



**G.S. AUTO INTERNATIONAL LTD.**



Ref: GSA: FIN: 2020

Dated: 07.09.2020

To,

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

**SUB: REGULATION 34(1) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE  
REQUIREMENTS) REGULATIONS, 2015**

Dear Sir,

Pursuant to provisions of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of Annual Report for the Financial Year ended March 31, 2020.

Kindly take the same on your records.

Thanking You,

Yours Faithfully,

For G.S. AUTO INTERNATIONAL LIMITED

  
(AMNINDER KAUR)  
Company Secretary



# ANNUAL REPORT 2020

**G.S. AUTO INTERNATIONAL LIMITED**

Website: [www.gsgroupindia.com](http://www.gsgroupindia.com)

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

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

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

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



### Board of Directors

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

#### CHIEF FINANCIAL OFFICER

Mr. Deepak Chopra

#### AUDITORS

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

#### COMPANY SECRETARY

Mrs. Amninder Kaur

#### BANKERS

Punjab National Bank

#### REGISTERED OFFICE & WORKS- UNIT 1

G.S. Auto International Limited  
G.S. Estate, G T Road,  
Ludhiana-14101; Punjab, India  
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  
Website: www.gsgroupindia.com  
Email : info@gsgroupindia.com

#### Registrar & Share Transfer Agent:

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

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**VISION**

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

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

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

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

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

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

- **"GS" strives to achieve enhanced customer satisfaction by delivering the quality products in the safe working environment. We dedicate ourselves to**

continual improvements in all fields of our businesses.

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

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

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

**PRINCIPLES OF BUSINESS**

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

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

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

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

- **Reliability**

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

- Continuous Improvement for excellence and consistency.
- Every employee work with "GS" should work like an owner of that process or partner for the different processes. The Success of that process (s) should create joy and pain for him personally. He should consider himself responsible for the process and do it to the best of his ability and leave mark of his efforts and dedication on it.
- We shall endeavor continuously to build trust, in our dealings with all our stakeholders. We shall strive relentlessly to create faith amongst us through our actions. High integrity should be built on a solid foundation of trust and reliability.
- We shall be transparent in providing reliable and pertinent information for enabling an objective assessment of our financial, environmental and social performances.

**Company Profile:**

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

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

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

**History:**

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

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

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

**Product Range:**

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

**1. Machined Parts:**

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

**2. Forged Parts:**

- High Nuts
- Castle Nuts
- Hex Nuts
- Flange Nuts
- Washer Type Nuts
- Misc. Bolts

**3. Non-Ferrous Cast Components:**

- Customized Aluminum Bronze Parts of different sizes

**4. Ductile Iron Cast Components:**

- Spring Hanger Shackle/Bracket
- Engine Mounting
- Base Plates
- Threaded Rings
- Compressor Mounting Bracket
- Casting in Weight Range 1-20 Kgs

**5. Trailer Parts:**

- Full Dressed Trailer Axles

**6. Clutch Assemblies, Disc Assemblies and its Components****Customer Base:**

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

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

**OEM segment:**

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

**Replacement Market:**

A vast network of over 500 Principal Dealers spread nationwide wisely 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) & Arpamoulding lines, Linear Moulding Machines & Mould Making Machines. As a manufacturing Company, over the years we have multiplied capacities, built up technologies and invested in equipments that place us in a unique league. At "GS", the focus is on achieving best possible quality through stringent control on repeatability of manufacturing process. All manufacturing processes for processing of Alloy Steel Components i.e. annealing, bar drawing, hot forging, cold forging, precision machining, heat treatment an induction hardening are available under one roof and are made to perform to deliver finished goods of highest quality acceptable to valuable customers.

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

**Systemized Approach:**

- **Towards Global Competitiveness:**

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

- **Customer Support System:**

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

- **Access To Latest Technology:**

Technology up-gradations and Know-how can only

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

- **Quality is a Mission:**

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

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

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

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

**Philosophy:**

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

**Human Resources:**

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

**Our Journey so far:**

- **1938:** Start of business activity
- **1973:** Converted into Private Limited Company as "Gurmukh Singh & Sons Pvt. Ltd." on 29- June, 1973
- **1985:** Renamed as G.S Auto International Ltd. with the successful raising of Funds through Public Issue and further got Listed in "The Bombay Stock Exchange Limited," "The Delhi Stock Exchange Limited," "The Ludhiana Stock Exchange Limited" and "The Ahmedabad Stock Exchange Limited".
- **1997:** ISO 9002 Certification in March 1997 by BVQI, U.K
- **1999:** QS 9000 Certification in December 1999, by BVQI, U.K
- **2005:** ISO / TS 16949 Certification in April 2005 by BVQI, U.K.
- **2005:** ISO / TS 16949 **2007:** The Company entered into trailer parts segments as well as also launched Commercial vehicle "Axle" Certification in April 2005 by BVQI, U.K.
- **2010:** The Company entered into manufacturing of parts for earth moving equipments.
- **2011:** lay down the foundation stone for the new manufacturing unit at Jamshedpur with a total capex of Rs.64 Cr.,
- **2014:** Successfully commenced the commercial production of the first phase of new manufacturing unit at Jamshedpur in July, 2013



## Management Discussion and Analysis:

### Overview:

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

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

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

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

### World Economy:

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

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

### Indian Economy:

The economic impact of the 2020 coronavirus pandemic

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

### Company's response to COVID-19:

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

### About The Company:

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

### Company's Financial Performance and Operational Performance:

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

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

#### **Opportunities for longer term:**

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

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

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

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

#### **Threats:**

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

#### **Human Resource Development:**

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

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

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

#### **Industrial Relations:**

The total numbers of permanent employees on the roll of the Company were 731 as on March 31, 2020 (previous year 867). Your Company had maintained its excellent industrial relations records of not 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 1<sup>st</sup>, of every year, Annual day is being celebrated and all the employees and their family members are attending the function. This is an occasion of family get together. Various cultural and religious activities were conducted for employees and their family members.

#### **Risk and Concerns:**

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

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

#### **Internal Control System:**

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

#### **Cautionary Statement:**

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

**Directors' Report for the Year Ended March 31, 2020:**

Dear Members,

Your Directors have immense pleasure in presenting the 46th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2020:-

**1. Financial Results :** The Summary of financial results is given below:-

(Rs Lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from Operations	8391.57	15391.00
<b>Profit before Depreciation, Interest &amp; Tax (PBDIT) &amp; before exceptional items</b>	<b>527.61</b>	806.72
Less: Depreciation & Amortization	419.95	428.66
<b>Profit/(Loss) before Interest and Taxes (PBIT)</b>	<b>107.66</b>	378.06
Interest & Financial expenses	455.16	466.91
<b>Profit/(Loss) before Tax (PBT)</b>	<b>(347.50)</b>	(88.85)
Less: - Provision for Tax		
- Current	0.00	0.00
- Deferred Tax	(82.78)	(14.39)
<b>Profit/(Loss) after Tax (PAT) for the year</b>	<b>(264.72)</b>	(74.46)
Add/ Less: Other comprehensive income	40.08	5.40
<b>Total Comprehensive Income for the year</b>	<b>(224.64)</b>	(69.06)
Earnings per Share (Rs.)		
- Basic & Diluted	(1.82)	(0.51)
Dividend per Share (Rs.)	-	-

**2. Industry Scenario & Highlights/Performance of the Company:**

During FY20, demand for CVs nose-dived to multi-year low, as domestic sales dipped 29% y-o-y. Within CV sub segments, M&HCVs sales declined 42% y-o-y and LCVs declined 20% y-o-y in FY20. The improved turnaround time post GST increased availability of trucks by an estimated 40%-45% in some of the routes across the country. Additionally, as per various industry estimates, the excess capacity created out of increase in axle load norm was expected to get absorbed in about 2-3-year period, had the economy sustained higher growth (7%-8% GDP growth). However, as the economy continued to

slowdown, demand for CVs remained weak. Furthermore, prevalence of tight vehicle financing environment as NBFCs face credit squeeze added to the challenges. During last quarter of FY20, lower-than-anticipated pre-buying prior to BSVI transition and COVID-19 outbreak dampened the sales.

**COVID-19 pandemic induced slowdown**

India's GDP grew 3.1% in Q4FY20, the slowest rate in 11 years indicating slowing economy amid COVID-19 led lockdown. Core sectors manufacturing and construction contracted 1.4% and 2.2%, respectively, during Q4FY20, on account of the lockdown imposed in March 2020.

Also, Gross Fixed Capital Formation (GFCF) which is a proxy for investment activity has witnessed sharp drop during FY20 on account of tepid demand. The investment rate, measured as GFCF as a percentage of GDP fell to 26% in Q4FY20, the lowest in the past 8 years.

With outbreak of COVID-19 pandemic, economic activities across the country remain disrupted since March 2020 due to lockdown.

**The Future outlook and Measure required for improvement**

The Indian CV industry continues to exhibit cyclicity as witnessed in the last two decades but the slump witnessed in FY20 was sharp and historic. During FY20, CVs sales volume after growing briskly in the last few years declined 29% y-o-y to 7.2 lakh units against selling more than 10 lakh units for the first time during FY19, as a series of events and factors hit the brakes on the industry growth.

The industry needs revival measures that address both short-term and long-term demand. Despite no direct stimuli to boost CV demand being announced under 'Atmanirbhar Bharat' package, reforms being carried out in certain sectors are expected to improve CVs demand in the medium term. Measures including commercialization of coal mining, introduction of seamless composite exploration-cum-mining-cum production regime for minerals, liquidity boost to NBFCs and measures to improve agriculture and allied sectors infrastructure, could have a positive impact on CVs demand in medium term. Demand revival could be hastened in case of implementation of long due scrappage policy, reduction in GST rates from the current 28% along with substantial economic measures including government's push towards additional infrastructure projects.

During the year under review, there is decline in the overall performance of the company inspite of better product mix and lower capacity utilization on account of recession in the Auto sector especially commercial

vehicle segment resulting in sluggish demand for commercial vehicles and affecting the auto component manufacturing units. The revenue from operations has decreased to **Rs. 8391.57 lakhs**, as compared to revenue from operations of **Rs. 15391.00 lakhs** of the previous year.

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

After negative provision for taxation & deferred tax of **Rs. 82.77 lakhs** (previous year **Rs.14.39 lakhs**) there was a loss of **Rs. 264.72 lakhs** as compared to previous year's loss after tax of **Rs. 74.46 lakhs**. The overall performance of the company has declined but seems to be in the line with industry trend and looking into the slowdown in the economy within the country as well as international level.

### 3. Foreign Exchange Earnings:

During the year, your company has not paid net foreign exchange as compared to last year payment of **Rs.316.90 Lakhs** (mainly on account of repayment of its long term liability from financial institution).

### 4. Quality:

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

### 5. Dividend:

During the period under review and in view of the loss during the year, the Board has decided not to recommend any dividend for the financial year 2019-2020.

### 6. Reserves:

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

### 7. 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.

### 8. 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.

### 9. 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 March 31, 2020, is annexed hereto.

### 10. Share Capital:

The paid-up share capital of the Company as at March 31, 2020 is **Rs. 7.25 Crores**. The Company currently has no outstanding shares issued with differential rights, sweat equity or ESOS.

### 11. Subsidiary, Joint Venture and Associate Companies:

The company does not have any subsidiary.

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

No Companies have become Subsidiary, Joint Venture or Associate Company during the year.

### 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. Vigil Mechanism:

The Company has established a Vigil Mechanism and a Whistle Blower Policy in accordance with the provisions of the Act and Listing Regulations. Disclosures can be made by a whistle-blower through an email or a letter to the Chairman of the

Audit Committee. The Vigil Mechanism Policy can be accessed at the Company's website [www.gsgroupindia.com](http://www.gsgroupindia.com).

#### 15. 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.

#### 16. 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.

#### 17. 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.

#### 18. 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. Amarjit Kaur Ryait, Executive Director, retires by rotation at the at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

Mr. Iqbal Singh, Independent Director, stepped down from the Board due to pre occupation. The Board of Directors on the recommendation of the Nomination and Remuneration Committee has appointed Mr. Mohit Bansal as an Additional Director in the capacity of Independent Director. He will hold office up to the ensuing Annual General Meeting. His appointment as an Independent Director will be subject to the approval of shareholders.

During the period under review, Mr. Neeraj Tuli resigned from the position of Chief Financial Officer of the Company and was relieved from his duties on November 14, 2019. The Board of Directors in its meeting held on April 27, 2020 appointed Mr. Deepak Chopra as Chief Financial Officer and Key Managerial Personnel of the Company.

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.

#### 19. 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.

#### 20. Number of Meetings of the Board:

The Board met five 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.

#### 21. 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](http://www.gsgroupindia.com).

#### 22. 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. Avinash Sharma Mr. Jasbir Singh Ryait *Mr. Iqbal Singh	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.  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 <a href="http://www.gsgroupindia.com">www.gsgroupindia.com</a> .
Nomination and Remuneration Committee	**Mr. Pardeep Sehgal, Chairman Mr. Sharwan Sehgal Mr. Upkar Singh Ahuja Mr. Avinash Sharma	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 II
Stakeholders Relationship Committee	**Mr. Pardeep Sehgal, Chairman Mr. Sharwan Sehgal Mr. Avinash Sharma Mr. Upkar Singh Ahuja	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. Harkirat Singh Ryait Chairman Mr. Jasbir Singh Ryait	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.

\*Resigned w.e.f. 27th April, 2020.

\*\*Appointed w.e.f 31st July, 2020.

### 23. Auditors, Audit Report and Audited Accounts:

M/s Sukhminder Singh & Co. (ICAI Firm Registration No. 016737N), Chartered Accountants, Ludhiana, were appointed as Statutory Auditors in place of M/s Nanda & Bhatia in 43<sup>rd</sup> Annual General Meeting to hold office until the conclusion of 47<sup>th</sup> Annual General Meeting (AGM). Pursuant to the Companies (Amendment) Act, 2017, the requirement of ratification of appointment of the Auditors on yearly basis had been dispensed with.

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.

### 24. Cost Audit:

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

### 25. 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, Practising Company Secretaries were appointed as the Secretarial Auditor for auditing the secretarial records of the Company for the financial year 2019-20.

The Secretarial Auditors' Report in Form No. MR-3 as required under the Act for the financial year ended

March 31, 2020 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 III.

## **26. 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) as stipulated under the Listing Regulations forms an integral part of this Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

## **27. Deposits:**

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

## **28. 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 are provided in the notes to the financial statements.

## **29. 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. Members may refer to Note 44 to the Financial Statements which sets out related party disclosures pursuant to IndAS.

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](http://www.gsgroupindia.com)

## **30. 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.

## **31. 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](http://www.gsgroupindia.com). The Board members and senior management personnel have affirmed compliance with the said code of conduct. A declaration signed by the Chairman and Jt. Managing Director is given at the end of the Corporate Governance Report.

## **32. 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.

## **33. 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 IV to this report.

## **34. 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. V to this report. The same is also available on the website of the Company [www.gsgroupindia.com](http://www.gsgroupindia.com).

## **35. General:**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the period under review:-

a) 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.

- b) Details of deposits.
- c) Any fraud reported by the Auditors of the Company under Section 143(12) read with rule 13 of Companies (Audit and Auditors) Rules, 2014.
- d) Significant material orders passed by Regulators or Courts or Tribunals which impact the going concern status and the Company's Operations in future.

### 36. Directors' Responsibility Statement

Your Directors confirm:

- i. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. 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, 2020 and of the loss of the Company for the financial year;
- iii. 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;
- iv. that your Directors have prepared the annual accounts on a going concern basis;

- v. 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
- vi. 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.

### 37. 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.

Place: Ludhiana  
Date: 26.08.2020

For and on behalf of the  
Board of Directors

sd/-  
Jasbir Singh Ryait  
Chairman &  
Jt. Managing Director  
DIN:00104979

sd/-  
Harkirat Singh Ryait  
Executive Director  
DIN:07275740

## Annexure I

**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 stake holders, 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.

**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:

1. Ensure transparency and professionalism in the all decisions and transactions of your Company;
2. 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;

3. Conforming to prevalent guidelines on Corporate Governance; regularly reviewing the processes of Board and Management systems directed towards continuous improvement.
4. Legal and Statutory Compliances in letter and spirit.

**BOARD OF DIRECTORS:****Composition as on March 31, 2020:**

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, 2020, the Board comprised of ten directors, out of which 50% are Executive and 50% are Non- Executive Directors. The Company has an Executive Chairperson. Out of total strength of ten directors, five i.e. 50% are independent, thus it meets the stipulated requirement. None of the directors on the Board is a member of more than ten Board level Committees or acts as Chairman of more than five Board level committees. Further, none of the Independent Directors act as Independent Director in more than seven listed companies. The Managing Director does not serve as Independent Director in any other listed company. In the opinion of the Board, the Independent Directors fulfill the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015 and are independent of the management.

**Other details relating to the Board are as follows:**

Name of Director	Designation	Category	Share holding in Company (No. of shares)	Total No. of Directorships in other Public Limited Companies	Total No. of Committee Memberships in other Public Limited Companies	Total No. of Board Chairmanship in other Public Limited Companies	Total No. of Committee Chairmanship in other Public Limited Companies
Mr. Jasbir Singh Ryait	Chairman & Jt. Managing Director	Executive, Non-Independent	580550	-	-	-	-
Mr. Surinder Singh Ryait	Managing Director	Executive, Non Independent	654430	-	-	-	-
Ms. Dalvinder Kaur Ryait	Executive Director	Executive, Non Independent	144860	-	-	-	-
Ms. Amarjit Kaur Ryait	Executive Director	Executive, Non Independent	123820	-	-	-	-
Mr. Harkirat Singh Ryait	Executive Director	Executive, Non Independent	6908	-	-	-	-
Mr. Sharwan Sehgal	Independent Director	Non-Executive, Independent	-	-	-	-	-
Mr. Upkar Singh Ahuja	Independent Director	Non-Executive, Independent	-	4	-	-	-

*Mr. Iqbal Singh	Independent Director	Non-Executive, Independent	-	-	-	-	-
Mr. Pardeep Sehgal	Independent Director	Non-Executive, Independent	-	-	-	-	-
Mr. Avinash Sharma	Independent Director	Non-Executive, Independent	-	-	-	-	-
**Mr. Mohit Bansal	Additional Independent Director	Non, Executive, Independent					

\*Resigned w.e.f. 27<sup>th</sup> April, 2020.

\*\*Appointed w.e.f. 31<sup>st</sup> July, 2020

#### Note :

1. Mr. Jasbir Singh Ryait, Chairman and Jt. Managing Director, Mrs. Dalvinder Kaur Ryait, Executive Director, Mr. Surinder Singh Ryait, Managing Director, Mrs. Amarjeet Kaur Ryait, Executive Director and Mr. Harkirat Singh 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.

The Board of G.S. Auto International Limited comprises of qualified members who bring in required skills, expertise and competence so that the contribution made by the Board and its Committees achieves highest standards of corporate governance.

#### List of core-skills/ expertise/ competence identified by the Board of Directors as required in the context of its business(es):

Skill Area	Description
Financial Performance	Qualifications and experience in accounting and/or finance and the ability to assess financial viability and performance, contribution to financial planning and efficient use of resources.
Product Skills	Knowledge and experience in Auto Industry.
Commercial Experience	A broad range of commercial and business experience including marketing systems.
Strategy and Planning	Ability to think strategically and identify strategic opportunities and threats.
Directors	Attributes
	Financial Performance    Product Skills    Commercial Experience    Strategy and Planning
Mr. Jasbir Singh Ryait	✓    ✓    ✓    ✓

Mr. Surinder Singh Ryait	✓	✓	✓	✓
Ms. Dalvinder Kaur Ryait	✓	✓	✓	✓
Ms. Amarjeet Kaur Ryait	✓	✓	✓	✓
Mr. Harkirat Singh Ryait	✓	✓	✓	✓
Mr. Upkar Singh Ahuja	✓	✓	✓	✓
Mr. Sharwan Sehgal	✓	✓	✓	✓
Mr. Pardeep Sehgal	✓	✓	✓	✓
Mr. Avinash Sharma	✓	✓	✓	✓
Mr. Mohit Bansal	✓	✓	✓	✓

#### Declaration by Independent Directors:

Further, based on the declarations received, in the opinion of the Board, the independent directors fulfill the conditions specified in SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and are independent of the Company's management. Further, the Independent Directors have affirmed their registration on the Independent Directors database as notified by the Ministry of Corporate Affairs.

Further, Mr. Iqbal Singh, Independent Director resigned from the Board with effect from April 27<sup>th</sup>, 2020 due to pre-occupation and the Company has appointed Mr. Mohit Bansal as an Additional Independent Director.

#### MEETINGS:

##### Meeting details- Board and Committees:

At least four Board Meetings are held in a year, one in each quarter to review the financial results and other items on the agenda. The maximum gap between any two consecutive meetings does not exceed 120 days. Every Director on the Board/ Committee is free to suggest any item for inclusion in the agenda for the consideration of Board/ Committee.

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 Company also holds Audit Committee Meetings, *inter-alia*, to review financial results. Meetings of other Committees of the Board are held whenever matters falling under their terms of reference need discussion and decision.

Following are the details of meetings of Board of Directors, Committees thereof held between April 1<sup>st</sup>, 2019 and March 31<sup>st</sup>, 2020:

Sr. No.	Meetings	No. of meetings held during the year	Date of meetings
1	Board of Directors	5	16 <sup>th</sup> April, 2019, 30 <sup>th</sup> May, 2019, 14 <sup>th</sup> August, 2019, 14 <sup>th</sup> November, 2019 and 14 <sup>th</sup> February, 2020.
2	Audit Committee	4	30 <sup>th</sup> May, 2019, 14 <sup>th</sup> August, 2019, 14 <sup>th</sup> November, 2019 and 14 <sup>th</sup> February, 2020.
3	Nomination & Remuneration Committee Meeting	2	16 <sup>th</sup> April, 2019. 14 <sup>th</sup> November, 2019
4	Stakeholders' Relationship Committee	4	30 <sup>th</sup> May, 2019, 14 <sup>th</sup> August, 2019, 14 <sup>th</sup> November, 2019 and 14 <sup>th</sup> February, 2020.

#### Attendance of each Director at the Meetings of the Company

The details of attendance of each Director of the Company in the Board and Committee Meetings held during the financial year 2019-20 are given below:

Name of the Director	Board Meeting	Audit Committee	Nomination & Remuneration Committee	Stakeholders' Relationship Committee
Mr. Jasbir Singh Ryait	5	4	-	-
Mr. Surinder Singh Ryait	5	-	-	-

Ms. Dalvinder Kaur Ryait	5	-	-	-
Ms. Amarjit Kaur Ryait	5	-	-	-
Mr. Harkirat Singh Ryait	5	-	-	-
Mr. Sharwan Sehgal	5	4	2	4
Mr. Upkar Singh Ahuja	5	-	2	4
Mr. Iqbal Singh*	4	3	-	-
Mr. Avinash Sharma	4	3	2	3
Mr. Pardeep Sehgal	5	-	-	-
Mr. Mohit Bansal **	-	-	-	-

-Not a member of the Committee

\*Resigned w.e.f. 27<sup>th</sup> April, 2020.

\*\*Appointed w.e.f. 31<sup>st</sup> July, 2020

#### 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 labor 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.

#### Board Level Committees:

The Board has constituted various Committees for smooth and efficient operation of the activities and is responsible for constituting, assigning, co-opting and fixing the terms of reference for the committees in line with the laws of land. The Chairman, quorum and the terms of reference of each committee have been approved by the Board.

**Composition of Committees:**

Audit Committee	Mr. Sharwan Sehgal, Independent Director (Chairman of Committee) *Mr. Iqbal Singh, Independent Director Mr. Jasbir Singh Ryait, Non-Independent Director Mr. Avinash Sharma, Independent Director
Nomination & Remuneration Committee	Mr. Sharwan Sehgal, Independent Director Mr. Upkar Singh Ahuja, Independent Director Mr. Avinash Sharma, Independent Director **Mr. Pardeep Sehgal (Chairman of Committee)
Stakeholders' Relationship Committee	**Mr. Pardeep Sehgal, Independent Director (Chairman of Committee) Mr. Upkar Singh Ahuja, Independent Director Mr. Sharwan Sehgal, Independent Director Mr. Avinash Sharma, Independent Director
Business Management & Risk Management Committee	Mr. Jasbir Singh Ryait, Non-Independent Director **Mr. Harkirat Singh Ryait, Non-Independent Director (Chairman of Committee)

\* Resigned w.e.f. 27<sup>th</sup> April, 2020.

\*\*Appointed w.e.f. 31<sup>st</sup> July, 2020

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.

**Terms of reference of 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 and Business Development and Risk Management Committee consist entirely of independent directors. Recommendations of the committees are submitted to the Board for approval.

**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 are inter-alia as under:

1. The recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
2. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
3. Review of the quarterly and half yearly financial results with the management and the statutory auditors.

4. Review with the management and statutory auditors of the annual financial statements before submission to the board.
5. Examination of the financial statement and the auditor's report thereon.
6. Approval or any subsequent modification of transactions of the Company with related parties.
7. Evaluation of internal financial controls and risk management systems.
8. Monitoring the end use of funds raised through public offers and related matters.

All the Members of Audit Committee are financially literate and have accounting knowledge to interpret and understand the financial statements. Mr. Sharwan Sehgal is the Chairman of the Audit Committee. Mrs. Amninder Kaur, Company Secretary is the Compliance Officer of the Committee.

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.

**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.

Mr. Pardeep Sehgal is the Chairman of the Stakeholders' Relationship Committee.

Mrs. Amninder 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.

Detail of Queries/grievances/requests, received and redressed by the Shareholder's Grievance Committee during 2019-2020:

Nature of complaints	Received during 2019-20	Resolved during 2019-20	Pending as on 31.03.2020
Non-receipt of Dividend/ Annual Report	1	1	0

It has also been noted that the shareholding in dematerialized mode as on March 31, 2020 was 97.23%.

#### Nomination & Remuneration Committee:

The terms of reference of Nomination and Remuneration Committee are as per the SEBI (LODR) Regulations, 2015 and Companies Act, 2013. The broad terms of reference of Nomination & Remuneration Committee as approved by the Board are as under:

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

Performance evaluation of independent directors is performed by the Nomination and Remuneration Committee and the Board after seeking inputs from all directors. Mr. Pardeep Sehgal is the Chairman of the Nomination and Remuneration Committee. Mrs. Amninder Kaur, Company Secretary is the Compliance Officer of the Committee

#### 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.

#### 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. Other details with respect to Directors' Remuneration are given below:

#### a) All pecuniary relationship or transactions of the non-executive directors vis-a vis the listed entity:

The Company does not have any direct pecuniary relationships or transactions with any of its non executive directors.

#### b) Criteria of making payments to non- executive directors:

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

#### c) Details of remuneration paid to Executive Directors:

The Company pays remuneration to Chairman & Jt. Managing Director, Managing Director and Executive Directors as approved by the Board of Directors and the Members of the Company in the General Meeting. The details of remuneration paid to directors along with their relationships and business interests are given below:

Names of the Directors	Business relationship with the Company	Salary & Perquisites (Rs.)	Total Remuneration (Rs.)
Mr. Jasbir Singh Ryait	Chairman & Jt. Managing Director	77,60,459/-	77,60,459/-
Mr. Surinder Singh Ryait	Managing Director	3,90,435/-	3,90,435/-
Ms. Dalvinder Kaur Ryait	Executive Director	75,06,692/-	75,06,692/-
Ms. Amarjit Kaur Ryait	Executive Director	3,23,320/-	3,23,320/-
Mr. Harkirat Singh Ryait	Executive Director	27,65,560/-	27,65,560/-

#### d) Service Contracts, Notice period, severance fees etc.

The employment of Managing Director and other whole time directors shall terminate automatically in the event of their ceasing to be Director of the Company in the General Meeting and/ or in the event of resignation and subsequent acceptance of resignation by the Board and no severance fees is paid. Notice period shall as per the appointment letter issued by the Company.

#### Shareholders:

#### a) Annual General Meetings of the Company:

The details of General Meetings held during the last

three financial years are given as follows:  
All the resolutions including Special Resolutions set

out in the respective notice were passed by the requisite majority of shareholders.

Meeting	Date & Time	Venue	Special Resolutions passed
45 <sup>th</sup> Annual General Meeting for the FY ended March 31, 2019	30 <sup>th</sup> September, 2019 at 11.00 A.M.	Regd. Off. G.S. Estate, G.T. Road, Ludhiana.	1. Re-appointment of Mr. Iqbal Singh as an Independent Director for a second term of five years. 2. Re-appointment of Mr. Upkar Singh Ahuja as an Independent Director for a second term of five years.
44 <sup>th</sup> Annual General Meeting for the FY ended March 31, 2018	29 <sup>th</sup> September, 2018 at 11.00 A.M.	Regd. Off. G.S. Estate, G.T. Road, Ludhiana.	No special Resolution was passed at the meeting.
43 <sup>rd</sup> Annual General Meeting for the FY ended March 31, 2017	29 <sup>th</sup> September, 2017 at 11.00 A.M.	Regd. Off. G.S. Estate, G.T. Road, Ludhiana.	No special resolution was passed at the meeting.

#### b) 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 "DeshSewak". Simultaneously, the same is also uploaded on the Company's official website [www.gsgruopindia.com](http://www.gsgruopindia.com) and BSE Listing Centre which is a web based application designed by BSE for corporate. All Corporate Announcements and Compliances are filed electronically on BSE Listing Centre.

#### GENERAL SHAREHOLDER INFORMATION:

##### a) Annual General Meeting:

Date 30<sup>th</sup> September, 2020  
Day Wednesday  
Time 12.30 P.M.  
Venue Through Video Conferencing (VC)/  
Other Audio Visual Means (OAVM).

##### b) Financial calendar:

Next Financial Year: April 1, 2020 to March 31, 2021.

##### c) Company Registration Details, Listing Details & ISIN Details:

A. Corporate Identification No.(CIN)	L34300PB1973PLC003301	
B. Listing at Stock Exchanges	Trading Code *Details of listing fee	Address
1. BSE Ltd.	513059 *Listing fee of 2020-21 paid	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001
C. International Security Identification No.(ISIN) in NSDL and CDSL	Particulars	ISIN
Equity Shares *Depository fee for 2020-21 paid to NSDL & CDSL	INE736H01024	

##### d) Financial Reporting for 2020-21 (Tentative):

First Quarter un-audited Results- June 30, 2020	August, 2020 (2 <sup>nd</sup> Week)
Half Yearly un-audited Results- September 30, 2020	November' 2020 (2 <sup>nd</sup> Week)
Third Quarter un-audited Results -December 31, 2020	February' 2021 (2 <sup>nd</sup> Week)
Fourth Quarter Audited Results -March 31, 2021	May' 2021 (4 <sup>th</sup> Week)

##### e) Stock Market data:

The monthly-wise highest and lowest stock prices of BSE during the financial year 2019-20 is given below:

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

## Stock Market Data:

Month	BSE Sensex		Company's Share		Volume (No. of Shares)
	High (in Rs.)	Low (in Rs.)	High (in Rs.)	Low (in Rs.)	
April' 2019	39487.45	38460.25	7.60	6.35	61241
May' 2019	40124.96	36956.10	7.25	5.55	88333
June' 2019	40312.07	38870.96	6.75	3.90	158547
July' 2019	40032.41	37128.26	5.95	3.65	99659
Aug' 2019	37807.55	36102.35	7.00	4.61	34651
Sept' 2019	39441.12	35987.80	5.80	4.26	26819
Oct' 2019	40392.22	37415.83	4.40	3.35	19292
Nov' 2019	41163.79	40014.23	4.26	3.30	33401
Dec' 2019	41809.96	40135.37	3.97	3.09	17618
Jan' 2020	42273.87	40476.55	4.97	3.57	19252
Feb' 2020	41709.30	38219.97	4.76	3.78	36874
Mar' 2020	39083.17	25638.90	3.71	2.45	13416

## f) Registrar &amp; 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 No. 011 64732681-88 (8 Lines).

E – Mail: [admin@skylinerta.com](mailto:admin@skylinerta.com)

## g) 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.

h) Distribution of Shareholding as on 31<sup>st</sup> March, 2020:

Nominal Value of Shares	No. of Shareholders	% to Total Number	Shareholding Amount	% to Total Amount
1-5,000	6207	87.61	8298570	11.43
5,001-10,000	377	5.32	2973390	4.1
10,001-20,000	220	3.11	3285260	4.53
20,001-30,000	96	1.35	2420850	3.34

30,001-40,000	45	0.64	1565495	2.16
40,001-50,000	38	0.54	1803745	2.49
50,001-1,00,000	52	0.73	3702185	5.10
1,00,001 & above	50	0.71	48523405	66.86
<b>Total</b>	<b>7085</b>	<b>100.00</b>	<b>72572900</b>	<b>100.00</b>

i) Categories of equity shareholders as on 31<sup>st</sup> March, 2020:

CATEGORY	NO. OF SHARES HELD	% AGE OF SHARE HOLDING
(A) Promoters Holding		
1 Individuals	1685200	11.61
2 Bodies Corporate	4368340	30.10
<b>Total Shareholding of Promoters</b>	<b>6053540</b>	<b>41.71</b>
(B) Non- Promoters Holding		
1 Mutual Funds, Banks, Financial Institutions, Insurance Companies etc.	Nil	Nil
2 Foreign Portfolio Investors	Nil	Nil
3 Bodies Corporates	412802	2.84
4 Non Resident Individuals	30036	0.21
5 Investor Education and Protection Fund	410470	2.83
6 Indian Public & Others	7607732	52.41
<b>Total Shareholding of Public</b>	<b>8461040</b>	<b>58.29</b>
<b>Total (A + B)</b>	<b>14514580</b>	<b>100</b>

## j) Dematerialization of shares and Liquidity:

The Equity shares of the Company traded and settled in the dematerialized form. The details of the equity shares dematerialized as on March 31, 2020 is given hereunder:

Particulars	As on March 31, 2019		As on March 31, 2020	
	No. of Shares	Percent	No. of Shares	Percent
No. of shares dematerialized				
-NSDL	4784073	32.96	4954339	34.13
-CDSL	9327769	64.26	9157507	63.09
No. of shares in Physical Form	402738	2.77	402734	2.78
<b>Total</b>	<b>14514580</b>	<b>100</b>	<b>14514580</b>	<b>100</b>



**k) Dividend:**

Unpaid Interim Dividend for the FY 2009-10 and Final Dividend for the FY 2010-11 and the shares corresponding to the unclaimed dividend for the consecutive seven years have been transferred to Investor Education and Protection Fund.

The shareholders having claims w.r.t above unpaid dividends may approach the Company or M/s Skyline Financial Services Private Limited, the Registrar and Share Transfer Agent of the Company.

**l) Credit Rating:**

During the year under review, the Company has received the following credit ratings

Facilities	Ratings
Long term Bank Facilities	IVR B+ ( Stable Outlook)
Short term Bank Facilities (Non Fund)	IVR A4 (IVR A Four)

**m) Company Secretary/ Compliance Officer:**

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

**n) Plant Location:**

Unit 1: G.S. Estate, G.T. Road, Ludhiana.

Unit 2: M-09 Large Sector, Tata Kundra Main Road, Industrial Area, Adityapur Development Authority, Jamshedpur.

**o) 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.

**OTHER DISCLOSURES:****I. Related Party Transactions**

There was no material related part transaction, pecuniary transaction or relationship between the Company and its Directors, promoters or the management that may have potential conflict with the interests of the Company at large. The details of related party transactions are detailed in the notes to the Financial Statements disclosed as per applicable accounting standards. Policy on dealing with Related Party Transactions has been duly adopted by the Company and the same is uploaded on the official website of www.gsgroupindia.com.

**ii. Compliances made by the Company**

The Company has continued to comply with the requirements as specified in Regulation 17 to 27 & Regulation 46(2)(b) to 46(2)(i) along with other applicable provisions of the SEBI (LODR) Regulations, 2015 and other statutory authorities on all matters related to capital market. 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.

**I. Disclosure on website in terms of Listing Regulations:**

Item	Compliance status (Yes / No / NA)	
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	NA	

media companies and/or their associates		
New name and the old name of the listed entity	NA	
<b>II. Annual Affirmations:</b>		
<b>Particulars</b>	<b>Regulation Number</b>	<b>Compliance status (Yes / No / NA)</b>
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

### iii. 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 behaviour, 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.

### iv. Familiarization Program for Independent Directors:

The details of familiarization program for independent directors are available on the official website [www.gsgroupindia.com](http://www.gsgroupindia.com).

### v. 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.

**vi. 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.gsgroupindia.com](http://www.gsgroupindia.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.

**vii. Total Fee paid to Statutory Auditors:**

The Company has paid Rs. 110000.00 to the statutory auditors for all services. The detail of the same is given in Note No. 34 of Notes forming part of financial statements. The Company has no subsidiary company.

**viii. Sexual Harassment of women at Workplace:**

Details of Complaints received and resolved during the year 2019-20 are as under:

Nature of Complaints	No. of Complaints during the year		
	Filed	Disposed	Pending
Sexual Harassment of Women at Workplace	0	0	0

**COMPLIANCE STATUS WITH MANDATORY REQUIREMENTS AND ADOPTION OF THE NON MANDATORY REQUIREMENTS OF PROVISIONS OF SEBI (LODR) REGULATIONS, 2015**

**Mandatory Requirements:**

The Company has complied with all the mandatory requirements entered into with Stock Exchanges and SEBI (LODR) Regulations, 2015.

**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 31<sup>st</sup> March, 2020.

**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.

**Annexure to the Corporate Governance Report:**

- i. Declaration signed by the Chief Executive Officer stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management as Annexure A.
- ii. Compliance Certificate from the Statutory Auditors regarding compliance of conditions of corporate governance as Annexure B.
- iii. A certificate from a Company Secretary in Practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of Companies by the Board/ Ministry of Corporate Affairs or any such statutory authority as Annexure C.

**Annexure A**

**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 31<sup>st</sup> March, 2020.

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

Date: 31.07.2020  
Place: Ludhiana

Sd/-  
Jasbir Singh Ryait  
Chairman & Jt. Managing Director  
DIN: 00104979

**Annexure B****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, 2020, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 SUKHMINDER SINGH & CO.  
Chartered Accountants  
Firm Regn. No. 016737N

Sukhminder Singh  
Partner  
Membership No. 093100  
UDIN: 20093100AAAAGK8491

Date: 26.08.2020  
Place: Ludhiana

## Annexure C

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS  
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,

**THE MEMBERS OF G S AUTO INTERNATIONAL LIMITED**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of G S AUTO INTERNATIONAL LIMITED, having CIN L34300PB1973PLC003301 and having registered office at G S Estate G T Road Ludhiana-141010, Punjab (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending as on 31/03/2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in company
1.	Sh. Jasbir Singh Ryait	00104979	01/09/2008
2.	Smt. Amarjit Kaur Ryait	00572776	06/03/2004
3.	Smt. Dalvinder Kaur Ryait	00572812	06/03/2004
4.	Sh. Surinder Singh Ryait	00692792	05/10/1989
5.	Sh. Upkar Singh	01588157	12/08/2011
6.	Sh. Iqbal Singh	06692349	15/06/2013
7.	Sh. Harkirat Singh Ryait	07275740	14/02/2019
8.	Sh. Sharwan Sehgal	07556315	30/06/2016
9.	Sh. Avinash Sharma	07963327	14/08/2018
10.	Sh. Pardeep Sehgal	08355909	14/02/2019

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on the basis of our verification. 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 Tanveer Kaur & Associates  
Company Secretaries**

**Place : Amritsar  
Date: 26.08.2020  
UDIN: A061685B000619044**

**Tanveer Kaur  
CP No.: 23138**

**Certification by Chief Executive Officer/Managing Director and Chief Financial Officer of the company.**

(Under Regulation 17(8) read with Part B of Schedule II of SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

We the undersigned, in our respective capacities as Chairman & Jt. 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 2019-20 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 2019-20 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.

**Date:31.07.2020**  
**Place: Ludhiana**

**Jasbir Singh Ryait**  
**Chairman & Jt. Managing Director**  
**DIN : 00104979**

**Deepak Chopra**  
**Chief Financial Officer**

## ANNEXURE-II

**Nomination and Remuneration Policy****Preamble**

Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 provide that the Board of Directors on the recommendation of Nomination and Remuneration Committee has to formulate Nomination and Remuneration Policy detailing therein inter alia, 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 ("NRC")

**Objective****The Policy provides criteria for:**

- a) Determining qualifications, positive attributes and independence of a Director;
- b) Performance evaluation of Independent Directors, non-independent Directors, Chairman and the Board;
- c) Remuneration of Directors, Key Managerial Personnel, Senior Management Personnel and other employees, as may be decided by the Committee;
- d) To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- e) 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 Regulation 16(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- **"Key Managerial Personnel"** means
  - a. the Chief Executive Officer or the Managing Director or the Manager and in their absence the Whole Time Director;
  - b. the Company Secretary;
  - c. the Chief Financial Officer; and
  - d. 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 Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- **"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 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.

**Interpretation**

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or any other SEBI Regulation(s) as amended from time to time. In case of any dispute or difference upon the meaning/ interpretation of any word or provision in this Policy, the same shall be referred to the Nomination and Remuneration Committee and the



decision of the Nomination and Remuneration Committee in such a case shall be final.

## Guidelines

### I. Qualifications

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 Regulation 16(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### 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: -

- a) The scope of duties, the role and nature of responsibilities;
- b) The level of skill, knowledge, experience, local factors and expectations of individual;
- c) The Company's performance, long term strategy and availability of resources;
- d) 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;
- e) Relationship of remuneration to performance is clear and meets appropriate performance benchmark; and
- f) Remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

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)

- a) 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.
- b) 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.
- c) 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 Regulation 25 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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:

- a) 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;
- b) Attendance and contribution at Board and Committee meetings;
- c) Subject expertise, skills, behavior, experience, leadership qualities, understanding of business and strategic direction to align company's values and standards;
- d) 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;
- e) Vision on Corporate Governance and Corporate Social Responsibility;

- f) Ability to create a performance culture that drives value creation and a high quality of discussions;
- g) Effective decision making ability to respond positively and constructively to implement the same to encourage more transparency;
- h) Open channels of communication with executive management and other colleague on Board to maintain high standards of integrity;
- i) 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 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## Annexure III

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH,  
2020**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of managerial 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 our 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 31<sup>st</sup> March, 2020 complied with 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 31<sup>st</sup> March, 2020 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009/2018; Not Applicable during Audit Period
- (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - Not applicable during the audit period;
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008-Not Applicable during the audit period;
- (g) 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;
- (h) 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, 2018-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 (BSE);

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.

*As required under Section 149 (8) read with Para VII (1) of Schedule IV of Companies Act, 2013 as well as Regulation 25 (3) of SEBI (LODR) Regulation 2015, The independent directors of the company/listed entity shall hold at least one meeting in a financial year without the presence of non-independent directors and members of the management.*

*In respect of meeting of Independent Directors, Company availed relaxation from holding Independent Director's Meeting during F.Y. 2019-20, as per General Circular No. 11/2020 issued by Ministry of Corporate Affairs (MCA) dated 24<sup>th</sup> March 2020.*

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**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 not done any act which having major bearing in the Company's affair in pursuance of above referred laws, rules, regulation, guidelines, standards etc.

Place: Ludhiana  
Date: 26.08.2020

**For B.K. Gupta & Associates  
Company Secretaries**

(Bhupesh Gupta)  
Company Secretary  
FCS No.:4590  
C P No.: 5708

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

Apprentices Act 1961

### **List of Environmental Laws**

Environment (Protection) Act, 1986

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

**Annexure:-A**

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 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.

Place: Ludhiana  
Date: 26.08.2020

**For B.K. Gupta & Associates  
Company Secretaries**

(Bhupesh Gupta)  
Company Secretary  
FCS No.:4590  
C P No.: 5708

## Annexure IV

**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 31<sup>st</sup> March, 2020:****I) Conservation of Energy:**

The Company has been taking adequate measures for the conservation of energy by ensuring the optimum utilization of energy and other resources at its disposal.

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.

No capital investment on energy conservation equipment was made during the year.

**II) Technology Absorption:****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 three years.

**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.

**III) Foreign Exchange Earnings and Outgo:**

a)	Activities relating to exports:	During the year ended 31 <sup>st</sup> March, 2020 the Export was at Rs. 287.46 Lakhs (previous year Rs. 315.83 Lakhs)	
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	<b>(RsLakhs)</b>	
	(On Cash basis)	<b>Current Year</b>	Previous Year
	Used	<b>32.41</b>	784.95
	Earned	<b>285.89</b>	315.83

Place: Ludhiana  
Date: 26.08.2020

For and on behalf of the Board of Directors

Jasbir Singh Ryait  
Chairman & Jt. Managing Director  
DIN:00104979

Harkirat Singh Ryait  
Executive Director  
DIN:07275740

## ANNEXURE-V

**Form No. MGT-9  
EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31<sup>st</sup> March, 2020  
[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

**REGISTRATION DETAILS:**

CIN	L34300PB1973PLC003301
Registration Date	29.06.1973
Name of the Company	G.S. Auto International Limited
Category/ Sub-Category of the Company	Automotive Components
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: amninder@gsgroupindia.com
Whether listed company	Yes
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 Contact: 011-64732681-88011-26812682

**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	31.92
2.	Manufacturing of Suspension Components	29031	68.08

**PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sr. No.	Name and Address of Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
		N.A.			

**SHAREHOLDING PATTERN:****Category wise Shareholding:**

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>Promoter and Promoter Group</b>									
<b>Indian</b>									
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
<b>Sub Total(A)(1)</b>	<b>6053540</b>		6053540	41.71	<b>6053540</b>	0	6053540	41.71	0.00
<b>Foreign</b>									0.00
Individuals (Non-Residents Individuals/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
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
<b>Sub Total(A)(2)</b>	<b>0</b>	<b>0</b>	0	0.00	0	0	0	0.00	0.00
<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>6053540</b>	<b>0</b>	6053540	41.71	<b>6053540</b>	0	6053540	41.71	0.00
<b>Public shareholding</b>								0.00	
<b>Institutions</b>								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
<b>Sub-Total (B)(1)</b>	<b>0</b>	<b>0</b>	0	0.00	0	0	0	0.00	0.00
<b>Non-institutions</b>			0	0.00			0	0.00	0.00
Bodies Corporate	813471	380	813851	5.61	412422	380	412802	2.84	-2.77
Individuals			0	0.00			0	0.00	0.00
Individuals - I. Individual shareholders holding nominal share capital up to Rs 1 lakh	3943207	361458	4304665	29.66	4005657	361654	4367311	30.09	0.43



ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	2339916	40700	2380616	16.40	2628962	40700	2669662	18.39	1.99
Any Other (specify)			0	0.00	0	0	0	0.00	0.00
NRIs	29036	200	29236	0.20	30036	0	30036	0.21	0.01
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	520308	0	520308	3.58	570759	0	570759	3.93	0.35
Clearing Members	1194	0	1194	0.01	0	0	0	0.00	-0.01
<b>Sub-Total (B)(2)</b>	<b>7647632</b>	402738	8050370	55.46	<b>7647836</b>	402734	8050570	55.47	0.01
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>7647632</b>	402738	8050370	55.46	<b>7647836</b>	402734	8050570	55.47	0.01
<b>TOTAL (A)+(B)</b>	<b>13701172</b>	402738	14103910	97.17	<b>13701376</b>	402734	14104110	97.17	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
IEPF	410670	0	410670	2.83	410470	0	410470	2.83	0.00
<b>GRAND TOTAL (A)+(B)+©</b>	<b>14111842</b>	402738	14514580	100.00	<b>14111846</b>	402734	14514580	100.00	0.00

**Shareholding of Promoters:**

SI No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
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. AmarjitKaur	123820	0.85	0	123820	0.85	0	0.00
5	Smt. DalwinderKaur	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

**Change in Promoters' Shareholding (Specify if there is no change)**

Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	<b>Jasbir Singh Ryait</b>				
	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	<b>Surinder Singh Ryait</b>				
	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	<b>Ranjodh Singh Ryait</b>				
	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	-	181540	1.25
4	<b>Smt. Amarjit Kaur</b>				
	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	<b>Smt. Dalwinder Kaur</b>				
	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	<b>G.J. Holdings Private Limited</b>				
	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

**Shareholding of Directors' and Key Managerial Personnel**

Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	<b>Jasbir Singh Ryait</b>				
	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	<b>Surinder Singh Ryait</b>				
	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	<b>Smt. AmarjitKaur</b>				
	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	<b>Smt. DalwinderKaur</b>				
	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	<b>Mr. Avinash Sharma</b>				
	At the beginning of the year	0		0	0.00
	Changes during the year	No Change	-	-	-
	At the end of the year	0		0	0.00
6	<b>Mr. SanjeevSethi</b>				
	At the beginning of the year	0		0	0.00
	Changes during the year	No Change	-	-	-
	At the end of the year	0		0	0.00
7	<b>Mr. Upkar Singh Ahuja</b>				
	At the beginning of the year	0		0	0.00
	Changes during the year	No Change	-	-	-
	At the end of the year	0		0	0.00
8	<b>Mr. Iqbal Singh*</b>				
	At the beginning of the year	0		0	0.00
	Changes during the year	No Change	-	-	-
	At the end of the year	0		0	0.00
9	<b>Mr. Harkirat Singh Ryait</b>				
	At the beginning of the year	0		0	0.00
	Changes during the year- Purchase	6908	-	-	-
	At the end of the year	6908		6908	0.04
10	<b>Mr. PardeepSehgal</b>				
	At the beginning of the year	0		0	0.00
	Changes during the year	No Change	-	-	-
	At the end of the year	0		0	0.00
11	<b>Mr. NeerajTuli**</b>				
	At the beginning of the year	0		0	0.00
	Changes during the year	No Change	-	-	-
	At the end of the year	0		0	0.00
12	<b>Ms. AmninderKaur</b>				
	At the beginning of the year	0		0	0.00
	Changes during the year	No Change	-	-	-
	At the end of the year	0		0	0.00

\*Resigned w.e.f 27<sup>th</sup> April, 2020

\*\* Resigned w.e.f 30<sup>th</sup> October, 2019

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

S. No	Folio No	Name	Shareholding		Date	Increase/Decrease in Share holding	Reason	Cumulative Shareholding during the year (01-04-19 to 31-03-20)	
			No of Shares at the Beginning (01-04-19) /end of the Year (31-03-20)	% of total shares of the Company				No of Shares at the Beginning (01/04/19)/ end of the Year (31/03/20)	% of total shares of the Company
1	1204720013676780	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS	410670	2.83	2/21/2020	-200	Sale	410470	2.83
							<b>Balance</b>	<b>410470</b>	
2	IN30154914209986	F L DADABHOY	162000	1.12					
							<b>Balance</b>	<b>162000</b>	
3	IN30154914209911	SHIRIN WATWANI	129000	0.89					
							<b>Balance</b>	<b>129000</b>	
4	IN30192610707159	Y GOKUL	160605	1.11					
							<b>Balance</b>	<b>160605</b>	
5	IN30051314972584	SHAREKHAN LIMITED	138089	0.95	4/5/2019	1000	Purchase	139089	0.96
					4/19/2019	-100	Sale	138989	0.96
					4/26/2019	500	Purchase	139489	0.96
					5/3/2019	-300	Sale	139189	0.96
					5/17/2019	-1900	Sale	137289	0.95
					5/24/2019	802	Purchase	138091	0.95
					5/31/2019	-502	Sale	137589	0.95
					6/7/2019	1000	Purchase	138589	0.95
					6/14/2019	3500	Purchase	142089	0.98
					6/21/2019	10022	Purchase	152111	1.05
					6/28/2019	10000	Purchase	162111	1.12
					7/5/2019	13000	Purchase	175111	1.21
					7/12/2019	-6147	Sale	168964	1.16
					7/19/2019	-5677	Sale	163287	1.12
					8/2/2019	-2153	Sale	161134	1.11
					8/9/2019	610	Purchase	161744	1.11
					8/16/2019	-857	Sale	160887	1.11

					9/6/2019	23	Purchase	160910	1.11
					9/13/2019	27	Purchase	160937	1.11
					9/20/2019	-50	Sale	160887	1.11
					9/24/2019	1	Purchase	160888	1.11
					9/27/2019	-1	Sale	160887	1.11
					9/30/2019	16	Purchase	160903	1.11
					10/4/2019	-16	Sale	160887	1.11
					11/1/2019	9	Purchase	160896	1.11
					11/8/2019	-9	Sale	160887	1.11
					11/22/2019	250	Purchase	161137	1.11
					12/20/2019	100	Purchase	161237	1.11
					12/27/2019	270	Purchase	161507	1.11
					12/31/2019	-160232	Sale	1275	0.01
					1/3/2020	-225	Sale	1050	0.01
					2/21/2020	100	Purchase	1150	0.01
					2/28/2020	-100	Sale	1050	0.01
					3/20/2020	100	Purchase	1150	0.01
					3/27/2020	-100	Sale	1050	0.01
							<b>Balance</b>	<b>1050</b>	
6	1201180000014097	MADHAVI BHASKAR	186924	1.29					
							<b>Balance</b>	<b>186924</b>	
7	1205710000000304	RAJESH KUMAR MALPANI	130895	0.90					
							<b>Balance</b>	<b>130895</b>	
8	IN30154914209726	R F DADABHOY	129000	0.89					
							<b>Balance</b>	<b>129000</b>	
9	IN30051311205959	ABHIJIT PERIWAL	141752	0.98	12/31/2019	159337	Purchase	301089	2.07
							<b>Balance</b>	<b>301089</b>	
10	IN30154914209734	P F DADABHOY	129000	0.89					
							<b>Balance</b>	<b>129000</b>	
11	IN30133021658894	DIPAK KANAYA LAL SHAH	285000	1.96	7/12/2019	15000	Purchase	300000	2.07
					7/26/2019	14736	Purchase	314736	2.17
					8/9/2019	8810	Purchase	323546	2.23
					8/23/2019	200	Purchase	323746	2.23
					9/20/2019	511	Purchase	324257	2.23
					9/24/2019	4583	Purchase	328840	2.27
					10/18/2019	300	Purchase	329140	2.27
					10/25/2019	2600	Purchase	331740	2.29
					12/13/2019	2522	Purchase	334262	2.30
					1/31/2020	1400	Purchase	335662	2.31
							<b>Balance</b>	<b>335662</b>	

**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	27,80,78,359.32	97,00,000.00		28,77,78,359.32
ii. Interest due but not paid				
iii. Interest accrued but not due				
Total (i+ii+iii)	27,80,78,359.32	97,00,000.00		28,77,78,359.32
Change in Indebtedness during the financial year				
• Addition	51,84,061.81	-		(34,65,938.19)
• Reduction		8650000.00		
Net Change	51,84,061.81	8650000,00		(34,65,938.19)
Indebtedness at the end of the financial year				
i. Principal Amount	28,32,62,421.13	10,50,000.00		28,43,12,421.13
ii. Interest due but not paid				
iii. Interest accrued but not due				
Total (i+ii+iii)	28,32,62,421.13	10,50,000.00		28,43,12,421.13

**REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL***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	Mr. Harkirat Singh Ryait*	
1.	Gross SalarySalary as per provisions contained in Section 17(1) of the Income Tax Act, 1961., Value of Perquisites u/s 17(2) of Income Tax Act, 1961, Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	77,60,459/-	3,90,435/-	75,06,692/-	3,23,320/-	27,65,560/-	1,87,46,466/-
2.	Stock Option	0.00	0.00	0.00	0.00	0.00	0.00
3.	Sweat Equity	0.00	0.00	0.00	0.00	0.00	0.00
4.	Commission As % of profit Others, specify	0.00	0.00	0.00	0.00	0.00	0.00
5.	Others, please specify	0.00	0.00	0.00	0.00	0.00	0.00
	Total (A)	77,60,459/-	3,90,435/-	75,06,692/-	3,23,320/-	27,65,560/-	Rs.187.46 Lakhs
	Ceiling as per the Act						420.00 Lakhs

*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	-	-	-

*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 Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961. Value of Perquisites u/s 17(2) of Income Tax Act, 1961 Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	6,62,650/-*	283025/-	945675/-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission As % of profit Others, specify	---	---	---
5.	Others, please specify Total (A)	-	-	-

\*The salary of Chief Financial Officer is proportional due to resignation w.e.f 30<sup>th</sup> October, 2019.

**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)
<b>A. COMPANY</b>					
Penalty			N.A.		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			N.A.		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			N.A.		
Punishment					
Compounding					

**Independent Auditor's Report  
To the Members of G.S. Auto International Limited  
Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying Ind AS financial statements of **G.S. Auto International Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit & Loss (including other comprehensive income), Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies 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 (financial position) of the Company as at March 31, 2020, and loss (financial performance including other comprehensive income), its cash flows and changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

**Impact of COVID-19 pandemic on Going Concern assessment of the Company**

Refer Note 2( c) related to "Going Concern" and Note 2(d)(v) related to "Estimation of uncertainties relating to

the global health pandemic from COVID-19" of the standalone financial statements

The World Health Organization in February 2020 declared COVID 19 as a pandemic. Governments around the world including India have been taking significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions in activities. Consequently, the Company's manufacturing plants and offices also had to be closed down for a considerable period of time, including after the year end.

These lockdowns have a significant impact on the overall economic activity in India and in particular on the automotive industry. Accordingly, the future cash flow projections used to assess going concern are subject to significant estimation uncertainties.

In view of the above, we have identified our assessment of the going concern basis of accounting as a key audit matter.

**How the matter was addressed in our audit**

In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:

- Obtained an understanding of the Company's internal controls over its forecasting process;
- Compared the key assumptions adopted by the Company in preparing the forecasted cash flows with our expectations based on actual cash flows of 2019-20 and our understanding of the changes to the Company's business;
- Assessed the sensitivities and performed stress testing on the forecasted cash flows;
- Examined the Company's funding arrangements and evaluated the financing terms and covenants to assess its ability to renew existing loans and/or obtain additional financing if the need arises;
- Assessed the adequacy of the disclosures related to application of the going concern assumption.

**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 Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in the equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian



Accounting Standards) Rules 2015 as amended. 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 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are

appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of the Company.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we are required to determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key

audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

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 Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules 2015 as amended;
- (e) On the basis of written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, 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 B";
- (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 Ind AS financial Statements - **Refer Note 37 to the financial statements.**

- ii. According to the information and explanations provided to us, the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in the transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For SUKHMINDER SINGH & CO.**  
**Chartered Accountants**  
**ICAI Firm Registration Number: 016737N**

**Sd/-**  
**(Sukhminder Singh)**

**Partner**

**Place: Ludhiana**

**Date: 31<sup>st</sup> July, 2020**

**Membership Number: 093100**  
**UDIN: 20093100AAAIFY9401**

**Annexure A referred to the Independent Auditor's Report of even date to the members of "G.S. Auto International Limited", on the Ind AS financial statements for the year ended March 31, 2020.**

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

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that:

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of its fixed assets.
- b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner, 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) The title deeds of all the immoveable properties (which are included under the head "Property, Plant and Equipment") are held in the name of the Company
- (ii) In our opinion, the management has conducted physically verification of inventory at reasonable intervals during the year. No material discrepancies were noticed on such verification.
- (iii) As informed 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 by the Company under section 189 of the Companies Act, 2013.

- (iv) In our opinion the Company has complied with the provisions of Section 185 and 186 of the Act in respect of loans and investments. The Company has not given any guarantees or provided security during the year.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules 2014 (as amended).
- (vi) We have broadly reviewed the accounts and records maintained by the Company pursuant to the rules made by the Central Government, for the maintenance of the cost records under section 148(1) of the Companies Act, 2013, related to the maintenance of 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 statutory dues including GST, as applicable to it. Further, no undisputed amounts payable in respect thereof were outstanding at the year end, for a period of more than six months from the date they became payable except in case of Provident Fund and employees' State Insurance deposited after due dates in some months.
- b) 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 (AY)	Amount (Rs Lakhs)*	Forum where dispute is pending
Income tax Act, 1961	Income Tax including interest as applicable	2008-09	97.54	Commissioner (Appeals)
Income tax Act, 1961	Income Tax including interest as applicable	2009-10	23.51	Commissioner (Appeals)
Income tax Act, 1961	Income Tax including interest as applicable	2009-10	36.30	Commissioner (Appeals)
Income tax Act, 1961	Income Tax including interest as applicable	2010-11	62.23	ITAT/Commissioner (Appeals)
Income tax Act, 1961	Income Tax including interest as applicable	2011-12	94.44	ITAT/Commissioner (Appeals)
Income tax Act, 1961	Income Tax including interest as applicable	2012-13	273.11	Commissioner (Appeals)

\*Net of amount deposited under protest.

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) Managerial remuneration has been paid and provided by the Company in accordance with requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of the Companies Act 2013, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with directors or persons

connected with them covered under Section 192 of the Companies Act, 2013.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For SUKHMINDER SINGH & CO.**  
**Chartered Accountants**  
**ICAI Firm Registration Number: 016737N**

**Sd/-**  
**(Sukhminder Singh)**  
**Partner**

**Place: Ludhiana**                      **Membership Number: 093100**  
**Date: 31<sup>st</sup> July, 2020**              **UDIN:20093100AAAIFY9401**

**Annexure B to the Independent Auditor's Report of even date on the Ind AS 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")**

In conjunction with our audit of the Ind AS financial statements of "G.S. Auto International Limited" ('the Company'), as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of the Company as of 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 ("ICAI"). 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 Companies Act, 2013.

**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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls over financial reporting. 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 judgment, 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 Company's 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 authorizations of management and directors of the Company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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, 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, 2020, 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 SUKHMINDER SINGH & CO.**  
**Chartered Accountants**  
**ICAI Firm Registration Number: 016737N**

**Sd/-**  
**(Sukhminder Singh)**  
**Partner**

**Place: Ludhiana**  
**Date: 31<sup>st</sup> July, 2020**

**Membership Number: 093100**  
**UDIN:20093100AAAAFY9401**

## Balance Sheet as at March 31, 2020

Particulars	Note No.	(Amount in Rs)	
		As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Property, Plant and Equipment	<b>4</b>	<b>509900398.18</b>	550444761.81
(b) Capital work in progress		<b>0.00</b>	0.00
(c) Other Intangible Assets	<b>5</b>	<b>306953.00</b>	453908.00
(d) Financial Assets			
(i) Investments		<b>0.00</b>	0.00
(ii) Other Financial Assets	<b>6</b>	<b>16323049.00</b>	15687743.00
(e) Deferred tax Assets (Net)	<b>7</b>	<b>68530598.00</b>	60252987.00
(f) Other Non Current Assets	<b>8</b>	<b>36756192.13</b>	36991550.13
<b>Total (A)</b>		<b>631817190.31</b>	663830949.94
<b>2 Current Assets</b>			
(a) Inventories	<b>9</b>	<b>246334735.11</b>	216251942.18
(b) Financial Assets			
(i) Investments		<b>0.00</b>	0.00
(ii) Trade Receivables	<b>10</b>	<b>206942843.47</b>	245930771.12
(iii) Cash and Cash Equivalents	<b>11</b>	<b>2735860.18</b>	7744261.84
(iv) Bank Balances other than (iii) above	<b>12</b>	<b>9148555.00</b>	11913312.00
(v) Other Financial Assets	<b>13</b>	<b>980322.00</b>	713682.00
(c) Other Current Assets	<b>14</b>	<b>12971871.18</b>	15646226.86
<b>Total (B)</b>		<b>479114186.94</b>	498200196.00
<b>Total Assets (A+B)</b>		<b>1110931377.25</b>	1162031145.94
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	<b>15</b>	<b>72572900.00</b>	72572900.00
(b) Other Equity	<b>16</b>	<b>231207719.19</b>	253671477.70
<b>Total Equity (A)</b>		<b>303780619.19</b>	326244377.70
<b>LIABILITIES</b>			
<b>1 Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	<b>17</b>	<b>2974292.29</b>	12220352.15
(ii) Other Financial Liabilities	<b>18</b>	<b>5096056.12</b>	5114523.12
(b) Provisions	<b>19</b>	<b>25336010.71</b>	33968570.51
<b>2 Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	<b>20</b>	<b>280197447.44</b>	271062390.14
(ii) Trade and Other Payable	<b>21</b>	<b>187630907.88</b>	200452707.22
(iii) Other Financial Liabilities	<b>22</b>	<b>231275260.75</b>	230695415.32
(b) Other Current Liabilities	<b>23</b>	<b>69335624.87</b>	81457845.78
(c) Provisions	<b>24</b>	<b>5305158.00</b>	814964.00
<b>Total Liabilities (B)</b>		<b>807150758.06</b>	835786768.24
<b>Total Equity and Liabilities (A+B)</b>		<b>1110931377.25</b>	1162031145.94

The accompanying Notes are integral part of these Financial Statements  
As per our report of even date

**For SUKHMINDER SINGH & CO.**  
ICAI Firm Registration No:016737N  
Chartered Accountants

**SUKHMINDER SINGH**  
Partner  
Membership No.:093100

Place : Ludhiana  
Date : 31<sup>st</sup> July, 2020

For and on behalf of the Board of Directors

**JASBIR SINGH RYAIT**  
Chairman & Jt. Mg. Director  
DIN 00104979

**DEEPAK CHOPRA**  
Chief Financial Officer

**HARKIRAT SINGH RYAIT**  
Executive Director  
DIN: 07275740

**AMNINDER KAUR**  
Company Secretary

### Statement of Profit and Loss for the year ended March 31, 2020

Particulars	Note No.	Year Ended March 31, 2020	Year Ended March 31, 2019
(Amount in Rs)			
<b>I Revenue from Operations</b>	25	<b>839156884.11</b>	1539100246.67
<b>II Other Income</b>	26	<b>8991757.00</b>	4424549.37
<b>III Total Income</b>		<b>848148641.11</b>	1543524796.04
<b>IV EXPENSES</b>			
Cost of Materials Consumed	27	<b>410878952.62</b>	842753384.59
Purchase of Stock-in-Trade		<b>0.00</b>	0.00
Changes in inventories of Finished goods, Stock-in-Trade and Work-in-progress	28	<b>(49395949.14)</b>	(51410029.13)
Employee Benefits Expense	29	<b>190346201.60</b>	272812178.53
Finance Costs	30	<b>45515482.56</b>	46691794.49
Depreciation and Amortization Expense	31	<b>41995388.62</b>	42865539.15
Other Expenses	32	<b>243558232.36</b>	398697129.20
<b>Total Expenses</b>		<b>882898308.62</b>	1552409996.82
<b>V Profit/(Loss) before tax (III-IV)</b>		<b>(34749667.51)</b>	(8885200.79)
<b>VI Tax Expense :</b>	33		
(i) Current Tax		-	-
(ii) Deferred Tax		<b>(8277611.00)</b>	(1439127.00)
<b>Total Tax Expenses</b>		<b>(8277611.00)</b>	(1439127.00)
<b>VII Profit/(Loss) for the year (V-VI)</b>		<b>(26472056.51)</b>	(7446073.79)
<b>VIII Other Comprehensive Income</b>			
Actuarial gain/(loss) on employee defined benefit plan reclassified to other comprehensive income	34	<b>4008298.00</b>	539458.00
<b>IX Total Comprehensive Income for the year (VII+/-VIII)</b>		<b>(22463758.51)</b>	(6906615.79)
<b>X Earning per equity share of the face value of Rs.5/- each</b>	35	<b>(1.82)</b>	(0.51)

The accompanying Notes are integral part of these Financial Statements  
As per our report of even date

**For SUKHMINDER SINGH & CO.**  
ICAI Firm Registration No:016737N  
Chartered Accountants

**SUKHMINDER SINGH**  
Partner  
Membership No.:093100

Place : Ludhiana  
Date : 31<sup>st</sup> July, 2020

**For and on behalf of the Board of Directors**

**JASBIR SINGH RYAIT**  
Chairman & Jt. Mg. Director  
DIN 00104979

**DEEPAK CHOPRA**  
Chief Financial Officer

**HARKIRAT SINGH RYAIT**  
Executive Director  
DIN: 07275740

**AMNINDER KAUR**  
Company Secretary

## CASH FLOW STATEMENT

### For the year ended March 31, 2020

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
(Amount in Rs)		
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before Tax	(34749667.51)	(8885200.79)
<b>Adjustments for :</b>		
i) Depreciation and amortisation	41995388.62	42865539.15
ii) Finance Cost	45515482.56	46691794.49
iii) Interest on Security Deposit	(1455580.00)	1627592.56
v) Foreign exchange variations	1500392.73	1814599.68
vii) (Profit)/Loss on sale of Property, Plant and Equipments	(593807.00)	6658457.66
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>52212209.40</b>	<b>90772782.75</b>
<b>Adjustment for Changes in working capital:</b>		
i) (Increase)/Decrease in Inventories	(30082792.93)	(30619455.62)
ii) (Increase)/Decrease in Trade Receivables	37487534.93	46510786.41
iii) (Increase)/Decrease in Other Financial Assets	1862811.00	(1365352.90)
iv) (Increase)/Decrease in Other Assets	2909713.68	6494450.58
v) Increase/(Decrease) in Trade payable	(12821799.34)	1021581.14
vi) Increase/(Decrease) in liabilities	(11542375.48)	(49126572.08)
vii) Increase/(Decrease) in provisions	(134067.80)	2917332.28
<b>CASH GENERATED FROM OPERATIONS</b>	<b>39891233.46</b>	<b>66605552.56</b>
Income tax paid (net of refund)	0.00	0.00
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>39891233.46</b>	<b>66605552.56</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES:</b>		
i) Purchase of fixed assets (including Capital work in progress)	(2107463.00)	(20877375.00)
ii) Purchase of Intangible Assets	(52800.00)	0.00
iii) Interest from Security Deposit and others	1455580.00	(1627592.56)
iv) Proceed from sale of fixed assets	1450000.00	14471290.00
<b>NET CASH (USED)/RAISED FROM INVESTING ACTIVITIES (B)</b>	<b>745317.00</b>	<b>(8033677.56)</b>
<b>CASH FLOW FINANCING ACTIVITIES:</b>		
i) Proceeds/(Repayment) from Borrowings	(111002.56)	(17848218.41)
ii) Proceeds/(Repayment) of trade deposits	(18467.00)	(2650000.56)
iii) Finance Cost	(45515482.56)	(46691794.49)
<b>Net Cash (used)/raised from financing activities (C)</b>	<b>(45644952.12)</b>	<b>(67190013.46)</b>
<b>Net Increase/(decrease) in cash &amp; cash equivalents (A +B+C)</b>	<b>(5008401.66)</b>	<b>(8618138.46)</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>7744261.84</b>	<b>16362400.30</b>
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>2735860.18</b>	<b>7744261.84</b>

The accompanying Notes are integral part of these Financial Statements  
As per our report of even date

**For SUKHMINDER SINGH & CO.**  
ICAI Firm Registration No:016737N  
Chartered Accountants

**SUKHMINDER SINGH**  
Partner  
Membership No.:093100

**Place : Ludhiana**  
**Date : 31<sup>st</sup> July, 2020**

**For and on behalf of the Board of Directors**

**JASBIR SINGH RYAIT**  
Chairman & Jt. Mg. Director  
DIN 00104979

**DEEPAK CHOPRA**  
Chief Financial Officer

**HARKIRAT SINGH RYAIT**  
Executive Director  
DIN: 07275740

**AMNINDER KAUR**  
Company Secretary



### Statement of Changes in Equity for the year ended March 31, 2020

Particulars	No. of Shares	Amount (Rs)
<b>A. EQUITY SHARE CAPITAL</b>		
Balance as at April 1, 2018	1,45,14,580	72572900.00
Changes during the year	—	—
Balance as at March 31, 2019	1,45,14,580	72572900.00
Changes during the year	—	—
<b>Balance as at March 31, 2020</b>	<b>1,45,14,580</b>	<b>72572900.00</b>

Particulars	Reserves and Surplus					Total (Rs)	
	Capital Reserve	Securities Premium Account	Capital Revaluation Reserve	Investment Allowance Reserve	General Reserve	Retained Earnings	
<b>B. OTHER EQUITY</b>							
Balance as at April 1, 2018	7214943.00	117590075.00	7545000.00	256315.98	8650000.00	112415143.71	253671477.69
Total Comprehensive income for the year	—	—	—	—	—	(6906615.79)	(6906615.79)
Balance as at March 31, 2019	7214943.00	117590075.00	7545000.00	256315.98	8650000.00	112415143.71	253671477.69
Total Comprehensive income for the year	—	—	—	—	—	(22463758.51)	(22463758.51)
<b>Balance as at March 31, 2020</b>	<b>7214943.00</b>	<b>117590075.00</b>	<b>7545000.00</b>	<b>256315.98</b>	<b>8650000.00</b>	<b>89951385.21</b>	<b>231207719.18</b>

#### Summary of significant accounting policies 3

The accompanying Notes are integral part of these Financial Statements  
As per our report of even date

**For SUKHMINDER SINGH & CO.**  
ICAI Firm Registration No:016737N  
Chartered Accountants

**SUKHMINDER SINGH**  
Partner  
Membership No.:093100

Place : Ludhiana  
Date : 31<sup>st</sup> July, 2020

**For and on behalf of the Board of Directors**

**JASBIR SINGH RYAIT**  
Chairman & Jt. Mg. Director  
DIN 00104979

**HARKIRAT SINGH RYAIT**  
Executive Director  
DIN: 07275740

**DEEPAK CHOPRA**  
Chief Financial Officer

**AMNINDER KAUR**  
Company Secretary

## Significant Accounting Policies and other Explanatory Information to the Financial Statements for the Financial Year ended March 31, 2020:

### 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 29<sup>th</sup> 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. Also the Company has its second manufacturing facility at Jamshedpur location. Its equity 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 and agriculture segment.

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:

#### 2.1 Statement of Compliance with Ind AS

The Financial Statements of the Company are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and the subsequent amendments from time to time, notified under Section 133 of the Companies Act, 2013 (the “Act”) and other relevant provisions of the Act.

These Financial Statements of the Company as at and for the year ended March 31, 2020 (including comparatives) were approved and authorized for issue by the Board of Directors of the Company in their meeting held on 31<sup>st</sup> July, 2020.

#### 2.2 Functional and Presentation Currency

The Financial Statements are presented in Indian Rupees (INR), which is also a functional currency. All the values are in rupee value, unless otherwise indicated.

### 2.3 Basis of Measurement

These Financial Statements have been prepared on a historical cost convention except certain financial assets and liabilities have been measured at fair value as under:-

Items	Measurement Basis
Investment in Mutual Funds	Fair Value
Employee Defined Benefit Plans	Plan Assets measured at fair value less present value of defined benefit obligation
Certain Financial Assets and Liabilities	Fair Value

### 3. Significant Accounting Policies

#### 3.1 Property, Plant and Equipment

##### (a) Tangible Assets

##### (i) Recognition and Measurement

Items of property, plant and equipment are measured at cost, which include capitalized borrowing costs, less accumulated depreciation, and accumulated impairment losses, if any, except freehold land which is carried at historical cost. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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.

Any exchange difference arising on translation/settlement of all foreign monetary items including long term foreign currency monetary items to be recognized as income or expense in profit or loss for the period in which they arise except the scope exclusion provided under IND AS 21 based on the voluntary exemption given in IND AS101. 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 cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Useful lives have been determined in accordance with Schedule II to the Companies Act, 2013. The residual values are not more than 5% of the original cost of the asset.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss following the principles of Ind AS-115 "Revenue from Contracts with Customers".

Leasehold land, acquired on thirty years lease basis, from "Adityapur Industrial Development Authority ("AIDA") for setting up of 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.

**(ii) Subsequent Expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

**(iii) Derecognition**

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of assets.

**(iv) Research and Development Cost**

Research and Development Costs that are in the nature of tangible assets and are expected to generate probable future economic benefits are capitalised as tangible assets. Revenue expenditure on research and development is charged to the Statement of Profit and Loss in the year in which it is incurred.

**(v) Depreciation/Amortization**

Depreciation is calculated on cost of items of property, plant and equipment (other than freehold land and properties under construction) less their estimated residual values over their estimated useful lives using the straight line method in respect of buildings, plant and equipment's, furniture and fixtures, office equipment's, Vehicle and other assets. Depreciation is generally recognised in the Statement of Profit and Loss. Amortization on leasehold land is provided over the period of lease.

Useful lives have been determined in accordance with Schedule II to the Companies Act, 2013. The residual values are not more than 5% of the original cost of the asset.

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted, if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives best represent the period over which management expects to use these assets. The useful lives of the Company's Plant and Equipments are considered on the basis of continuous process plant.

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

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.

**(b) Capital work-in-progress**

Projects under commissioning and other Capital work-in-progress are carried at cost comprising of direct and indirect costs, related incidental expenses and attributable interest. Depreciation on Capital work-in-progress commences when assets are ready for their intended use and transferred from Capital work-in-progress Group to Tangible Fixed Assets Group.

**(c) Intangible Assets**

**(i) Initial Recognition and Classification**

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

life 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.

**(ii) Subsequent Expenditure**

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in profit or loss as incurred.

**(iii) Amortization**

Amortization is calculated to write off the cost of intangible assets less their estimated residual values over the estimated useful lives using the straight line method and is included in depreciation and amortization in Statement of Profit and Loss. The estimated useful lives of computer software are considered not exceeding four years. Amortization method, useful lives and residual values are reviewed at the end of each financial year and adjusted, if appropriate.

**(iv) Derecognition**

An item of intangible asset is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of asset.

**(d) Impairment of Non-Financial Assets.**

The Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognized in the Statement of Profit and Loss.

In respect of assets for which impairment loss has been recognized in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

**3.2 Borrowing cost:**

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition or construction of qualifying asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset until such time the assets are substantially ready for their intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred and reported in finance costs.

**3.3 Operating Cycle**

Based on the nature of products/activities of the Company and the normal time between purchase of raw materials and their realization in cash or cash equivalents, the Company has determined its operation cycle within 12 months for the purpose of classification of its assets and liabilities as current and non-current.

**3.4 Current versus Non-Current Classification**

The Company presents assets and liabilities in the Balance Sheet based on current / non-current classification.

An asset/ liability are treated as current when it is:-

- Expected to be realized or intended to be sold or consumed or settled in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized/ settled within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively

**3.5 Inventories:**

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, wherever considered necessary. The Cost of Inventories comprises of all cost of purchases, cost of conversion and other costs including manufacturing overheads incurred in bringing the inventories to their present location and condition.

Cost of 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 and packing materials are valued at cost plus expenses.

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. Excess / shortages, if any, arising on physical verification are absorbed in the respective consumption accounts.

### 3.6 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.

### 3.7 Cash Flow Statement

Cash flows are reported using the indirect method whereby the profit before tax is adjusted for the effect of the transactions of a non cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

### 3.8 Provisions, Contingent Liabilities & Contingent Assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past events, 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.

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.

Contingent liability is disclosed in the case of:

-a present obligation arising from past events , when it is not probable that an outflow of resources will be Required to settle the obligation.

-a present obligation arising from past events, when no reliable estimate is possible Contingent assets are neither recognized nor disclosed in the Financial Statements.

### 3.9 Earnings per share:

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the year 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.

### 3.10 Foreign Currency Transactions:

#### Foreign currency transactions and balances

#### i. Initial recognition

The Company's financial statements are presented in INR, which is also the Company's functional currency. 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.

In case of advance receipts/payments in a foreign currency, the spot exchange rate to use on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, shall be the date when an entity has received or paid advance consideration in a foreign currency.

**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.

**3.11 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.

**3.12 Revenue from Contracts with Customers:**

Effective 01<sup>st</sup> April, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative effect method. The standard is applied retrospectively only to Contract that are not completed as at the date of initial application and the comparative information is not restated in the financial results.

As per this new standard, the Company recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Further, the Company evaluates the performance obligations being distinct to enable separate recognition and can impact timing of recognition of certain elements of multiple element arrangements.

Revenue arises from sale of goods and rendering of services.

**Sale of products**

Most of the Company's revenue is derived from selling goods with revenue recognized at a point in time when control of the goods is transferred to the customer and retains none of the significant risks and rewards of the goods in question.

The Company recognizes revenue from the sale of goods measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts.

As per Ind AS 115, the Company determines whether there is a significant financing component in its contracts. However, the Company has decided to use practical expedient provided in Ind AS 115 and not to adjust the promised amount of consideration for the effects of a significant financing components in the contracts, where the Company expects, at contract inception that the period of completion of contract terms are one year or less. Therefore, for short-term advances, the company does not account for a financing component. No long-term advances from customers are generally received by the Company.

The Company provides retrospective volume rebates to its customers on products purchased by the customer once the quantity of products purchased during the period exceeds a threshold specified in the contract. Retrospective volume rebates give rise to variable consideration. To

estimate the variable consideration, the Company considers that the most likely amount method better predicts the amount of variable consideration.

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.

#### **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.

#### **Interest & Other income**

Interest income and expenses are reported on an accrual basis using the effective interest method. Other income is recognized on accrual basis except where the receipt of income is uncertain.

#### **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.

### **3.13 Leases:**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease transaction. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Ministry of Corporate Affairs has notified Ind AS 116, 'Leases' applicable w.e.f. 1st April, 2019. It sets out the principles for the recognition, measurement, presentation and disclosure of leases on balance sheet for both parties to a contract i.e., the lessee and the lessor. This new standard introduces a single lease accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Less or accounting under Ind AS 116 is substantially unchanged from Ind AS 17. The Company has adopted Ind AS 116 using modified retrospective method of adoption with the date of initial application of April 01, 2019 with the cumulative effect of initially applying the Standard recognised at the date of initial application. On adoption of Ind AS 116, the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of Ind AS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's normal borrowing rate as of 1 April 2019.

#### **Company as a lessee:**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in Finance Costs in the Statement of Profit and Loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

The Right-of-use Assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liability.

Right-of-use Assets are depreciated on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate using the normal borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

#### **Company as a 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.

**3.14 Retirement and other employee benefits:**

Employee benefits include provident fund, pension fund, gratuity and compensated absences.

**Defined Contribution Plans****Provident Fund:**

The Company's contribution to provident fund and pension fund is considered as defined contribution plan and is charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employees. The Company has no legal or constructive obligation to pay contribution in addition to its fixed contribution.

**Gratuity:**

The Company operates a defined benefit Gratuity Plan with approved Gratuity Fund and contributions are made to a separately administered approved Gratuity Fund. For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using 'the Projected Unit Credit method', with actuarial valuations being carried out at each Balance Sheet date. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the Statement of Profit and Loss in subsequent periods. The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost.

**Short-term Employee Benefits**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include salaries, wages, performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

**Long-term Employee Benefits**

Compensated absences and other benefits like gratuity which are allowed to be carried forward over a period in excess of 12 months after the end of the period in which the employee renders the related service are recognized as a non-current liability at the present value of the defined benefit obligation as at the Balance Sheet date out of which the obligations are expected to be settled.

**3.15 Taxes on Income**

Income tax comprises Current and Deferred Tax. It is recognized in the Statement of Profit or Loss except to the extent that it relates to business combination or to an item recognized directly in equity or in other comprehensive income.

**Current Tax**

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

**Deferred Tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax liabilities are generally recognized in full. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the Balance Sheet date. Tax relating to items recognized directly in equity/ other comprehensive income is recognized in respective head and not in the Statement of Profit & Loss.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.



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

### 3.16 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.

### 3.17 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.

### 3.18 Equity and Reserves

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Retained earnings include current and prior period retained profits. All transactions with owners of the Company are recorded separately within equity.

### 3.19 Significant Judgments, Estimates and Assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Company has identified the following areas where significant judgments,

estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

### Contingencies, Judgments and Assumptions

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events. In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements.

The assumptions concerning the future and other sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are mentioned herein below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company.

### Impairment of Non-financial 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 assets' recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU) fair value less costs of disposal and its value in use. It 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 fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. The calculations are corroborated by valuation multiples, quoted share

prices for publicly traded subsidiaries or other available fair value indicators.

#### **Estimation of Defined Benefit Obligations**

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

#### **Fair Value Measurement of Financial Instruments**

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active market, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

#### **Estimation of Current Tax and Deferred Tax**

Management judgment is required for the calculation of provision for income - taxes and deferred tax assets and liabilities. The Company reviews at each Balance Sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to adjustment to the amounts reported in the financial statements.

#### **Impairment of Financial Assets**

The impairment provisions for financial assets are based on assumptions about risk of default and Expected Credit Loss (ECL) rates. The Company uses judgments in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

#### **Legal Contingencies**

The Company has received various orders and notices from tax authorities in respect of direct taxes. The outcome of these matters may have a material effect on the financial position, results of operations or cash flows. Management regularly analyzes current information about these matters and provides provisions for probable losses including

the estimate of legal expenses to resolve such matters. In making the decision regarding the need for loss provisions, management considers the degree of probability of an unfavorable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. The filing of a suit or formal assertion of a claim against the company or the disclosure of any such suit or assertions does not automatically indicate that a provision of a loss may be appropriate.

### **3.20 Fair Value Measurement**

The Company measures financial instruments, such as investments in mutual funds, certain other investments etc. at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability at the measurement date. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### **3.21 Financial Instruments**

#### **Financial Assets**

##### **(i) Initial Recognition and Measurement**

All financial assets are recognized initially at fair value plus, in case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset, which are not at fair value through profit and loss, are added to fair value on initial recognition. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss.

##### **(ii) Subsequent Measurement**

###### **Financial assets carried at amortized cost**

A financial asset is subsequently measured at amortized cost if it is held within a business

model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### **Financial assets at fair value through Other Comprehensive Income (FVOCI)**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### **Financial assets at fair value through Profit or Loss (FVTPL)**

A financial asset which is not classified in any of the above categories are subsequently fair valued through Statement of Profit and Loss.

#### **Impairment of Financial Assets**

The Company assesses on a forward looking basis the Expected Credit Losses (ECL) associated with its assets measured at amortized cost and assets measured at fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

#### **Derecognition of Financial Assets**

A financial asset is derecognized when: the Company has transferred the right to receive cash flows from the financial assets or retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company transfers the financial asset, it evaluates the extent to which it retains the risk and rewards of the ownership of the financial assets. If the Company transfers substantially all the risks and rewards of ownership of the financial asset, the Company shall derecognize the financial asset and recognize separately as assets or liabilities any

rights and obligations created or retained in the transfer. If the Company retains substantially all the risks and rewards of ownership of the financial asset, the Company shall continue to recognize the financial asset.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of the ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial assets. Where the Company retains control of the financial assets, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

#### **Financial Liabilities**

##### **Initial Recognition and Subsequent Measurement**

All financial liabilities are recognized initially at fair value and in case of borrowings and payables, net of directly attributable cost. Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments. Changes in the amortized value of liability are recorded as finance cost.

##### **Fair Value of Financial Instruments**

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices. All methods of assessing fair value result in general approximation of value and such value may vary from actual realization on future date.

##### **Offsetting of Financial Instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**Note : 4 -PROPERTY, PLANT, EQUIPMENT AND CAPITAL WORK IN PROGRESS**

Sr. No.	Particulars	(Amount in Rs)								Total	
		Leasehold Land	Freehold Land	Buildings	Plant and Equipments	Furniture and Fixtures	Office Equipments	Vehicles	Other Assets		
<b>1</b>	<b>Deemed Cost of Assets</b>										
	As at April 1, 2018	3742228.03	8686662.75	169931583.16	653109131.44	9313108.51	51935810.25	30969172.51	1941001.19	929628697.84	
	Additions	0.00	0.00	1075327.58	17022658.72	294828.48	528754.22	2335806.00	0.00	21257375.00	
	Disposal/Adjustments	0.00	0.00	0.00	(28741954.66)	0.00	0.00	(3258718.00)	0.00	(32000672.66)	
	Addition on account of Exchange Differences	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	As at March 31 ,2019	3742228.03	8686662.75	171006910.74	641389835.50	9607936.99	52464564.47	30046260.51	1941001.19	918885400.18	
	Additions	1251585.00	0.00	0.00	400000.00	120455.00	77534.00	257889.00	0.00	2107463.00	
	Disposal/Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	(6734110.00)	0.00	(6734110.00)	
	Addition on account of Exchange Differences	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	As at March 31 ,2020	<b>4993813.03</b>	<b>8686662.75</b>	<b>171006910.74</b>	<b>641789835.50</b>	<b>9728391.99</b>	<b>52542098.47</b>	<b>23570039.51</b>	<b>1941001.19</b>	<b>914258753.18</b>	
<b>2</b>	<b>Depreciation/Amortization</b>										
	As at April 1, 2018	716598.00	0.00	27566230.63	248489013.85	7868817.69	28002232.72	22518221.31	1473275.03	336634389.23	
	Charge for the year	159244.00	0.00	4847925.14	30689285.92	456114.22	3508859.15	2790910.04	225435.68	42677774.15	
	Disposal/Adjustments	0.00	0.00	0.00	(9993091.00)	0.00	0.00	(877834.00)	0.00	(10870925.00)	
	As at March 31 ,2019	875842.00	0.00	32414155.77	269185208.77	8324931.91	31511091.87	24431297.35	1698710.71	368441238.38	
	Charge for the year	228776.00	0.00	4873135.11	30007256.43	490223.22	3570000.15	2521184.04	105058.67	41795633.62	
	Disposal/Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	(5877917.00)	0.00	(5877917.00)	
	As at March 31 ,2020	<b>1104618.00</b>	<b>0.00</b>	<b>37287290.88</b>	<b>299192465.20</b>	<b>8815155.13</b>	<b>35081092.02</b>	<b>21074564.39</b>	<b>1803769.38</b>	<b>404358955.00</b>	
<b>3</b>	<b>Net Bock</b>										
	As at March 31 ,2019	2866386.03	8686662.75	138592754.97	372204626.73	1283005.08	20953472.60	5614963.16	242290.48	550444161.80	
	As at March 31 ,2020	<b>3889195.03</b>	<b>8686662.75</b>	<b>133719619.86</b>	<b>342597370.30</b>	<b>913236.86</b>	<b>17461006.45</b>	<b>2495475.12</b>	<b>137231.81</b>	<b>509900398.18</b>	
	<b>Capital Work in Progress</b>										
	As at March 31 ,2018									<b>380000.00</b>	
	As at March 31 ,2019									<b>0.00</b>	
	As at March 31 ,2020									<b>0.00</b>	

**Notes :**

- a. Previous period's figures have been regrouped/re-classified wherever required to current year's classification  
b. All the above said items of Property, Plant & Equipments are mortgaged and hypothecated with Punjab National Bank.  
c. Leasehold land includes 'Right of use Asset'.

**Note :5 -OTHER INTANGIBLE ASSETS**

Sr. No.	Particulars	(Rs.) Total
<b>1</b>	<b>Deemed Cost of Assets</b>	
	As at April 1 ,2018	2326344.00
	Additions	0.00
	Disposal/Adjustments	0.00
	Addition on account of Exchange Differences	0.00
	<b>As at March 31 ,2019</b>	<b>2326344.00</b>
	Additions	52800.00
	Disposal/Adjustments	0.00
	Addition on account of Exchange Differences	0.00
	<b>As at March 31 ,2020</b>	<b>2379144.00</b>
<b>2</b>	<b>Depreciation/Amortization</b>	
	As at April 1 ,2018	1684671.00
	Charge for the year	187765.00
	Disposal/Adjustments	0.00
	As at March 31 ,2019	1872436.00
	Charge for the year	199755.00
	Disposal/Adjustments	0.00
	<b>As at March 31 ,2020</b>	<b>2072191.00</b>
<b>3</b>	<b>Net Bock</b>	
	As at April 1 ,2019	641673.00
	As at March 31 ,2019	453908.00
	<b>As at March 31 ,2020</b>	<b>306953.00</b>

**Note-6-OTHER FINANCIAL ASSETS-NON-CURRENT**

Particulars	As at March 31, 2020 (Rs)	As at March 31, 2019 (Rs)
<b>At Amortised Cost</b>		
Security Deposits (Unsecured, Considered good)	<b>16323049.00</b>	15007529.00
Earmarked Balances (on unclaimed dividend accounts)	<b>0.00</b>	680214.00
<b>Total</b>	<b>16323049.00</b>	15687743.00

**Note-7-DEFERRED TAX ASSETS (NET):**

Particulars	As at March 31, 2020 (Rs)	As at March 31, 2019 (Rs)
<b>Deferred Tax Liability</b> (Arising on account of temporary differences)		
<b>On Account of timing Difference in:</b>		
Assets: impact of differences between carrying value and tax base of Depreciable assets	52889136.00	49742310.00
<b>Total Deferred Tax Liabilities (A)</b>	<b>52889136.00</b>	49742310.00
<b>Deferred Tax Assets</b> (Arising on account of temporary differences)		
impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	9722482.00	11514018.00
amount allowed for tax credit in next years	111697252.00	98481279.00
<b>Total Deferred Tax Assets (B)</b>	<b>121419734.00</b>	109995297.00
<b>Total (B-A)</b>	<b>68530598.00</b>	60252987.00

**Note-8-OTHER NON-CURRENT ASSETS**

Particulars	As at March 31, 2020 (Rs)	As at March 31, 2019 (Rs)
<b>Advances other than Capital Advances</b>		
Advance Income Tax for earlier years (Net of provisions for Tax)	36756192.13	36991550.13
<b>Total</b>	<b>36756192.13</b>	36991550.13

**Note-9-INVENTORIES**

Particulars	As at March 31, 2020 (Rs)	As at March 31, 2019 (Rs)
<b>As taken, valued &amp; certified by the Management</b>		
<b>At lower of Cost and Net Realisable Value</b>		
(i) Raw Material & Components	6285548.58	20464029.80
(ii) Work -in-Progress (includes lying with third parties)	88025440.51	53785798.00
(iii) Finished Goods (Including in transit)	124249157.92	109092851.29
(iv) Goods in Transit	0.00	1021268.74
(v) Stores, Spares & Consumables	27774588.10	31887994.35
<b>Total</b>	<b>246334735.11</b>	216251942.18

Notes: Inventories are hypothecated to secure working capital facilities from Punjab National Bank.

**Note-10-TRADE RECEIVABLES-CURRENT**

Particulars	As at March 31, 2020 (Rs)	As at March 31, 2019 (Rs)
<b>Trade receivables ( net of bills discounted with banks)</b>		
Secured, Considered good	-	-
Unsecured, Considered good	<b>206942843.47</b>	245930771.12
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables- credit Impaired	-	-
<b>Total</b>	<b>206942843.47</b>	245930771.12
Less: Allowance for expected credit losses	-	-
	<b>206942843.47</b>	245930771.12

10.1 Trade Receivables are hypothecated to secure working capital .

10.2 No trade or other receivables are due from directors or other officers of the company either jointly or severally with any other person.

10.3 Trade receivables are non-interest bearing are generally on credit terms of 45 days to 100 days

10.4 No trade or other receivables are due from private companies in which directors is a partner, director or a member.

**Note-11-CASH AND CASH EQUIVALENTS**

Particulars	As at March 31, 2020 (Rs)	As at March 31, 2019 (Rs)
Balances with Banks-Current accounts	<b>2062122.93</b>	2540448.48
Cash on hand including imprest	<b>673737.25</b>	5203813.36
<b>Total</b>	<b>2735860.18</b>	7744261.84

**Note-12-OTHER BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

Particulars	As at March 31, 2020 (Rs)	As at March 31, 2019 (Rs)
Bank FD's with original maturity of more than 3 months but less than 12 months	<b>9148555.00</b>	11913312.00
<b>Total</b>	<b>9148555.00</b>	11913312.00

**Note-13-OTHER FINANCIAL ASSETS-CURRENT**

Particulars	As at March 31, 2020 (Rs)	As at March 31, 2019 (Rs)
Interest receivable	<b>980322.00</b>	713682.00
<b>Total</b>	<b>980322.00</b>	713682.00

**Note-14-OTHER CURRENT ASSETS**

Particulars	As at March 31, 2020 (Rs)	As at March 31, 2019 (Rs)
Export incentives receivables	2451792.96	2580383.00
Insurance Claim receivable	3870.00	3870.00
Other Advances recoverable in cash or in kind	10516208.22	13061973.86
<b>Total</b>	<b>12971871.18</b>	<b>15646226.86</b>

**Note-15-EQUITY SHARE CAPITAL**

Particulars	As at March 31, 2020 (Rs)	As at March 31, 2019 (Rs)
<b>Authorised shares Capital</b>		
2,60,00,000 Equity Shares of Rs. 5/- each	130000000.00	130000000.00
<b>Total</b>	<b>130000000.00</b>	<b>130000000.00</b>
<b>Issued, Subscribed and fully paid up Capital</b>		
1,45,14,580 Equity Shares of Rs.5/ each fully paid up	72572900.00	72572900.00
<b>Total</b>	<b>72572900.00</b>	<b>72572900.00</b>

**15.1 The Reconciliation of the number of Equity Shares outstanding and amount of share capital is set out below:**

	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	(Rs. Lakhs)	Number of Shares	(Rs. Lakhs)
Shares Outstanding at the beginning of the year	1,45,14,580	725.73	1,45,14,580	725.73
Add: Shares Issued during the year	-	-	-	-
Shares Outstanding at the end of the year	1,45,14,580	725.73	1,45,14,580	725.73

**15.2 Terms/rights attached to Equity Share:**

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 and each equity share carries an equal right of dividend. 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.

**15.3 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.



**15.4 Details of Shareholders holding more than 5% of the aggregate shares are set out below:**

Name of Shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
G.J.Holdings Private Limited	43,68,340	30.10	43,68,340	30.10

**Note-16-OTHER EQUITY**

Particulars	As at March 31, 2020 (Rs)	As at March 31, 2019 (Rs)
<b>1. Other Reserves</b>		
(i) Securities Premium Reserve	117590075.00	117590075.00
(ii) Capital Reserve	7214943.00	7214943.00
(iii) Investment Allowance Reserve	256315.98	256315.98
(iv) Capital Revolutaion Reserve	7545000.00	7545000.00
(v) General Reserve	8650000.00	8650000.00
<b>2. Retained Earnings</b>		
Balance as per last financial year	112415143.72	119321759.50
Total Comprehensive Income/loss for the year	(22463758.51)	(6906615.78)
<b>Total</b>	<b>231207719.19</b>	<b>253671477.70</b>

**Nature and purpose of Other Reserves****i) Securities Premium**

Securities Premium represents the premium collected on issue of shares to shareholders at price more than face value. The reserve is utilized in accordance with the provisions of the Companies Act.

**ii) Capital Reserve**

Reserve is primarily created on amalgamation as per statutory requirement. This reserve is utilized in accordance with the specific provisions of the Companies Act 2013.

**iii) Investment Revaluation Reserve**

Reserve is primarily created on account of Income Tax Act. This reserve is utilized in accordance with the specific provisions of the Companies Act.

**iv) Capital Revaluation Reserve**

Reserve is primarily created on revaluation of its assets. Reserve is utilized in accordance with the specific provisions of the Companies Act 2013.

**v) General Reserve**

General Reserve is created out of profits earned by the Company by way of transfer from surplus in the statement of profit and loss. The Company can use this reserve for payment of dividend and issue of statement of profit and loss. The Company can use this reserve for payment of dividend and issue of fully paid-up shares. As General Reserve is created by transfer of one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be subsequently reclassified to statement of profit and loss.

**Note-17-LONG TERM BORROWINGS-NON CURRENT**

Particulars	As at March 31, 2020 (Rs)	As at March 31, 2019 (Rs)
<b>Non-Current Borrowings</b>		
<b>Term Loans (Secured)</b>		
<b>From Banks:</b>		
Indian rupee loans from banks	0.00	28600.00
<b>From Financial Institutions:</b>		
foreign currency loan from financial institution	0.00	3241480.00
<b>Deferred Payment Liabilities (Secured)</b>		
Indian rupee vehicle loans from banks (secured)	3064973.69	3745889.18
<b>Due to Others-Unsecured Loan</b>	<b>1050000.00</b>	9700000.00
<b>Sub Total</b>	<b>4114973.69</b>	16715969.18
Less:- Current maturities (amount disclosed under the head "other liabilities")	1140681.40	4495617.03
<b>Sub Total</b>	<b>1140681.40</b>	4495617.03
<b>Total</b>	<b>2974292.29</b>	12220352.15

**Note-18-OTHER FINANCIAL LIABILITIES-NON CURRENT**

Particulars	As at March 31, 2020 (Rs)	As at March 31, 2019 (Rs)
Trade deposits	5096056.12	5114523.12
<b>Total</b>	<b>5096056.12</b>	5114523.12

**Note-19-PROVISIONS-NON-CURRENT**

Particulars	As at March 31, 2020 (Rs)	As at March 31, 2019 (Rs)
Provision for long term employee benefits	25336010.71	33968570.51
<b>Total</b>	<b>25336010.71</b>	33968570.51

**Note-20-SHORT TERM BORROWINGS-CURRENT**

Particulars	As at March 31, 2020 (Rs)	As at March 31, 2019 (Rs)
<b>Loans Repayable on Demand (Secured)</b>		
Cash Credit /working capital Loans from Banks-Secured	280197447.44	270241946.54
	<b>280197447.44</b>	<b>270241946.54</b>
<b>Deferred Payment Liabilities (Secured):</b>		
Indian rupee vehicle loans from banks	0.00	820443.60
	<b>0.00</b>	<b>820443.60</b>
<b>Total</b>	<b>280197447.44</b>	<b>271062390.14</b>

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 & immovable property at G S Estate, G T Road, Ludhiana. Cash credit is repayable on demand.

**Note-21-TRADE PAYABLE-CURRENT**

Particulars	As at March 31, 2020 (Rs)	As at March 31, 2019 (Rs)
Total outstanding dues of micro, small and medium enterprises (refer note 55 for details of dues to micro and small enterprises)	1188626.24	5398323.19
Total outstanding dues of creditors other than micro, small and medium enterprises	186442281.64	195054384.03
<b>Total</b>	<b>187630907.88</b>	<b>200452707.22</b>

**Note-22-OTHER FINANCIAL LIABILITIES-CURRENT**

Particulars	As at March 31, 2020 (Rs)	As at March 31, 2019 (Rs)
Unclaimed dividend	0.00	680214.00
Current liabilities of long-term borrowings	1140681.40	4495617.03
Other liabilities	230134579.35	225519584.29
<b>Total</b>	<b>231275260.75</b>	<b>230695415.32</b>

**Note-23-OTHER CURRENT LIABILITIES**

Particulars	As at March 31, 2020 (Rs)	As at March 31, 2019 (Rs)
Advance Received from Customers	42759312.19	15961943.12
Employee contributions & recoveries payable	16148870.50	12820472.00
Statutory dues payable including tax deducted at source	10427442.18	52675430.66
<b>Total</b>	<b>69335624.87</b>	<b>81457845.78</b>

**Note-24-SHORT TERM PROVISIONS-CURRENT**

Particulars	As at March 31, 2020 (Rs)	As at March 31, 2019 (Rs)
Short term employee benefits	5305158.00	814964.00
<b>Total</b>	<b>5305158.00</b>	<b>814964.00</b>

**Note-25-REVENUE FROM OPERATIONS**

Particulars	Year ended March 31, 2020 (Rs)	Year ended March 31, 2019 (Rs)
<b>Revenue from operations:</b>		
<b>a. Revenue from Contracts with Customer</b>		
(i) Sale of products	838303015.15	1537963490.67
(ii) Sale of Services	0.00	0.00
	<b>838303015.15</b>	<b>1537963490.67</b>
<b>b. Other Operating Revenues</b>		
Export incentives	853868.96	1136756.00
<b>Total</b>	<b>839156884.11</b>	<b>1539100246.67</b>

**Notes:**

**25.1 Disaggregation of Revenue :** Disaggregation of revenue into various categories to depict the nature, amount, timing and uncertainty of revenue and cash flows affected by economic data

Particulars	Year ended March 31, 2020 (Rs)
<b>Product Type</b>	
Goods	838303015.15
Services	0.00
<b>Total</b>	<b>838303015.15</b>
<b>Contract Counterparties</b>	
Dealers	838303015.15
Direct to Consumers	0.00
<b>Total</b>	<b>838303015.15</b>

**Timing of Transfer of Goods and Services**

Point in Time **838303015.15**

**Total** **838303015.15**

- 25.2** There is no any impairment loss to be recognized on receivables arising from the Company's contracts with customers.
- 25.3** The opening and closing balances of receivables and contract liabilities from contracts with customers are disclosed in Notes No. 10 and 23 respectively
- 25.4** No amount of the transaction price allocated to the performance obligations are unsatisfied as at the end of the reporting period.
- 25.5** The impact of application of Ind AS 115 "Revenue from Contracts with Customers" on the financial statements of the Company for the reporting period is insignificant.

**Note-26-OTHER INCOME**

Particulars	Year ended March 31, 2020 (Rs)	Year ended March 31,2019 (Rs)
<b>Interest Income from Financial Assets at Amortised Cost</b>		
Interest income- Bank deposits & others	1455580.00	1627592.56
Rental income	258996.00	128996.00
Foreign exchange gain (net)	0.00	1814599.68
Profit on sale of Property, Plant and Equipment	593807.00	0.00
Miscellaneous income(See Note No. 57)	6683374.00	853361.13
<b>Total</b>	<b>8991757.00</b>	<b>4424549.37</b>

**Note-27-COST OF MATERIAL AND COMPONENTS CONSUMED**

Particulars	Year ended March 31, 2020 (Rs)	Year ended March 31,2019 (Rs)
Inventory at the beginning of the year	20464029.80	34659168.46
Add: Purchases (Net)		
Raw materials	282627464.87	573630266.96
Semi-finished goods	114073006.53	254927978.97
	<b>396700471.40</b>	<b>828558245.93</b>
Less: Inventory at the end of the year		
Raw Materials	6285548.58	20464029.80
<b>Total</b>	<b>410878952.62</b>	<b>842753384.59</b>

**Note-27.1-IMPORTED AND INDIGENOUS RAW MATERIALS AND COMPONENTS CONSUMED**

Particulars	Year ended March 31, 2020 (Rs)	Year ended March 31,2019 (Rs)
Imported	0.00	0.00
	0.00%	0.00%
Indigenous	410878952.62	842753384.59
	100.00%	100.00%
<b>Total</b>	<b>410878952.62</b>	<b>842753384.59</b>

**Note-28-CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE**

Particulars	Year ended March 31, 2020 (Rs)	Year ended March 31,2019 (Rs)
<b>Change in Stock</b>		
<b>Inventories at the end of the year</b>		
Work-in-Progress	88025440.51	53785798.00
Finished Goods	124249157.92	109092851.29
	<b>212274598.43</b>	<b>162878649.29</b>
<b>Less: Inventories at the beginning of the year</b>		
Work-in-Progress	53785798.00	47147090.60
Finished Goods	109092851.29	64321529.56
	<b>162878649.29</b>	<b>111468620.16</b>
<b>Total</b>	<b>(49395949.14)</b>	<b>(51410029.13)</b>

**Note-29-EMPLOYEE BENEFITS EXPENSE:**

Particulars	Year ended March 31, 2020 (Rs)	Year ended March 31,2019 (Rs)
(a) Salaries, Wages and Bonus (Including managing & whole time director's remuneration)	174231182.11	247965141.97
(b) Contribution to provident & other funds	13105382.20	20556563.95
(c ) Staff welfare expenses	3009637.29	4290472.61
<b>Total</b>	<b>190346201.60</b>	<b>272812178.53</b>

**Note-30-FINANCE COST**

<b>Particulars</b>	<b>Year ended March 31, 2020 (Rs)</b>	<b>Year ended March 31,2019 (Rs)</b>
Interest on working capital facilities	32734892.00	29736592.00
Interest on long term borrowings	0.00	4380685.60
Other borrowings costs	12780590.56	12574516.89
<b>Total</b>	<b>45515482.56</b>	<b>46691794.49</b>

**Note-31-DEPRECIATION AND AMORTIZATION EXPENSE**

<b>Particulars</b>	<b>Year ended March 31, 2020 (Rs)</b>	<b>Year ended March 31,2019 (Rs)</b>
Depreciation of Property, Plant and Equipment	41795633.62	42677774.15
Amortization of other intangible assets	199755.00	187765.00
<b>Total</b>	<b>41995388.62</b>	<b>42865539.15</b>

**Note-32-OTHER EXPENSES**

<b>Particulars</b>	<b>Year ended March 31, 2020 (Rs)</b>	<b>Year ended March 31,2019 (Rs)</b>
Consumption of stores and spare parts	62938770.30	110525320.61
Power & fuel	59931918.17	95141907.40
Oil & lubricants	9894467.20	16704841.90
Packing material	19682151.55	40905257.03
Research & development expenses	566235.00	2566749.32
Repair & maintenance-buildings	699811.94	2101872.10
Repair & maintenance-plant & machinery	10183765.57	14873749.90
Insurance	1764067.95	2121936.55
Rates & taxes	2681311.16	2307374.22
Freight & forwarding charges	14003921.85	35286533.65
Shipping charges	2163830.40	2008170.36
Advertisement	300006.00	222804.00
Commission to agents	98886.00	653005.00
Travelling & conveyance	19714308.41	22010398.69
Printing & stationary	829044.83	955489.81
Vehicle expenses	1117703.46	1335997.98
Subscription & membership fees	183584.94	260629.86
Donation	7100.00	19000.00
Postage & telephone expenses	896705.10	1247058.59
Legal & professional charges	4444540.00	10347468.00
Seminar & training expenses	35200.00	113436.00

Payment to auditors for:			
	Audit fee	100000.00	
	Others	10000.00	
		<b>110000.00</b>	100000.00
General expenses		<b>3326762.37</b>	3901126.51
Repair & maintenance-electricity and general		<b>3136376.85</b>	5258912.82
Recruitment expenses		<b>79678.00</b>	87014.00
Samples		<b>18027.00</b>	90942.74
Sales promotion & entertainment expenses		<b>4726513.93</b>	888057.50
Sales tax adjustment		<b>0.00</b>	533433.00
Discounts & rebates		<b>18523151.65</b>	19470184.00
Loss on sale of fixed assets		<b>0.00</b>	6658457.66
Exchange Fluctuation		<b>1500392.73</b>	0.00
<b>Total</b>		<b>243558232.36</b>	398697129.20

**Note-33-TAX EXPENSES**

Particulars	Year ended March 31, 2020 (Rs)	Year ended March 31,2019 (Rs)
Current Tax	0.00	0.00
Deferred Tax	(8277611.00)	(1439127.00)
<b>Total</b>	<b>(8277611.00)</b>	<b>(1439127.00)</b>

The Major Components of Income tax expenses for the year ended are

Statement of Profit and Loss		(Rs. Lakhs)	
Particulars	March 31, 2020	March 31, 2019	
<b>Current Income Tax Charge</b>			
Current Income Tax	-	-	
<b>Deferred Tax</b>			
Relating to origination and reversal of temporary differences	(82.78)	(14.39)	

**Reconciliation of tax expenses and accounting profit multiplied by India's domestic rate for March 31, 2020 and March 31, 2019**

		(Rs. Lakhs)	
Particulars	March 31, 2020	March 31, 2019	
Accounting profit/(Loss) before tax (before exception items)	(347.50)	(88.85)	
At India's Statutory Income tax rate of 27.82% (March 31, 2019:30.90%)	-	-	
Effective tax	-	-	
<b>Income tax expenses reported in the Statement of profit and loss</b>	<b>-</b>	<b>-</b>	
<b>Deferred Tax</b>			



**Statement of profit and loss****(Rs. Lakhs)**

Particulars	March 31, 2020	March 31, 2019
<b>Deferred tax relating to the following</b>		
Fixed Assets: impact of difference between tax depreciation and depreciation		
Charged for financial reporting	<b>31.47</b>	(12.26)
Employee benefit obligations	<b>33.63</b>	(6.43)
Items allowed on payment basis/temporary disallowance	<b>(15.71)</b>	3.51
Others	<b>(132.16)</b>	0.79
<b>Deferred tax expenses/(income) in the statement of profit and loss</b>	<b>(82.77)</b>	(14.39)

**Balance Sheet****(Rs. Lakhs)**

Particulars	March 31, 2020	March 31, 2019
<b>Deferred tax relating to the following</b>		
Fixed Assets: impact of difference between tax depreciation and depreciation		
Charged for financial reporting	<b>528.89</b>	497.42
Employee benefit obligations	<b>(60.35)</b>	(93.98)
Items allowed on payment basis/temporary disallowance	<b>(36.87)</b>	(21.16)
Others	<b>(1116.97)</b>	(984.81)
<b>Net Deferred Tax Assets</b>	<b>(685.30)</b>	(602.53)

**Note-34—GRATUITY-DEFINED BENEFIT PLANS**

As per Ind AS 19 "Employee Benefits", the disclosures of employee benefits as defined in the Indian Accounting Standard are :- **Defined Contribution Plan:** The Company's Contribution to provident fund and pension fund is considered as Defined Contribution Plan and is recognized as expenses for the year. **Defined Benefit Plan:** The Company operates a Defined Benefit Gratuity plan with approved Gratuity Fund and contributions are made to a separately administered approved Gratuity Fund. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The fund is subject to risk such as asset volatility, changes in assets yields, and assets liability mismatch risk, risk due to adverse salary growth/variability in morality and withdrawals rate, risk due to significant changes in discounting rate during the inter valuation period, risk on account of employees resignations/retirement from the company, resulting into strain on the cash flow, risk related to changes and fluctuations in the financial markets and assumptions depend on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yield as at valuation date, risk in the increase in the plan liabilities or reduction in plan assets due to changes in legislation or due to overall tight liquidity position of the company. The obligation for leave encashment is recognized as expense for the year.

**Gratuity:** The benefits are governed by the Payment of Gratuity Act, 1972. The key features are:-

Benefits offered	15 days salary for each completed years of service
Salary definition	last drawn qualifying Salary
Benefit ceiling	Rs. Twenty Lakh
Vesting conditions	5 years of continuous service (Not applicable in case of death / disability)
Benefit eligibility	Upon death or disability or retirement
Retirement age	58 years

The leave encashment benefits are governed by the Company's leave policy.

(Rs. Lakhs)

	As At March 31, 2020		As At March 31, 2019	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
<b>(i) Amount to be recognized in Balance Sheet</b>				
a. Present value of Defined Benefits Obligations				
(i) Funded	209.67	-	252.25	-
(ii) Unfunded	-	96.75	-	98.09
b. Fair value of Plan Assets	6.11	-	2.50	-
c. Net liability/(Assets) recognized in the Balance Sheet	203.56	96.75	249.75	98.09
<b>(ii) Amount to be recognized in the Statement of Profit &amp; Loss</b>				
a. Current service Cost	4.71	25.16	41.99	29.84
b. Net Interest Cost/(Income)	3.56	6.46	16.00	6.62
c. Past Service Cost	-	-	-	-
d. Net Actuarial (Gain)/Loss recognized in the year	-	(5.72)	-	1.22
e. Defined benefit cost recognized in the stmt of P&L	8.27	25.90	57.99	37.68
<b>(iii) Change in Defined Benefits Obligations and reconciliation thereof</b>				
a. Present value of Defined Obligations at the beginning of the year	252.25	98.09	232.16	111.56
b. Interest Cost	3.86	6.46	16.61	6.62
c. Past Service Cost	-	-	-	-
d. Current Service Cost	4.71	25.15	41.99	29.84
e. Benefits paid	(11.28)	27.23	(32.80)	(51.15)
f. Remeasurement (gain)/Loss	(36.39)	-	(48.49)	-
g. difference in present value of obligation	(3.48)	-	42.78	-
h. Actuarial (Gain)/Loss	-	(5.72)	-	1.22
i. Present value of Defined Obligations at the close of the year	209.67	96.75	252.25	98.09
<b>(iv) Change in the fair value of Plan Assets and the reconciliation thereof</b>				
a. Fair value of Plan Assets at the beginning of the year	2.50	-	13.76	-
b. Expected return on Plan Assets	0.31	-	0.61	-
c. Contribution by Employer	14.37	-	21.25	-
d. Benefits paid	(11.28)	-	(32.80)	-
e. Remeasurement Gain/(Loss)	0.21	-	(0.32)	-
f. Fair value of Plan Assets at the close of year	6.11	-	2.50	-

**REMEASUREMENTS-OTHER COMPREHENSIVE INCOME (OCI)****(Rs. Lakhs)**

	<b>As At March 31, 2020</b>	<b>As At March 31, 2019</b>
Return on plan Assets (excluding amounts included in Net Interest Expense)	<b>0.21</b>	(0.32)
Actuarial (Gain)/Loss arising from		
Experience Adjustment	<b>(36.39)</b>	(48.49)
Present Value of Obligations	<b>(3.48)</b>	42.78
Component of Defined of Benefit Costs recognized in OCI	<b>(40.08)</b>	(5.39)

**Summary of Actuarial assumptions****(Rs Lakhs)**

a. Discount Rate ( per annum)	6.75%	6.75%	7.70%	7.70%
b. Expected rate of return on Plan Assets (p.a)	7.65%	N.A	7.70%	N.A
c. Rate of escalation in salary (per annum)	7.00%	7.00%	8.50%	8.50%
d. Attrition Rate	8.00%	8.00%	10.00%	10.00%
e. Mortality table	Lives Mortality IAL 2012-14 Ultimate		Lives Mortality IAL 2012-14 Ultimate	

**Sensitivity analysis**

The Sensitivity of defined obligation to changes in the weighted principal assumptions is:

**(Rs. Lakhs)**

<b>Assumptions</b>	<b>March 31, 2020</b>		<b>March 31, 2019</b>	
	<b>Impact of 1% increase</b>	<b>Impact of 1% decrease</b>	<b>Impact of 1% increase</b>	<b>Impact of 1% decrease</b>
Discount Rate	<b>(9.86)</b>	<b>11.09</b>	(13.75)	15.31
Salary growth rate	<b>10.82</b>	<b>(9.83)</b>	14.54	(13.30)
Attrition Rate	<b>(0.58)</b>	<b>0.26</b>	(1.19)	1.28

The above sensitivity analysis is based on a change in assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the Projected Unit Credit Method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized in the balance sheet. The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous periods.

The following are the expected cash flows (based on terminal salary & past service) on the defined benefit plan in future years:

**(Rs. Lakhs)**

<b>Particulars</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Within next 12 months	<b>46.10</b>	22.46
Between 1-5 years	<b>99.38</b>	146.03
Next five	<b>67.50</b>	116.26

**The Category wise plan assets are as follows:-****(Rs. Lakhs)**

<b>Particulars</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Investments with Insurer (LIC of India) and Trust Bank A/c (BOI)	<b>6.11</b>	2.50

**Note-35- EARNING PER SHARE (EPS)**

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Earnings Per Share (EPS)-Basic &amp; Diluted</b>		
Net Profit/(Loss) attributable to Shareholders as per P&LA/c( Rs)	<b>(26472056.51)</b>	(7446073.79)
<b>Weighted average number of equity shares</b> (nos.)	<b>1,45,14,580</b>	1,45,14,580
Basic & Diluted EPS (in Rs.)	<b>(1.82)</b>	(0.51)
Nominal value of shares (Rs.)	<b>5.00</b>	5.00

**Note-36-CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:****(Rs. Lakhs)**

	As At March 31, 2020	As At March 31, 2019
(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	<b>658.78</b>	594.52
(ii) Sales Bills Discounted with banks	<b>205.09</b>	48.46
(iii) Income Tax & Interest Demand-matter under appeal (Note No.37)	<b>587.13</b>	538.59

**Note-37** 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. 288.72** (previous year Rs. 288.72 Lakhs) 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.

**Note-38-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. NIL). Guarantees given by Company's Bankers on behalf of the Company against letter of credit is **Rs. 362.86 Lakhs** (previous year **Rs. 402.88** Lakhs) are secured by extension of pari-passu charges by way of hypothecation of stock-in trade, raw material etc.

**Note-39**-Other Borrowing cost Note No.30 under the heading "Finance Cost" includes Bank Charges/Commission, Interest to others & hire charges.

**Note-40**-The Company is primarily engaged in the business of "Auto Components" for commercial vehicles and Agricultural Equipment, which are governed by same set of risks and returns and hence there is only one segment.

**Note-41**- 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.

**Note-42**-No amount is considered as doubtful, from the total debtors.

**Note-43**- 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.44.

**Note-44—RELATED PARTY DISCLOSURE****a. Subsidiary**

During the year and as at March 31, 2020, the Company has no subsidiary company.

**b. 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
Mr. Harkirat Singh Ryait	- Executive Director
Mr. Neeraj Tuli	- Chief Financial Officer
Mrs. Amninder Kaur	- Company Secretary

**c. Enterprises, over which control is exercised by individuals listed in “b” above:**

G.S. Autocomp Private Limited*
G.S. Consumer Products Private Limited*
G.J.Holdings Private Limited*
Futurista Home Solutions Private Limited*
Gurmukh Singh International LLP
Ujjala Autotech Enterprises Private Limited*

\* No transaction has taken place during the year.

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 “c” above:****(Rs. Lakhs)**

S. No.	Particulars	2019-20	2018-19
<b>1.</b>	<b>Sales, Services, Other Income</b>		
	Sales of Goods-Gurmukh Singh International LLP	65.28	11.18
	Rendering of Services	-	-
	Rental Income		
	G.S. Consumer Products Private Limited	0.23	0.23
	G.S. Autocomp Private Limited	1.00	1.00
	Gurmukh Singh International LLP	0.38	0.00
	Other Income		
	G.S. Autocomp Private Limited	0.90	0.90
	<b>Total</b>	<b>67.79</b>	<b>13.31</b>
<b>2.</b>	<b>Purchase of Semi-Finished Goods -</b>		
	-Gurmukh Singh International LLP	69.09	2.28
	Services	-	-
	<b>Total</b>	<b>136.88</b>	<b>15.59</b>

(Rs. Lakhs)

S. No.	Particulars	2019-20	2018-19
1.	<b>Amount Outstanding-Payable</b>		
	<b>Accounts Payable (Receivable)</b>		
	G.S. Autocomp Private Limited	(139.75)	(139.75)
	Gurmukh Singh International LLP	238.69	98.57

**Disclosures in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year:**

NIL

**Details of Transactions relating to the persons referred to in “a” above :-**

(Rs. Lakhs)

S. No.	Particulars	2019-20	2018-19
	Managerial Remuneration (Mr. Jasbir Singh Ryait, Mr. Surinder Singh Ryait, Mrs. Dalvinder Kaur Ryait, Mrs. Amarjeet Kaur Ryait & Mr. Harkirat Singh Ryait)	187.44	168.67
	Remuneration paid to relative of key management personnel (up to February 13, 2019)	0.00	12.09

**Breakup of compensation paid to key Management Personnel**

(Rs. Lakhs)

S. No.	Particulars	2019-20	2018-19
1	Short term Employee Benefits		
	Mr. Jasbir Singh Ryait	77.60	79.54
	Mr. Surinder Singh Ryait	3.90	4.77
	Mrs. Dalvinder Kaur Ryait	75.06	76.93
	Mrs. Amarjeet Kaur Ryait	3.23	3.82
	Mr. Harkirat Singh Ryait	27.65	3.62
	Mr. Neeraj Tuli*	6.62	11.52
	Mrs. Amninder Kaur	2.83	2.79
2.	Post-Employment Benefits	-	-
3.	Other-long term benefits	-	-
4.	Termination benefits	-	-
	<b>Total</b>	<b>196.89</b>	<b>182.99</b>

\*upto October 2019.

Sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2019: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

#### **Note – 45: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

##### **Overview:**

The Company's Risk Management framework encompasses practices relating to the identification, analysis, evaluation, treatment, mitigation and monitoring of the strategic, external and operational controls risks to achieving the Company's

business objectives. It seeks to minimize the adverse impact of these risks, thus enabling the Company to leverage market opportunities effectively and enhance its long-term competitive advantage. The focus of risk management is to assess risks and deploy mitigation measures. The Company's principal financial liabilities comprise trade and other payables and loans and borrowings. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial asset include loans, deposits, trade and other receivables and cash and cash equivalents that derive directly from operations. The Company's senior management's focus is to foresee the unpredictability and minimize potential adverse effects on the Company's financial performance.

The Company's activities expose it to variety of financial risks namely market risk, credit risk and liquidity risk. The Company's overall risk management procedures are to minimize the potential adverse effects of financial market on the Company's performance are outlined hereunder. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management is carried out by the management in consultation with the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific risk areas.

The note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

#### (A) Credit Risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and from its financial and operating activities including deposits with banks, foreign exchange transactions and other financial instruments. The Company establishes an impairment allowance based on Expected Credit Loss model that represents its estimate of incurred losses in respect of trade and other receivables.

#### Exposure to credit risk

The gross carrying amount of financial assets, net of any impairment losses recognized represents the maximum credit exposure. The maximum exposure to credit risk as at March 31 2020 & March 31, 2019 was as follows:-

(Rs. Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Gross Carrying Value	Net Value after Impairment	Gross Carrying Value	Net Value after Impairment
Investments	-	-	-	-
Other Financial Assets	163.23	163.23	156.88	156.88
Trade Receivables	2069.43	2069.43	2459.31	2459.31
Cash & Cash equivalents	27.36	27.36	77.44	77.44
Other Bank Balances	91.49	91.49	119.13	119.13
Other Financial Assets	9.80	9.80	7.14	7.14
Other Advance recoverable (Short term loans & advances)	105.16	105.16	130.62	130.62

#### Financial assets that are past due but not impaired

Long term loan, short term loan, Trade Receivables, Cash and cash equivalents and other assets are neither past due nor impaired.

#### (I) Trade Receivables:

Customer's credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. The Company extends credits to customers in normal course of the business. The Company considers the factors such as credit track record in the market of each customer and past dealings for extension of credit to the customers. Credit quality of a customer is assessed based on individual credit limits and risk of potential default based on defined risk parameters. The Company monitors the payment track record of each customer and outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located at several jurisdiction and industries and

operate in large independent markets. The Company also takes advances and security deposits from customers which mitigate the credit risk to an extent.

An impairment analysis is performed at each reporting date on an individual basis for major clients. The calculation is based on losses as per historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in the respective notes. The average credit period taken on sales of goods is 45 to 100 days. Generally, no interest has been charged on the receivables. Before accepting any new customer, the Company uses an internal credit system to assess the potential customer's credit quality and defines credit limit of customer. Limits attributed to customers are reviewed periodically. The Company does not hold any collateral or other credit enhancements over any of its trade receivables nor does it have a legal right of offset against any amounts owed by the Company to the counterparty.

**(ii) Financial Instruments and bank deposits:**

The Company considers factors such as track record, size of institution, market reputation and service standard to select the banks with which deposits are maintained. The Company does not maintain significant deposit balances other than those required for its day to day operations. Credit risk on cash and cash equivalents is limited as these are generally held or invested in deposits with banks and financial institutions with good credit ratings. The Company's maximum exposure to credit risk to credit risk for bank balances and deposits as at March 31 ,2020 and March 31 ,2019 is the carrying amounts as disclosed on the respective Notes.

**(B) Liquidity Risk:**

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. Due to continued losses from the past two to three years along with its committed repayment of its long term liabilities, there remains a strong liquidity crunch in the day to day working of the Company and there will remain liquidity challenge in the days to come till the next year. However, the management is taking all the necessary steps to overcome this short term liquidity challenge with the best possible available means.

The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company relies on a mix of borrowings, capital and excess operating cash flows to meet its needs for funds. The Company monitors rolling forecasts of its liquidity requirements to ensure that it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities so that it does not breach borrowing limits.

The table below provides undiscounted cash flows towards non-derivative financial assets/ (liabilities) into relevant maturity based on the remaining period at the Balance Sheet date to the contractual maturity date.

(Rs. Lakhs)

Particulars	As At March 31 ,2020			Total
	Not later than one year	Later than one year and not later than five years	Later than five years	
<b>Financial Assets</b>				
Trade Receivables	2069.43	-	-	2069.43
Others	9.80	163.23	-	173.03
Current Investments	-	-	-	-
Cash and Cash equivalents	27.36	-	-	27.36
Other Bank Balance	91.49	-	-	91.49
<b>Total</b>	<b>2198.08</b>	<b>163.23</b>		<b>2361.31</b>



(Rs. Lakhs)

Particulars	As At March 31 ,2020			Total
	Not later than one year	Later than one year and not later than five year	Later than five years	
<b>Financial Liabilities</b>				
Borrowings-Bank Loans	2801.97	-	-	2801.97
Current Payable	4189.06	-	-	4189.06
Other Current Liabilities	693.35	-	-	693.35
Non-Current Payables	-	50.96	-	50.96
Other Liabilities-Non Current	-	29.74	-	29.74
<b>Total</b>	<b>7684.38</b>	<b>80.70</b>	<b>-</b>	<b>7765.08</b>

(Rs. Lakhs)

Particulars	As At March 31 ,2019			Total
	Not later than one year	Later than one year and not later than five year	Later than five years	
<b>Financial Assets</b>				
Trade Receivables	2459.31	-	-	2459.31
Others	7.14	156.88	-	164.02
Current Investments	-	-	-	-
Cash and Cash equivalents	77.44	-	-	77.44
Other Bank Balance	119.13	-	-	119.13
<b>Total</b>	<b>2663.02</b>	<b>156.88</b>	<b>-</b>	<b>2819.90</b>

(Rs. Lakhs)

Particulars	As At March 31 ,2019			Total
	Not later than one year	Later than one year and not later than five year	Later than five years	
<b>Financial Liabilities</b>				
Borrowings-Bank Loans	2710.62	-	-	2710.62
Current Payable	4311.48	-	-	4311.48
Other Current Liabilities	814.58	-	-	814.58
Non-Current Payables	-	51.15	-	51.15
Other Liabilities-Non Current	-	122.20	-	122.20
<b>Total</b>	<b>7836.68</b>	<b>173.35</b>	<b>-</b>	<b>8010.03</b>

**Market Risk:**

Market risk is the risk of loss of future earnings or fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign exchange rates and other market changes that affect market risk sensitive instruments.

**Interest Rate Risk:**

The Company's exposure to the risk of changes in market interest rates relates primarily to long term and working capital debts having floating rate of interest. Its objective in managing its interest rate risk is to ensure that it always maintains sufficient headroom to cover interest payment from anticipated cash flows which are regularly reviewed by the Board. However, the risk is receding due to payment its long term liability.

The Company's non-current borrowings from banks and financial institutions are Rs. 29.74 Lakhs as at March 31, 2020 Rs.122.20 Lakhs as at March 31, 2019. Other non-current financial liabilities have no rate of interest where the risk of changes in the interest rates is not arises.

**(ii) Commodity Risk:**

The Company is exposed to the movement in the price of key raw materials and other consumables, which are quite volatile in the domestic and international markets. The Company has in place policies to manage exposure to fluctuation in prices of key raw materials used in operations. The Company enters into contracts for procurement of raw materials and other materials. Most of the transactions are short term fixed price contracts.

**(iii) Foreign Currency Risk:**

Foreign currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the company's functional currency. Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign currency rates.

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates and arises where transactions are done in foreign currencies. It arises mainly where receivables and payables exist due to transactions entered in foreign currencies. The Company does not enter into financial instrument transactions for trading or speculative purpose. The Company transacts business primarily in Indian Rupees, USD, Euro and GBP. The Company has foreign currency non-current payables and current receivables and is therefore, exposed to foreign exchange risk. Certain transactions of the Company act as a natural hedge as a portion of both assets and liabilities are denominated in similar foreign currencies. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

**(Rs. Lakhs)**

Particulars	Currency	As at	As at
		March 31 ,2020	March 31 ,2019
Trade Receivables	USD	1.11	1.79
	EUR	0.17	0.57
Advance from Customers	USD	0.06	-
	EUR	0.09	-
Term Loan in foreign Currency	USD	-	0.55
Balance in EEFC account		-	-
Currency Rates	Currency	As at	As at
		March 31 ,2020	March 31 ,2019
USD		75.6650	69.4431
EUR		82.7700	77.9812

All the above said foreign currency exposures are un-hedged

**Sensitivity Analysis**

The following table demonstrates the sensitivity of profit and equity in USD and EUR to the Indian Rupee with all other variables held at constant. The impact on the Company's profit before tax and other comprehensive income due to changes in the fair value of monetary assets and liabilities is given below:

(Rs. Lakhs)

Particulars	Change in Currency exchange rate	Effect on profit before tax March 31 ,2020	Effect on profit before tax March 31 ,2019
<b>USD</b>	5%	<b>4.00</b>	4.29
	-5%	<b>(4.00)</b>	(4.29)
<b>EUR</b>	5%	<b>0.22</b>	2.24
	-5%	<b>(0.22)</b>	(2.24)

This is mainly attributable to the exposure outstanding on foreign currency receivables and advance from customers in the Company at the end of each reporting period.

### Capital Management

The Company's objective for capital management is to manages its capital to be able to continue as a going concern and to maximize shareholders value, safeguarding business continuity and Support the growth of the Company. The Company determines the capital requirement based on annual operating Plans and Other strategic investment plans. The Funding requirements are met through equity and operating cash flow generated. No Changes were made in the Objectives, policies or processes during the years ended March 31, 2020 and March 31, 2019. Capital represents equity attributable to equity holders of the Company.

The capital structure consists of debt which includes the borrowings, cash and cash equivalents and current investments and equity attributable to equity holders of the Company, comprising issued share capital, reserves and retained earnings. For the purpose of calculating gearing ratio, debt is defined as non-current and current. Equity includes all capital and reserves of the Company attributable to equity holders of the Company. The Company is not subject to externally imposed capital requirements. The Board reviews the capital structure and cost of capital on an annual basis but has not set specific targets for gearing ratios. The risks associated with each class of capital are also considered as part of the risk reviews presented to the audit committee and the Board of Directors. However, due to past financial losses along with repayment of its long term liability there is tightness in the liquidity system of the Company and the Board of Directors of the Company is taking all the necessary steps to remove the liquidity tightness with the overall improvement in the business of the Company.

The following table summarizes the capital of the Company:

(Rs. Lakhs)

Particulars	March 31 , 2020	March 31, 2019
<b>Equity</b>	<b>3037.81</b>	3262.44
Current Borrowings	<b>2801.97</b>	2710.62
Non-Current Borrowings	<b>29.74</b>	122.20
Current maturities of non-current borrowings	<b>11.41</b>	44.96
<b>Total Debt</b>	<b>2843.12</b>	2877.78
Gearing Ration-Debt to Equity	<b>93.59%</b>	88.21%

**Note - 46. FINANCIAL INSTRUMENTS**

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's Financial Instruments

(Rs. Lakhs)

Particulars	As At March 31, 2020	As At March 31, 2019	As At March 31, 2020	As At March 31, 2019
<b>Financial Assets</b>				
<b>Financial Assets measured at fair value</b>				
Investments	-	-	-	-
Financial Assets measured at amortized cost				
Investments	-	-	-	-
Trade Receivables	<b>2069.43</b>	2459.31	<b>2069.43</b>	2459.31
Cash and Cash equivalents	<b>27.36</b>	77.44	<b>27.36</b>	77.44
Other Bank Balances	<b>91.49</b>	119.13	<b>91.49</b>	119.13
Securities deposit	<b>163.23</b>	150.08	<b>163.23</b>	150.08
Unclaimed dividends -Liability	<b>0</b>	6.80	<b>0</b>	6.80
Interest Receivables	<b>9.80</b>	7.14	<b>9.80</b>	7.14
Export Incentive Receivables	<b>24.52</b>	25.80	<b>24.52</b>	25.80
<b>TOTAL</b>	<b>2385.83</b>	2845.70	<b>2385.83</b>	2845.70
<b>Financial Liabilities</b>				
<b>Financial Liabilities measured at amortized cost</b>				
Borrowing-Non Current	<b>29.74</b>	122.20	<b>29.74</b>	122.20
Borrowing- Current	<b>2801.97</b>	2710.62	<b>2801.97</b>	2710.62
Trade Payables	<b>1876.31</b>	2004.53	<b>1876.31</b>	2004.53
Deposit-Dealers	<b>50.96</b>	51.15	<b>50.96</b>	51.15
Unclaimed dividends	<b>0.00</b>	6.80	<b>0.00</b>	6.80
Current Liabilities of long term liabilities	<b>11.41</b>	44.96	<b>11.41</b>	44.96
Other Current Liabilities	<b>2301.34</b>	2255.20	<b>2301.34</b>	2255.20
<b>TOTAL</b>	<b>7071.73</b>	7195.46	<b>7071.73</b>	7195.46

The management assessed that fair value of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Company determines fair values of financial assets or liabilities by discounting the contractual cash inflows / outflows using prevailing interest rates of financial instruments with similar terms. The initial measurement of financial assets and financial liabilities is at fair value.

The fair value of investments in mutual funds is determined using net assets value of the funds. Further, the subsequent measurement of all assets and liabilities (other than investments in mutual funds) is at amortized cost, using effective interest rate method.

**46.1 Fair Value Hierarchy**

All financial instruments for which fair value is recognized or disclosed are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is insignificant to the fair value measurements as a whole.

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Valuation techniques for which the lowest level inputs that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3 : Valuation techniques for which the lowest level input which has a significant effect on fair value measurement is not based on observable market data.

There is Nil Investment as on 31-03-2020 (Previous Year Nil)

47. Figures in bracket indicate deductions except otherwise stated.

**48. Unclaimed Dividend:**

Unclaimed dividends include amounts transferred to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013.

**49. 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.

**50. 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.

**Company as lessee**

- (a) Interest expense of Rs. 1.25 Lakhs on the lease liability has been included in finance costs under the head 'Other borrowing cost' in the statement of Profit and Loss.
- (b) The change in the carrying value of Right of Use asset during the year is as under:

(Rs. Lakhs)

Particulars	Amount
<b>As at April 1, 2019</b>	28.66
Transition effect on account of adoption of Ind AS 116	12.52
Addition during the year	-
Depreciation during the year	2.29
<b>As at March 31, 2020</b>	38.89

- (c) The depreciation expense of Rs. 0.70 Lakhs on Right of use asset is included under depreciation and amortization expense in the statement of Profit and Loss.

**(d) The following is the break-up of current and non-current lease liabilities as at March 31, 2020**

(Rs. Lakhs)

Particulars	Amount
Current lease liabilities	1.25
Non-current lease liabilities	11.27
Total	12.52

(e) The following is the movement in lease liabilities during the year ended March 31, 2020:

(Rs. Lakhs)	
Particulars	Amount
<b>Balance at the beginning of the year</b>	-
Transition effect on account of adoption of Ind AS-116	12.52
Additions during the year	-
Finance cost accrued during the year	1.25
Payment of lease liability	1.37
<b>Balance at the end of the year</b>	12.40

The lease liabilities on creation of right to use asset has been included in other financial liabilities.

(f) The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

(Rs. Lakhs)	
Particulars	Amount
Not later than one year	1.25
Later than one year and not later than five year	3.20
Later than five years	8.07
<b>Total</b>	<b>12.52</b>

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

#### **Company as lessor**

The company has entered into operating leases for its land and building that are renewable on a periodic basis. The lease rentals incomes booked in the statement of Profit and Loss for the year is Rs. 1.00 Lakhs (Previous year was Rs. 1.00 Lakhs).

The total of future minimum lease rent receipts are as follows:-

(Rs. Lakhs)		
Particulars	As on March 31, 2020	As on March 31, 2019
Not Later than one year	1.00	1.00
Later than one year but not later than five years	4.00	4.00
Later than five years	89.67	90.67

51. 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.

#### **52. MOVEMENT IN PROVISIONS**

Disclosure of movement in provisions during the year as per Ind As 37, Provisions, Contingent Liabilities and Contingent Assets

(Rs. Lakhs)

Particulars	Balance as on March 31, 2019	Provided during the year	Paid/Adjusted during the year	Balance as on March 31, 2020
<b>Provisions</b>				
For Accumulated Leaves	98.09	25.89	27.23	<b>96.75*</b>
For Gratuity	249.75	(34.91)	11.28	<b>203.56</b>
<b>Total</b>	<b>347.84</b>	<b>(9.02)</b>	<b>38.51</b>	<b>300.31</b>

• Short term Rs. 53.05 lakh & Long Term Rs. 43.70 lakhs

- 53 The Company is developing certain machineries (Special purpose Machines), as per its various in house production process requirements under its Research & Development Centre to reduce the processing time and cost of manufacturing. 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:** (Rs. Lakhs)

	Financial Year 2019-20	Financial Year 2018-19
Revenue Expenses	5.66	25.67
Wage (Research & Dev) (included under Note No.29)	2.60	4.96

54. (a) **Exchange difference Gain/ (Loss) on account of fluctuations in foreign currency rates:** (Rs. Lakhs)

	Financial Year 2019-20	Financial Year 2018-19
(i) Gain/ (Loss) relating to Exports during the year recognized in Statement of profit and loss account.	(15.00)	16.67
(ii) Recognized in the profit and Loss account Gain/ (Loss) on Settlement/revalorization of current assets	0.00	1.48

**(b) Details of Un-hedged Foreign Currencies:**

The year end 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 <sup>st</sup> March, 2020 (Amt. in Foreign Currency) (Lakhs)	31 <sup>st</sup> March, 2020 (Rs. Lakhs)	31 <sup>st</sup> March, 2019 (Amt. in Foreign Currency) (Lakhs)	31 <sup>st</sup> March, 2019 (Rs. Lakhs)
Export of Goods	USD 1.11	84.27	USD 1.79	128.38
	EURO 0.17	14.42	EURO 0.57	35.46
Advance from Customers	USD 0.06	4.00	-	-
	EURO 0.09	7.77	-	-
Term Loan (principal outstanding)	Nil	Nil	USD 0.55	29.02

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

(Rs. Lakhs)

Particulars	As At March 31, 2020	As At March 31, 2019
Principal amount due to suppliers under MSMED Act,2006	11.88	53.98
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. COVID-19 has caused significant disruptions to businesses across India. The management has considered the possible effects, if any, that may impact the carrying amounts of inventories, receivables. In making the assumptions and estimates relating to the uncertainties as at the balance sheet date in relation to the recoverable amounts, the management has considered subsequent events, internal and external information and evaluated economic conditions prevailing as at the date of approval of these financials results. The management expects no impairment to the carrying amounts of these assets. The management will continue to closely monitor any changes to future economic conditions and assess its impact on the operations.
57. Miscellaneous Receipts include, **Rs. 50 Lakhs** (previous year Rs. Nil) received on account partial withdrawal from key man insurance policies & **Rs. 0.52 Lakhs** (Previous year Rs. 0.42 Lakhs) on account of Insurance Claim received.

58. **Proposed Dividend:**

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

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

(a) **CIF Value of Import**

(Rs. Lakhs)

Particulars	Financial Year 2019-20	Financial Year 2018-19
Raw Material and Components	0.00	7.07
Traded Goods	-	-
<b>Total</b>	<b>0.00</b>	<b>7.07</b>

(b) **Expenditure in Foreign Currency:**

(Rs. Lakhs)

Particulars	Financial Year 2019-20	Financial Year 2018-19
Raw Material and Components	0.00	7.07
Traded Goods	0.00	0.00
Repayment of term loan, Bank Charges & Commission & Interest	32.41	777.88
<b>Total</b>	<b>32.41</b>	<b>784.95</b>



**(c) Earing in Foreign Currency:****(Rs. Lakhs)**

<b>Particulars</b>	<b>Financial Year 2019-20</b>	<b>Financial Year 2018-19</b>
F.O.B value of Exports	<b>285.89</b>	315.83
<b>Total</b>	<b>285.89</b>	315.83

60. Rental income includes Rs. 1.61 lakhs (previous year Rs 1.23 lakhs) from group companies as per Note No.44 above & Rs. 0.98 Lakhs (previous year Rs. 0.06 Lakhs) from others.
61. Previous period figures have been regrouped, re-classified and re-arranged wherever considered necessary to confirm to the current year's classification.

The accompanying Notes are integral part of these Financial Statements  
As per our report of even date

**For SUKHMINDER SINGH & CO.**  
ICAI Firm Registration No:016737N  
Chartered Accountants

**SUKHMINDER SINGH**  
Partner  
Membership No.:093100

**Place : Ludhiana**  
**Date : 31<sup>st</sup> July, 2020**

**For and on behalf of the Board of Directors**

**JASBIR SINGH RYAIT**  
Chairman & Jt. Mg. Director  
DIN 00104979

**HARKIRAT SINGH RYAIT**  
Executive Director  
DIN: 07275740

**DEEPAK CHOPRA**  
Chief Financial Officer

**AMNINDER KAUR**  
Company Secretary



## **G.S. AUTO INTERNATIONAL LIMITED**

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