investment (FDI) into the automotive sector. The industry has seen investments from both global and local Original Equipment Manufacturers (OEM) with the effect of building and expanding its capacity and its research and development activities.

Further, with the passage of the Goods & Services Tax (GST) bill in the upper house to amend the Constitution, paving the way for what is popularly referred to as the concept of "one nation, one tax, will open enough opportunities for the auto component industry, which has good presence in the after sales market (Replacement Market).

"GS", in particular, is facing tough challenges, primarily to improve its overall margins along with the stabilizing of its new manufacturing unit at Jamshedpur. The delay in the implementation of the second phase of the said project is negatively impacting the overall margins, overall turnover and overall liquidity position of the company to a great extent. However, we are hopeful of completing the second phase of the Jamshedpur plant at the earliest which will improve the overall financial position and overall margins of the company in the days to come, upon the successful completion of the second phase of the Jamshedpur plant.

Automotive Mission Plan (AMP) - auto component sector to be \$150 bn by 2026

The AMP 2026 envisages that the Indian automotive industry will grow 3.5-4 times in value from its current level of output by 2026, comprising over 12% of the national GDP. By 2026, India would stand first in the world in production and sale of small cars, two wheelers, tractors and buses and third in passenger vehicles and heavy trucks.

Vehicle sales are expected to touch 66 million units by FY26. To achieve this projection, the auto industry will require additional investments of Rs. 4.50 to 5.50 trillion. The growth of the automotive market will translate into huge potential for the auto component sector. According to AMP 2016-26, the auto component sector is expected to grow at a CAGR of 13% from \$38 billion in FY15 to more than \$150 billion by 2026.

The overall passenger vehicle segment grew by 7.20% as compared to previous FY 2014-15 with an all-time high volume of 27.90 lacs vehicles. The overall commercial vehicle segment had shown a healthy growth of 11.50% over the previous year FY, with the volume of 6.86 lacs vehicles. This gap is largely due to the prolonged slowdown in the LCV < 2T segment, that continues to suffer due to overall slowdown in the rural economy. The demand in automobiles was primarily driven due to growth in the Indian economy, coupled with moderate inflation and low commodity prices. The easing of monetary policy by RBI helped the affordability of finance. In the Financial Year 2015-16, perhaps the only pain point for the automotive industry was the deep slowdown in rural economy, which had adversely impacted the demand for LCVs < 3.5T, vans and motorcycles. In the PV segment, Cars grew 7.90% while the UV segment grew 6.3%.

Multiple launches in both cars and UVs were the key drivers for PV Growth. The Medium and Heavy Commercial Vehicle Goods Segment (MHCV) continued on the recovery started in the Financial Year 2014-15 and posted a robust growth of 29.90% in Financial Year 2015-16. This growth is driven by the replacement demand, revival in mining and manufacturing sectors and uptick in the infrastructure sector.

However, in spite of two consecutive years of good growth, the MHCV industry is below the peak volume of Financial Year 2011-12. The LCV Goods < 3.5T segment continued to be under pressure due to the prolonged slowdown in rural economy. The PIK-UP segment (LCV 2 to 3.5T) grew 3.50% over the previous year but the volumes are also lower than the all-time high in Financial Year 2013-14. The LCV < 2T segment reported positive growth in the fourth quarter of the Financial Year 2015-16 after consecutive quarters of decline. The growth in the two wheeler industry was subdued at mere 3% (as compared to app. more than 7% from the past several years). The motorcycles remains all-most flat as compared to previous year on account of weak rural demand. The scooter segment grew by 11.80% driven by urban demand. The share of scooters in total two wheelers has grown from 13% in the FY 2005-06 to 31% in FY 2015-16.

The table below shows the size of various segments of the Indian auto industry and their growth rates spanning financial year 2013-14 to financial year 2015-16:-

Segment	Auto Industry (Domestic Sales)			YOY Growth		
	FY 2014	FY 2015	FY 2016	FY 2014	FY 2015	FY 2016
Cars	17,86,826	18,77,706	20,25,479	-4.70%	5.10%	7.90%
Utility Vehicles	5,25,839	5,52,135	5,86,164	-5.00%	5.00%	6.30%
Vans	1,90,844	1,71,395	1,77,535	-19.60%	-10.20%	3.60%
Total Passenger Vehicles	25,03,509	26,01,236	27,89,678	-6.10%	3.90%	7.20%
MHCV	2,00,500	2,32,755	3,02,373	-25.40%	16.10%	29.90%
MHCV Passenger	38,709	36,837	43,885	-17.50%	-4.80%	19.10%
M+LCV Goods	73,679	70,305	88,591	-30.20%	-4.60%	26.00%
HCV Goods	88,112	1,25,613	1,69,897	-24.20%	42.60%	35.30%
LCV	4,32,233	3,82,193	3,83,331	-17.60%	-11.60%	0.30%
LCV Passenger	42,808	44,816	48,960	-10.60%	4.70%	9.20%
LCV Goods<2T GVW	1,66,974	1,31,455	1,26,560	-32.50%	-21.30%	-11.30%
LCV Goods 2 to 3.50 GVW	1,93,025	1,77,132	1,83,424	1.40%	-8.20%	3.50%
LCV Goods > 3.5T GVW	29,414	28,790	34,397	-24.20%	-2.10%	19.50%
Total Commercial Vehicles	6,32,721	6,14,948	6,85,704	-20.20%	-2.80%	11.50%
3W Passenger	3,85,384	4,31,984	4,41,091	-12.60%	12.10%	2.10%
3W Goods	94,701	1,00,642	97,001	-2.50%	6.30%	-3.60%
Total 3 Wheelers	4,80,085	5,32,626	5,38,092	-10.80%	10.90%	1.00%
Scooters	36,02,744	45,00,920	50,31,678	23.20%	24.90%	11.80%
Motor Cycle	1,04,79,817	1,07,26,013	1,07,00,466	3.90%	2.30%	-0.20%
Mopeds	7,22,920	7,48,628	7,23,767	-8.30%	3.60%	-3.30%
Total 2 Wheelers	1,48,05,481	1,59,75,561	1,64,55,911	7.30%	7.90%	3.00%
Total Domestic	1,84,21,796	1,97,24,371	2,04,69,385	3.50%	7.10%	3.80%
Domestic (Excl.2W)	36,16,315	37,48,810	40,13,474	-9.50%	3.70%	7.10%

Source: Society of Indian Automobile Manufacturers (SIAM)

About The Company:

Your Company is presently manufacturing auto components for commercial vehicles only. After the successful completion of the first phase of the commercial production of the Jamshedpur plant, your Company is working to increase its share in the other segments of automobile market, i.e other than Commercial vehicles, so to improve its overall growth rate. The delay in the implementation of the second phase of the Jamshedpur plant, had negatively impacting the overall product diversification (due to lower capacity installation), overall growth in the company, overall margins and overall liquidity position of the Company.

Once the second phase at Jamshedpur will successfully complete, there will be a turnaround in the overall margins & improvement in the liquidity position of the Company.

During the year under consideration, the company had leased out, one of its manufacturing (Unit-III), to one of its group concern w.e.f 01st December, 2015.

We are manufacturing three categories of auto components, namely:-

1. Casting Components
 - a) Ferrous Casting (Spheroidal Graphite Cast Iron)
 - b) Non-Ferrous Casting

2. Machined Auto Components
3. Forged Auto Components

Further, your company is supplying, almost all its products in all the three verticals of automobile industry namely:-

1. Original Equipment Manufacturers (OEM)
- 2 After Sales Market (Replacement Market)
- 3 Exports Market

Company's Financial Performance and Operational Performance:

The Revenue from operations (Net) during the year, shows an increase of 5.54% to Rs.16385.56 lacs, as compared to the previous year of Rs.15525.50 lacs, mainly due to increase in the capacity utilization at the Jamshedpur plant. However it is pertinent to mention here that the company had leased out its third unit to one of its group concern w.e.f 01st December, 2015, hence the figures of the current year are not strictly comparable. However, Due to delay in the implementation of the second phase of the Jamshedpur plant, there was not ramp up in the capacity utilization, which has further impacted the overall profit margins & overall pressure on the liquidity position of the Company, which hopefully will be improved once the second phase of the Jamshedpur plant implemented.

In spite of overall margin pressures, due to increase in finance cost & increase in the depreciation, the EBITDA margins were improved in the current year to 4.98% of the revenue from operations as compared to 2.69% of the revenue from operations (net) of the previous year, mainly due to better capacity utilisation and reduction in the overall commodity prices. However, there was increase in overall financial cost due to pending valued added tax refund, from the Punjab Government, of Rs.360.84 lacs as at 31st Mach, 2016 compared to previous year of Rs.466.75 lacs.

Financial Information (On Standalone Basis):

Fixed Assets:

Particulars	As At 31 st March, 2016		As At 31 st March, 2015		(Rs. In lacs)	
	Amount	% to Revenue from Operations (Net)	Amount	% to Revenue from Operations (Net)	Inc/(Dec)	%
Gross Block at the beginning of the year	7994.32	48.78	7129.74	45.92		02.86
Additions made during the year (Including exchange differences)	712.70	4.35	880.28	5.67		(01.32)
Deductions during the year	49.19	0.30	15.70	0.10		00.20
Gross Fixed Assets at the Close of the year	8657.83	52.83	7994.32	51.49		01.34
Less: Accumulated Depreciation at the beginning of the year	2177.48		1713.05			
Less:- Depreciation and Amortization for the year	498.26		474.74			
Less:- Deductions/Adjustments during the year	39.36		10.31			
Net Block at the Close of the year (a)	6021.45	36.75	5816.84	37.47		(00.72)
Capital Work in Progress (b)	333.13	02.03	684.67	04.41		(02.38)
Total Fixed Assets (Including Capital Work in Progress) (a) + (b)	6354.58	38.78	6501.51	41.88		(03.10)

Company is continuously in the process of adding to its capacities for the long term growth prospectus of the Company. During the year under review the Company has made an investment of Rs.712.70 lacs (including Rs.133.57 lacs on account of exchange difference & Rs.13.06 lacs on account of vehicles additions) (previous year Rs.880.28 lacs, including Rs.104.90 lacs on account of exchange difference & Rs.43.18 lacs on account of vehicles additions) in the fixed assets, for the various capacity additions in different products & investments in the Intangible Asset of Rs.NIL (previous year Rs.NIL). The Capital work in progress is on account of new manufacturing unit at Jamshedpur, which is under construction. (See Note No.48 to the notes to financial statements, for capital work in progress).

Inventories:

Particulars	(Rs. in lacs)				
	As At 31 st March, 2016		As At 31 st March, 2015		Inc/(Dec)
	Amount	%	Amount	%	%
Raw Material and Components as a % of cost of material consumed	492.03	06.96	689.70	10.05	(03.09)
Stores, Spare & Consumables as a % of Consumption	244.90	20.12	251.43	23.78	(03.66)
Finished Goods (including in transit) as a % of Net sales of products (See Note No.64)	537.16	03.28	701.62	4.52	(01.24)

All the inventories level during the current years was lower primarily due to lower level of absolute amount inventories. However it is pertinent to mention here that the company had leased out its third unit to one of its group concern on dated 01st December, 2015

Trade Receivables:

Particulars	(Rs. in lacs)				
	As At 31 st March, 2016		As At 31 st March, 2015		Inc/(Dec)
	Amount	%	Amount	%	%
Trade Receivables exceeding six months as a % of Gross sales of products & services	71.33	0.38	68.72	0.39	(00.01)
Others as a % of Gross sales of products & services	2968.66	15.91	2377.08	13.61	02.30

The overall receivable was quite higher as compared to the previous year, due to delay in the receipt of payments from receivables. However, we are working hard to get the above said payment realized at the earliest & to bring down the level of receivables to a great extent.

Long Term and Short Term Borrowings:

Particulars	(Rs. in lacs)				
	As At 31 st March, 2016		As At 31 st March, 2015		Inc/(Dec)
	Amount		Amount	%	%
Total Long Term Borrowings (without considering current maturities)	2114.02		2921.85		(27.65)
Total Short Term Borrowings	2669.02		2631.30		01.43

The overall decline in the long term borrowings is mainly on account of payment of installments of Term Loan(s). The short term borrowing has increased marginally by 1.43% as compared to previous years due to overall tightness in the working capital partially due to pending sales tax refund to the extent of Rs.360.84 lacs as at 31st March, 2016 compared to previous year of Rs.466.75 lacs (See Note No.51) of the notes to financial statements). The Company is taking several measures to collect the payments from the trade receivables so to reduce the overall trade receivable via-a-vis to reduce the overall short term borrowings and on the other part for the earliest recoveries of the vat refund from the state government too.

Results of Operations:**Income:**

Particulars	(Rs. in lacs)				
	Financial Year -2016		Financial Year -2015		Inc/(Dec)
	Amount	%	Amount	%	%
Gross Sales	18655.73	113.85	17470.92	112.53	06.78
Other Operating Revenue	31.37	00.19	15.19	00.10	106.52
Gross Revenue from Operations	18687.10	114.04	17486.11	112.63	06.87
Less: Excise Duty on Sales	2301.54	14.04	1960.62	12.63	17.39
Revenue from Operations (Net)	16385.56	100.00	15525.49	100.00	05.40
Other Income	33.20	00.26	40.46	00.26	(17.94)

The Growth in the Gross Sales was marginally higher by 06.78% as compared to previous year, mainly due to increase in the capacity utilization at the Jamshedpur plant. However it is pertinent to mention here that the company had leased out its third unit to one of its group concern on dated 01st December, 2015, hence the figures of the current year are not strictly comparable. During the year, the sale from export market had decreased to Rs.666.00 lacs as compared to previous year of Rs.791.59 lacs, showing a decline of 15.87%, due to overall slowdown in the global economy.

Expenditure:

Particulars	(Rs. in lacs)				
	Financial Year -2016		Financial Year -2015		Inc/(Dec)
	Amount	% to Net Revenue & Other Operating Revenues	Amount	% to Net Revenue & Other Operating Revenues	%
Material Costs	7372.30	44.99	6793.70	43.76	01.23
Employee Benefits Expenses	2998.27	18.30	3230.32	20.81	(02.51)
Finance Costs	576.06	03.52	531.82	03.43	00.09
Depreciation & Amortization	498.26	03.04	474.74	03.06	(00.02)
Other Expenses	5232.29	31.93	5123.70	33.00	(01.07)
Total Expenditure	16677.18	101.78	16154.28	104.06	(02.28)

The total expenditure as a percentage to Net sales & other operating revenues during the year has reduced by 2.28% to 101.78%, as compared to the previous year total expense ratio of 104.06%, clearly shows that there is pressure on the overall margins due to overall increase in interest costs, depreciation & amortization expenses & other expenses.

However it is pertinent to mention here that the company had leased out its third unit to one of its group concern on dated 01st December, 2015, hence the figures of the current year are not strictly comparable.

Raw Material Cost

The overall Material Cost during the year has increased by 1.23% as compared to previous year. The Material Cost, as a percentage to Revenue from operations (Net) has increased to 44.99% as compared to previous year of 43.76%. However, with the increase in the production from the Jamshedpur unit in the days to come, the overall share of SGI casting business in the total turnover will increase & overall raw material cost will come down to that extent.

Employee Benefits Expenses:

The Employee benefits expenses, during the year are at 18.30% of the Revenue from operations (Net), as compared to 20.81% of the last year, showing a decline of 2.51% as compared to previous years, but in absolute basis the said expenses has increased as compared to previous year mainly due increase in the minimum wage by the Punjab Government.

Finance Costs:

The overall finance cost during the year ended 31st March, 2016 was Rs.576.06 lacs, as compared to previous year of Rs.531.82 lacs, which is higher in absolute basis by Rs.44.24 lacs, as compared to previous year. The financial cost for the year ended 31st March, 2016 is 3.52% of the Revenue from operations (Net), as compared to previous year of 3.43%, which had also adversely impacted the overall profits of the Company, to that extent. The increase in the finance cost during the year was due to tightness in the liquidity position of the Company due to temporary delay in the collections from receivables along with the pending value added tax refunds from the Punjab Government authorities.

As at 31st March, 2016, your Company has Valued Added Tax (VAT) refund pending for recovery from Punjab Sales Tax Authorities amounted to Rs.360.84 Lacs (Previous year Rs.466.75 Lacs).

Depreciation and Amortization:

The Depreciation and Amortization for the year ended 31st March, 2016 is at Rs.498.26 lacs as compared to previous year of Rs.474.74 lacs, is almost at the same level as a percentage to net revenue & other operating revenues & will further reduced in the coming year due to better capacity utilization at the Jamshedpur plant.

Other Expenses:

Other expenses of Rs.5232.29 lacs for the year ended 31st March, 2016, as percentage to Revenue from operations (Net), shows a marginal decrease over the previous year, due to higher turnover from the Jamshedpur plant. However these expenses are on the higher side in absolute figures as compared to previous year.

Provision for Taxation:

The provision for taxation & deferred tax for the year ended 31st March, 2016 is Rs. (215.77) lacs as compared to previous year of Rs.(165.89) lacs. The provision for taxation was on the lower side due to loss in the current financial year and brought forward of earlier year losses along with other items.

The performance highlights for the year 2015-2016 (in brief) are (On Standalone Basis): -

- The overall net turnover of the Company shows an increase of 5.54% in the net sales (excluding excise duty, including export incentives), from Rs.15525.50 lacs to Rs.16385.56 lacs mainly due to the enhanced in capacity at Jamshedpur plant.
- During the year under review the Company has incurred a net foreign exchange gain on foreign exchange rate fluctuation of Rs.04.55 Lacs, as against net foreign exchange loss of Rs.09.70 Lacs, for the previous year. During the year, your Company has not used hedging as tools, for all its normal foreign exchange transactions such as export & long term borrowings respectively.
- The Material Costs during the year constitutes 44.99% to the net sales & other operating income vis-à-vis to 43.76% as compared to the previous year.
- Finance cost of the Company has increased to Rs.576.06 lacs from the previous year expenses of Rs.531.82 lacs, mainly due to increase in the overall interest cost due to temporarily delay in the receipt of payment from receivable and pending refund orders of the Value Added Tax (VAT) from Punjab Sales Tax Authorities.

- Depreciation and amortization during the year stand at Rs. 498.26 lacs as compared to previous year of Rs. 474.74 lacs, shows the Company is continuously building its capacities and investing for the future.
- Profit before depreciation, Interest and tax (PBDIT) during the year has increased by 95.08% to Rs.815.90 lacs, from the previous year of Rs.418.24 lacs, due to better capacity utilization and overall softness in the commodity prices. But there still remains the pressure on the margins.
- During the year under review the Company has made provision for current taxes (including deferred tax & wealth tax) of Rs. (215.77) Lac, as compared to previous year provision of Current Tax & deferred taxes expenses of Rs. (165.89) Lacs).
- The company has incurred a net loss of Rs.42.65 lacs, against the previous year's Profit/ (Loss) after tax of (Rs.422.43) lacs.
- Gross Fixed Assets (excluding capital work in progress) has increased from Rs.7994.33 lacs to Rs.8657.83 lacs during the year under review.
- Capital work in progress has reduced from Rs.684.67 lacs to Rs.333.13 lacs during the year under review.
- The pending value added tax (VAT) refund with Punjab Sales Tax Authorities as at 31st March, 2016 is Rs.360.84 Lacs (Previous year Rs.466.75 Lacs).

Turnover	2015-2016	2014-2015	(Rs. in Lacs)
			Growth Rate (%)
Domestic			
OEM	5966.72	4490.54	32.87
Replacement Mkt.	9721.47	10228.18	(04.95)
Total	15688.19	14718.72	06.59
Export	666.00	791.59	(15.87)
EBIDTA	815.90	418.24	95.08
PAT	(42.65)	(422.43)	---
Gross Fixed Assets (Excl. CWIP)	8657.83	7994.43	08.30

Performance of Subsidiary:

BlueBasic India Limited:

During the year under review, the Company has set up a Subsidiary Company as a limited liability Company viz. BlueBasic India Limited in India, which was incorporated on November 19, 2015. This subsidiary will mainly cater to all kinds of ad blue solvents and coolants. However, during the previous year ended March 31, 2016, the said subsidiary company has not done any business.

Opportunities for longer term:

The long term growth forecast for the Indian economy remains healthy. The automotive industry in India is one of the largest in the world and one of the fastest growing globally. India's passenger car and commercial vehicle manufacturing industry is the sixth largest in the world.

There is continuous pressure globally to reduce emissions from automobiles, leading to the need for ongoing investments in technology up gradation and alternate energy across the automotive value chain. Growing environmental consciousness among consumers, government regulations to manage traffic congestion, as well as improvement in public transport infrastructure are trends that will have a significant impact on the future of the automotive industry. For commercial Vehicles, the growth in agriculture and industrial production, the spread of organized retail and the growing prevalence of the hub-and-spoke model for transportation of goods will lead to a significant expansion of the overall market size. In the mid to long term, stricter implementation of

norms related to overloading of goods vehicles and road worthiness will also lead to considerable expansion in the market for CVs.

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, fertilizers, 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 automotive industry comprises passenger cars; light, medium and heavy commercial vehicles; multi-utility vehicles such as jeeps, scooters, motor-cycles, three wheelers, tractors, etc; and auto components like engine parts, drive and transmission parts, suspension and braking parts, electrical, body and chassis parts; etc.

The Indian automobile industry is currently experiencing an unprecedented boom in demand for all types of vehicles. This boom has been triggered primarily due to increase in disposable incomes and standards of living of middle class Indian families estimated to be as many as four million in number; and the Indian government's liberalization measures such as relaxation of the foreign exchange and equity regulations, reduction of tariffs on imports, and banking liberalization that has fueled financing-driven purchases. As the market grows and customer's purchasing abilities rise, there will be greater demand for higher-end models which currently constitute only a tiny fraction of the market.

India has the largest population of young people in the world, yet a low vehicle penetration of passenger vehicle (32 vehicles per 1,000 people in 2005) makes it one of the world's most attractive markets. The domestic demand for automobiles is likely to be determined by improving economic fundamentals; lowering interest rates and increased public sector spend on infrastructure led by improving consumer confidence. Owing to its unique demographics dividend, and government initiatives such as Make in India and smart cities, a proposal to implement scrappage policy across all vehicle class, stricter emission norms and increased profitability of fleet operators is expected to support the replacement demand in the future. A pick-up in demand from infrastructure and industrial sectors in view of Government's reforms, as well as the initiative to expand the network of roads and highways is expected to keep the commercial vehicle segment on a good growth trajectory. The Indian auto industry holds immense growth potential. According to E&Y analysis, India's PVs are expected to grow from around 29mn during 2015 to more than 48mn vehicles by 2020.

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.

The growth of Indian middle class, with increasing purchasing power, along with strong macro-economic fundamentals has attracted the major auto manufacturers to Indian market. The market linked exchange rate, well established financial market, stable policy governance work and availability of trained manpower have also shifted new capacities and flow of capital to the auto industry of India. All these have not only enhanced competition in auto companies and resulted in multiple choices for Indian consumers at competitive costs, but have also ensured a remarkable improvement in the industry's productivity, which is one of the highest in Indian manufacturing sector.

Now the focus of companies across the globe is on strategies to grow and prosper rather than to just survive. The formation of strategic alliances and partnerships is expected to be the most favored mode for consolidation in the global automotive industry. The significant drivers for consolidation in the next few years are likely to be technology acquisition, establishment of a robust global footprint and acquisition of brands that have high recognition and strong relationships with customers.

India being one of the cheapest labour oriented country, as well as, with the growth in the demand of automobile sector in India, all the world class automobile manufacturers are making India as its manufacturing facilities, by setting up their manufacturing units, for all the segments of the automobiles Industry. Above all, the Government of India's major thrust towards building world class infrastructure in the country, by spending/allocating more money for the infrastructure sector and also making India as the hub for Small Car Segment, the automotives segment will see a huge surge in the overall growth rate of this sector. One of the major beneficiaries of the major spending in the infrastructure sector will be the commercial vehicles segment.

In spite of some concerns on account of Indian as well as global economy outlook, the growth forecast for the Indian economy will remain healthy due to its inherent strength. With the conservative approach of app.10-12% per year growth rate, the Indian passenger vehicle market will be approximate 4-5 million vehicles. Similarly growth in commercial vehicle depends on the growth in agriculture and Industrial production, the spread of organized retail. The expected introduction in the medium to long term of more stringent norms related to overloading of goods vehicles and roadworthiness and vehicles age will also lead to expansion in the commercial vehicle market.

Automotive Mission Plan (AMP) - auto component sector to be \$150 bn by 2026

The AMP 2026 envisages that the Indian automotive industry will grow 3.5-4 times in value from its current level of output by 2026, comprising over 12% of the national GDP. By 2026, India would stand first in the world in production and sale of small cars, two wheelers, tractors and buses and third in passenger vehicles and heavy trucks.

Vehicle sales are expected to touch 66 million units by FY26. To achieve this projection, the auto industry will require additional investments of Rs. 4.50 to 5.50 trillion. The growth of the automotive market will translate into huge potential for the auto component sector. According to AMP 2016-26, the auto component sector is expected to grow at a CAGR of 13% from \$38 billion in FY15 to more than \$150 billion by 2026.

Auto Components Industry:

Automotive Industry occupies a prominent place in the overall Indian economy & one of the main drivers for the Indian economy along with the infrastructure industry. A sound transportation system plays a pivotal role in the country's rapid economic and industrial development. The well-developed Indian Automotive Industry fulfills this catalytic role by producing a wide variety of vehicles: passenger cars, light, medium and heavy commercial vehicles, multi-utility vehicles, tractors etc.

Automotive Industry comprises of automobile and auto component sectors and is one of the key drivers of the national economy as it provides large-scale employment, having a strong multiplier effect. Being one of the largest industries in India, this industry has been witnessing impressive growth during the last two decades. It has been able to restructure itself, absorb newer technology, align itself to the global developments and realize its potential. This has significantly increased automotive industry's contribution to overall industrial growth in the country.

The Indian Auto Component industry currently accounts for 1.87% of the GDP of country and Indian Automobile industry accounts for 7.10% of the GDP of the country. About 72% of the auto component industry in India is organized. The report estimates that the organized auto component industry in India is expected to grow at a CAGR of 12.5% by 2020. This sector supplies mainly to the OEMs. The auto-components industry employs as many as 19 million people, both directly and indirectly and this is expected to be 25 million by 2025. A stable government framework, increased purchasing power, large domestic market, and an ever increasing development in infrastructure have made India a favorable destination for investment.

Over the last decade, the automotive components industry has scaled three times to US\$ 40 billion in 2015 while exports have grown even faster to US\$ 11 billion. This has been driven by strong growth in the domestic market and increasing globalisation (including exports) of several Indian suppliers. The Indian Auto Component industry

is expected to grow by 8-10 per cent in FY 2017-18, based on higher localisation by Original Equipment Manufacturers (OEM), higher component content per vehicle, and rising exports from India, as per ICRA Limited. According to the Automotive Component Manufacturers Association of India (ACMA), the Indian auto-components industry is expected to register a turnover of US\$ 100 billion by 2020 backed by strong exports ranging between US\$ 80- US\$ 100 billion by 2026, from the current US\$ 11.2 billion.

The main beneficiary of the growing Indian automobile industry is auto component industry in India. India is now a hot spot for automobiles and auto-components. A cost-effective hub for auto components sourcing for global auto makers, the automotive sector is potential sector for entrepreneurs. The strong sales have made India the second fastest growing market after China.

The Indian Auto Component Industry has been navigating through a period of rapid changes with great élan. Driven by global competition and the recent shift in focus of global automobile manufacturers, business rules are changing and liberalization has had sweeping ramifications for the industry. The Indian Auto Component Industry is one of the few sectors in the economy that has a distinct global competitive advantage in terms of cost and quality. The value in sourcing auto components from India includes low labour cost, raw material availability, technically skilled manpower and quality assurance. An average cost reduction of nearly 25-30% has attracted several global automobile manufacturers to set base. India's process engineering skills, applied to re-designing of production processes, have enabled reduction in manufacturing costs of components. Today, India has become the outsourcing hub for several global automobile manufacturers.

Lower labour costs give Indian auto component companies a huge cost advantage. This has resulted in a significant cost reduction as opposed to overseas production maintaining international quality standards. India generates about 0.4 million engineering graduates every year. The cost of entry-level engineers is as low as US\$ 8,000 per year. India accounts for 26% of the world's Engineering Service. De-regulation and policy initiatives such as lower excise duties, realization of VAT, etc., have been implemented and further introduction of GST will provide much needed boost to this sector. (Source-ACMA)

The Automotive Components Manufacturers Association (ACMA) states that wage cost accounts for 3 per cent to 15 per cent of revenues for Indian manufacturers as compared to 20 per cent to 40 per cent for US players. The industry exports have grown at a CAGR of 19 per cent in the last five years. The fast growing auto component sector contributes some 2.3 percent to India's Gross Domestic Product (GDP). This figure has the potential to touch US\$110 billion by 2020, with exports going up six-fold, predicts ACMA (Automotive Component Manufacturers Association of India).

As per industry estimates, Indian Auto Component Industry derives 60 per cent of its turnover from sales to domestic original equipment manufacturers (OEMs), 25 per cent from sales to the domestic replacement market and around 15 per cent from exports.

According to industry statistics derived by the Automotive Component Manufacturers Association of India (ACMA), engine parts form the largest segment (31 per cent) of auto part industry followed by drive transmission and steering parts (19 per cent). Suspension & braking parts and body & chassis account for 12 per cent each in the entire product range, followed by equipment accounting for 10 per cent of the same.

Further estimates made by ACMA reveal that auto component exports would robustly grow at a compounded annual growth rate (CAGR) of 18.8 per cent over 2011-21, garnering about US\$ 29 billion. OEMs account for 80 per cent of the exports while the rest 20 per cent is handled by aftermarket or retailers. European and North American markets account for 36 and 23 per cent of the entire industry exports respectively, while 28 per cent of the exports are made to Asian countries. The Indian auto and auto components industry is growing at a steady pace of 15 - 18 per cent annually. As per the estimates, the retail market (generally called as after-sales or after-market) for auto components is valued at Rs 600 crore (US\$ 107.12 million) and is expected to witness a quantum jump on the back of robust domestic demand. Rajkot-based Ikon Marketing Consultants predicts that the Indian auto component industry, which is valued at US\$ 30 billion, will touch US\$ 100 billion by 2020.

Growth Drivers of Auto Component Industry:

- **In Original Equipment Manufacturers:**

Growth in Economic Activity, Increase in the Personal disposable incomes, Growth in Rural Economy, Multiple & easy finance options, Decline in tax rates and Economic vehicles.

- **After Sales Market (Replacement Market)**

Old vehicle population, Life span of components (frequency of replacement), Average value of parts replaced, Share of genuine-branded components in the total aftermarket.

- **Export**

Despite a relatively small share of Asia in the global pie, India is now amongst one of the most preferred destinations and has come to occupy the image of an exporting hub for most of the major global OEM players. Almost all the big auto manufacturers of the world are either already or are in the process of outsourcing from the country.

Industry to take advantage of the transition that is taking place internationally and dominates the global supply chain in auto components due to reasonably priced skilled work force large population of technology workers established strengths in I.T. and electronics transformation of global auto component industry.

The Company:

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.

With the overall growth rate in the Indian economy in the medium to long term and particularly the growth rate in the Indian automotive industry, there is tremendous growth opportunities for Company like "GS" which has already a strong brand name in after sales market, a good & long standing relationship with all the Original Equipment Manufacturers and above all a dedicate team, however in short term there remains the challenges

Company has expanded its capacities by setting up new unit at Jamshedpur, for its Casting Auto Components for Original Equipment Manufacturers, After Sales Market & Export Market. Your Company is exploring other export market.

Casting and its future:

Casting is a 6000-year young process. It has been mentioned in several Sanskrit works such as Shilpashastra derived from Sthapatyaveda containing the principles of realizing all kinds of man-made structures, in turn derived from Atharvaveda, one of the four principal Vedas. The original authors are said to be Viswakarma and Maya, the 'chief engineers' of gods and demons, respectively. The Rigveda mentions equipment used in casting,

such as dhamatri (cupola), gharma aranmaya (crucible) and bhastrī (blower). The major application was in creating the idols used for worship; and very strict rules were laid down to achieve perfection in terms of talmana (proportions), mudra (stance) and bhava (expression). In particular, dhyana slokas defined the spiritual quality of each deity and the lakshanas described the form. Other products included lamps, doors, frames, cooking and agricultural implements. Earliest castings include the 11 cm high bronze dancing girl found at Mohen-jo-daro (dated about 3000 BC). The remains of the Harappan civilization contain kilns for smelting copper ingots, casting tools, stone moulds, cast ornaments, figurines and other items of copper, gold, silver and lead. Iron has been mentioned in Vedas as ayas, and iron pillars, arrows, hooks, nails, bowls and daggers dated 2000 BC or earlier have been found in Delhi, Roopar, Nashik and other places. Large scale state-owned mints and jewelry units, and processes of metal extraction and alloying have been mentioned in Kautilya's Arthashastra (about 500 BC). Later Sanskrit texts talk about assessing and achieving metal purity. The Ras Ratnakar written by Nagarjuna in 50 BC mentions the distillation of Zinc, proved through recent excavations in Zawar, Rajasthan. The Iron Pillar of Delhi, standing 23 feet, weighing 6 tonnes and containing 99.72% iron without any signs of rust, is a remarkable example of metallurgical science in 5th century AD. The first cast crucible steel was also produced around this period. The Nataraja and Vishnu statues of Chola dynasty (9th century) stand testimony to the fine practice of intricate castings in mediaeval India. Most of these were made in pancha dhatu (copper, zinc, tin, gold and silver) using the madhuchista vidhana (lost wax) process. Outside India, the oldest casting in existence is a copper frog dated 3200 BC discovered in Mesopotamia. One of the first cast iron objects, a 270 kg tripod, was cast by Chinese in 600 BC. A colossal statue of the Great Buddha in tin lead bronze was completed in 1252 AD at Kamakura in Japan. The casting technology was transferred from India and Middle East to Europe through Portuguese explorers in 14th century, where it blossomed as a fine art. Vannoclo Biringuoclo, head of Papal Foundry in Rome (around 1500 AD) is considered as the father of foundry industry in the West. He has been quoted as saying: "The art of casting... is closely related to sculpture ... it is highly esteemed... it is a profitable and skillful art and in large part delightful." Indeed, the bronze sculptures represent the craftsman's artistry as well as the capability of the casting process. (Source- unknown)

Cast metal products are found in 90 percent of manufactured goods and equipment. From critical components for aircraft and automobiles to home appliances and surgical equipment, cast metal products are integral to the global economy and our way of life. The U.S. metal casting industry is the world's largest supplier of castings, shipping cast products valued at over \$18 billion annually and directly employing 225,000 people. Metal casting companies are often at the heart of the economy in the communities where they reside. Of the 2,950 metal casting establishments located throughout the United States, over 80 percent are small businesses.

Casting can be defined as a process of manufacturing, which implies pouring of a 'liquid' material into 'A Mold' containing a desired shaped hollow cavity, and then made to solidify. The ejection or breaking out of the casting then takes place to get the process completed. The use of casting is 'forming hot liquid metals' or numerous metals that are cooled after having the components like clay, plaster, concrete, and epoxies mixed. Complex shapes are normally made by casting, as other methods are not feasible. The process of metal casting involves melting metals at high temperatures and using molds to then shape the metal into new items. The furnaces used in metal casting helped pave the way for the Industrial Revolution, without which the course of history would be dramatically different. Metal casting is just one form of metal working that has seen a recent surge in popularity as resources are becoming more affordable and communities are springing up to share information, ideas, and projects. The various types of castings which are produced are ferrous, non ferrous, Aluminum Alloy, graded cast iron, ductile iron, Steel etc for application in Automobiles, Railways, Pumps Compressors & Valves, Diesel Engines, Cement/Electrical/Textile Machinery, Aero & Sanitary pipes & Fittings etc & Castings for special applications. However, Grey iron castings are the major share approx 70 % of total castings produced. Grey Iron is the major component of production followed by steel, ductile iron & non ferrous. The Indian Foundry Industry is trying to focus on higher value added castings to beat the competition. The Exports are showing healthy trends approx 25-30% YOY basis.

Metal casting is a Mother Industry, just a wee bit below "Steel" serving automotive, Infrastructure & all the downstream engineering industries. There is a yawning gap between China & India. It is also very much behind the expected demands from the Automotive & Auto Component sectors, which is leading to Imports. Countries like Brazil are catching up faster than India.

The number of operating foundries has declined from a high of 6150 plants in 1955 to less than 3000 today. Of these 2900 foundries operating today, 1900 are nonferrous operations, with the rest comprised of iron and steel plants. Most American foundries remain small businesses, as 80% of all operating plants employ less than 100 people and only 6% employ more than 250 people.

India has achieved the position of becoming the second largest casting manufacturer in the world producing 7.4 million MT per annum of castings overtaking US and Russia. China, at 35 million MT, continues to dominate the market contributing a whopping 43% to the global production. Almost 90% of castings produced in China are consumed in Asia itself. The industry in the USA is still in the downsizing phase brought about by non-availability of skilled labour and high input prices. Europe records a mixed story of growth and weakness with countries like Germany and France showing growth and expects to regain the output levels of 2008. However, like USA, high input costs and lack of skilled labour continue to be the cause of shutting down several foundries. In India, there are approx. 4500 units out of which 80% can be classified as small scale units and 10% each as Medium and Large Scale units.

Main features of the global metal casting industry:

- A globally competitive and environmentally responsible industry.
- A well-capitalized and profitable industry.
- A source of challenging and well-paying careers.
- The preferred supplier of engineered, net-shape metal components.

Casting Applications:

Castings can range in size: from a few grams (for example, watch case) to several tones (marine diesel engines), shape complexity: from simple (manhole cover) to intricate (6-cylinder engine block) and order size: one-off (paper mill crusher) to mass production (automobile pistons). The desired dimensional accuracy and surface finish can be achieved by the choice of process and its control. Castings enable many pieces to be combined into a single part, eliminating assembly and inventory and reducing costs by 50% or more compared to machined parts. Castings can be completely recycled. Today, castings are used in virtually all walks of life. Major areas of applications are given below. The transport sector and heavy equipment (for construction, farming and mining) take up over 50% of castings produced.

Transport: automobile, aerospace, railways and shipping, **Heavy equipment:** construction, farming and mining, **Machine tools:** machining, casting, forging, extrusion and forming, **Plant machinery:** chemical, petroleum, paper, sugar, textile, steel and thermal plants, **Defense:** vehicles, artillery, munitions, storage and supporting equipment, **Electrical machines:** motors, generators, pumps and compressors, **Municipal castings:** pipes, joints, valves and fittings, **Household:** appliances, kitchen and gardening equipment, furniture and fittings, **Art objects:** sculptures, idols, furniture, lamp stands and decorative items.

Ferrous Castings:

Ferrous castings include those of grey cast irons, ductile (spheroidal graphite) irons and steels, briefly described here.

Grey cast irons: These are alloys of Iron, carbon and silicon, containing more than 2% carbon (as flake graphite), up to 3% silicon and less than total 1% of alloying elements (mainly chromium, copper, magnesium, molybdenum, nickel, phosphorous, silicon, sulphur, titanium and vanadium). Grey cast irons exhibit low to moderate strength, low ductility and toughness, low modulus of elasticity, low notch sensitivity, high resistance to wear and seizure, excellent vibration damping capacity, excellent machinability, high thermal conductivity, moderate resistance to thermal shock and most important, excellent fluidity.

Ductile or Spheroidal Graphite Irons: These irons have higher mechanical properties than a comparable grey cast iron with the same composition, because the carbon is in the shape of spheroidal graphite. This is achieved by inoculating low-sulphur molten iron having low silicon content with magnesium or cerium or both, followed by addition of silicon. Subsequent cooling can produce a variety of matrix structures with ferrite and pearlite

being the most common. Compared to grey cast iron, spheroidal graphite Irons have higher ductility, tensile strength, modulus of elasticity and resistance to elevated temperature oxidation. Machinability and corrosion resistance are comparable to grey cast iron, though damping capacity is lower. Fluidity is lower than grey cast iron but better than steel. The SG irons are widely used in automobile and farming industry: axle housings, brake calipers, brake cylinders, camshafts, connecting rods, crankshafts, gears, pistons and yokes. They are also used to make bulldozer parts, conveyor frames, couplers, crawler sprockets, elevator buckets, railway wheels and hoist drums. Other general engineering applications include boiler segments, coal crushers, hammers, die blocks, frames and jigs, nuclear fuel containers, tank covers, tunnels segments and turret heads. (Source-unknown)

Challenges:

- a. Higher cost of inputs such as power, raw materials. Higher Import duties on raw materials such as pig iron as compared to in the competing countries.
- b. Lower productivity due to manual operations & low level of mechanization & old equipments.
- c. Non availability of access to modern manufacturing techniques, design & in process quality techniques due to high capital cost & non availability of capital at Competitive cost as available in competing countries.
- d. Poor & erratic power availability & low energy efficiency of SME units.
- e. Lack of foundry specific training facilities & exposure to modern foundry manufacturing techniques & therefore unavailability of skilled manpower, cumbersome environmental clearance Procedures. (Source: Indian foundry Industry)

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 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.

Challenges

Any Increase in Excise Rate along with the Increase in Commodity prices & Interest Rates, Infrastructure Bottleneck, Trained drivers for sophisticated vehicles and planned maintenance, increased competition and expansion in capacity would pressure on margins leading to just a volume driven model, remaining cost competitiveness, access to and availability of cost effective capital, trade policies, access to world class technology and quality practices, scaling up the Industry.

The commercial vehicle market is purely an economic play and has moved cyclically, however India now established itself as a global manufacturing hub for sourcing and now proving a high growth market and also makes it surely a long term story for CV makers.

Cyclical nature of the Industry:

Our Company's fortune is linked to those of the automobile industry, which is cyclical in nature. The demand for automobiles has a significant impact on the demand and prices of the products manufactured by the Company. A fall in the demand and/or prices would adversely impact the financial performance of the Company.

Human Resource Development:

To meet the long term growth plans of the Company, a structured organization with succession planning and strategies for development of the technical and managerial skills within the organization are being developed. Your Company is following the most favorable human resources policy as prevailing in the industry. The Company believes in peaceful and harmonious relationship with the personnel of all the levels to achieve the targeted goal of the Company. Your Company is firmly believes into involvement of personnel into decision-making process of the Company. The management have decentralized the decision making process so to achieve the self-satisfaction at the decision making level. The Company continues to provide growth opportunities to its employees by way of training workshop and by that way to retain efficient and talented employees in the Company.

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.

- Workmen trainees who have successfully completed their training with us are being absorbed on Company rolls.
- To attract and retain talent, graduate engineer trainees recruited from engineering colleges and also from campuses of premier educational institutions across Punjab, which have completed their training, have been absorbed as Engineers and have also tied up with the colleges from where it is recruiting entry level employees.
- Employee satisfaction survey was carried out and based on the feedback received, corrective actions have been initiated which ultimately effect the morale booster of the employee.
- Communication meeting is being organized every month to appraise all the employees on the major development on various fronts such as market, supply chain as well as feedback cum suggestions etc. and also for any new suggestion as well as new initiatives.
- Near- misses / incidents reporting has been encouraged and investigation for each of these occurrences are carried out to deploy preventive measures. The ratio of near misses to accidents has improved

considerably over the last year. Structured problem-solving technique is adopted to investigate accidents. Lessons learnt are shared with all the divisions for implementation.

- Internal and external safety audits and inspections are carried out regularly and the compliance of audit action points is monitored.

People:

As a business enabler, "GS" people practices are geared towards delivering three corporate objectives:

- Identify and induct the most appropriate human talent- based on long term business plans.
- Develop the competencies and skill sets of the entire people force-work force and management alike and synchronize these with long term business objectives.
- Ensure that existing people within the organization have a clearly defined growth and business delivery path, based on their competencies, delivery potential, previous track record and appetite for growth.

To achieve these three objectives, the Company, during the year has put into place key organizational changes.

Kaizens:

Your Company had done well in kaizens by implementing kaizens, resulting to savings and lot of improvements in SS, Systems, Process, Safety, Morale, Methods, Productivity, reducing wastages, energy savings etc.

Industrial Relations:

The total numbers of permanent employees on the roll of the Company were 1146 as on 31st March, 2016 (previous year 1794). However it is pertinent to mention here that the company had leased out its third unit to one of its group concern on dated 01st December, 2015, hence the figures of the current year are not strictly comparable. Your Company had maintained its excellent industrial relations records of not losing 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.

Health, Safety, Security and Environment:

Health, Safety, Security and Environment is at the core of our business and all employees are accountable for it. "GS" operations follow the best industry practices as regard to Health, Safety, Security and Environment. The Company is committed to achieving these goals through a structured "HSE" management system that has been put in place and is being followed in letter and spirit as well as is rigorously monitored for continuous improvements. "GS" considers it is a responsibility to its stakeholders to clearly stipulate measures and policies that can be proposed to the third parties and are in line with global benchmarks.

The Company follows a policy of zero tolerance towards accidents. The Company provides all facilities for fatigue-free working. We have always focused on safety with a view to maintain an awareness of the importance of safety at work place.

During the year under review, safety audit were carried out by the in house staff members and all observations/ suggestions were implemented. Hazardous waste which generated during the process is being disposed off as part the statutory guidellne.

"GS" carried out the following activities as part of its annual plan:

- Basic safety training was imparted to all the factory employees including temporary workers. Safety and technical competency development programmes were carried out to improve competencies of employees for safety critical jobs.
- Work place inspections were carried out by executives and managers at all level. Senior management team members demonstrated leadership commitment through work place inspections.
- Reduced waste generation and improved waste management by collecting and disposing all the waste in an environment friendly manner.
- Tree plantation across premises and factories.
- Reduced level of sound pollution by providing acoustic enclósures on certain set of machinery and DG/ compressor sets.
- When risk assessment is carried out, proactive 'accident control measures' are factored into the scope in order to mitigate human accident and damage to property.
- Safety Equipments (e.g. safety helmets safety shoes etc) for "GSAIL" employees and subcontractors have been standardized and are in place.
- Comprehensive training programs were regularly conducted to ensure strict adherences to safety procedures. These are conducted by both in-house trainers as well as by outsides "HSE" experts.
- Safety handbooks are also given i.e. on the safety oath, emergency preparedness, instruction to fight against fire, emergency phone numbers,
- Reported near miss safety incidents are being investigated and immediate corrective and preventive actions are being initiated.
- Work permit system is followed strictly for hazardous work in nature, both for internal and sub contract works.
- External & Internal periodical safety audit is being carried and the corrective and preventive actions are being initiated on the observations made.
- Periodical general health checkup was carried out for all the employees and particularly, audlometric tests, pulmonary function test, eye checkup were also conducted by the doctors employed by the company.
- Employees working in canteen have been medically examined periodically for the hygiene.

During the year, "GS" had no fatal accidents.

Information Technology:

"GS" has been adapting IT, to pay an increasingly strategic role in business role in the business process by providing cutting-edge technologies needed to create values and competitive advantages. These range from advanced sales force automation, engineering design and collaboration tools. IT also helps to ensure the sustainability of its various businesses compliances and enhanced information security systems. The major initiatives can be grouped under the following categories.

- **Leveraging Technology:** - Major initiatives in this have been launched across the Company, focusing on creating value through business process re-engineering. The objective is to seamlessly synchronize system to best-in-class business process, thereby improving controllership and data quality.
- **Consolidation:** - As a step forward in consolidating group IT infrastructure, Data center resources of all the entities are being aggregated at one place. Storage Area Network (SAN) has been implemented across group offices to consolidate corporate and project data into a central repository. This will link up with the ongoing knowledge management Initiatives. Newer technologies like virtualization for desktops and servers are being piloted to identify efficiencies to move toward a green data centre' environment.
- **Disaster Recovery:** - the group has a comprehensive disaster recovery plan closely linked with a business continuity plan.
- **Security:** - Company has upgraded its corporate office network by adopting industry best practices and best of breed technologies. This provides adequate IT controls to reduce current risk of loss of sensitive commercial and technical data through mail and internet by employees.

Corporate Social Responsibility (CSR):

"GS" has always considered itself as a responsible corporate citizen. It cares for the well-being of society. CSR represent an interesting culmination of philanthropy and ethics. "GSAIL" believes that it is not only accountable to its shareholders but it is also accountable to the society in which it operates. With a true corporate vision, the Company embraces a wider community rather than just its shareholders, customers and suppliers.

Corporate social responsibility (CSR) at "GS" is focused on making over business practices more environmentally and socially responsible. This is affected by (i) assessing and mitigating the environmental & social impacts and (ii) Minimizing the environmental impact and carbon footprints of our operations through resource of efficiency & conservation. CSR also includes an active volunteering program aimed at increasing our employee's environmental and social sensitivities, besides high standards of Corporate Governance, maintaining our reputation for ethical and fair business practice and improving transparency in our interaction with all our stakeholders.

Corporate Social Responsibility (CSR) is not a public relations exercise for us. "GS" denotes CSR as conducting business in ways that provide social, environmental and economic benefits for the communities and geographies where we operate. The greatest value is in making a difference in the lives of people. A beginning has been made, but there still miles to go before the huge disparity is bridged and a better future delivered to every child. The ultimate aim is to put a smile on every face.

The Company has an innate desire and zeal to contribute the welfare and social upliftment of the society. "GS" continues to support the society by way of contributing in the field of education, sports, environment etc. Highlights of performance of "GS" for the welfare of Society are as follows:

- (i)
 - (a) Company contributes to NGO's to empower children and community for understanding their rights as equal citizens and demand for schools and health centres in their villages.
 - (b) Establish unity by destroying the differences of caste, gender and class.
 - (c) Identify and tackle root causes that continue to keep children uneducated, unprotected and hungry & push for child friendly government policies.
- (ii) Installed Water & Sewage Treatment Plant and Effluent Plant of 100000 ltrs per day and 60000 ltrs per day capacity respectively to provide better and healthy working conditions.
- (v) Company launched its internal environment policy aimed at minimizing its environmental impact and carbon footprints under the "Go Green" initiatives. Company has made contribution from time to time to

Divisional Forest Officer, Ludhiana, for participating and taking initiative with the forest Division, in their efforts for plantation in Go Green drive. "GS" continuously contribute in Go Green scheme by planting various plants to keep the environment green & healthy.

- (vi) Company regularly contributes for up-liftment of the various games of the state.
- (vii) During the year under review, the company has taken initiatives for the enhancement of happiness and better health in of its employees. The company organized stress management seminar and free eye checkup camp for "GS" employees and also provides free aids to its employees in the factory premises.

An essential component to your Company's Corporate Social responsibility is to care for the community. Your Company endeavors to make a positive contribution towards social cause by supporting a wide range of socio-economic and education initiatives and committed to address important societal needs extends through philanthropic outreach programs under the aegis of "GS Foundation". Your Company has established a charitable trust, "GS Foundation" as part of its Corporate Social Responsibility. "GS Foundation" has been paying the fees of poor & needy students, of any class & any religion, for the required education of the particular students.

In "GS", we are enhancing corporate value by deepening awareness that honest action with responsibility leads to sustainable operations fulfilling our responsibilities in a well-balanced way with respect to economic, environmental and social matters and achieving symbiosis with all our stakeholders. "GS" is very responsive towards all stakeholders viz. shareholders, employees, customers, suppliers, society at large etc., and create value for all of them. Further, your Company in a move towards the better working culture & environment always make an atmosphere, for asking suggestions from all the employees regarding suggestions for improving the working atmosphere & working culture and for improvement in the production processes of the Company.

Dividend Policy:

Company's main emphasis is to work, for & on, behalf of the benefits of all its stakeholders of the Company, Keeping this in view and to creating long term value creation for our Shareholders, Board of Directors of "GS" has formulated a dividend policy to pay dividend to shareholders, every year, at the rate, to be decided by the Board, from time to time, keeping in mind the distributable profits of the Company, during that particular year. However, as all the shareholders of the Company, is well aware, that your Company is in expansion phase and further, is re-investing its profit for the various expansion plans of the Company, for the benefits of all its shareholders, provided that, if in any year, it needs funds to expand its business, then the discretion regarding declaration of dividend for that particular year, will be of the Board of Directors of the Company.

Analysis and Comments on Key Business Risks:

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.

Risk Management:

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
- Avoid major surprises related to the overall control environment
- Safeguard Shareholder investment; and
- Ensure compliance with applicable legal and regulatory requirements

Further the Company has divided the overall risk into following categories:

i) Risk of concentration in one segment:

The Company right now operates in one sector and the commitment of investments being irreversible process and always has a risk of demand projections not materializing. However, historical perspective has been that the excess capacities get consumed eventually, may be after a lag of couple of years. The commercial vehicle segment is a cyclical sector in India. Accordingly, there is a risk that if the commercial vehicles sector experiences a period of sustained low growth or negative growth, our business is very likely affected.

The diversified customer portfolio of the Company with business share not exceeding 15% from any one customer and with good market share in all the segments i.e Passenger Vehicles, and Commercial vehicles, enhances its ability to face any fluctuations.

The Company's market share is likely to be sustained over the next few years by virtue of the new investments it has made and is planning for the same. The Company's efforts on growing after market as well as exports would reduce the risk of fluctuations in the domestic Original Equipment's Manufactures Market.

ii) Global Competition Risk:

International OEM's seeking to introduce global platforms prefer to source the products for that platform from a global supplier having the ability to supply same product (same specification and quality) at all locations where the platform is planned for manufacturing.

In case of direct imports of products, particularly from China, the Company has built up its capacity to compete at cost level while providing value added services to customer to continue being a preferred supplier.

iii) Procurement and Supply Chain Risks:

During the year, the prices of commodity and base metal remained on the lower side along with the prices of crude. However any increase in the prices of commodity & crude will poses serious risk of profits erosion in case of inadequate compensation from its customers.

However, the Company has addressed this risk by way of an understanding with most customers for adjusting the prices of our products in tandem with the movement of raw material cost. To avail the benefit of economy of scales the Company has opted for centralized sourcing with better vendor management. The movement in the material prices in the domestic as well as international market is closely monitored to ensure procurement at competitive prices.

iv) Exchange Fluctuations Risks:

The company's policy has been to avoid speculation in foreign exchange. The Company is right now, not using the hedging as a tool for booking forward for their regular business requirements. As of date the Company has not hedged its Foreign Currency Term loan exposure and its revenue from exports.

The current forex volatility can impact sales realizations & depreciation of assets, therefore it is critical to continuously review the latest foreign exchange rates while quoting for orders, which the company is already doing. Hence the Company's overall exposure for all its exports and the exposure to the extent of above said Foreign Currency Term loan will continue to bear the risk of exchange rate fluctuations.

v) Commodity Risk:

The Input prices in general are very volatile along with the prices of Crude & power. Any rise in the price of Commodity & Crude, will adversely impact the overall margins of the company. What poses even greater

challenges from the risk management perspective is the sharp volatility in prices. "GS" addresses it by sharing the prices with its ultimate customers beyond certain rate of increase, along with buying the material in bulk when there is considerable reduction in the prices.

vi) Talent and Attrition Risk:

The Management closely reviews the attrition risk and talent availability risk in term of head count and competence. Due to the boom in the auto sector the attrition risk is high. The Company being sensitive to this concern has proactively engaged itself in hiring and developing talent with special focus on HR activities for ensuring retention of its people. Availability of knowledgeable work force is also key concern, which has been addressed by wide spread engagement with technical schools for direct recruitment and offering them well define growth paths.

vii) Interest Rate Risk:

Due to pressures in the overall margins of the company from the last two to three years, temporary delay in the collection of receivables and pending value added tax refunds with the state government, there is increase in working capital requirements of the Company. Any increase in the interest rate by the central bank, will increase the interest cost, which will cause further pressure on the margins of the Company.

ix) Risk related to safe operations:

Your company is committed to the safety of its people and continues to strive for making workplaces safe. The complexity and spread of operations make this task even more daunting. There is a dedicated team of safety officers reporting to the head of safety who continuously review the implementation of policies and procedures especially at the site and factories. They also conduct periodic safety audits to measure and improve compliance. Continuous efforts and programmes are on for enhancement of safety awareness at all levels through.

Quality Management System:

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 the quality is just not restricted to the shop floor of the Company but also throughout the supply chain. After having conferred ISO 9002 certification in 1997 and QS 9000 certification in 1999 by BVQI, U.K. the Company had taken leaps by implementation of 5 S, TPM, TQM concepts i.e. Total Productive Maintenance / Total Quality Management and Lean Manufacturing. The Management of "GS" feels that these are essential ingredients of success and sustenance in the present times due to fierce competition offered by Global Companies. The Quality Movement in "GS" has achieved its next milestone – ISO/TS 16949. Your management is working on certain initiatives to encourage Quality circle to promote Internal customer concept and also to reduce drastically the PPM levels for all the operations.

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.

Financials (On Standalone Basis):

Company's abridged Statement of Profit and Loss (On Standalone Basis):

Particulars	(In Rs. Lacs)	
	2015-16	2014-15
Net Sales	16354.19	15510.31
Operating income	31.37	15.19
Total Expenditure	16385.56	15147.72
(a) Consumption of Raw Material	7372.30	6793.70
(b) Employee Benefit Expense	2998.27	3230.32
(c) Other Expenditure	5232.29	5123.70
OPBDIT	782.70	377.78
Depreciation & Amortization	498.26	474.74
OPBFT	284.44	(96.96)
Finance Charges	576.06	531.82
OPBT	(291.62)	(628.78)
Other Income	33.20	40.46
PBT	(258.42)	(588.32)
Current Tax/Wealth Tax	00.95	00.69
Deferred Tax	(216.72)	(166.52)
RAT	(42.65)	(422.43)
EPS (Rs.) :- -- Basic & Diluted (face value of Rs.5/- each)	(00.29)	(02.91)

Note: Previous year figures have been regrouped / rearranged wherever found necessary.

Indicators of Profitability		
	2015-2016 (%)	2014-2015 (%)
PBDIT/Total Income	04.97	02.69
PBIT/Total Revenue	----	----
PBT/Total Revenue	----	----
PAT/Total Revenue	----	----
Return on Capital Employed	05.12	----
Return on Net Worth	05.12	(00.10)
EPS (Rs.) :- -- Basic & Diluted (face value of Rs.5/- each)	(00.98)	(02.91)

Capital Structure Ratio		
	2015-16	2014-15
Debt Equity Ratio	1.10:1	1.26:1

The debt repayment is progressing smoothly as per the Company's plan

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.

Code of Conduct:

for Directors and Senior Management:

1. Perform functions of the office with integrity, honesty, fairly, ethically, professionalism, and exercise powers attached thereto in good faith and with due care and diligence, without the influence of personal interest. Act in a manner to enhance and maintain the reputation of the Company.
2. Ensure that the Company's Management works for & in the best interest, fulfill the fiduciary obligations to the Company's shareholders along with the long term value creation, for all the stakeholders of the Company, at large.
3. Comply with the terms of the Code of Conduct for Prohibition of Insider Trading approved by the Board of Directors as well as Companies policy on Disclosure and Internal procedures for prevention of insider trading under SEBI Regulations and any other code that may be formulated from time to time, as applicable.
4. Treat employees with dignity, respect and justice, taking into consideration their different cultural sensitivities. Non-discrimination against employees on the grounds of religion, age, nationality, sex or any other personal or social condition, different from the conditions of merit and capacity. Conduct themselves in a professional, courteous and respectful manner and not take improper advantage of their position.
5. Ensure that the company's assets, proprietary confidential information and resources are used by the Company and its employees only for legitimate business purposes of the company.
6. Immediately notify the administrative body as to any event or situation which would represent or could give rise to a conflict between the interests of the Company and the individual interests of the director or manager and abstain from intervening in the resolution.
7. The senior management shall have the primary responsibility for the implementation of internal controls to deter and detect fraud. The company shall have zero tolerance for the commission or concealment of fraud or illegal acts.
8. The senior management will ensure that its dealings and relationships with business associates/customers are maintained in the best interest of the company. Its relationship in regard to the company work should be professional and commercially appropriate.
9. Help in creating and maintaining the culture of commitment to compliance with all applicable laws, rules, and regulations, confidentiality obligations and corporate policies of the company. Encourage reporting of a material violation of any laws, rules or regulations applicable to the company or the operation of its business and ensure that the person reporting such violation is not aggrieved in any manner.
10. Promote effective participation by shareholders at General Meetings, especially by facilitating the exercise of information and voting right.
11. Aspire to excellence in the goods and services of the company in such a way that clients and customers obtain the satisfaction expected there from, while striving for their total satisfaction. The quality standards of the company's goods and services shall meet applicable national and international standards.
12. Conduct business in a responsible manner and commit to undertake:
 - (a) Compliance with environmental laws, regulations and standards.
 - (b) To incorporate environment friendly and protective measures as an integral part of the design, production, operation and maintenance of the company's facilities.
 - (c) encourage wise use of energy, and minimize any adverse impact on the environment.
 - (d) ensure health and safety measures for all the employees and workmen.
 - (e) not to violate Society privacy and confidentiality policies and not to use confidential or proprietary information for personal financial gain.

13. The senior management shall not, without the prior approval of the Managing Director, accept part time employment or a position of responsibility (such as a consultant or a director) with any organization, for remuneration or otherwise.
14. Establish processes and systems for storage, retrieval and dissemination of documents both in physical and electronic form, so that the obligations of this code are fulfilled.
15. Select suppliers only on the basis of the appropriateness of their products or services as well as of their prices, delivery conditions and quality.
16. The senior management and its employees shall neither receive nor offer or make, directly or indirectly, any illegal payments, remuneration, gifts, donations or comparable benefits that are intended, or perceived, to obtain uncompetitive favours for the conduct of its business. Maintain elicit and respectful relationships with public authorities and institutions, not accepting or offering gifts, commissions in cash or in kind.
17. Make contribution to political parties or public institutions only in accordance with prevailing legislation and in any case, guaranteeing transparency.
18. Collaborate with public entities and non- governmental entities and organizations dedicated in improving levels of social attention for disadvantaged persons.

Independent Auditor's Report (Revised)

To the Members of G.S. Auto International Limited

Report on the Financial Statements

We have audited the accompanying standalone financial statements of G.S. Auto International Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, and the Statement of Profit & Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

- (a) We have sought and 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 account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;
- (e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the Impact of pending litigations on its financial position in its financial Statements - Refer Note 32 to the financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts, if any. - Refer Note 8 & 12 to the financial statements;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For NANDA & BHATIA
Chartered Accountants
ICAI Firm Registration Number: 004342N

Ludhiana: 13th August, 2016

Sd/-
P.C.S. VIRDI
Partner
Membership Number: 017056

Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date:

Re: G.S. Auto International Limited ("the Company")

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of its fixed assets.
- b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventory of the Company has been physically verified by the management during the year. In our opinion the frequency of the verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at year end and no material discrepancies were noticed in respect of such confirmations.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to any of the companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the said order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not given any loans, made investments, given guarantees or security during the year which is covered under provisions of Section 185 and 186 of the Act. Accordingly, the paragraph 3(iv) of the Order is not applicable to the Company.
- (v) According to the information and explanations provided by the management, we are of the opinion that the Company has not accepted any deposits from public covered under Section 73 to 76 or any other relevant provisions of the Companies Act and rules framed thereunder. Accordingly, the paragraph 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government, for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of auto components and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Wealth tax, Service tax, sales tax, duty of customs, duty of excise, Value Added Tax, Cess and other material statutory dues applicable to it.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, Sales Tax, duty of customs, duty of excise, Value Added Tax, cess and other material statutory dues were outstanding at the year end, for a period of more than six months from the date they became payable.

c) According to the records of the Company, the dues outstanding of the Income Tax on account of any dispute, are as follows:-

Name of the Statute	Nature of the dues	period to which it relates	Amount (Rs.in Lacs)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax Including Interest as applicable	2008-09	91.55	Commissioner (Appeals)
Income Tax Act, 1961	Income Tax Including interest as applicable	2010-11	154.83	Commissioner (Appeals)
Income Tax Act, 1961	Income Tax Including interest as applicable	2011-12	16.29	Commissioner (Appeals)

* Net of amount deposited under protest.

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to bank, financial institutions or government. The Company did not have any outstanding dues in respect of financial institution, banks or from the government.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Based on our audit procedures and according to information and explanations given by the management, the term loans were applied for the purpose for which they were obtained.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act except for the remuneration paid/provided to Company's Executive Chairman & Executive Director re-appointed/appointed during the year which is subject to the approval by special resolution of the shareholders.
- (xii) In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For NANDA & BHATIA
Chartered Accountants
ICAI Firm Registration Number: 004342N

Sd/
P.C.S. VIRDI
Partner
Membership Number: 17056

Ludhiana: 13th August, 2016

Annexure 2 to the Independent Auditor's Report of even date on the standalone financial statements of G.S. Auto International Limited

Report on the Internal Financial Controls under Clause (I) of Subsection 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of G.S. Auto International Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control

based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles; and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For NANDA & BHATIA
Chartered Accountants
ICAI Firm Registration Number: 004342N

Sd/-
P.C.S. VIRDI
Partner

Membership Number: 17056

Ludhiana: 13th August, 2016

G.S. Auto International Limited

Balance Sheet as at March 31, 2016:

Particulars	Note No.	March 31, 2016 (Rs.)	As At March 31, 2015 (Rs.)
I EQUITY AND LIABILITIES:			
1 Shareholders' Funds:			
(a) Share capital	3	72572900.00	72572900.00
(b) Reserves & surplus	4	360907395.30	365172680.41
Sub-total		<u>433480295.30</u>	<u>437455580.41</u>
2 Non-Current Liabilities:			
(a) Long term borrowings	5	154943407.18	226254550.95
(b) Deferred tax liabilities (net)	6	0.00	4435170.00
(c) Other long term liabilities	7	2314523.84	2314523.84
(d) Long term provisions	8	29408911.60	87075908.00
Sub-total		<u>186666842.62</u>	<u>260800152.79</u>
3 Current Liabilities:			
(a) Short term borrowings	9	266902075.68	263129006.54
(b) Trade payables	10		
Dues to micro enterprises and small enterprises		1323130.65	808948.32
Dues to others		140662726.83	88159965.37
(c) Other current liabilities	11	239532203.44	234700706.62
(d) Short term provisions	12	3186536.00	11329624.00
Sub-total		<u>651606872.60</u>	<u>500171150.85</u>
Total		<u>1271753810.52</u>	<u>129946884.05</u>
II ASSETS:			
1 Non-Current Assets:			
(a) Fixed assets	13		
(i) Tangible assets		602144736.28	58148841.27
(ii) Intangible assets		0.00	234926.83
(iii) Capital work in progress		33313257.54	68466562.33
(b) Non-current investments	14	75500.00	500.00
(c) Deferred tax assets	6	17237210.00	0.00
(d) Long-term loans and advances	15	49245227.47	78718229.29
Sub-total		<u>702015991.29</u>	<u>71186789.72</u>
2 Current Assets:			
(a) Current investments	16	1185460.00	1000000.00
(b) Inventories	17	158907802.92	206149365.67
(c) Trade receivables	18	303999270.46	244580436.94
(d) Cash & bank balances	19	24821569.00	35344419.35
(e) Short-term loans & advances	20	77146560.85	84583220.66
(f) Other current assets	21	3677216.00	242281.71
Sub-total		<u>569737879.23</u>	<u>574079824.33</u>
Total		<u>1271753810.52</u>	<u>129946884.05</u>
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of these financial statements

As per our report of even date

For NANDA & BHATIA

ICAI Firm Registration No:004342N

Chartered Accountants

For and on behalf of the Board of Directors of
G.S Auto International Limited

JASBIR SINGH RYAIT
Chairman
DIN: 00104979

NEERAJ TULI
Chief Financial Officer

P.C.S. VIRDI
Partner
Membership No:17056
Ludhiana; 13th August, 2016

SURINDER SINGH RYAIT
Managing Director
DIN: 00692792

AMNINDER KAUR
Company Secretary

Statement of Profit and Loss for the year ended March 31, 2016:

Particulars	Note No.	Year Ended March 31, 2016 (Rs.)	Year Ended March 31, 2015 (Rs.)
Income			
Revenue from operations (Gross)		1868709875.45	1748611292.22
Less: Excise Duty		230153427.00	196061686.00
Revenue from operations (Net)	22	1638556448.45	1552549606.22
Other Income	23	3319458.58	4046224.39
Total Income (I)		1641875907.03	1556595830.61
Expenses:			
Cost of Raw Materials Consumed	24	706563986.81	686442756.03
Purchases of Finished Goods		2237107.87	11361330.04
Changes in Inventories of Finished goods and Work-in-progress	25	28428846.30	(18434528.45)
Employee Benefits Expense	26	299827567.70	323032060.03
Finance Costs	27	57605982.34	53182157.27
Depreciation and Amortisation Expense	28	49825865.43	47473827.73
Other Expenses	29	523228715.69	512370438.51
Total Expenses (II)		1667718072.14	1615428041.16
Profit before tax (I-II)		(25842165.11)	(58832210.55)
Tax Expense:			
Current Tax		0.00	0.00
Deferred Tax		21672380.00	16651700.00
Wealth Tax		95500.00	62500.00
Total tax expenses		(21576880.00)	(16589200.00)
Profit for the year		(4265285.11)	(42243010.55)
Earnings per equity share: (Nominal value Rs.5/-)(Previous year Rs.5/-)			
Basic & Diluted (in Rs.)	30	(0.29)	(2.91)

Summary of significant accounting policies 2.1

The accompanying notes are an integral part of these financial statements

As per our report of even date

For NANDA & BHATIA

ICAI Firm Registration No:004342N

Chartered Accountants

For and on behalf of the Board of Directors of

G.S Auto International Limited

JASBIR SINGH RYAIT

Chairman

DIN: 00104979

NEERAJ TULI

Chief Financial Officer

P.C.S.VIRDI

Partner

Membership No:17056

Ludhiana; 13th August, 2016

SURINDER SINGH RYAIT

Managing Director

DIN: 00692792

AMNINDER KAUR

Company Secretary

CASH FLOW STATEMENT
for the year ended March 31, 2016:

Particulars	Year Ended 31st March, 2016 (Rs.)	Year Ended 31st March, 2015 (Rs.)
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before Tax	(25842165.11)	(58822210.55)
Adjustments for:		
i) Depreciation and amortisation	49825965.43	47473627.73
ii) (Profit)/Loss on fixed assets (net)	(130150.69)	81243.30
iii) Interest Paid	57605982.34	53182157.27
iv) Interest received	2047240.00	3118688.23
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	83506771.97	45822677.58
Movement in working capital:		
(Increase) / Decrease in Current & Non Current Assets:		
i) Inventories	47241562.75	(36511104.45)
ii) Sundry debtors	(59418833.52)	17471068.93
iii) Other current assets and loans & advances	3375718.52	45162904.15
Increase / (Decrease) in Current & Non Current Liabilities:		
i) Trade payable	53024943.79	(3548162.84)
ii) other current liabilities	8493930.42	110307144.22
CASH GENERATED FROM OPERATIONS	136224093.93	17460637.29
Income tax paid (net of refund)	0.00	(500000.00)
NET CASH FROM OPERATING ACTIVITIES	(A) 136224093.93	17460637.29
CASH FLOW FROM INVESTMENT ACTIVITIES:		
i) (Increase) / Decrease in Investment in mutual funds/Fixed Deposits	(260460.00)	(100000.00)
ii) Purchase of fixed assets (including Capital work in progress and capital advances)	(10934004.31)	(79105457.59)
iii) Interest received	(2047240.00)	(3118688.13)
iv) Proceed from sale of fixed assets	1112235.00	658036.00
NET CASH (USED)/RAISED FROM INVESTING ACTIVITIES	(B) (12129469.31)	(82768118.72)
CASH FLOW FINANCING ACTIVITIES:		
Increase / (Decrease) in Share Capital / Borrowings:		
i) Repayment of long term borrowings	(80783661.77)	(39559648.05)
ii) Proceeds/(Repayment) of short term borrowings	3772169.14	1038875.33
iii) Interest paid	(57605982.34)	(53822157.27)
Net Cash (used)/raised from financing activities	(C) (134617474.97)	(89002930.29)
Increase/(decrease) in cash & cash equivalents	(A+B+C) (10522850.35)	727478.28
Cash & Cash Equivalents at the beginning of the year	35344419.35	24608646.97
Cash & Cash Equivalents at the end of the year	24821569.00	25336125.25
Components of cash & cash equivalent		
Balance with Banks-Current Accounts & FDR's	22525421.16	38533438.17
- Cash on hand (including imprest)	2296147.84	1810744.18
Total cash & cash equivalents at the end of the year	24821569.00	25336125.25

Notes:-1. The figures in brackets represents outflows/adjustments.

2. Previous period's figures have been regrouped/reclassified, wherever necessary to confirm to current year presentation.

As per our report of even date
For NANDA & BHATIA
ICAI Firm Registration No:004342N
Chartered Accountants

For and on behalf of the Board of Directors of
G.S Auto International Limited

JASBIR SINGH RYAIT
Chairman
DIN :00104979

NEERAJ YULI
Chief Financial Officer

P.C.S.VIRDI
Partner
Membership No:17056
Ludhiana; 13th August, 2016

SURINDER SINGH RYAIT
Managing Director
DIN: 00692792

AMINDER KAUR
Company Secretary

Notes to financial statements for the year ended March 31, 2016:

1. Corporate Information:

"G.S.Auto International Limited" ("GS" or "the Company") is a public company domiciled in India and incorporated as "Gurmukh Singh & Sons Auto Parts Private Limited" on 29th June, 1973 under the provisions of the Companies Act, 1956 & later on changed its name to "G.S.Auto International Limited", having its registered office at G.S. Estate, G.T Road, DhandariKalan, Ludhiana-141010. Its shares are listed on "The Bombay Stock Exchange Limited".

The Company is engaged in the manufacturing of wide range of auto components such as Ferrous & Non Ferrous Casting Components, Machined Components, Forged parts and Assembly of heavy duty trailer axles for Commercial vehicles.

The Company is operating in all the three verticals of auto components industry by supplying its components to Original Equipment Manufacturers, After Sales Market (Replacement Market) & Export Market. The Company's CIN is L34300PB1973PLC003301.

2. Basis of preparation:

These financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (the accounting standards notified under Indian GAAP). The Company has prepared these financial statements to comply in all material aspects with the accounting standards notified under Section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis under the historical cost convention.

The Company has ascertained its operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

2.1 Summary of significant accounting policies:

a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b) Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, the cost of replacing part of the fixed assets and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other

expenses on existing fixed assets, including day-to-day repair and maintenance expenditure are charged to the statement of profit and loss for the period during which such expenses are incurred.

The Company adjusts exchange differences arising on translation/settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset. In accordance with MCA circular dated August 9, 2012, exchange differences adjusted to the cost of fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference. Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The company identifies and determines cost of each component/part of the assets separately, if the component/part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

The Tangible Fixed Assets manufactured by the Company are stated at its manufacturing cost plus all the incidental expenses related thereto up to date of the assets are put into use/assets is ready for its intended use along with the interest cost.

Expenditure on New Projects and Expenditure during Construction etc.:

In case of new project and in the case of substantial modernization or expansion at the existing units of the Company, specific expenditure incurred including specific interest on borrowings and financing cost, prior to the commencement of commercial production is capitalized to the cost of specific assets. All the other expenses/indirect expenses, up to the date of start of commercial production of the second phase, not specific to any particular assets, if any, is being debited to the pre-operative expenses/expenses pending capitalization account & will be capitalized, to all the relevant tangible assets, on the date of commencement of commercial production, of the second phase of the new project. Trial Run expenditure is also capitalized.

Leasehold land, acquired on thirty years lease basis, from "Adityapur Industrial Development Authority ("AIDA") for setting up of new manufacturing unit at Jamshedpur and all the related expenses & incidental to the acquisition of the leasehold land, up to the date of the commencement of the first phase of the Commercial production was capitalized.

Fixed Assets are reviewed for impairment on each Balance Sheet date.

c) Depreciation on tangible assets:

Cost incurred on Leasehold land is amortized on a straight line basis over the period of lease. Depreciation on all tangible fixed assets is provided under the "Straight line Method" basis using the rates prescribed in the Schedule II of the Companies Act, 2013.

Depreciation on the additions to the particular assets, during the year, is being provided on a pro-rata basis, from the date of acquisition/installation/on which the particular asset is put to use.

Depreciation on assets sold, discarded or demolished during the year, is being provided at their respective rates on pro-rata basis up to the date on which such assets are sold, discarded or demolished.

Depreciation on additions on account of increase or decrease in rupee value due to revalorization of foreign currency loans is being provided at rates of depreciation over the remaining useful life of the said assets.

d) Intangible assets:

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets are stated at cost less accumulated amount of amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over the estimated useful economic of such assets. An asset's useful life is estimated based on an evaluation of the future economic benefits expected of such assets.

Expenditure incurred on acquisition or development of software, video Advertisement, and such other Intangible Assets are recognized as Intangible Assets, if it is expected that such assets will generate sufficient future economic benefits.

Research and development expenditure

Research expenditures are expensed under the natural heads of account in the year in which it is incurred.

Development expenditure, if any, incurred on an individual project is recognized as an intangible asset when the Company can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of adequate resources to complete the development and to use or sell the asset
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure, if any, as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life of five to ten years. Amortization is recognized in the statement of profit and loss. During the period of development, if any, the asset is tested for impairment annually.

Tangible fixed assets purchased, if any, for research and development are accounted for in the manner stated in Note 2.1 (b) above

e) Impairment of tangible and intangible assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's CGU to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses, if any, including impairment on inventories are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

f) Inventories:

Cost of inventories have been computed to include all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition:

Raw materials and components, stores and spares and loose tools are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Costs are determined on weighted average basis

Work-In-Progress is valued at raw material cost-plus conversion cost depending upon the stage of completion. Cost includes direct materials and labour cost and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on weighted average basis.

Finished Goods are valued at raw material cost-plus conversion cost & other overheads incurred in bringing the goods to their present condition & location. Cost is determined on weighted average basis.

Consumable Stores are valued at cost plus expenses.

Scrap is valued at estimated realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

g) Foreign Currency Transactions:

Foreign currency transactions and balances

i. Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

iii. Exchange differences

The Company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

- a) Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.
- b) All other exchange differences are recognized as income or as expenses in the period in which they arise.

For the purpose of (a) above, the Company treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination.

In accordance with MCA circular dated August 9, 2012, exchange differences for this purpose, are total differences arising on long-term foreign currency monetary items for the period. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

h) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statement at lower of cost of acquisition and fair value determined on an individual investment basis.

Long-term investments are carried at cost. However provision for diminution in value of investments is made to recognize a decline other than temporary in the value of investment.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

i) Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

(i) Sale of products

- a) Revenue from domestic sales are recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on dispatch from the point of sale, consequent to property in goods being transferred. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.
- b) Revenue from export sales are recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on the basis of dates of bill of lading.

ii. Export incentives

Revenue from export incentives are accounted for on export of goods if the entitlements can be estimated with reasonable assurance and conditions precedent to claim is fulfilled.

iii. Interest income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

iv. Dividend income

Dividend income is recognized when the Company's right to receive is established by the reporting date.

v. Profit / loss on sale of investment

Profit/loss on sale of investment is recognized when all the significant risks and rewards of ownership in investment is transferred.

vi) Insurance and other claims:

Revenue in respect of claims is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.

ii) Retirement and other employee benefits:

Provident Fund:

Benefits in the form of Provident Fund and Pension Schemes whether in pursuance of any law or otherwise, which are defined contributions is made in accordance with the provisions of the Employee Provident Fund and Miscellaneous Provision Act 1952, is accounted for on accrual basis and charged to the statement of profit and loss account, on the basis of actual liability calculated as a percentage of salary.

Gratuity:

Payment for present liability of future payment of gratuity is being made to approved gratuity funds, which fully covers the same under cash accumulation policy of the Life Insurance Corporation of India. The employees' gratuity is a defined benefit funded plan. The present value of the obligation under such defined benefit plan is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance Sheet and the shortfall in the fair value of the plan Assets is recognized as an obligation.

Leave Encashment:

The Company provides for the encashment of leave with pay subject to certain rules. The employees are entitled to accumulate leave, for future encashment/availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date. Privilege leave benefits or compensated absences are considered as long term & short term unfunded benefits and is recognized on the basis of an independent actuarial valuation using the projected unit credit method determined by an appointed Actuary.

The Actuarial gain/loss is recognized in statement of profit and loss account.

Termination benefits such as compensation under voluntary retirement scheme are recognized as a liability in the year of termination.

k) Borrowing cost:

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

l) Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the guidance note on "Accounting for Credit Available In respect of Minimum Alternative Tax" under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

m) Provisions

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

n) Leases:

Where the Company is the lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset, are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

o) Government grants and subsidies:

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and is released to statement of profit and loss over the periods and in the proportions in which depreciation on those assets is charged.

Where the Company receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a nonmonetary asset is given free of cost, it is recognized at a nominal value.

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of the shareholders' funds.

p) Earnings per share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

q) Contingent liabilities:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or nonoccurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

r) Cash and cash equivalents:

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and other bank balances.

s) Hedge Accounting:

The Company till date is not using the booking of forward contract as hedging instrument for covering its risk against currency fluctuations for its all the import and export business carried on during the year, further the Company has not booked any forward or hedged its foreign currency exposure for the foreign exchange term loan, outstanding as at the balance sheet date, availed for the setting up of new manufacturing unit at Jamshedpur. In terms of risk management strategy, the Company does not use forward cover contracts for trading & speculative purposes.

t) Expenses:

Goods received are accounted as purchases on satisfactory completion of inspection. Discount to customers and price escalation to suppliers, if any, to the extent not settled at the Balance Sheet date are accounted on the basis of reasonable estimates made after considering negotiations with vendors/customers. Tools, jigs and fixtures costing less than Rs.5,000/- each, are written off in the year of purchase.

3 Share Capital:

	As At March 31, 2016 (Rs.)	As At March 31, 2015 (Rs.)
Authorized shares (Nos)		
260,00,000 (previous year 260,00,000) equity shares of Rs.5/- each)	130000000.00	130000000.00
	<u>130000000.00</u>	<u>130000000.00</u>
Issued, Subscribed and fully paid up shares (Nos)		
1,45,14,580 (previous year 1,45,14,580) equity shares of Rs.5/- each)	72572900.00	72572900.00
Total issued, subscribed and fully paid-up share capital	<u>72572900.00</u>	<u>72572900.00</u>

3.(a) Reconciliation of the shares outstanding at the beginning and at the end of the year:

	As At March 31, 2016		As At March 31, 2015	
	Number of Shares	Rs.	Number of Shares	Rs.
Shares Outstanding at the beginning of the year	1,45,14,580	72572900.00	1,20,00,000	60000000.00
Shares issued to the equity shareholders of erstwhile M/s. G.S. Automotives Private Ltd., consequent to the amalgamation of M/s. G S Automotives Private Limited with the Company	-----	-----	25,14,580	12572900.00
Shares Outstanding at the end of the year	1,45,14,580	72572900.00	1,45,14,580	72572900.00

3. (b) Terms/rights attached to equity shares:

The Company has only one class of issued equity shares having a par value of Rs.5/- per share. Each Shareholder of equity shares is entitled to one vote per share. The dividend (if any) proposed by the Board of Directors and approved by the shareholders in the Annual General Meeting, except in case of Interim Dividend, is paid in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

3. (c) Shares held by holding/ultimate holding Company and/or their subsidiaries/associates

The Company being ultimate holding company, there are no shares held by any other holding, ultimate holding company and their subsidiaries/associates.

3. (d) Aggregate number of bonus share issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

There are no bonus share issued and shares bought back during the period of five years immediately preceding reporting date, however the company had allotted, 25,14,580 equity shares of Rs.3/- each, to the shareholders of M/s G. S Automotives Private Limited under the Scheme of Amalgamation, for Consideration other than cash, in year ended 31st March, 2013.

3.(e) Details of Shareholders holding more than 5% shares in the Company:

Name of Shareholder	As At March 31, 2016		As At March 31, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1.G.J.Holdings Private Limited	43,68,340	30.10	43,68,340	30.10
2. Share India Securities Limited	---	---	16,41,000	11.31

* The shareholding information is based on legal ownership of shares and has been extracted from the records of the Company including register of shareholders/members.

3.(f) Other Information:

(1) (a) The Company had reissued 24,300 forfeited Equity Shares, of the face value of Rs.10/- each, at a premium of Rs.80.25 per equity share, on dated 23rd May, 2008, on preferential basis, for raising long term funds to part finance the setting up of new manufacturing unit, for the manufacture of auto component at Jamshedpur. The funds raised have been utilized towards the object of the issue. The profit arising on re-issue of forfeited Equity Shares had transferred to securities premium account.

The Company had issued 46,00,000 (forty Six Lacs) Equity Shares, of the face value of Rs.5/- (Rs.five) each, at a premium of Rs.5/-(Rs.Five) per equity share, on dated 01st July,2009, consequent to the conversion of 23,00,000 (Twenty three lacs) warrants into Equity shares, warrant earlier issued/allotted on dated 07th January,2008 of the face value of Rs.20/-(Twenty) per warrant, (to be converted into equivalent number of Equity Shares of the face value of Rs.10/- (Ten) each, at a premium of Rs.10/-(Ten) per Equity Share) to the promoters & others, on preferential basis, pursuant to the provisions of section 81(1A) and other applicable provisions of the Companies Act, 1956, for raising long term funds for the setting up of new manufacturing unit, for the manufacture of auto component at Jamshedpur. The funds raised have been utilized towards the object of the issue.

(b) During the year ended March 31, 2012, the Company had issued 40,00,000 (forty lacs) Equity Shares of Rs.5/- (Rs.five) each at a premium of Rs.22.41 per equity shares, on dated 02nd August, 2011, pursuant to the conversion of 40,00,000 (forty lacs) warrant allotted @ Rs.27.41 per warrant, to the promoter and others, on preferential basis, pursuant to the provisions of section 81(1A) and other applicable provisions of the Companies Act, 1956, for raising long term funds for the setting up of new manufacturing unit, for the manufacture of auto component at Jamshedpur. The funds raised have been utilized towards the object of the issue.

(2) The Company had sub-divided its Equity Share from the face value of Rs.10/- each, to the face value of Rs.5/- each, w.e.f. 27th August, 2008.

(3) 25,14,580 equity shares of company of Rs.5/- each fully paid up, are allotted to the equity shareholders of M/s. G S Automotives Private Limited on dated 01st May, 2014, consequent to the amalgamation of M/s. G.S.Automotives Private Limited, with the Company.

4 Reserve and Surplus:

	As At March 31, 2016 (Rs.)	As At March 31, 2015 (Rs.)
I. Capital Reserve		
Balance as per last financial statements	7214943.00	7214943.00
Closing Balance	7214943.00	7214943.00
II. Securities Premium Account		
Balance as per the last financial statements	117590075.00	117590075.00
Closing Balance	117590075.00	117590075.00
III. Capital Revaluation Reserve		
Balance as per the last financial statements	7545000.00	7545000.00
Closing Balance	7545000.00	7545000.00
IV. Investment Allowance Reserve		
Balance as per the last financial statements	256315.98	256315.98
Closing Balance	256315.98	256315.98
V. General Reserve		
Balance as per the last financial statements	8650000.00	8650000.00
Closing Balance	8650000.00	8650000.00
VI. Surplus in statement of Profit and Loss:		
Balance as per the last financial statements	223916346.43	266159356.98
Add: Profit/(Loss) for the year	(4265285.11)	(42243010.55)
Net surplus in the statement of profit & loss	219651061.32	223916346.43
Total	360907395.30	365172680.41

5 **Long-term Borrowings:**

	As At March 31, 2016 (Rs.)	As At March 31, 2015 (Rs.)
(I) Term Loans:		
From Banks:		
Indian rupee loans from bank (secured)	29832454.00	42331673.00
From Financial Institutions:		
foreign currency loan from financial institution (secured)	180771846.33	241820831.00
(II) Deferred Payment Liabilities:		
Indian rupee vehicle loans from banks (secured)	797266.85	7364662.95
Indian rupee vehicle loan from NBFC (secured)	0.00	668062.00
Total	211401567.18	292185228.95
Less:- Current maturities (amount disclosed under the head "other liabilities" (note 11))	56458160.00	65930678.00
	56458160.00	65930678.00
Total	154943407.18	226254550.95

- a. Secured term loan from bank represent term loan from Axis Bank limited for the setting up of Jamshedpur plant. The loan is Repayable in 23 quarterly installments, first installment to commence from 19 months after first disbursement but not later than September, 2013.
- b. Foreign currency term loan from financial institution (Secured) is from Export Import Bank of India, for the setting up of Jamshedpur plant. The loan is repayable intwenty equally quarterly installments, commencing September, 2013.
- c. The above said both term loans covered under point no. (a) & (b) are secured by (i) first pari-passu charge by way of Hypothecation on entire block assets of the Company by way of hypothecation of machinery and equipment's, other fixed assets, machinery spares, tools and accessories and other movables, both present & future, whether installed or to be installed, stored or to be stored in or about all the factories, godowns and premises situated at G.S.Estate, G T Road, DhandariKalan, Ludhiana (Punjab) & at M-09, Large Sector, Tata Kundra Main Road, Industrial Area, Adityapur, Jamshedpur (Jharkhand) and (ii) first pari-passu Equitable Mortgage by way of deposit of title deeds of immoveable properties of the Company admeasuring 75110 sq.yards situated at G.S. Estate, G.T.Road, DhandariKalan, Ludhiana (Punjab) & first pari- passu Equitable Mortgage of the leasehold rights of the Company's 3 (three) acre Land situated at M-09, Large Sector, Tata Kundra Main Road, Industrial Area, Adityapur, Jamshedpur (Jharkhand), together with all buildings and structures thereon and all Plant & Machineries attached to the earth or permanently fastened to anything attached to the earth (iii) first pari-passu charge on the Company's entire Current Assets (both present & future) (both Jamshedpur & Ludhiana unit of the Company), such as Hypothecation of Raw Material, Stock In Process, Finished Goods, Consumable Stores/Spares required for manufacturing and lying in the unit(s) or elsewhere

&Hypothecation of Book Debts arising out of genuine sales transaction of business not older than ninety days and further guaranteed by all the promoters directors of the Company.

6 Deferred Tax Liabilities/(Assets) (Net):

	As At March 31, 2016 (Rs.)	As At March 31, 2015 (Rs.)
Deferred Tax Liability		
On Account of timing Difference in:		
Fixed Assets: Impact of differences between tax depreciation/ amortization charged for the financial reporting	50090300.00	54402924.00
(b) Others	0.00	0.00
Gross deferred tax liabilities	50090300.00	54402924.00
Deferred Tax Assets		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	6817968.00	8298118.00
amount allowed for tax credit in next years	60509542.00	41669636.00
Gross total deferred tax assets	67327510.00	49967754.00
Net deferred tax liability/(assets)	(17237210.00)	4435170.00

7 Other Long Term Liabilities:

	As At March 31, 2016 (Rs.)	As At March 31, 2015 (Rs.)
Trade deposits	2314523.84	2314523.84
Total	2314523.84	2314523.84

8 Long Term Provisions:

	As At March 31, 2016 (Rs.)	As At March 31, 2015 (Rs.)
Provision for long term employee benefits (refer note 47)	29408911.60	27075908.00
Total	29408911.60	27075908.00

9 Short Term Borrowings:

	As At March 31, 2016 (Rs.)	As At March 31, 2015 (Rs.)
From banks		
-Cash Credit (secured)	263926181.55	243264696.54
- Pre-shipment Packing Credit-Indian Rupees (secured)	0.00	16938240.00
	<u>263926181.55</u>	<u>260202936.54</u>
-Machinery term loan (secured)	518815.00	2926970.00
	<u>518815.00</u>	<u>2926970.00</u>
Deferred Payment Liabilities:		
Indian rupee vehicle loans from banks (secured)	2078848.13	0.00
Indian rupee vehicle loan from NBFC (secured)	378231.00	0.00
	<u>2457079.13</u>	<u>0.00</u>
Total	<u>266902075.68</u>	<u>263129906.54</u>

- a. Cash credit from bank is secured against hypothecation of stocks of semi-finished and finished goods, raw materials, work-in-progress, consumable stores and spares, book debts etc. of the company along with hypothecation of the leasehold rights of the Company land at Jamshedpur & immoveable property at G S Estate, G T Road, Ludhiana on pari-passu basis. Cash credit is repayable on demand.
- b. Pre-shipment packing credit from banks is secured against hypothecation of stocks of semi-finished and finished goods, raw materials, work-in-progress, consumable stores and spares, book debts etc. of the company along with hypothecation of the leasehold rights of the Company land at Jamshedpur & Immoveable property at G S Estate, G T Road, Ludhiana on pari-passu basis. Pre-shipment packing credit -Indian currency (secured) is repayable within 180 days.
- c. Machinery term loan (secured) is secured against Secured by way of Hypothecation on entire block assets of erstwhile G.S. Automotives Private Limited by way of hypothecation of machinery and equipments, other fixed assets, machinery spares, tools and accessories and other movables, both present & future, of erstwhile G.S. Automotives Private Limited, whether installed or to be installed, stored or to be stored in or about all the factories, godowns and premises situated at G.S.Estate, G T Road, DhandariKalan, Ludhiana (Punjab), & further charge on erstwhile G.S. Automotives Private Limited's entire Current Assets (both present & future), such as Hypothecation of Raw Material, Stock in Process, Finished Goods, Consumable Stores/Spares required for manufacturing and lying in the unit(s) or elsewhere & Hypothecation of Book Debts arising out of genuine sales transaction of business not older than ninety days on paripassu basis and further guaranteed by all the promoters directors of the Company. Repayable in one monthly installment.

10 Trade Payables:

	As At March 31, 2016 (Rs.)	As At March 31, 2015 (Rs.)
Total outstanding dues of micro enterprises and small enterprises (refer note 54 for details of dues to micro and small enterprises)	1323130.65	800948.32
Total outstanding dues of creditors other than micro enterprises and small enterprises	140662726.83	88159965.37
Total	141985857.48	88960913.69

11 Other Current Liabilities:

	As At March 31, 2016 (Rs.)	As At March 31, 2015 (Rs.)
Creditors for capital goods	0.00	4830911.19
Unclaimed dividend (See Note 44)	681973.60	682193.60
Advance against orders	11166309.10	8051971.25
Employee contributions & recoveries payable	3329923.50	5237203.00
Statutory dues payable including tax deducted at source	6013831.00	740881.00
Current liabilities of long-term borrowings (refer note 5)	56458160.00	65930678.00
Other liabilities	161882006.24	149226868.58
Total	239532203.44	234700706.62

12 Short Term Provisions:

	As At March 31, 2016 (Rs.)	As At March 31, 2015 (Rs.)
Provision for employee benefits		
Short term employee benefits. (refer note 47)	3186536.00	11329624.00
Total	3186536.00	11329624.00

13 Fixed Assets:

Sr. No.	Particulars	Gross Block				Accumulated Depreciation				Net Block	
		As At 31st March, 2015	Additions & Adjustments during the year	Deductions during the year	Addition on account of Exchange Difference	As at 31st March, 2016	up to 31st March, 2015	For the Year	Deductible during the year.	As At 31st March, 2016	As At 31st March, 2015
(i) Tangible Assets:											
(a)	Land Leasehold (b)	3742228.03	0.00	0.00	0.00	298866.00	159244.00	0.00	398110.00	3344118.03	3503362.03
	Land Freehold	8686662.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8686662.75	8686662.75
	Building (c)	100116694.75	2237275.00	0.00	1971929.90	16379974.69	2988539.00	0.00	19369513.63	84957386.02	83736720.12
	Plant & Machinery	600329796.72	49060852.21	2436446.00	10526228.24	158090736.75	39226476.10	2298649.00	195018563.85	462461867.32	442239959.97
	Vehicle	30084135.30	1306391.00	2482067.00	0.00	17085206.79	2858731.00	1637779.69	19306158.10	10602301.20	12998928.51
	Furniture & Fixtures	8404769.01	318252.50	0.00	0.00	6385409.19	488898.50	0.00	6874907.69	1848713.82	2019359.82
	Office Equipments	44849619.63	4989114.21	0.00	858874.86	17492331.72	3676296.00	0.00	21168627.72	29528980.98	27357287.91
	Other Assets	1682062.19	0.00	0.00	0.00	774602.03	192754.00	0.00	967336.03	714706.16	907460.16
	Total Tangible Assets	797895968.38	57911884.92	4918513.00	19357033.00	216447127.11	49590938.60	3936428.69	262101637.02	602144736.28	581448841.27
(ii) Intangible Assets											
	Total Intangible Assets	1536548.00	0.00	0.00	0.00	1301621.17	234926.83	0.00	1596548.00	0.00	234926.83
	Total Fixed Assets	1536548.00	0.00	0.00	0.00	1301621.17	234926.83	0.00	1596548.00	0.00	234926.83
	(iv)	799492516.38	57911884.92	4918513.00	19357033.00	217748748.28	4825865.43	3936428.69	263639185.02	602144736.28	581683768.10
	Previous year's Total	712974556.29	77537836.09	1570190.00	10490324.00	171305867.55	47473827.73	1080947.00	217748748.28	581683768.10	541668688.74
	Capital Work in Progress									33313257.54	68466562.33

Notes:

- (a) At Cost, except leasehold land
- (b) Land taken on leasehold basis at Jamshedpur, amounted to Rs.31,04,206/-, Note No.61 related to capital expenditure at Jamshedpur.
- (c) Building (Gross block) amounting to Rs.604.34 lacs (previous year Rs.584.62 lacs); net block Rs.558.57 lacs (previous year Rs.357.70 lacs) is constructed on leasehold land
- (d) Tangible assets includes, assets given on leasehold basis Gross block Rs.1273.96 lacs (previous year Rs.1220.51 lacs), Accumulated depreciation Rs.462.34 lacs (previous year Rs.380.22 lacs), net block value Rs.811.62 lacs (previous year Rs.840.29 lacs).

14 Non-Current Investments:

	As At March 31, 2016 (Rs.)	As At March 31, 2015 (Rs.)
Trade Investment:		
Unquoted-at cost:		
Investment in equity instrument's in subsidiary (fully paid up)		
Subsidiary where company holds 51% or more of the equity share capital		
Blue Basic India Limited (7500 equity shares of Rs.10/- each)#	75000.00	0.00
Total trade investment	<u>75000.00</u>	<u>0.00</u>
Non Trade Investment:		
Investment in Equity Instruments-at Cost:		
Quoted Equity Shares (fully paid up):		
50 (Previous year 50) Equity Shares of Clutch Auto Limited of Rs.10/- each. *	500.00	500.00
Total non-trade investment	<u>500.00</u>	<u>500.00</u>
Total non-current investments	<u>75500.00</u>	<u>500.00</u>
Market value of quoted investment	0.00	675.00

* Equity shares of the Clutch Auto Limited is "Suspended due to Penal reasons" from Stock exchanges

#During the year under review, the Company has set up a Subsidiary Company as a limited liability company viz. BlueBasic India Limited in India, which was incorporated on November 19, 2015. This subsidiary will mainly cater to all kinds of ad blue solvents and coolants.

15 Long Term Loan and Advances:

	As At March 31, 2016 (Rs.)	As At March 31, 2015 (Rs.)
Unsecured, considered good :		
Capital Advances	1060000.00	26241608.82
Security Deposits	14081083.00	12271087.00
Other loans and advances:		
Advance Income Tax/Fringe Benefit Tax (Net of provision for Tax)	34080381.47	33179770.47
Mat Credit Entitlement	23763.00	23763.00
Total	<u>49245227.47</u>	<u>71716229.29</u>

16 Current Investments:

	As At March 31, 2016 (Rs.)	As At March 31, 2015 (Rs.)
Investments in mutual fund units at cost		
Quoted		
Principle Fixed Maturity Plan	1185460.00	1000000.00
Total	1185460.00	1000000.00
Aggregate amount of quoted Investments	1185460.00	1000000.00

17 Inventories (valued at lower of cost and net realisable value) :

	As At March 31, 2016 (Rs.)	As At March 31, 2015 (Rs.)
(i) Raw Material & Components (refer note 24)	49202546.61	68969889.39
(ii) Work -in-Progress (includes lying with third parties) (refer note 25)	31499926.94	41874614.28
(iii) Finished Goods (Including in transit) (refer note 25)	53715637.28	70161687.80
(iv) Stores, Spares & Consumables	24489692.09	25143174.20
Total	158907802.92	206188965.67

18 Trade Receivables:

	As At March 31, 2016 (Rs.)	As At March 31, 2015 (Rs.)
Trade receivables (net of bills discounted with banks) unsecured- considered good unless stated otherwise:		
i) Outstanding for a period exceeding six months from the date they are due for payment	7133298.18	6872456.31
ii) Others receivables	296865972.28	237707980.63
Total	303999270.46	244580436.94

19 Cash and Bank Balances:

	As At March 31, 2016 (Rs.)	As At March 31, 2015 (Rs.)
(i) Cash & Cash Equivalents		
a. Balances with Banks-Current accounts	13304530.56	6657453.57
b. Cash on hand including imprest	2296147.84	1810764.18
	<u>15600678.40</u>	<u>8468217.75</u>
(ii) Other Bank Balances		
a. Earmarked Balances (on unclaimed dividend accounts)	681973.60	682193.60
b. Deposits with remaining maturity for less than 12 months	8538917.00	26194008.00
	<u>9220890.60</u>	<u>26876201.60</u>
Total	<u>24821569.00</u>	<u>35344419.35</u>

20 Short-term Loans and Advances:

	As At March 31, 2016 (Rs.)	As At March 31, 2015 (Rs.)
Unsecured, Considered good		
Advances recoverable in cash or in kind	35676058.99	33373910.79
Balances with excise, sales tax & other government authorities	41470501.86	51209309.87
Total	<u>77146560.85</u>	<u>84583220.66</u>

21 Other Current Assets:

	As At March 31, 2016 (Rs.)	As At March 31, 2015 (Rs.)
Export Incentives receivables	2400681.00	1084901.00
Interest receivables	1276535.00	1337480.71
Total	<u>3677216.00</u>	<u>2422381.71</u>

22 Revenue from operations (net) :

	Year ended March 31, 2016 (Rs.)	Year ended March 31, 2015 (Rs.)
Revenue from operations:		
Sale of products (net of return, rebates etc.)		
Domestic	1798972309.86	1667932884.45
Export	66600443.59	79159309.77
	1865572753.45	1747092194.22
Other operating revenues		
Export Incentives	3137122.00	1519098.00
	1868709875.45	1748611292.22
Revenue from operations (gross)		
Less: Excise Duty	230153427.00	196061686.00
	1638536448.45	1552548606.22
Revenue from operations (net)		

22 (a) Details of sale of products (net of excise):

	Year ended March 31, 2016 (Rs.)	Year ended March 31, 2015 (Rs.)
U - Bolts	351861613.84	292929629.63
H - Bolts	65276628.28	57278123.00
Centre Bolts	176892190.07	162412804.00
Shackle bolts	43845112.51	14939078.00
Spring Pin	180688931.97	131190414.00
King Pin	26390183.21	3338824.00
Axle Studs	6895018.88	12124988.00
Hanger Brackets	547074439.63	529419467.19
Bushes	114489236.60	225879819.26
Nuts	72379320.80	68940452.00
Axle & Acc.	15684867.60	2364246.94
Earth Moving	244913.75	1681581.94
Fasteners	494176.04	533971.56
Miscellaneous	28390990.07	1387576.50
Traded Goods	4811703.20	16559532.20
Total	1635419326.45	1551030508.22

23 Other income:

	Year ended March 31, 2016 (Rs.)	Year ended March 31, 2015 (Rs.)
Interest income- Bank deposits & others	2047240.00	3118660.23
Rental income	189707.00	126000.00
Foreign exchange gain (net)	454901.89	0.00
Gain on sale of fixed assets (net)	130150.69	0.00
Miscellaneous income	497459.00	801564.16
Total	3319458.58	4046224.39

24 Cost of Raw Materials and Components Consumed:

	Year ended March 31, 2016 (Rs.)	Year ended March 31, 2015 (Rs.)
Inventory at the beginning of the year	68969889.39	54120349.59
Add: Purchases		
Raw materials	452898339.10	549393278.57
Semi-finished goods	233898304.93	151899017.26
	686796644.03	701292295.83
Less: Inventory at the end of the year		
Raw Materials	49202546.61	68969889.39
Total	706563986.81	686442756.03

24 (a) Details of Raw Materials & Components Consumption (:

	Year ended March 31, 2016 (Rs.)	Year ended March 31, 2015 (Rs.)
Mild Steel	39732133.26	45698990.15
EN Steel	260920555.74	224634851.99
Components	233898304.93	151899017.26
Axle Tube	439207.20	439210.20
Axle Parts	4413897.98	1711388.59
Aluminum Bronze Scrap	55436575.78	128538826.43
Melting Scrap	100503952	118014907.47
Copper Scrap	6810163.38	7910231.48
Others	4409196.52	7595332.46
Total	706563986.81	686442756.03

(refere note. 59)

25 Changes in Inventories of Finished Goods, Work-In-Progress and Stock-in Trade:

	Year ended March 31, 2016 (Rs.)	Year ended March 31, 2015 (Rs.)
(Increase)/Decrease in Stocks:		
Inventories at the end of the year		
Work-in-Progress	31499926.94	41874614.28
Finished Goods	51147957.28	69202116.24
	82647884.22	111076730.52
Less: Inventories at the beginning of the year		
Work-in-Progress	41874614.28	31489027.73
Finished Goods	69202116.24	61153174.34
	111076730.52	92642202.07
Total	28428846.30	(18434528.45)

25 (a) Detail of Finished Goods Stock under broad heads:

	Year ended March 31, 2016 (Rs.)	Year ended March 31, 2015 (Rs.)
U - Bolts	13120568.11	10382648.20
H - Bolts	2877948.49	2853788.36
Centre Bolts	5064236.24	2445748.23
Shackle bolts	2664138.98	1440276.08
Spring Pin	5377524.30	7455143.51
King Pin	2566451.03	4569216.47
Axle Studs	385422.41	654156.86
Hanger Brackets	4901572.01	20581009.79
Bushes	2836957.61	4577154.07
Nuts	2475973.58	3175026.09
Axle& Acc.	1007004.11	482342.06
Earth Moving	654120.23	803906.81
Fasteners	250039.35	171006.00
Miscellaneous	3902527.75	6621.00
Traded Goods	1123812.50	3896311.21
Others	1939660.58	5707861.50
Total	51147957.28	69202116.24

26 Employee Benefits Expense:

	Year ended March 31, 2016 (Rs.)	Year ended March 31, 2015 (Rs.)
(a) Salaries, Wages and Bonus (including managing & whole time director's remuneration)	261517314.07	258479864.22
(b) Contribution to provident & other funds	31190239.10	60241406.42
(c) Staff welfare expenses	7120014.53	4310789.39
Total	299827567.70	323032060.03

27 Finance Costs:

	Year ended March 31, 2016 (Rs.)	Year ended March 31, 2015 (Rs.)
Interest on working capital facilities	30555092.00	30764255.64
Interest on long term borrowings	17666511.33	13891926.50
Bank charges & other borrowings costs	9384379.01	8525975.13
Total	57605982.34	53182157.27

28 Depreciation and Amortization Expense:

	Year ended March 31, 2016 (Rs.)	Year ended March 31, 2015 (Rs.)
Depreciation of tangible assets (refer note 13)	49590938.60	47089690.73
Amortization of intangible assets (refer note 13)	234926.83	384137.00
Total	49825865.43	47473827.73

29 Other Expenses:

	Year ended March 31, 2016 (Rs.)	Year ended March 31, 2015 (Rs.)
Consumption of stores and spare parts	121703984.78	105699454.39
Power & fuel	119712793.91	133429708.77
Oil & lubricants	16548920.58	19729176.43
Packing material	39700732.33	35816554.43
Research & development expenses	1618148.67	1334889.00
Repair & maintenance-buildings	2155759.00	2035275.00
Repair & maintenance-plant & machinery	22835572.96	19662933.37

Insurance	3215224.33	2957659.17
Rates & taxes	2806842.30	2161166.00
Freight & forwarding charges	36018283.52	36014906.08
Shipping charges	3603099.00	4410093.00
Advertisement	514305.00	670697.00
Commission to agents	2136671.00	2829518.00
Travelling & conveyance	24715933.00	24453793.00
Printing & stationary	2142756.27	1823836.82
Vehicle expenses	1986331.01	2603724.62
Subscription & membership fees	256359.00	314204.46
Donation	23625.00	25523.00
Light & electricity expenses	394789.00	482745.00
Postage & telephone expenses	2410473.12	2935467.77
Legal & professional charges	2689576.21	2738178.00
Seminar & training expenses	141500.00	89463.00
Payment to auditors for:		
Audit and limited review fee	90000.00	100000.00
Internal audit fee	63263.00	0.00
Reimbursement of expenses	2025.00	7050.00
General expenses	2883519.33	2999399.46
Repair & maintenance-electricity and general	4900289.67	3955416.60
Recruitment expenses	45084.00	25222.00
Samples	7743.00	78585.00
Sales promotion & entertainment expenses	8326841.18	8451954.81
Loss of excise duty on goods return	159480.00	341587.77
Sales tax adjustment	129249.62	(12344.41)
Discounts & rebates	99289540.90	93153430.35
Exchange difference (net)	0.00	969927.62
Loss on sale of fixed assets (net)	0.00	81243.00
Total	523228715.69	512370438.51

30. Earnings per Equity Share (EPS):

	As At March 31, 2016 (Rs.)	As At March 31, 2015 (Rs.)
Earnings Per Share (EPS)-Basic & Diluted		
Numerator for basic and diluted EPS		
Net Profit/(Loss) attributable to Shareholders as at March 31	(4265285.11)	(42243010.55)
Weighted average number of equity shares (Denominator)	Nos.	Nos.
Number of equity shares outstanding at the end of the year (nos.)	1,45,14,580	1,45,14,580
Basic & Diluted EPS (In Rs.)	(02.91)	(02.91)
Nominal value of shares (Rs.)	5	5

31. Contingent Liabilities not provided for in respect of:

	As At March 31, 2016 (Rs. in lacs)	As At March 31, 2015 (Rs. in lacs)
(i) Guarantee given by the Company to the bank, on behalf of other Group Companies (i.e. G.S. Autocomp Private Limited & G.S. Consumer Products Private Limited & to PSIDC (for & on behalf of G.S. Radiators Ltd.)		
Balance Outstanding	617.20	718.46
(Maximum Amount)	(1269.26)	(1269.26)
(ii) Sales Bills Discounted with banks	113.37	98.12
(iii) Income Tax & Interest Demand-matter under appeal (Note No.32)	546.19	460.85

32. The Company has filed an appeal against the demand and the management, including its tax/legal advisors, believes that its position will likely be upheld in the appellate process. The Company has paid an amount of Rs. 283.52Lacs in protest, against the above said demand. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the company's financial position and results of operations.
33. **Capital and Other Commitments:**
 Estimated value of contracts remaining to be executed on Capital Accounts (net of advances), not provided for Rs.NIL (Previous year Rs.32.09 Lacs). Guarantees given by Company's Bankers on behalf of the Company against sanctioned letter of credit limit of Rs.500 lacs is Rs.253.16Lacs (previous year Rs.259.25Lacs) are secured by extension of pari-passu charges by way of hypothecation of stock-in-trade, raw material etc.
34. All the Inventories are valued and certified by the Management.
35. Purchase of finished goods Rs.22.37lacs consists of trading of Coolant (previous year Rs.113.61 lacs consists of trading of Clutch parts).
36. Other Borrowing cost Note No.27 under the heading "Finance Cost" includes Bank Charges/Commission, Interest to others & hire charges.
37. The Company is primarily engaged in the business of "Auto Components" for commercial vehicles, which are governed by same set of risks and returns and hence there is only one segment as required by Accounting Standard (AS-17) on Segment Reporting Issued by Companies (Accounting Standards) Rules, 2006.
38. In cases where letters of confirmation have been received from parties, book balances have been generally reconciled and adjusted, if required. In other cases, balance in accounts of sundry debtors, sundry creditors and advances or deposits have been taken as per books of accounts.
39. No amount is considered as doubtful, from the total debtors.
40. No amount is due, as on balance sheet date, from other officers or from directors or any of them either severally or jointly, with any other persons nor any debts due by firms or private companies, in the form of loans and advances in the nature of loans given to subsidiary and associates and firms/companies in which any of the directors are interested except at Note No.62.
41. Fixed Deposits includes Rs. 85.39lacs (previous year Rs. 52.91 lacs) are held as margin money for the issuance of bank guarantee, if any, & for issuance of Letter of Credit, for ninety days, as on balance sheet date.
42. **Capitalisation of exchange differences:**
 The Ministry of Corporate Affairs (MCA) has issued the amendment dated December 29, 2011 to AS-11 "The Effects of Changes in Foreign Exchange Rates", to allow companies deferral/capitalization of exchange differences arising on long-term foreign currency monetary items. In accordance with the amendment/earlier amendment to AS-11, the Company has capitalised exchange loss, arising on long-term foreign currency loan to the cost of plant and equipment and other assets. Accordingly foreign exchange gain/ (loss) adjusted against cost of assets/capital work in progress Rs.133.57 lacs (previous year Rs.104.90 lacs).

As at 31st March, 2016, the Company has un-hedged foreign currency exposure to the extent of US\$ 27.27 Lacs (equivalent to Rs.1440.00 Lacs)(Previous year US\$ 38.64 (equivalent to Rs.2040.00 Lacs) in the shape of foreign currency term loan, from financial institution, for the new manufacturing unit at Jamshedpur, for the purchase of certain capital equipment's.

43. Figures in bracket indicate deductions except otherwise stated.

44. **Unclaimed Dividend:**

Unclaimed dividends include amounts which will be credited to Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 (on Expiry of the specified period, if the amount remains unclaimed at that time) (refer note 11).

45. **Disclosure required under Section 186(4) of Companies Act, 2013**

During the year, the Company has not given any loans or guarantees or made investments in contravention of the provisions of the Section 186 of the Companies Act, 2013.

46. **Leases:**

Operating leases: Company as lessee

The Company had taken land at Jamshedpur on operating lease. The tenure of such lease is 30 years at the time of agreement. Lease rental are charged to the statement of profit and loss for the year. There are no sub-lease. The lease is renewable on mutual agreeable. At the expiry of the lease term, the company has an option to terminate the agreement or extend the term by giving the notice in writing.

Future minimum lease rental payables under non-cancellable operating lease are as follows:-

Particular	31 st March,	31 st March,
	2016	2015
	(Rs.in Lacs)	(Rs.in Lacs)
Lease payment for the year	01.59	01.59
Within one year	01.59	01.59
After one year but not more than five years	07.95	07.95
More than five yaers	23.85	25.44

Operating leases: Company as lessor

The Company has entered into agreements in the nature of lease/leave and license agreement with different lessee/licensee for the purpose of land/building/machinery etc. These are generally in nature of operating lease. Period of agreements are generally for ninety nine years and cancellable with a notice of sixty days and renewal at the options of the lessee/lessor.

Particular	31 st March, 2016	31 st March, 2015
	(Rs. in Lacs)	(Rs. in Lacs)
Lease received during the year	00.64	—
Within one year	01.00	—
After one year but not more than five years	04.00	—
More than five years	93.67	—

47. Defined Benefit Plans for Employees (AS-15); Liability for employee benefit (post retirement funded gratuity plan and leaves which is unfunded) has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in the Accounting Standard-15 (revised), the details of which are as under:

	As At March 31, 2016 (Rs. in lacs)		As At March 31, 2015 (Rs. in lacs)	
	Gratuity (Funded)	Leave Encas- ement (Unfu- nded)	Gratuit Y (Funde d)	Leave Encas- ement (Unfu- nded)
(i) Amount to be recognized in Balance Sheet				
a. Present value of Defined Benefits Obligations				
(i) Funded	231.39	—	323.76	—
(ii) Unfunded	—	65.83	—	79.87
b. Fair value of Plan Assets	111.77		132.86	
c. Net liability/(Assets) recognized in the Balance Sheet	119.62	65.83	190.90	79.87
(ii) Amount to be recognized in the Statement of Profit & Loss				
a. Current service Cost	42.50	29.59	58.42	41.11
b. Interest on Defined Benefit Obligation	23.27	04.21	14.50	02.00
c. Expected return on plan Assets	(09.98)	—	(14.43)	—
d. Net Actuarial (Gain)/Loss recognized in the year	(106.96)	03.92	113.48	41.23
e. Expenses recognized during the year	(51.17)	37.72	171.97	84.34

(iii)	Change in Defined Benefits Obligations and reconciliation thereof				
	a. Present value of Defined Obligations at the beginning of the year	323.76	79.87	232.23	55.20
	b. Interest Cost	23.27	04.21	14.50	02.00
	c. Current Service Cost	42.50	29.59	58.42	41.10
	d. Benefits paid	(50.90)	(51.76)	(97.47)	(59.66)
	e. Actuarial (Gain)/Loss	(107.24)	03.92	116.08	41.23
	f. Present value of Defined Obligations at the close of the year	231.39	65.83	323.76	79.87
(iv)	Change in the fair value of Plan Assets and the reconciliation thereof				
	a. Fair value of Plan Assets at the beginning of the year	132.87	----	214.02	----
	b. Expected return on Plan Assets	09.98	----	14.43	----
	c. Actuarial (Gain)/Loss	(00.28)	----	(02.60)	----
	d. Contribution by Employer	20.10	----	----	----
	e. Benefits paid	(50.90)	51.76	(98.18)	59.66
	f. Fair value of Plan Assets at the close of year	111.77	----	132.87	----
(v)	Summary of Actuarial assumptions				
	a. Discount Rate (per annum)	08.00	08.00	08.00	08.00
	b. Expected rate of return on Plan Assets (p.a)	08.50	N.A	08.75	N.A
	c. Rate of escalation in salary (per annum)	05.00	05.00	05.00	05.00

48. Capital work in progress includes amount of Rs. NIL (Previous year Rs.338.03Lacs, on account of machinery under installation, Rs.333.13Lacs (Previous year Rs.313.23Lacs) on account of Building under construction, on account of electric fitting Rs.NIL (Previous year Rs.33.40Lacs).
49. Intangible Assets comprises of Acquisition of computer Software&Video Advertisement have been amortized @ 25% on Straight line basis, as the useful life thereof has been estimated to be not more than four years.
50. Disclosure: as required by AS-28 (Impairment of Assets):
In terms of Accounting Standard 28 (AS-28) there was no impairment loss on assets during the year under report.
51. Balance with Central Excise & Revenue Authorities under Note 20, under the heading "Short term Loans & Advances", includes Rs.360.84 lacs(Previous Rs.466.75 Lacs) on account of pending Value Added Tax (VAT) refunds, from the Sales Tax Authorities, Government of Punjab.
52. The Company is developing certain machineries (Special purpose Machines), as per its various in house production process requirements, along with for the requirements of its group Companies, as & when required, under its Research & Development Centre. The following expenditure has been incurred during the year, included under the relevant heads in the profit and loss account.

Expenditure incurred on Research & Development:

	Financial Year 2015-2016 (Rs.in lacs)	Financial Year 2014- 2015 (Rs.in lacs)
Revenue Expenses	16.18	13.35
Wages (Research & Development) (included under Note No.26)	33.03	42.40

53. (a) Exchange difference Gain/ (Loss) on account of fluctuations in foreign currency rates:

	Financial Year 2015-2016 (Rs.in lacs)	Financial Year 2014-2015 (Rs.in lacs)
(i) Gain/ (Loss) relating to Exports during the year recognized in Statement of profit and loss account.	04.58	(13.30)
(ii) Recognized in the profit and Loss account		
Gain/ (Loss) on Settlement/revaluation of current assets	(00.03)	03.80

53. (b) Details of Un-hedged Foreign Currencies:

The yearend foreign currency exposures in respect of monetary items that have not been hedged by a derivative instrument or otherwise are given below, Amount (net) in foreign currency on account of the followings:-

Particulars	31 st March, 2015	31 st March, 2015	31 st March, 2015	31 st March, 2015
	(Amount in Foreign Currency)	(Rs. In lacs)	(Amount in Foreign Currency)	(Rs. In lacs)
Export of Goods	USD 370107	237.69	USD 429608.42	268.90
	EURO 101458	34.85	EURO 45404.30	30.65
Advance from Customers	USD 34117	21.76		
Term Loan	USD 2727191	1440	USD 3863520	2040.00

54. Detail of dues to Micro & Small enterprises as defined under Micro, Small and Medium Enterprises Developments Act, 2006 (MSMED Act 2006):-

Particulars	As At March 31, 2016 (Rs. In lacs)	As At March 31, 2015 (Rs. In lacs)
Principal amount due to suppliers under MSMED Act,2006	13.23	8.01
Interest Accrued and due to suppliers under MSMED Act, 2006 on the above amount	--	--
Payment made to suppliers (other than interest) beyond the appointed day, during the year	--	--
Interest paid to suppliers under MSMED Act, 2006 (other than section 16)	--	--
Interest paid to suppliers under MSMED Act, 2006 (Section 16)	--	--
Interest due & payable to suppliers under MSMED Act, 2006 for the payments already made.	--	--
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006.	--	--

The information has been given in respect of such vendors to the extent they could be identified as "Micro and Small enterprises" on the basis of information available with the Company.

55. Capitalization of Expenses:

Bank Interest & Bank Charges capitalized in respect of Plant & Machinery & other Tangible Fixed Assets Rs. Nil (Previous year Rs.17.80 Lacs) & In respect of other expenses in respect of plant & machinery & other tangible fixed assets Rs. Nil (Previous year Rs. Nil).

56. Miscellaneous Receipts Include, Rs.4.06Lacs(Previous year Rs.4.00Lacs), on account of Insurance Claim received.

57. Advances recoverable in cash or in kind or for value to be received under Note No.20 under the heading "Short-term Loans and Advances" includes Rs.01.28Lacs (previous year Rs.02.60 Lacs) due from various employees of the Company. Maximum balance outstanding during the year was Rs.1.88Lacs(previous year Rs.9.22 Lacs).

58. Executive Chairman of the Company was re-appointed by the Board of Directors at its meeting held on 30th May, 2016 with effect 01st April, 2016 and the remuneration paid is subject to the approval of shareholders by way of special resolution due to revision in the salary of executive chairman. The company will take the approval of shareholders by special resolution in the forthcoming Annual General Meeting for the payment of remuneration as per the provisions of Schedule V of the Companies Act, 2013.

One of the Executive Director of the Company, was re-appointed by the Board of Directors at its meeting held on 30th May, 2016 with effect 01st April, 2016 and the remuneration paid is subject to the approval of shareholders by way of special resolution due to revision in the salary of executive chairman. The company will take the approval of shareholders by special resolution in the forthcoming Annual General Meeting for the payment of remuneration as per the provisions of Schedule V of the Companies Act, 2013.

59. Imported and Indigenous Raw Materials and Components Consumed (refer note 24):

	Year ended March 31, 2016 (Rs.)	Year ended March 31, 2015 (Rs.)
Imported	00.00	00.00
Indigenous	0.00%	0.00%
	706563986.81	58642756.03
Total	100.00%	100.00%
	706563986.81	58642756.08

60. Proposed Dividend:

During the year & during the previous year, the Company has not proposed any dividend on its Equity shares.

61. Additional Information under Part II of Schedule III to the Companies Act, 2013:

61 (a) CIF Value of Import

(Rs. in lacs)

Particulars	Financial Year 2015-2016 (Rs.)	Financial Year 2014-2015 (Rs.)
Raw Material and Components	---	---
Traded Goods	07.02	---
Total	Nil	Nil

61 (b) Expenditure in Foreign Currency:

(Rs. in lacs)

Particulars	Financial Year 2015-2016 (Rs.)	Financial Year 2014-2015 (Rs.)
Raw Material and Components	00.00	00.00
Traded Goods	06.91	00.00
Foreign Travel Expenses	00.00	01.73
Commission on Export Goods	07.80	09.17
Repayment of term loan, Bank Charges & Commission & Interest	889.91	596.15
Others	00.00	06.26
Total	904.62	607.31

61 (c) Earning in Foreign Currency:

(Rs. in lacs)

Particulars	Financial Year 2015-2016 (Rs.)	Financial Year 2014-2015 (Rs.)
F.O.B value of Exports	658.31	759.79
Total	658.31	759.79

62. Related Party Disclosure:

Related party disclosures as required under Accounting Standard-18 issued by The Institute of Chartered Accountants of India are given below:

a. The Key Management personnel & individuals having control or significant influence over the Company by reason of voting power, and their relatives:

Mr. Jasbir Singh Ryait	-	Chairman
Mr. Surinder Singh Ryait	-	Managing Director
Mrs. Dalvinder Kaur Ryait	-	Executive Director
Mrs. Amarjeet Kaur Ryait	-	Executive Director

b. Enterprises, over which control is exercised by individuals listed in "a" above:

G.S. Autocomp Private Limited
G.S. Consumer Products Private Limited
G.J.Holdings Private Limited*
Futurista Home Solutions Private Limited*
Bluebasic India Limited- Subsidiary

* No transaction has taken place during the year.

c. Relative of key management personnel:

Mr. Harkirat Singh Ryait

The following transactions were carried out during the year with related parties in the ordinary course of business:

Detail of transactions with enterprises referred to in "b" above: (Rs.in Lacs)

S. No.	Particulars	2015-2016	2014-2015
1.	Sales, Services, Other Income		
	Sales of Goods-G S Autocomp Private Limited	580.27	---
	Rendering of Services	---	---
	Rental Income		
	G.S. Consumer Products Private Limited	01.20	01.20
	G.S. Autocomp Private Limited	00.64	00.00
	Other Income		
	G.S. Autocomp Private Limited	00.90	00.90
	Total	585.11	02.10
2.	Purchase of Goods- G S Autocomp Private Ltd.	248.10	---
	Services	---	---
3.	Investment in blue basic Private Limited (Wholly owned subsidiary)	00.75	00.00
	Total	833.96	02.10

S. No.	Particulars	2015-2016	2014-2015
1.	Amount Outstanding-Payable		
	Accounts Payable		
	G.S. Autocomp Private Limited	174.23	Nil
	G.S. Consumer Products Private Limited	Nil	Nil

Details of Transactions relating to the persons referred to in "a" above (Rs. in Lacs)

S. No.	Particulars	2015-2016 (Rs. in lacs)	2014-2015 (Rs. in lacs)
	Managerial Remuneration (Mr.Jasbir Singh Ryait, Mr.Surinder Singh Ryait, Mrs.DalvinderKaurRyait&Mrs.AmarjeetKaurRyait)	97.67	92.33
	Remuneration paid to relative of key management personnel	02.94	04.36

63. Rental income includes Rs.01.84lacs(previous year Rs.1.20 lacs)from group companies as per Note No.62above &Rs.0.06 lacs (previous year Rs.0.06 lacs) from others.

64. Includes goods in transit of Rs.25.68Lacs (Previous year Rs.9.60 Lacs).

65.Previous year's figures have been regrouped or reclassified wherever necessary to confirm to the current year's classification.

As per our report of even date
For NANDA & BHATIA
ICAI Firm Registration No: 004342N
Chartered Accountants

For and on behalf of the Board of Directors
of G.S.Auto International Limited

JASBIR SINGH RYAIT
Chairman

NEERAJ TULI
Chief Financial Officer

P.C.S.VIRDI
Partner
Membership No: 17056
Ludhiana: 13th August, 2016

SURINDER SINGH RYAIT
Managing Director

AMNINDER KAUR
Company Secretary

Independent Auditor's Report (Revised)

To the Members of G.S. Auto International Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of G.S. Auto International Limited (hereinafter referred to as "the Holding Company"), its subsidiary (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us of "the Holding Company" and its subsidiary company (the Holding Company and its subsidiaries together referred to as "the Group"), is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at March 31, 2016, their consolidated loss, and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act, of its subsidiary company incorporated in India, none of the directors of the Group's companies, incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary company incorporated in India, refer to our separate report in "Annexure 1" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer Note 33 to the consolidated financial statements;
- ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts, if any, – Refer Note 8 and 12 to the consolidated financial statements in respect of such items as it relates to the Group.
- iii. There were no amounts which were required to be transferred to the Investor Education and protection Fund by the Holding Company, its subsidiary incorporated in India.

For NANDA & BHATIA
Chartered Accountants
ICAI Firm Registration Number: 004342N

Ludhiana: 13th August, 2016

34/-
P.C.S. VIRDI
Partner
Membership Number: 017096

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF G.S.AUTO INTERNATIONAL LIMITED

Report on the Internal Financial Controls under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of G.S. Auto International Limited

In conjunction with our audit of the consolidated financial statements of G.S. Auto International Limited as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of G.S. Auto International Limited (hereinafter referred to as the "Holding Company") and its subsidiary company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary company, which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained (of G.S. Auto International Limited (hereinafter referred to as the "Holding Company") and its subsidiary company) is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary company, which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For NANDA & BHATIA
Chartered Accountants
ICAI Firm Registration Number: 004342N

Ludhiana: 13th August, 2016

Sd/-
P.C.S. VIRDI
Partner
Membership Number: 017056

G.S. Auto International Limited
Consolidated Balance Sheet as at March 31, 2016:

Particulars	Note No.	As At March 31, 2016 (Rs.)	As At March 31, 2015 (Rs.)
I EQUITY AND LIABILITIES:			
1 Shareholders' Funds:			
(a) Share capital	3	72572900.00	72572900.00
(b) Reserves & surplus	4	360907395.30	365172680.41
Sub-total		433480295.30	437745580.41
2 Minority interest		25000.00	0.00
3 Non-Current Liabilities:			
(a) Long term borrowings	5	154943407.18	226254550.95
(b) Deferred tax liabilities (net)	6	0.00	4435170.00
(c) Other long term liabilities	7	2314523.84	2314523.84
(d) Long term provisions	8	29408911.60	27075908.00
Sub-total		186666842.62	26000152.79
4 Current Liabilities:			
(a) Short term borrowings	9	266902075.68	263129906.54
(b) Trade payables	10		
Dues to micro enterprises and small enterprises		1323130.65	800948.32
Dues to others		140696926.83	88159965.37
(c) Other current liabilities	11	239542545.44	234700706.62
(d) Short term provisions	12	3186536.00	11329624.00
Sub-total		651651214.60	598121150.85
Total		1271823352.52	1295946884.05
II ASSETS:			
1 Non-Current Assets:			
(a) Fixed assets	13		
(i) Tangible assets		602144736.28	581448841.27
(ii) Intangible assets		0.00	234926.83
(iii) Capital work in progress		33313257.54	68466562.33
(b) Non-current investments	14	500.00	500.00
(c) Deferred tax assets	6	17237210.00	0.00
(d) Long-term loans and advances	15	49245227.47	71716229.29
(e) Other noncurrent assets	16	93383.00	0.00
Sub-total		702034314.29	721867059.72
2 Current Assets:			
(a) Current Investments	17	1185460.00	1000000.00
(b) Inventories	18	158907802.92	206149365.67
(c) Trade receivables	19	303999270.46	244580436.94
(d) Cash & bank balances	20	24872728.00	35344419.35
(e) Short-term loans & advances	21	77146560.85	84583220.66
(f) Other current assets	22	3677216.00	2422381.71
Sub-total		569789038.23	574079824.33
Total		1271823352.52	1295946884.05
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of these financial statements

As per our report of even date

For **NANDA & BHATIA**

ICAI Firm Registration No:004342N

Chartered Accountants

For and on behalf of the Board of Directors of
G.S. Auto International Limited

JASBIR SINGH RYAIT
Chairman
DIN: 00104979

NEERAJ TULI
Chief Financial Officer

P.C.S.VIRDI
Partner
Membership No:17056
Ludhiana; 13th August, 2016

SURINDER SINGH RYAIT
Managing Director
DIN: 00692792

AMNINDER KAUR
Company Secretary

Consolidated Statement of Profit and Loss for the year ended March 31, 2016:

Particulars	Note No.	Year Ended March 31, 2016 (Rs.)	Year Ended March 31, 2015 (Rs.)
Income			
Revenue from operations (Gross)		1868709875.45	1748611292.22
Less: Excise Duty		230153427.00	196061686.00
Revenue from operations (Net)		1638556448.45	1552549606.22
Other income	23	3319458.58	4046224.39
Total Income (I)	24	1641875907.03	1596595830.61
Expenses:			
Cost of Raw Materials Consumed		706563986.81	686442756.03
Purchases of Finished Goods	25	2237107.87	11361330.04
Changes in Inventories of Finished goods and Work-in-progress		28428846.30	(18434528.45)
Employee Benefits Expense	26	299827567.70	323032060.03
Finance Costs	27	57605982.34	53182157.27
Depreciation and Amortization Expense	28	49825865.43	47473827.73
Other Expenses	29	523228715.69	512370438.51
Total Expenses (II)	30	1667718072.14	1813428041.16
Profit before tax (I-II)		(25842165.11)	(58832210.55)
Tax Expense:			
Current Tax		0.00	0.00
Deferred Tax		21672380.00	16651700.00
Wealth Tax		95500.00	62500.00
Total tax expenses		(21576880.00)	(18589200.00)
Profit for the year		(4265285.11)	(4243010.55)
Earnings per equity share: (Nominal value Rs.5/-)(Previous year Rs.5/-)			
Basic & Diluted (in Rs.)	31	(0.29)	(2.91)
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of these financial statements
As per our report of even date

For NANDA & BHATIA
KCAI Firm Registration No:004342N
Chartered Accountants

For and on behalf of the Board of Directors of
G.S Auto International Limited

JASBIR SINGH RYAI
Chairman
DIN: 00104979

NEERAJ TULI
Chief Financial Officer

P.C.S.VIRDI
Partner
Membership No:17056
Ludhiana; 13th August, 2016

SURINDER SINGH RYAI
Managing Director
DIN: 00692792

AMNINDER KAUR
Company Secretary

**Consolidated Cash Flow Statement
for the year ended March 31, 2016:**

Particulars	Year Ended 31st March, 2016 (Rs.)	Year Ended 31st March, 2015 (Rs.)
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before Tax	(25842165.11)	(58832210.55)
Adjustments for:		
i) Depreciation and amortization	49825865.43	47473827.73
ii) (Profit)/Loss on fixed assets (net)	(130150.69)	81243.00
iii) Interest Paid	57605982.34	53182157.27
iv) Interest received	2047240.00	3118660.23
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	63506771.97	45023677.68
Movement in working capital:		
(Increase) / Decrease in Current & Non Current Assets:		
i) Inventories	47241562.75	(38611104.45)
ii) Sundry debtors	(59418833.52)	17471068.93
iii) Other current assets and loans & advances	3282335.52	45163904.15
Increase / (Decrease) in Current & Non Current Liabilities:		
i) Trade payable	53069485.79	(5548162.84)
ii) other current liabilities	8493930.42	110907144.42
CASH GENERATED FROM OPERATIONS	136175252.93	174406527.89
Income tax paid. (net of refund)	0.00	(1000000.00)
NET CASH FROM OPERATING ACTIVITIES	(A) 136175252.93	173406527.89
CASH FLOW FROM INVESTMENT ACTIVITIES:		
i) (Increase) / Decrease in investment in mutual funds/Fixed Deposits	(185460.00)	(1000000.00)
ii) Purchase of fixed assets (including Capital work in progress and capital advances)	(10934004.31)	(79105457.99)
iii) Interest received	(2047240.00)	(3118660.23)
iv) Proceed from sale of fixed assets	1112235.00	458000.00
v) Others	25000.00	0.00
NET CASH (USED)/RAISED FROM INVESTING ACTIVITIES	(B) (12029469.31)	(82766118.22)
CASH FLOW FINANCING ACTIVITIES:		
Increase / (Decrease) in Share Capital / Borrowings:		
i) Repayment of long term borrowings	(80783661.77)	(39559649.05)
ii) Proceeds/(Repayment) of short term borrowings	3772169.14	2836875.93
iii) Interest paid	(57605982.34)	(53182157.27)
Net Cash (used)/raised from financing activities	(C) (134617474.97)	(89902930.39)
Increase/(decrease) in cash & cash equivalents	(A +B+C) (10471691.35)	737479.28
Cash & Cash Equivalents at the beginning of the year	35344419.35	34606940.07
Cash & Cash Equivalents at the end of the year	24872728.00	35344419.35
Components of cash & cash equivalent		
Balance with Banks-Current Accounts & FDR's	22558421.16	33533655.17
- Cash on hand (including imprest)	2314306.84	1820764.18
Total cash & cash equivalents at the end of the year	24872728.00	35344419.35

Notes:-1. The figure in brackets represents outflows/adjustments.

2.Previous period's figures have been regrouped/reclassified, wherever necessary to confirm to current year presentation

The accompanying notes are an integral part of these financial statements

As per our report of even date

For **NANDA & BHATIA**

ICAI Firm Registration No:004342N

Chartered Accountants

P.C.S.VIRDI

Partner

Membership No:17056

Ludhiana, 15th August, 2016

For and on behalf of the Board of Directors of
G.S Auto International Limited

JASBIR SINGH RYAIT

Chairman

DIN: 00104979

SURINDER SINGH RYA

Managing Director

DIN: 00692792

NEERAJ TULI

Chief Financial Officer

AMNINDER KAUR

Company Secretary

Notes to Consolidated financial statements for the year ended March 31, 2016:

1. Corporate Information:

"G.S. Auto International Limited" ("GS" or "the Company") is a public company domiciled in India and incorporated as "Gurmukh Singh & Sons Auto Parts Private Limited" on 29th June, 1973 under the provisions of the Companies Act, 1956 & later on changed its name to "G.S. Auto International Limited", having its registered office at G.S. Estate, G.T Road, Dhandari Kalan, Ludhiana-141010. Its shares are listed on "The Bombay Stock Exchange Limited".

The Company is engaged in the manufacturing of wide range of auto components such as Ferrous & Non Ferrous Casting Components, Machined Components, Forged parts and Assembly of heavy duty trailer axles for Commercial vehicles.

The Company is operating in all the three verticals of auto components Industry by supplying its components to Original Equipment Manufacturers, After Sales Market (Replacement Market) & Export Market. The Company's CIN is L34300PB1973PLC003301.

2. Basis of preparation:

These consolidated financial statements comprise the financial statements of the Company and its subsidiary (together referred to as 'the Group'). These consolidated financial statements of the Group have been prepared in accordance with the generally accepted accounting principles in India (the accounting standards notified under Indian GAAP). The Group has prepared these consolidated financial statements to comply in all material aspects with the accounting principles generally accepted in India, including the accounting standards notified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules 2014. These consolidated financial statements have been prepared on an accrual basis under the historical cost convention.

The Group has ascertained its operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

The accounting policies adopted in the preparation of consolidated financial statements are consistent with those of previous year.

2.1 Summary of significant accounting policies:

a) Principles of consolidation

These consolidated financial statements of the Group are prepared in accordance with Accounting Standard 21 "Consolidated Financial Statements" as notified.

These consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the Company for its standalone financial statements.

The consolidated financial statements of the subsidiary have been drawn for the year ended March 31, 2016

Subsidiaries

Subsidiary is fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continues to be consolidated until the date that such control ceases to exist.

The financial statements of the Company and its subsidiary have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, if any, after eliminating intra group balances and intra group transactions. The unrealised profits or losses resulting from the intra group transactions and intra group balances, if any, have been eliminated in full. Unrealised losses, if any, resulting from intra group transactions are also eliminated unless cost cannot be recovered.

The excess of the cost to the Company of its investment in the subsidiary, if any, over the Company's portion of equity on the acquisition date is recognised in the consolidated financial statements as goodwill and is tested for impairment annually. The excess of the Company's portion of equity of the subsidiary over the cost of investment, if any, therein is treated as capital reserve.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and events in similar circumstances and necessary adjustments required for deviations, if any to the extent possible unless otherwise stated, are made in the consolidated financial statements and are presented in the same manner as the Company's standalone financial statements.

Share of minority, if any, in the net profit is adjusted against the income to arrive at the net income attributable to shareholders of the parent company. Minority interest's share of net assets/liability is presented separately in the balance sheet.

If the losses attributable to the minority in a subsidiary exceed the minority's share in equity of the subsidiary, then the excess, and any further losses applicable to the minority, are adjusted against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make good the losses. If the subsidiary subsequently reports profits, all such profits are allocated to the Group's interest until the minority's share of losses previously absorbed by the Group has been adjusted.

A change in the ownership/interest of a subsidiary, without a loss of control, if any, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

- derecognises the assets (including goodwill) and liabilities of the subsidiary;
- derecognises the carrying amount of any minority interest;
- derecognises the cumulative translation differences, recorded in foreign currency translation reserve;
- recognises fair value of the consideration received;
- recognises the carrying value of any investment retained;
- recognises any surplus or deficit in consolidated statement of profit and loss.

List of subsidiaries which are included in the consolidation and the Company's effective holdings therein are as under:

Name of Company	Relationship	Parents' ultimate holding as on March 31, 2016	Country of Incorporation	Financial year ends on
Bluebasic India Limited	Subsidiary	75%	India	March 31, 2016

During the year under review, the Company has set up a Subsidiary Company as a limited liability Company viz. Bluebasic India Limited in India, which was incorporated on November 19, 2015. This subsidiary will mainly cater to all kinds of ad blue solvents and coolants. However, during the previous year ended March 31, 2016, the said subsidiary company has not done any business.

Disclosure of additional information pertaining to the parent company, subsidiary

Name of the Entity	Net Assets (Total assets-total liabilities)		Share in Profit and loss	
	As a % of Consolidated net assets	Net assets	As a % of Consolidated profit or loss	Profit/(Loss)
Parent Company				
G.S. Auto International Limited	100.00%	4334.80	100.00%	(42.65)
India Subsidiary				
Bluebasic India Limited	00.02%	01.00	0.00%	00.00
Consolidation Adjustments	(00.02%)	(01.00)	(00.00%)	(00.00)%
Total	100.00%	4334.80	100.00%	(42.65)

b) Use of estimates

The preparation of consolidated financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c) Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, the cost of replacing part of the fixed assets and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure (for new projects and in case of substantial modernization at the existing units) related to an item of fixed asset are added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure are charged to the statement of profit and loss for the period during which such expenses are incurred.

The Company adjusts exchange differences arising on translation/settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset. In accordance with MCA circular dated August 9, 2012, exchange differences adjusted to the cost of fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the Group does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference. Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The Group identifies and determines cost of each component/part of the assets separately, if the component/part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

The Tangible Fixed Assets manufactured by the Company or its subsidiary are stated at its manufacturing cost plus all the incidental expenses related thereto up to date of the assets are put into use/assets is ready for its intend use along with the interest cost.

Expenditure on New Projects and Expenditure during Construction etc.:

In case of new project and in the case of substantial modernization or expansion at the existing units of the Group, specific expenditure incurred including specific interest on borrowings and financing cost, prior to the commencement of commercial production is capitalized to the cost of specific assets. All the other expenses/indirect expenses, up to the date of start of commercial production of the second phase, not specific to any particular assets, if any, is being debited to the pre-operative expenses/expenses pending capitalization account & will be capitalized, to all the relevant tangible assets, on the date of commencement of commercial production, of the second phase of the new project. Trial Run expenditure is also capitalized.

Leasehold land, acquired on thirty years lease basis, from "Adityapur Industrial Development Authority ("AIDA") for setting up of new manufacturing unit at Jamshedpur and all the related expenses & incidental to the acquisition of the leasehold land, up to the date of the commencement of the first phase of the Commercial production was capitalized.

Fixed Assets are reviewed for impairment on each Balance Sheet date.

d) Depreciation on tangible assets:

Cost Incurred on Leasehold land is amortized on a straight line basis over the period of lease. Depreciation on all tangible fixed assets is provided under the "Straight line Method" basis using the rates prescribed in the Schedule II of the Companies Act, 2013.

Depreciation on the additions to the particular assets, during the year, is being provided on a pro-rata basis, from the date of acquisition/Installation/on which the particular asset is put to use.

Depreciation on assets sold, discarded or demolished during the year, is being provided at their respective rates on pro-rata basis up to the date on which such assets are sold, discarded or demolished.

Depreciation on additions on account of increase or decrease in rupee value due to revaluation of foreign currency loans is being provided at rates of depreciation over the remaining useful life of the said assets.

e) Intangible assets:

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets are stated at cost less accumulated amount of amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over the estimated useful economic of such assets. An asset's useful life is estimated based on an evaluation of the future economic benefits expected of such assets.

Expenditure incurred on acquisition or development of software, video Advertisement, and such other Intangible Assets are recognized as Intangible Assets, if it is expected that such assets will generate sufficient future economic benefits.

Research and development expenditure

Research expenditures are expensed under the natural heads of account in the year in which it is incurred.

Development expenditure, if any, incurred on an individual project is recognized as an Intangible asset when the Company can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of adequate resources to complete the development and to use or sell the asset

- The ability to measure reliably the expenditure attributable to the Intangible asset during development.

Following the initial recognition of the development expenditure, if any, as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life of five to ten years. Amortization is recognized in the statement of profit and loss. During the period of development, if any, the asset is tested for impairment annually.

Tangible fixed assets purchased, if any, for research and development are accounted for in the manner stated in Note 2.1 (c) above

f) Impairment of tangible and intangible assets:

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's CGU to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses, if any, including impairment on inventories are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The

reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

g) Inventories:

Cost of Inventories have been computed to include all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition:

Raw materials and components, stores and spares and loose tools are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Costs are determined on weighted average basis

Work-in-Progress is valued at raw material cost-plus conversion cost depending upon the stage of completion. Cost includes direct materials and labour cost and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on weighted average basis.

Finished Goods are valued at raw material cost-plus conversion cost & other overheads incurred in bringing the goods to their present condition & location. Cost is determined on weighted average basis.

Consumable Stores are valued at cost plus expenses.

Scrap is valued at estimated realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

h) Foreign Currency Transactions:

Foreign currency transactions and balances

i. Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

iii. Exchange differences

The Group accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

- a) Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.
- b) All other exchange differences are recognized as income or as expenses in the period in which they arise.

For the purpose of (a) above, the Group treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination.

In accordance with MCA circular dated August 9, 2012, exchange differences for this purpose, are total differences arising on long-term foreign currency monetary items for the period. In other words, the Group does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

ii) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statement at lower of cost of acquisition and fair value determined on an individual investment basis.

Long-term investments are carried at cost. However provision for diminution in value of investments is made to recognize a decline other than temporary in the value of investment.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

f) Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

(i) Sale of products

- a) Revenue from domestic sales are recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on dispatch from the point of sale, consequent to property in goods being transferred. The Group collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.
- b) Revenue from export sales are recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on the basis of dates of bill of lading.

ii. Export incentives

Revenue from export incentives are accounted for on export of goods if the entitlements can be estimated with reasonable assurance and conditions precedent to claim is fulfilled.

iii. Interest income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

iv. Dividend income

Dividend income is recognized when the Group's right to receive is established by the reporting date.

v. Profit / loss on sale of investment

Profit/loss on sale of investment is recognized when all the significant risks and rewards of ownership in investment is transferred.

vi) Insurance and other claims:

Revenue in respect of claims is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.

j) Retirement and other employee benefits:

Provident Fund:

Benefits in the form of Provident Fund and Pension Schemes whether in pursuance of any law or otherwise, which are defined contributions is made in accordance with the provisions of the Employee Provident Fund and Miscellaneous Provision Act 1952, is accounted for on accrual basis and charged to the statement of profit and loss account, on the basis of actual liability calculated as a percentage of salary.

Gratuity:

Payment for present liability of future payment of gratuity is being made to approved gratuity funds, which fully covers the same under cash accumulation policy of the Life Insurance Corporation of India. The employees' gratuity is a defined benefit funded plan. The present value of the obligation under such defined benefit plan is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance Sheet and the shortfall in the fair value of the plan Assets is recognized as an obligation.

Leave Encashment:

The Group provides for the encashment of leave with pay subject to certain rules. The employees are entitled to accumulate leave, for future encashment/availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date. Privilege leave benefits or compensated absences are considered as long term & short term unfunded benefits and is recognized on the basis of an independent actuarial valuation using the projected unit credit method determined by an appointed Actuary.

The Actuarial gain/loss is recognized in statement of profit and loss account.

Termination benefits such as compensation under voluntary retirement scheme are recognized as a liability in the year of termination.

k) Borrowing cost:

Borrowing cost includes Interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

l) Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Group operates. The tax rates and tax laws used to compute the amount are those that are enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred Income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the

earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Group's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Group restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, the Group re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Group writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset in accordance with the guidance note on "Accounting for Credit Available in respect of Minimum Alternative Tax" under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Group reviews the "MAT credit entitlement" asset at each reporting date and

writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

m) Provisions

A provision is recognized when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

n) Leases:

Where the Company within the Group is the lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the Company within the Group is the lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset, are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

o) Government grants and subsidies:

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Group will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and is released to statement of profit and loss over the periods and in the proportions in which depreciation on those assets is charged.

Where the Group receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost, it is recognized at a nominal value. Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of the shareholders' funds.

p) Earnings per share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

q) Contingent liabilities:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or nonoccurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

r) Cash and cash equivalents:

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and other bank balances.

s) Hedge Accounting:

The Group till date is not using the booking of forward contract as hedging instrument for covering its risk against currency fluctuations for its all the import and export business carried on during the year, further the Group has not booked any forward or hedged its foreign currency exposure for the foreign exchange term loan, outstanding as at the balance sheet date, availed for the setting up of new manufacturing unit at Jamshedpur. In terms of risk management strategy, the Group does not use forward cover contracts for trading & speculative purposes.

t) Expenses:

Goods received are accounted as purchases on satisfactory completion of inspection. Discount to customers and price escalation to suppliers, if any, to the extent not settled at the Balance Sheet date are accounted on the basis of reasonable estimates made after considering negotiations with vendors/customers. Tools, jigs and fixtures costing less than Rs.5,000/- each, are written off in the year of purchase.

3 Share Capital:

	As At March 31, 2016 (Rs.)	As At March 31, 2015 (Rs.)
Authorised shares (Nos)		
260,00,000 (previous year 260,00,000) equity shares of Rs.5/- each)	130000000.00	130000000.00
	<u>130000000.00</u>	<u>130000000.00</u>
Issued, Subscribed and fully paid up shares (Nos)		
1,45,14,580 (previous year 1,45,14,580) equity shares of Rs.5/- each)	72572900.00	72572900.00
Total issued, subscribed and fully paid-up share capital	<u>72572900.00</u>	<u>72572900.00</u>

3. (a) Reconciliation of the shares outstanding at the beginning and at the end of the year:

	As At March 31, 2016		As At March 31, 2015	
	Number of Shares	Rs.	Number of Shares	Rs.
Shares Outstanding at the beginning of the year	1,45,14,580	72572900.00	1,20,00,000	60000000.00
Shares Issued to the equity shareholders of erstwhile M/s. G.S.Automotives Private Ltd., Consequent to the amalgamation of M/s. G S Automotives Private Limited with the Company	—	—	25,14,580	12572900.00
Shares Outstanding at the end of the year	1,45,14,580	72572900.00	1,45,14,580	72572900.00

3. (b) Terms/rights attached to equity shares:

The Company has only one class of issued equity shares having a par value of Rs.5/- per share. Each Shareholder of equity shares is entitled to one vote per share. The dividend (if any) proposed by the Board of Directors and approved by the shareholders in the Annual General Meeting, except in case of Interim Dividend, is paid in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

3. (c) Shares held by holding/ultimate holding Company and/or their subsidiaries/associates

The Company being ultimate holding company, there are no shares held by any other holding, ultimate holding company and their subsidiaries/associates.

3. (d) Aggregate number of bonus share issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

There are no bonus share issued and shares bought back during the period of five years immediately preceding reporting date, however the company had allotted, 25,14,580 equity shares of Rs.5/- each, to the shareholders of M/s G. S Automotives Private Limited under the Scheme of Amalgamation, for Consideration other than cash, in year ended 31st March, 2013.

3. (a) Details of Shareholders holding more than 5% shares in the Company:

Name of Shareholder	As At March 31, 2016		As At March 31, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1.G.J.Holdings Private Limited	43,68,340	30.10	43,68,340	30.10
2. Share India Securities Limited	---	---	16,41,000	11.31

* The shareholding information is based on legal ownership of shares and has been extracted from the records of the Company including register of shareholders/members.

3.(f) Other Information:

(1) (a) The Company had reissued 24,300 forfeited Equity Shares, of the face value of Rs.10/- each, at a premium of Rs.80.25 per equity share, on dated 23rd May, 2008, on preferential basis, for raising long term funds to part finance the setting up of new manufacturing unit, for the manufacture of auto component at Jamshedpur. The funds raised have been utilized towards the object of the issue. The profit arising on re-issue of forfeited Equity Shares had transferred to securities premium account.

The Company had issued 46,00,000 (forty Six Lacs) Equity Shares, of the face value of Rs.5/- (Rs.five) each, at a premium of Rs.5/- (Rs.Five) per equity share, on dated 01st July, 2009, consequent to the conversion of 23,00,000 (Twenty three lacs) warrants into Equity shares, warrant earlier issued/allotted on dated 07th January, 2008 of the face value of Rs.20/- (Twenty) per warrant, (to be converted into equivalent number of Equity Shares of the face value of Rs.10/- (Ten) each, at a premium of Rs.10/- (Ten) per Equity Share) to the promoters & others, on preferential basis, pursuant to the provisions of section 81(1A) and other applicable provisions of the Companies Act, 1956, for raising long term funds for the setting up of new manufacturing unit, for the manufacture of auto component at Jamshedpur. The funds raised have been utilized towards the object of the issue.

(b) During the year ended March 31, 2012, the Company had issued 40,00,000 (forty lacs) Equity Shares of Rs.5/- (Rs.five) each at a premium of Rs.22.41 per equity shares, on dated 02nd August,

2011, pursuant to the conversion of 40,00,000 (forty lacs) warrant allotted @ Rs.27.41 per warrant, to the promoter and others, on preferential basis, pursuant to the provisions of section 81(1A) and other applicable provisions of the Companies Act, 1956, for raising long term funds for the setting up of new manufacturing unit, for the manufacture of auto component at Jamshedpur. The funds raised have been utilized towards the object of the issue.

(2) The Company had sub-divided its Equity Share from the face value of Rs.10/- each, to the face value of Rs.5/- each, w.e.f. 27th August, 2008.

(3) 25,14,580 equity shares of company of Rs.5/- each fully paid up, are allotted to the equity shareholders of M/s. G S Automotives Private Limited on dated 01st May, 2014, consequent to the amalgamation of M/s. G.S.Automotives Private Limited, with the Company.

4 Reserve and Surplus:

	As At March 31, 2016 (Rs.)	As At March 31, 2015 (Rs.)
I. Capital Reserve		
Balance as per last financial statements	7214943.00	7214943.00
Closing Balance	<u>7214943.00</u>	<u>7214943.00</u>
II. Securities Premium Account		
Balance as per the last financial statements	117590075.00	117590075.00
Closing Balance	<u>117590075.00</u>	<u>117590075.00</u>
III. Capital Revaluation Reserve		
Balance as per the last financial statements	7545000.00	7545000.00
Closing Balance	<u>7545000.00</u>	<u>7545000.00</u>
IV. Investment Allowance Reserve		
Balance as per the last financial statements	256315.98	256315.98
Closing Balance	<u>256315.98</u>	<u>256315.98</u>
V. General Reserve		
Balance as per the last financial statements	8650000.00	8650000.00
Closing Balance	<u>8650000.00</u>	<u>8650000.00</u>
VI. Surplus in statement of Profit and Loss:		
Balance as per the last financial statements	223916346.43	266159356.98
Add: Profit/(Loss) for the year	(4265285.11)	(42243010.55)
Net surplus in the statement of profit & loss	<u>219651061.32</u>	<u>223916346.43</u>
Total	<u>360907395.30</u>	<u>365172680.41</u>

5 Long-term Borrowings:

	As At March 31, 2016 (Rs.)	As At March 31, 2015 (Rs.)
(i) Term Loans:		
From Banks:		
Indian rupee loans from bank (secured)	29832454.00	42331673.00
From Financial Institutions:		
foreign currency loan from financial institution (secured)	180771846.33	241820831.00
(ii) Deferred Payment Liabilities:		
Indian rupee vehicle loans from banks (secured)	797266.85	7364662.95
Indian rupee vehicle loan from NBFC (secured)	0.00	668062.00
Total	211401567.18	292185228.95
Less:- Current maturities (amount disclosed under the head "other liabilities" (note 11))	56458160.00	65930678.00
	56458160.00	65930678.00
Total	154943407.18	226254550.95

- a. Secured term loan from bank represent term loan from Axis Bank limited for the setting up of Jamshedpur plant. The loan is Repayable in 23 quarterly installments, first instalment to commence from 19 months after first disbursement but not later than September, 2013.
- b. Foreign currency term loan from financial institution (Secured) Is from Export Import Bank of India, for the setting up of Jamshedpur plant. The loan is repayable intwenty equally quarterly installments, commencing September, 2013.
- c. The above said both term loans covered under point no. (a) & (b) are secured by (i) first pari-passu charge by way of Hypothecation on entire block assets of the Company by way of hypothecation of machinery and equipment's, other fixed assets, machinery spares, tools and accessories and other movables, both present & future, whether installed or to be installed, stored or to be stored in or about all the factories, godowns and premises situated at G.S.Estate, G T Road, Dhandari Kalan, Ludhiana (Punjab) & at M-09, Large Sector, Tata Kundra Main Road, Industrial Area, Adityapur, Jamshedpur (Jharkhand) and (ii) first pari-passu Equitable Mortgage by way of deposit of title deeds of Immoveable properties of the Company admeasuring 75110 sq.yards situated at G.S. Estate, G.T.Road, Dhandari Kalan, Ludhiana (Punjab) & first pari- passu Equitable Mortgage of the leasehold rights of the Company's 3 (three) acre Land situated at M-09, Large Sector, Tata Kundra Main Road, Industrial Area, Adityapur, Jamshedpur (Jharkhand), together with all buildings and structures thereon and all Plant & Machineries attached to the earth or permanently fastened to anything attached to the earth (iii) first pari-passu charge on the Company's entire Current Assets (both present & future) (both Jamshedpur & Ludhiana unit of the Company), such as Hypothecation of Raw Material, Stock in Process, Finished Goods, Consumable Stores/Spares required for manufacturing and lying in the unit(s) or elsewhere & Hypothecation of Book Debts arising out of genuine sales transaction of business not older than ninety days and further guaranteed by all the promoters directors of the Company.

6 Deferred Tax Liabilities/(Assets) (Net):

	As At March 31, 2016 (Rs.)	As At March 31, 2015 (Rs.)
Deferred Tax Liability		
On Account of timing Difference In:		
Fixed Assets: impact of differences between tax depreciation/ amortization charged for the financial reporting	50090300.00	54402924.00
(b) Others	0.00	0.00
Gross deferred tax liabilities	50090300.00	54402924.00
Deferred Tax Assets		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	6817968.00	8298118.00
amount allowed for tax credit in next years	60509542.00	41669636.00
Gross total deferred tax assets	67327510.00	49967754.00
Net deferred tax liability/(assets)	(17237210.00)	4435170.00

7 Other Long Term Liabilities:

	As At March 31, 2016 (Rs.)	As At March 31, 2015 (Rs.)
Trade deposits	2314523.84	2314523.84
Total	2314523.84	2314523.84

8 Long Term Provisions:

	As At March 31, 2016 (Rs.)	As At March 31, 2015 (Rs.)
Provision for long term employee benefits (refer note 48)	29408911.60	27075908.00
Total	29408911.60	27075908.00

9 Short Term Borrowings:

	As At March 31, 2016 (Rs.)	As At March 31, 2015 (Rs.)
From banks		
-Cash Credit (secured)	263926181.55	243264696.54
- Pre-shipment Packing Credit-Indian Rupees (secured)	0.00	16938240.00
	<u>263926181.55</u>	<u>260202936.54</u>
-Machinery term loan (secured)	518815.00	2926970.00
	<u>518815.00</u>	<u>2926970.00</u>
Deferred Payment Liabilities:		
Indian rupee vehicle loans from banks (secured)	2078848.13	0.00
Indian rupee vehicle loan from NBFC (secured)	378231.00	0.00
	<u>2457079.13</u>	<u>0.00</u>
Total	<u>266902075.68</u>	<u>263129906.54</u>

- a. Cash credit from bank is secured against hypothecation of stocks of semi-finished and finished goods, raw materials, work-in-progress, consumable stores and spares, book debts etc. of the company along with hypothecation of the leasehold rights of the Company land at Jamshedpur & Immoveable property at G S Estate, G T Road, Ludhiana on pari-passu basis. Cash credit is repayable on demand.
- b. Pre-shipment packing credit from banks is secured against hypothecation of stocks of semi-finished and finished goods, raw materials, work-in-progress, consumable stores and spares, book debts etc. of the company along with hypothecation of the leasehold rights of the Company land at Jamshedpur & Immoveable property at G S Estate, G T Road, Ludhiana on pari-passu basis. Pre-shipment packing credit - Indian currency (secured) is repayable within 180 days.
- c. Machinery term loan (secured) is secured against Secured by way of Hypothecation on entire block assets of erstwhile G.S. Automotives Private Limited by way of hypothecation of machinery and equipments, other fixed assets, machinery spares, tools and accessories and other movables, both present & future, of erstwhile G.S. Automotives Private Limited, whether installed or to be installed, stored or to be stored in or about all the factories, godowns and premises situated at G.S.Estate, G T Road, Dhandar/Kalan, Ludhiana (Punjab), & further charge on erstwhile G.S. Automotives Private Limited's entire Current Assets (both present & future), such as Hypothecation of Raw Material, Stock in Process, Finished Goods, Consumable Stores/Spares required for manufacturing and lying in the unit(s) or elsewhere & Hypothecation of Book Debts arising out of genuine sales transaction of business not older than ninety days on paripassu basis and further guaranteed by all the promoters directors of the Company. Repayable in one monthly installment.

10 Trade Payables:

	As At March 31, 2016 (Rs.)	As At March 31, 2015 (Rs.)
Total outstanding dues of micro enterprises and small enterprises (refer note 55)	1323130.65	800948.32
Total outstanding dues of creditors other than micro enterprises and small enterprises	140696926.83	88159965.37
Total	142020057.48	88960913.69

11 Other Current Liabilities:

	As At March 31, 2016 (Rs.)	As At March 31, 2015 (Rs.)
Creditors for capital goods	0.00	4830911.19
Unclaimed dividend (See Note 45)	681973.60	682193.60
Advance against orders	11166309.10	8051971.25
Employee contributions & recoveries payable	3329923.50	5237203.00
Statutory dues payable including tax deducted at source	6014173.00	740881.00
Current liabilities of long-term borrowings (note 5)	56458160.00	65930678.00
Other liabilities	161892006.24	149226868.58
Total	239542545.44	234700706.62

12 Short Term Provisions:

	As At March 31, 2016 (Rs.)	As At March 31, 2015 (Rs.)
Provision for employee benefits		
Short term employee benefits (refer note 48)	3186536.00	11329624.00
Total	3186536.00	11329624.00

13 Fixed Assets:

Sr. No.	Particulars	Gross Block				Accumulated Depreciation				Net Block	
		As At 31st March, 2015	Additions & Adjustments during the year	Deductions during the year	Addition on account of Exchange Difference	As at 31st March, 2016	up to 31st March, 2015	For the Year	Deductions during the year.	As At 31st March, 2016	As At 31st March, 2015
(i)	Tangible Assets:										
(a)	Land Leasehold (b)	3742228.03	0.00	0.00	0.00	3742228.03	238866.00	0.00	398110.00	3344118.03	3503362.03
	Land Freehold	868662.75	0.00	0.00	0.00	868662.75	0.00	0.00	0.00	868662.75	868662.75
	Building (c)	100116694.75	2237275.00	0.00	1971929.90	104325899.65	16379974.63	0.00	19368513.63	84957386.02	83786720.12
	Plant & Machinery	600329796.72	49060852.21	2436446.00	10526228.24	657480491.17	158090736.75	2298649.00	195018563.85	462461867.32	442239059.97
	Vehicle	30084135.90	1306391.00	2482067.00	0.00	28806459.90	17085206.79	2859731.00	18306158.10	10602301.20	12998928.51
	Furniture & Fixtures	8404769.01	318252.50	0.00	0.00	8723021.51	6385409.19	488898.50	6874307.69	1848713.82	2019959.82
	Office Equipments	44849619.63	4989114.21	0.00	858874.86	50697606.70	17492331.72	3676296.00	21168627.72	29528980.98	27357287.91
	Other Assets	1682062.19	0.00	0.00	0.00	1682062.19	774602.03	192754.00	967356.03	714706.16	907460.16
	Total Tangible Assets	797895958.38	57911884.92	4918519.00	13357033.00	864246373.30	216447127.11	49590938.60	262101637.02	602144736.28	581448841.27
(ii)	Intangible Assets	1536548.00	0.00	0.00	0.00	1536548.00	1301621.17	234926.83	0.00	0.00	234926.83
	Total Intangible Assets	1536548.00	0.00	0.00	0.00	1536548.00	1301621.17	234926.83	0.00	0.00	234926.83
	Total Fixed Assets	799432516.38	57911884.92	4918519.00	13357033.00	865782921.30	217748748.28	49825865.43	263638185.02	602144736.28	581683768.10
	Previous year's Total	712974556.29	77537826.09	1570190.00	10490324.00	799432516.38	171305967.55	1030947.00	217748748.28	581683768.10	541668688.74
	Capital Work in Progress									33319257.54	69466562.33

Notes:

- (a) At Cost, except leasehold land
- (b) Land taken on leasehold basis at Jamshedpur, amounted to Rs.31,04,206/-, Note No.61 related to capital expenditure at Jamshedpur.
- (c) Building (Gross block) amounting to Rs.604.34 lacs (previous year Rs.584.52 lacs), net block Rs.558.57 lacs (previous year Rs.557.70 lacs) is constructed on leasehold land
- (d) Tangible assets includes, assets given on leasehold basis Gross block Rs.1273.96 lacs (previous year Rs.1220.51 lacs), Accumulated depreciation Rs.462.34 lacs (previous year Rs.380.22 lacs), net block value Rs.811.62 lacs (previous year Rs.840.29 lacs).

14 Non-Current Investments:

	As At March 31, 2016 (Rs.)	As At March 31, 2015 (Rs.)
Investment in Equity Instruments-at Cost:		
Quoted Equity Shares (fully paid up):		
50 (Previous year 50) Equity Shares of Clutch Auto Limited of Rs.10/- each. *	500.00	500.00
Total non-trade investment	500.00	500.00
Total non-current investments	500.00	500.00
Market value of quoted investment	0.00	675.00

* Equity shares of the Clutch Auto Limited is "Suspended due to Penal reasons" from Stock exchanges

15 Long Term Loan and Advances:

	As At March 31, 2016 (Rs.)	As At March 31, 2015 (Rs.)
Unsecured, considered good :		
Capital Advances	1060000.00	26241608.82
Security Deposits	14081083.00	12271087.00
Other loans and advances:		
Advance Income Tax/Fringe Benefit Tax (Net of provision for Tax)	34080381.47	33179770.47
Mat Credit Entitlement	23763.00	23763.00
Total	49245227.47	71716229.29

16 Other Non Current Assets

	As At March 31, 2016 (Rs.)	As At March 31, 2015 (Rs.)
Miscellaneous expenditure (to the extent not written off)	93383.00	0.00
Total	93383.00	0.00

17. Current Investments:

	As At March 31, 2016 (Rs.)	As At March 31, 2015 (Rs.)
Investments In mutual fund units at cost		
Quoted		
Principle Fixed Maturity Plan	1185460.00	1000000.00
Total	1185460.00	1000000.00
Aggregate amount of quoted Investments	1185460.00	1000000.00

18 Inventories (valued at lower of cost and net relisable value) :

	As At March 31, 2016 (Rs.)	As At March 31, 2015 (Rs.)
(i) Raw Material & Components (refer note 25)	49202546.61	68969889.39
(ii) Work -in-Progress (includes lying with third parties) (refer note 26)	31499926.94	41874614.28
(iii) Finished Goods (Including in transit)(refer note 26)	53715637.28	70161687.80
(iv) Stores, Spares & Consumables	24489692.09	25143174.20
Total	158907802.92	206149366.67

19 Trade Receivables:

	As At March 31, 2016 (Rs.)	As At March 31, 2015 (Rs.)
Trade receivables (net of bills discounted with banks) unsecured- considered good unless stated otherwise:		
i) Outstanding for a period exceeding six months from the date they are due for payment	7133298.18	6872456.31
ii) Others receivables	296865972.28	237707980.63
Total	303999270.46	244580436.94

20 Cash and Bank Balances:

	As At March 31, 2016 (Rs.)	As At March 31, 2015 (Rs.)
(i) Cash & Cash Equivalents		
a. Balances with Banks-Current accounts	13337530.56	6657453.57
b. Cash on hand including imprest	2314306.84	1810764.18
	<u>15651837.40</u>	<u>8468217.75</u>
(ii) Other Bank Balances		
a. Earmarked Balances (on unclaimed dividend accounts)	681973.60	682193.60
b. Deposits with remaining maturity for less than 12 months	8538917.00	26194008.00
	<u>9220890.60</u>	<u>26876201.60</u>
Total	<u>24872728.00</u>	<u>35344419.35</u>

21 Short-term Loans and Advances:

	As At March 31, 2016 (Rs.)	As At March 31, 2015 (Rs.)
Unsecured, Considered good		
Advances recoverable in cash or in kind	35676058.99	33373910.79
Balances with excise, sales tax & other government authorities	41470501.86	51209309.87
Total	<u>77146560.85</u>	<u>84583220.66</u>

22 Other Current Assets:

	As At March 31, 2016 (Rs.)	As At March 31, 2015 (Rs.)
Export incentives receivables	2400681.00	1084901.00
Interest receivables	1276535.00	1337480.71
Total	<u>3677216.00</u>	<u>2422381.71</u>

23 Revenue from operations (net) :

	Year ended March 31, 2016 (Rs.)	Year ended March 31, 2015 (Rs.)
Revenue from operations:		
Sale of products (net of return, rebates etc.)		
Domestic	1798972309.86	1667932884.45
Export	66600443.59	79159309.77
	1865572753.45	1747092194.22
Other operating revenues		
Export incentives	3137122.00	1519098.00
	1868709875.45	1748611292.22
Revenue from operations (gross)		
Less: Excise Duty	230153427.00	196061686.00
	1638556448.45	1552549606.22

22 (a) Details of sale of products (net of excise):

	Year ended March 31, 2016 (Rs.)	Year ended March 31, 2015 (Rs.)
U - Bolts	351861613.84	292929629.63
H - Bolts	65276628.28	57278123.00
Centre Bolts	176892190.07	162412804.00
Shackle bolts	43845112.51	14939078.00
Spring Pin	180688931.97	131190414.00
King Pin	26390183.21	33388824.00
Axle Studs	6895018.88	12124988.00
Hanger Brackets	547074439.63	529419467.19
Bushes	114489236.60	225879819.26
Nuts	72379320.80	68940452.00
Axle & Acc.	15684867.60	2364246.94
Earth Moving	244913.75	1681581.94
Fasteners	494176.04	533971.56
Miscellaneous	28390990.07	1387576.50
Traded Goods	4811703.20	16559532.20
Total	1635419326.45	1551030606.22

24 **Other Income:**

	Year ended March 31, 2016 (Rs.)	Year ended March 31, 2015 (Rs.)
Interest income- Bank deposits & others	2047240.00	3118660.23
Rental income	189707.00	126000.00
Foreign exchange gain (net)	454901.89	0.00
Gain on sale of fixed assets (net)	130150.69	0.00
Miscellaneous Income	497459.00	801564.16
Total	3319458.58	4046224.39

25 **Cost of Raw Materials and Components Consumed:**

	Year ended March 31, 2016 (Rs.)	Year ended March 31, 2015 (Rs.)
Inventory at the beginning of the year	68969889.39	54120349.59
Add: Purchases		
Raw materials	452898339.10	549393278.57
Semi-finished goods	233898304.93	151899017.26
	686796644.03	701292295.83
Less: Inventory at the end of the year		
Raw Materials	49202546.61	68969889.39
Total	706563986.81	686442756.03

25 (a) **Details of Raw Materials & Components Consumption (:**

	Year ended March 31, 2016 (Rs.)	Year ended March 31, 2015 (Rs.)
Mild Steel	39732133.26	45698990.15
EN Steel	260920555.74	224634851.99
Components	233898304.93	151899017.26
Axle Tube	439207.20	439210.20
Axle Parts	4413897.98	1711388.59
Aluminum Bronze Scrap	55436575.78	128538826.43
Melting Scrap	100503952	118014907.47
Copper Scrap	6810163.38	7910231.48
Others	4409196.52	7595332.46
(refer note. 60) Total	706563986.81	686442756.03

26 **Changes in Inventories of Finished Goods, Work-In-Progress and Stock-In Trade:**

	Year ended March 31, 2016 (Rs.)	Year ended March 31, 2015 (Rs.)
(Increase)/Decrease in Stocks:		
Inventories at the end of the year		
Work-In-Progress	31499926.94	41874614.28
Finished Goods	51147957.28	69202116.24
	82647884.22	111076730.52
Less: Inventories at the beginning of the year		
Work-in-Progress	41874614.28	31489027.73
Finished Goods	69202116.24	61153174.34
	111076730.52	92642202.07
Total	28428846.30	(18434528.45)

26 (a) **Detail of Finished Goods Stock under broad heads:**

	Year ended March 31, 2016 (Rs.)	Year ended March 31, 2015 (Rs.)
U - Bolts	13120568.11	10382648.20
H - Bolts	2877948.49	2853788.36
Centre Bolts	5064236.24	2445748.23
Shackle bolts	2664138.98	1440276.08
Spring Pin	5377524.30	7455143.51
King Pin	2566451.03	4569116.47
Axle Studs	385422.41	654156.86
Hanger Brackets	4901572.01	20581009.79
Bushes	2836957.61	4577154.07
Nuts	2475973.58	3175026.09
Axle & Acc.	1007004.11	482342.06
Earth Moving	654120.23	803906.81
Fasteners	250039.35	171006.00
Miscellaneous	3902527.75	6621.00
Traded Goods	1123812.50	3896311.21
Others	1939660.58	5707861.50
Total	51147957.28	69202116.24

27 Employee Benefits Expense:

	Year ended March 31, 2016 (Rs.)	Year ended March 31, 2015 (Rs.)
(a) Salaries, Wages and Bonus (Including managing & whole time director's remuneration)	261517314.07	258479864.22
(b) Contribution to provident & other funds	31190239.10	60241406.42
(c) Staff welfare expenses	7120014.53	4310789.39
Total	299827567.70	323032060.03

28 Finance Costs:

	Year ended March 31, 2016 (Rs.)	Year ended March 31, 2015 (Rs.)
Interest on working capital facilities	30555092.00	30764255.64
Interest on long term borrowings	17666511.33	13891926.50
Bank charges & other borrowings costs	9384379.01	8525975.13
Total	57605982.34	53182157.27

29 Depreciation and Amortization Expense:

	Year ended March 31, 2016 (Rs.)	Year ended March 31, 2015 (Rs.)
Depreciation of tangible assets (refer note 13)	49590938.60	47089690.73
Amortization of intangible assets (refer note 13)	234926.83	384137.00
Total	49825865.43	47473827.73

30 Other Expenses:

	Year ended March 31, 2016 (Rs.)	Year ended March 31, 2015 (Rs.)
Consumption of stores and spare parts	121703984.78	105699454.39
Power & fuel	119712793.91	133429708.77
Oil & lubricants	16548920.58	19729176.43
Packing material	39700732.33	35816554.43
Research & development expenses	1618148.67	1334889.00

Repair & maintenance-buildings	2155759.00	2035275.00
Repair & maintenance-plant & machinery	22835572.96	19662933.37
Insurance	3215224.33	2957659.17
Rates & taxes	2806842.30	2161166.00
Freight & forwarding charges	36018283.52	36014906.08
Shipping charges	3603099.00	4410093.00
Advertisement	514305.00	670697.00
Commission to agents	2136671.00	2829518.00
Travelling & conveyance	24715933.00	24453793.00
Printing & stationary	2142756.27	1823836.82
Vehicle expenses	1986331.01	2603724.62
Subscription & membership fees	256359.00	314204.46
Donation	23625.00	25523.00
Light & electricity expenses	394789.00	482745.00
Postage & telephone expenses	2410473.12	2935467.77
Legal & professional charges	2689576.21	2738178.00
Seminar & training expenses	141500.00	89463.00
Payment to auditors for:		
Audit and limited review fee	90000.00	100000.00
Internal audit fee	63263.00	0.00
Reimbursement of expenses	2025.00	7050.00
General expenses	2883519.33	2999399.46
Repair & maintenance-electricity and general	4900289.67	3955416.60
Recruitment expenses	45084.00	25222.00
Samples	7743.00	78585.00
Sales promotion & entertainment expenses	8326841.18	8451954.81
Loss of excise duty on goods return	159480.00	341587.77
Sales tax adjustment	129249.62	(12344.41)
Discounts & rebates	99289540.90	93153430.35
Exchange difference (net)	0.00	969927.62
Loss on sale of fixed assets (net)	0.00	81243.00
Total	523228715.69	512370438.51

31. Earnings per Equity Share (EPS):

	As At March 31, 2016 (Rs.)	As At March 31, 2015 (Rs.)
Earnings Per Share (EPS)-Basic & Diluted		
Numerator for basic and diluted EPS		
Net Profit/(Loss) attributable to Shareholders as at March 31	(4265285.11)	(42243010.55)
Weighted average number of equity shares (Denominator)	Nos.	Nos.
Number of equity shares outstanding at the end of the year (nos.)	1,45,14,500	1,45,14,500
Basic & Diluted EPS (in Rs.)	(02.91)	(02.91)
Nominal value of shares (Rs.)	5	5

32. Contingent Liabilities not provided for in respect of (Holding Company):

	As At March 31, 2016 (Rs. in lacs)	As At March 31, 2015 (Rs. in lacs)
(I) Guarantee given by the Holding Company to the bank, on behalf of other Group Companies (i.e. G.S. Autocomp Private Limited & G.S. Consumer Products Private Limited & to PSIDC (for & on behalf of G.S. Radiators Ltd.)		
Balance Outstanding	617.20	718.46
{Maximum Amount}	(1269.26)	(1269.26)
(B) Sales Bills Discounted with banks	113.37	98.12
(III) Income Tax & Interest Demand-matter under appeal (Note No.33)	546.19	460.85

33. The Holding Company has filed an appeal against the demand and the management, including its tax/legal advisors, believes that its position will likely be upheld in the appellate process. The Company has paid an amount of Rs. 283.52 Lacs in protest, against the above said demand. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the company's financial position and results of operations.
34. **Capital and Other Commitments:**
 Estimated value of contracts remaining to be executed on Capital Accounts of the Group (net of advances), not provided for Rs. NIL (Previous year Rs. 32.09 Lacs). Guarantees given by Holding Company's Bankers on behalf of the Holding Company against sanctioned letter of credit limit of Rs. 500 lacs is Rs. 255.16 Lacs (previous year Rs. 259.25 Lacs) are secured by extension of pari-passu charges by way of hypothecation of stock-in-trade, raw material etc.
35. All the Inventories are valued and certified by the Management.
36. Purchase of finished goods Rs. 22.37 lacs consists of trading of Coolant (previous year Rs. 113.61 lacs consists of trading of Clutch parts).
37. Other Borrowing cost Note No. 28 under the heading "Finance Cost" includes Bank Charges/Commission, Interest to others & hire charges.
38. The Group is primarily engaged in the business of "Auto Components" for commercial vehicles, which are governed by same set of risks and returns and hence there is only one segment as required by Accounting Standard (AS-17) on Segment Reporting issued by Companies (Accounting Standards) Rules, 2006.
39. In cases where letters of confirmation have been received from parties, book balances have been generally reconciled and adjusted, if required. In other cases, balance in accounts of sundry debtors, sundry creditors and advances or deposits have been taken as per books of accounts.
40. No amount is considered as doubtful, from the total debtors.
41. No amount is due, as on balance sheet date, from other officers or from directors or any of them either severally or jointly, with any other persons nor any debts due by firms or private companies, in the form of loans and advances in the nature of loans given to subsidiary and associates and firms/companies in which any of the directors are interested except at Note No. 63.
42. Fixed Deposits includes Rs. 85.39 lacs (previous year Rs. 52.91 lacs) are held as margin money for the issuance of bank guarantee, if any, & for issuance of Letter of Credit, for ninety days, as on balance sheet date.
43. **Capitalization of exchange differences:**
 The Ministry of Corporate Affairs (MCA) has issued the amendment dated December 29, 2011 to AS-11 "The Effects of Changes in Foreign Exchange Rates", to allow companies deferral/capitalization of exchange differences arising on long-term foreign currency monetary items. In accordance with the amendment/earlier amendment to AS-11, the Group has capitalised exchange loss, arising on long-term foreign currency loan to the cost of plant and equipment and other assets. Accordingly foreign exchange gain/ (loss) adjusted against cost of assets/capital work in progress Rs. 133.57 lacs (previous year Rs. 104.90 lacs).
- As at 31st March, 2016, the Group has un-hedged foreign currency exposure to the extent of US\$ 27.27 Lacs (equivalent to Rs. 1440.00 Lacs) (Previous year US\$ 38.64 (equivalent to Rs. 2040.00 Lacs) in the shape

of foreign currency term loan, from financial institution, for the new manufacturing unit at Jamshedpur, for the purchase of certain capital equipment's.

44. Figures in bracket indicate deductions except otherwise stated.

45. **Unclaimed Dividend:**

Unclaimed dividends include amounts which will be credited to Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 (on Expiry of the specified period, if the amount remains unclaimed at that time) (refer note 11).

46. **Disclosure required under Section 186(4) of Companies Act, 2013**

During the year, the Group has not given any loans or guarantees or made investments in contravention of the provisions of the Section 186 of the Companies Act, 2013.

47. **Leases:**

Operating leases: Group as lessee

The Company had taken land at Jamshedpur on operating lease. The tenure of such lease is 30 years at the time of agreement. Lease rental are charged to the statement of profit and loss for the year. There are no sub-lease. The lease is renewable on mutual agreeable. At the expiry of the lease term, the company has an option to terminate the agreement or extend the term by giving the notice in writing.

Future minimum lease rental payables under non-cancellable operating lease are as follows:-

Particular	31 st March,	31 st March,
	2016	2015
	(Rs. in Lcs)	(Rs. in Lcs)
Lease payment for the year	01.59	01.59
Within one year	01.59	01.59
After one year but not more than five years	07.95	07.95
More than five years	23.85	25.44

Operating leases: Group as lessor

The Company has entered into agreements in the nature of lease/leave and license agreement with different lessee/licensee for the purpose of land/building/machinery etc. These are generally in nature of operating lease. Period of agreements are generally for ninety nine years and cancellable with a notice of sixty days and renewal at the options of the lessee/lessor.

Particular	31 st March, 2016	31 st March, 2015
	(Rs. in Lacs)	(Rs. in Lacs)
Lease received during the year	00.64	---
Within one year	01.00	---
After one year but not more than five years	04.00	---
More than five years	93.67	---

48. **Defined Benefit Plans for Employees (AS-15) –(Holding Company)**:-Liability for employee benefit (post retirement funded gratuity plan and leaves which is unfunded) has been determined by an actuary, appointed for the purpose. In conformity with the principles set out in the Accounting Standard-15 (revised), the details of which are as under;

	As At March 31, 2016		As At March 31, 2015	
	(Rs. in lacs)		(Rs. in lacs)	
	Gratuity (Funded)	Leave Encas- hment (Unfu- nded)	Gratuit y (Funde d)	Leave Encas- hment (Unfu- nded)
(i) Amount to be recognized in Balance Sheet				
a. Present value of Defined Benefits Obligations				
(iii) Funded	231.39	---	323.76	---
(iv) Unfunded	---	65.83	---	79.87
b. Fair value of Plan Assets	111.77		132.86	
c. Net liability/(Assets) recognized in the Balance Sheet	119.62	65.83	190.90	79.87
(ii) Amount to be recognized in the Statement of Profit & Loss				
a. Current service Cost	42.50	29.39	58.42	41.11
b. Interest on Defined Benefit Obligation	23.27	04.21	14.50	02.00
c. Expected return on plan Assets	(09.98)	---	(14.43)	---
d. Net Actuarial (Gain)/Loss recognized in the year	(106.96)	03.92	113.48	41.23
e. Expenses recognized during the year	(51.17)	37.72	171.97	84.34

(iii)	Change in Defined Benefits Obligations and reconciliation thereof				
	a. Present value of Defined Obligations at the beginning of the year	323.76	79.87	232.23	55.20
	b. Interest Cost	23.27	04.21	14.50	02.00
	c. Current Service Cost	42.50	29.59	58.42	41.10
	d. Benefits paid	(50.90)	(51.76)	(97.47)	(59.66)
	e. Actuarial (Gain)/Loss	(107.24)	03.92	116.08	41.23
	f. Present value of Defined Obligations at the close of the year	231.39	65.83	323.76	79.87
(iv)	Change in the fair value of Plan Assets and the reconciliation thereof				
	a. Fair value of Plan Assets at the beginning of the year	132.87	----	214.02	----
	b. Expected return on Plan Assets	09.98	----	14.43	----
	c. Actuarial (Gain)/Loss	(00.28)	----	(02.60)	----
	d. Contribution by Employer	20.10	----	---	----
	e. Benefits paid	(50.90)	51.76	(98.18)	59.66
	f. Fair value of Plan Assets at the close of year	111.77	----	132.87	----
(v)	Summary of Actuarial assumptions				
	a. Discount Rate (per annum)	08.00	08.00	08.00	08.00
	b. Expected rate of return on Plan Assets (p.a)	08.50	N.A	08.75	N.A
	c. Rate of escalation in salary (per annum)	05.00	05.00	05.00	05.00

* Provisions of Liability for employee benefit (post retirement funded gratuity plan and leaves which is funded and unfunded) is not applicable to subsidiary company, during the year under review.

49. Capital work in progress Includes amount of Rs. NIL (Previous year Rs.338.03 Lacs, on account of machinery under installation, Rs.333.13 Lacs (Previous year Rs.313.23 Lacs) on account of Building under construction, on account of electric fitting Rs.NIL (Previous year Rs.33.40 Lacs).
50. Intangible Assets comprises of Acquisition of computer Software&Video Advertisement have been amortized @ 25% on Straight line basis, as the useful life thereof has been estimated to be not more than four years.
51. **Disclosure: as required by AS-28 (Impairment of Assets):**
In terms of Accounting Standard 28 (AS-28) there was no impairment loss on assets during the year under report.
52. Balance with Central Excise & Revenue Authorities under Note 21, under the heading "Short term Loans & Advances", includes Rs.360.84 lacs(Previous Rs.466.75 Lacs) on account of pending Value Added Tax (VAT) refunds, from the Sales Tax Authorities, Government of Punjab.
53. The Holding Company is developing certain machineries (Special purpose Machines), as per its various in house production process requirements, along with for the requirements of its group Companies, as & when required, under its Research & Development Centre. The following expenditure has been incurred during the year, included under the relevant heads in the profit and loss account.

Expenditure incurred on Research & Development:

	Financial Year 2015-2016 (Rs.in lacs)	Financial Year 2014-2015 (Rs.in lacs)
Revenue Expenses	16.18	13.35
Wages (Research & Development) (included under Note No.27)	33.03	42.40

54. (a) Exchange difference Gain/ (Loss) on account of fluctuations in foreign currency rates:

	Financial Year 2015-2016 (Rs.in lacs)	Financial Year 2014-2015 (Rs.in lacs)
(i) Gain/ (Loss) relating to Exports during the year recognized in Statement of profit and loss account.	04.58	(13.30)
(ii) Recognized in the profit and Loss account		
Gain/ (Loss) on Settlement/revalorization of current assets	(00.03)	03.60

54. (b) Details of Un-hedged Foreign Currencies:

The yearend foreign currency exposures in respect of monetary items that have not been hedged by a derivative instrument or otherwise are given below, Amount (net) in foreign currency on account of the followings:-

Particulars	31 st March, 2015 (Amount In Foreign Currency)	31 st March, 2015 (Rs. In lacs)	31 st March, 2015 (Amount In Foreign Currency)	31 st March, 2015 (Rs. In lacs)
Export of Goods	USD 370107	237.69	USD 429608.42	268.90
	EURO 101458	34.85	EURO 45404.30	30.65
Advance from Customers	USD 34117	21.76		
Term Loan	USD 2727191	1440	USD 3863520	2040.00

55. **Detail of dues to Micro & Small enterprises as defined under Micro, Small and Medium Enterprises Developments Act, 2006 (MSMED Act 2006):-**

Particulars	As At March 31, 2016 (Rs. In lacs)	As At March 31, 2015 (Rs. In lacs)
Principal amount due to suppliers under MSMED Act,2006	13.23	8.01
Interest Accrued and due to suppliers under MSMED Act, 2006 on the above amount	--	--
Payment made to suppliers (other than interest) beyond the appointed day, during the year	--	--
Interest paid to suppliers under MSMED Act, 2006 (other than section 16)	--	--
Interest paid to suppliers under MSMED Act, 2006 (Section 16)	--	--
Interest due & payable to suppliers under MSMED Act, 2006 for the payments already made.	--	--
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006.	--	--

The information has been given in respect of such vendors to the extent they could be identified as "Micro and Small enterprises" on the basis of information available with the Company.

56. **Capitalization of Expenses:**

During the year, the Group has capitalized, Bank Interest & Bank Charges capitalized in respect of Plant & Machinery & other Tangible Fixed Assets Rs. Nil (Previous year Rs.17.80 Lacs) & in respect of other expenses in respect of plant & machinery & other tangible fixed assets Rs. Nil (Previous year Rs. Nil).

57. **Miscellaneous Receipts Include, Rs.4.06 Lacs (Previous year Rs.4.00 Lacs), on account of Insurance Claim received.**

58. **Advances recoverable in cash or in kind or for value to be received under Note No.21 under the heading "Short-term Loans and Advances" includes Rs.01.28 Lacs (previous year Rs.02.60 Lacs) due from various employees of the Holding Company. Maximum balance outstanding during the year was Rs.1.88 Lacs (previous year Rs.9.22 Lacs).**

59. Executive Chairman of the Holding Company was re-appointed by the Board of Directors at its meeting held on 30th May, 2016 with effect 01st April, 2016 and the remuneration paid is subject to the approval of shareholders by way of special resolution due to revision in the salary of executive chairman. The Group will take the approval of shareholders by special resolution in the forthcoming Annual General Meeting for the payment of remuneration as per the provisions of Schedule V of the Companies Act, 2013.

One of the Executive Director of the Holding Company was re-appointed by the Board of Directors at its meeting held on 30th May, 2016 with effect 01st April, 2016 and the remuneration paid is subject to the approval of shareholders by way of special resolution due to revision in the salary of executive chairman. The Holding Company will take the approval of shareholders by special resolution in the forthcoming Annual General Meeting for the payment of remuneration as per the provisions of Schedule V of the Companies Act, 2013.

60. Imported and Indigenous Raw Materials and Components Consumed (refer note 25):

	Year ended March 31, 2016 (Rs.)	Year ended March 31, 2015 (Rs.)
Imported	00.00	00.00
	0.00%	0.00%
Indigenous	706563986.81	686442756.03
	100.00%	100.00%
Total	706563986.81	686442756.03

61. Proposed Dividend:

During the year & during the previous year, the Holding Company has not proposed any dividend on its Equity shares.

62. Additional Information under Part II of Schedule III to the Companies Act, 2013:

62 (a) CIF Value of Import

Particulars	(Rs. In lacs)	
	Financial Year 2015-2016 (Rs.)	Financial Year 2014-2015 (Rs.)
Raw Material and Components	---	---
Traded Goods	07.02	---
Total	Nil	Nil

62 (b) Expenditure in Foreign Currency:

(Rs. in lacs)

Particulars	Financial Year 2015-2016 (Rs.)	Financial Year 2014-2015 (Rs.)
Raw Material and Components	00.00	00.00
Traded Goods	06.91	00.00
Foreign Travel Expenses	00.00	01.73
Commission on Export Goods	07.80	03.17
Repayment of term loan, Bank Charges & Commission & Interest	889.91	596.15
Others	00.00	06.26
Total	904.62	607.31

62 (c) Earning in Foreign Currency:

(Rs. in lacs)

Particulars	Financial Year 2015-2016 (Rs.)	Financial Year 2014-2015 (Rs.)
F.O.B value of Exports	658.31	759.79
Total	658.31	759.79

63. Related Party Disclosure:

Related party disclosures as required under Accounting Standard-18 issued by The Institute of Chartered Accountants of India are given below:

a. The Key Management personnel & Individuals having control or significant influence over the Company by reason of voting power, and their relatives:

- Mr. Jasbir Singh Ryait - Chairman
- Mr. Surinder Singh Ryait - Managing Director
- Mrs. Dalvinder Kaur Ryait - Executive Director
- Mrs. Amarjeet Kaur Ryait - Executive Director

b. Enterprises, over which control is exercised by individuals listed in "a" above:

- G.S. Autocomp Private Limited
- G.S. Consumer Products Private Limited
- G.J. Holdings Private Limited*
- Futurista Home Solutions Private Limited*
- Bluebasic India Limited- Subsidiary

* No transaction has taken place during the year.

c. Relative of key management personnel:

- Mr. Harkirat Singh Ryait

The following transactions were carried out during the year with related parties in the ordinary course of business:

Detail of transactions with enterprises referred to in "b" above:

(Rs. in Lacs)

S. No.	Particulars	2015-2016	2014-2015
1.	Sales, Services, Other Income		
	Sales of Goods - G S Autocomp Private Limited.	580.27	---
	Rendering of Services	---	---
	Rental Income		
	G.S. Consumer Products Private Limited	01.20	01.20
	G.S. Autocomp Private Limited	00.64	00.00
	Other Income		
	G.S. Autocomp Private Limited	00.90	00.90
	Total	585.11	02.10
2.	Purchase of Goods - G S Autocomp Private Ltd.	248.10	---
	Services	---	---
3.	Investment in blue basic Private Limited (Wholly owned subsidiary)	00.75	00.00
	Total	833.96	02.10

S. No.	Particulars	2015-2016	2014-2015
1.	Amount Outstanding-Payable		
	Accounts Payable		
	G.S. Autocomp Private Limited	174.23	Nil
	G.S. Consumer Products Private Limited	Nil	Nil

Details of Transactions relating to the persons referred to in "a" above (Rs. in Lacs)

S. No.	Particulars	2015-2016 (Rs. in lacs)	2014-2015 (Rs. in lacs)
	Managerial Remuneration (Mr.Jasbir Singh Ryait, Mr.Surinder Singh Ryait, Mrs.DalvinderKaurRyait&Mrs.AmarjeetKaurRyait)	97.67	92.33
	Remuneration paid to relative of key management personnel	02.94	04.36

64. Rental Income includes Rs. 01.84 lacs (previous year Rs.1.20 lacs)from group companies as per Note No.63 above &Rs.0.06 lacs (previous year Rs.0.06 lacs) from others.
65. Includes goods in transit of Rs.25.68 Lacs (Previous year Rs.9.60 Lacs).
66. Previous year's figures have been regrouped or reclassified wherever necessary to confirm to the current year's classification.

As per our report of even date
For **MANDA & BHATIA**
ICAI Firm Registration No: 004342N
Chartered Accountants

For and on behalf of the Board of Directors
of G.S.Auto International Limited

JASBIR SINGH RYAIT
Chairman

NEERAJ TULI
Chief Financial Officer

P.C.S.VIRDI
Partner
Membership No: 17056
Ludhiana: 13th August, 2016

SURINDER SINGH RYAIT
Managing Director

AMNINDER KAUR
Company Secretary

Form AOC-I

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries

Part "A": subsidiary

Particulars	Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Profit Before Tax	Provision For Tax	Profit After Tax	Proposed Dividend	(Rs. In lacs)		
											% of Shareholding	Reporting Currency	Exchange Rate as at March 31, 2016
Bluebasic India Limited	01.00	00.00	01.45	00.45	00.00	00.00	00.00	00.00	00.00	00.0	75.00	INR	

*The Annual accounts of the above said subsidiary is open for inspection by any investor at the Company's Registered office of the respective subsidiary company.

Part "B": s Joint Venture

	Particulars	Name of the Associate/Joint Venture
1	Latest Audited Balance Sheet Date	Not Applicable
2	Shares of Joint Ventures held by the Company on the year end	
	i) Number	
	ii) Amount of Investment in Joint Venture	
	iii) Extent of Holding %	
3	Description of how there is significant influence	
4	Reason why the joint venture is not consolidated	
5	Net Worth attributable to shareholding as per Balance Sheet	
6	Loss for the year	
	i) Consideration in consolidation	
	ii) Non considered in consolidation	

As per our report of even date
For NANDA & BHATIA
(CAI Firm Registration No: 004342N)
Chartered Accountants

For and on behalf of the Board of Directors
of G.S.Auto International Limited

JASBIR SINGH RYAIT
Chairman

NEERAJ TULI
Chief Financial Officer

P.C.S.VIRDI
Partner
Membership No: 17056
Ludhiana: 13th August, 2016

SURINDER SINGH RYAIT
Managing Director

AMNINDER KAUR
Company Secretary

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If undelivered, please return to :

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International Limited

G.S. Estate, G.T. Road
Ludhiana - 141 010
Punjab, India

Phone :
0161-2511001-05
Fax : 0161-2510885
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