

Dated : September 6, 2023

Department of Corporate Services BSE Limited 25 th Floor Rotunda Building, P J Towers Dalal Street, Fort MUMBAI 400001 SCRIP CODE : 540124	The National Stock Exchange of India Limited "Exchange Plaza" Plot No C-1, G Block Bandra Kurla Complex Bandra (East) MUMBAI – 400051 SCRIP CODE : GNA
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SUB: Notice of 30th Annual General Meeting and Annual Report for the Financial Year 2022-23.

Dear Sir,

In compliance with Regulations 30, 34 and 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), please find enclosed the Notice convening the 30th AGM of the shareholders of the Company and the Annual Report for the financial year ended 31st March, 2023. The same is being circulated through electronic mode to all the shareholders of the Company whose E-mail addresses are registered with the Company or Depository Participant(s), in compliance with the relevant circulars issued by the Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI).

Further, the facility/option to transact through Remote Electronic Voting is also being provided to the shareholders. The remote E-voting will start on Tuesday, September 26, 2023 at 9.00 A.M. and will end on Thursday, September 28, 2023 at 5.00 P.M. The cut-off date for the purpose of determining the shareholders for E-voting is September 22, 2023.

This is for your information and record.

Thanking You

Yours Truly
For GNA AXLES LIMITED

Digitally
signed by
Gaurav Jain
Date:
2023.09.06
16:22:25
Gaurav Jain
Company Secretary

GNA

A large circular graphic dominates the center of the page. It features a central teal circle with the text 'Progress Through Persistence' in white. Surrounding this is a white ring with a grey dashed line. The outermost part of the graphic is a semi-circular arc composed of many small, rectangular blocks in shades of green and teal, arranged in a circular pattern. Three inset images are visible: a close-up of industrial machinery on the left, a large number of metal axles in the top right, and a few individual axles on the right side.

Progress Through Persistence

GNA AXLES LIMITED
30th Annual Report 2022-23

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Investor Information

Market Capitalisation as on March 31, 2023: ₹ 1,690.94 Cr

CIN: L29130PB1993PLC013684

BSE Code: 540124

NSE Symbol: GNA

Bloomberg Code: GNA:IN

Dividend Declared: ₹ 6.00 per Equity Share

AGM Date: September 29, 2023

AGM Venue: Through Video Conference



To view or download the report online, scan the QR code.

For more investor-related information, please visit:

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

Progress Through Persistence

In the journey of advancement, dedication and determination are the guiding stars that lead initiatives to fruition. Reflecting upon the year gone by, 'Progress Through Persistence' aptly captures GNA Axles' commitment to moving forward. Our Company has consistently shone as a guiding light of innovation in the ever-evolving auto industry. The fact that our products consistently set new benchmarks is a testament to the unrelenting determination of our team. While holding firm to the high standards we have set, we also embrace flexible, forward-looking strategies to meet emerging demands. This perfect fusion of persistence and adaptability has fortified our standing as an industry leader. Inscribed with the essence of 'Progress Through Persistence', our path forward is illuminated by the unyielding commitment to sustain our momentum of achievements, while continuously growing with excellence.

Disclaimer: This document contains statements about expected future events and financials of GNA Axles Limited ('The Company'), 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.



Our Story of Perseverance, Progress and Excellence in Automotive Transmission Components

GNA Axles Limited ('GNA' or 'We' or 'The Company') stands with pride at the forefront of global automotive transmission component manufacturers. Renowned OE manufacturers across the globe make us their trusted partners. Our commitment to quality, coupled with our expansive manufacturing capabilities, enables us to skilfully fulfil the demands of our OE customers. This blend of adaptability and resolve equips us to navigate production challenges, while upholding reliability and flexibility.

We collaborate closely with our esteemed clients to create advanced driveline solutions for automotive applications. With our vast experience and skilled engineers, we tackle new challenges enthusiastically. Our passion drives us to develop bespoke, high-quality products that precisely address our clients' needs.

With a specialisation in manufacturing auto components for commercial vehicles, tractors, and off-road equipment, GNA Axles stands out in the industry for our production and supply of axle shafts and spindles. Our products, ranging from 2 kg to 150 kg, consistently exhibit exceptional reliability and have successfully undergone rigorous testing in demanding environments. Throughout our impressive 75-year history, we have maintained our focus on excellence and innovation and always emphasised satisfying our customers' needs efficiently and economically, over everything.



Financial Snapshot

Annual Turnover for 2022-23

₹ 1,582.93 Cr

PAT Margin in 2022-23

8.23 %

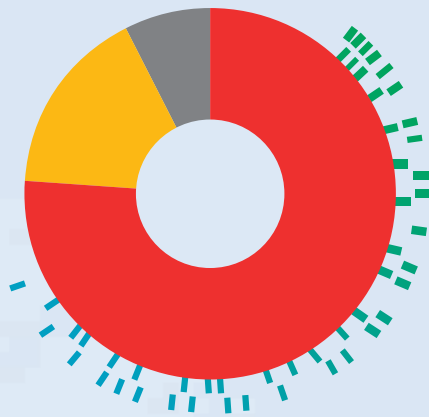
EBITDA in 2022-23

₹ 234.11 Cr

Employees as on March 31, 2023

1,421

Segment-Wise Revenue Distribution (%)



Rear Axle Shafts

76.25



Spindles

16.46



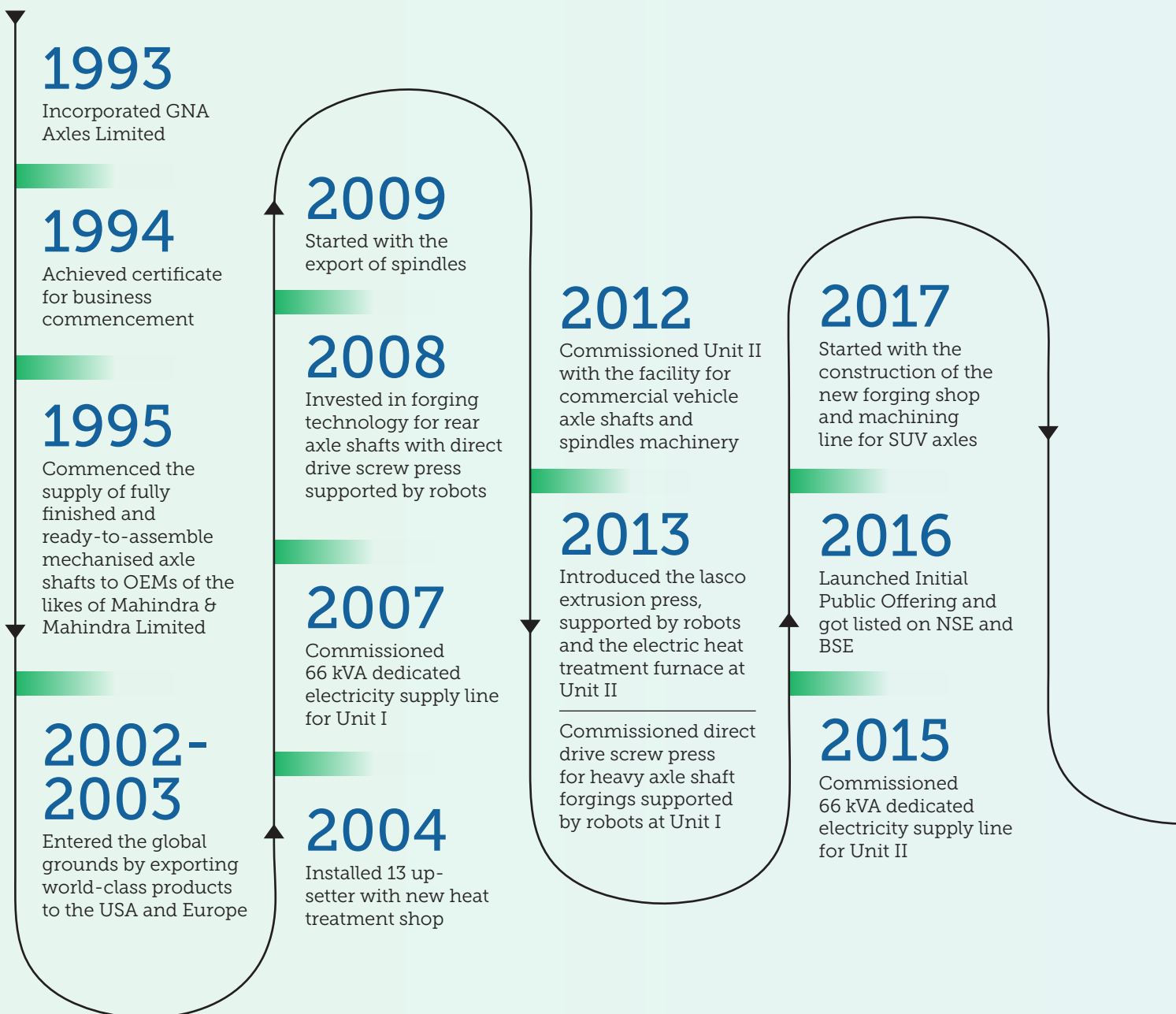
Other Shafts

7.29



Our Journey of Upholding Values and Persevering Progress

Our remarkable journey has seen us touch global grounds, expanding our presence and impact across borders. Throughout this journey, we have upheld our fundamental principles, fostering sustainable expansion and attaining noteworthy landmarks. This perseverance has established us as a trusted global player in our industry.





2019

Started setting up the SUV plant

2018

Commissioned a new machine shop for off-highway axle shafts

2021-2022

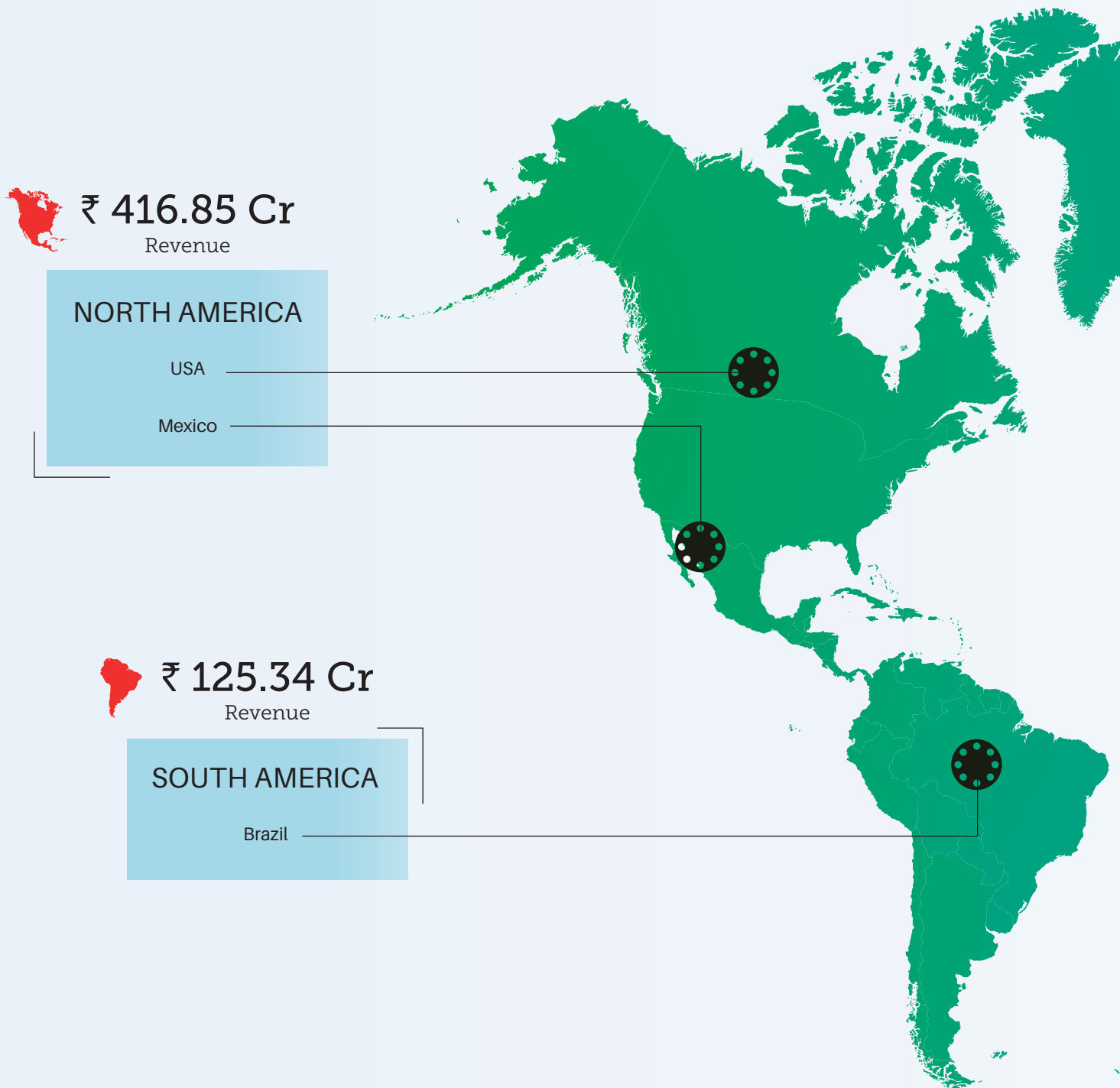
Enhanced the capacity to 6.7 million components

2023

Started production in SUV plant

Our Journey of Progression through Our Diverse Customer Base

GNA Axles has successfully built a diverse customer base with a global presence. Our high-quality axles and automotive transmission components have garnered attention in multiple global markets, instilling confidence among clients spanning diverse industries. This widespread reach demonstrates our ability to deliver excellence on a global scale.





₹ 248.34 Cr
Revenue

EUROPE

Sweden

Spain

Germany

Turkey

Czech Republic

UK

Italy



₹ 760.33 Cr
Revenue

ASIA

India

China

Japan



₹ 8.71 Cr
Revenue

AUSTRALIA

Australia

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.

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Embracing a Vision of Progress and Persistence



Over the years, we have carved a niche for ourselves in the off-highway and commercial vehicle segment not only in the domestic but also in the global markets.

Dear Stakeholders,

I am honoured to address you through our Annual Report for the year. It fills me with great pleasure and deep gratitude as I reflect upon the remarkable achievements we have accomplished together, the challenges we have overcome, and the path we have charted for the future. I extend my heartfelt appreciation to our dedicated team members and valued stakeholders, as it is through their unwavering support we have been able to embrace innovation, uphold our core values, and reach significant milestones on our journey towards sustainable growth and success.

Given our strong track record and technological capabilities, GNA is well-positioned to capitalise on the industry tailwinds. GNA has built a reputation for high quality and reliability in the domestic market over the last two decades. With one of the widest portfolios of axles, GNA supplies to major OEMs across different vehicle segments. As the industry grows, GNA is gearing up to meet the rising demand, while upholding the Company's commitment to quality and service standards.

Despite supply chain disruptions and rising raw material prices, GNA displayed resilience and delivered strong financial performance. The Company registered total net revenue of ₹ 1,582.93, a significant jump of 24.59% compared to ₹ 1,270.47 Cr in the previous year. EBITDA grew by 29.36% from ₹ 180.97 Cr in 2021-22 to ₹ 234.11 in 2022-23. PAT stood at ₹ 130.23, an increase of 46.67% from ₹ 88.79 Cr last year.

Like last year, we are building capacities and upgrading ourselves by undertaking long-term capex. This is aimed at expanding the Company's manufacturing capabilities, increasing production capacity, and enhancing the overall efficiency of operations. With this exercise, we are bolstering the Company's position in the market and reinforcing our commitment to deliver superior products and services.

We recognise the challenges posed by escalating costs in the market and their impact on our margins. While we strive to improve profitability, effectively managing costs remains a priority. Our investments in adding capacity and upgrading processes will optimise costs over time. Though this may pressure short-term profitability, I am confident these steps will support sustainable, profitable growth in long term. We remain committed to driving efficiencies to combat rising costs.

As we move ahead, we are confident of our position and the growth prospects given our strategic initiatives across operations. Over the years, we have carved a niche for ourselves in the off-highway and the commercial segment not only in the domestic but also in the global markets. We are mirroring this same strategy for our spindles business and aim to gain a healthy market in the passenger vehicle segment of the industry. During the year we successfully bagged an order from a key automotive customers for LV shafts. This order is a testament to our efforts and a clear indication of moving in the right direction which will help us position better to benefit from rising demand and new SUV models. This is a result of our robust capabilities and efficiency improvements which we will continue to strengthen further. We are well-prepared to leverage growth opportunities in exports and domestic OEM sales.

At GNA Axles, our commitment to customers entails delivering top-quality products and outstanding service. We strive to achieve this through continuous innovation, building our employees' skills, and fostering an engaging work culture. Leveraging our experience, market insights, and customer relationships, we aim to drive sales, tap potential opportunities, and ensure customer satisfaction. Our goal is to multiply growth by harnessing our strengths to deliver differentiated axle solutions that create value for customers.

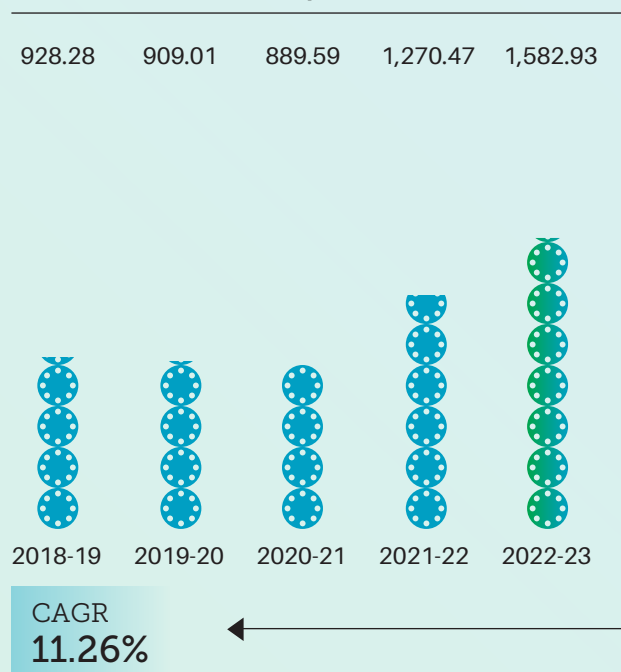
As I conclude, I want to express my heartfelt gratitude to all our team members and stakeholders who have contributed to our accomplishments. Your commitment, skills, and steadfast backing have played a pivotal part in our ongoing journey. As we step into the future, I am confident that our collective efforts will persistently conquer obstacles, reach greater summits, and create lasting value. Thank you for your trust, partnership, and commitment to our shared success.

Warm regards,

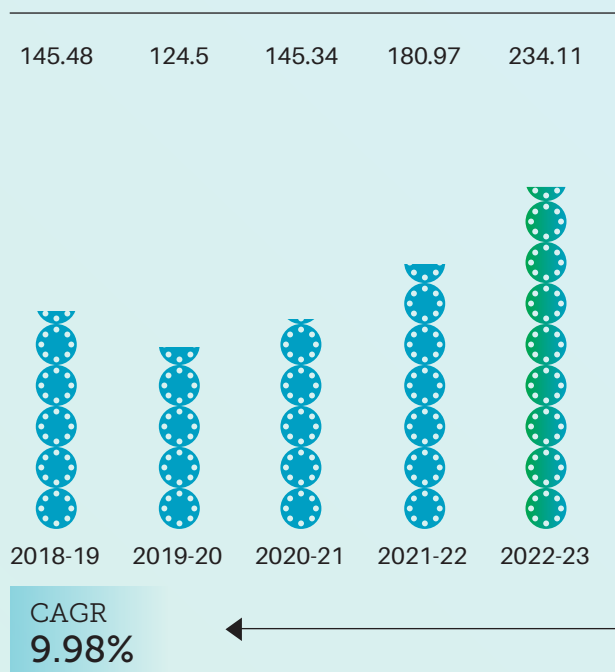
Gursaran Singh
Chairman

Financial Highlights Reflecting Our Persistence

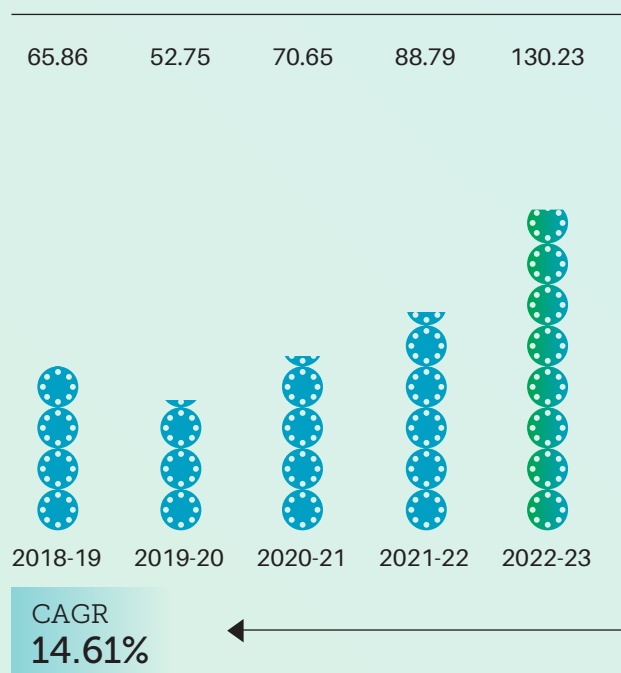
Net Revenue from Operations (₹ in Cr)



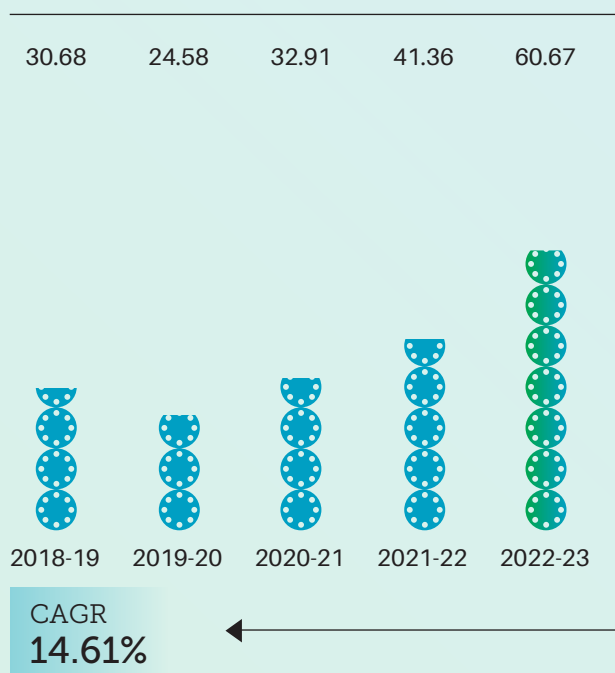
EBITDA (₹ in Cr)



PAT (₹ in Cr)



EPS (₹)



Net Debt-to-Equity Ratio (X)



Our Persistent Commitment to a Greener Future

At GNA Axles, prioritising environmental conservation holds paramount significance. We are strong advocates of resource sustainability, minimising ecological footprint, and ensuring the prosperity of forthcoming generations. Through the incorporation of eco-conscious methodologies, we showcase our dedication to preserving our environment, relentlessly pursuing a greener and more sustainable future.



Climate-Conscious Measures

In response to climate concerns, we've taken significant steps by substituting oil-fired furnaces with electric alternatives, substantially reducing carbon emissions. Furthermore, our material-gathering machinery has transitioned to electricity as its power source, significantly reducing our dependence on conventional fuels.

Environment-Friendly Packaging

We have opted for sustainable packaging practices, and replaced wooden packing boxes with reusable pallets. This shift not only curbs our wood consumption but also fosters eco-friendly packaging solutions.



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Waste Management

Within our ancillary operations, we embrace inventive methods to efficiently repurpose manufacturing waste. Moreover, we diligently implement effluent treatment procedures to address environmental concerns. Thus mitigating potential environmental impacts.

Water Conservation

We have implemented a rainwater harvesting system as part of our water conservation efforts. The system channels collect rainwater back into the ground, promoting efficient water usage.

Empowering Growth and Development Driven by Persistence

Committed to Corporate Social Responsibility (CSR), GNA Axles enthusiastically participates in endeavours aimed at uplifting communities. By means of education and skill development initiatives, environmental conservation endeavours, and the promotion of inclusive growth, we strive to empower individuals, generate sustainable impact, and contribute to a more promising future for all.

Employee Empowerment

At GNA Axles, our employees are cherished as the very essence of our organisation. We are committed to fostering a diverse and inclusive workplace that promotes equal opportunities for all. By means of ongoing developmental initiatives and a nurturing atmosphere, we empower our workforce to flourish and reach their full potential.

No. of Male Employees

1,413

No. of Female Employees

8

Community Engagement

GNA Axles deeply values its relationship with the local community. We actively seek to create opportunities for the residents, promoting economic growth and empowerment. Our collaborative initiatives aim to uplift the community by fostering skills development, entrepreneurship, and sustainable livelihoods, ensuring a promising future for all.





Leaders behind Our Ethical Governance Progress

At GNA Axles, we strongly believe in nurturing a culture of efficient governance. Our focus lies in promoting transparency, accountability, and ethical behaviour across all our endeavours. Through the cultivation of responsible decision-making and upholding solid integrity, our goal is to establish trust among our stakeholders and propel enduring growth for our organisation.



Mr. Gursaran Singh
Executive Chairman



Mr. Jasvinder Singh
Executive Vice Chairman



Mr. Ranbir Singh
CEO & Managing Director



Mr. Kulwin Seehra
Whole-Time Director



Mr. Harwinder Singh
Whole-Time Director



Mr. Gurdeep Singh
Director



Mr. Jasmininder Singh Johal
Independent Director



Mr. Rajan Wadhwa*
Independent Director



Air V Marshal S.S. Hothi (Retd.)*
Independent Director



Mr. Ajit Singh
Independent Director



Mr. Maninder Singh
Whole-Time Director



Mr. Ashwani Kumar Malhotra*
Independent Director



Lt. General Praveen Bakshi (Retd.)
Independent Director



Mrs. Pooja Uppal*
Independent Director

(*w.e.f. June 10, 2022)

Corporate Information

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
State 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 30th ANNUAL GENERAL MEETING of the shareholders of GNA Axles Limited will be held on Friday, 29th day of September, 2023 at 12:30 P.M through Audio Visual Means to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Standalone and Consolidated Audited Balance Sheet as at March 31, 2023, statement of Profit & Loss for the year ended on that date, together with the report of Auditor's and Directors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. Gursaran Singh, (DIN 00805558) who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Jasvinder Singh, (DIN 01831572) who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Mr. Kulwin Seehra, (DIN 03522812) who retires by rotation in terms of section

152(6) of the Companies Act, 2013 and being eligible, offers himself for reappointment.

SPECIAL BUSINESS

6. To consider and if thought fit, to pass, the following Resolution as a Special Resolution.

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligation and Disclosure Requirements), Regulations 2015, Lt. Gen Praveen Bakshi (Retd.)(DIN: 08261443), who was appointed as an Independent Director not liable to retire by rotation for a period of 5 years and in respect of whom the Company has received a notice in writing from a member proposing his candidature as an Independent Director of the Company not liable to retire by rotation and who is eligible for reappointment, be and is hereby reappointed as an Independent Director of the Company, for a second term of five (5) consecutive years w.e.f. October 23, 2023 to October 22, 2028".

**By order of the Board
FOR GNA AXLES LIMITED**

**Place: Mehtiana
Dated: July 21, 2023**

**Gourav Jain
(Company Secretary)**

NOTICE (Contd.)**NOTES:**

- 1) 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.
- 2) 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.
- 3) 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.

4) 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 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 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 2022-23 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 2022-23 will also be available on the Company's website www.gnagroup.com websites of the Stock Exchanges i.e. National Stock Exchange of India Ltd and BSE Limited at nseindia.com and 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 Company has fixed September 02, 2023 as record date for payment of dividend and Annual General Meeting.
- 8) The Remote E-Voting shall commence on September 26, 2023 at 9:00 AM and shall end on September 28, 2023 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 Company has fixed September 22, 2023 as the cut off date for determining the eligibility of shareholders to vote at the AGM.
- 11) 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.

NOTICE (Contd.)

- 12) 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.
- 13) The results of the e-voting shall be declared within the prescribed timelines.

Remote e-Voting Instructions for shareholders:

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.nsdl.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 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.nsdl.com> Select "Register Online for IDeAS Portal" or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.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. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. The option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password.
2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by the company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider i.e. LINKINTIME for casting your vote during the remote e-Voting period. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.
3. If the user is not registered for Easi/Easiest, the option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.
4. Alternatively, the user can directly access the e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on 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, the user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

NOTICE (Contd.)

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. After Successful login, you will be able to see e-Voting option. Once you 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 the company name or e-Voting service provider name i.e. LinkIntime and you will be redirected to e-Voting service provider 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)

- 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 LIPL 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 Scrutinizer 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 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.

NOTICE (Contd.)

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 evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000
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 helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

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>

- Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- 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 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:

- Open the internet browser and launch the URL: <https://instameet.linkintime.co.in> & Click on "Login".
- Select the "Company" and 'Event Date' and register with your following details: -
 - 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
 - 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.
 - Mobile No.:** Enter your mobile number.
 - 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:

- Shareholders who would like to speak during the meeting must register their request with the company.
- Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
- Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
- Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
- 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 scrutinizer during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

NOTICE (Contd.)

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 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 or contact on: - Tel: 022-49186175.

ANNEXURE TO THE NOTICE

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT

ITEM NO 6 OF THE SPECIAL BUSINESS.

In terms of the provisions of section 149 of the Companies Act 2013 which came into effect from April 1, 2014 and SEBI (LODR) Regulations, 2015 the Company is required to have atleast 50 percent of its Board to comprise of Non Executive Independent Directors who are not liable to retire by rotation. In Compliance of the said provisions, the shareholders of the Company upon the recommendation of the the Board of Directors of the Company had appointed Lt. Gen Praveen Bakshi (Retd.) as Non Executive Independent Director of the Company for a term of five years from October 23, 2018 to October 22, 2023.. As the tenure of Lt. Gen Praveen Bakshi (Retd.) is going to expire on October 22, 2023, the Board of Directors in its meeting held on July 21, 2023, upon the recommendation of the Nomination and Remuneration Committee had reappointed Lt. Gen Praveen Bakshi (Retd.) as Non Executive Independent Director of the Company for a second term of five (5) consecutive years from October 23, 2023 to October 22, 2028, subject to the approval of the shareholders in the ensuing Annual General Meeting. The Company has received the consent from Lt. Gen Praveen Bakshi (Retd.) and also declaration confirming that he is not disqualified from being appointed as a Director in terms of section 164 of the Companies Act, 2013 and meets the criteria of independence as prescribed under section 149(6) of the Companies Act, 2013 and SEBI (LODR), Regulations 2015. In this regard, requisite notice in writing from a member has been received proposing the reappointment of Lt. Gen Praveen Bakshi (Retd.) for the office of Non Executive Independent Director of the Company.

Lt. Gen Praveen Bakshi (Retd.) is Independent of the Management and in the opinion of the Board he fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder. The copy of the draft letter of his appointment as Independent Director will be available for inspection at the Registered Office of the Company without any fee to the members during the normal business hours of any working day. A brief profile along with other details of the Independent Directors are provided at the end of this statement.

The Board recommends the Special Resolutions as set out at Item No 6 of the Notice for the approval by the shareholders.

**By order of the Board
FOR GNA AXLES LIMITED**

**Place: Mehtiana
Dated: July 21, 2023**

**Gourav Jain
(Company Secretary)**

BRIEF RESUME OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ENSUING AGM

Name of Director	Mr. Gursaran Singh	Mr. Jasvinder Singh	Mr. Kulwin Seehra	Lt.Gen Praveen Bakshi (Retd.)
Experience in Specific functional area	Experience of more than 60 years in Auto Components industry.	Experience of more than 35 years in Auto Component industry.	Experience of more than 14 years in Auto Component industry.	Experience of more than 40 years in defence & general administration
DIN	00805558	01831572	03522812	08261443
Date of Birth	20-04-1936	26-07-1958	02-11-1986	27-07-1957
Nationality	Indian	Indian	Indian	Indian
Date of Appointment	06-09-1993	06-09-1993	01-04-2011	23-10-2018
Qualification	Under Graduate	Graduate	Graduate	Post Graduate
Shareholding in the Company (As on 21.07.2023)	18,09,075 Equity Shares	32,83,600 Equity Shares	2,12,750 Equity Shares	390 Equity Shares
Directorships held in other listed Companies	-	-	-	1 Jtekt India Limited

ANNEXURE TO THE NOTICE (Contd.)

Name of Director	Mr. Gursaran Singh	Mr. Jasvinder Singh	Mr. Kulwin Seehra	Lt.Gen Praveen Bakshi (Retd.)
Membership in Committees of other Listed Companies	-	-	-	1. Audit Committee of Jtekt Limited 2. CSR Committee Jtekt Limited
List of Directorships held in other Companies	1. GNA Gears Limited. 2. Guru Nanak Transmissions Punjab Limited.	1. GNA Drivelines Limited. 2. Guru Nanak Transmissions Punjab Limited. 3. GNA Investment Limited	1. GNA Gears Limited.	-
Experience in Specific functional area	Experience of more than 60 years in Auto Components industry.	Experience of more than 35 years in Auto Component industry	Experience of more than 14 years in Auto Component industry.	Experience of more than 35 years in defence & general administration
Relationship with other Directors	Related to Mr. Ranbir Singh and Mr. Gurdeep Singh.	Related to Mr. Maninder Singh and Mr. Harwinder Singh	Related to Mr. Ranbir Singh	Not Related to any Director

MANAGEMENT DISCUSSION & ANALYSIS

GLOBAL ECONOMY

The global economy made a robust recovery in 2022 after the Covid-19 pandemic, growing 3.6% according to IMF estimates. This rebound was fuelled by pent-up demand and easing Covid-19 pandemic restrictions. However, growth was impacted by the Russia-Ukraine war, rising inflation, supply shocks, and tightening monetary policy. While it was slower than 2021's exceptional 6.1% growth, the expansion showcased the world economy's resilience amid multiplicate headwinds.

Looking forward, the IMF anticipates a consistent worldwide growth rate of 3.2% in 2023 and 3.0% in 2024. The pressure from inflation is predicted to decrease gradually as commodity prices normalise. Job markets are robust in numerous countries, bolstering consumer demand. As supply chains stabilise, businesses are expected to ramp up capital investment. While the growth rate might be lower than the rebound experienced in 2021, the global economy is on track for sustained growth. With coordinated policy support and strengthening economic fundamentals worldwide, the expansion is forecast to continue despite slower momentum. The global economy has proven its capacity to manage myriad shocks and is positioned for continued growth ahead.

INDIAN ECONOMY

The Indian economy has firmly established itself as one of the fastest-growing economies worldwide, achieving a robust 7.2% GDP growth in 2022-23, despite global headwinds. This advancement was propelled by a robust internal demand, as both private consumption and investments experienced a surge. Exports also performed well, benefitting from the global rebound. The drivers of this impressive growth include increased infrastructure spending, urban demand, digital adoption and supportive Government reforms. India aims to sustain high growth by boosting manufacturing competitiveness, job creation, and human capital development.

As per the IMF predictions, India is expected to achieve a growth rate of 6.1% in 2023-24. This growth is anticipated to be primarily propelled by augmented investments in infrastructure, a surge in urban consumption, expanded digital integration, and reforms in policies. Nonetheless, there are still vulnerabilities stemming from external

market fluctuations, fluctuations in commodity costs, and inflationary pressures. Through judicious fiscal and monetary measures, India is well-equipped to harness its demographic advantage, domestic demand foundation, and skilled labour pool, solidifying its position as one of the world's fastest-growing major economies. Its growth trajectory highlights the country's resilience and reform orientation in the face of global headwinds.

INDUSTRY OVERVIEW

In the dynamic landscape of the tractor and commercial vehicle industry, GNA Axles continues to position itself as a pivotal player, manufacturing and marketing rear axle shafts, spindles, and drive shafts for both tractors and commercial vehicles. The Company's success is intrinsically intertwined with the prospects of these industries, not only in its home market of India but also on a global scale. As we delve into the industry overview, it becomes evident that GNA Axles has strategically positioned itself to harness opportunities, while mitigating potential challenges.

The tractor and commercial vehicle industry showed strong growth in 2022-23, aided by robust rural demand, higher infrastructure spending, and improved economic activity. In India, tractor sales grew 10% to 10.69 Lacs in 2023 compared to 9.71 Lacs in 2022, as per data from the Tractor Manufacturers Association. This growth was driven by healthy crop prices, good monsoon rains, and higher rural incomes, which stimulated tractor demand. Commercial vehicle sales also witnessed robust growth of 28% to 7,93,211 units in 2022, up from 6,17,944 units in 2021, as per the Society of Indian Automobile Manufacturers.

Globally, the tractor and commercial vehicle market displayed a mixed growth trend. The US and Germany saw 10% and 11% growth, respectively, in 2022, while markets like the UK and Japan declined 6% and 4%, respectively (Source: International Organisation of Motor Vehicle Manufacturers (OICA)). India was the fastest-growing market globally for tractors and commercial vehicles.

Going forward, the outlook remains positive for tractors in India, though threats of weather disruptions like El Niño pose risks. Commercial vehicle sales are projected to register a CAGR of 8.7% globally by 2029, reaching USD 1.7 trillion, buoyed by increasing regulations on emissions and vehicle safety (Source: Allied Market Research).

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

BUSINESS OVERVIEW

A brief summary of the operational and financial performance of the Company is given below:

Product-Wise Volume Distribution

Product Types	2022-23		2021-22	
	Domestic	Exports	Domestic	Exports
Rear Axle Shafts	20.03	17.71	16.4	17.75
Spindles	3.32	4.83	2.09	4.61
Drive Shafts	1.94	1.67	2.07	1.68
Total	25.29	24.21	20.56	24.04

Segment-Wise Distribution

Segments	2022-23		2021-22	
	Domestic	Exports	Domestic	Exports
Off-Highway	19.57	2.61	17.28	3.50
CV	5.72	21.60	3.28	20.54
Total	25.29	24.21	20.56	24.04

Geography-Wise Revenue from Operations		2022-23	2021-22
Exports		838.91	760.52
Domestic		720.66	482.27
Total		1,559.57	1,242.79

Financial Highlights		2022-23	2021-22
Total Operating Revenue		1,582.93	1,270.47
Profit Before Depreciation, Interest and Tax		234.12	181.53
Financial Costs		10.96	11.23
Depreciation		48.51	49.71
Profit Before Tax		174.64	120.59
Tax Expense		44.41	31.8
Profit After tax		130.20	88.79
Earnings Per ₹			
- Basic		60.67	41.36
- Diluted		60.67	41.36

KEY FINANCIAL RATIOS

The Company identified the following ratios as key financial ratios:

Sr. No	Particulars	2022-23	2021-22	Explanation for Significant Change
1	Debtors' Turnover Ratio (Times)	3.01	2.72	N.A.
2	Inventory Turnover Ratio (Times)	8.29	6.69	N.A.
3	Interest Coverage Ratio (Times)	15.93	10.74	The increase in the ratio is on account of increase in Profitability
4	Current Ratio (Times)	1.93	1.78	N.A.
5	Debt Equity Ratio (Times)	0.28	0.35	N.A.
6	Operating Profit Margin (%)	14.70	14.24	N.A.
7	Net Profit Margin (%)	8.35	7.15	N.A.
8	Return on Net Worth (%)	18.22	14.93	The increase in the ratio is on account of increase in Profit Margins

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

MARKET AND BUSINESS OUTLOOK IN 2023-24

The outlook for the tractor industry remains good in 2023-24, thanks to Government endeavours aimed at enhancing agricultural productivity and profitability. Advancements in tractor technologies, such as GPS and telematics, are expected to further accelerate demand. The commercial vehicle segment is set to experience robust expansion, primarily fuelled by the flourishing e-commerce and logistics industries. The increasing need for effective goods transportation, coupled with ongoing Government infrastructure development projects, is expected to drive a surge in sales of commercial vehicles.

Overall, both tractors and commercial vehicles are likely to witness single digit growth in 2023-24. Favourable Government policies aimed at agriculture and infrastructure enhancement, combined with the adoption of cutting-edge technologies, will serve as significant drivers. Although the risks associated with unfavourable weather conditions remain, the encouraging momentum established in recent years is projected to endure. Tractor and commercial vehicle manufacturers are well-positioned to capitalise on these industry tailwinds.

OPPORTUNITIES AND THREATS

GNA Axles has significant opportunities for growth and expansion, given the expected increase in demand for tractors and commercial vehicles in India and globally. Rising farm mechanisation, infrastructure development, and growth of transportation services provide promising prospects to increase GNA Axles' customer base and market share. However, the Company faces stiff competition from established players and new entrants in the automobile components industry. Fluctuations in commodity prices, foreign exchange rates, and changes in Government policies and regulations could adversely impact raw material costs and affect GNA Axles' profitability.

HUMAN RESOURCE

GNA Axles believes its employees are the foundation for creating endless possibilities for the business. The employees are the Company's most valued assets and are vital to its success. It nurtures its workforce by investing in employee empowerment through learning, development, wellness and safety initiatives, as well as providing contemporary workplace facilities. The Company is committed to fostering a professional culture that enables employees to grow in their careers alongside the organisation. It continues to accelerate its value-based growth strategy and the overall development of its personnel. It engages employees through

various development and learning opportunities, reward and recognition programmes, and career growth initiatives. As of the end of 2022-23, the Company employed 1,421 workers. The Company aims to be an employer of choice by building an inclusive, engaging and positive work culture that helps employees thrive. The Company will continue investing in its people, empowering them to reach their full potential for the mutual benefit of the employees and the Company.

QUALITY, EFFICIENCY & DELIVERY

Quality, efficiency and on-time delivery remained key priorities this past year. We brought more manufacturing in-house to control quality and costs, while meeting delivery schedules. Numerous employees were trained and certified as Six Sigma Black Belts to drive continuous improvement across operations. Forging efficiency enhancements helped increase capacity utilisation. Through regular vendor audits and centralised sourcing, we optimised procurement costs, especially for steel. Packaging initiatives focussed on meeting customer needs based on transportation mode and destination. Overall, our multifaceted approach to elevating quality, optimising costs, and enabling responsiveness continues to strengthen our value proposition.

TECHNOLOGY AND AUTOMATION

The Company acknowledges that technology plays a pivotal role in determining a competitive edge within the market. And so, the Company has allocated resources for technological enhancements and processes to align with technology platforms. This enables the Company to meet a variety of customer specifications. The Company's forging facilities are supported by robots, and it plans to invest in automating most production processes. This automation will optimise resource use, reduce industrial risks to human workers, provide economies of scale, and significantly improve overall manufacturing and product design accuracy.

INTERNAL CONTROL SYSTEM

The Company has designed and implemented internal control systems tailored to its size and operations. These controls are integrated with financial and operational systems to enable effective management. The Company's internal audit team regularly reviews adherence to established internal controls, identifying potential shortcomings or concerns, and monitoring the implementation of corrective measures where needed. The Company provides summaries of internal audit findings and the status of risk mitigation action plans to the Audit Committee quarterly for their oversight. Any residual risk concerns are also presented to the Board by the Company.

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)**CAUTIONARY STATEMENT**

The Company's discussion of its objectives, projections, estimates and expectations in this Management Discussion and Analysis may contain forward-looking statements. Actual results could differ from those statements due to various factors like the global economy, political stability,

stock market performance, Government regulations and taxes, economic developments and other unpredictable events. The Company is not obligated to update any forward-looking statements unless required by law. Investors should exercise caution when interpreting these statements.

DIRECTOR'S REPORT

Dear Members,

The Directors of your Company have pleasure in presenting their 30th Annual Report on the affairs of the Company together with the Audited Accounts of the Company for the year ended March 31, 2023.

FINANCIAL PERFORMANCE

The Financial results for the year are as under:-

Amount (₹ in Lacs)		
Particulars	Year ended on March 31, 2023	Year ended on March 31, 2022
Net operating Revenue	158293.37	127047.36
Other Income	141.47	55.56
Profit Before Depreciation, Interest and Tax	23411.80	18096.95
Financial Costs	1096.38	1122.72
Profit before Depreciation and Tax	22315.42	17,029.81
Depreciation	4851.24	4970.89
Profit before Tax	17464.17	12058.92
Tax Expense	4441.06	3179.95
Profit after tax	13023.11	8878.97
Earnings Per Share		
- Basic	60.67	41.36
- Diluted	60.67	41.36

FINANCIAL ANALYSIS AND REVIEW OF OPERATIONS:

Revenue from operations Increased by ₹ 31246.01 Lacs to ₹ 158293.37 Lacs for the Fiscal 2023 from ₹ 127047.36 Lacs for the Fiscal 2022, showing an increase of 24.59%. Export sales increased by ₹ 839.59 Lacs to ₹ 83891.37 Lacs for the Fiscal 2023 from ₹ 76051.78 Lacs for the Fiscal 2022 due to the improved demand from the customers. Domestic sales increased by ₹ 23839.06 Lacs to ₹ 72065.94 Lacs in the Fiscal 2023 from ₹ 48226.88 Lacs in the Fiscal 2022 thereby showing an increase of 49.43 % owing to better demand of the Company's products in the domestic auto industry.

The company earned Profit before Tax of ₹ 17464.17 Lacs during the year under review against ₹ 12058.93 Lacs for the Fiscal 2022 showing an increase of 44.82%. Profit after tax increased by ₹ 1828.05 Lacs to ₹ 13023.11 Lacs for the Fiscal 2023 from ₹ 8878.97 Lacs for the Fiscal 2022 thereby showing an increase of 46.67 %.

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, 2023.

RESOURCE UTILISATION:

Property Plant & Equipment

The property, plant & Equipment (including capital work in progress) as at March 31, 2023 were ₹ 31738.30 Lacs as against previous year's value of ₹ 29061.39 Lacs.

Current Assets

The net current assets as on March 31, 2023 were ₹ 39420.83 Lacs as against ₹ 31530.52 Lacs in the previous year.

DIVIDEND:

The Board of Directors in its meeting held on May 1, 2023 had recommended a dividend @ 60.00 % i.e of ₹ 6.00/- per Equity Share of ₹ 10/- each, on 2,14,65,400 Equity Shares, (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 @ 60.00 %, if approved at the forthcoming Annual General Meeting, will result in the outflow of ₹ 1287.92 Lacs. The Dividend, if approved at the ensuing Annual general Meeting, will be paid within the stipulated time under the Companies Act, 2013 (subject to deduction of Tax at source).

DIRECTOR'S REPORT (Contd.)**SHARE CAPITAL**

The paid up Equity share Capital of the Company as on March 31, 2023 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 30th 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 2022-23 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 is available on the website of the Company at www.gnaaxles.in/pdf/unpaid-dividend/Dividend-Distribution-Policy-23.04.21.pdf.

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

DIRECTOR'S REPORT (Contd.)

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 and payment of Dividend to the Related parties and the details the same are included in the Notes on accounts forming part of the Annual Accounts (both consolidated and standalone) form part of this Annual Report.

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 2022-2023.

DIRECTORS

In accordance with provisions of the Articles of Association of the Company, Mr. Gursaran Singh, Mr. Jasvinder Singh and Mr. Kulwin Seehra 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 tenure of Lt. General Praveen Bakshi (retd.) Non Executive Independent Director of the Company is going to end on October 22, 2023. The Board of Directors of the Company in its meeting held on July 21, 2023, upon the recommendations of the Nomination and Remuneration Committee of the Board, had reappointed Lt. Gen Bakshi (retd.) as Non Executive Independent Director of the Company for a second tenure of 5 years w.e.f October 23, 2023 subject to the approval of the shareholders of the Company. The Board of Directors recommends their reappointment as Directors at the forthcoming Annual General Meeting.

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

Whole Time Key Managerial Personnel of the Company	Designation
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 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 2022-2023 was held on January 31, 2023 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 26th Annual General Meeting had appointed M/s Harish & Co. Chartered Accountants Jalandhar as Statutory Auditors of the Company for a period of 5 years upto the conclusion of 31st Annual General Meeting 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, 2023. 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 2022-23. 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**.

DIRECTOR'S REPORT (Contd.)**BOARD MEETINGS:**

During the Financial Year 2022-23, the Board met 5 times on April 29, 2022, June 6, 2022, August 13, 2022, October 21, 2022 and January 31, 2023.

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. Jasinder Singh Johal – Independent Director
4. Mr. Ajit Singh - Independent Director
5. Mr. Ranbir Singh – Non Independent Director
6. Mr. Rajan Wadhwa - Independent Director (w.e.f 13.08.2022)

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 10.09.2022)
3. Mr. Jasinder 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
2. Mr. Jasvinder Singh – Non Independent Director
3. Mrs. Pooja Uppal – Independent Director
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
4. Mr. Ranbir Singh – Non Independent Director

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. Jasinder Singh Johal

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 & SUSTAINABILITY 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 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, 2023, 1421 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

DIRECTOR'S REPORT (Contd.)

(Appointment & Remuneration of Managerial Personnel) Rules, 2014 are annexed as **Annexure - 7** hereto and forms part of this report.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a Prevention of Sexual Harassment policy (POSH) in line with the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Compliance Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (Permanent, contractual, temporary and trainees) are covered under this policy. The Company has not received any complaint about sexual harassment during the year 2022-23.

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. Details relating to the deposits covered under Chapter V of the Companies Act 2013.
4. No significant/material orders have been passed by any Regulator/Court /Tribunal which could impact the going concern status & future operations of the Company.
5. No change in nature of Business of the Company.

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: July 21, 2023
Place: Mehtiana

Gursaran Singh
Executive Chairman

ANNEXURE - I

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

Part A

Amount in Rupees

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 = ₹ 82.2169
c) Capital	82,216.90
d) Reserves	(2549769)
e) Total Assets	95,970.97
f) Total Liabilities	95,970.97
g) Details of investments (Except in case of investment of subsidiaries)	0.00
h) Turnover (net)	0.00
i) Profit before taxation	(2,31,279.40)
j) Provision for taxation	0.00
k) Profit after taxation	(2,31,279.40)
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

- Eradicating hunger and providing for healthcare.
- Empowerment of Women.
- Promoting Education
- Promotion of sports
- Rural Development
- 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 31st March, 2023, 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 August 13, 2022
1.	Air Vice Marshal S. S. Hothi (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

CSR Policy – www.gnagroup.com

CSR Programmes – 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 2022-23.

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) – ₹ 12057.91 Lacs.

7. (a) Two percent of average net profit of the company as per section 135(5) - ₹ 192.88 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) - ₹ 192.88 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
163.57	29.31 Lacs	20.04.2023	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	113.82	84.51	29.31	No	Bibi Kaulan Ji Bhalai kender Trust	CSR00009149
TOTAL							150.00	84.51	29.31			

ANNEXURE - 2 (Contd.)

(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	8.04	Yes	-	-
2	Education	Promoting Education	Yes	Punjab	Jalandhar, Kapurthala	46.02	Yes	-	-
3	Education	Promoting Education	No	Maharashtra	Nanded	10.00	No	Guru Gobind Singh ji Welfare Trust	CSR00016021
4	Welfare Association Housing Board Colony		No	Himachal Pradesh	Kangra	15.00	No	Nanak Foundation	CSR00024807

TOTAL AMOUNT SPENT = Rs 79.06 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) : 163.57 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)	192.88
(ii)	Total amount spent for the Financial Year	163.57
(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.	2020-2021	69.34	69.34	-	-	-	NIL
3.	2021-2022	76.06	76.06	-	-	-	NIL

ANNEXURE - 2 (Contd.)

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project Duration	Total Amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project – Completed/ Ongoing
1.	CSR	Bibi Kaulan Ji Bhalai Kender Trust	2021-22	2 years	106.72	76.06	106.72	Completed

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)
TOTAL			

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 : July 21, 2023
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 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.
- 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.

ANNEXURE - 3 (Contd.)

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
 - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 [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. [Not applicable as the Company has not delisted / proposed to delist its equity shares from any Stock Exchange during the financial year under review]
 - 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]

ANNEXURE - 4 (Contd.)

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.

All 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

Peer Review No.2233/2022

Place: Jalandhar
Dated: 01/05/2023

Harsimran Kaur
Proprietor

M. No: FCS-8174, C.P No: 9252
UDIN: F008174E000234171

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 - 4 (Contd.)**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

MANAGEMENT'S RESPONSIBILITY

It is the responsibility of management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

AUDITORS RESPONSIBILITY

Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances..

We have conducted the Audit as per the applicable Auditing Standards issued by the Institute of Company Secretaries of India.

We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

Wherever required, we have obtained reasonable assurance whether the statements prepared, documents or records, in relation to Secretarial Audit, maintained by the Company, are free from misstatement.

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

DISCLAIMER

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

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

For H. K. & Associates
Company Secretaries

Peer Review No.2233/2022

Place: Jalandhar
Dated: 01/05/2023

Harsimran Kaur
Proprietor

M. No: FCS-8174, C.P No: 9252
UDIN: F008174E000234171

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

1. **"Board"** shall mean Board of Directors of the Company;
2. **"Companies Act"** shall mean the Companies Act, 2013 and Rules there under, notified by the Ministry of Corporate Affairs, Government of India, as amended;
3. **"Dividend"** includes any interim dividend;
4. **"Listed Entity / Company"** shall mean GNA Axles Limited;
5. **"Policy"** means Dividend Distribution Policy;
6. **"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:

1. Operating cash flow of the Company
2. Profit earned during the year
3. Profit available for distribution
4. Earnings Per Share ("EPS")
5. Working capital requirements
6. Capital expenditure requirements
7. Business expansion and growth
8. Likelihood of crystallisation of contingent liabilities, if any
9. Additional investment in subsidiaries and associates of the Company
10. Creation of contingency fund
11. Acquisition of brands and business
12. Cost of Borrowings
13. Need for conservation of cash due to economic downturn
14. Past dividend payout ratio / trends

External Factors:

1. Economic environment
2. Government regulations
3. Global conditions
4. 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;

ANNEXURE - 5 (Contd.)

- Significant cash flow requirements towards higher working capital requirements / tax demands / or others , adversely impacting free cash flows;
- An impending / ongoing capital expenditure program 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.

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.

ANNEXURE 6

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.

Total Foreign Exchange earned and used :

	(₹ in Lacs)	
	Current Year	Previous Year
Earnings in Foreign Exchange	83,891.37	76,051.78
Foreign Exchange Outgo	9,614.95	4,522.84

For And on Behalf of the Board

Date: July 21, 2023
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 Lakhs)	Ratio To Median Remuneration
1.	Mr. Gursaran Singh – Executive Chairman	269.94	145.92
2.	Mr. Jasvinder Singh – Executive Vice Chairman	314.34	169.91
3.	Mr. Ranbir Singh – Managing Director & CEO	314.34	169.91
4.	Mr. Gurdeep Singh – Director	0.00	-
5.	Mr. Maninder Singh – Wholetime Director	74.78	40.42
6.	Mr. Harwinder Singh – WholeTime Director	66.15	35.76
7.	Mr. Kulwin Seehra – Wholetime Director	66.15	35.76
8.	Mr. Jasminder Singh Johal – Independent Director	-	Not Applicable as only sitting fees is paid during the year
9.	Mr. Anish Kumar Dhingra – Independent Director (upto 09.06.2022)	-	Not Applicable as only sitting fees is paid during the year
10.	Air (Cmde.) Mr. Shailindra Singh Kaushik (Retd.) – Independent Director (upto 09.06.2022)	-	Not Applicable as only sitting fees is paid during the year
11.	Mr. Vikas Uppal – Independent Director (upto 09.06.2022)	-	Not Applicable as only sitting fees is paid during the year
12.	Mr. M S Atwal – Independent Director (upto 09.06.2022)	-	Not Applicable as only sitting fees is paid during the year
13.	Mr. Ajit Singh – Independent Director	-	Not Applicable as only sitting fees is paid during the year
14.	Mrs. Geeta Khanna – Independent Director (upto 09.06.2022)	-	Not Applicable as only sitting fees is paid during the year
15.	Lt. Gen. Praveen Bakshi (Retd.)	-	Not Applicable as only sitting fees is paid during the year
16.	Mr. Rajan Wadhera – Independent Director (w.e.f 10.06.2022)	-	Not Applicable as only sitting fees is paid during the year
17.	Mr. Ashwani Kumar Malhotra - Independent Director (w.e.f 10.06.2022)	-	Not Applicable as only sitting fees is paid during the year
18.	Air Vice Marshal S S Hothi (Retd.) Independent Director (w.e.f 10.06.2022)	-	Not Applicable as only sitting fees is paid during the year
19.	Mrs. Pooja Uppal Independent Director (w.e.f 10.06.2022)	-	Not Applicable as only sitting fees is paid during the year

i) The percentage increase in remuneration of each Director, CFO, CEO, CS or Manager if any in the financial year 2022-2023 compared to 2021-22

Sr. No	Name & Designation of Director, CFO, CEO and CS	Remuneration for the year Ended 2022-23 (₹ In Lakhs)	Remuneration for the year Ended 2021-22 (₹ In Lakhs)	% Change
1.	Mr. Gursaran Singh – Executive Chairman	269.94	208.32	29.58
2.	Mr. Jasvinder Singh – Executive Vice Chairman	314.34	261.12	20.38
3.	Mr. Ranbir Singh – Managing Director & CEO	314.34	261.12	20.38
4.	Mr. Gurdeep Singh – Director	-	-	-
5.	M. Maninder Singh – Wholetime Director	74.78	43.78	70.81
6.	Mr. Harwinder Singh – WholeTime Director	66.15	57.33	15.38
7.	Mr. Kulwin Seehra – Wholetime Director	66.15	57.33	15.38
8.	Mr. Jasminder Singh Johal – Independent Director	-	-	Not applicable as only sitting fees is paid during the year

ANNEXURE - 7 (Contd.)

Sr. No	Name & Designation of Director, CFO, CEO and CS	Remuneration for the year Ended 2022-23 (₹ In Lakhs)	Remuneration for the year Ended 2021-22 (₹ In Lakhs)	% Change
9.	Mr. Anish Kumar Dhingra – Independent Director	-	-	Not applicable as only sitting fees is paid during the year
10.	Air (Cmde.)Mr. Shailindra Singh Kaushik(Retd.) – Independent Director	-	-	Not applicable as only sitting fees is paid during the year
11.	Mr. Vikas Uppal – Independent Director	-	-	Not applicable as only sitting fees is paid during the year
12.	Mr. M S Atwal – Independent Director	-	-	Not applicable as only sitting fees is paid during the year
13.	Mr. Ajit Singh – Independent Director	-	-	Not applicable as only sitting fees is paid during the year
14.	Mrs. Geeta Khanna –Independent Director	-	-	Not applicable as only sitting fees is paid during the year
15.	Lt. Gen. Praveen Bakshi (Retd.) - Independent Director	-	-	Not applicable as only sitting fees is paid during the year
16.	Mr. Rajan Wadhera – Independent Director	-	-	Not applicable as only sitting fees is paid during the year
17.	Mr. Ashwani Kumar Malhotra - Independent Director	-	-	Not applicable as only sitting fees is paid during the year
18.	Air Vice Marshal S S Hothi - Independent Director	-	-	Not applicable as only sitting fees is paid during the year
19.	Mrs. Pooja Uppal Independent Director	-	-	Not applicable as only sitting fees is paid during the year
20.	Mr. Rakesh Gupta – CFO	17.16	15.67	9.51
21.	Mr. Gourav Jain – CS	9.05	8.32	8.77

- I) The median remuneration of the employees has increased by 11.50 % In 2022-2023 as compared to 13.87 % in 2021-2022.
- II) Number of permanent employees on the rolls of the Company during Financial Year 2022-23 was 1421 .
- III) 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 11.50 % while the managerial remuneration increased by 24.38 %. The increase in the managerial remuneration was on account of increased responsibilities.
- IV) We affirm that the remuneration paid to the Directors, Key Managerial Personnel and employees is as per the remuneration policy of the Company.

ANNEXURE - 7 (Contd.)
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	Sr. Vice President (Corporate Affairs)	26.99 Lacs	Permanent	Graduate, 24 years	01.02.2018	58	-	0.047%	Relative of Mr. Ranbir Singh and Mr. Kulwin Seehra
2.	Mr. Pradeep Sharma	Sr. Vice President – Marketing	16.99 Lacs	Permanent	B.Com, 39 Years	16.05.1994	60	Guru Nanak Auto Enterprises Limited	0.00%	Not Related
3.	Mr. Satwinder Singh	Sr. Vice President – Projects	18.55 Lacs	Permanent	Diploma in Mechanical Engineering, 41 Years	01.03.2005	67	GNA Udyog Limited	0.0003%	Not Related
4.	Mr. Surinder Singh	Sr. Vice President – Works	17.67 Lacs	Permanent	Diploma in Mechanical Engineering 44 Years	16.05.1994	66	Guru Nanak Auto Enterprises Limited	0.001%	Not Related
5	Mr. Rakesh Kumar	CFO	17.16 Lacs	Permanent	B.Com, FCA 28 Years	06.05.2006	54	GNA Gears Limited	0.00%	Not Related
6	Mr. Manjit Singh Rihal	GM - Exports	15.16 Lacs	Permanent	B.Com, 18 Years	01.11.2006	45	Genpact	0.04%	Not Related
7.	Mr. Harish Kumar	Sr. GM- PPC	12.02 Lacs	Permanent	ITI Draughtsman 37 Years	16.05.1994	58	Guru Nanak Auto Enterprises Limited	0.00%	Not Related
8	Mr. G S Cheema	Sr. GM – Personnel & HRD	13.83 Lacs	Permanent	B.Sc, LL.B 28 Years	16.05.1994	57	Guru Nanak Auto Enterprises Limited	0.00%	Not Related
9	Dr. Jaswant Singh	Sr. GM - Forging	13.15 Lacs	Permanent	Ph.d in Metal Forming 28 Years	16.05.1994	54	Guru Nanak Auto Enterprises Limited	0.00%	Not Related
10	Mr. Rishi Raj	GM - Production	11.46 Lacs	Permanent	B.Tech (Mech.) 29 Years	16.05.1994	49	Mahavir Spinning Mills Limited	0.00%	Not Related

- I) Name of the employees who were employed throughout the Financial Year 2022-23 and were paid remuneration not less than Rupees 1.02 Cr per annum – NIL
- II) Name of employees who were employees in part during the Financial Year 2022-23 and were paid remuneration not less than rupees 8.50 Lacs per month – NIL.
- III) Name of employees who were employees throughout the Financial Year 2022-23 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, 2023 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. GURSARAN SINGH	EXECUTIVE CHAIRMAN	5	NO	2	-	2	-
Mr. JASVINDER SINGH SEEHRA	EXECUTIVE VICE CHAIRMAN	3	YES	2	-	-	-
Mr. RANBIR SINGH	MANAGING DIRECTOR AND CEO	5	YES	4	-	-	3
Mr. MANINDER SINGH	EXECUTIVE DIRECTOR	2	NO	2	-	-	-
Mr. GURDEEP SINGH	NON-INDEPENDENT AND NON EXECUTIVE DIRECTOR	5	YES	5	-	-	-
Mr. HARWINDER SINGH SEEHRA	EXECUTIVE DIRECTOR	5	YES	-	-	-	-
Mr. KULWIN SEEHRA	EXECUTIVE DIRECTOR	5	YES	1	-	-	-
Mr. ANISH KUMAR DHINGRA	INDEPENDENT DIRECTOR	2	NO	0	-	-	-
Mr. JASMINDER SINGH JOHAL	INDEPENDENT DIRECTOR	5	NO	-	-	-	-
Mr. VIKAS UPPAL	INDEPENDENT DIRECTOR	2	NO	2	-	-	-
Mrs. GEETA KHANNA	INDEPENDENT DIRECTOR	1	NO	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, 2023, the Company's Board comprises of an Executive Chairman, Executive Directors, Non Executive Directors and Managing Director. Out of the total strength of Fourteen (14) Directors, seven Directors are independent.
- Board Meetings: During the Financial Year 2022-23, the Board met Four (5) times on April 29, 2022, June 06, 2022, August 13, 2022, October 21, 2022 and January 31, 2023

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	2	NO	-	-	-	-
Mr. AJIT SINGH	INDEPENDENT DIRECTOR	4	NO	1	-	-	-
Mr. MANBHUPINDER SINGH ATWAL	INDEPENDENT DIRECTOR	2	NO	-	-	-	-
Lt. Gen. PRAVEEN BAKSHI (Retd.) *	INDEPENDENT DIRECTOR	4	NO	1	-	-	1
Mr. RAJAN WAHERA	INDEPENDENT DIRECTOR	3	NO	0		-	-
Mr. ASHWANI MALHOTRA	INDEPENDENT DIRECTOR	3	YES	1		-	-
Air Vice Marshal SARVJIT SINGH HOTHI (Retd.)	INDEPENDENT DIRECTOR	3	YES	1		-	
Mrs. POOJA UPPAL	INDEPENDENT DIRECTOR	3	NO	1		-	-

Board Skill Matrix

The Board has identified the key qualifications, skills and attributes essential for the effective oversight of the Company taking into account its varied business interests. These are presented as a matrix below:

Expertise & Experience	Remarks
Leadership	All Directors have experience & expertise required for business of the Company.
Technology	
Strategy	
Finance & Accounting	
Board Insight	

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. The Board of Directors reconstituted the Audit Committee in its meeting held on June 06, 2022 pursuant to the retirement of Air Cmde

Shailindra Singh Kaushik (reted.). The Board of Directors appointed Air Vice Marshal Saravjit Singh Hoti (reted.) as the new member and Chairman of the Audit Committee w.e.f June 10, 2022. 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 2022-23, the Audit Committee met Four (4) times on April 29, 2022, August 13, 2022, October 21, 2022 and January 31, 2023:

CORPORATE GOVERNANCE REPORT (Contd.)

The attendance of the members of the Committee for the Financial Year 2022-23 is as under:

Committee Members	Category	No. of Audit Committee Meetings Attended
Air(Cmde.) Shailindra Singh Kaushik(Retd.) *	Independent Director	1
Ranbir Singh	Executive Director	4
Jasminder Singh Johal	Independent Director	3
Ajit Walia	Independent Director	4
Air Vice Marshal Saravjit Singh Hothi (retd.) **	Independent Director	3
Mr. Rajan Wadhera ***	Independent Director	2

*Upto June 09, 2022

** W.e.f June 10, 2022

*** W.e.f August 13, 2022

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 June 06, 2022 pursuant to the retirement of Mr. Vikas Uppal from the Board of Directors of the Company w.e.f June 09, 2022. The Board of Directors appointed Mr. Ashwani Kumar Malhotra as the new member and Chairman of the Committee w.e.f June 10, 2022. During the Financial Year 2022-2023, the Committee met two times on April 29, 2022 and June 06, 2022.

The attendance of the members of the Committee for the Financial Year 2022-23 is as under:

Committee Members	Category	No. of Nomination & Remuneration Committee Meetings Attended
Jasminder Singh Johal	Independent Director	2
Gurdeep Singh	Non-Independent and Non-Executive Director	2
Vikas Uppal *	Independent Director	2

*Upto June 09, 2022

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 ₹ 1,105.70 Lacs as remuneration to the Executive Director(s) during the Financial Year 2022-2023 as follows:-

₹ in Lacs					
S. No	Name	Designation	Salary	Other Benefits	Gross Remuneration
1	Mr. Gursaran Singh	Executive Chairman	269.94	-	269.94
2	Mr. Jasvinder Singh	Executive Vice Chairmn	314.34	-	314.34
3	Mr. Ranbir Singh	Managing Director & CEO	314.34	-	314.34

CORPORATE GOVERNANCE REPORT (Contd.)

S. No	Name	Designation	Salary	Other Benefits	Gross Remuneration
4	Mr. Maninder Singh	Wholetime Director	74.78	-	74.78
5	Mr. Harwinder Singh	Wholetime Director	66.15		66.15
6	Mr. Kulwin Seehra	Wholetime Director	66.15		66.15
	Total		1105.70	-	1105.70

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 2022-23 is given below:-

SR. NO.	NAME OF THE DIRECTOR	SITTING FEE (₹)
1.	Mr. Anish Kumar Dhingra	60,000
2.	Mr. Jasinder Singh Johal	2,40,000
3.	Mr. Vikas Uppal	90,000
4.	Mr. Geeta Khanna	30,000
5.	Air (Cmde.) Shailindra Singh Kaushik (Retd.)	75,000
6.	Ajit Singh	1,95,000
7.	Col. Manbhupinder Singh Atwal (Retd.)	60,000
8.	Lt. Gen Praveen Bakshi (Retd.)	1,20,000
9.	Mr. Rajan Wadhera	1,20,000
10.	Mr. Ashwani Malhotra	90,000
11.	AVM Saravjit Singh Hothi (Retd.)	1,50,000
12.	Mrs. Pooja Uppal	1,05,000

iii Shareholding :

The Shareholding of the Directors in the equity share capital of the Company as at March 31, 2023 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	18,09,075	2	Mr. Jasvinder Singh	32,83,600
3.	Mr. Maninder Singh	24,40,300	4.	Mr. Ranbir Singh	32,06,548
5.	Mr. Gurdeep Singh	31,37,666	6.	Mr. Harwinder Singh	4,985
7	Air Vice Marshal Saravjit Singh Hothi (Retd.)	NIL	8	Mr. Kulwin Seehra	2,12,750
9	Mr. Ashwani Kumar Malhotra	NIL	10.	Mr. Rajan Wadhera	NIL
11	Mr. Jasinder Singh Johal	NIL	12.	Lt. Gen Praveen Bakshi (Retd.)	390
13	Mrs. Pooja Uppal	NIL	14.	Mr. Ajit Singh	10

CORPORATE GOVERNANCE REPORT (Contd.)

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 Seehra is the father of Mr. Harwinder Singh Seehra
3. Mr. Jasvinder Singh Seehra is the brother of Mr. Maninder Singh Seehra
4. Mr. Ranbir Singh is the father of Mr. Kulwin Seehra
5. Mr. Ranbir Singh is 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 09, 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 06, 2022 pursuant to the retirement of Mrs. Geeta Khanna from the Board of Directors of the Company w.e.f June 09, 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 2022-2023, the Committee met one time on August 13, 2022.

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 06, 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 09, 2022. The Board of Directors appointed Air Vice Marshal Saravjit Singh Hothi (reted.) as member and Chairman and Mr. Ashwani Kumar Malhotra as member of the Committee w.e.f June 10, 2022. During the Financial Year 2022-2023, the Committee met one time on August 13, 2022.

7. RISK MANAGEMENT COMMITTEE

The Risk Management Committee has been constituted as per the provisions of SEBI (LODR) regulations, 2015. The Committee comprised of four directors i.e Mr. Gurdeep Singh as its Chairman, Mr. Ranbir Singh, Mr. Jasvinder Singh Johal and Mr. Kulwin Seehra as members. During the Financial Year 2022-2023, the Committee met two times on 21st October, 2022 and 31st January, 2023.

The attendance of the members of the Committee for the Financial Year 2022-23 is as under:

Committee Members	Category	No. of Risk Management Committee Meetings Attended
Mr. Gurdeep Singh	Non Executive Director	2
Mr. Jasvinder Singh Johal	Independent Director	1
Mr. Ranbir Singh	Non-Independent and Non-Executive Director	2
Mr. Kulwin Seehra	Non-Independent and Non-Executive Director	1

CORPORATE GOVERNANCE REPORT (Contd.)
8. 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
29th Annual General Meeting	Tuesday, September 20, 2020 at 12:30 PM	Through Audio Visual Means	0
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

B: Postal Ballot: During the Year 2022-2023, 5 Special Resolutions pertaining to Appointment of Mr. Rajan Wadhera, Mr. Ashwani Kumar Malhotra, Air Vice Marshall Saravjit Singh Hothi (Retd), Mrs. Pooja Uppal as Non Executive Independent Directors of the Company for a period of 5 years w.e.f June 10, 2022 to June 09, 2023 and reappointment of Mr. Ajit Singh Walia as Non Executive Independent Director for a further period of 5 years were passed through postal ballot.

9. 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.

10. 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 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

11. GENERAL SHAREHOLDERS INFORMATION:
i) 30th Annual General Meeting:

Date : September 29, 2023

Time : 12:30 PM

Venue : Through Audio Visual Means

ii) Financial Calendar 2023-24 (Tentative):

First Quarter Results : July, 2023

Second Quarter Results : October, 2023

Third Quarter Results : January, 2024

Annual Results : May, 2024

CORPORATE GOVERNANCE REPORT (Contd.)

iii) **Record Date** : September 02, 2023 for the payment of Dividend for the financial year 2022-2023

iv) **Dividend payment date** : On or before October 15, 2023.

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 2023-24.

vi) **Stock Code:**

BSE Limited : **540124**

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

vii) **Stock Market Data:**

The month wise highest, lowest and closing price of the Company in NSE and BSE during the financial year 2022-23 are given below:-

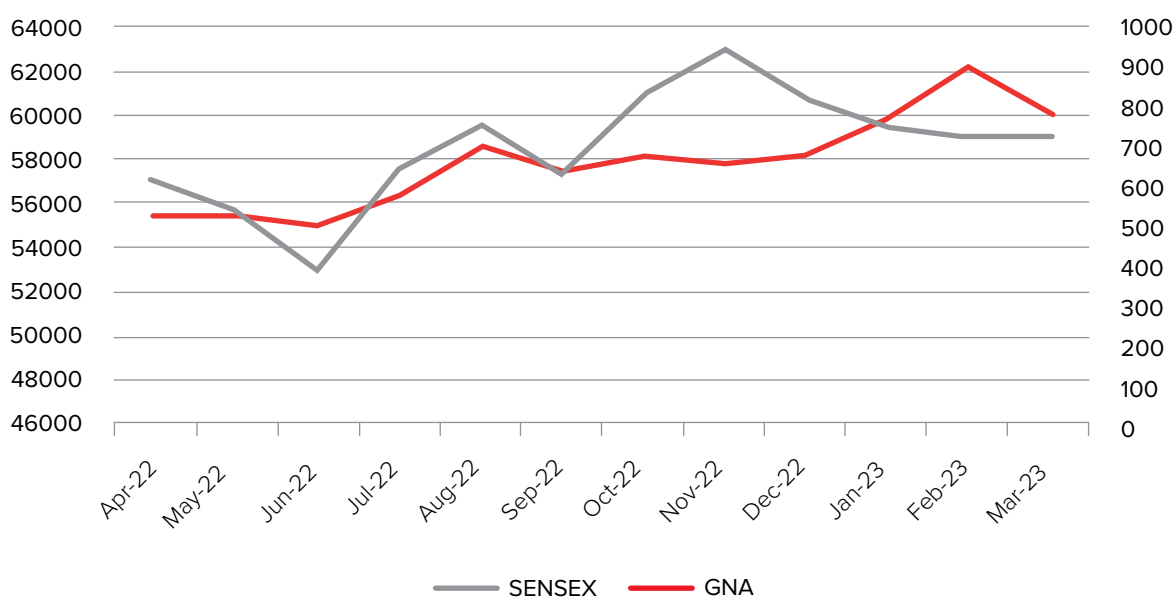
BSE LIMITED

MONTH	HIGHEST	LOWEST	CLOSE	% age Change over last month closing
Apr-22	625.00	490.55	523.00	7.36
May-22	547.00	466.75	524.85	0.16
Jun-22	559.95	471.10	501.40	(4.29)
Jul-22	626.00	495.60	577.85	15.25
Aug-22	719.15	554.75	693.60	20.03
Sep-22	767.95	626.10	640.45	(7.66)
Oct-22	709.45	626.05	675.10	5.41
Nov-22	685.10	637.30	655.85	(2.85)
Dec-22	702.80	627.85	672.00	2.46
Jan-23	775.50	671.30	771.90	14.87
Feb-23	977.00	772.45	894.10	15.83
Mar-23	945.55	761.00	788.15	(11.85)

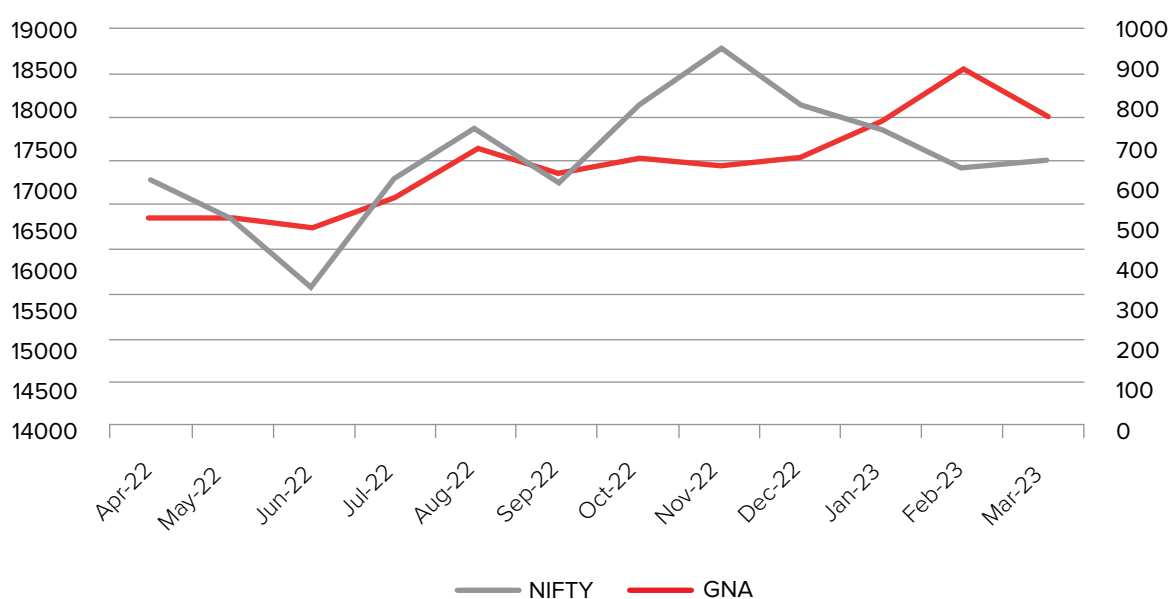
NATIONAL STOCK EXCHANGE OF INDIA LIMITED

Month	High Price	Low Price	Close Price	% age Change over last month closing
Apr-22	608.50	489.10	523.55	7.32
May-22	546.70	464.80	525.25	0.32
Jun-22	549.00	471.15	502.15	(4.40)
Jul-22	627.95	495.10	567.00	12.91
Aug-22	715.80	555.00	693.20	22.26
Sep-22	780.00	626.50	637.65	(8.06)
Oct-22	709.00	625.35	675.70	6.02
Nov-22	706.40	636.00	655.90	(2.93)
Dec-22	682.85	627.25	671.85	2.43
Jan-23	776.90	674.75	771.40	14.82
Feb-23	953.00	773.00	894.85	16.00
March-23	946.00	779.00	787.75	(11.99)

Stock Price Movement during 2022-2023 in comparison with BSE Sensex Index.



Stock Price Movement during 2022-2023 in comparison with NSE Nifty Index.



viii) Information regarding dividend payment:

Members who have not en-cashed their Dividend declared for the below mentioned financial years, 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	September 15, 2018	September 14, 2025
2018-2019	August 23, 2019	August 22, 2026
2020-2021	September 20, 2021	September 09, 2028
2021-2022	September 20, 2022	September 09, 2029

CORPORATE GOVERNANCE REPORT (Contd.)

ix) Registrar & 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 01, 2019 the physical shares held by the shareholders will not be transferred except in the cases of transmission and transposition of names.

xi) Distribution of Shareholding pattern of the Company as on March 31, 2023.

S. No	Shares Range	Number of shareholders	% of total shareholders	Total shares for the range	% of issued Capital
1	1-500	30985	96.7918	1687077	7.8595
2	501-1000	579	1.8087	432777	2.0162
3	1001-2000	216	0.6747	316625	1.4750
4	2001-3000	80	0.2499	200130	0.9323
5	3001-4000	35	0.1093	122591	0.5711
6	4001-5000	28	0.0875	130662	0.6087
7	5001-10000	40	0.1250	277966	1.2949
8	Above 10001	49	0.1531	18297572	85.2422
	Total	32012	100.00	21465400	100.00

xii) Dematerialisation:

As on March 31, 2023, 100 % of the Equity Capital of the Company Comprising of 2,14,65,400 Equity shares were held in dematerialised.

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

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

12. 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 2022-23.

Place : Mehtiana
Dated : July 21, 2023

Gursaran Singh
Executive Chairman

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

To,
The Board of Directors

GNA 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, 2023 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 : Mehtiana

Date : May 01, 2023

Rakesh Kumar

Chief Financial Officer

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
GNA 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, 2023, 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)

Place : Jalandhar
Dated : May 01, 2023

Suraj Bajaj
Partner
M.No 091343

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

We 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, 2023.

In our opinion, to the best of our 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, we 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

Peer Review No. 2233/2023
UDIN: F008174E000852237

Place: Jalandhar
Dated: August 23, 2023

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.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the listed entity	L29130PB1993PLC013684
2.	Name of the listed entity	GNA Axles Limited
3.	Year of incorporation	1993
4.	Registered office address	GNA House, 1-C Chhoti Baradari – II Garha Road, Jalandhar-144001, Punjab
5.	Corporate address	GNA Axles Limited, VPO Mehtiana Phagwara Hoshiarpur Road, Dist. Hoshiarpur-146001, Punjab
6.	E-mail	gjain@gnagroup.com
7.	Telephone	01882-262273-79
8.	Website	http://www.gnagroup.com/
9.	Financial year for which reporting is being done	2022-23
10.	Name of the Stock Exchange(s) where shares are listed	1. BSE Limited 2. National Stock Exchange of India Limited
11.	Paid-up capital	₹ 214,654,000
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Gourav Jain – Company Secretary GNA Axles Limited, VPO Mehtiana Dist. Hoshiarpur-146001, Punjab Tel: 01882-262273-79 gain@gnagroup.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	Standalone basis

II. Products/services

14. Details of business activities (accounting for 90% of the turnover)

S. no.	Description of main activity	Description of business activity	% of turnover of the entity
1	Manufacture of auto components	Manufacture of auto components	100.00

15. Products/services sold by the entity (accounting for 90% of the entity's turnover)

S. no.	Product/service	NIC code	% of total turnover contributed
1	Axle shafts	29301	76.25
2	Spindles	28132	16.46
3	Other shafts	29301	7.29

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated

Location	Number of plants	Number of offices	Total
National	2	1	3
International	NIL	NIL	NIL

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of states)	30
International (No. of countries)	12

b. What is the contribution of exports as a percentage of the total turnover of the entity?

- 53%

c. A brief on types of customers

- The Company operates in a single segment i.e auto components and manufactures components for off-highway, commercial vehicles and SUV segments. The components manufactured by the Company are supplied to OEMs both in the domestic and international markets. The customers include tractor manufacturers, commercial vehicle manufacturers and SUV vehicle manufacturers.

IV. Employees

18. Details as at the end of financial year

a. Employees and workers (including differently abled)

Sr. no.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1.	Permanent (D)	441	433	98.18	8	1.81
2.	Other than permanent (E)	NIL				
3.	Total employees (D + E)	441	433	98.18	8	1.81
WORKERS						
4.	Permanent (F)	980	980	100.00	NIL	N.A.
5.	Other than permanent (G)	758	758	100.00		
6.	Total workers (F + G)	1,738	1,738	100.00		

b. Differently abled employees and workers

Sr. no.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	NIL	NIL	N.A.	NIL	N.A.
2.	Other than permanent (E)					
3.	Total differently abled employees (D + E)					
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	NIL	NIL	N.A.	NIL	N.A.
5.	Other than permanent (G)					
6.	Total differently abled workers (F + G)					

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

19. Participation/inclusion/representation of women

Particulars	Total (A)	No. and percentage of females	
		No. (B)	% (B/A)
Board of Directors	14	1	7.14
Key Management Personnel	NIL	NIL	N.A.

20. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

Particulars	2022-23 (Turnover rate in current financial year) (in %)			2021-22 (Turnover rate in previous financial year) (in %)			2020-21 (Turnover rate in the year prior to the previous financial year) (in %)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent employees	2	13	2	3	13	3	3	13	3
Permanent workers	5	NIL	5	5	NIL	5	6	NIL	6

V. Holding, subsidiary and associate companies (including joint ventures)

21. (a) Names of holding/subsidiary/associate companies/joint ventures

Sr. no.	Name of the holding/subsidiary/associate companies/joint ventures (A)	Indicate whether holding/subsidiary/associate/joint venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	GNA Axles Inc.	Subsidiary	100.00	No, as the subsidiary is yet to start its operations.

VI. CSR details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes
- Turnover (in ₹): 1,582.93 Cr (on standalone basis)
 - Net worth (in ₹): 714.75 Cr (on standalone basis)

VII. Transparency and disclosures compliances

23. Complaints/grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct

Stakeholder group from whom complaint was received	Grievance redressal mechanism in place (Yes/No) (If yes, then provide a weblink to the grievance redress policy)	2022-23 (Current financial year)			2021-22 (Previous financial year)		
		Number of complaints filed during the year	Number of complaints with pending resolution at the close of the year	Remarks	Number of complaints filed during the year	Number of complaints with pending resolution at the close of the year	Remarks
Communities	No	NIL	NIL	N.A.	NIL	NIL	N.A.
Investors (other than shareholders)	No	NIL	NIL	N.A.	NIL	NIL	N.A.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

Stakeholder group from whom complaint was received	Grievance redressal mechanism in place (Yes/No)	2022-23 (Current financial year)			2021-22 (Previous financial year)		
	(If yes, then provide a weblink to the grievance redress policy)	Number of complaints filed during the year	Number of complaints with pending resolution at the close of the year	Remarks	Number of complaints filed during the year	Number of complaints with pending resolution at the close of the year	Remarks
Shareholders	Yes. The same can be reviewed on the following weblink- https://gnaaxles.in/reports-and-documents.php	13	NIL	N.A.	11	NIL	N.A.
Employees and workers	Yes. However, the policy is available internally for the Company's employees and workers, a copy of the policy shall be made available on receipt of a written request from stakeholders.	11	NIL	N.A.	17	NIL	N.A.
Customers	Yes. The same can be reviewed on the following weblink- https://gnaaxles.in/contact.php	NIL	NIL	N.A.	NIL	NIL	N.A.
Value chain partners	Yes. The same can be reviewed on the following weblink- https://gnaaxles.in/contact.php	NIL	NIL	N.A.	NIL	NIL	N.A.
Others (please specify)	N.A.	NIL	NIL	N.A.	NIL	NIL	N.A.

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, and approach to adapt or mitigate the risk along with its financial implications, as per the following format.

S. no.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
1	Customer centricity	Opportunity	Customer centricity is at the core of the Company's business and will remain a key driver for its growth. The Company addresses dynamic customer needs and strives to deliver zero-defect products.	N.A.	Positive

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

S. no.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
2	Responsible supply chain	Risk	The Company always strives to build a responsible supply chain towards which it engages with its supply partners to adopt and implement practices that align with its ESG requirements and policies.	The Company generates local employment by engaging with local suppliers and service providers and actively developing and managing local supply chains around its manufacturing sites.	Negative
3	Waste management	Risk	The Company believes in the principles of the circular economy namely, reduce, reuse and recycle. It strives to minimise the generation of waste from its manufacturing processes and maximise its usage.	Waste at all GNA Axles' units is segregated into hazardous and non-hazardous and disposed of in appropriate ways, while adhering to the applicable safety norms and regulations for each type of waste.	Negative
4	Compliance	Risk	An uninterrupted adherence to applicable regulations and monitoring of upcoming regulations is crucial in the sustenance of GNA Axles.	GNA Axles relentlessly strives to ensure zero non-compliance with regulatory requirements and uses various digital tools to ensure and track regulatory compliance.	Negative
5	Water management	Risk	Clean and fresh water is scarce resource, and it is GNA Axles' duty to conserve water and ensure its adequate availability.	The Company treats its used water in its effluent treatment plants and uses the same for plantations.	Negative
6	Employee well-being	Opportunity	The Company takes care of its employees and ensures their physical, mental, and financial well-being.	NA	Positive
7.	Social responsibility	Opportunity	Social responsibility is enshrined in GNA Axles' founding philosophy. The Company recognises the rights of communities around its operations and upholds these in the various social initiatives through which it engages with them.	NA	Positive

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC principles and core elements.

S. no.	Disclosure questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes										
1	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	b. Has the policy been approved by the Board? (Yes/No)	Y		Y	-	-	Y	-	Y	-
	c. Weblink of the policies, if available.	The Company's policies are available internally and can be shared with the stakeholders on receiving a written request.								
2	Whether the entity has translated the policy into procedures. (Ye/No)	Y	Y	Y	-	-	Y	-	Y	-
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	-	-	Y	-	Y	-
4	Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	IATF 16949:2016 ISO 14001:2015								
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	- Committed to building a responsible and sustainable supply chain through formal assessments - Goals to increase renewable energy usage and reduce energy consumption through various initiatives - Targeting zero liquid discharge by treating and recycling wastewater - Aiming for continuous enhancement of safety practices through training programmes, risk mitigation protocols and robust emergency preparedness - Seeking to meet or exceed consumer expectations through prompt issue resolution and feedback incorporation								
6	Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met.	GNA Axles has shown commitment to building a sustainable supply chain by planning to institute assessments for suppliers based on environmental and social criteria. The 1.3 MW solar plant installation in 2023 will help it progress against its renewable energy goal. LED lighting replacement across facilities is underway to achieve the energy consumption reduction target. For zero liquid discharge, the effluent treatment and wastewater recycling systems have been implemented. Safety training programmes, risk mitigation protocols and emergency preparedness mechanisms have been executed to continually enhance workplace safety.								
Governance, leadership and oversight										
7	Statement by the director responsible for the business responsibility report, highlighting ESG-related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) GNA Axles is committed to integrating environmental, social, and governance factors to build a sustainable business with a positive long-term impact for stakeholders. The Company identifies and mitigates operational and supply chain risks by adopting practices such as renewable energy generation for captive use, minimising emissions, evaluating suppliers on environmental and social aspects, and reducing waste and water consumption through continuous improvement. To support the low-carbon transition, GNA Axles actively engages in R&D on automation and renewable energy. The Board reviews ESG performance to ensure statutory compliance, and the Company is committed to regular reporting. Overall, GNA Axles aims to bring together environmental stewardship, social responsibility, and ethical governance to create sustainable value for all stakeholders									

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

S. no.	Disclosure questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
8	Details of the highest authority responsible for implementing and overseeing the Business Responsibility Policy(ies).	Mr. Ranbir Singh; CEO & Managing Director Telephone: 01882-262273 Email: ranbir@gnagroup.com								
9	Does the entity have a specified Committee of the Board/Director responsible for decision-making on sustainability related issues? (Yes/No). If yes, provide details.	Yes, the Board of Directors is responsible for decision-making on sustainability-related issues.								

10 Details of review of NGRBCs by the Company:

Subject for review	Indicate whether the review was undertaken by Director/Committee of the Board/any other Committee									Frequency (annually/half yearly/quarterly/any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against the above policies and follow-up action	Board of Directors									Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Board of Directors									Quarterly								
11 Has the entity carried out an independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	No								

12 If the answer to question (1) above is 'No' i.e. not all Principles are covered by a policy, reasons to be stated

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	No								
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE

Essential Indicators

1. Percentage coverage by training and awareness programs on any of the principles during the financial year

Segment	Total no of training and awareness programs held	Topics/principles covered under the training and impact	% age of persons in respective category covered by the awareness program
Board of Directors	1	GNA Axles offers various training programmes throughout the year, such as the Code of Conduct, POSH, whistle-blower policy, and environmental, health & safety. For example: New joiners are trained on a series of programmes (technical and non-technical) that start with basic environmental, health & safety, as part of the induction programme. There is a coverage rate of 100% for all these training programmes.	100.00
Key Managerial Personnel	1		100.00
Employees other than BOD & KMPs	2		100.00
Workers	4		100.00

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
Particulars	NGRBC principle	Name of the regulatory/ enforcement agencies/judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred (Yes/No)
Penalty/ Fine			NIL		
Settlement					
Compounding fee					
Non-Monetary					
Imprisonment			NIL		
Punishment					

3. Of the instances disclosed in Question 2 above, details of the appeal/revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
N.A.	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

- Yes, GNA Axles has a Code of Conduct for its Directors, Key Managerial Personnel and Senior Management Personnel covering anti-bribery and anti-corruption. This code applies to all employees and failure to comply leads to disciplinary action. The code emphasises professional ethics like trust, transparency, integrity, and credibility. The zero tolerance for bribery and corruption in the code promote lawful and ethical business practices. The code is reviewed periodically and updated as needed. Additionally, GNA Axles has a whistle-blower policy that enables employees to report concerns responsibly. Through its Code of Conduct and whistle-blower policy, GNA Axles upholds ethics and fights corruption.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:

Particulars	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directors	NIL	NIL
KMPs		
Employees		
Workers		

6. Details of complaints with regard to conflict of interest:

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Number of complaints received in relation to issues of conflict of interest of the Directors	NIL	NIL
Number of complaints received in relation to issues of conflict of interest of the KMPs		

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/ law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

- Not applicable

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE.

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Particulars	2022-23 (in %)	2021-22 (in %)	Details of improvements in environmental and social impacts
R&D	NIL	NIL	N.A.
Capex			

2. a. Does the entity have procedures in place for sustainable sourcing (Yes/No)

- GNA Axles advocates for a sustainable supply chain. The Company sources steel from vendors meeting international standards like ISO 9001 and ISO 14001. Looking ahead, it will create a programme to formally assess and include environmental and social impact in supplier selection and management. This shows the Company's commitment to responsible, ethical sourcing across its supply network.

b. If yes, what percentage of inputs were sourced sustainably?

- Not applicable

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) Other waste.

- GNA Axles has established robust processes for safe end-of-life reclamation of different waste types:
 - Plastics and packaging waste: Collected and recycled by sending it to registered plastic waste recyclers.
 - E-waste: Collected and sent to authorised e-waste dismantlers and recyclers for scientific disposal.
 - Hazardous waste: Securely stored, transported, and disposed of at Government-approved treatment, storage and disposal facilities as per hazardous waste rules.
 - Other waste: Segregated into recyclables like paper, wood, and metal, among others, which are sent to licenced scrap dealers. Non-recyclable waste is sent to permitted landfill sites.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

The Company focusses on reducing, reusing, and recycling waste wherever possible. By partnering with approved agencies, following regulations, and ensuring environmentally sound waste disposal, GNA Axles safely reclaims all categories of waste produced.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

- As an automobile ancillary company, Extended Producer Responsibility (EPR) is applicable to the Company's activities. The waste collection plan is in line with the EPR plan submitted to Pollution Control Boards. Steps like waste reduction, reuse, and recycling are taken for efficient resource utilisation. The Company ensures compliance with EPR through mechanisms like collection centres and engagement. This enables the scientific disposal of automotive waste in an eco-friendly manner.

PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS.

Essential Indicators

1. a. Details of measures for the well-being of employees

% of employees covered by											
Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	433	433	100.00	433	100.00	NIL	N.A.	NIL	N.A.	NIL	N.A.
Female	8	8	100.00	8	100.00						
Total	441	441	100.00	441	100.00						
Other than Permanent Employees											
Male	N.A.										
Female											
Total											

b. Details of measures for the well-being of workers

% of workers covered by											
Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	980	980	100.00	980	100.00	NA	NA	NIL	NA	NIL	N.A.
Female	N.A.										
Total	980	980	100.00	980	100.00	NA	NA	NIL	NA	NIL	N.A.
Other than Permanent workers											
Male	Health insurance benefits through ESI are provided to the other than permanent workers.										
Female											
Total											

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

2. Details of retirement benefits, for current financial year and previous financial year

Benefits	2022-23 (Current financial year)			2021-22 (Previous financial year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with authority (Y/N/N.A.)
PF	100.00	100.00	Yes	100.00	100.00	Yes
Gratuity	100.00	100.00	Yes	100.00	100.00	Yes
ESI	36.00	100.00	Yes	38.00	100.00	Yes
Others – please specify	N.A.			N.A.		

3. Accessibility of workplaces

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

- Yes. While the office premises of GNA Axles have accessibility provisions like elevators, ramps, wheelchairs, and washrooms for differently abled employees, the manufacturing units do not currently include these facilities. The nature of operations makes it challenging for specially abled persons to be part of the manufacturing process. However, the Company explores feasible ways to make the premises more accessible in line with the Rights of Persons with Disabilities Act, 2016.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

- GNA Axles adopts fair employment practices and values diversity and equal opportunity. The Company provides fair and equal prospects to all applicants and employees, in alignment with the Rights of Persons with Disabilities Act, 2016. The Company has employees and workers with disabilities who are treated at par with other employees and workers as per its equal opportunity policy.

5. Return to work and retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NIL		NIL	
Female				
Total				

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Particulars	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Workers Other than Permanent Workers	GNA Axles has a defined grievance redressal mechanism where workers can share issues verbally or in writing with the line in-charge for resolution. If unresolved, the grievance is escalated progressively to the Sectional Head and HR Head for appropriate actions.
Permanent Employees Other than Permanent Employees	At GNA Axles, employees have multiple channels like email, written or verbal communication to share grievances with the respective Head of Department for resolution. Unresolved issues get escalated to HR and senior management including the Executive/Managing Director for final decision-making.

7. Membership of employees and workers in association(s) or unions recognised by the listed entity:

Category	2022-23 (Current financial year)			2021-22 (Previous financial year)		
	Total employees/ workers in the respective category	No. of employees/ workers in the respective category who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in the respective category	No. of employees/ workers in the respective category who are part of association(s) or Union(D)	% (D/C)
Total Permanent Employees	N.A.			N.A.		
Male						
Female						
Total Permanent Workers						
Male						
Female						

8. Details of training given to employees and workers:

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (Previous Financial Year)				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	433	208	48.04	290	66.97	389	210	53.98	265	68.12
Female	8	8	100.00	8	100.00	7	7	100.00	7	100.00
Total	441	216	48.98	298	67.57	396	217	54.80	272	68.68
Workers										
Male	1,738	548	31.53	618	35.56	1,720	490	28.49	568	33.02
Female	N.A.					N.A.				
Total	1,738	548	31.53	618	35.56	1,720	490	28.49	568	33.02

9. Details of performance and career development reviews of employees and workers:

Category	2022-23 (Current Financial Year)			2021-22 (Previous Financial Year)		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	433	425	98.15	389	372	95.63
Female	8	7	87.50	7	6	85.71
Total	441	432	97.96	396	378	95.45
Workers						
Male	980	910	92.86	964	915	94.92
Female		N.A.			N.A.	
Total	980	910	92.86	964	915	94.92

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

10. Health and safety management system:

- a) Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage such system?
 - Yes, GNA Axles has implemented an occupational health and safety management system with coverage across all its operations. The Company provides medical insurance to employees as part of its health management initiatives. Safety gear like gloves and protective equipment is given to ensure secure working conditions. Facilities have been equipped with fire safety systems including extinguishers, emergency exits, and smoke detectors. Other provisions like elevators, staircases and ergonomic workstation designs also promote occupational well-being.
- b) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?
 - GNA Axles undertakes various processes for routine and non-routine hazard identification and risk assessments. These include safety inspection walks, scheduled risk assessments, regular audits, preventative maintenance of equipment, and pre-work assessments before commencing tasks. Together, these methods allow comprehensive evaluation of potential hazards, ensuring risks are promptly identified and addressed through robust safety protocols.
- c) Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)
 - Yes, GNA Axles has implemented a reporting card/suggestion scheme where workers can report work-related hazards. Additionally, the Safety Steward Programme trains workers to collect, update and report safety observations, as well as participate in Safety Committee meetings to discuss and address potential on-the-job hazards. This promotes active worker involvement in identifying and resolving safety issues.
- d) Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)
 - Yes, the employees have access to comprehensive medical and healthcare services beyond their occupational needs. Minor health issues are treated at onsite dispensaries by trained first-aid staff. For additional care, workers can utilise ESI hospitals or other medical facilities as required, with costs covered by medical insurance.

11. Details of safety related incidents, in the following format:

Safety incident/number	Category	2022-23 (Current financial year)	2021-22 (Previous financial year)
Lost Time Injury Frequency Rate (LTIFR) (per one million person-hours worked)	Employees	NIL	NIL
	Workers		
Total recordable work-related injuries	Employees		
	Workers		
No. of fatalities	Employees		
	Workers		
High-consequence work-related injury or ill-health (excluding fatalities)	Employees		
	Workers		

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

- The Company takes a comprehensive approach spanning training, risk mitigation, workplace design, health promotion, preparedness and culture building to safeguard the workforce. To prevent recurrence, each accident is thoroughly analysed to identify root causes and implement corrective actions. Proactively, GNA Axles takes several steps to eliminate potential hazards and risks:
 - Regular leadership reviews of safety processes and performance metrics
 - Safety walkthroughs, toolbox talks and audits to identify hazards
 - Risk assessments to evaluate and control process hazards
 - Comprehensive safety training and induction for all workers
 - Emergency drills and preparedness programmes
 - Health checkups and medical camps
 - Safety inspections of equipment, pressure vessels, and electrical systems
 - Interlocks and machine guarding to control hazards
 - Consequence management protocols to enforce safety accountability

This multilayered approach aims to continuously improve safety through leadership oversight, worker engagement, proactive risk mitigation and robust emergency preparedness.

13. Number of complaints on the following made by employees and workers:

	2022-23 (Current financial year)			2021-22 (Previous financial year)		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working conditions	NIL	NIL	N.A.	NIL	NIL	N.A.
Health & safety						

14. Assessments for the year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100.00
Working conditions	100.00

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

- GNA Axles has rigorous safety protocols and controls in place to proactively mitigate hazards and ensure workplace safety. Work conditions and risks are regularly reviewed and promptly rectified. Safety initiatives include job hazard analysis, engineering and administrative controls, proper PPE, safety training, incident investigation, auditing, and implementing industry best practices.

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL THEIR STAKEHOLDERS.

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

- GNA Axles identifies its key stakeholders through consultations between functional heads, business leaders, and directors, leveraging its longstanding presence as an established enterprise serving customers, investors, shareholders, communities, suppliers and partners. The Company has mapped key stakeholders, including promoters, employees, customers, associates, investors, lenders, suppliers, regulators, local communities, and CSR agencies. It values all stakeholders and respects their interests and concerns.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder group	Whether identified as vulnerable & marginalised group (Yes/No)	Channels of communication (Email, SMS, newspaper, pamphlets, advertisement, community meetings, notice board, website), other	Frequency of engagement (annually/half yearly/quarterly/others – please specify)	Purpose and scope of engagement, including key topics and concerns raised during such engagement
Employees	No	- Emails 1:1 meeting, plant meetings, townhalls - Performance reviews - Employee engagement	Ongoing basis	To keep employees informed through operational and strategic updates, offer learning opportunities, promote diversity and inclusion, build a strong safety culture with safe work practices, and improve employee engagement
Customers	No	- Meetings - Project-related discussions, project management reviews - Mailers, newsletters, brochures - Surveys	Need-based	To help understand business challenges and identify opportunities to improve the Company's offerings
Investors	No	- Press releases and media interactions - Emails, SMS, newspaper publications - AGM, general meetings, meeting notices - Stock exchange filings - Updates on the Company's website	Ongoing basis	To explain financial results and other updates, address investor and analyst queries about Company operations, and gain insights into shareholder expectations
Suppliers	No	- Individual meetings, conferences - Emails, telephone/conference calls - Supplier visits	Ongoing and need-based	Enables alignment on values, strategy, and operational priorities and helps resolve operational issues
Regulators	No	- Project review meetings - Surveys - Field visits - Press releases and media interactions	Need-based	To understand areas for sustainable development, communicate the Company's performance and strategy, and share and contribute thought leadership and insights into public policy and business concerns
Local communities	Yes	Field visits and meetings	Ongoing	Enables corporate social responsibility activities, grievance redressal, and identifying social needs to promote community welfare

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity in the following format.

Category	2022-23 (Current Financial Year)			2021-22 (Previous Financial Year)		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	441	50	11.34	396	50	12.63
Other than permanent	N.A.			N.A.		
Total employees	441	50	11.34	396	50	12.63
Workers						
Permanent	980	150	15.31	964	150	15.56
Other than permanent	758	NIL	N.A.	756	NIL	N.A.
Total workers	1,738	150	8.63	1,720	150	8.72

2. Details of minimum wages paid to employees and workers in the following format:

Category	2022-23 (Current financial year)					2021-22 (Previous financial year)				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	441	NIL	N.A.	441	100.00	396	NIL	N.A.	396	100.00
Male	433			433	100.00	389			389	100.00
Female	8			8	100.00	7			7	100.00
Other than permanent	N.A.									
Male										
Female										
Workers										
Permanent	980	NIL	N.A.	980	100.00	964	NIL	N.A.	964	100.00
Male	980			980	100.00	964			964	100.00
Female	NIL			NIL	N.A.	NIL			NIL	N.A.
Other than permanent	758	710	93.67	48	6.33	756	718	94.97	38	5.03
Male	758	710	93.67	48	6.33	756	718	94.97	38	5.03
Female	N.A.									

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/wages of the respective category (in ₹ Lacs per annum)	Number	Median remuneration/ salary/wages of the respective category (in ₹ Lacs per annum)
Board of Directors (BoD)	6	172.36	0	0
Key Managerial Personnel	2	13.11	0	0
Employees other than BoD and KMP	431	2.82	8	3.93
Workers	980	1.34	0	0

4. Do you have a focal point (individual/committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

- Yes. GNA Axles has a dedicated team responsible for addressing human rights issues related to the business. This team investigates grievances, and determines appropriate actions based on the nature of each issue.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Employees can bring any work-related or rights issues to the attention of the HR & Personnel Head. They will investigate, take appropriate corrective action, and inform the employee of the resolution. This process enables the prompt and fair resolution of worker grievances.

6. Number of complaints on the following made by employees and workers:

	2022-23 (Current financial year)			2021-22 (Previous financial year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual harassment	NIL	NIL	N.A.	NIL	NIL	N.A.
Discrimination at workplace						
Child labor						
Forced labor/involuntary labor						
Wages						
Other human rights related issues						

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

- GNA Axles is committed to providing a safe and hygienic working environment for all employees. The Company has zero tolerance for any form of harassment at the workplace. It has instituted a Policy for Prevention, Prohibition and Redressal of Sexual Harassment in line with The Companies Act, 2013. An Internal Complaints Committee has been constituted to inquire into sexual harassment complaints, while ensuring confidentiality. Complainants are assured complete protection against any victimisation or adverse action.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

- Yes, GNA Axles gives human rights high importance, thereby making them an integral part of its business agreements and contracts.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

9. Assessments for the year:

	% of your plants and offices that were assessed (by the entity or statutory authorities or third parties)
Child labor	100.00
Forced/involuntary labor	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	N.A.

10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.

- There were no significant risks identified. Hence, no corrective action has been taken.

PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

Essential Indicators

Parameter	2022-23 (Current financial year)	2021-22 (Previous financial year)
Total electricity consumption (A) (in GJ)	404,015.69	369,794.16
Total fuel consumption (B) (in GJ)	7,196.40	10,439.02
Energy consumption through other sources (C)	NIL	NIL
Total energy consumption (A+B+C) (in GJ)	411,212.09	380,233.18
Energy intensity per rupee of turnover (Total energy consumption in GJ/turnover in Cr rupees.)	259.78	299.29
Energy intensity (optional) – the relevant metric may be selected by the entity	N.A.	N.A.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency-No

2 Does the entity have any sites/facilities identified as Designated Consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

- The PAT scheme of the Government of India is not applicable to the Company.

3 Provide details of the following disclosures related to water in the following format:

Parameter	2022-23 (Current financial year)	2021-22 (Previous financial year)
(i) Surface water	NIL	NIL
(ii) Groundwater	NIL	NIL
(iii) Third party water (in KL)	142,715.00	135,050.00
(iv) Seawater/desalinated water	NIL	NIL
(v) Others	NIL	NIL
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	142,715.00	135,050.00
Total volume of water consumption (in kilolitres)	106,520.00	102,200.00
Water intensity in KL per Cr rupee of turnover	67.29	80.44
Water intensity (optional) – the relevant metric may be selected by the entity	N.A.	N.A.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency-No

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

4 Has the entity implemented a mechanism for zero liquid discharge? if yes, provide details of its coverage and implementation.

- Yes, GNA Axles has implemented a zero liquid discharge mechanism through an effluent treatment plant and sewage treatment plant. This system treats all industrial wastewater and recycles it for the irrigation of plantations. By reusing the treated effluents, the Company achieves zero liquid discharge from its operations, conserving water resources and minimising environmental impact.

5 Please provide details of air emissions (other than GHG emissions) by the entity in the following format

Parameter	Please specify unit	2022-23 (Current financial year)	2021-22 (Previous financial year)
NOx	N.A.	NIL	NIL
Sox			
Particulate matter (PM)	mg/Nm ³	105	99
Persistent organic pollutants (POP)	N.A.		
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – please specify		NIL	NIL

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, the name of the external agency-

6 Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & their intensity in the following format:

Parameter	Unit	2022-23 (Current financial year)	2021-22 (Previous financial year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	521.74	768.75
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	92,025.80	84,230.89
Total Scope 1 and Scope 2 emissions per rupee of turnover	tCO ₂ e/Cr rupee of turnover	58.47	66.90
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		N.A.	

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, the name of the external agency-

7 Does the entity have any project related to reducing Green House Gas (GHG) emission? If yes, then provide details.

- GNA Axles has implemented multiple sustainability initiatives to reduce greenhouse gas emissions and energy usage. In 2023, the Company set up a 1.30 MW solar power plant to increase its reliance on renewable energy. Additionally, GNA Axles has undertaken an LED light replacement project, switching out all CFL bulbs to more energy-efficient LED lighting. This is expected to generate significant electricity savings. The manufacturing process has transitioned from using furnace oil for heating to electricity, reducing emissions. Furthermore, GNA Axles has started utilising treated wastewater from its effluent treatment plant to irrigate plantations rather than relying on freshwater.

8 Provide details related to waste management by the entity, in the following format:

Parameter	2022-23 (Current financial year)	2021-22 (Previous financial year)
Plastic waste (A)		
E-waste (B)		
Bio-medical waste (C)		
Construction and demolition waste (D)	NIL	NIL
Battery waste (E)		
Radioactive waste (F)		

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

Parameter	2022-23 (Current financial year)	2021-22 (Previous financial year)
Other hazardous waste (in MT)		
• Crude oil	6.62	1.14
• Waste or residues containing oil	30.77	15.29
• Chemical sludge from waste water treatment	0.29	0.27
Other non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. materials relevant to the sector)	NIL	NIL
Total (A+B + C + D + E + F + G + H) (in MT)	37.68	16.70
Category of waste		
(i) Recycled		
(ii) Re-used	NIL	NIL
(iii) Other recovery operations		
Total		
Category of waste		
(i) Incineration		
(ii) Landfilling	NIL	NIL
(iii) Other disposal operations		
Total		

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, the name of the external agency-No

9 Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

- GNA Axles has established rigorous waste management protocols. Plastics and packaging materials are gathered and repurposed through accredited recyclers. Electronic waste is systematically dismantled and reused by approved recycling specialists. Dangerous waste is securely contained, conveyed, and processed at authorised disposal sites following legal guidelines. Remaining trash is sorted, with reusable materials like paper, lumber, and metals transported to certified dealers, while non-reusable scraps are directed to sanctioned landfills. Any ensuing hazardous waste is strictly handled per regulations.

10 If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:

S. no.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
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None of the Company's operations or offices are present in or around ecologically sensitive areas

11 Details of environmental impact assessments of projects undertaken by the entity based on applicable laws in the current financial year.

Name and brief details of project	EIA notification no.	Date	Whether conducted by an independent external agency (Yes/No)	Results communicated in the public domain (Yes/No)	Relevant weblink
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Not applicable

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

- 12 Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. no.	Specify the law/regulation/guidelines which were not complied with	Provide details of the non-compliance	Any fines/penalties/action taken by regulatory agencies such as Pollution Control Boards or by courts	Corrective action taken, if any
Yes. The Company is compliant with all applicable environmental laws/regulations/guidelines in India.				

PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT.

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/associations.
 - Eight
- b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.

Sr. no.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National)
1.	Confederation of Indian Industries (CII), New Delhi	National
2.	The Associated Chambers Of Commerce and Industry of India (ASSOCHAM)	National
3.	Association of Indian Forging Industry (AIFI)	National
4.	Automotive Components Manufacturers Association of India (ACMA, New Delhi)	National
5.	The Council of EU Chambers of Commerce in India	National
6.	Swiss-Indian Chamber of Commerce	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
N.A.		

PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT.

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of the project	SIA notification no.	Date of notification	Whether conducted by an independent external agency (Yes/No)	Results communicated in the public domain (Yes/No)	Relevant weblink
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The Company undertakes its CSR activities through its CSR policy. However, the Company has not conducted any Social Impact Assessments (SIA), as the same is not applicable as per the rules.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format.

Name of the project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
N.A.					

3. Describe the mechanisms to receive and redress grievances of the community.

- GNA Axles values open communication with the communities in which it operates. The Company has established multiple channels such as written letters, emails, and regular community meetings to receive feedback and complaints. All grievances are reviewed by its team and appropriate action is taken to address issues in a timely and respectful manner.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	2022-23 (Current financial year)	2021-22 (Previous financial year)
Directly sourced from MSMEs/small producers	12	14
Sourced directly from within the district and neighboring districts	78.73	87.50

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER.

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

- At GNA Axles, customer satisfaction is core to its mission. The Company provides multiple channels for consumer complaints and feedback, promptly investigating issues, implementing remedies, and following up to ensure satisfaction. Moreover, it analyses trends in feedback to identify areas for improvement that get fed back to its product teams, enabling continuous enhancement and exceeding consumer expectations.

2. Turnover of products and/services as a percentage of turnover from all products/services that carry information about

	As a percentage of total turnover
Environmental and social parameters relevant to the product	N.A.
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following

	2022-23 (Current financial year)			2021-22 (Previous financial year)		
	Received during the year	Pending resolution at the end of the year	Remarks	Received during the year	Pending resolution at the end of the year	Remarks
Data privacy	NIL	NIL	N.A.	NIL	NIL	N.A.
Advertising						
Cybersecurity						
Delivery of essential services						
Restrictive trade practices						
Other						

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

4. Details of instances of product recalls on account of safety issues

	Number	Reasons for recall
Voluntary recalls	NIL	
Forced recalls		

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No)

If available, provide a weblink to the policy.

- GNA Axles does not have a formal policy in place but adheres to its requirements.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on the safety of products/services.

- Not applicable

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, 2023, 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, 2023, 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 information, 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 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

INDEPENDENT AUDITOR'S REPORT (Contd.)

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 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

INDEPENDENT AUDITOR'S REPORT (Contd.)

statement of change in equity, the statement of cash flow and notes to the standalone financial 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, read with Rule 7 of the Companies (Indian Accounting Standards) Rule 2014 as amended.

- 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023

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

Place: Jalandhar
Date: May 1, 2023

M. No. 538094
UDIN : 23538094BGXWVT6944

"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, 2023.

1) PROPERTY, PLANT & EQUIPMENT:

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its Property, Plant & Equipment;
- (b) As explained to us, the Property, Plant & Equipment 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.
- (e) No proceeding has been initiated or pending against the company for holding any Benami Property under The Benami Transactions (Prohibition) Act, 1988

2) INVENTORY

- (a) As explained to us, 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) The company has been sanctioned working capital limits in excess of Rs. 5.00 Crores from banks or financial institutions on the basis of security of current assets.

3) LOANS, GUARANTEE AND ADVANCES GIVEN

According to the information and explanations given to us and on the basis of our examination of books of accounts, 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) LOANS, GUARANTEE AND ADVANCES TO DIRECTOR OF COMPANY

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, Guarantee and advances.

5) DEPOSITS

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) MAINTENANCE OF COST RECORDS

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) DEPOSIT OF STATUTORY LIABILITIES

- (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, 2023 for a period of more than six months from the date on when they become payable.

**"ANNEXURE "A"
TO THE INDEPENDENT AUDITORS' (Contd.)**

- (b) According to the information and explanation given to us, there are no material dues of customs duty and Income Tax, 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 sales tax, Goods & 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 (Rs.)	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
Goods & Service Tax Liability	RCM	6449522	2018-2019	Before Assistant Commissioner

- 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. SURRENDERED OR DISCLOSED AS INCOME IN THE TAX ASSESSMENTS

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. DEFAULT IN REPAYMENT OF BORROWINGS

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 and banks.

10. FUNDS RAISED AND UTILIZATION

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. FRAUD & WHISTLE-BLOWER COMPLAINTS

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. NIDHI COMPANY

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. RELATED PARTY TRANSACTIONS

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. INTERNAL AUDIT

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. NON-CASH TRANSACTIONS

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. REGISTRATION UNDER RBI ACT

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. CASH LOSSES

The Company has not incurred cash losses in the financial year under Audit and in the immediately preceding financial year.

**"ANNEXURE "A"
TO THE INDEPENDENT AUDITORS' (Contd.)**

18. RESIGNATION OF STATUTORY AUDITORS

There has been no instance of any resignation of the statutory auditors occurred during the year.

19. MATERIAL UNCERTAINTY ON MEETING LIABILITIES

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. TRANSFER TO FUND SPECIFIED UNDER SCHEDULE VII OF COMPANIES ACT, 2013

In respect of ongoing projects, the company has transferred unspent amount of Rs. 2931387 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. REMARKS OF SUBSIDIARY COMPANY

The Company does not have any qualifications or any adverse remarks by the auditors of its subsidiary company GNA Axles Inc., Michigan.

For **HARISH & CO.**
Chartered Accountants (FRN: 017372N)

(SURAJ BAJAJ)

Partner

M. No. 538094

Place: Jalandhar

Date: May 1, 2023

UDIN : 23538094BGXWVT6944

“ANNEXURE B”

TO THE INDEPENDENT AUDITORS’

“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, 2023 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

"ANNEXURE B" **TO THE INDEPENDENT AUDITORS' (Contd.)**

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

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, 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)

Place: Jalandhar
Date: May 1, 2023

(SURAJ BAJAJ)
Partner
M. No.538094
UDIN: 23538094BGXWVT6944

BALANCE SHEET

AS AT MARCH 31, 2023

[Figures in Lacs]

Particulars	Note No.	March 31, 2023	March 31, 2022
NON-CURRENT ASSETS			
a) Property, Plant & Equipment	1	30,560.13	29,061.39
b) Right of use assets		-	-
c) Capital Work in Progress	1	1,178.17	-
d) Goodwill		-	-
e) Other Intangible Assets		-	-
f) Intangible Assets under Development		-	-
g) Financial Assets			
(i) Investments	2	0.66	0.66
(ii) Loans		-	-
(iii) Other Financial Assets	3	1,038.39	1,778.58
h) Deferred Tax Assets		231.19	72.25
i) Current Tax Assets (net)		-	-
j) Other Non-Current Assets	4	2,051.08	1,821.90
		35,059.62	32,734.78
CURRENT ASSETS			
a) Inventories	5	18,824.88	18,800.57
b) Financial Asset			
Investments		-	-
Trade Receivables		56,093.74	47,427.92
Cash & Cash Equivalents	6	32.38	24.93
Bank Balance Other than Cash and Cash Equivalents	7	2,688.38	462.40
Loans		-	-
Other Financial Assets		-	-
c) Other Current Assets	8	4,352.15	4,730.98
		81,991.53	71,446.80
Total Assets		1,17,051.15	1,04,181.58
EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	9	2,146.54	2,146.54
b) Other Equity	10	69,328.32	57,389.93
Total Equity		71,474.86	59,536.47
LIABILITIES			
NON-CURRENT LIABILITIES			
a) Financial Liabilities			
(i) Lease Liabilities		-	-
(ii) Borrowings	11	3,005.60	4,728.83
(iii) Other Financial Liabilities		-	-
b) Provisions		-	-
c) Deferred Tax Liabilities (net)		-	-
d) Other Non-Current Liabilities		-	-
Total Non-Current Liabilities		3,005.60	4,728.83
CURRENT LIABILITIES			
a) Financial Liabilities			
(i) Lease Liabilities		-	-
(ii) Borrowings	11	15,592.38	15,985.92
(iii) Trade Payable		-	-
Total Outstanding Dues of Micro & Small Enterprises		325.21	343.83
Total Outstanding Dues of Creditors other than Micro & Small Enterprises		22,200.80	19,802.35
Other Current Financial Liabilities	12	1,727.86	1,475.35
b) Other Current Liabilities	13	470.53	462.13
c) Current Provisions	14	1,979.19	1,549.50
d) Current Tax Liabilities (Net)		274.72	297.20
		42,570.69	39,916.28
Total Liabilities		45,576.29	44,645.11
Total Equity & Liabilities		1,17,051.15	1,04,181.58

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: May 1, 2023

RANBIR SINGH

Mg. Director

RAKESH KUMAR

Chief Financial Officer

KULWIN SEEHRA

Director

GOURAV JAIN

Company Secretary

STATEMENT OF PROFIT & LOSS

FOR YEAR ENDED MARCH 31, 2023

[Figures in Lacs]

Particulars	Note No.	March 31, 2023	March 31, 2022
REVENUE FROM OPERATIONS			
Income from Operations	15	1,55,957.31	1,24,278.66
Other Operating income	16	2,336.06	2,768.70
		1,58,293.37	1,27,047.36
Other Income	17	141.47	55.56
		1,58,434.84	1,27,102.92
EXPENDITURE			
Cost of Material consumed	18	1,05,476.25	87,095.97
Purchases of Stock-in-Trade			
Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	19	-472.78	-3,582.58
Employee Benefits Expense	20	6,637.10	5,856.09
Financial Costs	21	1,096.38	1,122.71
Depreciation and Amortisation Expenses	22	4,851.25	4,970.90
Other Expenses	23	23,382.47	19,580.90
		1,40,970.67	1,15,043.99
Profit Before Exceptional items and Tax		17,464.17	12,058.93
Exceptional items		-	-
Profit from continuing operations before Tax		17,464.17	12,058.93
Tax Expense (Current & Deferred Tax)		4,441.06	3,179.96
Profit for the year (A)		13,023.11	8,878.97
Other Comprehensive Income/Loss		-	-
(Items that will not be reclassified to Statement of Profit and Loss)			
Other Comprehensive Income/(Loss) for the year (B)		-	-
Total Comprehensive Income for the year (A+B)		13,023.11	8,878.97
Earnings Per Equity Share of face value of ₹ 10/- each			
Basic		60.67	41.36
Diluted		60.67	41.36

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

RANBIR SINGH

Mg. Director

KULWIN SEEHRA

Director

Place: Jalandhar

Dated: May 1, 2023

RAKESH KUMAR

Chief Financial Officer

GOURAV JAIN

Company Secretary

STANDALONE CASH FLOW STATEMENT

AS AT MARCH 31, 2023

[Figures in Lacs]

Particulars	For the Year Ending March 31, 2023	For the Year Ending March 31, 2022
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	17,464.17	12,058.93
Adjustments for :		
Depreiciation	4,851.25	4,970.90
Interest income	-142.58	-54.54
Interest paid	950.73	972.85
IPO Expenses W/off	-	130.41
Loss/profit on sale of assets	1.11	-1.02
Operating profit before working capital changes	23,124.68	18,077.53
Adjustments for :		
Inventories	-24.31	-3,536.05
Increase in Trade Rec./Other Current/Non-Current Assets	-10,742.15	-5,230.51
Decrease/Increase in Trade Payable/Other Current Liabilities	2,795.45	-1,830.30
Income tax of earlier year	-11.45	-42.78
Income Tax Paid	-4,600.00	-3,300.00
Net cash from operating activities	10,542.22	4,137.89
B CASH FLOW FROM INVESTING ACTIVITIES :		
Increase in Other Financial Assets	740.19	-93.05
Purchase of Fixed assets	-7,544.27	-4,556.66
Sale of Fixed Assets	15.00	2.10
Interest received	142.58	54.54
Net cash used in Investing activities	-6,646.50	-4,593.07
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long term Borrowings	4,522.34	2,257.77
Repayment of long term borrowings	-5,993.07	-6,226.37
Dividend Paid	-1,073.27	-1,073.27
Increase/Decrease in cash credits & Packing credits	-393.54	6,460.26
Interest Paid	-950.73	-972.85
Net cash flow from financing activities	-3,888.27	445.54
Net increase/ (decrease) in cash & cash equivalents (A+B+C)	7.45	-9.64
Cash & Cash equivalents at the beginning of the year (see Note 2)	24.93	34.57
Cash & Cash equivalents at the end of the year (see Note 2)	32.38	24.93
	7.45	-9.64

STANDALONE CASH FLOW STATEMENT AS AT MARCH 31, 2023 (Contd.)

1 Notes :

The Cash flow is based on and derived from the accounts of company for the year ended March 31, 2023 and March 31, 2022

[Figures in Lacs]		
Particulars	For the Year Ending March 31, 2023	For the Year Ending March 31, 2022
2 Cash & cash equivalents comprise of :		
Cash in hand	28.13	23.20
With scheduled banks :		
In current accounts	4.25	1.73
Cash & Cash Equivalents at the end of the year	32.38	24.93

As per our Report of even date annexed.

Chartered Accountants (FRN 017372N)

For **HARISH & CO.**

Chartered Accountants (FRN017372N)

(SURAJ BAJAJ)

Partner

M.No. 538094

Place: Jalandhar

Dated: May 1, 2023

RANBIR SINGH

Mg. Director

RAKESH KUMAR

Chief Financial Officer

KULWIN SEEHRA

Director

GOURAV JAIN

Company Secretary

NOTES

FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023.

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 : At Purchase price
Material & Stores plus Direct Expenses
- b) Stock of work in : At estimated cost
Progress price
- c) Stock of : At cost or net
Finished Goods 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

NOTES

FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023. (Contd.)

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 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, 2023. (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 expense, 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, 2023. (Contd.)

NOTE -1 PROPERTY PLANT & EQUIPMENT

[Figures in Lacs]

Particulars	Freehold Land	Factory Building	Plant & Machinery	Computers	Office Equipments	Furniture & Fixtures	Vehicle	Total
(A) Gross Block								
Balance as at April 01, 2022	1,621.72	9,688.16	50,722.69	735.19	760.04	607.42	1,461.91	65,597.13
Addition during the year	-	464.27	5,488.89	50.35	85.15	94.41	183.03	6,366.10
Discarded/Disposed off during the year							62.87	62.87
Balance as at March 31, 2023	1,621.72	10,152.43	56,211.58	785.54	845.19	701.83	1,582.07	71,900.36
(B) Accumulated Depreciation								
Balance as at April 01, 2022	-	3,746.13	30,277.96	699.19	485.45	437.22	889.79	36,535.74
Depreciation for the year	-	564.49	3,924.27	36.15	55.28	54.86	216.20	4,851.25
Accumulated depreciation on discarded/ disposal							46.76	46.76
Balance as at March 31, 2023	-	4,310.62	34,202.23	735.34	540.73	492.08	1,059.23	41,340.23
(C) Net carrying Amount								
Balance as at April 01, 2022	1,621.72	5,942.03	20,444.73	36.00	274.59	170.20	572.12	29,061.39
Balance as at March 31, 2023	1,621.72	5,841.81	22,009.35	50.20	304.46	209.75	522.84	30,560.13
CAPITAL WORK IN PROGRESS								
BUILDING (1 - 2 YEARS)								
Balance as at April 01, 2022								0
Addition for the year								1178.17
Balance as at March 31, 2023								1178.17

NOTES

FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023. (Contd.)

NOTE -2 NON-CURRENT INVESTMENTS

[Figures in Lacs]		
Particulars	March 31, 2023	March 31, 2022
Investment in Shares of GNA Axles Inc Michigan	0.66	0.66
	0.66	0.66

NOTE -3 OTHER FINANCIAL ASSETS

[Figures in Lacs]		
Particulars	March 31, 2023	March 31, 2022
Security Deposits	1,038.39	1,778.58
	1,038.39	1,778.58

NOTE -4 OTHER-NON CURRENT ASSETS

[Figures in Lacs]		
Particulars	March 31, 2023	March 31, 2022
Advance for Fixed Assets	2,051.08	1,821.90
	2,051.08	1,821.90

NOTE -5 INVENTORIES

[Figures in Lacs]		
Particulars	March 31, 2023	March 31, 2022
Raw Material		
Raw Material Steel	5,209.34	5,835.98
Raw Material Non Steel	12.55	21.93
Work in Progress	10,158.53	9,724.35
Finished Goods	2,047.47	2,022.09
Stores, Spares & Loose Tools		
Stock of Operating Supply	932.78	858.06
Stock of Spare Parts	204.24	144.40
Stock of Diesel	38.62	24.14
Stock of Die Steel	35.79	10.98
Stock of Oil Lubricant	73.97	84.81
OTHERS		
Stock of Scrap Material	28.87	15.66
Stock of Packing	82.72	58.17
	18,824.88	18,800.57

NOTE -6 CASH & CASH EQUIVALENTS

[Figures in Lacs]		
Particulars	March 31, 2023	March 31, 2022
Cash in hand	28.13	23.20
Balance with Banks		
(In Current Account)	4.25	1.73
	32.38	24.93

NOTES

FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023. (Contd.)

NOTE -7 OTHER BANK BALANCE

[Figures in Lacs]		
Particulars	March 31, 2023	March 31, 2022
In Dividend Account	2.92	2.40
In Deposit Account	2,685.46	460.00
	2,688.38	462.40

NOTE -8 OTHER CURRENT ASSETS

[Figures in Lacs]		
Particulars	March 31, 2023	March 31, 2022
Pre-paid Expenses	109.85	103.08
Advance to Vendor	719.78	369.93
Advance to Employee	18.33	17.17
Other Current Assets	3,504.19	4,240.80
	4,352.15	4,730.98

NOTE -9 EQUITY SHARE CAPITAL

[Figures in Lacs]				
Particulars	March 31, 2023		March 31, 2022	
	Nos.	Amount	Nos.	Amount
SHARE CAPITAL				
(1) Authorised Share Capital				
Equity Share of ₹ 10/- each.	3,00,00,000	3,000	3,00,00,000	3,000
(Previous year Equity Share of ₹ 10/- each)				
(2) Issued, Subscribed & Paid-up				
Equity Shares of ₹ 10/- each	2,14,65,400	2,146.54	2,14,65,400	2,146.54
(Previous year Equity Share of ₹ 10/- each)				
	2,14,65,400	2,146.54	2,14,65,400	2,146.54

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

[Figures in Lacs]				
Equity Shares	March 31, 2023		March 31, 2022	
	Nos.	Amount	Nos.	Amount
Shares outstanding at the beginning of the year	2,14,65,400	2,146.54	2,14,65,400	2,146.54
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	2,14,65,400	2,146.54	2,14,65,400	2,146.54

Detail of Shareholding more than 5% share of the Company

Equity Shares	March 31, 2023		March 31, 2022	
	Nos.	%age holding	Nos.	%age holding
Name of Shareholder				
(Equity Shares of ₹ 10/- each)				
S. Gursaran Singh	18,09,075	8.43	17,95,875	8.37
S. Maninder Singh	24,40,300	11.37	24,40,300	11.37
S. Jasvinder Singh	32,83,600	15.30	32,83,600	15.30
S. Ranbir Singh	32,06,548	14.94	32,06,548	14.94
S. Gurdeep Singh	31,37,666	14.62	31,35,406	14.61
HDFC Small Cap Fund	19,40,874	9.04	13,43,284	6.26

NOTES
FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023. (Contd.)
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.

[Figures in Lacs]

Particulars	As at March 31, 2023	As at March 31, 2022
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, 2023	No. of shares as on March 31, 2022	% of total Shares as on March 31, 2023	% of total Shares as on March 31, 2022	% 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	32,06,548	14.94	14.94	0
3	Gurdeep Singh (Promoter)	31,37,666	31,35,406	14.62	14.61	0.01
4	Maninder Singh(Promoter Group)	24,40,300	24,40,300	11.37	11.37	0
5	Gursaran Singh (Promoter Group)	18,09,075	17,95,875	8.43	8.37	0.06
6	Rachhpal Singh (Promoter Group)	-	1,12,400	0	0.52	-0.52
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)	2,53,900	1,41,500	1.18	0.66	0.52
10	Jasleen Kaur (Promoter Group)	10,012	9,462	0.05	0.04	0.01
11	Ashmeet Seehra (Promoter Group)	7,151	7,151	0.03	0.03	0
12	Lovleen Kaur (Promoter Group)	10,050	6,950	0.05	0.03	0.02
13	Manjot Seehra (Promoter Group)	6,040	2,240	0.03	0.01	0.02
14	GNA Gears Limited (Promoter Group)	10,100	3,510	0.05	0.02	0.03
15	Harwinder singh (Promoter Group)	4,985	-	0.02	0	0.02
16	Rupinder Singh (Promoter Group)	4,250	-	0.02	0	0.02
17	Rasleen Kaur Pahuja (Promoter Group)	5,162	-	0.02	0	0.02

NOTES

FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023. (Contd.)

NOTE -10 STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

(1) Current Reporting period

[Figures 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

[Figures 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, 2023. (Contd.)

(2) Previous reporting period

[Figures in Lacs]

Particulars	Share application money pending allotment	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
		Equity Component of compound financial instruments	Capital Reserve	Securities Premium	Other Reserves (specify nature)								
Balance at the beginn of the previous reporting period				11,802.98	37,824.03								49,627.01
Changes in accounting policy or prior period errors			0		0								0
Restated balance at the beginning of the previous reporting period				11,802.98	37,824.03								49,627.01
Total comprehensive income for the previous year				11,802.98	37,824.03								49,627.01
Dividends				0	1,073.27								1,073.27
Transfer to retained earnings					8,878.97								8,878.97
Income Tax Adjustments of previous year				0	42.78								42.78
Balance at the end of the previous reporting period				11,802.98	45,586.95								57,389.93

NOTES

FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023. (Contd.)

NOTE -11 BORROWINGS

Particulars	[Figures in Lacs]	
	March 31, 2023	March 31, 2022
A) Non Current		
Secured		
From Banks		
Term Loan	4,733.46	367.60
From Others		
Bajaj Finance Limited	-	5,836.58
	4,733.46	6,204.18
Less: Current Maturities	1,727.86	1,475.35
	3,005.60	4,728.83
Unsecured	-	-
	3,005.60	4,728.83
B) Current		
Secured		
From Banks (Repayable on Demand)	12,592.38	12,985.92
From Other		
Bajaj Finance Limited	3,000.00	3,000.00
Unsecured	-	-
	15,592.38	15,985.92

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.

NOTE -12 OTHER CURRENT FINANCIAL LIABILITIES

Particulars	[Figures in Lacs]	
	March 31, 2023	March 31, 2022
Current Maturity of Non-Current Borrowings	1,727.86	1,475.35
	1,727.86	1,475.35

NOTE -13 OTHER CURRENT LIABILITIES

Particulars	[Figures in Lacs]	
	March 31, 2023	March 31, 2022
Statutory Liabilities	467.61	459.73
Unpaid Dividend	2.92	2.40
	470.53	462.13

NOTE -14 CURRENT PROVISIONS

Particulars	[Figures in Lacs]	
	March 31, 2023	March 31, 2022
Outstanding Expenses Payable	1,761.76	1,348.19
Employee Dues	217.43	201.31
	1,979.19	1,549.50

NOTES

FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023. (Contd.)

NOTE -15 REVENUE FROM OPERATIONS

Particulars	[Figures in Lacs]	
	March 31, 2023	March 31, 2022
SALE OF PRODUCTS		
Sale Domestic	72,065.94	48,226.88
Sale Export (Direct)	83,891.37	76,051.78
	1,55,957.31	1,24,278.66

NOTE -16 OTHER OPERATING REVENUE

Particulars	[Figures in Lacs]	
	March 31, 2023	March 31, 2022
DEPB/FPS Service	752.35	799.87
Duty Drawback	1,438.46	1,492.77
Exchange Difference	145.25	476.06
	2,336.06	2,768.70

NOTE -17 OTHER INCOME

Particulars	[Figures in Lacs]	
	March 31, 2023	March 31, 2022
Interest Income	142.58	54.54
Loss/Profit on sale of asset	-1.11	1.02
	141.47	55.56

NOTE -18 COST OF MATERIALS CONSUMED

Particulars	[Figures in Lacs]	
	March 31, 2023	March 31, 2022
CONSUMPTION OF RAW MATERIAL		
Raw Material -Steel	92,463.87	75,807.04
Raw Material-Non-Steel	16.81	13.24
	92,480.68	75,820.28
CONSUMPTION OF STORE & SPARES		
Consumption of operating supply	6,814.77	5,615.79
Consumption of Die Steel	440.58	372.95
Consumption of oil & Lubricants	1,628.37	1,546.53
Consumption of Packing Materials	3,499.07	3,262.74
Consumption of Furnace Oil	612.78	477.68
	12,995.57	11,275.69
	1,05,476.25	87,095.97

NOTE -19 CHANGE IN INVENTORY OF-

Particulars	[Figures in Lacs]	
	March 31, 2023	March 31, 2022
WORK IN PROGRESS & FINISHED GOODS		
At the beginning of Accounting period	11,762.10	8,179.52
At the end of the Accounting period	12,234.88	11,762.10
	-472.78	-3,582.58

NOTES

FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023. (Contd.)

NOTE -20 EMPLOYEE BENEFIT EXPENSE

[Figures in Lacs]		
Particulars	March 31, 2023	March 31, 2022
Wages	2,094.41	1,956.25
Salary	2,737.69	2,348.87
Production Incentive Bonus	729.78	588.36
Contribution to Provident Fund	156.89	142.24
Family Pension	149.93	140.08
Administration charges	21.93	20.28
Group Gratuity Scheme	145.97	112.03
Group Insurance	-	0.06
Super Annuation Fund	37.43	35.42
Workers and Staff Welfare	210.05	172.60
Bonus	232.46	211.53
Leave with Wages	44.63	37.00
Medical Reimbursement	27.85	40.65
Employees State Insurance	48.08	50.72
	6,637.10	5,856.09

NOTE -21 FINANCIAL COSTS

[Figures in Lacs]		
Particulars	March 31, 2023	March 31, 2022
a) Interest Expense		
Interest on Term Loan	5,15.93	671.49
Interest on Cash Credit	433.85	301.27
Interest to Others	0.95	0.09
b) Other Borrowing Cost		
Bank Commission	145.65	149.86
	1,096.38	1,122.71

NOTE -22 DEPRECIATION AND AMORTISATION EXPENSE

[Figures in Lacs]		
Particulars	March 31, 2023	March 31, 2022
DEPRECIATION		
Building	564.49	623.75
Plant & Machinery	3,924.27	4,030.60
Furniture & Fixture	54.86	49.83
Vehicle	216.20	183.67
Computers	36.15	35.57
Office Equipments	55.28	47.48
	4,851.25	4,970.90

NOTES

FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023. (Contd.)

NOTE -23 OTHER EXPENSES

[Figures in Lacs]

Particulars	March 31, 2023	March 31, 2022
Machining charges	3,229.87	700.81
Power & Fuel	7,625.92	6,924.35
Repair & Maintenance	478.51	344.65
Factory Expenses	114.76	85.14
Office Expenses	17.88	22.17
Donation / CSR	268.17	189.37
Subscription / Membership fees	12.36	7.84
Entertainment Expense	6.78	5.24
Fees & Taxes	18.72	32.97
Insurance	209.79	233.57
Legal & Professional Expenses	165.57	176.42
News Paper & Periodicals	1.48	0.28
PAYMENT TO AUDITORS		
As Audit Fee	7.50	7.50
For Taxation purpose	-	-
For any other matters	-	-
Vehicle Petrol	134.45	110.25
Vehicle Repair	71.73	38.19
Repair of Building	43.38	36.38
Postage & Courier expenses	1.24	3.28
Printing & Stationery	43.74	39.32
Repair & Maintenance of Computer	38.58	32.25
Telephone Expenses	9.43	9.71
Directors sitting fees	13.35	13.80
Rounded-off	-	0.05
Travelling Expenses	200.01	134.04
Travelling Expenses Foreign	110.61	22.88
IPO Expenses W/off	-	130.41
Advertisement expenses	38.40	11.17
Club Fee	1.12	0.73
Freight & Cartage outward	1,252.45	984.68
Business Promotion Expenses	5.70	10.79
Export Packing & Forwarding expenses	9,260.97	9,272.66
	23,382.47	19,580.90

NOTES

FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023. (Contd.)

NOTE -24 EARNINGS PER SHARE

[Figures in Lacs]

Particulars		2022-23	2021-22
		Amount(₹)	Amount(₹)
Basic and Diluted Earnings Per Share			
Net Profit attributable to Equity Shareholders		13,023.11	8,878.97
Weighted Average number of Equity Shares outstanding during the year	Nos.	2,14,65,400	2,14,65,400
Face Value	₹	10	10
Basic Earnings Per Share	₹	60.67	41.36
Diluted Earnings Per Share	₹	60.67	41.36

NOTE -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 2022-23 of the Company was ₹ 26894676/- (including unspent of previous year). The Company has spent ₹ 23963289/- on CSR activities during the Financial Year 2022-23 with the approval of CSR Committee of the Board. The total unspent amount as on March 31, 2023 was ₹ 2931387/- has been transferred to unspent CSR account within thirty days which pertains to ongoing project.

NOTE -26

The following are the contingent liabilities during the year.

[Figures in Lacs]

Particulars	2022-23	2021-22
(A) Contingent Liabilities		
1. Bank Guarantees	2.00	2.00
2. Excise Duty, VAT and Service Tax demand against which the Company has preferred appeals.	Nil	40.30
3. Value Added Tax Liabilities	78.72	78.72
4. Good & Service Tax Liability (RCM Liability)	64.50	Nil
(B) Commitments		
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.

NOTE -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.

NOTE -28 RELATED PARTY DISCLOSURE

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

(a) Related Parties

- S. Gursaran Singh – Executive Chairman
- S. Jasvinder Singh - Executive Vice-Chairman
- S. Ranbir Singh – Managing Director & CEO
- S. Maninder Singh – Whole time Director
- S. Kulwin Seehra – Executive Director
- S. Harwinder Seehra – Executive Director
- S. Gurdeep Singh – Non-Executive Director
- S. Rupinder Singh – Promoter Group

NOTES

FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023. (Contd.)

S. Keerat Seehra – Promoter Group
Ashmeet Seehra – Promoter Group
Manjot Seehra – Promoter Group
Rasleen Kaur Pahuja – Promoter Group
Mrs. Loveleen Kaur – Sr. Vice-President (Corporate Affairs)
Mrs. Jasleen Kaur – Promoter Group
Mrs. Harjinder Kaur – Promoter Group
GNA Gears Limited – Group Entity

(b) Key Managerial Personnel

Mr. Rakesh Gupta – Chief Financial Officer
Mr. Gaurav Jain – Company Secretary

(c) Wholly owned Subsidiary Company

GNA Axles INC Michigan

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

GNA Gears Limited
GNA Drivelines Limited (Formerly known as 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
M/s Design 360 Protolab & Consultants

[Figures in Lacs]		
Particulars	2022-23	2021-22
(a) Security Deposit with-		
GNA Drivelines Limited (Formerly GNA Udyog Limited)	138.96	488.96
GNA Sons	Nil	565.21
Seehra Overseas	Nil	10.00
(b) Remuneration		
S. Rachhpall Singh	Nil	24.39
S. Gursaran Singh	269.93	208.32
S. Ranbir Singh	314.33	261.12
S. Jasvinder Singh	314.33	261.12
S. Kulwin Seehra	66.15	57.33
S. Harwinder Seehra	66.15	57.33
S. Maninder Singh	74.78	43.78
(c) Remuneration Paid to Key Managerial Personnel		
Mr. Rakesh Gupta	17.16	15.67
Mr. Gaurav Jain	9.06	8.32
(d) Remuneration paid to Director's relatives		
S. Maninder Singh	Nil	8.99
Mrs. Loveleen Kaur	35.66	26.99

NOTES

FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023. (Contd.)

NOTE -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.

NOTE -30 REMUNERATION TO DIRECTORS

Particulars			[Figures in Lacs]	
			2022-23	2021-22
Salary			1,105.69	913.38

NOTE -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.

NOTE -32 FOREIGN EXCHANGE EARNINGS

The Company has exported goods during the year FOB value of which is ₹ 7462625574/-.

NOTE -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.

NOTE -34 TRADE PAYABLES AGEING SCHEDULE:

Particulars						[Figures in Lacs]	
						Outstandings for following periods from due date of payments	
						Less than 1 Yr.	1-2 Yr.
						2-3 Yrs.	More than 3 Yrs.
						Total	
MSME						325.21	--
Others						22,200.80	--
Disputed dues MSME						--	--
Disputed Dues Others						--	--

NOTE -35 TRADES RECEIVABLE AGEING SCHEDULE:

Particulars							[Figures in Lacs]	
							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.	Total
Undisputed Trade Receivables-considered good							53,455.57	2,361.60
Undisputed Trade receivables considered doubtful							--	--
Disputed Trade Receivables considered Good							--	--
Disputed Trade Receivables considered doubtful..							--	--

NOTE -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.

NOTES

FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023. (Contd.)

NOTE -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.

NOTE -38 REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES:

The Company has registered charges for Term Loans availed during the year with the Registrar of Companies. The Company has not satisfied the charges with Registrar of companies for loans, the re-payment of which was completed because of non-availability of NOC from respective Banks.

NOTE -39 AUDITORS REMUNERATION:

[Figures in Lacs]

Sr. No.	Particulars	Current year	Previous year
1.	Audit Fee	7.50	7.50

NOTE -40 RATIO ANALYSIS:

Sr. No.	Ratio	2022-23	2021-22
1.	Current Ratio	1.93 : 1	1.79 : 1
2.	Debt Equity Ratio	0.28 : 1	0.35 : 1
3.	Debt Service Coverage Ratio	6.72 : 1	5.77 : 1
4.	Return on Equity Ratio	18.22%	14.93%
5.	Inventory turnover ratio	8.29 Times	6.69 Times
6.	Trade Receivable Turnover Ratio	3.01 Times	2.72 Times
7.	Trade Payable Turnover ratio	7.37 Times	5.79 Times
8.	Net Capital Turnover Ratios	4.96 Times	4.64 Times
9.	Net Profit Ratio	8.35 %	7.15 %
10.	Return on Capital Employed	20.68%	17.39%

Remarks

Increase in Trade Payable Turnover Ratio is due to prompt payment to payables.

NOTE -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:

RANBIR SINGH

Mg. Director

KULWIN SEEHRA

Director

Place: Jalandhar

Dated: May 1, 2023

RAKESH KUMAR

Chief Financial Officer

GOURAV JAIN

Company Secretary

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, 2023, 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, 2023.

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 7 of the Companies (Accounts) Rules, 2014. The holding companies Board of Directors and the respective

INDEPENDENT AUDITOR'S REPORT (Contd.)

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 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

INDEPENDENT AUDITOR'S REPORT (Contd.)

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 \$ 2813.04. 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, 2023 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, 2023 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 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 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:

INDEPENDENT AUDITOR'S REPORT (Contd.)

- 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

Place: Jalandhar
Date: May 1, 2023

M.No. 538094
UDIN : 23538094BGXWVS1730

“ANNEXURE - A”

TO THE INDEPENDENT AUDITORS’

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, 2023, 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 periods are subject to the risk that the internal financial

"ANNEXURE - A" TO THE INDEPENDENT AUDITORS' (Contd.)

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, 2023, 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 \$2813.04. 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: May 1, 2023

UDIN : 23538094BGXWVS1730

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2023

		[Figures in Lacs]	
Particulars	Note No.	March 31, 2023	March 31, 2022
NON-CURRENT ASSETS			
a) Property, Plant & Equipment	1	30,560.13	29,061.39
b) Right of use assets			
c) Capital Work in Progress	1	1,178.17	-
d) Goodwill			
e) Other Intangible Assets			
f) Intangible Assets under Development			
g) Financial Assets			
(i) Investments			
(ii) Loans			
(iii) Other Financial Assets	2	1,038.39	1,778.58
h) Deferred Tax Assets		231.19	72.25
i) Current Tax Assets (net)			
j) Other Non-Current Assets	3	2,051.08	1,821.90
		35,058.96	32,734.12
CURRENT ASSETS			
Inventories	4	18,824.88	18,800.57
Financial Asset			
Investments			
Trade Receivables		56,093.74	47,427.92
Cash & Cash Equivalents	5	33.34	25.55
Bank Balance Other than Cash and Cash Equivalents	6	2,688.38	462.40
Loans			
Other Financial Assets			
Other Current Assets	7	4,352.15	4,730.98
		81,992.49	71,447.42
Total Assets		1,17,051.45	1,04,181.54
EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	8	2,146.54	2,146.54
b) Other Equity	9	69,306.57	57,374.10
Total Equity		71,453.11	59,520.64
LIABILITIES			
NON-CURRENT LIABILITIES			
a) Financial Liabilities			
(i) Lease Liabilities			
(ii) Borrowings	10	3,005.60	4,728.83
(iii) Other Financial Liabilities			
b) Provisions			
c) Deferred Tax Liabilities (Net)			
d) Other Non-Current Liabilities			
Total Non-Current Liabilities		3,005.60	4,728.83
CURRENT LIABILITIES			
a) Financial Liabilities			
(i) Lease Liabilities			
(ii) Borrowings	10	15,592.38	15,985.92
(iii) Trade Payable			
Total Outstanding Dues of Micro & Small Enterprises		325.21	343.82
Total Outstanding Dues of Creditors other than Micro & Small Enterprises		22,222.85	19,818.15
Other Current Financial Liabilities	11	1,727.86	1,475.35
b) Other Current Liabilities	12	470.53	462.13
c) Current Provisions	13	1,979.19	1,549.50
d) Current Tax Liabilities (Net)		274.72	297.20
		42,592.74	39,932.07
Total Liabilities		45,598.34	44,660.90
Total Equity & Liabilities		1,17,051.45	1,04,181.54

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

RANBIR SINGH
Mg. Director

KULWIN SEEHRA
Director

Place: Jalandhar
Dated: May 1, 2023

RAKESH KUMAR
Chief Financial Officer

GOURAV JAIN
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT & LOSS

FOR YEAR ENDED MARCH 31, 2023

[Figures in Lacs]

Particulars	Note No.	March 31, 2023	March 31, 2022
REVENUE FROM OPERATIONS			
Income from Operations	14	1,55,957.31	1,24,278.66
Other Operating income	15	2,336.06	2,768.70
		1,58,293.37	1,27,047.36
Other Income	16	141.47	55.56
		1,58,434.84	1,27,102.92
EXPENDITURE			
Cost of Material consumed	17	1,05,476.25	87,095.97
Purchases of Stock-in-Trade			
Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	18	-472.78	-3,582.58
Employee Benefits Expense	19	6,637.10	5,856.09
Financial Costs	20	1,096.93	1,123.10
Depreciation, Impairment and Amortisation Expenses	21	4,851.25	4,970.90
Other Expenses	22	23,384.24	19,583.44
		1,40,972.99	1,15,046.92
Profit Before Exceptional items and Tax		17,461.85	12,056.00
Exceptional items		-	-
Profit from continuing operations before Tax		17,461.85	12,056.00
Tax Expense (Current & Deferred Tax)		4,441.06	3,179.96
Profit for the year (A)		13,020.79	8,876.04
Other Comprehensive Income/Loss		-	-
(Items that will not be reclassified to Statement of Profit and Loss)			
Other Comprehensive Income/(Loss) for the year (B)		-	-
Total Comprehensive Profit for the year (A+B)		13,020.79	8,876.04
Earnings Per Equity Share of face value of ₹ 10/- each			
Basic		60.66	41.35
Diluted		60.66	41.35

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

RANBIR SINGH

Mg. Director

KULWIN SEEHRA

Director

Place: Jalandhar

Dated: May 1, 2023

RAKESH KUMAR

Chief Financial Officer

GOURAV JAIN

Company Secretary

CONSOLIDATED CASH FLOW STATEMENT

AS AT MARCH 31, 2023

[Figures in Lacs]

Particulars	For the Year Ending March 31, 2023	For the Year Ending March 31, 2022
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	17,461.85	12,056.00
Adjustments for :		
Depreiciation	4,851.25	4,970.90
Interest income	-142.58	-54.54
Interest paid	950.73	972.85
IPO Expenses W/off	-	130.41
Loss/Profit on sale of assets	1.11	-1.02
Operating profit before working capital changes	23,122.36	18,074.60
Adjustments for :		
Inventories	-24.31	-3,536.06
Decrease/Increase in Trade Rec./Other Current/Non-Current Assets	-10,742.14	-5,077.48
Decrease/Increase in Trade payable/Other Current Liabilities	2,798.10	-1,980.75
Income tax of earlier year	-11.45	-42.79
Income Tax Paid	-4,600.00	-3,300.00
Net cash from operating activities	10,542.56	4,137.52
B CASH FLOW FROM INVESTING ACTIVITIES :		
Increase in other financial assets	740.19	-93.05
Purchase of Fixed assets	-7,544.27	-4,556.66
Sale of fixed assets	15.00	2.11
Interest received	142.58	54.54
Net cash used in Investing activities	-6,646.50	-4,593.06
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long term Borrowings	4,522.34	2,257.76
Repayment of long term borrowings	-5,993.07	-6,226.37
Dividend Paid	-1,073.27	-1,073.27
Increase/ (Decrease) in cash credits & Packing credits	-393.54	6,460.26
Interest Paid	-950.73	-972.85
Net cash flow from financing activities	-3,888.27	445.53
Net increase/ (decrease) in cash & cash equivalents (A+B+C)	7.79	-10.01
Cash & Cash equivalents at the beginning of the year (see note 2)	25.55	35.56
Cash & Cash equivalents at the end of the year(see note 2)	33.34	25.55
	7.79	-10.01

CONSOLIDATED CASH FLOW STATEMENT AS AT MARCH 31, 2023 (Contd.)

1 Notes :

The Cash flow is based on and derived from the accounts of company for the year ended March 31, 2023 and March 31, 2022

[Figures in Lacs]		
Particulars	For the Year Ending March 31, 2023	For the Year Ending March 31, 2022
2 Cash & cash equivalents comprise of :		
Cash in hand	28.13	23.20
With scheduled banks :		
On current accounts	5.21	2.35
Cash and cash equivalents at the end of the year	33.34	25.55

As per our Report of even date annexed.

For **HARISH & CO.**

Chartered Accountants (FRN017372N)

(SURAJ BAJAJ)

Partner

M.No. 538094

Place: Jalandhar

Dated: May 1, 2023

RANBIR SINGH

Mg. Director

RAKESH KUMAR

Chief Financial Officer

KULWIN SEEHRA

Director

GOURAV JAIN

Company Secretary

NOTES

FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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, 2023	% voting power held as at March 31,2022
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 unrealised profits/unrealised 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 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

NOTES

FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

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 : At Purchase price
Material & Stores plus Direct Expenses
- b) Stock of work in : At estimated cost
Progress price
- c) Stock of : At cost or net
Finished Goods 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 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.

NOTES

FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

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.

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

a) Gratuity: - The Company has a defined benefit gratuity plan. Every employee who has completed 5 years are 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 recognises 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, 2023 (Contd.)

NOTE -1 PROPERTY PLANT & EQUIPMENT

[Figures in Lacs]

Particulars	Freehold Land	Factory Building	Plant & Machinery	Computers	Office Equipments	Furniture & Fixtures	Vehicle	Total
(A) Gross Block								
Balance as at April 01, 2022	1,621.72	9,688.16	50,722.69	735.19	760.04	607.42	1,461.91	65,597.13
Addition during the year	-	464.27	5,488.89	50.35	85.15	94.41	183.03	6,366.10
Discarded/Disposed off during the year							62.87	62.87
Balance as at March 31, 2023	1,621.72	10,152.43	56,211.58	785.54	845.19	701.83	1,582.07	71,900.36
(B) Accumulated Depreciation								
Balance as at April 01, 2022	-	3,746.13	30,277.96	699.19	485.45	437.22	889.79	36,535.74
Depreciation for the year	-	564.49	3,924.27	36.15	55.28	54.86	216.20	4,851.25
Accumulated depreciation on discarded disposal							46.76	46.76
Balance as at March 31, 2023	-	4,310.62	34,202.23	735.34	540.73	492.08	1,059.23	41,340.23
(C) Net carrying Amount								
Balance as at April 01, 2022	1,621.72	5,942.03	20,444.73	36.00	274.59	170.20	572.12	29,061.39
Balance as at March 31, 2023	1,621.72	5,841.81	22,009.35	50.20	304.46	209.75	522.84	30,560.13
CAPITAL WORK IN PROGRESS								
BUILDING (1 - 2 YEARS)								
Balance as at April 01, 2022								0
Addition for the year								1,178.17
Balance as at March 31, 2023								1,178.17

NOTES

FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

NOTE -2 OTHER FINANCIAL ASSETS

[Figures in Lacs]		
Particulars	March 31, 2023	March 31, 2022
Security Deposits	1,038.39	1,778.58
	1,038.39	1,778.58

NOTE -3 OTHER-NON CURRENT ASSETS

[Figures in Lacs]		
Particulars	March 31, 2023	March 31, 2022
Advance for Fixed Assets	2,051.08	1,821.90
	2,051.08	1,821.90

NOTE -4 INVENTORIES

[Figures in Lacs]		
Particulars	March 31, 2023	March 31, 2022
Raw Material		
Raw Material Steel	5,209.34	5,835.99
Raw Material Non Steel	12.55	21.93
Work in Progress	10,158.53	9,724.35
Finished Goods	2,047.47	2,022.09
Store, Spares & Loose Tools		
Stock of Operating Supply	932.78	858.06
Stock of Spare Parts	204.24	144.39
Stock of Diesel	38.62	24.14
Stock of Die Steel	35.79	10.98
Stock of Oil Lubricant	73.97	84.81
OTHERS		
Stock of Scrap Material	28.87	15.66
Stock of Packing	82.72	58.17
	18,824.88	18,800.57

NOTE -5 CASH & CASH EQUIVALENTS

[Figures in Lacs]		
Particulars	March 31, 2023	March 31, 2022
Cash in hand	28.13	23.20
Balance with Banks		
(In Current Account)	5.21	2.35
	33.34	25.55

NOTES

FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

NOTE -6 OTHER BANK BALANCE

[Figures in Lacs]		
Particulars	March 31, 2023	March 31, 2022
In Dividend Account	2.92	2.40
In Deposit Account	2,685.46	460.00
	2,688.38	462.40

NOTE -7 OTHER CURRENT ASSETS

[Figures in Lacs]		
Particulars	March 31, 2023	March 31, 2022
Pre-paid Expenses	109.85	103.08
Advance to Vendor	719.78	369.93
Advance to Employee	18.33	17.17
Other Current Assets	3,504.19	4,240.80
	4,352.15	4,730.98

NOTE -8 EQUITY SHARE CAPITAL

[Figures in Lacs]				
Particulars	March 31, 2023		March 31, 2022	
	Nos.	Amount	Nos.	Amount
SHARE CAPITAL				
(1) Authorised Share Capital				
Equity Share of ₹ 10/- each.	3,00,00,000.00	3,000	3,00,00,000.00	3,000
(Previous year Equity Share of ₹ 10/- each)				
(2) Issued, Subscribed & Paid-up				
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)				
	2,14,65,400.00	2,146.54	2,14,65,400.00	2,146.54

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

[Figures in Lacs]				
Equity Shares	March 31, 2023		March 31, 2022	
	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	-	-	-	-
Shares outstanding at the end of the year	2,14,65,400.00	2,146.54	2,14,65,400.00	2,146.54

Detail of Shareholding more than 5% share of the Company

Equity Shares	March 31, 2023		March 31, 2022	
	Nos.	%age holding	Nos.	%age holding
Name of Shareholder				
(Equity Shares of ₹ 10/- each)				
S. Gursaran Singh	18,09,075.00	8.43	17,95,875.00	8.37
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	32,06,548.00	14.94
S. Gurdeep Singh	31,37,666.00	14.62	31,35,406.00	14.61
HDFC Small Cap Fund	19,40,874.00	9.04	13,43,284.00	6.26

NOTES
FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)
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.

[Figures in Lacs]

Particulars	As at March 31, 2023	As at March 31, 2022
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, 2023	No. of shares as on March 31, 2022	% of total Shares as on March 31, 2023	% of total Shares as on March 31, 2022	% change during the year
1	Jasvinder Singh (Promoter)	32,83,600.00	32,83,600.00	15.30	15.30	-
2	Ranbir Singh (Promoter)	32,06,548.00	32,06,548.00	14.94	14.94	-
3	Gurdeep Singh (Promoter)	31,37,666.00	31,35,406.00	14.62	14.61	0.01
4	Maninder Singh(Promoter Group)	24,40,300.00	24,40,300.00	11.37	11.37	-
5	Gursaran Singh (Promoter Group)	18,09,075.00	17,95,875.00	8.43	8.37	0.06
6	Rachhpal Singh (Promoter Group)	-	1,12,400.00	-	0.52	-0.52
7	Kulvin Seehra (Promoter Group)	2,12,750.00	2,12,750.00	0.99	0.99	-
8	Keerat Seehra (Promoter Group)	2,12,500.00	2,12,500.00	0.99	0.99	-
9	Harjinder Kaur (Promoter Group)	2,53,900.00	1,41,500.00	1.18	0.66	0.52
10	Jasleen Kaur (Promoter Group)	10,012.00	9,462.00	0.05	0.04	0.01
11	Ashmeet Seehra (Promoter Group)	7,151.00	7,151.00	0.03	0.03	-
12	Lovleen Kaur (Promoter Group)	10,050.00	6,950.00	0.05	0.03	0.02
13	Manjot Seehra (Promoter Group)	6,040.00	2,240.00	0.03	0.01	0.02
14	GNA Gears Limited (Promoter Group)	10100	3,510.00	0.05	0.02	0.03
15	Harwinder Singh (Promoter Group)	4985	-	0.02	-	0.02
16	Rupinder Singh (Promoter Group)	4250	-	0.02	-	0.02
17	Rasleen Kaur Pahuja (Promoter Group)	5162	-	0.02	-	0.02

NOTES

FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

(1) Current Reporting period

[Figures 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
(21,465,400 Equity Share of ₹ 10/- each)		(21,465,400 Equity Share of ₹ 10/- each)		(21,465,400 Equity Share of ₹ 10/- each)

(2) Previous reporting period

[Figures 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
(21,465,400 Equity Share of ₹ 10/- each)		(21,465,400 Equity Share of ₹ 10/- each)		(21,465,400 Equity Share of ₹ 10/- each)

NOTE -9 OTHER EQUITY

(1) Current reporting period

[Figures in Lacs]

Particulars	Share application money pending allotment (₹)	Equity Component of compound financial instruments (₹)	Capital Reserve (₹)	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 (₹)
				Retained Earnings (₹)	Other Reserves (specify nature) (₹)							
Balance at the beginning of the current reporting period	-	-	-	11,802.98	-	45,567.26			3.86			57374.10
Changes in accounting policy or prior period errors	-	-	-	-	-	-	0	0		0	0	0
Restated balance at the beginning of the current reporting period	-	-	-	11,802.98	-	45,567.26	0	0	3.86	0	0	57374.10
Total comprehensive income for the current year	-	-	-	11,802.98	-	45,567.26	0	0	3.86	0	0	57374.10
Dividends	-	-	-	-	-	1,073.27	0	0	0	0	0	1073.27
Transfer to retained earnings				-		13,020.79			-3.6			13017.19
Income Tax Adjustments of prev. year	-	-	-	-		11.45	0	0	0	0	0	11.45
Balance at the end of the current reporting period				11,802.98	-	57,503.33	0	0	0.26	0	0	69306.57

NOTES
FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(2) Previous reporting period

[Figures in Lacs]

Particulars	Share application money pending allotment	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 Comprehensive Income (specify nature)	Money received against share warrants	Total
		Equity Component of compound financial instruments	Capital Reserve	Securities Premium	Other Reserves (specify nature)	Retained Earnings							
Balance at the bennin of the previous reporting period			11,802.98			37,807.27				0			49610.25
Changes in accounting policy or prior period errors			-			-				0			0
Restated balance at the beginning of the previous reporting period			11,802.98			37,807.27				0			49610.25
Total comprehensive income for the previous year			11,802.98			37,807.27							49610.25
Dividends				-		1,073.27							1073.27
Transfer to retained earnings				-		8,876.04				3.86			8879.90
Income Tax Adjustments of Prev. year	-	-	-	-		42.78							42.78
Balance at the end of the previous reporting period			11,802.98			45,567.26				3.86			57374.10

NOTES

FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

NOTE -10 BORROWINGS

		[Figures in Lacs]	
Particulars	March 31, 2023	March 31, 2022	
A) Non Current			
Secured			
From Banks			
Term Loan	4,733.46	367.60	
From Others			
Bajaj Finance Limited	-	5,836.58	
	4,733.46	6,204.18	
Less: Current Maturities	1,727.86	1,475.35	
	3,005.60	4,728.83	
Unsecured	-	-	
	3,005.60	4,728.83	
B) Current			
Secured			
From Banks (Repayable on Demand)	12,592.38	12,985.92	
From Others			
Bajaj Finance Limited	3,000.00	3,000.00	
Unsecured	-	-	
	15,592.38	15,985.92	

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.

NOTE -11 OTHER CURRENT FINANCIAL LIABILITIES

		[Figures in Lacs]	
Particulars	March 31, 2023	March 31, 2022	
Current Maturity of Non-Current Borrowings	1,727.86	1,475.35	
	1,727.86	1,475.35	

NOTE -12 OTHER CURRENT LIABILITIES

		[Figures in Lacs]	
Particulars	March 31, 2023	March 31, 2022	
Statutory Liabilities	467.61	459.73	
Unpaid Dividend	2.92	2.40	
	470.53	462.13	

NOTE -13 CURRENT PROVISIONS

		[Figures in Lacs]	
Particulars	March 31, 2023	March 31, 2022	
Outstanding Expenses Payable	1,761.76	1,348.19	
Employee Dues	217.43	201.31	
	1,979.19	1,549.50	

NOTES

FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

NOTE -14 REVENUE FROM OPERATIONS

Particulars	[Figures in Lacs]	
	March 31, 2023	March 31, 2022
SALE OF PRODUCTS		
Sale Domestic	72,065.94	48,226.88
Sale Export (Direct)	83,891.37	76,051.78
	1,55,957.31	1,24,278.66

NOTE -15 OTHER OPERATING REVENUE

Particulars	[Figures in Lacs]	
	March 31, 2023	March 31, 2022
DEPB/FPS Incentive	752.35	799.87
Duty Drawback	1,438.46	1,492.77
Exchange Difference	145.25	476.06
	2,336.06	2,768.70

NOTE -16 OTHER INCOME

Particulars	[Figures in Lacs]	
	March 31, 2023	March 31, 2022
Interest Income	142.58	54.54
Profit on Sale of Asset	-1.11	1.02
	141.47	55.56

NOTE -17 COST OF MATERIALS CONSUMED

Particulars	[Figures in Lacs]	
	March 31, 2023	March 31, 2022
CONSUMPTION OF RAW MATERIAL		
Raw Material -Steel	92,463.87	75,807.04
Raw Material-Non-Steel	16.81	13.24
	92,480.68	75,820.28
CONSUMPTION OF STORE & SPARES		
Consumption of operating supply	6,814.77	5,615.79
Consumption of Die Steel	440.58	372.95
Consumption of oil & Lubricants	1,628.37	1,546.53
Consumption of Packing Materials	3,499.07	3,262.74
Consumption of Furnace Oil	612.78	477.68
	12,995.57	11,275.69
	1,05,476.25	87,095.97

NOTE -18 CHANGE IN INVENTORY OF-

Particulars	[Figures in Lacs]	
	March 31, 2023	March 31, 2022
WORK IN PROGRESS & FINISHED GOODS		
At the beginning of Accounting period	11,762.10	8,179.52
At the end of the Accounting period	12,234.88	11,762.10
	-472.78	-3,582.58

NOTES

FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

NOTE -19 EMPLOYEE BENEFIT EXPENSE

[Figures in Lacs]		
Particulars	March 31, 2023	March 31, 2022
Wages	2,094.41	1,956.25
Salary	2,737.69	2,348.87
Production Incentive Bonus	729.78	588.36
Contribution to Provident Fund	156.89	142.24
Family Pension	149.93	140.08
Administration charges	21.93	20.28
Group Gratuity Scheme	145.97	112.03
Group Insurance	-	0.06
Super Annuation Fund	37.43	35.42
Workers and Staff Welfare	210.05	172.60
Bonus	232.46	211.53
Leave with Wages	44.63	37.00
Medical Reimbursement	27.85	40.65
Employees State Insurance	48.08	50.72
	6,637.10	5,856.09

NOTE -20 FINANCIAL COSTS

[Figures in Lacs]		
Particulars	March 31, 2023	March 31, 2022
a) Interest Expense		
Interest on Term Loan	515.93	671.49
Interest on Cash Credit	433.85	301.27
Interest to Others	0.95	0.09
b) Other Borrowing Cost		
Bank Commission	146.20	150.25
	1,096.93	1,123.10

NOTE -21 DEPRECIATION AND AMORTIZATION EXPENSE

[Figures in Lacs]		
Particulars	March 31, 2023	March 31, 2022
DEPRECIATION		
Building	564.49	623.75
Plant & Machinery	3,924.27	4,030.60
Furniture & Fixture	54.86	49.83
Vehicle	216.20	183.67
Computers	36.15	35.57
Office Equipments	55.28	47.48
	4,851.25	4,970.90

NOTES

FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

NOTE -22 OTHER EXPENSES

[Figures in Lacs]

Particulars	March 31, 2023	March 31, 2022
Machining charges	3,229.87	700.81
Power & Fuel	7,625.92	6,924.35
Repair & Maintenance	478.51	344.65
Factory Expenses	114.76	85.14
Office Expenses	17.88	22.17
Donation / CSR	268.17	189.37
Subscription / Membership fees	12.36	7.84
Entertainment Expense	6.78	5.24
Fees & Taxes	18.72	32.97
Insurance	209.79	233.57
Legal & Professional Expenses	167.34	178.96
News Paper & Periodicals	1.48	0.28
PAYMENT TO AUDITORS		
As Audit Fee	7.50	7.50
For Taxation purpose	-	-
For Any other matters	-	-
Vehicle Petrol	134.45	110.25
Vehicle Repair	71.73	38.19
Repair of Building	43.38	36.38
Postage & Courier expenses	1.24	3.28
Printing & Stationery	43.74	39.32
Repair & Maintenance of Computer	38.58	32.25
Telephone Expenses	9.43	9.71
Directors sitting fees	13.35	13.80
Rounded-off	-	0.05
Travelling Expenses	200.01	134.04
Travelling Expenses Foreign	110.61	22.88
IPO Expenses	-	130.41
Advertisement expenses	38.40	11.17
Club Fee	1.12	0.73
Freight & Cartage outward	1,252.45	984.68
Business Promotion Expenses	5.70	10.79
Export Packing & Forwarding expenses	9,260.97	9,272.66
	23,384.24	19,583.44

NOTES

FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

NOTE -23 EARNINGS PER SHARE

		[Figures in Lacs]	
Particulars		March 31, 2023	March 31, 2022
		Amount(₹)	Amount(₹)
Basic and Diluted Earnings Per Share			
Net Profit attributable to Equity Shareholders	₹	13,020.79	8,876.04
Weighted Average number of Equity Shares outstanding during the year	Nos.	2,14,65,400.00	2,14,65,400.00
Face Value	₹	10.00	10.00
Basic Earnings Per Share	₹	60.66	41.35
Diluted Earnings Per Share	₹	60.66	41.35

NOTE -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 2022-23 of the Company was ₹ 26,894,676/- (including unspent of previous year). The Company has spent ₹23,963,289/- on CSR activities during the Financial Year 2022-23 with the approval of CSR Committee of the Board. The total unspent amount as on March 31, 2023 was ₹ 2,931,387/- has been transferred to unspent CSR account within 30 days which pertains to ongoing project.

NOTE -25

The following are the contingent liabilities during the year.

		[Figures in Lacs]	
Particulars		2022-23	2021-22
(A) Contingent Liabilities			
1. Bank Guarantees		2.00	2.00
2. Excise Duty, VAT and Service Tax demand against which the Company has preferred appeals.		Nil	40.30
3. Value Added Tax Liabilities		78.72	78.72
4. Goods & Service Tax Liability (RCM)		64.50	Nil
(B) Commitments			
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.

NOTE -26 RELATED PARTY DISCLOSURE

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

(a) Related Parties

S. Gursaran Singh – Executive Chairman
 S. Jasvinder Singh - Executive Vice-Chairman
 S. Ranbir Singh – Managing Director & CEO
 S. Maninder Singh – Whole time Director
 S. Kulwin Seehra – Executive Director
 S. Harwinder Seehra – Executive Director
 S. Gurdeep Singh – Non-Executive Director
 S. Rupinder Singh – Promoter Group
 S. Keerat Seehra – Promoter Group
 Ashmeet Seehra – Promoter Group

NOTES

FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

Manjot Seehra – Promoter Group

Rasleen Kaur Pahuja – Promoter Group

Mrs. Loveleen Kaur – Sr. Vice-President (Corporate Affairs)

GNA Gears Limited – Group Entity

Mrs. Jasleen Kaur - Promotor Group

Mrs. Harjinder Kaur - Promotor Group

(b) Key Managerial Personnel

Mr. Rakesh Gupta – Chief Financial Officer

Mr. Gaurav Jain – Company Secretary

(c) Wholly owned Subsidiary Company

GNA Axles INC Michigan

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

GNA Gears Limited

GNA Drivelines Limited (Formerly known as 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

M/s Design 360 Protolab & Consultants

Nature of Transactions

Particulars	[Figures in Lacs]	
	2022-23	2021-22
(a) Security Deposit with-		
GNA Drivelines Limited	138.96	488.96
(Formerly GNA Udyog Limited)		
GNA Sons	-	565.21
Seehra Overseas	-	10.00
(b) Remuneration		
S. Rachhpall Singh	-	24.39
S. Gursaran Singh	269.93	208.32
S. Ranbir Singh	314.33	261.12
S. Jasvinder Singh	314.33	261.12
S. Kulwin Seehra	66.15	57.33
S. Harwinder Seehra	66.15	57.33
S. Maninder Singh	74.78	43.78
(c) Remuneration Paid to Key Managerial Personnel		
Mr. Rakesh Gupta	17.16	15.67
Mr. Gaurav Jain	9.06	8.32
(d) Remuneration paid to Director's relatives		
S. Maninder Singh	Nil	8.99
Mrs. Loveleen Kaur	35.66	26.99

NOTES

FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

NOTE -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.

NOTE -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.

NOTE -29 REMUNERATION TO DIRECTORS

[Figures in Lacs]		
Particulars	2022-23	2021-22
Salary	1,105.69	913.38

NOTE -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.

NOTE -31 FOREIGN EXCHANGE EARNINGS

The Company has exported goods during the year FOB value of which is ₹ 7,462,625,574/-.

NOTE -32 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.

NOTE -33 TRADE PAYABLES AGEING SCHEDULE:

[Figures 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	325.21	--	--	--	325.21
Others	22,222.85				22,222.85
Disputed dues MSME	--	--	--	--	--
Disputed Dues Others	--	--	--	--	--

NOTE -34 TRADES RECEIVABLE AGEING SCHEDULE:

[Figures 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	53,455.57	2,361.60	262.74	13.83	--	56,093.74
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, 2023 (Contd.)

NOTE -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.

NOTE -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.

NOTE -37 REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES:

The Company has registered charges for Term Loans availed during the year with the Registrar of Companies. The Company has not satisfied the charges with Registrar of companies for loans, the re-payment of which was completed because of non-availability of NOC from respective Banks.

NOTE -38 AUDITORS REMUNERATION:

		[Figures in Lacs]	
Sr. No.	Particulars	March 31, 2023	March 31, 2022
1.	Audit Fee	7.50	7.50

NOTE -39 RATIO ANALYSIS:

Sr. No.	Ratio	2022-23	2021-22
1.	Current Ratio	1.92 : 1	1.6 : 1
2.	Debt Equity Ratio	0.28 : 1	0.35 : 1
3.	Debt Service Coverage Ratio	6.61 : 1	5.77 : 1
4.	Return on Equity Ratio	18.22%	14.93%
5.	Inventory turnover ratio	8.29 Times	6.69 Times
6.	Trade Receivable Turnover Ratio	3.01 Times	2.72 Times
7.	Trade Payable Turnover ratio	7.30 Times	4.05 Times
8.	Net Capital Turnover Ratios	3.96 Times	4.64 Times
9.	Net Profit Ratio	8.35 %	7.15 %
10.	Return on Capital Employed	20.68%	17.39%

Remarks

Increase in Trade Payable Turnover Ratio is due to prompt payment to payables.

NOTE -40 Previous Years Figures have been re-grouped/ re-arranged wherever consider necessary

As per our Report of even date annexed.

For **HARISH & CO.**

Chartered Accountants (FRN017372N)

(SURAJ BAJAJ)

Partner

M.No. 538094

RANBIR SINGH

Mg. Director

KULWIN SEEHRA

Director

Place: Jalandhar

Dated: May 1, 2023

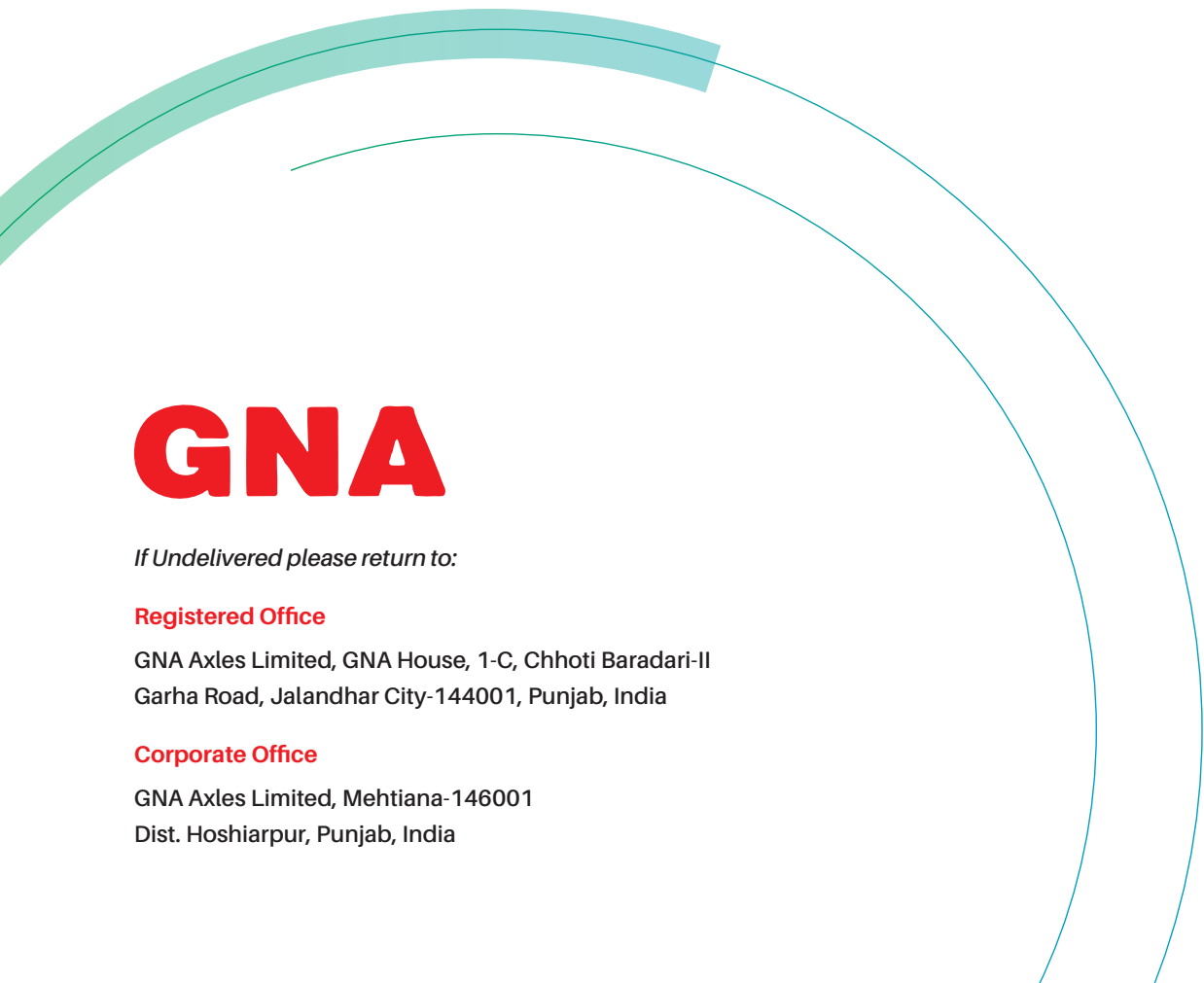
RAKESH KUMAR

Chief Financial Officer

GOURAV JAIN

Company Secretary

NOTES

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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