

# Building on **Experience**

# **GNA**

**GNA AXLES LIMITED**  
29<sup>th</sup> Annual Report 2021-22



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**Investor information**

Market Capitalisation  
₹ 1,047.19 Cr

CIN  
L29130PB1993PLC013684

BSE Code  
540124

NSE Symbol  
GNA

Bloomberg Code  
GNA:IN

AGM Date  
September 20, 2022



To view or download the Report online, scan the QR code

For more investor-related information, please visit

<http://gnagroup.com/investor-relations/>

# Building on Experience

**Disclaimer:**

This document contains statements about expected future events and financials of GNA Axles Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

Through the years, GNA has built an ecosystem that fosters growth and a sustainable value chain. Our reputation in the auto-parts industry is marked by quality offerings, customer-centric approach and ethical functioning. Even amid continuous economic disruptions and transitions in the auto industry, we continued to pave our way ahead, underlined by GNA's experience – achievements and industry insight, gained over time.

Our farsightedness has helped us to build our resilience & preparedness further, by identifying and harnessing potential of automotive transmission components space. This futuristic approach forms the ground of our actions, wherein we strive to propel sustainable business growth of our Company. Backed by innovation and the latest technology, we emphasise on consistent value-creation by optimising cost, while maximising performance and output.

**BUILDING ON THE EXPERIENCE OF OUR 29 YEAR-LONG INDUSTRY PRESENCE, WE ENGAGE OUR EXPERTISE TO ENSURE HIGH-INDUSTRY RELEVANCE & PRODUCT RELIABILITY TO DEVELOP PRODUCT DISTINCTION. THUS, ENHANCING OUR COMPETENCIES THAT WOULD ALLOW US TO REMAIN AHEAD.**

**28+**

Years of Experience

**6.7 million**

Units of Capacity

**0.70 million**

Units of Other Shafts

**4.8 million**

Units of Rear Axle  
Shafts

**1.2 million**

Units of Spindles

**1,370**

Employees as on  
March 31, 2022



**GNA**

# GNA Axles at a Glance

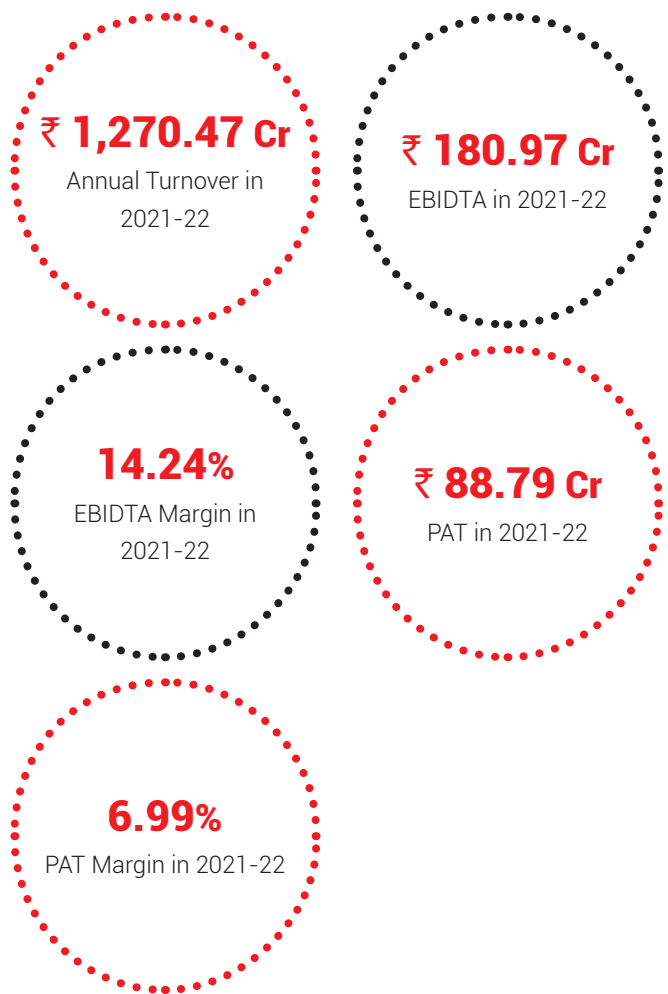
**Building on our rich industry experience of 29 years in the automotive transmission components space**

Incorporated in 1993, GNA Axles Limited ('GNA' or 'We') is among the leading manufacturers of automotive transmission components, catering demand for light & heavy commercial and off-highway vehicles. Crafted with excellence, we have climbed the ladder to become one of the preferred partners of choice for the world's top OEM players. With over 1,350 employees, GNA's manufacturing capability meets OE customers' demand effectively, through a flexible and reliable approach to enable seamless business functioning even amid challenges.

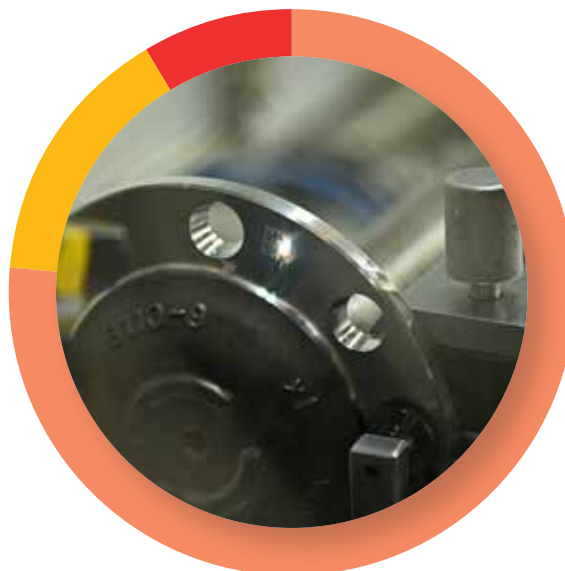


WE HAVE WORLD-CLASS MANUFACTURING FACILITIES WITH UNIQUE INTEGRATED PLANTS. OUR MANUFACTURING FACILITIES, LOCATED AT MEHTIANA (HOSHIARPUR) AND GULABGARH JATTAN (KAPURTHALA) IN PUNJAB, ENGINEER PRODUCTS THAT ENABLE OPTIMUM PERFORMANCE FOR A WIDE RANGE OF AUTOMOTIVE APPLICATIONS. WE HAVE AN EXTENSIVE PRODUCT PORTFOLIO, BUILT OVER THE YEARS, OFFERING A LARGE VARIETY OF AXLE SHAFTS, SPINDLES & OTHER SHAFTS HAVING A COMBINED CAPACITY OF 6.7 MILLION PIECES.

## FINANCIAL SNAPSHOT



## SEGMENT-WISE REVENUE DISTRIBUTION

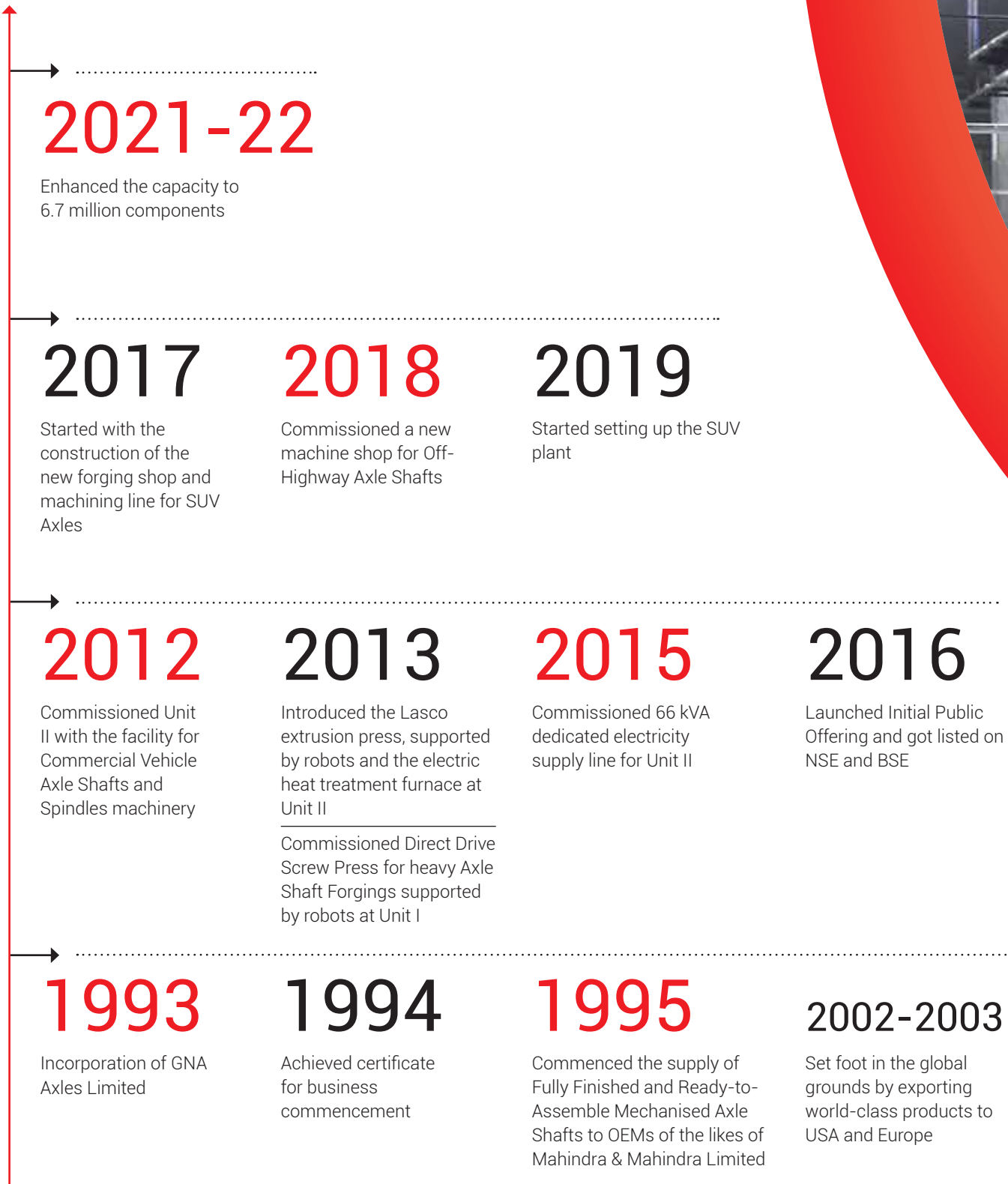


- REAR AXLE SHAFTS  
**76.58%**
- SPINDLES  
**15.03%**
- OTHER SHAFTS  
**8.39%**



# Building Our Experience through Milestones

## OUR JOURNEY





## 2004

Installed 13 Up-setter with new heat treatment shop

## 2007

Commissioned 66 kVA dedicated electricity supply line for Unit I

## 2008

Invested in Forging technology for Rear Axle Shafts with Direct Drive Screw Press supported by robots

## 2009

Started with the export of Spindles

# Building on Our Strong Presence

## OUR GEOGRAPHICAL PRESENCE

GNA is at the forefront of emerging technology, pioneering benchmarks set in 1946 with a futuristic approach – supplying fresh, innovative products to the manufacturers of transmission components for today and tomorrow. We have a stronghold globally and enjoy being a preferred choice of leading automobile companies.

We export products to the global OEMs and top companies, including Dana Limited (USA, Mexico and Australia), John Deere (Brazil and USA), Kubota Corporation (Japan), Meritor (Sweden, Italy, Brazil, USA, China and Australia), and ZF (Germany, USA), among others. Our Indian OEM and Tier-I customers mainly include TAFE, International Tractors Limited, Escorts Limited, John Deere, Automotive Axles Limited, Mahindra & Mahindra Limited and CNH.

### OUR GLOBAL FOOTPRINT

**₹ 347.96 Cr**

Region-wise Revenue

#### North America

USA

Mexico

**₹ 133.20 Cr**

Region-wise Revenue

#### South America

Brazil

### REGION-WISE BREAKUP OF EXPORT REVENUE (%)



**NORTH AMERICA**

**45.75**

**EUROPE**

**30.43**

**SOUTH AMERICA**

**17.51**

**AUSTRALIA**

**0.92**

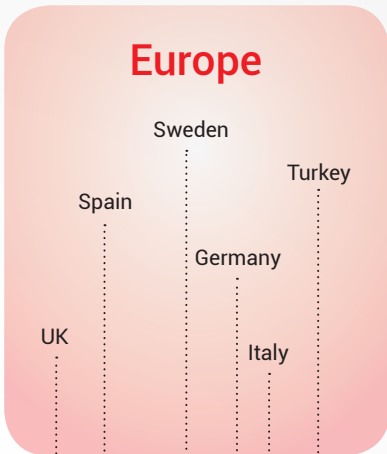
**ASIA (Except India)**

**5.38**



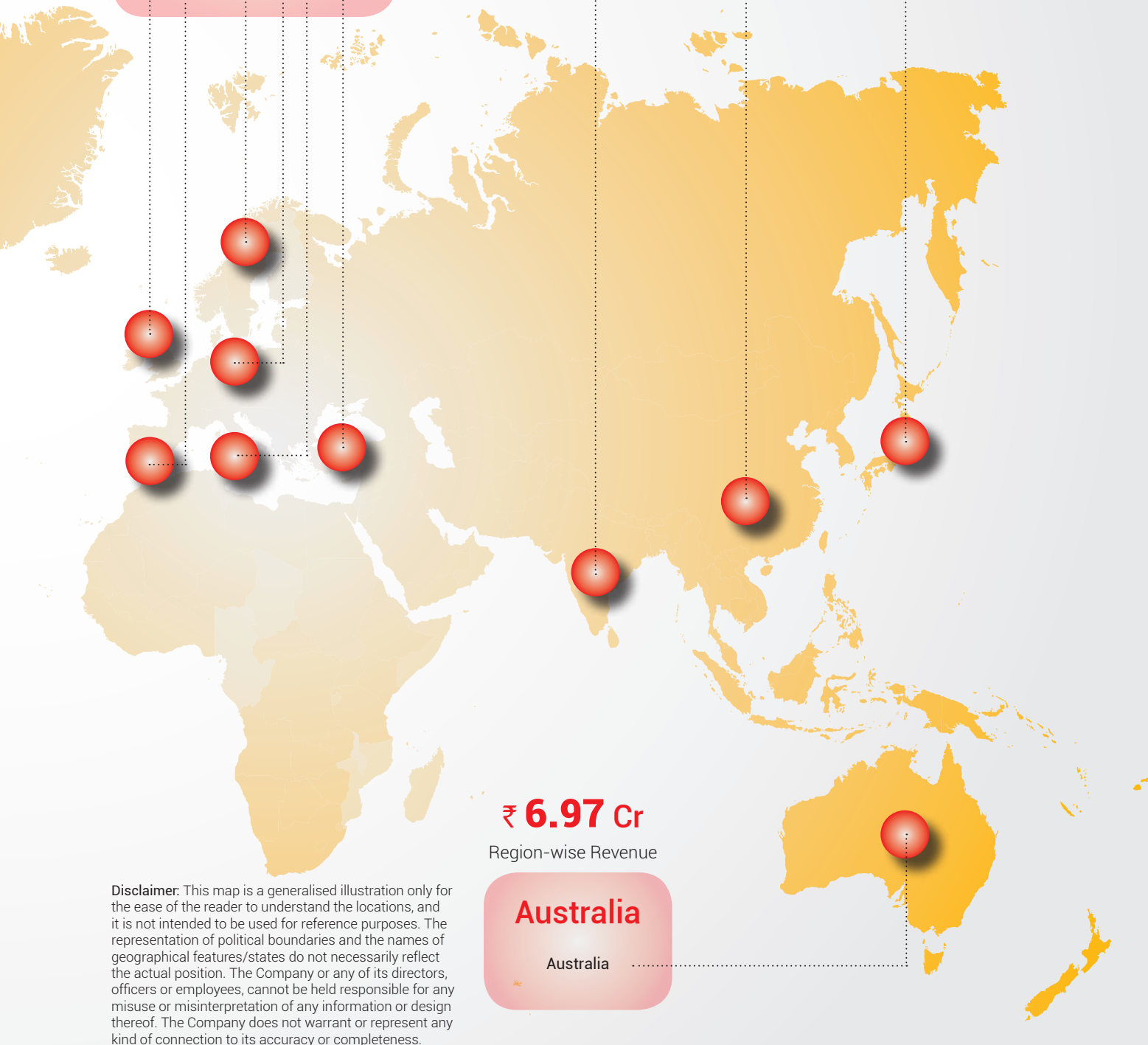
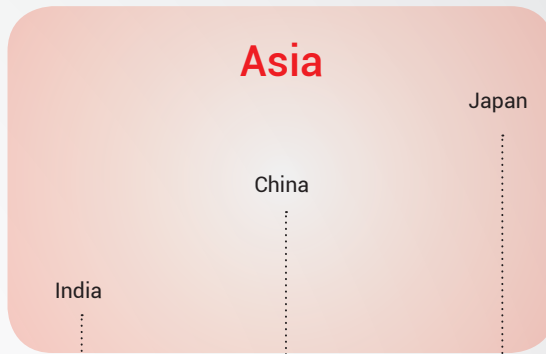
₹ **231.46 Cr**

Region-wise Revenue



₹ **523.26 Cr**

Region-wise Revenue



₹ **6.97 Cr**

Region-wise Revenue



**Disclaimer:** This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind of connection to its accuracy or completeness.

# Letter from the Chairman



## Dear Shareholders,

It gives me immense pleasure to share the performance of GNA Axles Private Limited for 2021-22 with all of you.

We navigated the horrific COVID-19-led pandemic and two subsequent waves by undertaking multiple measures to tackle these adversities. This, while keeping our workers as our top-most priority. Following these challenging times, the progressive nationwide economic performance was short-lived due to the global crisis fuelled by geopolitical tension between Ukraine and Russia. Though there were multiple setbacks, the Indian economy experienced a strong rebound during the year. Effective mass vaccination drives and Government initiatives led to this robust growth, post-recession.

The automotive market observed strong demand this year with growing investments from the FDIs. By 2030, India is expected to be one of the potential leaders in shared mobility. With the ease of pandemic-led restrictions on export business, we achieved significant progress. Additionally, the Government's Production-Linked Incentive (PLI) scheme aims to boost domestic manufacturing of automotive products, adding value to the automotive manufacturing value chain. Thus, bringing in growth prospects for the auto and auto component sector.

During the year, we experienced supply chain disruptions mainly in the shape of rising raw material prices. Yet, we remained resilient and accomplished strong financial results. GNA clocked a total net revenue of ₹ 1270.47 Cr,

**WE ARE COMMITTED TO  
SERVE OUR CUSTOMERS  
WITH TOP-QUALITY  
PRODUCTS, PRIORITISING  
INNOVATION IN PRODUCTS  
LINE AND ENHANCING THE  
SKILL OF OUR EMPLOYEES  
WITH TRAINING AND  
WORKSHOPS.**

a significant increase of 42.82% against ₹ 889.59 Cr in the year before. EBIDTA increased by 24.90% from ₹ 145.34 Cr in 2020-21, to ₹ 180.97 Cr in 2021-22, PAT stood at ₹ 88.79 Cr, recording an increase of 24.51% than ₹ 70.51 Cr in the previous year. We are optimistic about our future performance as we envisage a strong rebound in domestic and global Original Equipment Manufacturers (OEMs) demand. This is likely to be driven by a recovery in the US and Europe's CV and India's tractor markets. Given the strong overseas demand for export post-pandemic, we catered well to the demands backed by higher efficiencies and are determined to achieve further progress.

Our order book remains strong, due to diversified market presence which enables us to mitigate risks, helping us to avoid potential downturns. The domestic tractor demand has become more resilient. The overall distribution across the country during monsoon is anticipated to be good, which will further strengthen the rural economy, fuelling the growth of farm equipment. North American truck market is also expected to show double-digit growth within the next 18 months. Further, rapid recovery in the Indian MHCV truck segment will act as a tailwind for our growth trajectory.

With a strong emphasis on evolving consistently, we ensure that our world-class manufacturing facilities remain equipped with cutting-edge technologies. Backed by our expertise and manufacturing capabilities to deliver unmatched quality and reliability, we added capacity and maintained overall capacity utilisation levels at 75% during the year.

Going forward, our foray into the SUV segment would act as an incremental growth driver for our business. This would provide an additional growth avenue and de-risk our business model by reducing the cyclicity of the CV segment. Moreover, we plan to move into the domestic SUV segment during our second phase.

We are committed to serve our customers with top-quality products, prioritising innovation in products line and enhancing the skill of our employees with training and workshops. All of this, while also considering their health and improving the quality of their work life. This will not only help GNA to grow but also motivate our employees to deliver quality work. As we continue building on our experience, we benefit from our market understanding and customer insight to gauge better sales and effectively tap potential market opportunities. Thus, multiplying growth opportunities while ensuring customer satisfaction.

I and my leadership team would like to thank each and every person associated with our Company who believed in us and encouraged us to deliver a progressive performance. A special thanks to our vendors for their support. We will continue to build our business by following a future-ready approach, while strengthening our industry presence.

Best wishes,

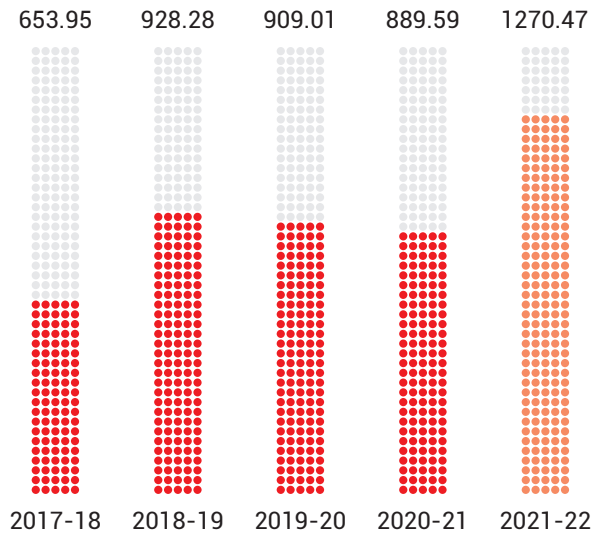
**Gursaran Singh**

**Chairman**

# Building on Our Stability

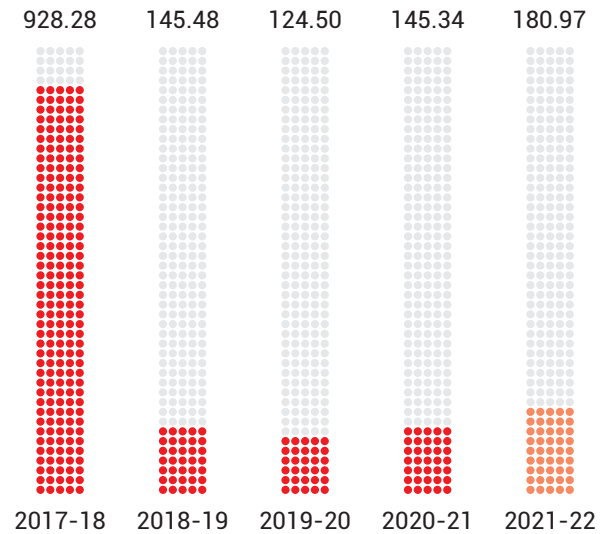
## FINANCIAL CAPABILITIES

**NET REVENUE FROM OPERATIONS** (₹ in Cr)



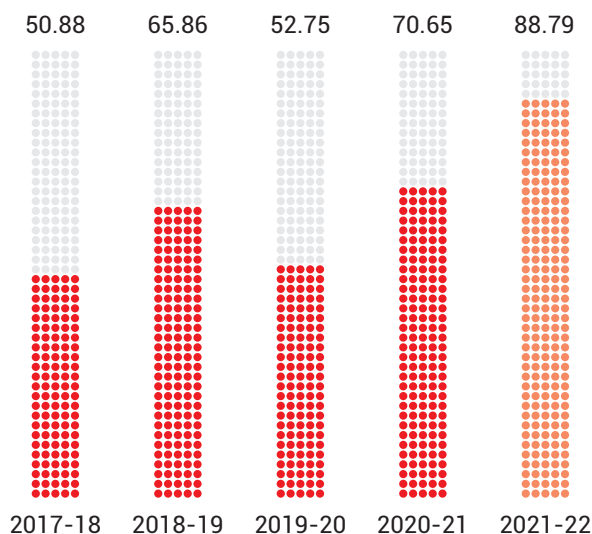
CAGR: 14.20%

**EBITDA** (₹ in Cr)



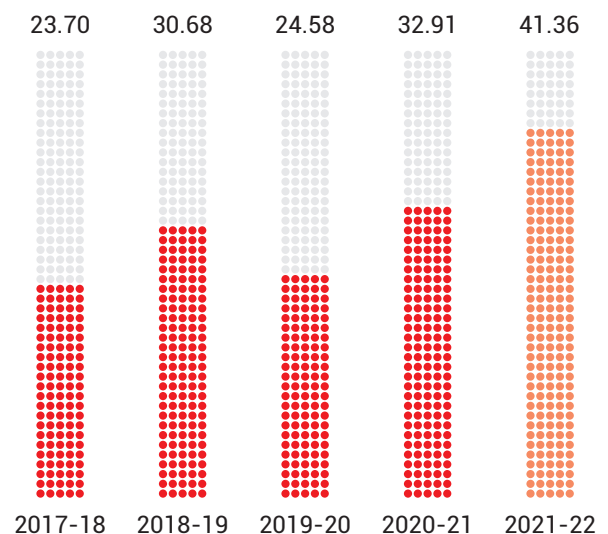
CAGR: 11.38%

**PAT** (₹ in Cr)

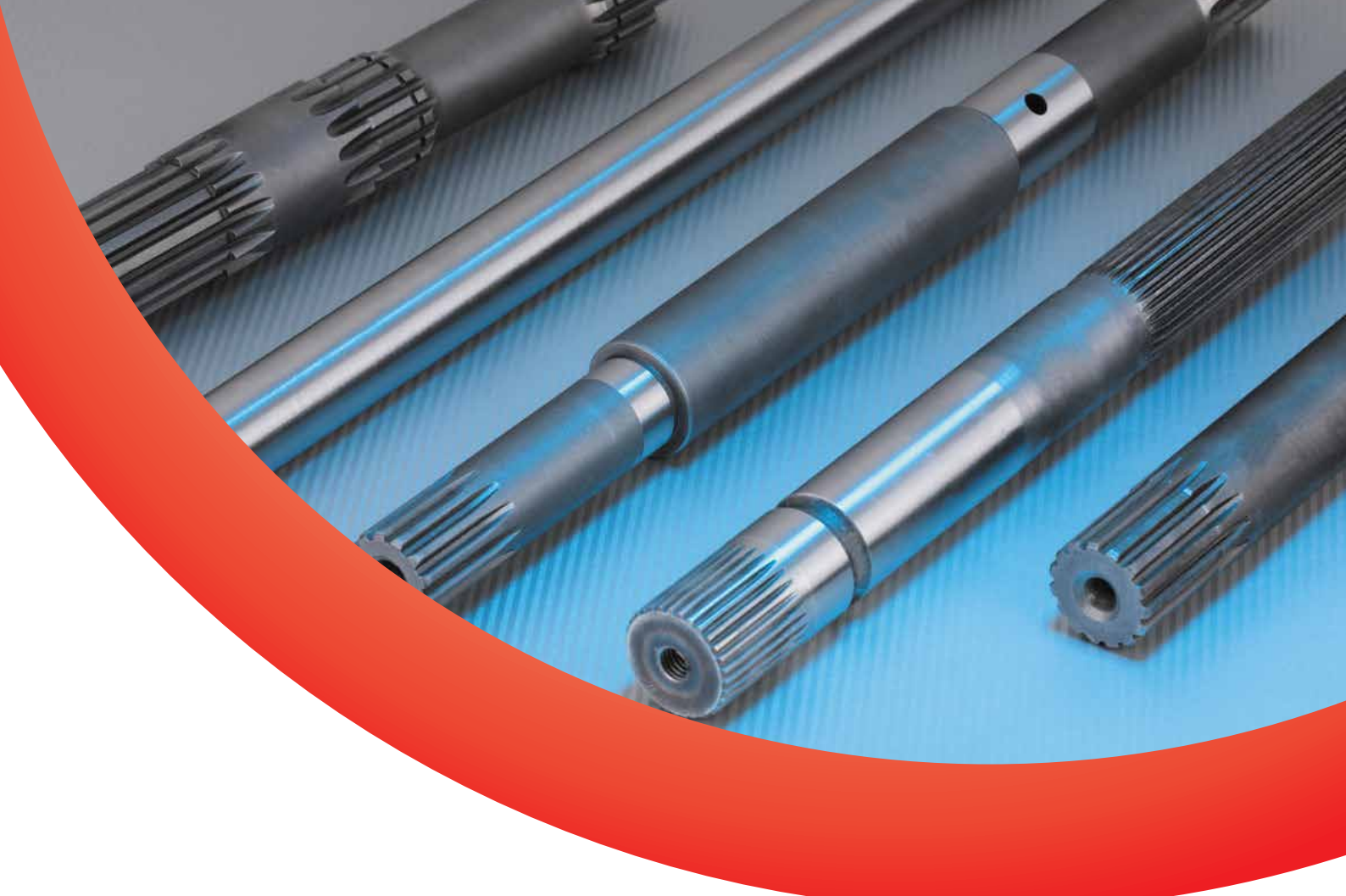


CAGR: 11.78%

**EPS** (₹)

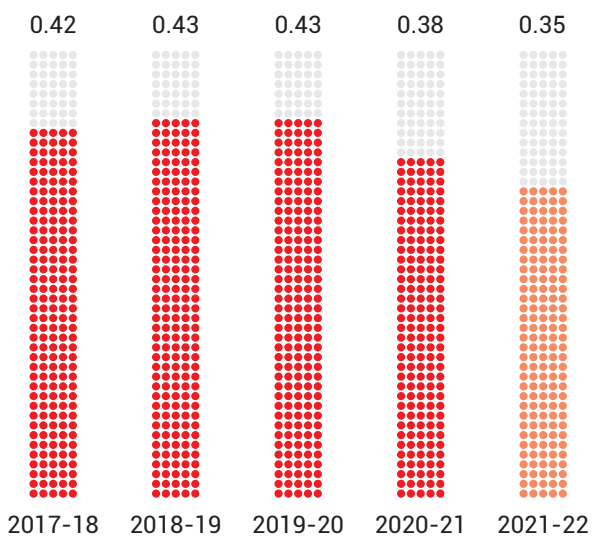


CAGR: 11.78%



NET DEBT-TO-EQUITY RATIO

(X)



REVENUE BREAK UP

(%)



● DOMESTIC  
**38.81**

● EXPORTS  
**61.19**

# Building on Our Commitment to the Environment, Society and Governance

## OUR ESG APPROACH - NURTURING HOLISTIC GROWTH, RESPONSIBLY

### Environment

#### Committed to Environment Conservation

Being among the leading and responsible automotive ancillary companies, we strive to perform our operations in an environment-friendly manner. And thus play a prominent role in contributing to environmental sustainability by monitoring and controlling our business' impact.

#### ADOPTING ENVIRONMENT-FRIENDLY PACKAGING

As a conscious step towards environment conservation, we have also started using reusable pallets for packing. This helps curtail the use of wood by replacing the wooden packing boxes with the reusable packing pallets.

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#### ADDRESSING CLIMATE ISSUES

We are in the process of replacing our Oil-Fired furnaces with Electrical furnaces to safeguard the environment by eliminating the release of harmful smoke to some extent. We have also installed material-gathering machines, which use electricity instead of conventional fuels and are efficient and economical - thus discouraging the use of furnaces.

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#### WATER CONSERVATION

We have installed rainwater harvesting system to conserve rainwater. The collected water is then efficiently deployed back to the ground, which helps in increasing the groundwater level.

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#### WASTE MANAGEMENT

At GNA, we ensure that the waste generated from manufacturing at our ancillaries is reused innovatively and the effluents are treated before they are discharged. By taking this approach we are contributing a bit to save environment.



# Social

## Committed to Community Building and Well-being of Our People

We intend to contribute beyond just our products to society. We are actively involved in developing the local communities we operate within, and one of our foremost priorities is to promote health and education in society. Our CSR programmes help the people and provide basic amenities to them.

### OUR PEOPLE

Our people are the backbone of our business, enabling us to become one of the leading automotive ancillary companies in the Automotive industry.

Employee safety is paramount for GNA. We ensure a safe and secure work environment for our people, enabling them to focus on excellence in performance and ensure compliance of operations with zero deviation. We provide opportunities for personal and professional growth to all our employees in line with our commitment to creating a work environment that nurtures and encourages people to perform, realise their potential, and feel appreciated.



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### COMMUNITY

We firmly believe that growth does not happen in isolation. For the individual growth of young people, it is vital to create an environment full of opportunities and development. As a responsible organisation, we strive to achieve the same by doing our bit for the community.





# Committed to Good Governance

## THE BOARD

**MR. RACHHPALL SINGH\***

Chairman &amp; Executive Director

\*(upto 15.07.2021)

**MR. GURSARAN SINGH**

Executive Chairman

**MR. JASVINDER SINGH**

Executive Vice Chairman

**MR. RANBIR SINGH**

CEO &amp; Managing Director

**MR. KULWIN SEEHRA**

Whole-time Director

**MR. HARWINDER SINGH**

Whole-time Director

**MR. GURDEEP SINGH**

Director

**MR. JASMINDER SINGH JOHAL**

Independent Director

**MR. RAJAN WADHERA\*\***

Independent Director

**AIR V MARSHAL S.S. HOTHI (RETD.) \*\***

Independent Director

**MR. ANISH KUMAR DHINGRA\***

Independent Director

**AIR COMMODORE SHAILINDRA SINGH KAUSHIK (RETD.)\***

Independent Director

**MR. VIKAS UPPAL\***

Independent Director

**MR. AJIT SINGH**

Independent Director

**MR. MANBHUPINDER SINGH ATWAL\***

Independent Director

**MRS. GEETA KHANNA\***

Independent Director

**LT. GENERAL PRAVEEN BAKSHI (RETD.)**

Independent Director

**MRS POOJA UPPAL\*\***

Independent Director

**MR. ASHWANI KUMAR MALHOTRA\*\***

Independent Director

\* upto June 9, 2022

\*\* w.e.f June 10, 2022

**Chief Financial Officer**

Mr. Rakesh Kumar

**Company Secretary**

Mr. Gourav Jain

**Auditors**M/s Harish & Co. | Chartered  
Accountants, Jalandhar**Bankers**Punjab National Bank  
Central Bank of India**Registered Office**GNA House, 1-C Chhoti  
Baradari Part II, Garha  
Road, Jalandhar,  
Ph: 0181 4630477**Corporate Office**VPO Mehtiana,  
Phagwara - Hoshiarpur Road,  
Dist. Hoshiarpur  
Ph: 01882 262273-79  
Fax: 01882 262280, 262302,  
Website: www.gnagroup.com**Registrar & Transfer Agent**M/s Linkintime India Private Limited  
(Unit: GNA Axles Limited)  
C - 101, 247 Park, LBS Marg Vikhroli  
(West) Mumbai 400 083  
Ph: 022 4918 6000  
Fax: 022 4918 6060  
Email: rnt.helpdesk@linkintime.co.in**Units****GNA Axles Limited (Unit I)**VPO Mehtiana  
Phagwara-Hoshiarpur Road  
Dist. Hoshiarpur**GNA Axles Limited (Unit II)**Village Gulab Garh Jattan  
Phagwara-Hoshiarpur Road  
Dist. Kapurthala

# Notice

## GNA AXLES LIMITED

Regd. Office: GNA HOUSE, 1-C Chhoti Baradari Part - II, Opposite Medical College, Garha Road Jalandhar 144001.

### ORDINARY BUSINESS

Notice is hereby given that **TWENTY NINTH ANNUAL GENERAL MEETING** of the shareholders of GNA Axles Limited will be held on Tuesday, 20th day of September, 2022 at 12:30 P.M through Audio Visual Means to transact the following business:-

### ORDINARY BUSINESS

- To receive, consider and adopt the Standalone and Consolidated Audited Balance Sheet as at March 31, 2022, statement of Profit & Loss for the year ended on that date, together with the report of Auditor's and Directors thereon.
- To declare dividend on Equity Shares.
- To appoint a Director in place of Mr. Ranbir Singh, (DIN 01572708) who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and being eligible, offers himself for reappointment.
- To appoint a Director in place of Mr. Gurdeep Singh, (DIN 01572748) who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and being eligible, offers himself for reappointment.
- To appoint a Director in place of Mr. Harwinder Seehra, (DIN 03522832) who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and being eligible, offers himself for reappointment.

By order of the Board  
FOR GNA AXLES LIMITED

Place: Mehtiana  
Dated: August 13, 2022

Gourav Jain  
(Company Secretary)

### NOTES:

- In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular No. 20 dated May 5, 2020 read with Circular No. 14 dated April 8, 2020 and Circular No. 17 dated April 13, 2020 (hereinafter collectively referred to as "MCA Circulars") permitted the holding of Annual General Meeting through VC or OAVM without the physical presence of Members at a common venue. In compliance with these MCA Circulars and the relevant provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual General Meeting of the Members of the Company is being held through VC/OAVM. The Company has availed the services of M/s Linkintime India Private Limited to facilitate the AGM through Audio Visual Means.
- Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip are not annexed to the Notice.
- Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorisation etc., authorising its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorisation shall be sent to the Scrutiniser by email through their registered email address to simran.cs@gmail.com with copies marked to the Company at gjain@gnagroup.com.
- Registration of email ID and Bank Account details:**  
In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent "RTA"/Depositories, log in details for e-voting are being sent on the registered email address.  
In case the shareholder has not registered his/her/their email address with the Company/its RTA/Depositories

**Notice (Contd.)**

and or not updated the Bank Account mandate for receipt of dividend, the following instructions to be followed:

(i) Kindly log in to the website of our RTA, Link Intime India Private Limited, [www.linkintime.co.in](http://www.linkintime.co.in) under Investor Services > Email/Bank detail Registration- fill in the details and upload the required documents and submit. OR

**(ii) In the case of Shares held in Demat mode:**

The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.

- 5) The Notice of the Annual General Meeting along with the Annual Report for the financial year 2021-22 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/ Depositories in accordance with the aforesaid MCA Circulars and circular issued by SEBI dated May 12, 2020. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2021-22 will also be available on the Company's website [www.gnagroup.com](http://www.gnagroup.com) websites of the Stock Exchanges i.e. National Stock Exchange of India Ltd and BSE Limited at [nseindia.com](http://nseindia.com) and [bseindia.com](http://bseindia.com) respectively. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.
- 6) Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.
- 7) Pursuant to the provisions of Section 91 of the Companies Act, 2013 the share transfer books of the Company shall remain closed from 14<sup>th</sup> September, 2022 to 20<sup>th</sup> September, 2022 (both days inclusive) for payment of dividend and Annual General Meeting.
- 8) The Remote E-Voting shall commence on September 17, 2022 at 9:00 AM and shall end on September 19, 2022 at 5:00 PM.
- 9) Members desiring any information, as regards Accounts, are requested to write to the Company at its Registered Office at least 10 days before the Annual General Meeting so as to enable the management to keep the information ready.
10. The relevant details, pursuant to Regulations 36(3) of the SEBI Listing Regulations and Secretarial Standard on

General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment/re-appointment at this AGM is also annexed.

11. Pursuant to the provisions of section 108 of the Companies Act, 2013, Rule 20 of Companies (Management and Administration) Rules, 2014, and Regulation 44 of the listing Regulation, the Company is pleased to provide Members facility to exercise their right to vote in respect of resolutions which are being considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Linkintime India Private Limited. . The Members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting'). Mrs. Harsimra Kaur (FCS-8174; CP No-9252) of Ms. H.K & Associates, Practicing Company Secretaries firm has been appointed as scrutinizer for remote e-voting and e-voting at the AGM.
12. The results of the e-voting shall be declared within the prescribed timelines.

**Remote e-Voting Instructions for shareholders post change in the Login mechanism for Individual shareholders holding securities in demat mode, pursuant to SEBI circular dated December 9, 2020:**

As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

**Login method for Individual shareholders holding securities in demat mode is given below:**

1. Individual Shareholders holding securities in demat mode with NSDL
  1. Existing IDeAS user can visit the e-Services website of NSDL viz... <https://eservices.nsd.com> either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider **name**

## Notice (Contd.)

**i.e. LINKINTIME** and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period.

2. If you are not registered for IDeAS e-Services, option to register is available at <https://eservices.nsd.com> Select "Register Online for IDeAS Portal" or click at <https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp>
3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://eservices.nsd.com> either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name **i.e. LINKINTIME** and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.
2. Individual Shareholders holding securities in demat mode with CDSL
  1. Existing users who have opted for Easi / Easiest, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <https://web.cdslindia.com/myeasi/home/login> or [www.cdslindia.com](http://www.cdslindia.com) and click on New System Myeasi.
  2. After successful login of Easi/Easiest the user will be able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.
  3. If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>.
  4. Alternatively, the user can directly access e-Voting page by providing demat account number and PAN No. from a link in [www.cdslindia.com](http://www.cdslindia.com) home page. The system will authenticate the user by sending

OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

3. Individual Shareholders (holding securities in demat mode) login through their depository participants  
You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name **i.e. LINKINTIME** and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

### **Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:**

Individual Shareholders of the Company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>
2. Click on "**Sign Up**" under '**SHARE HOLDER**' tab and register with your following details: -
  - A. User ID:**  
Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. **Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.**
  - B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
  - C. DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

## Notice (Contd.)

**D. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/ Company.

*\*Shareholders holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above*

*\*Shareholders holding shares in **NSDL form**, shall provide 'D' above*

- ▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%\*), at least one numeral, at least one alphabet and at least one capital letter).
  - ▶ Click "confirm" (Your password is now generated).
3. Click on 'Login' under '**SHARE HOLDER**' tab.
  4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on '**Submit**'.

### Cast your vote electronically:

1. After successful login, you will be able to see the notification for e-voting. Select '**View**' icon.
2. E-voting page will appear.
3. Refer the Resolution description and cast your vote by selecting your desired option '**Favour / Against**' (If you wish to view the entire Resolution details, click on the '**View Resolution**' file link).
4. After selecting the desired option i.e. Favour / Against, click on '**Submit**'. A confirmation box will be displayed. If you wish to confirm your vote, click on '**Yes**', else to change your vote, click on 'No' and accordingly modify your vote.

### Guidelines for Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LI IPL at <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutiniser to verify the same.

### Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at

[enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 - 4918 6000.

### Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 22- 23058542-43.

### Individual Shareholders holding securities in Physical mode has forgotten the password:

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- o Click on '**Login**' under '**SHARE HOLDER**' tab and further Click '**forgot password?**'
- o Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

*In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain minimum 8 characters, at least one special character (@!#\$%\*), at least one numeral, at least one alphabet and at least one capital letter.*

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

### Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password

## Notice (Contd.)

option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

### Process and manner for attending the Annual General Meeting through InstaMeet:

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>
- ▶ Select the **"Company"** and **'Event Date'** and register with your following details: -
  - A. Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No
    - Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
    - Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
    - Shareholders/ members holding shares in **physical form shall provide** Folio Number registered with the Company
  - B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
  - C. Mobile No.:** Enter your mobile number.
  - D. Email ID:** Enter your email id, as recorded with your DP/Company.
- ▶ Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

### Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance

with the Company on the email id [gjain@gnagroup.com](mailto:gjain@gnagroup.com).

2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

### Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutiniser/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote

## Notice (Contd.)

e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a

good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022-49186175.



## Annexure to Notice

### Brief Resume of Directors seeking re-appointment at the ensuing AGM (Retiring by Rotation)

Name of Director and DIN	Mr. Ranbir Singh (DIN 01572708)	Mr. Gurdeep Singh (DIN 01572748)	Mr. Harwinder Singh Sehra (DIN 03522832)
a) Date of Birth	04-12-1961	04-01-1967	18-10-1982
b) Nationality	Indian	Indian	Indian
c) Qualification	Graduate	Graduate	Graduate
d) Shareholding in the Company	32,06,548 Equity Shares 14.94 %	31,35,406 Equity Shares 14.61 %	4985 Equity Shares 0.02%
e) Directorship in other Listed Companies	1. Sukhjit Starch and Chemicals Limited	NIL	NIL
f) Membership in committees of other Listed Companies	1. Audit Committee of Sukhjit Starch & Chemicals Limited. 2. Nomination and Remuneration Committee of Sukhjit Starch & Chemicals Limited. 3. Stakeholders Relationship Committee of Sukhjit Starch & Chemicals Limited.	NIL	NIL
g) Date of appointment	Mr. Ranbir Singh was appointed as a Director on 6th September, 1993 and later Managing Director w.e.f 26th July, 2021	Mr. Gurdeep Singh was appointed as a Director on 6th September, 1993	Mr. Harwinder Singh Sehra has been appointed as Director on 1st April, 2011.
h) Experience in Specific Functional area	Mr. Ranbir Singh has experience of more than 36 years in the auto component industry.	Mr. Gurdeep Singh has experience of more than 33 years in the auto component industry.	Mr. Harwinder Singh Sehra has an experience of more than 11 years.
i) Disclosure of relationship between Directors	Except Mr. Gursaran Singh, Mr. Gurdeep Singh and Mr. Kulwin Sehra none of the Directors of the Company is related to Mr. Ranbir Singh.	Except Mr. Gursaran Singh, and Mr. Ranbir Singh none of the Directors of the Company is related to Mr. Gurdeep Singh.	Except Mr. Jasvinder Singh none of the Directors of the Company is related to Mr. Harwinder Singh Sehra

# Management Discussion and Analysis Report

## GLOBAL ECONOMY

The Global economy saw itself on its way back to growth in the year 2021 on account of robust demand from across the sectors which was generated by the various favourable policies and packages given by the Central Banks across the globe in their respective countries. According to the IMF, the global economic output grew by 6.1%, following a contraction of 3.4% in 2020. With the fading of lockdown restrictions and economic activities regaining momentum, consumer spending experienced an upswing. While the Global economy was still getting out of the woods, the geo political situation arising from the conflict of Russia and Ukraine played a spoilsport and led to the unprecedented increase in the Commodity prices. This also led to the rise in inflation due to disruption of supplies and increase in the food, oil and gas prices across the globe. Owing to the increase in inflation the various central banks and started taking tightening measures to tame inflation.

## INDIAN ECONOMY

The Indian Economy witnesses a GDP growth of 8.7% as compared to a contraction in 2020-21. The growth registered by the Indian Economy was backed by the Stimulus package given by the Government and policy changes brought in by the Government to tackle the health of the Economy after the onslaught of COVID -19. All this led to India becoming the fastest growing Economy of the World. Indian economy, in real GDP terms, expanded by 8.7% in 2021-22 to be worth ₹ 147.36 Lacs Cr. The Union Budget 2022-23 also announced substantial investment in agriculture sector. An estimated budget of ₹ 68,000 Cr for PM-KISAN, while all other programmes of the Ministry of Agriculture and Farmers' Welfare including interest subsidy and crop insurance, have been allocated ₹ 64,514 Cr in 2022-23. Moving forward, India is on its way to becoming one of the fastest growing major economies, backed by favourable fiscal policies, deregulation of industries, abolishment of retrospective taxes etc. There are certain downside risks also like inflation, the political issues concerning the world and higher interest rates. However, we expect India to show resilience in the future.

## INDUSTRY OVERVIEW

The Company manufactures and markets Rear Axle Shafts, Spindles and Drive Shafts for Tractors and Commercial

Vehicles. The Business of the Company is predominantly dependent on the prospects of the Tractor and Commercial Vehicle Industry, both in India and abroad. As per Tractor Manufacturers Association the number of tractors sold in 2021-22 was 970862. The year under review saw tractor sales dip by around 6% as compared to last year as the base of 2020-21 was quite High as it saw a growth of around 27% in 2020-21. Although the tractor Industry saw a degrowth in the year under review your company was able to increase its share of business with the tractor OEM's. The mid to long term outlook for the Indian tractor industry is positive. The industry is seeing an upswing with harvesting of crops underway and expectations of a bumper crop this rabi season. Acreage of summer crop which is sown between Rabi and Kharif season has crossed last year's level which is also promising for the farmer community. The Commercial vehicle market (MHCV and LCV) in India posted a growth of 26% as compared to 2020-21, which was led by 49.7% growth in M&HCV segment & 16.7% growth in LCV segments. The total number of CV sold in 2021-22 was around 716566 as compared to 568559 in 2020-21. (Source SIAM). The demand from the CV Industry improved from the second half of the 2021-22 which was showed by higher GST collections, increase in freight rates, and increase in the passenger traffic. Overall demand for MHCVs continued to rise while & LCVs lagged. The increase in demand from the Commercial Vehicle OEM's helped the Company to increase its sales to CV OEM's. Your Company worked as one team to overcome the challenges and ramp up the operations with singleminded focus and agility to fulfill the demand. The demand from the export markets, both from Tractor and Commercial Vehicle OEM's, was robust during the Financial Year 2022 and the Company was able to post a volume growth of around 44% for the components sold in export markets. Overall the auto component industry grew by around 15% in the 2021-2022 on the back of increased demand from the domestic OEM's, exports volumes. The china + 1 strategy is also a factor in the growth of Indian Auto Components Industry. We expect the domestic auto component industry to post growth in the current Financial year also inspite of the present geopolitical situation, supply chain issues, higher commodity prices etc.

## Management Discussion and Analysis Report (Contd.)

### BUSINESS OVERVIEW

The Brief Summary of the operational and financial performance of the Company is given below:-

#### Product Wise Volume Distribution

Product Types	No. Of Pcs in Lacs			
	2021-2022		2020-2021	
	Domestic	Exports	Domestic	Exports
Rear Axle Shafts	16.40	17.75	15.42	12.30
Spindles	2.09	4.61	1.64	3.05
Drive Shafts	2.07	1.68	1.86	1.29
<b>Total</b>	<b>20.56</b>	<b>24.04</b>	<b>18.92</b>	<b>16.64</b>

#### Segmentwise distribution

Segments	No. Of Pcs in Lacs			
	2021-2022		2020-2021	
	Domestic	Exports	Domestic	Exports
Off Highway	17.28	3.50	16.34	2.47
CV	3.28	20.54	2.58	14.17
<b>Total</b>	<b>20.56</b>	<b>24.04</b>	<b>18.92</b>	<b>16.64</b>

Amount (₹ in Cr)

Geography-wise Revenue from operations	2021-2022	2020-2021
Exports	760.52	493.57
Domestic	482.27	388.77
<b>Total</b>	<b>1242.79</b>	<b>882.34</b>

Amount (₹ in Cr)

Financial Highlights	2021-2022	2020-2021
Total operating Revenue	1270.47	889.59
Profit Before Depreciation, Interest and Tax	181.53	145.34
Financial Costs	11.23	8.54
Depreciation	49.71	40.72
Profit before Tax	120.59	96.08
Tax Expense	31.80	25.43
Profit after tax	88.79	70.65
Earnings Per Share		
- Basic	41.36	32.91
- Diluted	41.36	32.91

### KEY FINANCIAL RATIOS

The Company has identified the following ratios as key financial ratios:

Sr. No	Particulars	2021-22	2020-21	Explanation for Significant Change
1	Debtors Turnover Ratio (Times)	2.72	2.36	-
2	Inventory Turnover Ratio (Times)	6.69	5.28	Ratio has improved as there is more than 42.85% increase in Revenue over previous year.
3	Interest Coverage Ratio (Times)	15.18	16.02	-
4	Current Ratio (Times)	1.60	1.46	-

## Management Discussion and Analysis Report (Contd.)

Sr. No	Particulars	2021-22	2020-21	Explanation for Significant Change
5	Debt Equity Ratio (Times)	0.35	0.33	-
6	Operating Profit Margin (%)	14.24	16.17	-
7	Net Profit Margin (%)	7.15	8.13	-
8	Return on Net Worth (%)	14.93	13.62	-

### Market and Business Outlook in 2022-23

We expect the tractor industry in India to grow in single digits in the Financial year 2022-23 and the Commercial Vehicle segment to grow by round 10-15% as compared to the previous year. We are quite hopeful and will strive to grow in line with the growth of the market and will also focus on increasing our market share across segments in which we operate both in domestic as well as export markets.

We will also continue to focus on new product development and various cost reduction initiatives by improving and optimising our manufacturing processes and techniques. We will also continue to expand our market share across our customers by focussing on cost effective measures, productivity and quality.

### Opportunities and Threats

It is expected that India will grow faster and ahead of the other economies of the World in the current decade which will give rise to new and manifold opportunities. The Auto component Industry is going to be a big beneficiary of India being made a global hub of Automobile and Auto Component manufacturing. Adapting to the required changes to grab the new opportunities, the Company will be in a strategic position to reap the benefits of globalisation and sourcing of auto components from India by the global OEM's. The escalation of geopolitical tensions, which have led to a broad-based increase in global commodity prices. The Auto Component Industry continues to face business risks related to the higher input costs, supply chain and changing customer preferences. Any delay in the economic recovery coupled with increase in the commodity prices and forex volatility are some of the major risks and headwinds which are being confronted.

### Human Resource

The Company believes that human resources is the strong foundation for creating endless possibilities for its business. Our employees are our prime assets and are instrumental and vital to our success. We nurture our people by investing in their empowerment through learning and development, wellness and safety besides providing contemporary workplace facilities. We are committed to create a professional culture

which enables our employees to grow in their career along with the growth of the organisation. We continue to step up efforts to accelerate our value-based growth strategy and the overall development of our employees and continue to engage them in various initiatives of development and learning opportunities, reward and recognition and their career growth. The Company employed 1370 employees as at the end of the financial year 2021-2022.

### Quality, Efficiency & Delivery

During the year under review, we undertook various measures to reflect our strong endeavour towards quality commitment, efficiency and deliveries.

- In-house execution of manufacturing processes to monitor product quality, control production costs and maintain delivery schedules
- Trained and certified several employees with Six Sigma Certified Black Belts (Level I).
- Improving forging efficiency to increase capacity utilisation
- Better relations with vendors for achieving quality, costs and delivery objectives with the help of regular vendor Audits.
- Centralised approach towards sourcing and vendor management ensuring economies of scale in raw material procurement, especially steel
- Special focus on products packaging to meet customers' requirements. Due consideration given to the mode of transportation and destination, ensuring timely deliveries.

### Technology and Automation

Technology define one's competitive edge in the market. The Company realises that and has been investing in technological upgradation and also fine-tuning the systems and processes to ensure that those are in sync with the technology platforms. Thus, helping us provide a variety of customer specifications. The forging facilities are supported by robots. We intend to invest in automation for most stages of production process. This will help ensure optimal use of resources, reduction of industrial risk to human workers,

## Management Discussion and Analysis Report (Contd.)

economies of scale and significantly higher accuracy in the overall manufacturing and design of products.

### Internal Control Systems

The Company has devised and designed proper and adequate Internal Control Systems which are commensurate with its size and nature of operations and ensures that it is integrated with our financial and operating systems which directs in a more effective manner. The Internal Audit function of the Company reviews the Compliance of the established designs of Internal Control and the shortfalls and discrepancies, if any, are looked upon into and tracked for closure. The summary of the Internal Audit findings and status of implementation of action plans for risk mitigation, are submitted to the Audit Committee every quarter for review, and concerns around residual risks if any, are presented to the Board.

### Cautionary Statement

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking' within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied. Important factors that could make a difference to the Company's operations include global economy, political stability, stock performance on stock markets, changes in Government regulations, tax regimes, economic developments and other incidental factors. Except as required by law, the Company does not undertake to update any forward looking statements to reflect future events or circumstances. Investors are advised to exercise due care and caution while interpreting these statements.

## Annual Business Responsibility Report (2021-22)

### PART A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L29130PB1993PLC013684
2	Name of the Company	GNA Axles Limited
3	Registered address	GNA House, 1-C Chhoti Baradari - II Garha Road Jalandhar 144001 Punjab
4	Website	<a href="http://www.gnagroup.com">www.gnagroup.com</a>
5	Email Address	gjain@gnagroup.com
6	Financial Year Reported	2021-2022
7	Sector(s) that the Company is engaged in	Auto Components
8	List three key products/services that the Company manufactures	Rear Axle Shafts, Spindles and Drive Shafts
9	Total number of locations where business activity is undertaken by the Company	Mehtiana Dist. Hoshiarpur and Gulabgarh Jattan Dist. Kapurthala in Punjab
10	Markets served by the Company	India and 14 countries around the world

### PART B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital	21.47 Cr
2	Total Turnover	1270.47 Cr
3	Total profit after taxes	88.79 Cr
4	Total spending on (CSR) as % of PAT	Refer Annual Report on CSR Activities
5	List of activities in which CSR expenditure has been incurred	Refer Annual Report on CSR Activities

### PART C : OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies	YES
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company	NO
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	NO

### PART D : BR INFORMATION

<b>1</b>	<b>Details of Directors (s) responsible for BR</b>	
<b>a)</b>	Details of the Director/Directors responsible for implementation of the BR policy/ policies	
	DIN Number	01572708
	Name	Mr. Ranbir Singh
	Designation	Managing Director & CEO
<b>b)</b>	<b>Details of the BR Head:</b>	
	DIN Number	01572708
	Name	Mr. Ranbir Singh
	Designation	Managing Director & CEO
	Telephone Number	01882-262273
	Email ID	ranbir@gnagroup.com

## Annual Business Responsibility Report (2021-22) (Contd.)

### Principle-wise (as per NVGs) BR Policy

The Company's policies are in line with the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) which provides for the following (09) nine areas of Business Responsibility to be adopted by the organisations:-

**Principle 1 :** Business should conduct and govern themselves with ethics, transparency and accountability.

**Principle 2 :** Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

**Principle 3 :** Business should promote the well being of all employees.

**Principle 4 :** Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

**Principle 5 :** Businesses should respect and promote human rights.

**Principle 6 :** Businesses should respect, protect and make efforts to restore the environment.

**Principle 7 :** Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.

**Principle 8 :** Businesses should support inclusive growth and equitable development.

**Principle 9 :** Businesses should engage with and provide value to their customers and consumers in a responsible manner

### a) Details of Compliances (Reply in Y/N)

S. No	Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy / policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with relevant stakeholders	Y	Y	Y	Y	NA	Y	Y	Y	Y
3	Does the policy conform to any national / international standards	Y	-	Y	-	Y	Y	-	Y	-
4	Has the policy being approved by the Board	Y	-	Y	-	-	Y	-	Y	-
5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy	Y	-	Y	-	-	Y	-	Y	-
6	Indicate the link for the policy to be viewed online?	Copies of the policy will be made available on receipt of written request from stakeholders	Copies of the policy will be made available on receipt of written request from stakeholders	Copies of the policy will be made available on receipt of written request from stakeholders	Copies of the policy will be made available on receipt of written request from stakeholders	Copies of the policy will be made available on receipt of written request from stakeholders	Copies of the policy will be made available on receipt of written request from stakeholders	Copies of the policy will be made available on receipt of written request from stakeholders	Copies of the policy will be made available on receipt of written request from stakeholders	Copies of the policy will be made available on receipt of written request from stakeholders
7	Has the policy been formally communicated to all relevant internal and external stakeholders	Y	Y	Y	-	-	Y	-	Y	-

**Annual Business Responsibility Report (2021-22) (Contd.)**

S. No	Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
8	Does the Company have in-house structure to implement the policy/policies	Y	Y	Y	-	-	Y	-	Y	-
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievance related to the policy/ policies	Y	Y	Y	Y	-	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency	The policies are evaluated internally from time to time and updated whenever required	The policies are evaluated internally from time to time and updated whenever required	The policies are evaluated internally from time to time and updated whenever required	The policies are evaluated internally from time to time and updated whenever required	The policies are evaluated internally from time to time and updated whenever required	The policies are evaluated internally from time to time and updated whenever required	The policies are evaluated internally from time to time and updated whenever required	The policies are evaluated internally from time to time and updated whenever required	The policies are evaluated internally from time to time and updated whenever required

**(b) If answer to the question at serial number 1 against any principle, is NO, please explain why : (Tick up to 2 options)**

S. No	Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles.	NA	NA	NA	NA	NA	NA	NA	NA	NA
3	The Company does not have financial or manpower resources available for the task	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	It is planned to be done within next 6 months	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	It is planned to be done within the next 1 year	NA	NA	NA	NA	NA	NA	NA	NA	NA
6	Any other reason (please specify	NA	NA	NA	NA	NA	NA	NA	NA	NA

**PRINCIPLE 1**

**Business should conduct and govern themselves with ethics, transparency and accountability:**

The Business at GNA is driven by the certain professional ethics like trust, transparency integrity and credibility. The Company is transparent and compliant with the laws of the land and do not compromise on professional ethics and follows zero tolerance for bribery and corruption. The company has formulated the Code of Conduct which is applicable to the Company as a whole. This Code of Conduct covers the exhaustive list of topics like anti-bribery, anti-

corruption, the prevention of sexual harassment at the work place, and other similar laws of the land. This CoC is applicable to all the employees of the Company at all levels. This Code of Conduct is reviewed periodically and required changes are made in it as per the requirements. Failure to comply with the code leads to disciplinary action. The Company adheres to all the applicable Statutory and regulatory rules and ensures its compliance to the law of the land and breach of the same is viewed seriously by the Management and appropriate action is taken.



## Annual Business Responsibility Report (2021-22) (Contd.)

The company has also formulated the whistle blower policy to enable its employees to raise their concerns in a responsible and effective manner. During the year no complaint was received with respect to the above mentioned policy.

GNA has also formulated a Code of Conduct for its Board of Directors and other Senior Management to ensure the highest ethical standards to manage the affairs of the Company. The the Directors and senior management personnel have affirmed compliance with the said code. The Annual Report contains declaration to the said effect signed by the Managing Director of the Company.

### PRINCIPLE 2

**Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle:**

The Sustainable Business Model and the framework driving towards identifying and implementation of strategies that add value to the lives of numerous people linked, directly or indirectly, with the organisation is a core strength of GNA. The Company provides and maintains a clean, safe, and healthy work environment for employees, customers, investors and other stakeholders. The Company has its dedicated Development section which works tirelessly to reduce the cost for the products of the Company and ensures that the products of the Company are safe and have sustainable product life. As the Company is a preferred OEM supplier and supplies its products to renowned OEM customers both in India and in overseas markets, the company has to adhere to best manufacturing practices so as to ensure the best quality for its products as the products of the company are safety items in their respective use. As result of ongoing improvements the company has been absorbing and localizing the latest technology in production and process with the help of importing of latest machinery & allied equipments.

The company gives preference to local vendors wherever possible and procures the material from those vendors who are close to its plants. The main raw material, i.e Steel, is sourced by the Company from the vendors which are approved by its customers and which are adhering to certain quality standards like ISO, TS etc so as to maintain the continuity of supplies.

The Company always strives to meet the highest standards of precision and customer satisfaction by improving the existing processes and by setting up the world class manufacturing facilities with best available machining set up. Owing to these, the Company has been able to derive benefits like

improvement of the product quality, eliminating wastages, reducing the consumption of the Raw Material and reducing the overall cost of production. Further Quality Council is looking after other process improvement activities. For sustainable development and business growth, our focus and objectives are towards a clean environment at the work place and the surroundings. Attempts are made to reduce, reuse, and recycle, for elimination of waste resulting in efficient use of available resources. The Company has rationalised consumption of electricity and usage of natural resources to save energy.

The waste generated at the Company's plants is managed as per water disposal processes and rules. It is our earnest desire to replenish ground water and we have been continuously investing in water conservation initiatives. Since 2005, we are working on ground water recharge and have installed Rain Water Harvesting Systems (RWH) within our premises.

### PRINCIPLE 3

**Business should promote the well being of all employees:**

In a world where everything else is equal, human effort makes all the difference. We place immense value on our workforce and consider it our biggest, most valuable asset. At GNA, we have a culture of empowerment that values and respects individual potential and helps each one achieve it to the fullest. We continuously strive to improve quality of work-life for total job satisfaction and social harmony for the employees.

As on March 31, 2022, the Company had a total of 1,370 full time employees on its rolls. The Company has 7 women employees. There was no employee with permanent disability. The Company does not have any employee association that has been recognised by the management.

The Company provides safe and hygienic environment for its employees. No Child labour has been employed by the Company. The Company has a Policy for Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace and has constituted an Internal Complaints Committee, which is in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013. The said policy is in line with relevant Act passed by the Parliament in 2013. The Company has not received any complaints relating to child labour, forced labour, and involuntary labour.

**Annual Business Responsibility Report (2021-22) (Contd.)**

During the year, the Company trained 179 employees and 8 training programmes were imparted by the Company to its employees for enhancing their skill levels.

**PRINCIPLE 4**

**Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.**

The Company has mapped its key stakeholders comprising of promoters, employees, customers, business associates, investors (including shareholders), lenders, suppliers, regulatory agencies, local communities surrounding our factories, CSR implementing agencies etc. The Company values the support of all its stakeholders and respects their interest and concerns. The Company identifies the communities around its manufacturing facilities with focus on elderly, children, women from these communities. Through our CSR programmes we continuously strive to help the and support the marginalised people by supporting in the field of Education, Rural development, eradication of hunger, women empowerment etc. We have also extended support towards following social issues; Ensuring formal education to underprivileged children Improving access to health care.

**PRINCIPLE 5**

**Businesses should respect and promote human rights.**

GNA, as a responsible corporate citizen remain committed to its efforts to ensure compliance to all the human rights laws framed under the Constitution of India and other Statutes. The Company has not received any complaint pertaining to violation of human rights from stakeholders in this regard.

**PRINCIPLE 6**

**Businesses should respect, protect and make efforts to restore the environment.**

The Company always strives to pay back to the environment. GNA has implemented stringent standards and policies for Environment, Health and Safety in both of manufacturing units. The promotes green environment by adopting the electronic mode of communication internally and also with its various stakeholders including shareholders by sending the Annual Reports and other communications electronically. The Environmental Policy of the Company extends to all the units of the Company. The Company has replaced its furnaces using the Diesel and Furnace Oils as fuel with electricity and

has been also using the metal gathering machines which uses electricity in place of fossil fuels. The use of these machines has helped the Company in to clean the environment as the pollution caused by the fossil fuels has been negated. We have also set up Effluent Treatment Plant (ETP) which utilise advanced technology to treat 0.1 million KL of water annually. The Company uses equipment and technologies that reduces waste, consume less electricity and are energy efficient.

The Company strives to comply with all legal / regulatory requirements related to environment protection, management and sustainable development. The emissions and wastages generated by the Company are well within the permissible limits laid out by the Pollution Control Boards. The Company has not received any legal notice from the CPCB / SPCB during the year under review.

**PRINCIPLE 7**

**Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.**

GNA is the member of the following trade and chamber associations:

- a. Federation of Indian Chambers of Commerce and Industry (FICCI), Delhi
- b. Confederation of Indian Industries (CII), Delhi
- c. The Associated Chambers Of Commerce and Industry of India (ASSOCHAM)
- d. Association of Indian Forging Industry (AIFI)
- e. Automotive Components Manufacturers Association of India (ACMA, New Delhi)
- f. Engineering Export Promotion Council of India
- g. PHD Chambers of Commerce and Industries
- h. Indo German Chambers of Commerce

The Company being a Industrial House is always concerned or interested in the policies effecting the auto component industry. These platforms are utilised to update the industry concerns to the relevant government offices through seminars, delegations and memorandums. Through these forums, we also provide our inputs sought by the State & Central Governments related to the current problems faced by the industry, future prospects and policy imperatives required to overcome bottlenecks. These forums are used to advance the cause of the industry and are not used to take up company specific issues.

## Annual Business Responsibility Report (2021-22) (Contd.)

### PRINCIPLE 8

#### Businesses should support inclusive growth and equitable development.

**GNA** has always believed in inclusive growth and equitable development. The CSR activities undertaken by the Company mirror the philosophy of the founder of GNA Group Late S. Amar Singh ji which always advocated the inclusive growth of all the people, promoting health and family welfare, imparting quality education, taking care of the elderly and those who need most. The Company has partnered with various Charitable organisations and NGO's for implementing its CSR objectives like Civil Hospitals in Hoshiarpur and Phagwara, Bibi Kaulan ji Bhalai Kender Trust, Shri Guru Gobind Singh Charitable Trust, People for Animals, Welfare Association HBC Bindraban, Mehtiana, Helpage India NGO at Phagwara.

The following major programmes have been implemented:

- The Company has worked for and donated amount for construction of school for the poor and needy children by Guru Gobind Singh Charitable Trust.
- The Company also partnered with Dist. Administration at Hoshiarpur, Kapurthala and Jalandhar to provide COVID relief materials and has also donated generator sets, Oxygen generators, oximeters, mask and allied COVID-19 relief items to Local administration to fight COVID-19.
- The Company has donated amount for the construction of old age home by Helpage India at Phagwara.
- The Company has donated amount to Bibi Kaulan ji Bhalai Kender Trust which runs charitable schools for the needy, charitable hospitals, given rations to the poor and needy widows and poor.
- The Company has also been organizing the Health Check up and Eye Camps in the villages where the units of the Company are situated for the benefit of the villagers.

All the programmes/projects under the Corporate Social Responsibility Policy of the Company are undertaken through external NGOs and other organisations namely as named above. The Company has partnered with those NGO's which have a regular track record while extending its CSR contribution. The Company's officials regularly conduct site visits to assess the overall progress of the project.

The Company has contributed approximately ₹ 173.37 Lacs towards various Corporate Social Responsibility projects

### PRINCIPLE 9

#### Businesses should engage with and provide value to their customers and consumers in a responsible manner:

Customer centric is one of the core values of the Company. We always try to offer best quality to our customers and match the required standards with prime focus on developing memorable customer experience. The Company has been constantly investing in upgrading technology and in acquiring new technology so as to meet customer expectations. We consistently work to improve customer satisfaction and deliver value proactively by anticipating changes in customer's needs.

No customer complaint was pending at the end of the financial year. The Company displays the relevant information on the product labels as per customer's drawing specifications. No stakeholder of the Company has filed any case pertaining to unfair trade practices.

The Company engages with its customers to continuously improve the customer satisfaction levels. The Company engages with its customers and carries consumer surveys for different products every year to know the customer satisfaction level so that necessary steps may be taken to enhance the same.

## Director's Report

### Dear Members,

The Directors of your Company have pleasure in presenting their 29th Annual Report on the affairs of the Company together with the Audited Accounts of the Company for the year ended March 31, 2022.

### FINANCIAL PERFORMANCE

The Financial results for the year are as under:-

Particulars	Amount (₹ in Lacs)	
	Year ended on March 31, 2022	Year ended on March 31, 2021
Net operating Revenue	1,27,047.36	88,959.26
Other Income	55.56	151.08
Profit Before Depreciation, Interest and Tax	18,096.95	14,534.49
Financial Costs	1,122.72	854.43
Profit before Depreciation and Tax	17,029.81	13,680.06
Depreciation	4,970.89	4,071.94
Profit before Tax	12,058.92	9,608.12
Tax Expense	3,179.95	2,557.19
Profit after tax	8,878.97	7,050.92
Earnings Per Share		
- Basic	41.36	32.91
- Diluted	41.36	32.91

### FINANCIAL ANALYSIS AND REVIEW OF OPERATIONS:

Revenue from operations Increased by ₹ 38,088.10 Lacs to ₹ 1,27,047.36 Lacs for the Fiscal 2022 from ₹ 88,959.26 Lacs for the Fiscal 2021, showing an increase of 42.82%. Export sales increased by ₹ 28,167.59 Lacs to ₹ 7,605.78 Lacs for the Fiscal 2022 from ₹ 47,884.19 Lacs for the Fiscal 2021 due to the improved demand from the customers. Domestic sales increased by ₹ 9,349.44 Lacs to ₹ 48,226.88 Lacs in the Fiscal 2022 from ₹ 38,877.44 Lacs in the Fiscal 2021 thereby showing an increase of 24.5 % owing to better demand of the Company's products in the domestic auto industry.

The Company earned Profit before Tax of ₹ 12,058.92 Lacs during the year under review against ₹ 9,608.12 Lacs for the Fiscal 2021 showing an increase of 25.51%. Profit after tax increased by ₹ 1,828.05 Lacs to ₹ 8,878.97 Lacs for the Fiscal 2022 from ₹ 7,050.92 Lacs for the Fiscal 2021 thereby showing an increase of 25.93 %.

There has been no material changes and commitments which can have an effect on the position of the Company which have occurred between the end of the financial year under review and the date of this report.

### TRANSFER TO RESERVES

Your Directors do not propose to transfer any amount to Reserves.

### DEPOSITS FROM PUBLIC

The Company has not accepted any deposits from the public as such no amount on account of principal or interest on deposits from public was outstanding as on March 31, 2022.

### RESOURCE UTILISATION:

#### Property Plant & Equipment

The property, plant & Equipment (including capital work in progress) as at March 31, 2022 were ₹ 29,061.39 Lacs as against previous year's value of ₹ 29,476.70 Lacs.

#### Current Assets

The net current assets as on March 31, 2022 were ₹ 26,801.70 Lacs as against ₹ 27,922.57 Lacs in the previous year.

### DIVIDEND:

The Board of Directors in its meeting held on April 29, 2022 had recommended a dividend @ 50.00 % i.e of ₹ 5.00/- per Equity Share of ₹ 10/- each (Previous year ₹ 5.00/- per Equity Share) to the shareholders of the Company for their consideration and approval at the ensuing Annual General Meeting of the Company. The dividend @ 50.00 %, if approved at the forthcoming Annual General Meeting, will result in the outflow of ₹ 1,073.27 Lacs. The Dividend, if approved at the ensuing Annual general Meeting, will be paid within the stipulated

## Director's Report (Contd.)

time under the Companies Act, 2013 (subject to deduction of Tax at source).

### SHARE CAPITAL

The paid up Equity share Capital of the Company as on March 31, 2022 was ₹ 21,46,54,000/- divided into 2,14,65,400 Equity shares of ₹ 10/- each. There was no change in the share capital during the year.

### SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company has one subsidiary namely GNA Axles Inc. incorporated in Michigan USA. The subsidiary is yet to start its business operations. A statement pursuant to section 129(3) in form AOC - 1 is enclosed as an Annexure 1 to this Report.

The Company does not have any associate or joint venture Company.

### CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company are prepared after consolidating the accounts of the Subsidiary Company M/s GNA Axles Inc in the form and manner prescribed under the Companies Act, 2013 and shall be laid before the forthcoming 29th Annual general Meeting. The Consolidated Financial Statements are provided in this Annual Report.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report is presented in a separate section forming part of this Annual report.

### CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES:

Your Company has formulated its Corporate Social Responsibility required under section 135 of the Companies Act, 2013. The Company has identified following thrust areas for CSR:

1. To promote and help in providing healthcare and preventive healthcare facilities to the people.
2. To promote Education and help in delivering quality education to the society and students.
3. To promote the rural sports, nationally recognised sports and Olympic sports.
4. To take initiative in eradication of hunger, malnutrition, sanitation.

5. To promote women empowerment
6. Any other project / programme pertaining to activities listed in Schedule VII of the Companies(Corporate Social Responsibility) Rules, 2014 and amendments thereto.

The disclosures under Section 134(3) of the Companies Act, 2013 read with Rule 9 of Companies (Accounts) Rules 2014 i.e. Annual Report on CSR activities for Financial Year 2021-22 is attached herewith as Annexure 2.

### RISK MANAGEMENT

The Board of Directors of the Company had formulated and approved the Risk Management Policy of the Company under the provisions of the Companies Act 2013 and SEBI (LODR), Regulations, 2015. The objective of Risk Management at GNA Axles Limited is to create and protect shareholder value by minimising threats or losses, and identifying and maximising opportunities. An enterprise-wide risk management framework is applied so that effective management of risks is an integral part of every employee's job.

The Risk Management Policy of the Company may be accessed on the Company's Website at the link: <http://gnagroup.com/wp-content/uploads/2015/09/Risk-Management-Policy.pdf>

### VIGIL MECHANISM AND WHISTLE BLOWER POLICY.

Pursuant to provisions of section 177 (9) of the Companies Act, 2013, the Company has established a "Vigil Mechanism" incorporating Vigil Mechanism Policy which also incorporates the Whistle Blower Policy in terms of rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 for employees and Directors of the Company, for expressing the genuine concerns of unethical behavior, frauds or violation of the codes of conduct. The Company has also provided adequate safeguards against victimisation of employees and Directors who express their concerns.

The Policy on Vigil Mechanism as approved by the Board of Directors can be accessed on the Company's website at the link: <http://gnagroup.com/wp-content/uploads/2015/09/VIGIL-MECHANISM-POLICY.pdf>

### DIVIDEND DISTRIBUTION POLICY

The Board of Directors of the Company in their meeting held on April 23, 2021 had adopted and approved the Dividend Distribution policy of the Company and the same is annexed as Annexure - 5 to this Directors Report and the same is available at <https://gnaaxles.in/pdf/unpaid-dividend/Dividend-Distribution-Policy-22.pdf>.

**Director's Report (Contd.)****REMUNERATION POLICY**

The Board of Directors of the Company had formulated and approved the Nomination and Remuneration Policy of the Company which includes the criteria determining the qualifications and other matters as provided under section 178(3) of the Companies Act 2013.

The Nomination and Remuneration Policy of the Company is annexed hereto and forms part of this report as Annexure 3.

**INTERNAL FINANCIAL CONTROL:**

The Internal Financial Control systems of the Company with reference to financial statements are well placed and are commensurate with the size and nature of operations of the Company. The Statutory Auditors report on the internal financial controls, as required under section 143 of the Companies Act 2013 forms part of the Independent Auditors Report as Annexure B.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:**

The Company has not entered into any contract or arrangement with related parties during the period under review except payment of remuneration to the Executive Directors.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

The Company has not given any loan, provided any guarantee, provided any security or made any investments u/s 186 of the Companies Act during the financial year 2021-22.

**DIRECTORS**

In accordance with provisions of the Articles of Association of the Company, Mr. Ranbir Singh Seehra, Mr. Gurdeep Singh and Mr. Harwinder Singh Directors of your Company, retire by rotation at the conclusion of the forthcoming Annual General Meeting and being eligible, offers themselves for re-appointment. The Board of Directors recommends their reappointment as Directors at the forthcoming Annual General Meeting.

The Board of Directors of the Company in their meeting held on April 29, 2022 had reappointed Mr. Ajit Singh Walia as Independent Director of the Company for a second tenure of 5 years w.e.f May 5, 2022. Mr. Vikas Uppal, Mr. Manbhupinder Singh Atwal, Mr. Shailindra Singh Kaushik, Mr. Anish Kumar

Dhingra and Mrs. Geeta Khanna retired from the Board of Directors of the Company w.e.f June 9, 2022. The Board of Directors of the Company in their meeting held on June 6, 2022, upon the recommendations of the nomination and Remuneration Committee, had appointed Air Vice Marshal Saravjit Singh Hothi (retd.), Mr. Ashwani Kumar Malhotra, Mr. Rajan Wadhera and Mrs. Pooja Uppal as Independent Directors of the Company for a period of 5 years w.e.f June 10, 2022 subject to the approval of the shareholders. The shareholder had approved the reappointment of Mr. Ajit Singh and the appointments of Air Vice Marshal Saravjit Singh Hothi (retd.), Mr. Ashwani Kumar Malhotra, Mr. Rajan Wadhera and Mrs. Pooja Uppal as Independent Directors of the Company for a period of 5 years vide postal ballot which concluded on July 15, 2022 and the results of the same were declared on July 17, 2022.

Pursuant to provisions of Section 203 of the Companies Act, 2013, the Company has designated below mentioned persons as KMP's :-

<b>WholeTime Key Managerial Personnel of the Company</b>	<b>Designation</b>
Gursaran Singh	Executive Chairman
Jasvinder Singh	Executive Vice Chairman
Ranbir Singh	Managing Director & Chief Executive Office
Rakesh Kumar	Chief Financial Officer (CFO)
Gourav Jain	Company Secretary (CS)

There has been no change in the Key Managerial Personnel of the Company during the year under review.

**Declaration under Section 149(6):**

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and read with the relevant rules. The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and they hold highest standards of integrity.

**Familiarisation programmes for Board Members:**

The Board members are from time to time provided with necessary documents/policies/internal procedures to get them familiar with the practices of the Company. The business

## Director's Report (Contd.)

strategies, performance, global developments, legal & other updates, compliance reports and other relevant information/reports etc. are being periodically provided to the Board of Directors.

### Board Evaluation:

The Company has put in place the policy for performance evaluation of the Individual Directors of the Company and the Board as a whole including the Chairman of the Company. The meeting of the Independent Directors of the Company for the year 2021-2022 was held on January 10, 2022 to evaluate the performance of the Non Independent Directors of the Company, the Chairman of the Company and Board as a whole. The evaluation was done by discussing the performance of the Individual Directors and the Board as a whole.

### AUDITORS AND AUDITORS' REPORT:

#### a. Statutory Auditors:

The shareholders of the Company in their 26<sup>th</sup> AGM held on 23<sup>rd</sup> August, 2019 had appointed M/s Harish & Co. Chartered Accountants, Jalandhar as the statutory Auditors of the Company from the conclusion of 26<sup>th</sup> AGM till the conclusion of 31<sup>st</sup> AGM of the Company. The Company has paid a sum of ₹ 7.50 Lacs (plus GST) to M/s Harish & Co, Chartered Accountants as audit fees during the Financial Year ended March 31, 2022.

The Auditor's Report does not have any qualification, reservation, adverse remark or disclaimer by the Statutory Auditors.

#### b. Secretarial Auditor:

M/s H.K & Associates, Practicing Company Secretaries, were appointed as Secretarial Auditor for the year 2021-22. The Report of the Secretarial Auditor in form no MR-3 is annexed to this Report. The Secretarial Audit Report is self explanatory and do not call for any comments. The Secretarial Audit Report forms part of this report as Annexure 4.

### BOARD MEETINGS:

During the Financial Year 2021-22, the Board met 4 times on April 23, 2021, July 24, 2021, October 29, 2021 and January 10, 2022.

### BOARD COMMITTEES

#### A. Audit Committee

The Audit Committee comprises of the following Directors.

1. Air Cmde Shailindra Singh Kaushik - Chairman (Upto 09.06.2022)
2. Air Vice Marshal Sarvjit Singh Hothi - Chairman (w.e.f 10.06.2022)
3. Mr. Jasminder Singh Johal - Independent Director
4. Mr. Ajit Singh - Independent Director
5. Mr. Ranbir Singh - Non Independent Director

#### B. Nomination and Remuneration Committee

The Nomination and remuneration Committee comprises of the following Directors.

1. Mr. Vikas Uppal - Chairman (upto 09.06.2022)
2. Mr. Ashwani Kumar Malhotra - Chairman (w.e.f 10.6.2022)
3. Mr. Jasminder Singh Johal - Independent Director
4. Mr. Gurdeep Singh - Non Independent Director

#### C. Stakeholders' Relationship Committee

The Stakeholder Relationship Committee comprises of the following Directors.

1. Mr. Ajit Singh - Chairman (w.e.f 10.06.2022)
2. Mr. Jasvinder Singh - Non Independent Director
3. Mrs. Pooja Uppal - Independent Director (w.e.f 10.06.2022)
4. Mrs. Geeta Khanna - Chairperson (upto 09.06.2022)

#### D. Corporate Social Responsibility Committee

The Corporate Social responsibility Committee comprises of the following Directors

1. Air Cmde Shailindra Singh Kaushik - Chairman (Upto 09.06.2022)
2. Air Vice Marshal Sarvjit Singh Hothi - Chairman (w.e.f 10.06.2022)
3. Mr. Ashwani Kumar Malhotra - Independent Director (w.e.f 10.06.2022)
4. Mr. Ranbir Singh - Non Independent Director
5. Mr. Anish Kumar Dhingra (w.e.f 09.06.2022)

#### E. Risk Management Committee

The Corporate Social responsibility Committee comprises of the following Directors

1. Mr. Ranbir Singh - Chairman
2. Mr. Gurdeep Singh
3. Mr. Kulwin Seehra
4. Mr. Jasminder Singh Johal

**Director's Report (Contd.)****CORPORATE GOVERNANCE**

A Separate section on Corporate Governance forms an integral part of this Annual Report of the Company. The Statutory Auditors of the Company have given their certificate regarding the compliance of the conditions of Corporate Governance as stipulated under the SEBI (LODR) Regulations, 2015 and the same is annexed to the report on Corporate Governance.

**BUSINESS RESPONSIBILITY REPORT**

In Compliance of regulation 34 of SEBI Listing regulations, the Business Responsibility Report detailing the various initiatives taken by the Company on environmental, social and governance front is forming part of this Annual Report.

**ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO:**

Conservation of energy has been a major area of emphasis of your Company and every effort is made to achieve the optimum utilisation of energy in carrying out the manufacturing processes. Particulars with respect to conservation of energy and other areas as per section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are provided in Annexure 6.

**ANNUAL RETURN**

In terms of the provisions of section 92(3) of the Companies Act, 2013 read with Companies (Amendment) Act 2017 and the relevant rules made thereunder, a copy of the Annual Return as prescribed under Section 92 of the Companies Act, 2013 as amended shall be made available at the website of the Company [www.gnagroup.com](http://www.gnagroup.com) under the investor relations tab on the website of the Company.

**HUMAN RESOURCES/INDUSTRIAL RELATIONS:**

For your Company its Human Resources are its most important assets. It has been the endeavor of the Company to attract and retain talent. Performance management is the key word for the Company. The Industrial relations have been peaceful and harmonious in both the plants of the Company during the year under review. As on March 31, 2022, 1370 personnel were employed by the Company.

**PERSONNEL & RELATED INFORMATION:**

The disclosures required under section 197(12) of the

Companies Act 2013 and Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 are annexed as Annexure 7 hereto and forms part of this report.

**DIRECTOR'S RESPONSIBILITY STATEMENT:**

Pursuant to Section 134 (5) of the Companies Act, 2013, the Directors of the Company confirm that:

1. In the preparation of the annual accounts, the applicable Accounting Standards have been followed;
2. Appropriate accounting policies have been selected and applied consistently, and have 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 and of the profit or loss of the Company for that period;
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The annual accounts have been prepared on a going concern basis.
5. The Board of Director of the Company has laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively.
6. Devised proper systems to ensure compliance with the provisions of all applicable laws and those systems were adequate and operating effectively.

**GENERAL DISCLOSURES:**

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 year under review:

1. Details of joint venture or associate company.
2. Issue of equity shares with differential rights to dividend, voting or otherwise.
3. No significant / material orders have been passed by any Regulator/Court /Tribunal which could impact the going concern status & future operations of the Company.
4. No change in nature of Business of the Company.



## Director's Report (Contd.)

### **ACKNOWLEDGEMENT:**

Your Directors express their appreciation for the sincere co-operation and assistance of the Central and state Government authorities, bankers, customers, suppliers and business associates. Your Directors also wish to place on record their appreciation for the Committed employees of the Company.

They also acknowledge with gratitude, the encouragement and support extended by our valued shareholders.

**For And on Behalf of the Board**

Date: August 13, 2022

Place: Mehtiana

**Gursaran Singh**  
**Executive Chairman**

## FORM NO. AOC - 1 PURSUANT TO SECTION 129(3) OF THE COMPANIES ACT, 2013 RELATING TO SUBSIDIARY COMPANIES.

Amount in ₹

Particulars	GNA Axles Inc. (Current Year)
a) Reporting period of subsidiary concerned, if different from the holding Company's reporting period.	NA
b) Reporting currency and exchange rate as on the last date of the relevant financial year in case of foreign subsidiaries	USD, Exchange Rate 1 USD = ₹ 75.8071
c) Capital	75,807.10
d) Reserves	(21,24,873.01)
e) Total Assets	62,944.91
f) Total Liabilities	62,944.91
g) Details of investments (Except in case of investment of subsidiaries)	0.00
h) Turnover (net)	0.00
i) Profit before taxation	2,92,674.54
j) Provision for taxation	0.00
k) Profit after taxation	2,92,674.54
l) Proposed dividend (including tax thereon)	0.00
m) % of shareholding	100.00

## Annexure - 2

**ANNUAL REPORT ON CSR PURSUANT TO RULE 8 OF COMPANIES  
(CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014**

**1. Brief Outline on CSR Policy of the Company**

- i. Eradicating hunger and providing for healthcare.
- ii. Empowerment of Women.
- iii. Promoting Education
- iv. Promotion of sports
- v. Rural Development
- vi. Any other project / programme pertaining to the activities listed in the Schedule VII of Companies Act, 2013 and Companies (CSR) Rules, 2014.

**2. Composition of CSR Committee**

As at March 31, 2022, the Corporate Social Responsibility Committee comprised of 3(three) Members of the Board, 2(Two) of which were Independent Directors and 1(One) was Executive. The Chairman of the Committee is an Independent Director.

Sl. No.	Name and Designation/ Nature of Directorship	Total No. of CSR Committee Meetings held during the year -1
		Attendance in CSR Committee Meeting held on July 24, 2021
1.	Air (Cmde.) Mr. Shailindra Singh Kaushik(Retd.)	Present
2.	Mr. Ranbir Singh	Present
3.	Mr. Anish Kumar Dhingra	Present

## Annexure - 2 (Contd.)

3. Provide the web-link where Composition of CSR Committee, CSR Policy or CSR projects approved by the Board are disclosed on the website of the Company

CSR Committee - [www.gnagroup.com](http://www.gnagroup.com)

CSR Policy - [www.gnagroup.com](http://www.gnagroup.com)

CSR Programmes - [www.gnagroup.com](http://www.gnagroup.com)

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

**Not applicable for financial year 2021-22.**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any - **NIL**

6. Average net Profit of the Company as per Section 135(5) - ₹ **9,003.75 Lacs.**

7. (a) Two percent of average net profit of the Company as per section 135(5) ₹ **180.07 Lacs**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. **NIL**

(c) Amount required to be set off for the financial year, if any **NIL**

(d) Total CSR obligation for the financial year (7a+7b-7c) ₹ **180.07 Lacs**

8. (a) CSR spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹ Lacs)	Amount Unspent (in ₹ Lacs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second provision to section 135(5)		
	Amount	Date of Transfer	Name of the fund	Amount	Date of Transfer
104.01	76.06 Lacs	25.04.2022	NA	Nil	NA

- (b) Details of CSR amount spent against **ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the project	Item from the list of activities in Schedule VII to the Act.	Local Area (Yes/ No)	Location of the Project		Project Duration	Amount allocated for the project (in ₹ Lacs)	Amount spent in the current Financial Year (in ₹ Lacs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ Lacs)	Mode of Implementation Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration Number
1	Providing Food and Healthcare (CSR-1)	(i)	Yes	Punjab	Amritsar, Jalandhar and kapurthala	2 years	106.72	30.66	76.06	No	Bibi Kaulan Ji Bhalai kender Trust	CSR00009149
<b>TOTAL</b>							106.72	30.66	76.06			

(c) Details of CSR Amount spent against **other than ongoing projects** for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Project Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No)	(5) Location of the Project		(6) Amount spent for the Project (in ₹ Lacs)	(7) Mode of Implementation Direct (Yes/No)	(8) Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Regn No., If already registered
1	Healthcare & wellness	Fight against COVID 19	Yes	Punjab	Kapurthala, Jalandhar, Hoshiarpur	51.64	Yes	-	-
2	Education	Promoting Education	Yes	Punjab	Jalandhar, Kapurthala	20.71	Yes	-	-
3	Healthcare	Healthcare	Yes	Punjab	All Districts	1.00	No	ASSOCHAM foundation for CSR	CSR00001076

**TOTAL AMOUNT SPENT = ₹ 73.35 Lacs**

(d) Amount spent in Administrative Overheads : NIL

(e) Amount spent on Impact Assessment, if applicable : NIL

(f) Total Amount spent for the Financial Year (8b+8c+8d+8e) : 104.01 Lacs

(g) Excess amount for set off, if any : NIL

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per section 135(5)	180.07
(ii)	Total amount spent for the Financial Year	104.01
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

9. (a) Details of unspent CSR amount for the preceding three financial year(s) :

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (in ₹ Lacs)	Amount spent in the reporting Financial Year (in ₹ Lacs)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹ lacs)
				Name of the fund	Amount (in ₹ Lacs)	Date of transfer	
1.	2019-2020	-	30.06	-	-	-	NIL
2.	2020-21	69.34	69.34	-	-	-	NIL

(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s): **NIL**

(1) Sl. No.	(2) Project ID	(3) Name of the Project	(4) Financial Year in which the project was commenced	(5) Project Duration	(6) Total Amount allocated for the project (in ₹)	(7) Amount spent on the project in the reporting Financial Year (in ₹)	(8) Cumulative amount spent at the end of reporting Financial Year (in ₹)	(9) Status of the project - Completed/ Ongoing
1.	CSR	Bibi Kaulan Ji Bhalai Kender Trust	2020-21	3 years	149.34	69.34	149.34	Completed

## Annexure - 2 (Contd.)

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year. NIL

Date of creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital asset (₹ in Cr.)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)
<b>TOTAL</b>			

11. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per Section 135(5). -  
 "The Company is spending the allocated CSR amount in a phased manner and due to this it has not spent the full CSR Budget in the financial year".

**Date : August 13, 2022**  
**Place : Mehtiana**

**Air Vice Marshal S.S.Hothi (Retd.)**  
**Chairman CSR Committee**

**NOMINATION AND REMUNERATION POLICY****of  
GNA AXLES LIMITED****1. PREFACE**

The Nomination and Remuneration Committee was constituted by our Board on September 29, 2014. The Nomination and Remuneration Committee was reconstituted on June 9, 2015 and June 10, 2022 and the terms of reference were modified pursuant to the Board resolution dated March 7, 2016. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013.

The amended policy is as under:-

**2. ROLE OF THE COMMITTEE:**

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulating of criteria for evaluation of the independent directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal, and carrying out evaluations of every director's performance;
5. Analysing, monitoring and reviewing various human resource and compensation matters;
6. Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
7. Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
8. Reviewing and approving compensation strategy from time to time in the context of the then current

- Indian market in accordance with applicable laws;
9. Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
10. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  - (i) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (ii) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.
11. Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.
12. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

**3. MEMBERSHIP:**

- a) The Committee shall consist of a minimum 3 nonexecutive directors, majority of them being independent.
- b) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.

**4. CHAIRMAN:**

- a) Chairman of the Committee shall be an Independent Director
- b) Chairman of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.

**Annexure - 3 (Contd.)**

- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

**5. FREQUENCY OF MEETINGS:**

The meetings of the Committee shall be held at such regular intervals as may be required.

**6. COMMITTEE MEMBERS' INTERESTS:**

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

**7. SECRETARY:**

The Company Secretary of the Company shall act as Secretary of the Committee.

**8. VOTING:**

- a) Decisions of the Committee shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

**9. MINUTES OF COMMITTEE MEETING:**

The minutes of all the proceedings of all meetings must be signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board meetings.

**10. EFFECTIVE DATE & AMENDMENTS:**

This policy will be effective from March 7, 2016 and may be amended subject to the

## Form No. MR-3

## SECRETARIAL AUDIT REPORT

for the financial year ended March 31, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014]

To the Members of

**GNA Axles Limited**

GNA House

1-C, Chhoti Baradari Part - 2

Garha Road, Opposite Medical College

Jalandhar - 144001

CIN: L29130PB1993PLC013684

We have conducted the secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **GNA Axles Limited**. The 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 **GNA Axles Limited'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 authorised 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 March 31, 2021 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 the Company for the financial year ended on March 31, 2022 according to the provisions of:

- I. The Companies Act, 2013 and the rules made thereunder;
- II. The Securities Contract (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 & Disclosure Requirements) Regulations, 2015
  - c. The Securities and Exchange Board of India (Prohibitions of Insider Trading) Regulations, 2015
  - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
  - e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Upto August 12, 2021); The SEBI (Share based employee benefits of sweat equities) regulations 2021, (w.e.f. August 13, 2021)
  - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (upto August 15, 2021); The SEBI (Issue and listing of Non-convertible securities) Regulations, 2021 (w.e.f. August 16, 2021) [Not Applicable as the Company has not issued and listed any debt securities during the financial year under review]
  - 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. [Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review]
  - h. The Securities and Exchange Board of India (Delisting Of Equity Shares) Regulations, 2009 (upto June 9, 2021). The SEBI (Delisting of equity shares) Regulations, 2021 (w.e.f. June 10, 2021) [Not applicable as the Company has not delisted / proposed to delist its equity shares from any Stock Exchange during the financial year under review]



**Annexure - 4 (Contd.)**

- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. [Not applicable as the Company has not bought back / proposed to buy-back any of its securities during the financial year under review]
- VI. The following laws as identified and confirmed by the Management as specifically applicable to the Company:
  - a. Hazardous Wastes (Management, Handling and Trans-boundary Movement) Rules, 2008
  - b. We further report that adequate systems are in place to monitor and ensure compliance with general laws like labour laws, competition law, environmental laws etc.

We have also examined compliances with the applicable clauses of the following.

- a. Secretarial Standards issued by the Institute of Companies Secretaries of India.
- b. Uniform Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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 Company duly constituted with the 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 Companies Act, 2013 and the rules made thereunder.

Adequate Notice is given to all Directors to schedule the board meeting, agenda and detailed notes on agenda are sent at least seven days in advance and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and the meaningful participation at the meeting.

Majority decisions are carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes. No dissenting views have been noticed during the period covered under audit.

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 there were no events/actions, having major bearing on the Company's affairs in pursuance of above referred laws, rules, regulation, guidelines, standards, etc.

**For H. K. & Associates  
Company Secretaries**

**Harsimran Kaur  
Proprietor**

Place: Jalandhar

M. No: FCS-8174, C.P No: 9252

Dated: 29/04/2022

UDIN: F008174D000235742

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

**Annexure to the Secretarial Audit Report**

To the Members of

**GNA Axles Limited**

GNA House

1-C, Chhoti Baradari Part - 2

Garha Road, Opposite Medical College

Jalandhar - 144001

CIN: L29130PB1993PLC013684

Our report of even date is to be read along with this letter.

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.

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 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.

We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

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 test basis.

The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company

**For H. K. & Associates**  
**Company Secretaries**

**Harsimran Kaur**  
**Proprietor**

Place: Jalandhar

Dated: 29/04/2022

M. No: FCS-8174, C.P No: 9252

UDIN: F008174D000235742

# Annexure 5

## Dividend Distribution Policy of GNA Axles Limited

### 1. PREAMBLE

Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016 (the **"Regulations"**) mandated top five hundred listed companies, to formulate a Dividend Distribution Policy, which shall be disclosed in its Annual Report and on its website. Other Companies can opt for the policy on voluntary basis.

The policy, in the interest of providing transparency to the shareholders, sets out the circumstances and different factors for consideration by the Board at the time of deciding on distribution or of retention of profits. In view of the said requirement, the Board of Directors of the Company recognises the need to lay down a broad framework with regard to the distribution of dividend to its shareholders and utilisation of the retained earnings. The Policy reflects the intent of the Company to reward its shareholders by distributing a portion of its profits after retaining sufficient funds for the business needs and growth of the Company.

The Company would ensure to strike the right balance between the quantum of the dividend paid and amount of profits retained in the business for various purposes. The Board of Directors will have regards to this policy while declaring/recommending dividends on the behalf of the Company. Through this policy, the Company would strive to maintain a consistent approach to dividend pay-out plans.

The Board of Directors (the **"Board"**) of GNA Axles Limited (the **"Company"**) at its meeting held on April 23, 2021 has adopted this Dividend Distribution Policy (the **"Policy"**), pursuant to the terms of Regulation 43A of the SEBI (LODR) Regulations, 2015. The policy shall become effective from the date of its approval by the Board i.e. April 23, 2021.

### 2. DEFINITIONS

- "Board"** shall mean Board of Directors of the Company;
- "Companies Act"** shall mean the Companies Act, 2013 and Rules there under, notified by the Ministry of Corporate Affairs, Government of India, as amended;

- "Dividend"** includes any interim dividend;
- "Listed Entity / Company"** shall mean GNA Axles Limited;
- "Policy"** means Dividend Distribution Policy;
- "Stock Exchange"** shall mean a recognised Stock Exchange as defined under clause (f) of Section 2 of the Securities Contracts (regulation) Act, 1956.

### 3. POLICY

#### A. PARAMETERS AND FACTORS FOR DECLARATION OF DIVIDEND

The dividend pay-out decision of the Board depends upon the following financial parameters, internal and external factors:

##### Financial parameters and Internal Factors:

- Operating cash flow of the Company
- Profit earned during the year
- Profit available for distribution
- Earnings Per Share ("EPS")
- Working capital requirements
- Capital expenditure requirements
- Business expansion and growth
- Likelihood of crystallisation of contingent liabilities, if any
- Additional investment in subsidiaries and associates of the Company
- Creation of contingency fund
- Acquisition of brands and business
- Cost of Borrowings
- Need for conservation of cash due to economic downturn
- Past dividend payout ratio / trends

##### External Factors:

- Economic environment
- Government regulations
- Global conditions
- Statutory provisions and guidelines

#### B. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS OF THE COMPANY MAY OR MAY NOT EXPECT DIVIDEND

The Board will assess the Company's financial

requirements, including present and future organic and inorganic growth opportunities, government policies & regulations and other relevant factors (as mentioned elsewhere in this policy) and accordingly declare dividend in any financial year.

The shareholders of the Company may not expect dividend under certain circumstances including the following,

- In the event of inadequacy of profits or whenever the Company has incurred losses;
- Significant cash flow requirements towards higher working capital requirements / tax demands / or others, adversely impacting free cash flows;
- An impending / ongoing capital expenditure programme or any acquisitions or investment in joint ventures requiring significant allocation of capital;
- Allocation of cash required for buy-back of securities;
- Any of the internal or external factors restraining the Company from considering dividend.

#### **C. UTILIZATION OF THE RETAINED EARNING**

The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilisation of the retained earnings of the Company shall be based on the following factors:

1. Product expansion plan
2. Increase in production capacity
3. Increase in the market footprint
4. Modernisation plan
5. Diversification of business
6. Replacement of capital assets
7. High Cost of Debt

#### **D. RATE/ QUANTUM OF DIVIDEND:**

The Company will strive to distribute an optimal and appropriate level of the profits earned by it in its business, to the shareholders, in the form of dividend. The Company would maintain a dividend pay-out as may be determined by the Board from time to time, considering the general business factors and other significant parameters specified in this policy.

#### **E. MANNER OF DIVIDEND PAYOUT**

##### **In case of final dividend:**

- i. Recommendation, if any, shall be done by the Board, usually in the Board meeting that considers and approves the annual financial statements, subject to approval of the shareholders of the Company.
- ii. The dividend as recommended by the Board shall be approved/declared at the Annual General Meeting of the Company.
- iii. The payment of dividends shall be made within the statutorily prescribed period from the date of declaration, to those shareholders who are entitled to receive the dividend on the record date/book closure period, as per the applicable law.

##### **In case of interim dividend:**

- i. Interim dividend, if any, shall be declared by the Board.
- ii. Before declaring interim dividend, the Board shall consider the financial position of the Company that allows the payment of such dividend.
- iii. The payment of dividends shall be made within the statutorily prescribed period from the date of declaration to the shareholders entitled to receive the dividend on the record date, as per the applicable laws.
- iv. In case no final dividend is declared, interim dividend paid during the year, if any, will be regarded as final dividend in the Annual General Meeting.

#### **F. PARAMETERS TO BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES**

Since the Company has issued only one class of equity shares with equal voting rights, all the members of the Company are entitled to receive the same amount of dividend per share. Parameters for dividend payments in respect of any other class of shares will be as per the respective terms of issue and in accordance with the applicable regulations and will be determined, if and when the Company decides to issue any other classes of shares.

#### **4. CONFLICT IN POLICY**

In the event of any conflict between this Policy and the provisions contained in the regulations, the regulations shall prevail.

**Annexure - 5 (Contd.)****5. DISCLOSURES**

The Dividend Distribution Policy shall be disclosed in the Annual Report and on the website of the Company i.e. www.gnagroup.com.

**6. POLICY REVIEW AND AMENDMENTS**

This Policy would be subject to modification in accordance with the guidelines / clarifications as may

be issued from time to time by relevant statutory and regulatory authority. The Board may modify, add, delete or amend any of the provisions of this Policy. Any exceptions to the Dividend Distribution Policy must be consistent with the Regulations and must be approved in the manner as may be decided by the Board of Directors.

**INFORMATION PURSUANT TO SECTION 134(3)(m) OF THE COMPANIES ACT - 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES 2014 FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31st MARCH, 2021.**

**CONSERVATION OF ENERGY**

The Company has been taking adequate measures for the conservation of energy by ensuring the optimum utilisation of energy and other resources at its disposal. The Company has been at the forefront to conserve energy and natural resources by implementing various energy conservation measures not limited to using the energy and power efficient machinery which reduces the consumption of Power, Oil, Water and other energy resources while carrying on the production processes and adhering to the following guidelines:-

1. Implementing the latest technology to reduce energy losses.
2. Minimising idle running hours of machinery and Equipments.
3. Innovation and Up-gradation of Technology.
4. Regular auditing of Oil, & Power conservation.
5. Minimal energy has been generated from the DG sets.
6. Energy Audits are done at continuous basis and corrective action is taken wherever necessary.

**B. TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT**

**i) Efforts made in Technology Absorption:**

As result of ongoing improvements the Company has been absorbing and localising the latest technology in production and process with the help of importing of latest machinery & allied equipments. The Company always strives to meet the highest standards of precision and customer satisfaction by improving the existing processes and by setting up the world class manufacturing facilities with best available machining set up. The Company has not imported technologies in the last five years. The efficient machineries acquired

and imported by the Company in the past have been absorbed by the Company.

**ii) Benefits derived as a result of the above:**

Owing to these, the Company has been able to derive benefits like improvement of the product quality, eliminating wastages, reducing the consumption of the Raw Material and reducing the overall cost of production. Initiative planning and absorbing new technology has been taken by the R & D team of the Company by visiting & participating in various trade shows & exhibitions in various parts of India & across the Globe. Further Quality Council is looking after other process improvement activities. For sustainable development and business growth, our focus and objectives are towards a clean environment at the work place and the surroundings. Attempts are made to reduce, reuse, and recycle, for elimination of waste resulting in efficient use of available resources.

**iii) Expenditure on Research & Development**

The development work is carried on a continuous basis by the respective and concerned departments in the organisation in the field of product design and development, cost reduction and automation, reduction in the process time and environment protection and conservation of energy. Due to the benefits derived by the Company on account of the initiatives taken in the above fields the Company has been able to achieve seamless production of world class auto components for its OEM customers in both domestic and overseas market. No separate records of the expenditure on Research and Development are kept by the Company.

**FOREIGN EXCHANGE EARNING AND OUTGO**

- Continued efforts/ initiatives made with a focus on development of new products as well as product extension of the existing lines.
- Mobilisation/ Gearing up of the existing as well as new markets keeping in view the ongoing expansions.

## Annexure - 6 (Contd.)

## Total Foreign Exchange earned and used :

	(₹ in Lacs)	
	Current Year	Previous Year
Earnings in Foreign Exchange	76,051.78	52,284.70
Foreign Exchange Outgo	4,522.84	2,240.29

For And on Behalf of the Board

Date: August 13, 2022

Place: Mehtiana

**Gursaran Singh**  
Executive Chairman

**INFORMATION PURSUANT TO SECTION 197(12) REAS WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONEL) RULES, 2014**

Details of the Ratio of remuneration of each director to the median employees remuneration.

**I) The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year is as follows:-**

Sr. No	Name & Designation of Director	Remuneration (Amount ₹ in Lacs)	Ratio to Median Remuneration
1.	Mr. Rachhpall Singh - Executive Chairman (Upto 15.07.2022)	24.39	14.10
2.	Mr. Gursaran Singh - Executive Chairman	208.32	120.42
3.	Mr. Jasvinder Singh - Executive Vice Chairman	261.12	150.94
4.	Mr. Ranbir Singh - Managing Director & CEO	261.12	150.94
5.	Mr. Gurdeep Singh - Director	-	-
6.	Mr. Maninder Singh - Wholetime Director	43.78	25.31
7.	Mr. Harwinder Singh - WholeTime Director	57.33	33.14
8.	Mr. Kulwin Seehra - Wholetime Director	57.33	33.14
9.	Mr. Jaswinder Singh Johal - Independent Director	-	Not Applicable as only sitting fees is paid during the year
10.	Mr. Anish Kumar Dhingra - Independent Director	-	Not Applicable as only sitting fees is paid during the year
11.	Air (Cmde.)Mr. Shailindra Singh Kaushik(Retd.)- Independent Director	-	Not Applicable as only sitting fees is paid during the year
12.	Mr. Vikas Uppal - Independent Director	-	Not Applicable as only sitting fees is paid during the year
13.	Mr. M S Atwal - Independent Director	-	Not Applicable as only sitting fees is paid during the year
14.	Mr. Ajit Singh - Independent Director	-	Not Applicable as only sitting fees is paid during the year
15.	Mrs. Geeta Khanna -Independent Director	-	Not Applicable as only sitting fees is paid during the year
16.	Lt. Gen. Praveen Bakshi (Retd.)	-	Not Applicable as only sitting fees is paid during the year

**II) The percentage increase in remuneration of each Director, CFO , CEO, CS or Manager if any in the financial year 2021-22 compared to 2020-21**

Sr. No	Name & Designation of Director, CFO , CEO And CS	Remuneration For the year Ended 2021-22 (₹ in Lacs)	Remuneration For the year Ended 2020-21 (₹ In Lacs)	% Change
1.	Mr. Rachhpall Singh - Chairman & Wholetime Director (upto 15.07.2022)	24.39	75.60	(67.74)
2.	Mr. Gursaran Singh - Executive Chairman	208.32	75.60	175.56
3.	Mr. Jasvinder Singh - Executive Vice Chairman	261.12	214.36	21.81
4.	Mr. Ranbir Singh - Managing Director & CEO	261.12	214.36	21.81
5.	Mr. Gurdeep Singh - Director	-	-	-
6.	M. Maninder Singh - Wholetime Director (w.e.f 01.08.2021)	43.78	-	100.00
7.	Mr. Harwinder Singh - WholeTime Director	57.33	40.20	42.61
8.	Mr. Kulwin Seehra - Wholetime Director	57.33	40.20	42.61
9.	Mr. Jaswinder Singh Johal - Independent Director	-	-	-
10.	Mr. Anish Kumar Dhingra - Independent Director	-	-	-
11.	Air (Cmde.)Mr. Shailindra Singh Kaushik(Retd.) - Independent Director	-	-	-
12.	Mr. Vikas Uppal - Independent Director	-	-	-



## Annexure - 7 (Contd.)

Sr. No	Name & Designation of Director, CFO, CEO And CS	Remuneration For the year Ended 2021-22 (₹ in Lacs)	Remuneration For the year Ended 2020-21 (₹ In Lacs)	% Change
13.	Mr. M S Atwal – Independent Director	-	-	-
14.	Mr. Ajit Singh – Independent Director	-	-	-
15.	Mrs. Geeta Khanna –Independent Director	-	-	-
16.	Lt. Gen. Praveen Bakshi (Retd.)	-	-	-
17.	Mr. Rakesh Gupta – CFO	15.67	13.30	17.82
18.	Mr. Gourav Jain – CS	8.32	6.86	21.28

III) The median remuneration of the employees has increased by 13.87 % In 2021-2022 as compared to 5.67 % in 2020-2021.

IV) Number of permanent employees on the rolls of the Company during Financial Year 2021-22 was 1370.

V) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and is there are any exceptional circumstances for increase in the managerial remuneration :- Average increase in the Employees remuneration other than managerial remuneration is 13.87% while the managerial remuneration increased by 38.33 %. The increase in the managerial remuneration was on account of increased responsibilities.

VI) We affirm that the remuneration paid to the Directors, Key Managerial Personnel and employees is as per the remuneration policy of the Company.

#### INFORMATION AS REQUIRED UNDER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

##### I) Names of the Top ten employees of the Company in terms of remuneration drawn.

S. No	Name of Employee	Designation of the Employee	Remuneration Received (Amt. in Lacs)	Nature of employment whether contractual or otherwise	Qualification and experience of employee	Date of commencement of employment	Age (in Years)	Last Employment held before joining the Company	The percentage of equity shares held by employee of the Company	Whether any such employee is a relative of any Director of the Company and if so name of the Director.
1	Mrs. Loveleen Kaur	Designation of the Employee Sr. Vice President (Corporate Affairs)	26.99 Lacs	Permanent	Graduate, 23 years	01.02.2018	57	-	0.032%	Relative of Mr. Ranbir Singh and Mr. Kulwin Seehra
2.	Mr. Satwinder Singh	Sr. Vice President - Projects	17.03 Lacs	Permanent	Diploma in Mechanical Engineering, 40 Years	01.03.2005	66	GNA Udyog Limited	0.0003%	Not Related
3.	Mr. Surinder Singh	Sr. Vice President - Works	15.98 Lacs	Permanent	Diploma in Mechanical Engineering 43 Years	16.05.1994	65	Guru Nanak Auto Enterprises Limited	0.001%	Not Related
4.	Mr. Rakesh Kumar	CFO	15.68 Lacs	Permanent	B.Com, FCA 27 Years	06.05.2006	53	GNA Gears Limited	0.00%	Not Related
5.	Mr. Pradeep Sharma	Sr. Vice President - Marketing	15.67 Lacs	Permanent	B.Com, 38 Years	16.05.1994	59	Guru Nanak Auto Enterprises Limited	0.00%	Not Related
6.	Mr. Manjit Singh Rihal	GM - Exports	14.89 Lacs	Permanent	B.Com, 17 Years	01.11.2006	44	Genpact	0.04%	Not Related
7.	Mr. G S Cheema	Sr. GM - Personnel & HRD	13.59 Lacs	Permanent	B.Sc, LL.B 27 Years	16.05.1994	56	Guru Nanak Auto Enterprises Limited	0.00%	Not Related

S. No	Name of Employee	Designation of the Employee	Remuneration Received (Amt. in Lacs)	Nature of employment whether contractual or otherwise	Qualification and experience of employee	Date of commencement of employment	Age (in Years)	Last Employment held before joining the Company	The percentage of equity shares held by employee of the Company	Whether any such employee is a relative of any Director of the Company and if so name of the Director.
8.	Dr. Jaswant Singh	Sr. GM - Forging	12.86 Lacs	Permanent	Ph.d in Metal Forming 27 Years	16.05.1994	53	Guru Nanak Auto Enterprises Limited	0.00%	Not Related
9.	Mr. Harish Kumar	Sr. GM- PPC	11.61 Lacs	Permanent	36 Years I.T.I Draughtsman	16.05.1994	57	Guru Nanak Auto Enterprises Limited	0.00%	Not Related
10.	Mr. Rishi Raj	GM- Production	11.11 Lacs	Permanent	B.Tech (Mechanical) 28 years	16.05.1994	48	Mahavir Spinning Mills Limited	0.00%	Not Related

- II) Name of the employees who were employed throughout the Financial Year 2021-22 and were paid remuneration not less than Rupees 1.02 Cr per annum - NIL
- III) Name of employees who were employees in part during the Financial Year 2021-22 and were paid remuneration not less than ₹ 8.50 Lacs per month - NIL.
- IV) Name of employees who were employees throughout the Financial Year 2021-22 or part thereof and were paid remuneration in excess of Managing Director or Wholetime Director or Manager and hold along with his spouse or dependent children not less than 2% of the equity shares of the Company - NIL.

# CORPORATE GOVERNANCE REPORT

This Report on Corporate Governance forms part of the Annual Report. It assumes a great deal of importance in the business life of the Company. The Company's goal is to find creative and productive ways of delighting its stakeholders i.e. investors, customers & associates, while fulfilling the role of a responsible corporate representative committed to best practices. This section besides being in compliance of the provisions of Listing Agreement, gives an insight into the process of functioning of the Company.

## 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company is committed to maintain the highest standards of transparency, accountability and equality in its working so that the underlying goal of increasing overall shareholder value can be attained in a sustained way. Further the Company has also implemented several best Corporate Governance practices as prevalent globally

The composition of Board of Directors and Directors attendance at the Board Meetings and at last Annual General Meeting of the Company, as also the number of Directorship/Chairmanships, Committee Memberships and Committee Chairmanships held by them in other Public Limited Companies, as on March 31, 2022 are given below:-

Name of Director	Designation & Category	Number of Board Meetings Attended	Attendance at Last Annual General Meeting	Directorship in other Companies	Other Committee Membership	Board Chairmanship in other Companies	Committee Chairmanships in other Companies
Mr RACHHPALL SINGH (Upto 15.07.2021)	EXECUTIVE CHAIRMAN	0	NO	NIL	-	-	-
Mr. GURSARAN SINGH (w.e.f 26.07.2021)	EXECUTIVE CHAIRMAN	4	YES	2	-	2	-
Mr. JASVINDER SINGH SEEHRA	EXECUTIVE VICE CHAIRMAN	3	NO	2	-	-	-
Mr. RANBIR SINGH	MANAGING DIRECTOR AND CEO	4	YES	4	3	-	3
Mr. MANINDER SINGH	EXECUTIVE DIRECTOR	2	NO	2	-	-	-
Mr. GURDEEP SINGH	NON-INDEPENDENT AND NON EXECUTIVE DIRECTOR	4	YES	5	3	-	-
Mr. HARWINDER SINGH SEEHRA	EXECUTIVE DIRECTOR	4	YES	-	-	-	-
Mr. KULWIN SEEHRA	EXECUTIVE DIRECTOR	4	NO	1	-	-	-
Mr. ANISH KUMAR DHINGRA	INDEPENDENT DIRECTOR	4	YES	0	-	-	-
Mr. JASMINDER SINGH JOHAL	INDEPENDENT DIRECTOR	4	YES	-	-	-	-
Mr. VIKAS UPPAL	INDEPENDENT DIRECTOR	4	NO	2	3	-	-
Mrs. GEETA KHANNA	INDEPENDENT DIRECTOR	4	YES	1	-	-	-

## 2. BOARD OF DIRECTORS:

The Board is entrusted with the ultimate responsibility of the management, direction and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, guidance, objective and independent view to the Company's Management while discharging its responsibilities thus ensuring that the Management adheres to ethics, disclosures and transparency.

- Composition: As on March 31, 2022, the Company's Board comprises of a Chairman, Executive Directors, Non Executive Directors, Managing Director and a Joint Managing Director. Out of the total strength of Fifteen (15) Directors, eight Directors are independent.
- Board Meetings: During the Financial Year 2021-22, the Board met Four (4) times on 23.04.2021, 24.07.2021, 29.10.2021 and 10.01.2022

## CORPORATE GOVERNANCE REPORT (Contd.)

Name of Director	Designation & Category	Number of Board Meetings Attended	Attendance at Last Annual General Meeting	Directorship in other Companies	Other Committee Membership	Board Chairmanship in other Companies	Committee Chairmanships in other Companies
Air (Cmde.) SHAILINDRA SINGH KAUSHIK(Retd.)	INDEPENDENT DIRECTOR	4	YES	-	-	-	-
Mr. AJIT SINGH	INDEPENDENT DIRECTOR	4	NO	1	-	-	-
Mr. MANBHUPINDER SINGH ATWAL	INDEPENDENT DIRECTOR	4	YES	-	-	-	-
Lt. Gen. PRAVEEN BAKSHI (Retd.)	INDEPENDENT DIRECTOR	4	YES	1	3	-	1

### 3. AUDIT COMMITTEE:

The Audit Committee of the Board of Directors was constituted in conformity with the requirements of the SEBI (LODR), Regulations, 2015 as well as Section 177 of the Companies Act, 2013. The terms of reference of the Audit Committee are as set out in the SEBI (LODR), Regulations, 2015 and Section 177 of the Companies Act, 2013. During the year under review, the Audit Committee comprised of four directors i.e. Air (Cmde.) Shailindra Singh Kaushik (Retd.) - Independent Director, Mr. Jasminder Singh Johal - Independent Director, Mr. Ajit Singh Walia - Independent Director and Mr. Ranbir Singh Executive and Non Independent Director. Air (Cmde.) Shailindra Singh Kaushik (Retd.) was the Chairman of the committee. The Board of Directors reconstituted the Audit Committee in its meeting held on June 6, 2022 pursuant to the retirement of Air Cmde Shailindra Singh Kaushik (retd.). The Board of Directors appointed Air Vice Marshal Saravjit Singh Hothi (retd.) as the new member and Chairman of the Audit Committee w.e.f June 10, 2022. Mr. Gourav Jain Company Secretary is the Secretary of the Committee. All members of the Audit Committee are financially literate and have accounting or related financial management expertise. Statutory Auditors, Internal Auditors and Chief Financial Officer are permanent invitees to the Committee.

The Company Secretary of the Company is the Secretary to this Committee.

During the Financial Year 2021-22, the Audit Committee met four (4) times on 23.4.2021, 24.07.2021, 29.10.2021 and 10.01.2022.:

The attendance of the members of the Committee for the Financial Year 2021-22 is as under:

Committee Members	Category	No. of Audit Committee Meetings Attended
Air(Cmde.) Shailindra Singh Kaushik(Retd.)	Independent Director	4
Ranbir Singh	Executive Director	4
Jasminder Singh Johal	Independent Director	4
Ajit Walia	Independent Director	4

### 4. NOMINATION AND REMUNERATION COMMITTEE :

#### i. Committee - constitution, policy & meeting details:

The constitution and terms of reference of Nomination & Remuneration committee of the Board of Directors is in conformity with the SEBI (LODR), Regulations, 2015 as well as Section 178 of the Companies Act, 2013. During the year under review, the Committee comprised of three directors i.e. Mr. Vikas Uppal - Independent Director, Mr. Jasminder Singh Johal - Independent Director and Mr. Gurdeep Singh - Non Independent Director. Mr. Vikas Uppal was the Chairman of the Committee. The Board of Directors reconstituted the Committee in its meeting held on 6<sup>th</sup> June 2022 pursuant to the retirement of Mr. Vikas Uppal from the Board of Directors of the Company w.e.f 9<sup>th</sup> June 2022. The Board of Directors appointed Air Vice Marshal Saravjit Singh Hothi (retd.) as the new member and Chairman of the Committee w.e.f 10<sup>th</sup> June 2022. During the Financial Year 2021-2022, the Committee met one time on 24.07.2021.

## CORPORATE GOVERNANCE REPORT (Contd.)

The attendance of the members of the Committee for the Financial Year 2021-22 is as under:

Committee Members	Category	No. of Nomination & Remuneration Committee Meetings Attended
Jasminder Singh Johal	Independent Director	1
Gurdeep Singh	Non-Independent and Non-Executive Director	1
Vikas Uppal	Independent Director	1

The Company's approved Nomination & Remuneration Policy is already attached with Board Report (pls refer Annexure 4 of Directors' Report).

### ii. Remuneration details:

#### a) Executive Directors:

The Company paid an amount of ₹ 913.39 Lacs as remuneration to the Executive Director(s) during the Financial Year 2021-2022 as follows:-

₹ in Lacs					
S. No	Name	Designation	Salary	Other Benefits	Gross Remuneration
1	Mr. Rachhpall Singh (Upto 15.07.2021)	Chairman	24.39	-	24.39
2	Mr. Gursaran Singh	Executive Chairman	208.32	-	208.32
3	Mr. Jasvinder Singh	Executive Vice Chairman	261.12	-	261.12
4	Mr. Ranbir Singh	Managing Director & CEO	261.12	-	261.12
5	Mr. Harwinder Singh	Wholetime Director	57.33	-	57.33
6	Mr. Kulwin Seehra	Wholetime Director	57.33	-	57.33
7	Mr. Maninder Singh	Executive Director	43.78	-	43.78
	<b>Total</b>		<b>913.39</b>	-	<b>913.39</b>

The Employment of the Executive Directors is Contractual in nature and their tenure is as per the resolutions passed by the share holders. They are not entitled to severance pay and their Notice period is 6 months.

#### b) Non-Executive Directors:

Non-Executive Directors have not been paid any remuneration except sitting fees for attending Board and Committee Meetings.

The details of the sitting fees paid to the Directors during the Financial Year 2021-22 is given below:-

SR. NO.	NAME OF THE DIRECTOR	SITTING FEE (₹)
1.	Mr. Anish Kumar Dhingra	1,50,000
2.	Mr. Jasminder Singh Johal	2,40,000
3.	Mr. Vikas Uppal	1,50,000
4.	Mr. Geeta Khanna	1,50,000
5.	Air (Cmde.) Shailindra Singh Kaushik (Retd.)	2,10,000
6.	Ajit Singh	2,10,000
7.	Col. Manbhupinder Singh Atwal (Retd.)	1,35,000
8.	Lt. Gen Praveen Bakshi (Retd.)	1,35,000

## CORPORATE GOVERNANCE REPORT (Contd.)

### (iii) Shareholding :

The Shareholding of the Directors in the equity share capital of the Company as at March 31, 2022 is given as follows:-

SR. NO.	NAME OF DIRECTOR	NUMBER OF SHARES HELD	SR. NO.	NAME OF DIRECTOR	NUMBER OF SHARES HELD
1.	Mr. Gursaran Singh	17,95,875	2	Mr. Jasvinder Singh	32,83,600
3.	Mr. Ranbir Singh	32,06,548	4.	Mr. Maninder Singh	24,40,300
5.	Mr. Gurdeep Singh	31,35,406	6.	Mr. Harwinder Singh	-
7	Air (Cmde.) Shailindra Singh Kaushik(Retd.)	1,664	8	Mr. Kulwin Seehra	2,12,750
9	Mr. Anish Kumar Dhingra	-	10.	Mr. Manbhupinder Singh Atwal	-
11	Mr. Vikas Uppal	400	12.	Mr. Jasminder Singh Johal	-
13	Mrs. Geeta Khanna	-	14.	Mr. Ajit Singh	10
15	Lt. Gen Praveen Bakshi (Retd.)	-			

### (iv) Relationship inter se:

Except as provided below, none of our Director are related to each other:

1. Mr. Gursaran Singh is the father of Mr. Ranbir Singh and Mr. Gurdeep Singh
2. Mr. Jasvinder Singh is the brother of Mr. Maninder Singh
3. Mr. Jasvinder Singh is the father of Mr. Harwinder Singh Seehra
4. Mr. Ranbir Singh is the father of Mr. Kulwin Seehra
5. Mr. Ranbir Singh is the brother of Mr. Gurdeep Singh

### 5. STAKEHOLDERS RELATIONSHIP COMMITTEE:

To look into the redressal of investors' complaints on various issues, the Company constituted a Shareholders'/Investors' Grievance Committee. Pursuant to provisions of Section 178 (5) of the Companies Act, 2013, the Board of Directors in their meeting held on June 9, 2015, recognised and renamed the said committee as "Stakeholders Relationship Committee". During the year under review, the Committee comprised of three directors i.e. Mrs. Geeta Khanna - Independent Director, Mr. Ajit Singh - Independent Director and Mr. Jasvinder Singh - Non Independent Director. Mrs. Geeta Khanna was the Chairperson of the Committee. The Board of Directors reconstituted the Committee in its meeting held on June 6, 2022 pursuant to the retirement of Mrs. Geeta Khanna from the Board of Directors of the Company w.e.f June 9, 2022. The Board of Directors appointed Pooja Uppal as the new member and Mr. Ajit Singh as Chairman of the Committee w.e.f June 10, 2022. During the Financial Year 2021-2022, the Committee met one time on July 24, 2021.

### 6. CORPORATE SOCIAL RESPONSIBILITY(CSR) COMMITTEE:

The CSR Committee has been constituted under section 135 of the Companies Act,2013. The committee assists the Board in implementing the CSR Policy of the Company and recommending/budgeting the amount of expenditure to be incurred on CSR activities and also approves the Annual CSR Report of the Company to the shareholders. During the year under review, the Committee comprised of three directors i.e. Air (Cmde.) Shailindra Singh Kaushik(Retd.) as its Chariman, Mr. Anish Kumar Dhingra and Mr. Ranbir Singh as members. The Board of Directors reconstituted the Committee in its meeting held on June 6, 2022 pursuant to the retirement of Air (Cmde.) Shailindra Singh Kaushik(Retd.) and Mr. Anish Kumar Dhingra from the Board of Directors of the Company w.e.f June 9, 2022. The Board of Directors appointed Air Vice Marshal Saravjit Singh Hothi (retd.) as member and Chairman and Mr. Ashwani Kumar Malhotra as member of the Committee w.e.f June 10, 2022. During the Financial Year 2021-2022, the Committee met one time on July 24, 2021.

### 7. GENERAL BODY MEETINGS :

- a. The detail of Extra Ordinary General Meeting and last three Annual General Meetings and passing of Special Resolutions, are given as follows:-

Nature of Meeting	Day, Date and Time of the Meeting	Venue	Number of Special Resolutions Passed
28th Annual General Meeting	Monday, September 20, 2021 at 12:30 PM	Through Audio Visual Means	4
27th Annual General Meeting	Tuesday, September 15, 2020 at 12:30 PM	Through Audio Visual Means	5
26th Annual General Meeting	Friday, August 23, 2019 at 12:30 PM	Hotel Country Inn and Suites, GT Road, Jalandhar	2
Extra Ordinary General Meeting	Monday, April 29, 2019 at 9:30 AM	Hotel Aveda Kamal Palace, Civil Lines, Jalandhar	0

- B: Postal Ballot: No Resolution was passed by postal ballot during the year 2021-2022.

## CORPORATE GOVERNANCE REPORT (Contd.)

### 8. DISCLOSURES:

- a. There was no materially significant related party transaction that may have any potential conflict with interest of the Company at large.
- b. There has not been any non-compliance by the Company in respect of which penalties or strictures were imposed by the Stock Exchanges or Securities and Exchange Board of India (SEBI) or any other Statutory Authority during the last three years.
- c. The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil mechanism and Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The policy on "Vigil mechanism and Whistle Blower" may be accessed on the Company's website at <http://gnagroup.com/wp-content/uploads/2015/09/VIGIL-MECHANISM-POLICY.pdf> During the year no claim was lodged and accessed by the Audit Committee.

### 9. 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 Exchanges and the Registrar of Companies. The quarterly results are published in prominent daily newspapers viz. The Business Standard / Financial Express in English and Rozana Spokesman in Punjabi. The Results of the Company are also made available at the web-site of the Company [www.gnagroup.com](http://www.gnagroup.com)

### 10. GENERAL SHAREHOLDERS INFORMATION:

#### i) 29th Annual General Meeting:

Date : September 20, 2022

Time : 12:30 PM

Venue : Through Audio Visual Means

#### ii) Financial Calendar 2022-23 (Tentative):

First Quarter Results : August, 2022

Second Quarter Results : November, 2022

Third Quarter Results : February, 2023

Annual Results : May, 2023

iii) **Book Closure:** From September 14, 2022 to September 20, 2022 (both days inclusive) for AGM and payment of dividend.

iv) **Dividend payment date :** On or Before October 15, 2022

#### v) Listing:

The Equity shares of the Company are listed on the following Stock Exchanges:

1. BSE Limited, 25th Floor PJ Towers, Dalal Street, Fort Mumbai - 400 001
2. The National Stock Exchange of India Limited, "Exchange Plaza" Bandra Kurla Complex, Bandra (East) Mumbai 400051

The Company has duly paid the listing fees to both the Stock Exchanges for the Financial year 2022-23.

#### vi) Stock Code:

BSE Limited : **540124**

National Stock Exchange of India Limited : **GNA**

## CORPORATE GOVERNANCE REPORT (Contd.)

### vii) Stock Market Data:

The month wise highest, lowest and closing price of the Company in NSE and BSE during the financial year 2021-22 are given below:-

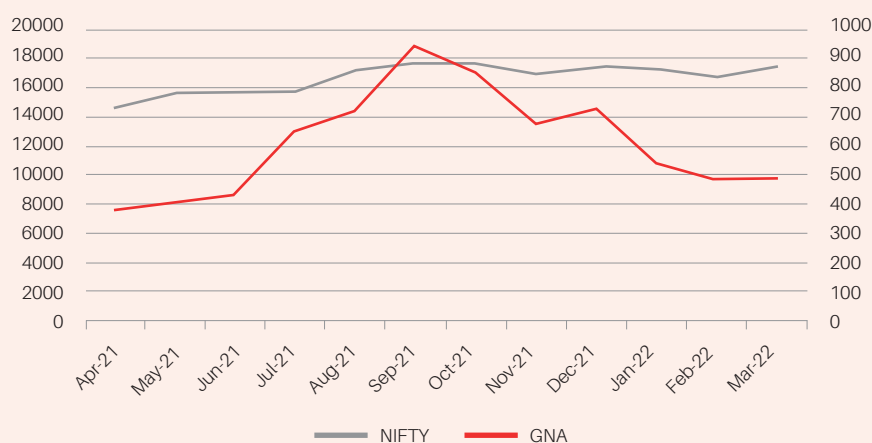
#### BSE LIMITED

MONTH	HIGHEST	LOWEST	CLOSE	% age Change over last month closing
Apr-21	415.50	339.10	381.75	12.20
May-21	457.35	357.00	413.45	8.30
Jun-21	466.15	389.90	431.80	4.43
Jul-21	692.15	429.60	651.00	50.76
Aug-21	777.85	621.60	722.40	10.97
Sep-21	976.75	720.00	943.00	30.54
Oct-21	1107.35	824.20	862.05	-8.58
Nov-21	865.00	651.40	679.10	-21.22
Dec-21	767.95	635.40	725.20	6.78
Jan-22	773.10	516.10	538.95	-25.68
Feb-22	570.50	435.00	482.65	-10.45
Mar-22	553.85	461.65	487.15	0.93

#### NATIONAL STOCK EXCHANGE OF INDIA LIMITED

Month	HIGHEST	LOWEST	CLOSE	% age Change over last month closing
Apr-21	414.80	342.95	382.15	12.31
May-21	457.70	357.60	412.95	8.06
Jun-21	467.05	409.95	431.60	4.52
Jul-21	693.00	429.35	651.00	50.83
Aug-21	777.80	622.00	723.00	11.06
Sep-21	969.20	711.00	943.45	30.49
Oct-21	1111.15	832.60	861.90	-8.64
Nov-21	861.00	650.00	677.25	-21.42
Dec-21	769.00	636.00	726.65	7.29
Jan-22	778.40	515.00	538.75	-25.86
Feb-22	574.95	440.05	483.55	-10.25
Mar-22	550.00	461.20	487.85	0.89

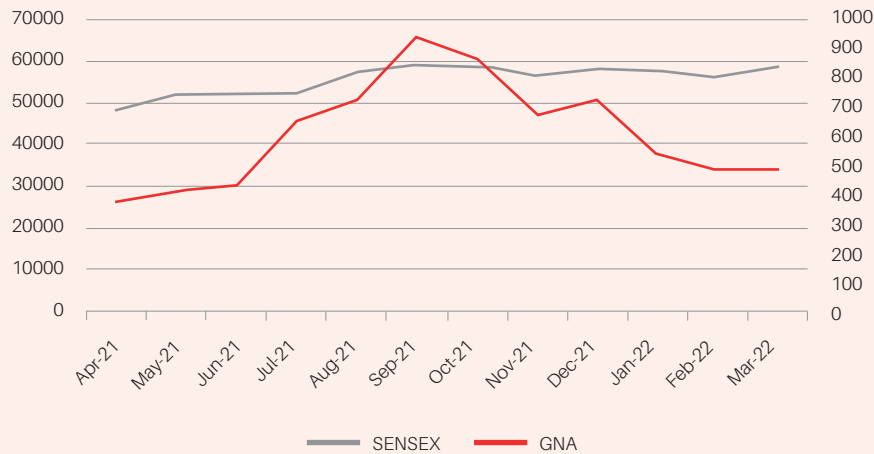
### Stock Price Movement during 2021-2022 in comparison with NSE Nifty Index.





## CORPORATE GOVERNANCE REPORT (Contd.)

## Stock Price Movement during 2021-2022 in comparison with BSE Sensex Index



## viii) Information regarding dividend payment:

Members who have not en-cashed their dividend warrants for Dividend declared for the financial year, should contact the Company for revalidation of the original dividend warrants or for obtaining duplicate dividend warrants. The unpaid/unclaimed amount will be deposited in the Investors Education and Protection Fund as per the schedule given below:

Dividend for Financial Year	Date of Declaration	Due Date for deposit in IEPF
2017-2018	15.09.2018	14.09.2025
2018-2019	23.08.2019	22.08.2026
2020-2021	20.09.2021	19.09.2028

## ix) Registrar &amp; Transfer Agent:

The work related to Share Transfer Registry in terms of both physical and electronic mode is being dealt with by M/s. Link Intime India Private Limited as per address given below :-

M/s. Link Intime India Private Limited  
 C101, 247 Park, LBS Marg Vikhroli West  
 Mumbai 400083  
 Ph: 022-49186000, Fax : 022-49186270  
 Email : rnt.helpdesk@linkintime.co.in

## x) Share Transfer System:

100% of the Company's Equity shares are held in dematerialised form. Transfer of these shares is done through the Depositories with no involvement of the Company. Securities and Exchange Board of India has mandated that w.e.f. April 1, 2019 the physical shares held by the shareholders will not be transferred except in the cases of transmission and transposition of names.

## CORPORATE GOVERNANCE REPORT (Contd.)

### xi) Distribution of Shareholding pattern of the Company as on March 31, 2022.

S. No	Shares Range	Number of shareholders	% of total shareholders	Total shares for the range	% of issued Capital
1	1-500	39972	96.9324	2342452	10.9127
2	501-1000	710	1.7218	536085	2.4974
3	1001-2000	296	0.7178	438530	2.0430
4	2001-3000	101	0.2449	254860	1.1873
5	3001-4000	48	0.1164	167395	0.7798
6	4001-5000	18	0.0437	84689	0.3945
7	5001-10000	44	0.1067	308300	1.4363
8	Above 10001	48	0.1164	17333089	80.7490
	Total	41237	100.00	21465400	100.00

### xii) Dematerialisation:

As on March 31, 2022, 2,14,65,400 Equity Shares of the Company i.e. 100 percent of the Equity Capital of the Company comprising of 2,14,65,400 Equity shares were held in dematerialised form.

### xiii) Outstanding GDR/ADR/ Warrants or any other Convertible Instruments, conversion dates and likely impact on the Equity.

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments during the year.

### xiv) Address for correspondence:

Registered Office : GNA House, 1-C, Chotti Baradari- Part-II, Garha Road, Jalandhar-144001

Telephone : 0181 - 4630477

Fax : 0181 - 4630477

E-mail : [gjain@gnagroup.com](mailto:gjain@gnagroup.com)

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants (DPs).

## DECLARATION UNDER REGULATION 26 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015.

All the members of the Board and Senior Management have affirmed Compliance to the code of Conduct for the Financial Year 2021-22.

Place : Mehtiana

Dated : August 13, 2022

**Gursaran Singh**  
Executive Chairman

## CORPORATE GOVERNANCE REPORT (Contd.)

## Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

To,

The Board of Directors

### G N A Axles Limited

We, the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of GNA Axles Limited ("the Company"), to the best of our knowledge and belief certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the year ended on March 31, 2021 and based on our knowledge and belief, we state that:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain any statement 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) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, 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 internal control systems of the Company pertaining to financial

reporting and we 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, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
  - (i) Significant changes, if any, in the internal control over financial reporting during the year;
  - (ii) Significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

**Ranbir Singh**

**Chief Executive Officer**

Place : Jalandhar

Date : April 29, 2022

**Rakesh Kumar**

**Chief Financial Officer**

## Auditors' Certificate On Corporate Governance

To

The Members of

**G N A Axles Limited**

We have examined the compliance of the conditions of Corporate Governance by G N A Axles Limited for the year ended on March 31, 2022, as stipulated under Regulation 15(2) read with Schedule V Part E of SEBI (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 review of the procedures and implementation thereof, adopted by the Company, for ensuring the compliance of 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 and based on the

representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

For **Harish & Co.**  
**Chartered Accountants**  
(Firm Regn No.017372N)

**Suraj Bajaj**  
**Partner**

Place : Jalandhar  
Dated : August 13, 2022

M.No :- 538094

# 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 GNA Axles Limited  
Jalandhar

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **GNA Axles Limited**, (CIN: L29130PB1993PLC013684) having registered office at GNA House, 1-C, Chhoti Baradari Part - 2, Garha Road, Opposite Medical College, Jalandhar produced by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read Clause 10(i) of Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the financial year ended March 31, 2022.

In my opinion, to the best of my knowledge and according

to the verifications (including Directors Identification Number (DIN) status at the portal of MCA) as considered necessary and explanations furnished to me by the Company and its Officers, I certify that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of Companies, by the SEBI, Ministry of Corporate Affairs or any such statutory authority.

For **H. K. & Associates**  
**Company Secretaries**

**Harsimran Kaur**  
**Proprietor**

Membership No.FCS-8174, CP  
No.9252

Place : Jalandhar

Peer Review No. 2233/2022

Dated : August 13, 2022

UDIN: F008174D000794399

Note: Ensuring the eligibility of for the appointment/continuity of every director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my 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.

# FINANCIAL STATEMENTS

# Independent Auditor's Report

To the Members of

**GNA AXLES LIMITED.**

**Report on the audit of the standalone financial statements.**

## OPINION

We have audited the accompanying Standalone financial statements of **GNA AXLES LIMITED ("the Company")**, which comprise the Balance Sheet as at, March 31, 2022, the statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as March 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

## BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the standards on auditing 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 standalone 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 Act and the rules there under, 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 on the standalone financial statements.

## 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. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon. And we do not provide a separate opinion on these matters.

## INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Company's board of directors are responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report Corporate Governance and share holder informations but does not include the financial statements and our auditor's report thereon.

Our opinion on the Standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind. AS financial statements that give a true and fair view of the financial position, financial performance in accordance with the accounting principles generally accepted in India, including the Accounting Standards Ind. AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Indian accounting standard) 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind. As financial statements that give a

## Independent Auditor's Report (Contd.)

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 RESPONSIBILITIES 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 standalone 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 standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 safeguard. From the matters communicated with those charged with governance, we 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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our



## Independent Auditor's Report (Contd.)

knowledge and belief were necessary for the purpose of our audit;

- b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, Statement of Profit and loss including other comprehensive income, the statement of change in equity and the cash flow statements dealt with by this report are in agreement with the books of account.
- d. In our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under section 133 of the Act.

- e. As per the management representation we report. no funds have been advanced or loaned or invested by the company to or in any other person(s) or entities, including foreign entities ("Intermediaries") with the understanding that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.

no funds have been received by the company from any person(s) or entities including foreign entities ("Funding Parties) with the understanding that such company shall whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate beneficiaries ) or provide guarantee, security or the like on behalf of the Ultimate beneficiaries.

Based on the audit procedures performed, we report that nothing has come to our notice that has caused us to believe that the representations given under sub-clause (i) and (ii) by the management contains any material mis-statement.

- f. In our opinion Company has complied with section 123 of the Companies Act, 2013 with respect to dividend declared/paid during the year.
- g. On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the

directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

- h. 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**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- i. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by company to it's directors during the year is in accordance with the provisions of Section 197 of the Act.
- j) With respect to the other matters to be included in the auditor's Report in accordance with rule II of the Companies (Audit and auditors) Rule, 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 standalone Ind. AS financial Statements-Refer notes to financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Harish & Co.**  
Chartered Accountants (FRN: 017372N)

**(SURAJ BAJAJ)**

**Partner**

M. No. 538094

Place: Jalandhar  
Date: April 29, 2022

UDIN: 22538094AIBNAL1549

## "Annexure "A" to the Independent Auditors'

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the Standalone Ind. AS financial statements of the Company for the year ended March 31, 2022.

- 1) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Fixed Assets have been physically verified by the management at reasonable intervals in accordance with regular programme of verification. According to the information and explanation given to us no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the company.
- (d) No re-valuations were done during the year.
- 2) (a) The management has conducted the physical verification of inventory at reasonable intervals.
- (b) No Material discrepancies of 10% or more in the aggregate for each class of inventories were noticed on physical verification of the inventory by the management as compared to books records.
- (c) During any point of time of the year the company has been sanctioned working capital limits from banks or financial institutions on the basis of security of current assets.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Goods and Service Tax, Customs Duty, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2022 for a period of more than six months from the date on when they become payable.
- (b) According to the information and explanation given to us, there are no material dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, sales tax, excise duty, service tax and value added tax have not been deposited by the Company on account of disputes;

Nature of the Statute	Nature of the Dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Punjab Sales Tax Act	Demand P-VAT	5467036	2009-2010	VAT Tribunal
Punjab Sales Tax Act	Demand P-VAT	2225430	2008-2009	VAT Tribunal
Punjab Sales Tax Act	Demand P-VAT (Crane	180000	2004-2005	VAT Tribunal
Excise & Service Tax	Service Tax on others	216932	2017-18	Before Assistant Commissioner
Excise & Service Tax	Excise Duty CENVAT	3813476	2017-18	Asstt. Commissioner

## "Annexure "A" to the Independent Auditors' (Contd.)

- c) The company management believes that the ultimate outcome of these contingent liabilities will not have a material adverse effect on the Company's financial position and its results of operations.
8. The company does not have any transactions to be recorded in the books of accounts that has been surrendered or disclosed as income during the year in the Tax Assessments under The Income Tax Act, 1961.
  9. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings from a financial institutions, banks.
  10. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer (including Debt instruments). During the year the Company has taken Term Loans from Banks and utilized the amount of Term Loans for the purpose for which they were raised.  
The company has not made any preferential allotment or private placement or shares or fully or partly convertible debentures during the year under review.
  11. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
  12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause xii of the Order are not applicable to the Company.
  13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
  14. The company does have an internal audit system commensurate with the size and nature of its business. Reports of internal audit committee for the period under audit were considered by the statutory auditor.
  15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him and the provisions of section 192 of Companies Act, 2013 have been complied with.
  16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.
  17. The Company has not incurred cash losses in the financial year under Audit and in the immediately preceding financial year.
  18. There has been no instance of any resignation of the statutory auditors occurred during the year.
  19. No material uncertainty exists on the date of the audit report that company is capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of 1yr.( One Year) from the Balance sheet date.
  20. In respect of ongoing projects, the company has transferred unspent amount to a account for unspent CSR within a period of thirty days from the expiry of the financial year in Compliance with provisions of Section 135 of the said Act.
  21. The Company does not have any qualifications or any adverse remarks by the auditors of its subsidiary company **GNA Michigen**.

For **Harish & Co.**  
**Chartered Accountants (FRN: 017372N)**  
**(SURAJ BAJAJ)**  
**Partner**  
M. No. 538094

Place: Jalandhar  
Date: April 29, 2022

UDIN: 22538094AIBNAL1549

## **"Annexure B"** **to the Independent Auditor's**

### **"Annexure B" to the Independent Auditor's Report of even date on the Standalone Financial Statements of GNA Axles Limited Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **GNA Axles Limited** ("the Company" as of March 31, 2022 in conjunction with our audit of the standalone Ind. AS financial statements of the Company for the year ended on that date.

#### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

#### **AUDITORS' 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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

## **"Annexure B" to the Independent Auditor's (Contd.)**

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, 2022, based on the Internal Control over financial reporting criteria established by the company considering the essential components of the 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 **Harish & Co.**  
**Chartered Accountants (FRN: 017372N)**

**(SURAJ BAJAJ)**

**Partner**

M. No. 538094

Place: Jalandhar  
Date: April 29, 2022

UDIN: 22538094AIBNAL1549

# Balance Sheet

As at March 31, 2022

(Amount in ₹ Lacs)

Particulars	Note No.	March 31, 2022	March 31, 2021
<b>NON-CURRENT ASSETS</b>			
a) Property, Plant & Equipment	1.00	29,061.38	29,476.69
b) Right of use assets		-	-
c) Capital Work in Progress		-	-
d) Goodwill		-	-
e) Other Intangible Assets		-	-
f) Intangible Assets under Development		-	-
g) Financial Assets			
(i) Investments	2.00	0.66	0.66
(ii) Loans		-	-
(iii) Other Financial Assets	3.00	1,778.58	1,685.53
h) Deferred Tax Assets		72.25	-
i) Current Tax Assets (net)		-	-
j) Other Non-Current Assets	4.00	1,821.90	379.58
		<b>32,734.77</b>	<b>31,542.46</b>
<b>CURRENT ASSETS</b>			
a) Inventories	5.00	18,800.58	15,264.51
b) Financial Asset			
Investments		-	-
Trade Receivables		47,427.92	43,792.98
Cash & Cash Equivalents	6.00	24.92	34.57
Bank Balance Other than Cash and Cash Equivalents	7.00	462.40	1,915.12
Loans		-	-
Other Financial Assets		-	-
c) Other Current Assets	8.00	4,730.98	3,404.61
		<b>71,446.80</b>	<b>64,411.79</b>
<b>Total Assets</b>		<b>1,04,181.57</b>	<b>95,954.25</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity Share Capital	9.00	2,146.54	2,146.54
b) Other Equity	10.00	57,389.93	49,627.01
<b>Total Equity</b>		<b>59,536.47</b>	<b>51,773.55</b>
<b>Liabilities</b>			
<b>NON-CURRENT LIABILITIES</b>			
a) Financial Liabilities			
(i) Lease Liabilities		-	-
(ii) Borrowings	11.00	4,728.83	7,643.69
(iii) Other Financial Liabilities		-	-
b) Provisions		-	-
c) Deferred Tax Liabilities (net)		-	47.80
d) Other Non-Current Liabilities		-	-
<b>Total Non-Current Liabilities</b>		<b>4,728.83</b>	<b>7,691.49</b>
<b>CURRENT LIABILITIES</b>			
a) Financial Liabilities			
(i) Lease Liabilities		-	-
(ii) Borrowings	11.00	15,985.92	9,525.66
(iii) Trade Payable			
Total Outstanding Dues of Micro & Small Enterprises		343.83	343.98
Total Outstanding Dues of Creditors other than Micro & Small Enterprises		19,802.34	22,413.59
Other Current Financial Liabilities	12.00	1,475.35	2,529.09
b) Other Current Liabilities	13.00	462.13	389.91
c) Current Provisions	14.00	1,549.50	791.65
d) Current Tax Liabilities (Net)		297.20	495.33
		<b>39,916.27</b>	<b>36,489.21</b>
<b>Total Current Liabilities</b>		<b>44,645.10</b>	<b>44,180.70</b>
<b>Total Equity &amp; Liabilities</b>		<b>1,04,181.57</b>	<b>95,954.25</b>

Annexed hereto Notes forming Parts of Financial Statements and Notes on Accounting Policies

As per our Report of even date annexed.

For **Harish & Co.**

**Chartered Accountants (FRN017372N)**

**(SURAJ BAJAJ)**

**Partner**

M.No. 538094

Place: Jalandhar

Dated: April 29, 2022

UDIN: 22538094AIBNAL1549

**RANBIR SINGH**

**Mg. Director**

**RAKESH KUMAR**

**Chief Financial Officer**

**GURDEEP SINGH**

**Director**

**GOURAV JAIN**

**Company Secretary**

# Statement of Profit & Loss

For the year ended March 31, 2022

(Amount in ₹ Lacs)

Particulars	Notes No.	March 31, 2022	March 31, 2021
<b>REVENUE FROM OPERATIONS</b>			
Income from Operations	15.00	1,24,278.66	86,761.63
Other Operating income	16.00	2,768.70	2,197.63
		<b>1,27,047.36</b>	<b>88,959.26</b>
Other Income	17.00	55.57	151.08
		<b>1,27,102.93</b>	<b>89,110.34</b>
<b>EXPENDITURE</b>			
Cost of Material consumed	18.00	86,834.26	52,999.77
Purchases of Stock-in-Trade			
Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	19.00	-3,582.58	2,581.12
Employee Benefits Expense	20.00	5,856.11	4,968.53
Financial Costs	21.00	1,122.71	854.44
Depreciation, Impairment and Amortisation Expenses	22.00	4,970.89	4,071.94
Other Expenses	23.00	19,842.61	14,026.44
		<b>1,15,044.00</b>	<b>79,502.24</b>
<b>Profit Before Exceptional items and Tax</b>		<b>12,058.93</b>	<b>9,608.10</b>
<b>Exceptional items</b>		-	-
<b>Profit from continuing operations before Tax</b>		<b>12,058.93</b>	<b>9,608.10</b>
<b>Tax Expense (Current &amp; Deferred Tax)</b>		<b>3,179.96</b>	<b>2,557.18</b>
<b>Profit for the year (A)</b>		<b>8,878.97</b>	<b>7,050.92</b>
<b>Other Comprehensive Income/Loss</b>		-	-
(Items that will not be reclassified to Statement of Profit and Loss)			
<b>Other Comprehensive Income/(Loss) for the year (B)</b>		-	-
<b>Total Comprehensive Income for the year (A+B)</b>		<b>8,878.97</b>	<b>7,050.92</b>
Earnings Per Equity Share of face value of ₹ 10/- each			
Basic		<b>41.36</b>	<b>32.85</b>
Diluted		<b>41.36</b>	<b>32.91</b>

Annexed hereto the Notes forming Parts of Financial Statements and Notes on Accounting Policies

As per our Report of even date annexed.

For **Harish & Co.**

**Chartered Accountants (FRN017372N)**

**(SURAJ BAJAJ)**

**Partner**

M.No. 538094

Place: Jalandhar

Dated: April 29, 2022

UDIN: 22538094AIBNAL1549

**RANBIR SINGH**

**Mg. Director**

**RAKESH KUMAR**

**Chief Financial Officer**

**GURDEEP SINGH**

**Director**

**GOURAV JAIN**

**Company Secretary**

# Standalone Cash Flow Statement

As at March 31, 2022

(Amount in ₹ Lacs)

Particulars	For the Year Ending March 31, 2022	For the Year Ending March 31, 2021
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net profit before tax</b>	1,20,58.93	9,608.10
<b>Adjustments for :</b>		
Depreciation	4,970.89	4,071.94
Interest income	-54.54	-146.89
Interest paid	972.85	788.00
IPO Expenses W/off	130.41	130.41
Profit/Loss on sale of assets	-1.01	-4.18
<b>Operating profit before working capital changes</b>	<b>1,80,77.53</b>	<b>14,447.38</b>
<b>Adjustments for :</b>		
Inventories	-3,536.05	-759.91
Decrease/Increase in Trade Rec./Other Current/Non-Current Assets	-5,230.50	-14,269.00
Decrease/Increase in Trade Payable/Other Current Liabilities	-1,830.30	6,434.81
Income tax of earlier year	-42.78	13.82
Income Tax Paid	-3,300.00	-2,550.00
<b>Net cash from operating activities</b>	<b>4,137.90</b>	<b>3,317.10</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Increase in Other Financial Assets	-93.05	-
Purchase of Fixed assets	-4,556.68	-3,012.91
Sale of Fixed Assets	2.10	17.89
Interest received	54.54	146.89
<b>Net cash used in Investing activities</b>	<b>-4,593.09</b>	<b>-2,848.13</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long term Borrowings	2,257.77	-
Repayment of long term borrowings	-6,226.37	-3,485.02
Dividend Paid	-1,073.27	-
Increase/Decrease in cash credits & Packing credits	6,460.26	3,814.73
Interest Paid	-972.85	-788.00
<b>Net cash flow from financing activities</b>	<b>445.54</b>	<b>-458.29</b>
<b>Net increase/ (decrease) in cash &amp; cash equivalents (A+B+C)</b>	<b>-9.65</b>	<b>10.68</b>
<b>Cash &amp; Cash equivalents at the beginning of the year (see Note 2)</b>	<b>34.57</b>	<b>23.89</b>
<b>Cash &amp; Cash equivalents at the end of the year (see Note 2)</b>	<b>24.92</b>	<b>34.57</b>
	-9.65	10.68



## Cash Flow Statement As at March 31, 2021 (Contd.)

### 1. Notes :

The Cash flow is based on and derived from the accounts of company for the year ended 31st March, 2022 and 31st March, 2021

(Amount in ₹ Lacs)

Particulars	For the Year Ending March 31, 2022	For the Year Ending March 31, 2021
2 Cash & cash equivalents comprise of :		
Cash in hand	23.20	28.91
<b>With scheduled banks :</b>		
In current accounts	1.72	5.66
Cash and cash equivalents at the end of the year	<b>24.92</b>	<b>34.57</b>

As per our Report of even date annexed.

For **Harish & Co.**

**Chartered Accountants (FRN017372N)**

**(SURAJ BAJAJ )**

**Partner**

M.No. 538094

Place: Jalandhar

Dated: April 29, 2022

UDIN: 22538094AIBNAL1549

**RANBIR SINGH**

**Mg. Director**

**RAKESH KUMAR**

**Chief Financial Officer**

**GURDEEP SINGH**

**Director**

**GOURAV JAIN**

**Company Secretary**

## Notes

### Forming part of standalone financial statements for the year ended March 31, 2022

#### I. CORPORATE INFORMATION

**GNA Axles Limited** ("the Company") is a Company established in 1993. The Company manufactures auto components for the four-wheeler industry, primary product being Rear Axles, Shafts, Spindles & other Automobiles Components for sale in domestic and foreign market. The Company has manufacturing location in the state of Punjab Unit -I at Mehtiana & Unit-II at VPO Gulabgarh Jattan (Phagwara-Hoshiarpur Road).

#### II. SIGNIFICANT ACCOUNTING POLICIES:

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the periods presented, unless otherwise stated.

##### II.1 BASIS OF PREPARATION:

###### (i) Compliance with Ind AS

This financial statements comply in all material aspects with Indian Accounting Standards (Ind. AS) notified under Section 133 of the Companies Act, 2013 (the Act) Companies (Indian Accounting Standard) Rules, 2015 and other reliant provision of the Act.

###### (ii) Historical cost convention

The financial statements have been prepared on an accrual basis and under the historical cost convention.

###### (iii) Classification of asset and liabilities

The classification of assets and liabilities into current and non-current, wherever applicable, are based on normal operating cycles of business activities of the Company, which is twelve months.

##### II.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

###### a) Property, plant and Equipment:

Freehold land is carried at historical cost. All other items of Property, plant and equipment are shown at cost, less accumulated depreciation and impairment, if any. The cost of an item of property, plant and equipment comprises its cost of acquisition inclusive of inward freight, import duties, and other non refundable taxes or levies and any cost directly attributable to the acquisition/

construction of those items: any trade discounts and rebates are deducted in arriving at the cost of acquisition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measure reliably. All other repairs and maintenance are charged to statements of profit or loss during the reporting period in which they are incurred.

###### b) Depreciation on tangible fixed assets.

Depreciation on tangible fixed assets is provided using the Written down value Method as per rate prescribed by Companies Act.

###### c) Revenue Recognition:

Revenue is measured at the fair value of the consideration received or receivable. Gross Sales are Net of returns, Claims, and Discount. The Company recognises Revenue when amount of revenue can be measured reliably and it is probable that the economic benefits associated with transaction will flow to the entity.

Interest Income is accounted on accrual basis and Fixed deposit interest is accounted as per statement/documents issued by bank.

###### d) Inventories

###### Inventories are valued as follows:

- |                                   |   |   |
|-----------------------------------|---|---|
| a) Stock of Raw Material & Stores | : | At Purchase price plus Direct Expenses            |
| b) Stock of work in Progress      | : | At estimated cost price                           |
| c) Stock of Finished Goods        | : | At cost or net realisable value whichever is less |

###### e) Insurance and other claims

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

###### f) Tax Expenses

Current income tax is measured at the amount expected to be paid to the income tax authorities in accordance with the income-tax Act, 1961 enacted in India. Deferred Income tax assets and

## Notes

### Forming part of standalone financial statements for the year ended March 31, 2022 (Contd.)

liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax assets is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. The Company offsets current tax assets and current tax liabilities where it has a legally enforceable right to set-off the recognised amounts and where it intends either to settle on a net basis or to realise the assets and settle the liability simultaneously.

#### g) Earning per Share

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue: bonus element in a rights issue to existing shareholders: share split: and reverse share split (consolidation of shares).

#### h) Impairment of assets

At each balance sheet date an assessment is made whether any indication exists that an assets has been impaired. If any such indication exists, an impairment loss i.e the amount by which the carrying amount of an assets exceeds its recoverable amount is provided in the books of accounts.

#### i) Borrowing Costs:

Borrowing cost that is attributable to acquisition or construction of a qualifying asset is capitalised as part of cost of such assets. Qualifying assets is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing cost is recognised as expenses in the period in which they are incurred.

#### j) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flow, cash & cash equivalents includes cash in hand, cash at bank and demand deposits with banks with an original maturity of three months or less which are subject to an in significant risk of change in value.

#### k) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can reliably estimated. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent. The Company does not recognise a contingent liability but discloses its existence in financial statements

#### l) Cash flow statement

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

#### m) Foreign Currency Transactions

The functional currency of the company is Indian Rupee. These financial statements are presented in Indian Rupee.

Transactions and Balances.

The foreign current transactions are recorded, on initial recognition in the functional currency, by applying foreign current amount the spot exchange rate between the functional currency and the foreign current at the date of transaction.

**Notes****Forming part of standalone financial statements for the year ended March 31, 2022 (Contd.)**

The foreign current monetary items are translated using closing rate at the end of each reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rate at the date of transaction. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognised in profit or loss in the period in which they arise.

**n) Retirement & Other Benefits**

i) **Gratuity:-** The Company has a defined benefit gratuity plan. Every employee who has completed 5 years or more of service is entitled to gratuity on terms not less favorable than the Provisions of " The Payment of

Gratuity Act 1972." The Company contributes periodically with LIC of India.

ii) **Provident Fund:-** Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expenses, when an employee renders the related service.

iii) **Superannuation Fund:-** Certain employees are also participants in the superannuation plan which is a defined contribution plan. The Company has no further obligations to the plan beyond its monthly contribution which are periodically contributed to corpus which is invested with the Life Insurance Corp. of India.

## Notes

## Forming part of standalone financial statements for the year ended March 31, 2022 (Contd.)

## 1. PROPERTY PLANT &amp; EQUIPMENT

Particulars	(Amount in ₹ Lacs)								
	Freehold Land	Factory Building	Plant & Machinery	Computers	Office Equipments	Furniture & Fixtures	Vehicle	Total	
<b>(A) Gross Block</b>									
Balance as at April 1, 2021	1,274.04	8,898.09	47,816.56	700.33	682.12	544.40	1,156.34	61,071.88	
Addition during the year	347.69	790.07	2,906.12	34.86	77.91	63.02	336.99	4,556.66	
Discarded/Disposed off during the year	-	-	-	-	-	-	31.42	31.42	
<b>Balance as at March 31, 2022</b>	<b>1,621.73</b>	<b>9,688.16</b>	<b>50,722.68</b>	<b>735.19</b>	<b>760.03</b>	<b>607.42</b>	<b>1,461.91</b>	<b>65,597.12</b>	
<b>(B) Accumulated Depreciation</b>									
Balance as at April 1, 2021	-	3,122.38	26,247.36	663.62	437.97	387.39	736.46	31,595.19	
Depreciation for the year	-	623.75	4,030.60	35.57	47.48	49.83	183.67	4,970.89	
Accumulated depreciation on discarded/disposal	-	-	-	-	-	-	30.34	30.34	
<b>Balance as at March 31, 2022</b>	<b>-</b>	<b>3,746.13</b>	<b>30,277.96</b>	<b>699.19</b>	<b>485.45</b>	<b>437.22</b>	<b>889.79</b>	<b>36,535.74</b>	
<b>(C) Net carrying Amount</b>									
Balance as at April 1, 2021	1,274.04	5,775.71	21,569.19	36.71	244.15	157.01	419.88	29,476.69	
<b>Balance as at March 31, 2022</b>	<b>1,621.73</b>	<b>5,942.03</b>	<b>20,444.72</b>	<b>36.00</b>	<b>274.58</b>	<b>170.20</b>	<b>572.12</b>	<b>29,061.38</b>	

## Notes

Forming part of standalone financial statements for the year ended March 31, 2022 (Contd.)

### 2. NON-CURRENT INVESTMENTS

Particulars	(Amount in ₹ Lacs)	
	March 31, 2022	March 31, 2021
Investment in Shares of GNA Axles Inc Michigan	0.66	0.66
	<b>0.66</b>	<b>0.66</b>

### 3. OTHER FINANCIAL ASSETS

Particulars	(Amount in ₹ Lacs)	
	March 31, 2022	March 31, 2021
Security Deposits	1,778.58	1,685.53
Bank Deposits with more than 12 months maturity	0.00	0.00
	<b>1,778.58</b>	<b>1,685.53</b>

### 4. OTHER-NON CURRENT ASSETS

Particulars	(Amount in ₹ Lacs)	
	March 31, 2022	March 31, 2021
Advance for Fixed Assets	1,821.90	379.58
	<b>1,821.90</b>	<b>379.58</b>

### 5. INVENTORIES

Particulars	(Amount in ₹ Lacs)	
	March 31, 2022	March 31, 2021
<b>Raw Material</b>		
Raw Material Steel	5,835.99	6,077.45
Raw Material Non Steel	21.93	18.99
Work in Progress	9,724.35	7,334.17
Finished Goods	2,022.09	818.11
<b>Stores, Spares &amp; Loose Tools</b>		
Stock of Operating Supply	858.06	717.97
Stock of Spare Parts	144.40	120.98
Stock of Diesel	24.14	34.33
Stock of Die Steel	10.98	17.12
Stock of Oil Lubricant	84.81	41.28
<b>Others</b>		
Stock of Scrap Material	15.66	27.24
Stock of Packing	58.17	56.87
	<b>18,800.58</b>	<b>15,264.51</b>

**Notes**

Forming part of standalone financial statements for the year ended March 31, 2022 (Contd.)

**6. CASH & CASH EQUIVALENTS**

(Amount in ₹ Lacs)

Particulars	March 31, 2022		March 31, 2021	
Cash in hand		23.20		28.91
<b>Balance with Banks</b>				
(In Current Account)		1.72		5.66
		<b>24.92</b>		<b>34.57</b>

**7. OTHER BANK BALANCE**

(Amount in ₹ Lacs)

Particulars	March 31, 2022		March 31, 2021	
In Dividend Account		2.40		1.06
In Deposit Account		460.00		1914.06
		<b>462.40</b>		<b>1915.12</b>

**8. OTHER CURRENT ASSETS**

(Amount in ₹ Lacs)

Particulars	March 31, 2022		March 31, 2021	
Pre-paid Expenses		103.08		129.49
Advance to Vendor		369.93		472.56
Advance to Employee		17.17		17.64
Other Current Assets		4,240.80		2,784.92
		<b>4,730.98</b>		<b>3,404.61</b>

**9. EQUITY SHARE CAPITAL**

(Amount in ₹ Lacs)

Particulars	March 31, 2022		March 31, 2021	
	Nos.	Amount	Nos.	Amount
<b>SHARE CAPITAL</b>				
<b>(1) Authorised Share Capital</b>				
Equity Share of ₹ 10/- each.	<b>3,00,00,000.00</b>	<b>3,000.00</b>	<b>3,00,00,000.00</b>	<b>3,000.00</b>
(Previous year Equity Share of ₹ 10/- each)				
<b>(2) Issued, Subscribed &amp; Paid-up</b>				
Equity Shares of ₹ 10/- each	2,14,65,400.00	2,146.54	2,14,65,400.00	2,146.54
(Previous year Equity Share of ₹ 10/- each)				
	<b>2,14,65,400.00</b>	<b>2,146.54</b>	<b>2,14,65,400.00</b>	<b>2,146.54</b>

## Notes

### Forming part of standalone financial statements for the year ended March 31, 2022 (Contd.)

#### Reconciliation of number of shares outstanding at the beginning and at the end of the year

(Amount in ₹ Lacs)

Equity Shares	March 31, 2022		March 31, 2021	
	Nos.	Amount	Nos.	Amount
Shares outstanding at the beginning of the year	2,14,65,400.00	2,146.54	2,14,65,400.00	2,146.54
Shares issued during the year	0	0	0	0
Shares bought back during the year	0	0	0	0
<b>Shares outstanding at the end of the year</b>	<b>2,14,65,400.00</b>	<b>2,146.54</b>	<b>2,14,65,400.00</b>	<b>2,146.54</b>

#### Detail of Shareholding more than 5% share of the company

Particulars	March 31, 2022		March 31, 2021	
	Nos.	%age holding	Nos.	%age holding
<b>Name of Shareholder</b>				
(Equity Shares of ₹ 10/- each)				
S. Gursaran Singh	17,95,875.00	8.37	17,39,339.00	8.10
S. Maninder Singh	24,40,300.00	11.37	24,40,300.00	11.37
S. Jasvinder Singh	32,83,600.00	15.30	32,83,600.00	15.30
S. Ranbir Singh	32,06,548.00	14.94	29,31,598.00	13.66
S. Gurdeep Singh	31,35,406.00	14.61	33,91,756.00	15.10
HDFC Small Cap Fund	13,43,284.00	6.26	11,84,109.00	5.52

#### A. Terms/rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share 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 proportion to the number of equity shares held by the shareholders.

- B.** There are Nil No. of shares (**Previous Year: NIL**) in respect of shares in our Company held by its holding or its ultimate holding company including shares held by or by subsidiary or associates of holding company or ultimate holding company in aggregate.
- C.** There are NIL No. of shares (**Previous year NIL**) reserved for issue under option and contracts/commitment for the sale of shares/dis-investment including the terms and amounts.

(Amount in ₹ Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
1. Aggregate No and class of shares allotted as fully paid-up pursuant to contract(s) without payment being received in cash	NIL	NIL
2. Aggregate No. and class of shares allotted as fully paid-up by way of Bonus Shares	NIL	NIL
3. Aggregate No. and class of shares bought back.	NIL	NIL

- D.** There are no securities (**Previous year NIL**) convertible into Equity shares
- E.** There are no calls un-paid (**Previous year NIL**) including calls un-paid by Directors and officers as on balance sheet date.



**Notes****Forming part of standalone financial statements for the year ended March 31, 2022 (Contd.)****F. Share holding of Promoters:**

Sr. No.	Promoter's Name	No. of shares as on March 31, 2022	No. of shares as on March 31, 2021	% of total Shares as on March 31, 2022	% of total Shares as on March 31, 2021	% change during the year
1	Jasvinder Singh (Promoter)	32,83,600	32,83,600	15.3	15.3	0
2	Ranbir Singh (Promoter)	32,06,548	29,31,598	14.94	13.66	1.28
3	Gurdeep Singh (Promoter)	31,35,406	33,91,756	14.61	15.8	-1.19
4	Maninder Singh (Promoter Group)	24,40,300	24,40,300	11.37	11.37	0
5	Gursaran Singh (Promoter Group)	17,95,875	17,39,339	8.37	8.1	0.27
6	Rachhpal Singh (Promoter Group)	1,12,400	1,12,400	0.52	0.52	0
7	Kulvin Seehra (Promoter Group)	2,12,750	2,12,750	0.99	0.99	0
8	Keerat Seehra (Promoter Group)	2,12,500	2,12,500	0.99	0.99	0
9	Harjinder Kaur (Promoter Group)	1,41,500	1,41,500	0.66	0.66	0
10	Jasleen Kaur (Promoter Group)	9,462	9,462	0.04	0.04	0
11	Ashmeet Seehra (Promoter Group)	7,151	7,151	0.03	0.03	0
12	Lovleen Kaur (Promoter Group)	6,950	6,950	0.03	0.03	0
13	Manjot Seehra (Promoter Group)	2,240	2,240	0.01	0.01	0
14	GNA Gears Limited (Promoter Group)	3,510	150	0.02	0	0.02

**10. STATEMENTS OF CHANGES IN EQUITY****A. Equity Share Capital****(1) Current Reporting period****(Amount in ₹ Lacs)**

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
₹ 2,146.54	0	₹ 2,146.54	0	₹ 2,146.54
(2,14,65,400 Equity Share of ₹10/- each		(2,14,65,400 Equity Share of ₹ 10/- each		(2,14,65,400 Equity Share of ₹ 0/- each

**(2) Previous reporting period****(Amount in ₹ Lacs)**

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
₹ 2,146.54	0	₹ 2,146.54	0	₹ 2,146.54
(2,14,65,400 Equity Share of ₹ 10/- each		(2,14,65,400 Equity Share of ₹ 10/- each		(2,14,65,400 Equity Share of ₹ 10/- each

**Notes**  
**Forming part of standalone financial statements for the year ended March 31, 2022 (Contd.)**

**B. Other Equity**

**(1) Current reporting period**

	Share application money pending allotment (₹)	Equity Component of compound financial instruments (₹)	Reserve & Surplus			Debt instruments through Other Comprehensive Income (₹)	Equity Instruments through Other Comprehensive Income (₹)	Effective portion of Cash Flow Hedges (₹)	Revaluation Surplus (₹)	Exchange differences on translating the financial statements of a foreign operation (₹)	Other items of Other Comprehensive Income (specify nature) (₹)	Money received against share warrants (₹)	Total (₹)
			Capital Reserve (₹)	Securities Premium (₹)	Other Reserves (specify nature) (₹)								
Balance at the bennin of the current reporting period	-	-	1,802.98	-	37,824.03	-	-	-	-	-	-	-	49,627.01
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	1,802.98	-	37,824.03	-	-	-	-	-	-	-	49,627.01
Total comprehensive income for the current year	-	-	1,802.98	-	37,824.03	-	-	-	-	-	-	-	49,627.01
Dividends	-	-	-	-	1,073.27	-	-	-	-	-	-	-	1,073.27
Transfer to retained earnings	-	-	1,802.98	-	8,878.97	-	-	-	-	-	-	-	20,681.95
Income Tax Adjustments of previous year	-	-	-	-	42.78	-	-	-	-	-	-	-	42.78
Balance at the end of the current reporting period	-	-	1,802.98	-	45,586.95	-	-	-	-	-	-	-	57,389.93

## Notes

## Forming part of standalone financial statements for the year ended March 31, 2022 (Contd.)

## (2) Previous reporting period

	Share application money pending allotment	Equity Component of compound financial instruments	Reserve & Surplus				Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (specify nature)	Money received against share warrants	Total
			Capital Reserve	Securities Premium	Other Reserves (specify nature)	Retained Earnings								
Balance at the beginning of the previous reporting period			11802.98			30744.90							42547.88	
Changes in accounting policy or prior period errors			0.00			0.00							0.00	
Restated balance at the beginning of the previous reporting period			11802.98			30744.90							42547.88	
Total comprehensive income for the previous year			11802.98			30744.90							42547.88	
Dividends			0.00			0.00							0.00	
Transfer to retained earnings			11802.98			7065.31							18868.29	
Income Tax Adjustments of previous year			0.00			13.82							13.82	
Balance at the end of the previous reporting period			11802.98			37824.03							49627.01	

## Notes

Forming part of standalone financial statements for the year ended March 31, 2022 (Contd.)

### 11. BORROWINGS

Particulars	(Amount in ₹ Lacs)	
	March 31, 2022	March 31, 2021
<b>A) Non Current</b>		
<b>Secured</b>		
<b>From Banks</b>		
Term Loan	367.60	5,181.84
<b>From Others</b>		
Bajaj Finance Limited	5,836.58	4,990.94
	<b>6,204.18</b>	<b>10,172.78</b>
Less: Current Maturities	1,475.35	2,529.09
	<b>4,728.83</b>	<b>7,643.69</b>
<b>Unsecured</b>	-	-
	<b>4,728.83</b>	<b>7,643.69</b>
<b>B) Current</b>		
<b>Secured</b>		
From Banks (Repayable on Demand)	12,985.92	9,525.66
<b>From Other</b>		
Bajaj Finance Limited	3,000.00	-
<b>Unsecured</b>	-	-
	<b>15,985.92</b>	<b>9,525.66</b>

11.1 The above non-current borrowings are secured by mortgage created on the immovable assets of the company both present and future and hypothecation of all moveable assets including movable machinery, tools and accessories and other movables, both present and future subject to charges created in favour of the Bankers/NBFC'S for securing the working capital limits and the personal guarantee of promoter directors.

11.2 Current Borrowings includes Cash Credit Limit, O/D Limit & PCFC from Consortium Banks which are secured by hypothecation of entire present and future tangible current assets of the company as well as second charges on the entire present and future fixed assets of company and personal guarantee of promoter directors.

### 12. OTHER CURRENT FINANCIAL LIABILITIES

Particulars	(Amount in ₹ Lacs)	
	March 31, 2022	March 31, 2021
Current Maturity of Non-Current Borrowings	1,475.35	2,529.09
	<b>1,475.35</b>	<b>2,529.09</b>

### 13. OTHER CURRENT LIABILITIES

Particulars	(Amount in ₹ Lacs)	
	March 31, 2022	March 31, 2021
Statutory Liabilities	459.73	388.86
Unpaid Dividend	2.40	1.05
	<b>462.13</b>	<b>389.91</b>

**Notes****Forming part of standalone financial statements for the year ended March 31, 2022 (Contd.)****14. CURRENT PROVISIONS**

(Amount in ₹ Lacs)

Particulars	March 31, 2022	March 31, 2021
Outstanding Expenses Payable	1,348.19	601.63
Employee Dues	201.31	190.02
	<b>1,549.50</b>	<b>791.65</b>

**15. REVENUE FROM OPERATIONS**

(Amount in ₹ Lacs)

Particulars	March 31, 2022	March 31, 2021
<b>SALE OF PRODUCTS</b>		
Sale Domestic	48,226.88	38,877.44
Sale Export (Direct)	76,051.78	47,884.19
	<b>1,24,278.66</b>	<b>86,761.63</b>

**16. OTHER OPERATING REVENUE**

(Amount in ₹ Lacs)

Particulars	March 31, 2022	March 31, 2021
DEPB/FPS Service	799.87	1,036.34
Duty Drawback	1,492.77	744.57
Exchange Difference	476.06	416.72
	<b>2,768.70</b>	<b>2,197.63</b>

**17. OTHER INCOME**

(Amount in ₹ Lacs)

Particulars	March 31, 2022	March 31, 2021
Interest Income	54.55	146.89
Profit on sale of asset	1.02	4.19
	<b>55.57</b>	<b>151.08</b>

**18. COST OF MATERIALS CONSUMED**

(Amount in ₹ Lacs)

Particulars	March 31, 2022	March 31, 2021
<b>CONSUMPTION OF RAW MATERIAL</b>		
Raw Material -Steel	75,807.04	45,536.85
Raw Material-Non-Steel	13.24	10.81
	<b>75,820.28</b>	<b>45,547.66</b>
<b>CONSUMPTION OF STORE &amp; SPARES</b>		
Consumption of operating supply	5,615.79	3,728.75
Consumption of Die Steel	372.95	264.95
Consumption of oil & Lubricants	1,284.82	1,032.88
Consumption of Packing Materials	3,262.75	2,224.42
Consumption of Furnace Oil	477.67	201.11
	<b>11,013.98</b>	<b>7,452.11</b>
	<b>86,834.26</b>	<b>52,999.77</b>

## Notes

Forming part of standalone financial statements for the year ended March 31, 2022 (Contd.)

### 19. CHANGE IN INVENTORY OF-WORK IN PROGRESS & FINISHED GOODS

Particulars	(Amount in ₹ Lacs)	
	March 31, 2022	March 31, 2021
At the beginning of Accounting period	8,179.52	10,760.64
At the end of the Accounting period	11,762.10	8,179.52
	<b>-3,582.58</b>	<b>2,581.12</b>

### 20. EMPLOYEE BENEFIT EXPENSE

Particulars	(Amount in ₹ Lacs)	
	March 31, 2022	March 31, 2021
Wages	1,956.25	1,663.35
Salary	2,348.88	1,958.23
Production Incentive Bonus	588.36	480.28
Contribution to Provident Fund	142.24	121.43
Family Pension	140.08	133.41
Administration charges	20.28	18.69
Group Gratuity Scheme	112.03	103.10
Group Insurance	0.06	2.27
Super Annuation Fund	35.42	31.68
Workers and Staff Welfare	172.61	136.96
Bonus	211.53	207.45
Leave with Wages	37.00	46.41
Medical Reimbursement	40.65	19.48
Employees State Insurance	50.72	45.79
	<b>5,856.11</b>	<b>4,968.53</b>

### 21. FINANCIAL COSTS

Particulars	(Amount in ₹ Lacs)	
	March 31, 2022	March 31, 2021
<b>a) Interest Expense</b>		
Interest on Term Loan	671.49	621.35
Interest on Cash Credit	301.27	161.39
Interest to Others	0.09	5.27
<b>b) Other Borrowing Cost</b>		
Bank Commission	149.86	66.43
	<b>1,122.71</b>	<b>854.44</b>

### 22. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	(Amount in ₹ Lacs)	
	March 31, 2022	March 31, 2021
<b>DEPRECIATION</b>		
Building	623.75	427.92
Plant & Machinery	4,030.60	3,334.01
Furniture & Fixture	49.83	44.94
Vehicle	183.67	184.57
Computers	35.57	35.99
Office Equipments	47.47	44.51
	<b>4,970.89</b>	<b>4,071.94</b>

**Notes****Forming part of standalone financial statements for the year ended March 31, 2022 (Contd.)****23. OTHER EXPENSES**

(Amount in ₹ Lacs)

Particulars	March 31, 2022	March 31, 2021
Machining charges	700.81	1,037.76
Power & Fuel	6,924.35	5,543.55
Repair & Maintenance	344.65	257.93
Factory Expenses	85.14	55.37
Office Expenses	22.17	32.83
Donation / CSR	189.37	133.75
Subscription / Membership fees	7.84	9.79
Entertainment Expense	5.24	2.25
Fees & Taxes	32.97	33.77
Insurance	233.57	152.35
Legal & Professional Expenses	176.42	143.72
News Paper & Periodicals	0.28	0.37
<b>PAYMENT TO AUDITORS</b>	-	-
As Audit Fee	7.50	7.50
For Taxation purpose	-	-
For any other matters	-	-
Vehicle Petrol	110.25	77.05
Vehicle Repair	38.19	33.64
Repair of Building	36.38	22.97
Postage & Courier expenses	3.28	4.31
Printing & Stationery	39.32	26.59
Generator / General Repair & Maintenance	261.71	251.18
Repair & Maintenance of Computer	32.25	18.33
Telephone Expenses	9.71	8.86
Directors sitting fees	13.80	4.28
Rounded-off	0.05	0.08
Travelling Expenses	134.04	94.40
Travelling Expenses Foreign	22.88	0.24
IPO Expenses W/off	130.41	130.41
Advertisement expenses	11.17	9.88
Club Fee	0.73	0.52
Freight & Cartage outward	984.68	841.02
Business Promotion Expenses	10.79	5.57
Export Packing & Forwarding expenses	9,272.66	5,085.62
Unrecoverable Amount Written Off	-	0.55
	<b>19,842.61</b>	<b>14,026.44</b>

**24. EARNINGS PER SHARE**

(Amount in ₹ Lacs)

Particulars	March 31, 2022	March 31, 2021
Basic and Diluted Earnings Per Share		
Net Profit attributable to Equity Shareholders	8,878.97	7,065.30
Weighted Average number of Equity Shares outstanding during the year	21,465,400	21,465,400
Face Value	10	10
Basic Earnings Per Share	41.36	32.91

## Notes

### Forming part of standalone financial statements for the year ended March 31, 2022 (Contd.)

Diluted Earnings Per Share	41.36	32.91
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#### 25. CORPORATE SOCIAL RESPONSIBILITY

As per the provisions of amended companies Act 2013 the companies having profit of 5CR or more has to spent 2% of their average profits of last 3 years upon specific activity falling within CSR. The CSR Budget for the year 2021-22 of the company was ₹ 24941592/- (including unspent of previous year). The Company has spent ₹ 17335374/- on CSR activities during the Financial Year 2021-22 with the approval of CSR Committee of the Board. The total unspent amount as on March 31, 2022 was ₹ 7606218 has been transferred to unspent CSR account within thirty days which pertains to ongoing project.

#### 26.

The following are the contingent liabilities during the year.

Particulars	(Amount in ₹ Lacs)	
	2021-22	2020-21
<b>(A) CONTINGENT LIABILITIES</b>		
1. Bank Guarantees	2.00	2.00
2. Excise Duty and Service Tax demand against which the company has preferred appeals.	40.30	40.30
3. Income Tax Demands against which the company has preferred appeals.	Nil	2.11
4. Value Added Tax Liabilities	78.72	195.53
<b>(B) COMMITMENTS</b>		
Capital Commitments	0	0

The Company management believes that ultimate outcome of these contingent liabilities will not have a material adverse effect on the company's financial position & results of operations.

#### 27. DETAILS OF BENAMI PROPERTY

No proceedings has been initiated or pending against the Company for holding any benami property under The Benami Transactions (Prohibition) Act, 1988.

#### 28. RELATED PARTY DISCLOSURE

Disclosures as required by Accounting Standards (Ind AS-24) "Related Party Disclosure" are given below".

##### (a) Chairman, Managing Director & Directors

- S. Rachhpall Singh - Chairman (upto 15.07.2021)
- S. Gursaran Singh - Executive Chairman
- S. Jasvinder Singh - Executive Vice-Chairman
- S. Ranbir Singh - Managing Director & CEO
- S. Maninder Singh - Whole time Director (w.e.f. 01.08.2021)
- S. Kulwin Seehra - Executive Director
- S. Harwinder Seehra - Executive Director

##### (b) Key Managerial Personnel

- Mr. Rakesh Gupta - Chief Financial Officer
- Mr. Gaurav Jain - Company Secretary
- S. Maninder Singh - Sr. Vice-President (Planning) (up-to 31-7-21)
- Mrs. Loveleen Kaur - Sr. Vice-President (Corporate Affairs)



**Notes****Forming part of standalone financial statements for the year ended March 31, 2022 (Contd.)****(c) Wholly owned Subsidiary Company**

GNA Axles INC Michigan

**(d) Company in which Directors and their relatives are directors**

GNA Gears Limited

GNA Udyog Limited

GNA Transmission (Punjab) Limited

GNA Investment Limited

Amarson Automotive Limited

**(e) Firms in which Directors and their Relatives are Partners**

M/s Seehra Overseas

M/s GNA Sons

M/s GNA Consultancy

M/s GNA Autotech

(Amount in ₹ Lacs)		
Nature of Transaction	2021-22	2020-21
<b>(a) Security Deposit with-</b>		
GNA Udyog Limited	488.95	488.95
GNA Sons	565.21	565.21
Seehra Overseas	10.00	10.00
<b>(b) Remuneration</b>		
S. Rachhpall Singh	24.38	75.60
S. Gursaran Singh	208.32	75.60
S. Ranbir Singh	261.12	214.36
S. Jasvinder Singh	261.12	214.36
S. Kulwin Seehra	57.33	40.20
S. Harwinder Seehra	57.33	40.20
S. Maninder Singh	43.78	-
<b>(c) Remuneration Paid to Key Managerial Personnel</b>		
Mr. Rakesh Gupta	15.67	13.30
Mr. Gaurav Jain	8.32	6.86
<b>(d) Remuneration paid to Director's relatives</b>		
S. Maninder Singh	8.99	24.64
Mrs. Loveleen Kaur	26.99	24.64

**29. SEGMENT REPORTING**

The Company is in the business of manufacturing automobile components which is a single business segment, so separate segment reporting is not required.

**30. REMUNERATION TO DIRECTORS**

(Amount in ₹ Lacs)		
Particulars	2021-22	2020-21
Salary	913.38	660.33

**31.** In the opinion of the Board of Directors, the Current Assets, Loans and Advances are approximately of the value stated if realised in the ordinary course of business. The Provision for all known liabilities is adequate and not in excess of amount reasonably necessary.

## Notes

### Forming part of standalone financial statements for the year ended March 31, 2022 (Contd.)

#### 32. FOREIGN EXCHANGE EARNINGS

The Company has exported goods during the year FOB value of which is ₹ 6,677,911,785/-.

#### 33. BORROWING FROM BANKS AND FINANCIAL INSTITUTIONS:

The Company has taken Term loans from Banks during the year under Audit. The Company Utilised the amount of Term Loans raised for the purpose for which it was obtained.

The Company also borrowed working capital facility from banks against current assets. The quarterly/Monthly statements filed by the company with banks are in agreement with books of accounts. No discrepancies noticed.

#### 34. TRADE PAYABLES AGEING SCHEDULE:

(Amount in ₹ Lacs)

Particulars	Outstandings for following periods from due date of payments				Total
	Less than 1 Yr.	1-2 Yr.	2-3 Yrs.	More than 3 Yrs.	
MSME	343.83	--	--	--	343.83
Disputed dues MSME	--	--	--	--	--
Disputed Dues Others	--	--	--	--	--

#### 35. TRADES RECEIVABLE AGEING SCHEDULE:

(Amount in ₹ Lacs)

Particulars	Outstanding for the following periods from due date of payments					Total
	Less than 6 Months	6 months - 1 Yrs.	1-2 Yrs.	2-3 Yrs.	More than 3 Yrs.	
Undisputed Trade Receivables- considered good	42,369.20	4,927.66	131.05	--	--	47,427.92
Undisputed Trade receivables considered doubtful	--	--	--	--	--	--
Disputed Trade Receivables considered Good	--	--	--	--	--	--
Disputed Trade Receivables considered doubtful.	--	--	--	--	--	--

#### 36. LOAN AND ADVANCES TO DIRECTORS/ KMP/ RELATED PARTIES:

During the year under audit the company has not granted any Loan and Advances to directors/KMP/Related Parties either severally or jointly with any other persons.

#### 37. TRANSACTION WITH STRUCK OFF COMPANIES:

During the year under audit the company has not entered into any transactions with another company whose name has been struck off.

#### 38. REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES:

The Company has registered charges for Term Loans obtained during the year with the Registrar of Companies. The Company also satisfies the charges with Registrar of companies for loans, the re-payment of which was completed except charges on loan from Central Bank of India which was re-paid during the year but NOC still awaited.

**Notes****Forming part of standalone financial statements for the year ended March 31, 2022 (Contd.)****39. AUDITORS REMUNERATION:****(Amount in ₹ Lacs)**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Current year</b>	<b>Previous year</b>
1.	Audit Fee	7.50	7.50

**40. RATIO ANALYSIS:**

<b>S. No.</b>	<b>Ratio</b>	<b>2021-22</b>	<b>2020-21</b>
1.	Current Ratio	1.6 : 1	1.46 : 1
2.	Debt Equity Ratio	0.35 : 1	0.33 : 1
3.	Debt Service Coverage Ratio	5.77 : 1	3.54 : 1
4.	Return on Equity Ratio	14.93%	13.62%
5.	Inventory turnover ratio	6.69 Times	5.28 Times
6.	Trade Receivable Turnover Ratio	2.72 Times	2.36 Times
7.	Trade Payable Turnover ratio	4.05 Times	3.60 Times
8.	Net Capital Turnover Ratios	4.64 Times	4.29 Times
9.	Net Profit Ratio	7.15 %	8.13 %
10.	Return on Capital Employed	17.39%	16.83%

**Remarks**

The Debt Service Coverage Ratio of the Company is increased from 3.54 to 5.77 this year due to increase in profits and decrease in Term Loan Instalments as compared to previous year.

**41.** Previous Years Figures have been re-grouped/ re-arranged wherever consider necessary.

For **HARISH & CO.**

**Chartered Accountants (FRN: 017372N)**

**(SURAJ BAJAJ)**

**Partner**

M. No. 538094

UDIN: 22538094AIBNAL1549

Place: Jalandhar

Date: April 29, 2022

# Independent Auditor's Report

To the Members of

**GNA AXLES LIMITED.**

**Report on the audit of the consolidated financial statements.**

## **OPINION**

We have audited the accompanying consolidated financial statements of **GNA Axles Limited** ("the Holding Company") and its subsidiaries (collectively referred to as "the Group"), comprising of the consolidated balance sheet as at March 31, 2022, the consolidated statement of profit and loss (including other comprehensive income), the consolidated cash flow statement and the consolidated statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate audited financial statements of the subsidiary, the aforesaid consolidated annual financial results:

- a) Include the annual financial results of the subsidiary (GNA Axles Inc Michigan)
- b) Are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- c) Give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of consolidated net profit and other comprehensive income and other financial information of the Group for the year ended 31st March, 2022.

## **BASIS FOR OPINION**

We conducted our audit of the consolidated financial statements in accordance with the standards on auditing 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 consolidated 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 Act and the rules there under, 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 on the consolidated financial statements.

## **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. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon. And we do not provide a separate opinion on these matters

## **INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON**

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows of the Company and consolidated changes in equity of the group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") read with Rule

## Independent Auditor's Report (Contd.)

7 of the Companies (Accounts) Rules, 2014. The holding companies Board of Directors and the respective Board of Directors of the Companies included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated 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 respective board of directors of the company's including in the group is responsible for overseeing the Company's financial reporting process of each company.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 in the consolidated financial statements made by management and Board of Directors.

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 consolidated 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 Group to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of holding company and such other entities included in consolidated annual financial statements of which we are independent auditors 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

**Independent Auditor's Report (Contd.)**

reasonably be thought to bear on our independence, and where applicable, related safeguard. From the matters communicated with those charged with governance, we 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.

**OTHERS MATTERS**

We did not audit the financial statements of GNA Axles Inc. Michigan and placed reliance on the accounts reviewed by certified public Accountant Alina Rits of RITS Accounting PC Birmingham Michigan which shows the net operating loss \$ 3860.78. No adverse remarks by the auditors in their report.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income) , the consolidated cash flow , and statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e. As per the management representation we report. no funds have been advanced or loaned or invested by the company to or in any other person(s) or entities, including foreign entities ("Intermediaries") with the understanding that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.

no funds have been received by the company from any person(s) or entities including foreign entities ("Funding Parties) with the understanding that such company shall whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate beneficiaries ) or provide guarantee, security or the like on behalf of the Ultimate beneficiaries.

Based on the audit procedures performed , we report that nothing has come to our notice that has caused us to believe that the representations given under sub-clause (i) and (ii) by the management contain any material mis-statement.

- f. In our opinion Company has complied with section 123 of the Companies Act, 2013 with respect to dividend declared/paid during the year.
- g. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies incorporated outside India, none of the Directors of the Group companies incorporated outside India is disqualified as on March 31, 2022 from being appointed as a Director of that company in terms of Section 164(2) of the Act.
- h. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**"; and
- i. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended. In our opinion and to the best of our

## Independent Auditor's Report (Contd.)

- information and according to the explanations given to us, the remuneration paid by company to its directors during the year is in accordance with the provisions of Section 197 of the Act
- j. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Notes to the consolidated financial statements;
  - ii. The holding company and its subsidiaries did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.; and
  - iii. There were no amounts which were required to be transferred to investor education and protection fund by the holding and its subsidiaries.

For **Harish & Co.**  
**Chartered Accountants (FRN: 017372N)**

**(SURAJ BAJAJ)**

**Partner**

M. No. 538094

Place: Jalandhar

Date: April 29, 2022

UDIN: 22538094AIBNTV6048

## **"Annexure - A "** **to the Independent Auditor's**

### **Annexure - A to the Independent Auditors' Report of even date on the Consolidated Financial Statements of GNA Axles Limited Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of **GNA Axles Limited** ("the Holding Company") and its subsidiary companies which are companies incorporated outside India as of that date.

#### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated outside India, are 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 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.

#### **AUDITORS' 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") issued by the ICAI 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, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if

such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future



## “Annexure - A ” to the Independent Auditor’s (Contd.)

periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### OPINION

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated outside India, have, 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, 2022, 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.

### OTHER MATTERS

We did not audit the financial statements of GNA Axles Inc. Michigan and placed reliance on the accounts reviewed by certified public Accountant Alina Rits of RITS Accounting PC Birmingham Michigan which shows the net operating loss \$3860.78. Our opinion is not qualified in respect of the above matter with respect to our reliance on the work done by and the reports of certified public accountants.

For **Harish & Co.**  
**Chartered Accountants (FRN: 017372N)**

**(SURAJ BAJAJ)**

**Partner**

M. No. 538094

Place: Jalandhar

Date: April 29, 2022

UDIN: 22538094AIBNTV6048

# Consolidated Balance Sheet

As at March 31, 2022

(Amount in ₹ Lacs)

Particulars	Note No.	March 31, 2022	March 31, 2021
<b>NON-CURRENT ASSETS</b>			
a) Property, Plant & Equipment	1	29,061.38	29,476.70
b) Right of use assets			
c) Capital Work in Progress			
d) Goodwill			
e) Other Intangible Assets			
f) Intangible Assets under Development			
g) Financial Assets			
(i) Investments			
(ii) Loans			
(iii) Other Financial Assets	2	1,778.57	1,685.53
h) Deferred Tax Assets		72.25	-
i) Current Tax Assets (net)			
j) Other Non-Current Assets	3	1,821.90	379.58
		<b>32,734.10</b>	<b>31,541.81</b>
<b>CURRENT ASSETS</b>			
a) Inventories	4	18,800.58	15,264.53
b) Financial Asset			
Investments			
Trade Receivables		47,427.92	43,792.98
Cash & Cash Equivalents	5	25.56	35.57
Bank Balance Other than Cash and Cash Equivalents	6	462.40	1,915.11
Loans			
Other Financial Assets			
c) Other Current Assets	7	4,730.98	3,404.60
		<b>71,447.44</b>	<b>64,412.79</b>
<b>Total Assets</b>		<b>1,04,181.54</b>	<b>95,954.60</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity Share Capital	8	2,146.54	2,146.54
b) Other Equity	9	57,374.10	49,610.24
<b>Total Equity</b>		<b>59,520.64</b>	<b>51,756.78</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
a) Financial Liabilities			
(i) Lease Liabilities			
(ii) Borrowings	10	4,728.83	7,643.72
(iii) Other Financial Liabilities			
b) Provisions			
c) Deferred Tax Liabilities (Net)		-	47.80
d) Other Non-Current Liabilities			
<b>Total Non-Current Liabilities</b>		<b>4,728.83</b>	<b>7,691.52</b>
<b>CURRENT LIABILITIES</b>			
a) Financial Liabilities			
(i) Liabilities			
(ii) Borrowings	10	15,985.93	9,525.66
(iii) Trade Payable			
Total Outstanding Dues of Micro & Small Enterprises		343.83	343.98
Total Outstanding Dues of Creditors other than Micro & Small Enterprises		19,818.14	22,430.68
Other Current Financial Liabilities	11	1,475.35	2,529.09
b) Other Current Liabilities	12	462.12	389.91
c) Current Provisions	13	1,549.50	791.65
d) Current Tax Liabilities (Net)		297.20	495.33
		<b>39,932.07</b>	<b>36,506.30</b>
<b>Total Liabilities</b>		<b>44,660.90</b>	<b>44,197.82</b>
<b>Total Equity &amp; Liabilities</b>		<b>1,04,181.54</b>	<b>95,954.60</b>

Annexed hereto Notes forming Parts of Financial Statements & Notes on Accounting Policies

As per our Report of even date annexed.

For **Harish & Co.**

**Chartered Accountants (FRN017372N)**

**(SURAJ BAJAJ)**

**Partner**

M.No. 538094

Place: Jalandhar

Dated: April 29, 2022

**RANBIR SINGH**

**Mg. Director**

**RAKESH KUMAR**

**Chief Financial Officer**

**GURGEEP SINGH**

**Director**

**GOURAV JAIN**

**Company Secretary**

# Consolidated Statement of Profit & Loss

For the year ended March 31, 2022

(Amount in ₹ Lacs)

Particulars	Notes No.	March 31, 2022	March 31, 2021
<b>REVENUE FROM OPERATIONS</b>			
Income from Operations	14	1,24,278.66	86,761.63
Other Operating income	15	2,768.70	2,197.63
		<b>1,27,047.36</b>	<b>88,959.26</b>
Other Income	16	55.56	151.08
		<b>1,27,102.92</b>	<b>89,110.34</b>
<b>EXPENDITURE</b>			
Cost of Material consumed	17	86,834.25	52,999.77
Purchases of Stock-in-Trade			
Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	18	-3,582.58	2,581.11
Employee Benefits Expense	19	5,856.10	4,968.53
Financial Costs	20	1,123.11	854.80
Depreciation, Impairment and Amortisation Expenses	21	4,970.90	4,071.92
Other Expenses	22	19,845.14	14,028.99
		<b>1,15,046.92</b>	<b>79,505.12</b>
<b>Profit Before Exceptional items and Tax</b>		<b>12,056</b>	<b>9,605.22</b>
<b>Exceptional items</b>		-	-
<b>Profit from continuing operations before Tax</b>		<b>12,056</b>	<b>9,605.22</b>
<b>Tax Expense (Current &amp; Deferred Tax)</b>		<b>3,179.95</b>	<b>2,542.80</b>
<b>Profit for the year (A)</b>		<b>8,876.05</b>	<b>7,062.42</b>
<b>Other Comprehensive Income/Loss</b>		-	-
(Items that will not be reclassified to Statement of Profit and Loss)			
<b>Other Comprehensive Income/(Loss) for the year (B)</b>		-	-
<b>Total Comprehensive Profit for the year (A+B)</b>		<b>8,876.05</b>	<b>7,062.42</b>
Earnings Per Equity Share of face value of ₹ 10/- each			
Basic		<b>41.35</b>	<b>32.90</b>
Diluted		<b>41.35</b>	<b>32.90</b>

Annexed hereto Notes forming Parts of Financial Statements & Notes on Accounting Policies

As per our Report of even date annexed.

For **Harish & Co.**

**Chartered Accountants (FRN017372N)**

**(SURAJ BAJAJ)**

**Partner**

M.No. 538094

Place: Jalandhar

Dated: April 29, 2022

**RANBIR SINGH**

**Mg. Director**

**RAKESH KUMAR**

**Chief Financial Officer**

**GURGEEP SINGH**

**Director**

**GOURAV JAIN**

**Company Secretary**

# Consolidated Cash Flow Statement

As at March 31, 2022

(Amount in ₹ Lacs)

Particulars	For the Year Ending March 31, 2022	For the Year Ending March 31, 2021
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net profit before tax</b>	12,055.99	9,605.18
<b>Adjustments for :</b>		
Depreciation	4,970.89	4,071.94
Interest income	-54.55	-146.89
Interest paid	972.85	788.01
IPO Expenses W/off	130.41	130.41
Profit/Loss on sale of assets	-1.01	-4.18
<b>Operating profit before working capital changes</b>	<b>18,074.58</b>	<b>14,444.47</b>
<b>Adjustments for :</b>		
Inventories	-3,536.05	-759.91
Decrease/Increase in Trade Rec./Other Current/Non-Current Assets	-5,077.48	-14,269.07
Decrease/Increase in Trade payable/Other Current Liabilities	-1,980.75	6,437.42
Income tax of earlier year	-42.78	13.82
Income Tax Paid	-3,300.00	-2,550.00
<b>Net cash from operating activities</b>	<b>4,137.52</b>	<b>3,316.73</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Increase in other financial assets	-93.05	-
Purchase of Fixed assets	-4,556.66	-3,012.91
Sale of fixed assets	2.10	17.89
Interest received	54.55	146.89
<b>Net cash used in Investing activities</b>	<b>-4,593.06</b>	<b>-2,848.13</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long term Borrowings	2,257.76	-
Repayment of long term borrowings	-6,226.37	-3,485.02
Dividend Paid	-1,073.27	-
Increase/ ( Decrease ) in cash credits & Packing credits	6,460.26	3,814.73
Interest Paid	-972.85	-788.01
<b>Net cash flow from financing activities</b>	<b>445.53</b>	<b>-458.30</b>
<b>Net increase/ (decrease ) in cash &amp; cash equivalents (A+B+C)</b>	<b>-10.01</b>	<b>10.30</b>
<b>Cash &amp; Cash equivalents at the beginning of the year (see note 2)</b>	<b>35.57</b>	<b>25.27</b>
<b>Cash &amp; Cash equivalents at the end of the year(see note 2)</b>	<b>25.56</b>	<b>35.57</b>
	-10.01	10.30

## Consolidated Cash Flow Statement As at March 31, 2022 (Contd.)

### 1. Notes :

The Cash flow is based on and derived from the accounts of company for the year ended March 31, 2022 and March 31, 2021

(Amount in ₹ Lacs)

Particulars	For the Year Ending March 31, 2022	For the Year Ending March 31, 2021
2 Cash & cash equivalents comprise of :		
Cash in hand	23.20	28.93
<b>With scheduled banks :</b>		
On current accounts	2.36	6.64
Cash and cash equivalents at the end of the year	<b>25.56</b>	<b>35.57</b>

As per our Report of even date annexed.

For **Harish & Co.**

**Chartered Accountants (FRN017372N)**

**(SURAJ BAJAJ )**

**Partner**

M.No. 538094

Place: Jalandhar

Dated: April 29, 2022

**RANBIR SINGH**

**Mg. Director**

**RAKESH KUMAR**

**Chief Financial Officer**

**GURDEEP SINGH**

**Director**

**GOURAV JAIN**

**Company Secretary**

## Notes

### Forming part of consolidated Financial Statements for the year ended March 31, 2022

#### I. GROUP INFORMATION

**GNA Axles Limited** ("the Company") is a Company established in 1993. The Company manufactures auto components for the four-wheeler industry, primary product being Rear Axles, Shafts, Spindles & other Automobiles Components for sale in domestic and foreign market. The Company has manufacturing location in the state of Punjab Unit -I at Mehtiana & Unit-II at VPO Gulabgarh Jattan (Phagwara-Hoshiarpur Road).

The Company & its subsidiary (Jointly referred to as the "Group") herein considered in these consolidated financial statements are:

##### A) SUBSIDIARIES:

Name of the Company	Country of Incorporation	% voting power held as at March 31, 2022	% voting power held as at March 31, 2021
GNA Axles Inc.	Michigan	100%	100%

#### II. SIGNIFICANT ACCOUNTING POLICIES:

This note provides a list of the significant accounting policies adopted in the preparation of these Consolidated financial statements. These policies have been consistently applied to all the periods presented, unless otherwise stated.

##### II.1 BASIS OF PREPARATION:

###### (i) Compliance with Ind AS

These Consolidated financial statements of group comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) Companies (Indian Accounting Standard) Rules, 2015 and other reliant provision of the Act.

###### (ii) Historical Cost Convention

The Consolidated financial statements have been prepared on an accrual basis and under the historical cost convention.

###### (iii) Classification of asset and liabilities

The classification of assets and liabilities into current and non-current, wherever applicable, are based on normal operating cycles of business activities of the Company, which is twelve months.

###### (iv) Principles of Consolidation

The consolidated financial statements relate to GNA Axles Limited And its Subsidiary. Subsidiary is an entity over which GNA Axles Limited Exercise control. The Consolidated financial statements have been prepared on the following basis:

The financial Statements of the Group have been combined on a line by line basis by adding together

the books values of like items of assets, liabilities income and expenses, after fully eliminating intra-Group balance and intra group transactions and resulting unrealized profits/unrealized losses resulting from intra-group transactions are eliminated unless cost cannot be recovered.

The financial statements of the subsidiary used for the purpose of consolidation are drawn upto the same reporting date as of the group. The consolidated financial statement have been prepared using uniform account policies for like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the companies separate financial statements. On consolidation the assets and liabilities have been translated into ₹ at the closing rate at the reporting date.

##### II.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

###### a) Property, plant and Equipment:

Freehold land is carried at historical cost. All other items of Property, plant and equipment are shown at cost, less accumulated depreciation and impairment, if any. The cost of an item of property, plant and equipment comprises its cost of acquisition inclusive of inward freight, import duties, and other non refundable taxes or levies and any cost directly attributable to the acquisition/ construction of those items: any trade discounts and rebates are deducted in arriving at the cost of acquisition.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset,

**Notes****Forming part of consolidated Financial Statements for the year ended March 31, 2022 (Contd.)**

as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to statements of profit or loss during the reporting period in which they are incurred.

**b) Depreciation on tangible fixed assets.**

Depreciation on tangible fixed assets is provided using the Written down value Method as per rate prescribed by Companies Act.

**c) Revenue Recognition:**

Revenue is measured at the fair value of the consideration received or receivable. Gross Sales are Net of returns, Claims, and Discount. The Company recognizes Revenue when amount of revenue can be measured reliably and it is probable that the economic benefits associated with transaction will flow to the entity.

Interest Income is accounted on accrual basis and Fixed deposit interest is accounted as per statement/documents issued by bank.

**d) Inventories****Inventories are valued as follows:**

- a) Stock of Raw Material & Stores : At Purchase price plus Direct Expenses
- b) Stock of work in Progress : At estimated cost price
- c) Stock of Finished Goods : At cost or net realizable value whichever is less

**e) Insurance and other claims**

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

**f) Tax Expenses**

Current income tax is measured at the amount expected to be paid to the income tax authorities in accordance with the income-tax Act, 1961 enacted in India. Deferred Income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax

rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax assets is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The company offsets current tax assets and current tax liabilities where it has a legally enforceable right to set-off the recognized amounts and where it intends either to settle on a net basis or to realize the assets and settle the liability simultaneously.

**g) Earning per Share**

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue: bonus element in a rights issue to existing shareholders: share split: and reverse share split (consolidation of shares).

**h) Impairment of assets**

At each balance sheet date an assessment is made whether any indication exists that an assets has been impaired. If any such indication exists, an impairment loss i.e the amount by which the carrying amount of an assets exceeds its recoverable amount is provided in the books of accounts.

**i) Borrowing Costs:**

Borrowing cost that is attributable to acquisition or construction of a qualifying asset is capitalized as part of cost of such assets. Qualifying assets is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing cost is recognized as expenses in the period in which they are incurred.

**j) Cash and Cash Equivalents**

For the purpose of presentation in the statement of cash flow, cash & cash equivalents includes cash in hand, cash at bank and demand deposits with banks with an original maturity of three months or less which are subject to an in significant risk of change in value.

**Notes****Forming part of consolidated Financial Statements for the year ended March 31, 2022 (Contd.)****k) Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can reliably estimated. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent. The company does not recognize a contingent liability but discloses its existence in financial statements

**l) Cash flow statement**

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

**m) Foreign Currency Transactions**

The functional currency of the company is Indian Rupee. These financial statements are presented in Indian Rupee.

Transactions and Balances.

The foreign current transactions are recorded, on initial recognition in the functional currency, by applying foreign current amount the spot exchange rate between the functional currency and the foreign current at the date of transaction.

The foreign current monetary items are translated using closing rate at the end of each reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rate at the date of transaction. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognized in profit or loss in the period in which they arise.

**n) Retirement & Other Benefits**

**i) Gratuity:-** The Company has a defined benefit gratuity plan. Every employee who has completed 5 years or more of service is entitled to gratuity on terms not less favorable than the Provisions of "The Payment of Gratuity Act 1972." The company contributes periodically with LIC of India.

**b) Provident Fund:-** Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expenses, when an employee renders the related service.

**c) Superannuation Fund:-** Certain employees are also participants in the superannuation plan which is a defined contribution plan. The company has no further obligations to the plan beyond its monthly contribution which are periodically contributed to corpus which is invested with the Life Insurance Corp. of India.



## Notes

## Forming part of consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

## 1. PROPERTY PLANT &amp; EQUIPMENT

Particulars	Freehold Land	Factory Building	Plant & Machinery	Computers	Office Equipments	Furniture & Fixtures	Vehicle	Total
<b>(A) Gross Block</b>								
Balance as at April 1, 2021	1,274.05	8,898.09	47,816.55	700.33	682.12	544.40	1,156.34	61,071.88
Addition during the year	347.69	790.07	2,906.12	34.86	77.91	63.02	336.99	4,556.66
Discarded/Disposed off during the year							31.42	31.42
<b>Balance as at March 31, 2022</b>	<b>1,621.74</b>	<b>9,688.16</b>	<b>50,722.67</b>	<b>735.19</b>	<b>760.03</b>	<b>607.42</b>	<b>1,461.91</b>	<b>65,597.12</b>
<b>(B) Accumulated Depreciation</b>								
Balance as at April 1, 2021	-	3,122.38	26,247.36	663.62	437.97	387.39	736.46	31,595.19
Depreciation for the year		623.75	4,030.60	35.57	47.48	49.83	183.67	4,970.89
Accumulated depreciation on discarded disposal							30.34	30.34
<b>Balance as at March 31, 2022</b>	<b>-</b>	<b>3,746.13</b>	<b>30,277.96</b>	<b>699.19</b>	<b>485.45</b>	<b>437.22</b>	<b>889.79</b>	<b>36,535.74</b>
<b>(C) Net carrying Amount</b>								
Balance as at April 1, 2021	1,274.04	5,775.71	21,569.19	36.71	244.15	157.01	419.88	29,476.70
<b>Balance as at March 31, 2022</b>	<b>1,621.74</b>	<b>5,942.03</b>	<b>20,444.71</b>	<b>36.00</b>	<b>274.58</b>	<b>170.20</b>	<b>572.12</b>	<b>29,061.38</b>

## Notes

Forming part of consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

### 2. OTHER FINANCIAL ASSETS

Particulars	(Amount in ₹ Lacs)	
	March 31, 2022	March 31, 2021
Security Deposits	1,778.57	1,685.53
Bank Deposits with more than 12 months maturity	0.00	0.00
	<b>1,778.57</b>	<b>1,685.53</b>

### 3. OTHER-NON CURRENT ASSETS

Particulars	(Amount in ₹ Lacs)	
	March 31, 2022	March 31, 2021
Advance for Fixed Assets	1,821.90	379.58
	<b>1,821.90</b>	<b>379.58</b>

### 4. INVENTORIES

Particulars	(Amount in ₹ Lacs)	
	March 31, 2022	March 31, 2021
<b>Raw Material</b>		
Raw Material Steel	5,835.98	6,077.45
Raw Material Non Steel	21.93	18.99
Work in Progress	9,724.36	7,334.17
Finished Goods	2,022.09	818.11
<b>Store, Spares &amp; Loose Tools</b>		
Stock of Operating Supply	858.06	717.98
Stock of Spare Parts	144.40	120.98
Stock of Diesel	24.14	34.33
Stock of Die Steel	10.98	17.12
Stock of Oil Lubricant	84.81	41.28
<b>Others</b>		
Stock of Scrap Material	15.66	27.25
Stock of Packing	58.17	56.87
	<b>18,800.58</b>	<b>15,264.53</b>

### 5. CASH & CASH EQUIVALENTS

Particulars	(Amount in ₹ Lacs)	
	March 31, 2022	March 31, 2021
Cash in hand	23.20	28.93
<b>Balance with Banks</b>		
(In Current Account)	2.36	6.64
	<b>25.56</b>	<b>35.57</b>

**Notes****Forming part of consolidated Financial Statements for the year ended March 31, 2022 (Contd.)****6. OTHER BANK BALANCE**

(Amount in ₹ Lacs)

Particulars	March 31, 2022		March 31, 2021	
	Nos.	Amount	Nos.	Amount
In Dividend Account		2.40		1.05
In Deposit Account		460.00		1,914.06
		<b>462.40</b>		<b>1,915.11</b>

**7. OTHER CURRENT ASSETS**

(Amount in ₹ Lacs)

Particulars	March 31, 2022		March 31, 2021	
	Nos.	Amount	Nos.	Amount
Pre-paid Expenses		103.08		129.49
Advance to Vendor		369.93		472.55
Advance to Employee		17.17		17.64
Other Current Assets		4,240.80		2,784.92
		<b>4,730.98</b>		<b>3,404.60</b>

**8. EQUITY SHARE CAPITAL**

(Amount in ₹ Lacs)

Particulars	March 31, 2022		March 31, 2021	
	Nos.	Amount	Nos.	Amount
<b>SHARE CAPITAL</b>				
<b>(1) Authorised Share Capital</b>				
Equity Share of ₹ 10/- each.	<b>3,00,00,000.00</b>	<b>3,000.00</b>	<b>3,00,00,000.00</b>	<b>3,000.00</b>
(Previous year Equity Share of ₹ 10/- each)				
<b>(2) Issued, Subscribed &amp; Paid-up</b>				
Equity Shares of ₹ 10/- each	2,14,65,400.00	2,146.54	2,14,65,400.00	2,146.54
(Previous year Equity Share of ₹ 10/- each)				
	<b>2,14,65,400.00</b>	<b>2,146.54</b>	<b>2,14,65,400.00</b>	<b>2,146.54</b>

**Reconciliation of number of shares outstanding at the beginning and at the end of the year**

(Amount in ₹ Lacs)

Equity Shares	March 31, 2022		March 31, 2021	
	Nos.	Amount	Nos.	Amount
Shares outstanding at the beginning of the year	2,14,65,400.00	2,146.54	2,14,65,400.00	2,146.54
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>2,14,65,400.00</b>	<b>2,146.54</b>	<b>2,14,65,400.00</b>	<b>2,146.54</b>

## Notes

### Forming part of consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

#### Detail of Shareholding more than 5% share of the Company

Particulars	March 31, 2022		March 31, 2021	
	Nos.	%age holding	Nos.	%age holding
<b>Name of Shareholder</b>				
(Equity Shares of ₹ 10/- each)				
S. Gursaran Singh	17,95,875.00	8.37	17,39,339.00	8.10
S. Maninder Singh	24,40,300.00	11.37	24,40,300.00	11.37
S. Jasvinder Singh	32,83,600.00	15.30	32,83,600.00	15.30
S. Ranbir Singh	32,06,548.00	14.94	29,31,598.00	13.66
S. Gurdeep Singh	31,35,406.00	14.61	33,91,756.00	15.10
HDFC Small Cap Fund	13,43,284.00	6.26	11,84,109.00	5.52

#### A. Terms/rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share 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 proportion to the number of equity shares held by the shareholders.

- B.** There are Nil No. of shares (**Previous Year.NIL**) in respect of shares in our Company held by its holding or its ultimate holding company including shares held by or by subsidiary or associates of holding company or ultimate holding company in aggregate.
- C.** There are NIL No. of shares (**Previous year NIL**) reserved for issue under option and contracts/commitment for the sale of shares/dis-investment including the terms and amounts.

(Amount in ₹ Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
1. Aggregate No and class of shares allotted as fully paid-up pursuant to contract(s) without payment being received in cash	NIL	NIL
2. Aggregate No. and class of shares allotted as fully paid-up by way of Bonus Shares	NIL	NIL
3. Aggregate No. and class of shares bought back.	NIL	NIL

- D.** There are no securities (**Previous year NIL**) convertible into Equity shares
- E.** There are no calls un-paid (**Previous year NIL**) including calls un-paid by Directors and officers as on balance sheet date.

#### F. Share holding of Promoters:

Sr. No.	Promoter's Name	No. of shares as on March 31, 2022	No. of shares as on March 31, 2021	% of total Shares as on March 31, 2022	% of total Shares as on March 31, 2021	% change during the year
1	Jasvinder Singh (Promoter)	32,83,600.00	32,83,600.00	15.30	15.30	0
2	Ranbir Singh (Promoter)	32,06,548.00	29,31,598.00	14.94	13.66	1.28
3	Gurdeep Singh (Promoter)	31,35,406.00	33,91,756.00	14.61	15.80	-1.19
4	Maninder Singh(Promoter Group)	24,40,300.00	24,40,300.00	11.37	11.37	0
5	Gursaran Singh (Promoter Group)	17,95,875.00	17,39,339.00	8.37	8.10	0.27

## Notes

## Forming part of consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

Sr. No.	Promoter's Name	No. of shares as on March 31, 2022	No. of shares as on March 31, 2021	% of total Shares as on March 31, 2022	% of total Shares as on March 31, 2021	% change during the year
6	Rachhpal Singh (Promoter Group)	1,12,400.00	1,12,400.00	0.52	0.52	0
7	Kulvin Seehra (Promoter Group)	2,12,750.00	2,12,750.00	0.99	0.99	0
8	Keerat Seehra (Promoter Group)	2,12,500.00	2,12,500.00	0.99	0.99	0
9	Harjinder Kaur (Promoter Group)	1,41,500.00	1,41,500.00	0.66	0.66	0
10	Jasleen Kaur (Promoter Group)	9,462.00	9,462.00	0.04	0.04	0
11	Ashmeet Seehra (Promoter Group)	7,151.00	7,151.00	0.03	0.03	0
12	Lovleen Kaur (Promoter Group)	6,950.00	6,950.00	0.03	0.03	0
13	Manjot Seehra (Promoter Group)	2,240.00	2,240.00	0.01	0.01	0
14	GNA Gears Limited (Promoter Group)	3,510.00	150.00	0.02	-	0.02

## 9. STATEMENTS OF CHANGES IN EQUITY

## A. Equity Share Capital

## (1) Current Reporting period

(Amount in ₹ Lacs)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
2,146.54	0	2,146.54	0	2,146.54
(2,14,65,400 Equity Share of ₹ 10/- each		(2,14,65,400 Equity Share of ₹ 10/- each		(2,14,65,400 Equity Share of ₹ 10/- each

## (2) Previous reporting period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
2,146.54	0	2,146.54	0	2,146.54
(2,14,65,400 Equity Share of ₹ 10/- each		(2,14,65,400 Equity Share of ₹ 10/- each		(2,14,65,400 Equity Share of ₹ 10/- each

**Notes**  
**Forming part of consolidated Financial Statements for the year ended March 31, 2022 (Contd.)**

**B. Other Equity**

**(1) Current reporting period**

	Share application money pending allotment (₹)	Equity Component of compound financial instruments (₹)	Reserve & Surplus				Debt instruments through Other Comprehensive Income (₹)	Equity Instruments through Other Comprehensive Income (₹)	Effective portion of Cash Flow Hedges (₹)	Revaluation Surplus (₹)	Exchange differences on translating the financial statements of a foreign operation (₹)	Other items of Other Comprehensive Income (specify nature) (₹)	Money received against share warrants (₹)	Total (₹)
			Capital Reserve (₹)	Securities Premium (₹)	Other Reserves (specify nature) (₹)	Retained Earnings (₹)								
Balance at the beginning of the current reporting period	-	-	1,802.98	-	-	37,807.26	-	-	-	-	-	-	-	49,610.24
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	1,802.98	-	-	37,807.26	-	-	-	-	-	-	-	49,610.24
Total comprehensive income for the current year	-	-	1,802.98	-	-	37,807.26	-	-	-	-	-	-	-	49,610.24
Dividends	-	-	-	-	-	1,073.27	-	-	-	-	-	-	-	1,073.27
Transfer to retained earnings	-	-	1,802.98	-	-	8,876.04	-	-	-	3.86	-	-	-	20,682.88
Income Tax Adjustments of prev. year	-	-	-	-	-	42.77	-	-	-	-	-	-	-	42.77
Balance at the end of the current reporting period	-	-	1,802.98	-	-	45,567.26	-	-	-	3.86	-	-	-	57,374.10

## Notes

## Forming part of consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

## (2) Previous reporting period

	Share application money pending allotment	Equity Component of compound financial instruments	Reserve & Surplus				Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (specify nature)	Money received against share warrants	Total
			Capital Reserve	Securities Premium	Other Reserves (specify nature)	Retained Earnings								
Balance at the beginn of the previous reporting period			11,802.98			30,731.14								42,534.12
Changes in accounting policy or prior period errors			-			-								-
Restated balance at the beginning of the previous reporting period			11,802.98			30,731.14								42,534.12
Total comprehensive income for the previous year			11,802.98			30,731.14								42,534.12
Dividends			-			-								-
Transfer to retained earnings			11,802.98			7,062.37				-0.07				18,865.28
Income Tax Adjustments of Prev. year			-			13.82								13.82
Balance at the end of the previous reporting period			11,802.98			37,807.33				-0.07				49,610.24

## Notes

Forming part of consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

### 10. BORROWINGS

Particulars	(Amount in ₹ Lacs)	
	March 31, 2022	March 31, 2021
<b>A) Non Current</b>		
<b>Secured</b>		
<b>From Banks</b>		
Term Loan	367.60	5,181.87
<b>From Others</b>		
Bajaj Finance Limited	5,836.58	4,990.94
	<b>6,204.18</b>	<b>10,172.81</b>
Less: Current Maturities	1,475.35	2,529.09
	<b>4,728.83</b>	<b>7,643.72</b>
<b>Unsecured</b>	0.00	0.00
	<b>4,728.83</b>	<b>7,643.72</b>
<b>B) Current</b>		
<b>Secured</b>		
From Banks (Repayable on Demand)	12,985.93	9,525.66
<b>From Others</b>		
Bajaj Finance Limited	3,000.00	0.00
<b>Unsecured</b>	0.00	0.00
	<b>15,985.93</b>	<b>9,525.66</b>

10.1 The above non-current borrowings are secured by mortgage created on the immovable assets of the Company both present and future and hypothecation of all moveable assets including movable machinery, tools and accessories and other movables, both present and future subject to charges created in favour of the Bankers/NBFC'S for securing the working capital limits and the personal guarantee of promoter directors.

10.2 Current Borrowings includes Cash Credit Limit, O/D Limit & PCFC from Consortium Banks which are secured by hypothecation of entire present and future tangible current assets of the Company as well as second charges on the entire present and future fixed assets of company and personal guarantee of promoter directors.

### 11. OTHER CURRENT FINANCIAL LIABILITIES

Particulars	(Amount in ₹ Lacs)	
	March 31, 2022	March 31, 2021
Current Maturity of Non-Current Borrowings	1,475.35	2,529.09
	<b>1,475.35</b>	<b>2,529.09</b>

### 12. OTHER CURRENT LIABILITIES

Particulars	(Amount in ₹ Lacs)	
	March 31, 2022	March 31, 2021
Statutory Liabilities	459.72	388.86
Unpaid Dividend	2.40	1.05
	<b>462.12</b>	<b>389.91</b>

### 13. CURRENT PROVISIONS

Particulars	(Amount in ₹ Lacs)	
	March 31, 2022	March 31, 2021
Outstanding Expenses Payable	1,348.19	601.63
Employee Dues	201.31	190.02
	<b>1,549.50</b>	<b>791.65</b>



**Notes****Forming part of consolidated Financial Statements for the year ended March 31, 2022 (Contd.)****14. REVENUE FROM OPERATIONS**

(Amount in ₹ Lacs)

Particulars	March 31, 2022	March 31, 2021
<b>SALE OF PRODUCTS</b>		
Sale Domestic	48,226.88	38,877.44
Sale Export (Direct)	76,051.78	47,884.19
	<b>1,24,278.66</b>	<b>86,761.63</b>

**15. OTHER OPERATING REVENUE**

(Amount in ₹ Lacs)

Particulars	March 31, 2022	March 31, 2021
DEPB/FPS Incentive	799.87	1,036.34
Duty Drawback	1,492.77	744.57
Exchange Difference	476.06	416.72
	<b>2,768.70</b>	<b>2,197.63</b>

**16. OTHER INCOME**

(Amount in ₹ Lacs)

Particulars	March 31, 2022	March 31, 2021
Interest Income	54.54	146.89
Profit on Sale of Asset	1.02	4.19
	<b>55.56</b>	<b>151.08</b>

**17. COST OF MATERIALS CONSUMED**

(Amount in ₹ Lacs)

Particulars	March 31, 2022	March 31, 2021
<b>CONSUMPTION OF RAW MATERIAL</b>		
Raw Material -Steel	75,807.04	45,536.85
Raw Material-Non-Steel	13.24	10.81
	<b>75,820.28</b>	<b>45,547.66</b>
<b>CONSUMPTION OF STORE &amp; SPARES</b>		
Consumption of operating supply	5,615.80	3,728.75
Consumption of Die Steel	372.94	264.95
Consumption of oil & Lubricants	1,284.82	1,032.88
Consumption of Packing Materials	3,262.74	2,224.42
Consumption of Furnace Oil	477.67	201.11
	<b>11,013.97</b>	<b>7,452.11</b>
	<b>86,834.25</b>	<b>52,999.77</b>

**18. CHANGE IN INVENTORY OF-WORK IN PROGRESS & FINISHED GOODS**

(Amount in ₹ Lacs)

Particulars	March 31, 2022	March 31, 2021
At the beginning of Accounting period	8,179.52	10,760.63
At the end of the Accounting period	11,762.10	8,179.52
	<b>-3,582.58</b>	<b>2,581.11</b>

## Notes

Forming part of consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

### 19. EMPLOYEE BENEFIT EXPENSE

Particulars	(Amount in ₹ Lacs)	
	March 31, 2022	March 31, 2021
Wages	1,956.26	1,663.35
Salary	2,348.87	1,958.23
Production Incentive Bonus	588.36	480.28
Contribution to Provident Fund	142.24	121.43
Family Pension	140.08	133.41
Administration charges	20.28	18.69
Group Gratuity Scheme	112.03	103.10
Group Insurance	0.06	2.27
Super Annuation Fund	35.42	31.68
Workers and Staff Welfare	172.60	136.96
Bonus	211.53	207.45
Leave with Wages	37.00	46.41
Medical Reimbursement	40.65	19.48
Employees State Insurance	50.72	45.79
	<b>5,856.10</b>	<b>4,968.53</b>

### 20. FINANCIAL COSTS

Particulars	(Amount in ₹ Lacs)	
	March 31, 2022	March 31, 2021
<b>a) Interest Expense</b>		
Interest on Term Loan	671.49	621.35
Interest on Cash Credit	301.28	161.39
Interest to Others	0.09	5.27
<b>b) Other Borrowing Cost</b>	0.00	0.00
Bank Commission	150.25	66.79
	<b>1,123.11</b>	<b>854.80</b>

### 21. DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	(Amount in ₹ Lacs)	
	March 31, 2022	March 31, 2021
<b>DEPRECIATION</b>		
Building	623.75	427.91
Plant & Machinery	4,030.60	3,334.01
Furniture & Fixture	49.83	44.94
Vehicle	183.67	184.57
Computers	35.57	35.98
Office Equipments	47.48	44.51
	<b>4,970.90</b>	<b>4,071.92</b>

**Notes****Forming part of consolidated Financial Statements for the year ended March 31, 2022 (Contd.)****22. OTHER EXPENSES**

(Amount in ₹ Lacs)

Particulars	March 31, 2022	March 31, 2021
Machining charges	700.81	1,037.76
Power & Fuel	6,924.35	5,543.55
Repair & Maintenance	344.65	257.93
Factory Expenses	85.14	55.37
Office Expenses	22.17	32.83
Donation / CSR	189.36	133.75
Subscription / Membership fees	7.84	9.78
Entertainment Expense	5.24	2.25
Fees & Taxes	32.97	33.77
Insurance	233.57	152.35
Legal & Professional Expenses	178.96	146.29
News Paper & Periodicals	0.28	0.37
<b>PAYMENT TO AUDITORS</b>	0.00	0.00
As Audit Fee	7.50	7.50
For Taxation purpose	0.00	0.00
For any other matters	0.00	0.00
Vehicle Petrol	110.25	77.05
Vehicle Repair	38.19	33.64
Repair of Building	36.38	22.97
Postage & Courier expenses	3.28	4.31
Printing & Stationery	39.32	26.59
Generator / General Repair & Maintenance	261.71	251.18
Repair & Maintenance of Computer	32.25	18.33
Telephone Expenses	9.71	8.86
Directors sitting fees	13.80	4.28
Rounded-off	0.05	0.08
Travelling Expenses	134.04	94.40
Travelling Expenses Foreign	22.88	0.24
IPO Expenses	130.41	130.41
Advertisement expenses	11.17	9.87
Club Fee	0.73	0.52
Freight & Cartage outward	984.68	841.02
Business Promotion Expenses	10.79	5.57
Export Packing & Forwarding expenses	9,272.66	5,085.62
Unrecoverable Amount Written Off	-	0.55
<b>19,845.14</b>	<b>14,028.99</b>	<b>14,028.99</b>

## Notes

### Forming part of consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

#### 23. EARNINGS PER SHARE

Particulars	(Amount in ₹ Lacs)	
	March 31, 2022	March 31, 2021
Basic and Diluted Earnings Per Share		
Net Profit attributable to Equity Shareholders	8,876.04	7,062.37
Weighted Average number of Equity Shares outstanding during the year	2,14,65,400	2,14,65,400
Face Value	10	10
Basic Earnings Per Share	41.35	32.90
Diluted Earnings Per Share	41.35	32.90

#### 24. CORPORATE SOCIAL RESPONSIBILITY

As per the provisions of amended companies Act 2013 the companies having profit of 5CR or more has to spent 2% of their average profits of last 3 years upon specific activity falling within CSR. The CSR Budget for the year 2021-22 of the company was ₹ 2,49,41,592/- (including unspent of previous year). The company has spent ₹ 1,73,35,374/- on CSR activities during the Financial Year 2021-22 with the approval of CSR Committee of the Board. The total unspent amount as on March 31, 2022 was ₹ 76,06,218/- has been transferred to unspent CSR account within 30 days which pertains to ongoing project.

#### 25.

The following are the contingent liabilities during the year.

Particulars	(Amount in ₹ Lacs)	
	2021-22	2020-21
<b>(A) CONTINGENT LIABILITIES</b>		
1. Bank Guarantees	2.00	2.00
2. Excise Duty and Service Tax demand against which the company has preferred appeals.	40.30	40.30
3. Income Tax Demands against which the company has preferred appeals.	Nil	2.10
4. Value Added Tax Liabilities	78.73	195.53
<b>(B) COMMITMENTS</b>		
Capital Commitments	0	0

The Company management believes that ultimate outcome of these contingent liabilities will not have a material adverse effect on the company's financial position & results of operations.

#### 26. RELATED PARTY DISCLOSURE

Disclosures as required by Accounting Standards (Ind AS-24) "Related Party Disclosure" are given below".

##### (a) Chairman, Managing Director & Directors

- S. Rachhpall Singh – Chairman (upto 15.07.2021)
- S. Gursaran Singh – Managing Director
- S. Jasvinder Singh – Joint Managing Director
- S. Ranbir Singh – Whole time Director & CEO
- S. Maninder Singh – Whole Time Director (w.e.f. 01.08.2021)
- S. Kulwin Seehra – Executive Director
- S. Harwinder Seehra – Executive Director
- S. Jasminder Singh Johal – Independent Director

**Notes****Forming part of consolidated Financial Statements for the year ended March 31, 2022 (Contd.)****(b) Key Managerial Personnel**

Mr. Rakesh Gupta – Chief Financial Officer  
 Mr. Gaurav Jain – Company Secretary  
 S. Maninder Singh – Sr. Vice-President (Planning) (upto 31.07.2021)  
 Mrs. Loveleen Kaur – Sr. Vice-President (Corporate Affairs)

**(c) Wholly owned Subsidiary Company**

GNA Axles INC Michigan

**(d) Company in which Directors and their relatives are directors**

GNA Gears Limited  
 GNA Udyog Limited  
 GNA Transmission (Punjab) Limited  
 GNA Investment Limited  
 Amarson Automotive Limited

**(e) Firms in which Directors and their Relatives are Partners**

M/s Seehra Overseas  
 M/s GNA Sons  
 M/s GNA Consultancy  
 M/s GNA Autotech

(Amount in ₹ Lacs)

Nature of Transaction	2021 -22	2020-21
<b>(a) Security Deposit with-</b>		
GNA Udyog Limited	488.96	488.96
GNA Sons	565.21	565.21
Seehra Overseas	10.00	10.00
<b>(b) Remuneration</b>		
S. Rachhpall Singh	24.39	75.60
S. Gursaran Singh	208.32	75.60
S. Ranbir Singh	261.12	214.36
S. Jasvinder Singh	261.12	214.36
S. Kulwin Seehra	57.33	40.20
S. Harwinder Seehra	57.33	40.20
S. Maninder Singh	43.78	Nil
<b>(c) Remuneration Paid to Key Managerial Personnel</b>		
Mr. Rakesh Gupta	15.67	13.30
Mr. Gaurav Jain	8.32	6.86
<b>(d) Remuneration paid to Director's relatives</b>		
S. Maninder Singh	9.00	24.64
Mrs. Loveleen Kaur	27.00	24.64

## Notes

### Forming part of consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

#### 27. DETAILS OF BENAMI PROPERTY

No proceedings has been initiated or pending against the company for holding any Benami property under The Benami Transaction (Prohibition) Act, 1988.

#### 28. SEGMENT REPORTING

The Company is in the business of manufacturing automobile components which is a single business segment, so separate segment reporting is not required.

#### 29. REMUNERATION TO DIRECTORS

Particulars	(Amount in ₹ Lacs)	
	2021-22	2020-21
Salary	913.38	660.33

30. In the opinion of the Board of Directors, the Current Assets, Loans and Advances are approximately of the value stated if realised in the ordinary course of business. The Provision for all known liabilities is adequate and not in excess of amount reasonably necessary.

#### 31. FOREIGN EXCHANGE EARNINGS

The company has exported goods during the year FOB value of which is ₹ 667,79,11,785/-.

#### 32. BORROWING FROM BANKS AND FINANCIAL INSTITUTIONS:

The company has taken Term loans from Banks during the year under Audit. The company Utilized the amount of Term Loans raised for the purpose for which it was obtained.

The company also borrowed working capital facility from banks against current assets. The quarterly/Monthly statements filed by the company with banks are in agreement with books of accounts. No discrepancies noticed.

#### 33. TRADE PAYABLES AGEING SCHEDULE:

Particulars	(Amount in ₹ Lacs)				Total
	Outstandings for following periods from due date of payments				
	Less than 1 Yr.	1-2 Yr.	2-3 Yrs.	More than 3 Yrs.	
MSME	343.83	--	--	--	343.83
Disputed dues MSME	--	--	--	--	--
Disputed Dues Others	--	--	--	--	--

#### 34. TRADES RECEIVABLE AGEING SCHEDULE:

Particulars	(Amount in ₹ Lacs)					Total
	Outstanding for the following periods from due date of payments					
	Less than 6 Months	6 months - 1 Yrs.	1-2 Yrs.	2-3 Yrs.	More than 3 Yrs.	
Undisputed Trade Receivables-considered good	42,369.20	4,927.66	131.05	--	--	47,427.91
Undisputed Trade receivables considered doubtful	--	--	--	--	--	--
Disputed Trade Receivables considered Good	--	--	--	--	--	--
Disputed Trade Receivables considered doubtful.	--	--	--	--	--	--

**Notes****Forming part of consolidated Financial Statements for the year ended March 31, 2022 (Contd.)****35. LOAN AND ADVANCES TO DIRECTORS/ KMP/ RELATED PARTIES:**

During the year under audit the company has not granted any Loan and Advances to directors/KMP/Related Parties either severally or jointly with any other persons.

**36. TRANSACTION WITH STRUCK OFF COMPANIES:**

During the year under audit the company has not entered into any transactions with another company whose name has been struck off.

**37. REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES:**

The Company has registered charges for Term Loans obtained during the year with the Registrar of Companies. The company also satisfies the charges with Registrar of companies for loans, the re-payment of which was completed except charges on loan from Central Bank of India which was re-paid during the year but NOC still awaited.

**38. AUDITORS REMUNERATION:****(Amount in ₹ Lacs)**

Sr. No.	Particulars	31.03.2022	31.03.2021
1.	Audit Fee	7.50	7.50

**39. RATIO ANALYSIS:**

S. No.	Ratio	2021-22	2020-21
1.	Current Ratio	1.6 : 1	1.46 : 1
2.	Debt Equity Ratio	0.35 : 1	0.33 : 1
3.	Debt Service Coverage Ratio	5.77 : 1	3.54 : 1
4.	Return on Equity Ratio	14.93%	13.62%
5.	Inventory turnover ratio	6.69 Times	5.28 Times
6.	Trade Receivable Turnover Ratio	2.72 Times	2.36 Times
7.	Trade Payable Turnover ratio	4.05 Times	3.60 Times
8.	Net Capital Turnover Ratios	4.64 Times	4.29 Times
9.	Net Profit Ratio	7.15 %	8.13 %
10.	Return on Capital Employed	17.39%	16.83%

**Remarks**

The Debt Service Coverage Ratio of the Company is increased from 3.54 to 5.77 this year due to increase in profits and decrease in Term Loan Instalments as compared to previous year.

**40.** Previous Years Figures have been re-grouped/ re-arranged wherever consider necessary

For **HARISH & CO.**

**Chartered Accountants (FRN: 017372N)**

**(SURAJ BAJAJ)**

**Partner**

M. No. 538094

UDIN: 22538094AIBNTV6048

Place: Jalandhar

Date: April 29, 2022











# **GNA**

*If Undelivered please return to:*

**Registered Office**

GNA Axles Limited, GNA House, 1-C, Chhoti Baradari-II  
Garha Road, Jalandhar City-144001, Punjab, India

**Corporate Office**

GNA Axles Limited, Mehtiana-146001  
Dist. Hoshiarpur, Punjab, India