

GNA

GNA AXLES LIMITED

Regd. Office : GNA HOUSE, I-C, CHHOTI BARADARI - PART-II
GARHA ROAD, JALANDHAR- 144001
Phones : 0181-4630477
Fax : 0181-4630477
E-mail : info@gnagroup.com
Website : www.gnagroup.com

Dated : September 21, 2017

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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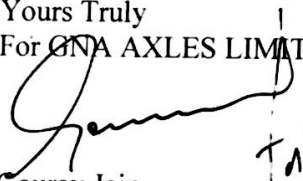
SUB: SUBMISSION OF ANNUAL REPORT FOR THE YEAR 2016-2017.

Sir,

In compliance of regulation 34 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, please find enclosed herewith the Annual Report of the Company for the Financial Year 2016-2017.

This is for your information and record.

Thanking You

Yours Truly
For GNA AXLES LIMITED

Gourav Jain
Company Secretary



CIN: U29130PB1993PLC013884
Works : UNIT-I, VPO MEHTIANA, DISTT. HOSHIARPUR
UNIT-II, VILLAGE GULABGARH JATTAN DISTT. KAPURTHALA
Phones : 01882-262273 (7 Lines)
Fax : 01882-262280, 262302

Manufacturers of :
Rear Axle Shafts, Other Shafts and Spindles
ISO/TS. 16949/2009

SOLID & SOUND



GNA

GNA Axles Limited
24th Annual Report
2016-17

DISCLAIMER

This document contains statements about expected future events and financial and operating results of GNA Axles 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 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 a number of 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's discussion and analysis of the GNA Axles Annual Report 2016-17

NAVIGATE THROUGH...

BUSINESS OVERVIEW

2-3	WHO ARE WE?
4-5	OUR BUSINESS AREAS
6-11	SOLID & SOUND
12-13	MD'S MESSAGE
14-15	FINANCIALS
16	CORPORATE INFORMATION

STATUTORY REPORTS

17-25	NOTICE
26-31	MANAGEMENT DISCUSSION AND ANALYSIS
32-50	DIRECTOR'S REPORT WITH ANNEXURES
51-57	CORPORATE GOVERNANCE REPORT

FINANCIAL STATEMENTS

58-77	STANDALONE FINANCIALS
78-96	CONSOLIDATED FINANCIALS

₹468 Crs

Market Capitalisation

As on 31st March, 2017

₹252.00

Listing on 26th September, 2016

1,049

Employees as on 31st March, 2017

70.65%

Promoter's holding

THANK YOU INVESTORS

THE GNA FAMILY
EXTENDS A WARM
WELCOME TO YOU

SMALL STEPS
LEAD TO
BIG
ACHIEVEMENTS

We appreciate that you took time to read our prospectus and considered investing your resources in our Company.

We are pleased to inform you that our ₹ 130.41 Crs Initial Public Offer (IPO), generated a great response. While our Institutional Investor portion got over-subscribed **17 times**, the High Net Worth individual portion and Retail Investors portion got oversubscribed **217 times** and **12 times**, respectively.

Our stock got a premium listing on **26th September, 2017** at ₹ 252, on the National Stock Exchange (NSE) and ₹ 249 on the Bombay Stock Exchange (BSE). This was against the issue price of ₹ 207 per share, nearly **20 %** appreciation on both the bourses.

COMPANIES DON'T START OUT BIG. THEY BEGIN, BUILD, FLOURISH, SUSTAIN AND GROW. AT GNA, WE TAKE PRIDE IN OUR STRONG FUNDAMENTALS AND BELIEVE IN OUR GROWTH TRAJECTORY BUILT ON EFFORTS.

Together, our solid foundation and business strategies have supported our plans and helped us reach a stage that speaks of the sound growth we have achieved over the years.

Our IPO's huge success is a great testimony to our Company's solid and sound fundamentals. Our strategies are mission-driven with long-term value creation as our focus. We aim to utilise our people, capital, technology and resources to safeguard the Company's sustainable development and growth. We welcome our investors with the same long-term mindset.

WHO ARE WE?

ONE OF INDIA'S LEADING REAR AXLE SHAFTS MANUFACTURER

Established in 1993, we are one of India's leading rear axle shafts manufacturer. Our products find applications across on-highway vehicles (LCV, MCV, HCV and buses, among others) and off-highway vehicles (agricultural tractors and machinery, forestry, construction equipment, defence and mining, among others). We also manufacture solid and hollow spindles used in assembling the axle for various vehicles and equipment.

Our products are widely consumed world over by the leading OEM manufacturers across USA, Sweden, Turkey, Brazil, Italy, Germany, Spain, Mexico, Japan, UK, France, China and Australia, among others. Besides, we are also tier 1 suppliers to several Indian OEMs.

Our two state-of-the-art manufacturing facilities are located in Mehtiana (District Hoshiarpur) and Gulabgarh Jattan (District Kapurthala) in Punjab with a total annual capacity of 2.30 Million rear axle shafts, 0.40 Million other shafts and 0.30 Million spindles.

1993

Year of Establishment

₹513.41 Crs

Revenue for the year ended 31st March, 2017

₹83.35 Crs

EBIDTA for the year ended 31st March, 2017

₹29.60 Crs

PAT for the year ended 31st March, 2017

2.30 Million

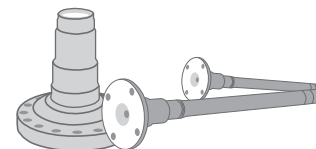
Capacities of rear axle shafts

0.40 Million

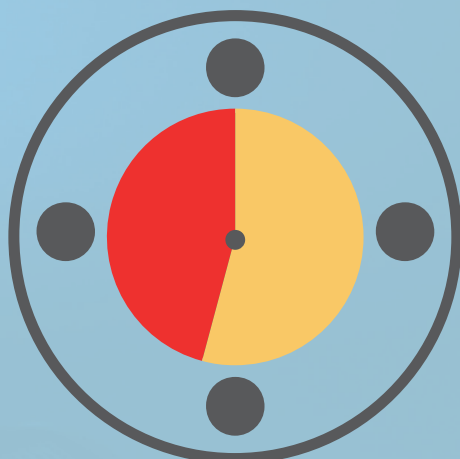
Capacities of other shafts

0.30 Million

Capacities of spindles



Geography-wise Revenue Split 2016 - 17



Domestic **54.43 %**

Exports **45.57 %**

Export revenue - region wise breakup 2016 - 17



Europe **45.34 %**

South America **8.88 %**

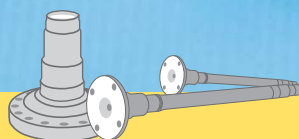
North America **32.47 %**

Others **13.35 %**

LCV: Light Commercial Vehicles
MCV: Medium Commercial Vehicles
HCV: Heavy Commercial Vehicles
OEM: Original Equipment Manufacturers

BSE Ticker: **540124**
NSE Ticket: **GNA**

OUR BUSINESS AREAS



Just for your information!

AXLE IS A PART USED FOR TRANSMISSION ASSEMBLY OF AN AUTOMOBILE. THE PRIME PURPOSE OF AXLE IS TO BEAR THE VEHICLE WEIGHT. IT IS ALSO CRUCIAL FOR MAINTAINING THE POSITION OF THE WHEELS RELATIVE TO EACH OTHER AND TO THE VEHICLE BODY. AXLES CAN EITHER BE LIVE-AXLES OR NON-DRIVING AXLES. IN AN AUTOMOBILE, LIVE AXLES HELP IN TRANSMITTING THE POWER FROM ENGINE ONTO THE WHEELS VIA THE DRIVE SHAFT. ON THE OTHER HAND, IN COMMERCIAL VEHICLES AND AGRICULTURAL TRACTORS, THE REAR AXLE ACTS AS THE LIVE-AXLE AND THE FRONT AXLE ACTS AS THE NON-DRIVE AXLE. REAR AXLE SHAFT IS A PART OF THE REAR AXLE ASSEMBLY AND HELPS IN TRANSMITTING THE DRIVING TORQUE TO THE WHEELS.



REAR AXLE SHAFTS

The Company's primary product is Rear Axle Shafts. We manufacture and supply a diverse range of rear axle shafts for the vehicles under the on-highway and off-highway segment. The product also finds its application with other specialty vehicles used for mining and defence. We possess a capacity to manufacture rear axle shafts of up to 165 kgs input weight.

79.69 %

Contribution to Total Revenues in 2016-17

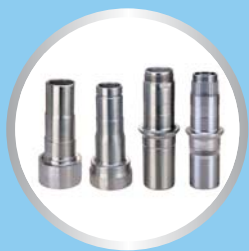
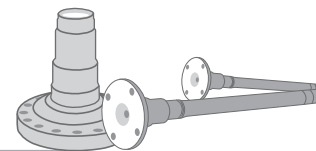
MILESTONES

1994

Awarded certificate for business commencement

2008

Invested in forging technology for rear axle shafts with direct drive screw press supported by robots



SPINDLES

The Company manufactures spindles for both on-highway and off-highway vehicular segments, largely catering to HCVs and Speciality Vehicles. Spindle is a part of axle housing assembly of an automobile. The main purpose of the spindle is to transmit torque.

13.69 %

Contribution to Total Revenues in 2016-17



OTHER SHAFTS

The Company manufactures other shafts including drive shafts, power take-off shafts, hydraulic lift shafts and transmission shafts. These shafts are a part of transmission assembly of an automobile.

Drive shaft is a mechanical component for transmitting torque and rotation. It is usually used to connect other components of a drive train that otherwise cannot be connected directly either due to distance or for the need of allowing relative movement between them.

6.62 %

Contribution to Total Revenues in 2016-17

1995

Started supplying fully-finished and read-to-assemble mechanised axle shafts to OEMs, such as Mahindra & Mahindra Limited

2002-2003

Started exports to USA and Europe

2004

Installed 13" Upsetter with new heat treatment shop

2007

Commissioned 66 kVA dedicated electricity supply line for Unit I

2012

Commissioned Unit II with facility for commercial vehicle axle shafts and spindles machining

2013

Commissioned Lasco extrusion press supported by robots and electric heat treatment furnace at Unit II
Commissioned direct drive screw press for heavy axle shaft forgings supported by robots at Unit I

2015

Commissioned 66 kVA dedicated electricity supply line for Unit II

2016

Launched Initial Public Offerings and got listed on BSE and NSE

Solid and Sound

PREFERRED PARTNER ACROSS DIVERSE CUSTOMER BASE

THE ACTUAL STRENGTH LIES IN
DIVERSIFICATION BECAUSE
THAT IS WHERE THE FUTURE IS

GNA has built strong customer relationship across its diverse client base in India and abroad. Your Company has been supplying components to OEMs in 13 countries across five continents. We also cater as the tier 1 suppliers to several Indian Automotive companies. Besides, we have also partnered many of our key customers in the product development process. This has allowed us to meet the desired specifications and entire repeat business.

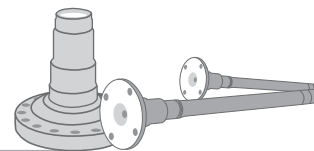


Customer Presence

5 13

Continents

Countries



Solid and Sound

INTEGRATED MANUFACTURING FACILITIES WITH DISTINCT ADVANTAGES

BUSINESS GROWS STRONGER WHEN YOU INTEGRATE.
IT HELPS BOOST EFFICIENCY WHILE SIMPLIFYING
WORKFLOW

AT GNA, OUR INTEGRATED MANUFACTURING FACILITIES AT MEHTIANA AND GULABGARH JATTAN GIVE US A DISTINCTIVE ADVANTAGE IN TERMS OF PRODUCTION FLEXIBILITY AND STRATEGIC LOCATIONAL ADVANTAGES. THESE INCLUDE:

Economies of scale: Our facilities provide everything from forging to finished products, all under one roof. This provides greater economies of scale. It also lets us enjoy the flexibility to produce different range of customised products.

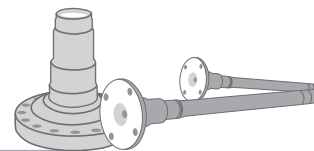
Timeliness and efficiencies: Large capacities allow us to cater customer requirements in a timely and efficient manner.

Full-service capabilities: Our product manufacturing value chain includes engineering, forging, machining and quality testing. All processes right from materials receipt, forging, heat treatment, machining, induction hardening and packaging are located under one roof, giving us full-service capabilities.

Manpower: The location of our facilities allow us to employ people from the nearby rural areas at an economical cost. This way, the manpower is retained in the Company for a longer period, thereby resulting in lower attrition rate. At the same time, the Company contributes to the society welfare, by providing employment to the surrounding communities.

ISO/TS 16949:2009

Certified



Proximity to Customers: Our facilities are located close to the facilities of some of our prominent customers like International Tractors Limited, Mahindra & Mahindra (Swaraj division), Escorts Limited and New Holland Limited. This allows us to benefit from the lower transportation and logistics costs.

Proximity to Dry Ports: Nearly 100 % of our exports are routed through dry ports located at Ludhiana, 60 kms from our manufacturing facilities – giving us further cost advantage.

Solid and Sound

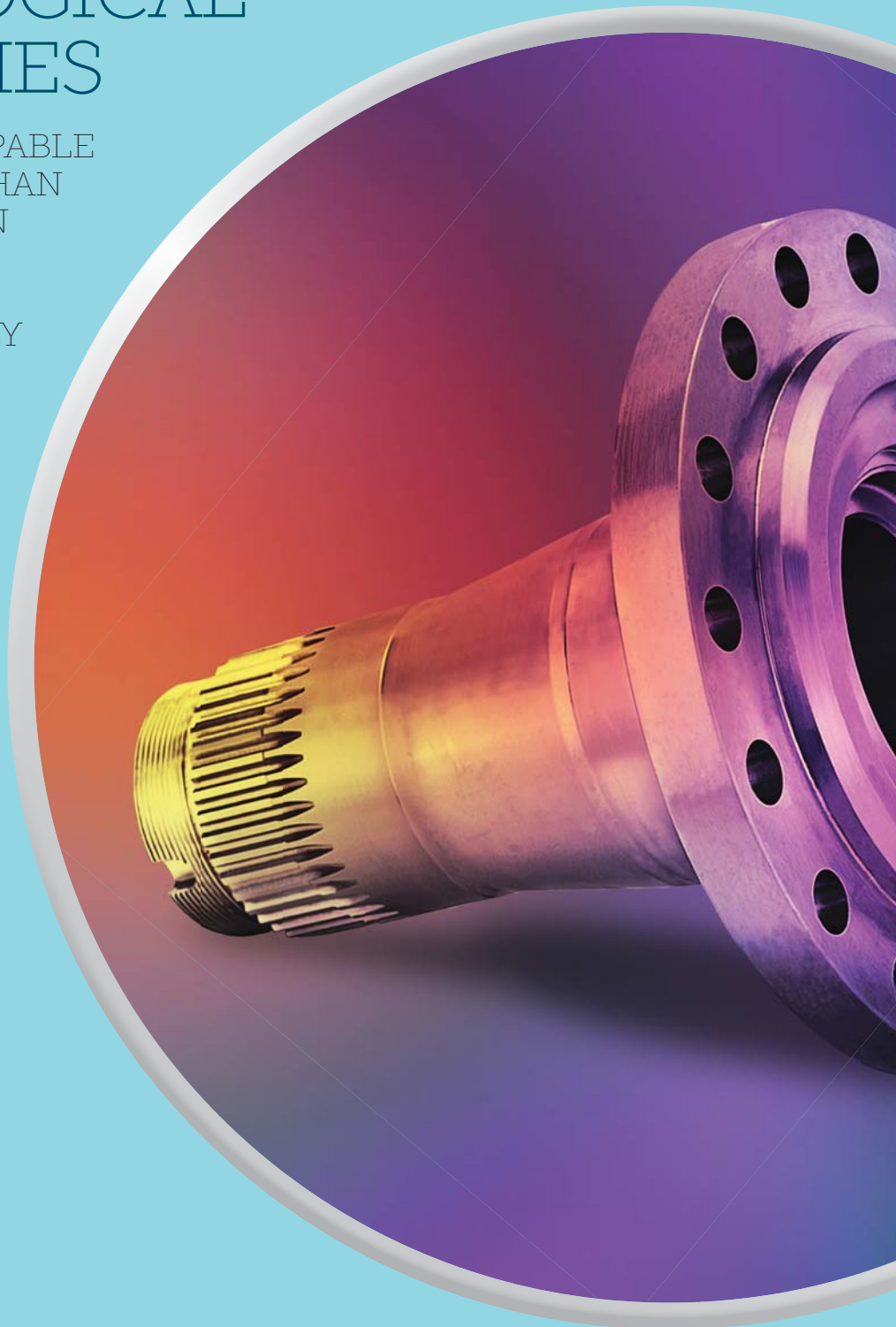
ENGINEERING AND TECHNOLOGICAL CAPABILITIES

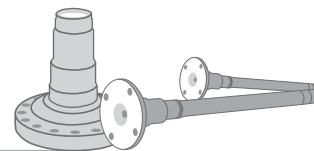
EVERY BUSINESS IS CAPABLE OF GREATER THINGS THAN IT REALISES. AND WHEN TECHNOLOGY MEETS CAPABILITIES, IT CAN GIVE YOU WINGS, TO FLY FARTHER AND FASTER!

At GNA, new product development and world-class processes are driven by sound engineering and technological capabilities.

Our manufacturing facilities include machinery imported from various countries including Italy, Germany, Japan, China and Taiwan. These find application in various processes such as materials testing, forging, heat treatment, machining, induction hardening and packaging. The automated robots reduce human intervention to the great extent. This results and helps in large-scale perfection.

Our in-house metallurgical and metrological laboratories offer a number of cost-reduction and value-engineering solutions to our customers. Besides, it also focuses on continuous improvements in the manufacturing processes leading to lower input and operational cost.





Pioneering Solutions. Client Recognitions

- RECEIVED COMMENDABLE PERFORMANCE AWARD FROM JOHN DEERE INDIA IN 2017
- RECEIVED PROJECT EXECUTION EXCELLENCE AWARD FROM MERITOR IN 2016
- RECEIVED BEST SUPPLIER AWARD FROM TRACTORS & FARM EQUIPMENT LIMITED IN 2016
- RECEIVED 'BEST QUALITY' AWARD FROM ESCORTS AGRI MACHINERY IN 2015
- RECEIVED 'CERTIFICATE OF EXCELLENCE' FROM KUBOTA AGRICULTURAL MACHINERY INDIA PRIVATE LIMITED 2015
- RECEIVED 'BEST SUPPLIER' AWARD FROM TRACTORS AND FARM EQUIPMENT LIMITED 2015
- RECEIVED 'PREFERRED COMMODITY SUPPLIER (FORGING)' AWARD FROM AUTOMOTIVE AXLES LIMITED IN 2013
- RECEIVED 'LONG ASSOCIATION' AWARD FROM ESCORTS LIMITED IN 2013
- RECEIVED 'COMMENDABLE PERFORMANCE 2011' AWARDED BY JOHN DEERE IN 2012
- RECEIVED 'BEST SUPPLIER ON VALVE' AWARD FROM OERLIKON DRIVE SYSTEMS IN 2012
- RECEIVED LONG ASSOCIATION AWARD FROM TRACTORS AND FARM EQUIPMENT LIMITED IN 2010
- RECEIVED 'SUPPLIER RECOGNITION' AWARD IN RECOGNITION OF OUTSTANDING CONTRIBUTION TO THE AAM INDIA TEAM IN 2010
- RECEIVED 'CRE PERFORMANCE' AWARD IN FARM EQUIPMENT SECTOR BY MAHINDRA & MAHINDRA LIMITED IN 2010
- RECEIVED 'BEST CRE PERFORMANCE' AWARD IN FARM EQUIPMENT SECTOR BY MAHINDRA & MAHINDRA LIMITED IN 2009
- RECEIVED 'OVERALL PERFORMANCE 2009' AWARD FOR COMMENDABLE PERFORMANCE BY JOHN DEERE IN 2009

MD'S MESSAGE



AT GNA, OUR NEW PRODUCT DEVELOPMENT AND WORLD-CLASS PROCESSES ARE DRIVEN BY SOUND ENGINEERING AND TECHNOLOGICAL CAPABILITIES.

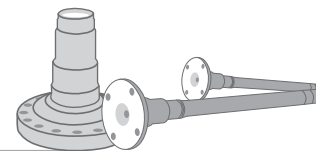
Dear fellow shareholders,

We are delighted with the kind of high investor interest we received and the outstanding success of our IPO. I would like to warmly thank all the investors who have joined our GNA family.

Solid fundamentals are prerequisite for sound growth. A solid foundation is critical for creating anything of value.

We are driven by sound engineering and technological capabilities for the development of our new products and world-class processes. Our strong foundation is what makes us solid, giving us a sound reason to believe in ourselves and grow at every step. Through this letter I intend to share with you our strategic priorities and our thoughts and beliefs for the future.

We are among the leading manufacturers of axle shafts for commercial vehicles and off-highway vehicles in India. We enjoy a considerable presence in export markets. We have been supplying components to domestic customers since 1995 and to overseas customers since 2002. Our market position and experience enable us to compete globally in measurable quality, cost, delivery and technology. The domestic rear axle shaft market is expected to grow at 13% CAGR over the next five years.



WE ARE DRIVEN BY SOUND
ENGINEERING AND
TECHNOLOGICAL CAPABILITIES
FOR THE DEVELOPMENT OF
OUR NEW PRODUCTS AND
WORLD-CLASS PROCESSES

New opportunities are expected to open up for export-oriented, low cost, countries such as India. Under such circumstances, we believe that our leadership position gives us the platform to benefit from this growth, both domestically and globally.

Market-responder

We believe we are insulated to a degree against fluctuation in demand for a specific product. This is possible due to the wide range of products that we currently offer. Our ability to develop new products as per our customer's requirement also plays a key role. Our in-house engineering department and the R & D activities undertaken in each of our product divisions enable us to continuously innovate and develop new products and processes.

Leveraging long-term customer relationships

Our long-term relationships with our key customers allow us to understand and cater their diverse requirements, including new product development. Further, we get the opportunity to cross sell our products in other vehicle and equipment segments, enabling diversification.

Exploring export potential

With the continuing trend of globalisation and reduction in trading barriers in various markets across the world, an

export-oriented strategy will continue offering us business advantages. We aim to capitalise on the Government's available tax incentives. To enhance our customer base and develop relationships, we expect to work closely with the global sourcing offices of our overseas customers. We are positive about benefitting from our existing relationships with overseas customers for expanding into other product segments.

Enhanced focus on automation and technology

We have taken steps towards better resource utilisation and efficiency maximisation by increased automation in the forging and machining processes. Our Company uses IT-enabled business processes, such as advanced computer aided design and analysis capabilities, to accommodate a range of customer specifications. Our forging facilities, such as screw press with direct drive and extrusion press, are supported by robots. We intend to further invest in achieving greater levels of automation. This can be done by acquiring automatic line for the sawing of round and square bars, fully-automatic grinder and polisher and industrial robots such as IRB 7600/500 kg. We intend to invest in automation for most stages of our production process. This is to ensure optimal use of resources, reduction of industrial risk to human workers, economies of scale and significantly higher precision in the overall manufacturing and design of products.

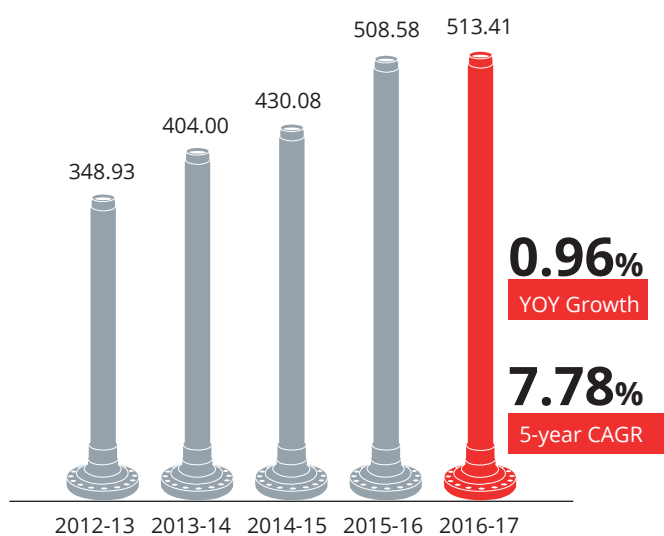
At GNA, we do not simply attempt to push the boundaries of our success – instead we seek to harness daily improvements to expand our business boundaries. I would like to thank you for considering an ownership in GNA. My colleagues and I would like to assure you that we are committed to serving the GNA ecosystem for the benefit of our stakeholders.

Best Wishes,
Gursaran Singh

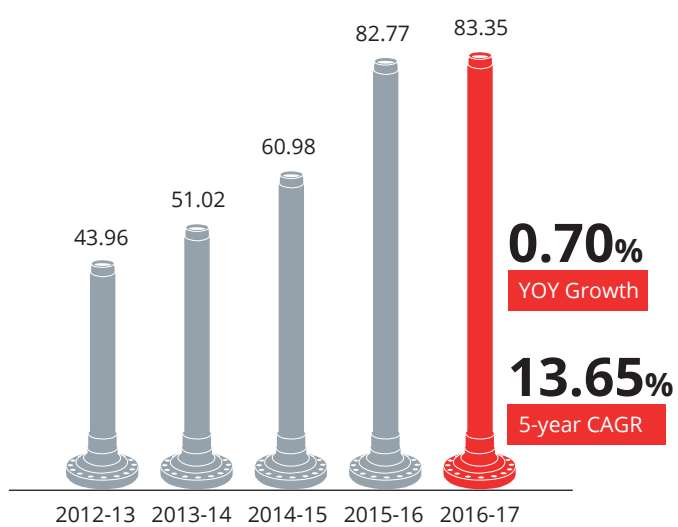
FINANCIALS

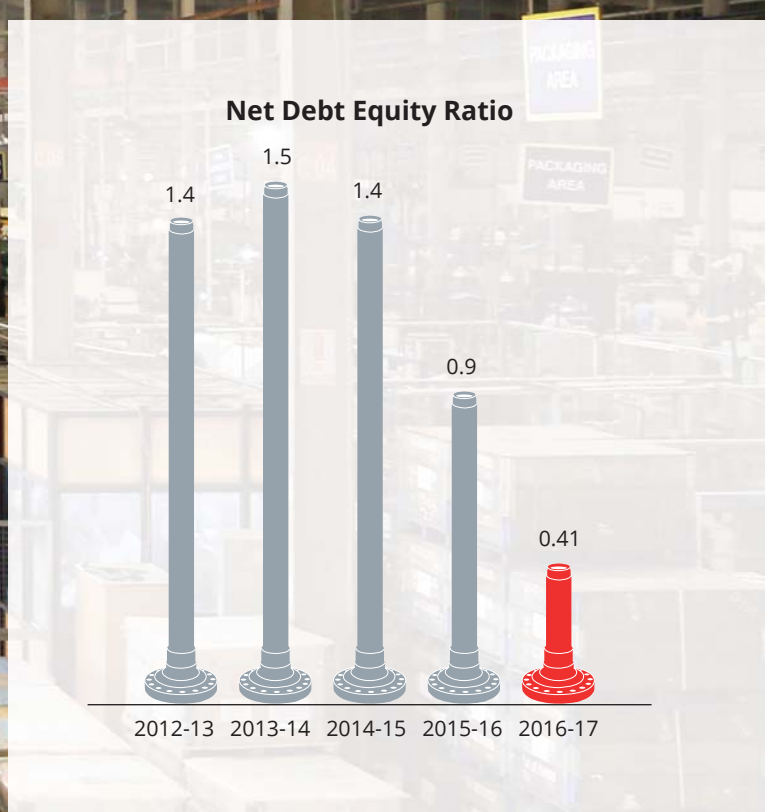
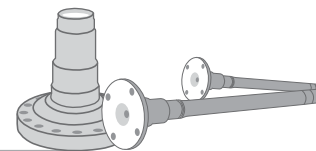


Net Revenue from Operations (₹ Crs.)

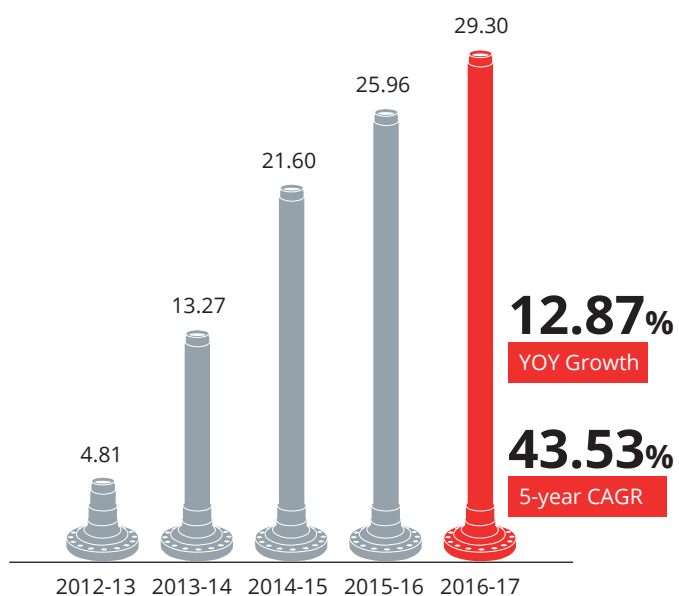


EBIDTA (₹ Crs.)

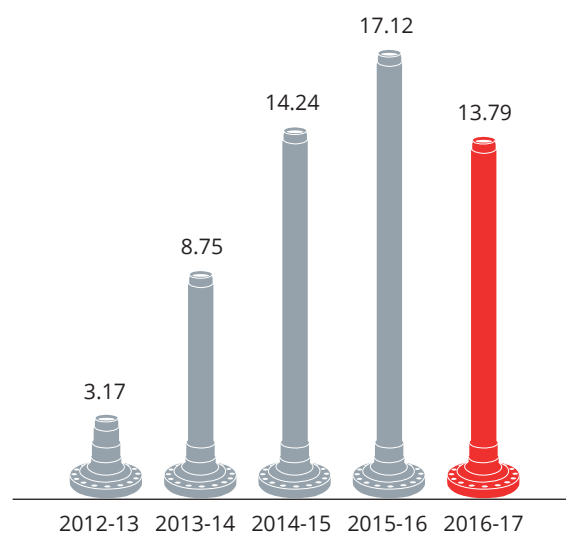




PAT (₹ Crs.)



Earnings Per Share (₹)



CORPORATE INFORMATION

Board of Directors

Mr. Rachhpall Singh
Chairman & Wholetime Director

Mr. Gursaran Singh
Managing Director

Mr. Jasvinder Singh
Jt. Managing Director

Mr. Ranbir Singh
CEO and Wholetime Director

Mr. Kulwin Seehra
Wholetime Director

Mr. Harwinder Singh
Wholetime Director

Mr. Gurdeep Singh
Director

Mr. Jasvinder Singh Johal
Independent Director

Mr. Anish Kumar Dhingra
Independent Director

**Air Cmde (Retd.)
Shailindra Singh Kaushik**
Independent Director

Mr. Vikas Uppal
Independent Director

Mr. Dilsher Singh Bhatti *
Independent Director

**Mr. Manbhupinder
Singh Atwal**
Independent Director

Mrs. Geeta Khanna
Independent Director

Mr. Ajit Singh **
Independent Director

* Resigned w.e.f. 9th March, 2017

** Appointed w.e.f. 5th May, 2017

Chief Financial Officer
Sh. Rakesh Kumar

Company Secretary
Sh. Gourav Jain

Auditors
M/s G.S Syal & Co.
Chartered Accountants
Jalandhar

Bankers
Punjab National Bank
Central Bank of India

Registered Office

GNA House, 1-C Chhoti Baradari Part II, Garha Road, Jalandhar, Ph: 0181 4630477

Corporate Office

VPO Mehtiana, Phagwara - Hoshiarpur Road, Distt. Hoshiarpur
Ph: 01882 262273 - 79, Fax: 01882 262280, 262302, Website: www.gnagroup.com

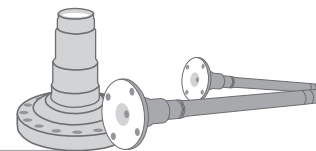
Units

GNA Axles Limited (Unit I)
VPO Mehtiana
Phagwara - Hoshiarpur Road
Distt. Hoshiarpur

GNA Axles Limited (Unit II)
Village Gulab Garh Jattan
Phagwara - Hoshiarpur Road
Distt. Kapurthala

Registrar & Transfer Agent

M/s Linkintime India Private Limited (Unit : G N A Axles Limited)
C -101, 247 Park, LBS Marg Vikhroli (West) Mumbai 400083
Ph: 022 - 49186000, Fax: 022 - 49186060, Email: rnt.helpdesk@linkintime.co.in



NOTICE

NOTICE is hereby given that **TWENTY FOURTH ANNUAL GENERAL MEETING** of the shareholders of GNA Axles Limited will be held on Tuesday, 5th September, 2017 at 11:30 A.M at Magestic Grand Hotel, GT Road, Paragpur, Jalandhar to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2017, statement of Profit & Loss for the year ended on that date, together with the report of Auditor's and Directors thereon.
2. 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.
3. To appoint a Director in place of Mr. Ranbir Singh, (DIN 01572708) who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Gurdeep Singh, (DIN 01572748) who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and being eligible, offers himself for reappointment.
5. To appoint M/s Harish & Co., Chartered Accountants, Jalandhar as Statutory Auditors in place of retiring Statutory Auditors M/s G S Syal & Co. Chartered Accountants and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modifications(s), the following resolution as an **Ordinary Resolution**:-

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014, M/s Harish & Co., (Firm Registration Number 0017372N) Chartered Accountants, Jalandhar be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 29th Annual General Meeting (subject to ratification by members at every Annual General Meeting) at a remuneration to be decided by the Managing Director in consultation with the Auditors plus applicable taxes".

SPECIAL BUSINESS:

6. To Re-appoint Mr. Anish Kumar Dhingra as an Independent Director of the Company.

To consider and if thought fit, to pass, the following Resolution with or without modification(s), as **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, Mr. Anish Kumar Dhingra (DIN: 01062917), who was appointed as an Independent

Director not liable to retire by rotation for a period of 2 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 term of five (5) consecutive years w.e.f. June 10, 2017 to June 9, 2022"

7. To Re-appoint Mr. Vikas Uppal as an Independent Director of the Company.

To consider and if thought fit, to pass, the following Resolution with or without modification(s), as **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, Mr. Vikas Uppal (DIN: 00796828), who was appointed as an Independent Director not liable to retire by rotation for a period of 2 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 term of five (5) consecutive years w.e.f. June 10, 2017 to June 9, 2022".

8. To Re-appoint Mr. Manbhupinder Singh Atwal as an Independent Director of the Company.

To consider and if thought fit, to pass, the following Resolution with or without modification(s), as **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, Mr. Manbhupinder Singh Atwal (DIN: 03298665), who was appointed as an Independent Director not liable to retire by rotation for a period of 2 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 term of five (5) consecutive years w.e.f. June 10, 2017 to June 9, 2022".

9. To Re-appoint Air Cmde. (Retd.) Shailindra Singh Kaushik as an Independent Director of the Company.

To consider and if thought fit, to pass, the following Resolution with or without modification(s), as **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, Air Cmde. (Retd.) Shailindra Singh Kaushik (DIN 07196966), who was appointed as an Independent Director not liable to retire by rotation for a period of 2 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 term of five (5) consecutive years w.e.f. June 10, 2017 to June 9, 2022".

10. To Re-appoint Ms. Geeta Khanna as an Independent Director of the Company.

To consider and if thought fit, to pass, the following Resolution with or without modification(s), as **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, Ms. Geeta Khanna (DIN 07206191), who was appointed as an Independent Director not liable to retire by rotation for a period of 2 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 term of five (5) consecutive years w.e.f. June 10, 2017 to June 9, 2022".

11. To appoint Mr. Ajit Singh as an Independent Director of the Company.

To consider and if thought fit, to pass, the following Resolution with or without modification(s), as **Ordinary Resolution**:

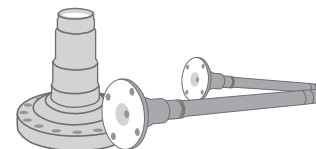
"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligation and Disclosure Requirements), Regulations 2015, Mr. Ajit Singh (DIN 000237491), 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, be and is hereby reappointed as an Independent Director of the Company, for a term of five (5) consecutive years from the date of this annual General Meeting to the conclusion of the 29th Annual General Meeting of the Company".

12. To Reappoint Mr. Rachhpall Singh as Executive Director of the Company.

To consider and if thought fit to pass the following Resolution with or without modification(s), a **Special Resolution**:

"RESOLVED THAT pursuant to section 196, 197, 198, and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modifications or re-enactments thereof), approval of the members be and is hereby given for the reappointment of Mr. Rachhpall Singh (DIN 00806002) as Executive Director of the Company at a monthly remuneration in the scale of ₹ 300000 - 25000- 350000 plus such perks and Allowances as given below for the period of three years w.e.f 01/04/2017 to 31/03/2020".

S.No.	REMUNERATION	DETAILS
I.	Basic Salary	3,00,000-25,000-3,50,000
II.	Perquisites	The perquisites shall be allowed in addition to salary. However, such perquisites shall be restricted to an amount equal to one year's salary during each year as per details given below :-
a)	Housing	House Rent Allowance equal to 40% of basic salary. If the Company's accommodation is provided HRA is not applicable
b)	Medical Reimbursement	Medi-claim policy for self and family. Reimbursement of medical expenses incurred by the appointee (including medi-claim insurance premium) on self and her family, subject to a ceiling of one month's salary in a year or Two months' salary over a period of Two years.
c)	Leave Travel Concession	To and fro air Fare, Boarding, lodging expenses with in India or Abroad for self and family once in a year incurred in accordance with the rules of the Company.
d)	Club Fees	Fees of the clubs subject to maximum held by the beneficiary prior to appointment as Executive Director of the Company. Admission fee, life membership fee will not be a part of the above.



S.No.	REMUNERATION	DETAILS
e)	Personal Accident Insurance	Premium not to exceed ₹ 10,000/- per annum.
f)	Leave encashment	Encashment of underutilised leaves as per the rules of the Company. Encashment of leaves at the end of tenure of services will not be a part or included in the computation of ceiling of perquisite.
g)	Provident Fund & other funds	Contribution to provident fund, superannuation fund or annuity fund and this will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961. The said contribution will also be subject to the rules framed by the Company in this respect.
h)	Gratuity	Gratuity payable shall not exceed half a month's salary for each completed year of service and this shall not be included in the computation of ceiling on perquisites. This will, however, be subject to the ceiling prescribed by the Central Government from time to time.
i)	Car & Telephone	Provision for car for use of Company's business and telephone at residence will not be considered as a perquisite.

Explanation: "Family" means the spouse, the dependent children and dependent parents of the appointee.

RESOLVED FURTHER THAT notwithstanding anything to the contrary herein contained, where in any Financial Year, the Company has no profit or inadequate profits the Company will pay remuneration to the Mr. Rachhpall Singh (DIN 00806002) Executive Director in compliance with Schedule V of the Companies Act-2013 and rules made thereunder.

RESOLVED FURTHER THAT Mr. Ranbir Singh CEO & Whole time Director or Mr. Gourav Jain – Company Secretary be and are hereby severally authorized to comply with all legal and procedural formalities to give effect to the appointment of Mr. Rachhpall Singh as Executive Director of the Company.

13. To Reappoint Mr. Gursaran Singh as Managing Director of the Company.

To consider and if thought fit to pass the following Resolution with or without modification(s), a **Special Resolution**:

RESOLVED THAT pursuant to section 196, 197, 198, and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modifications or re-enactments thereof), approval of the members be and is hereby given for the reappointment of Mr. Gursaran Singh (DIN 00805558) as Managing Director of the Company at a monthly remuneration in the scale of ₹ 300000 – 25000- 350000 plus such perks and Allowances as given below for the period of three years w.e.f 01/04/2017 to 31/03/2020.

S.No.	REMUNERATION	DETAILS
I.	Basic Salary	300000-25000-350000
II.	Perquisites	The perquisites shall be allowed in addition to salary. However, such perquisites shall be restricted to an amount equal to one year's salary during each year as per details given below :-
a)	Housing	House Rent Allowance equal to 40% of basic salary. If the Company's accommodation is provided HRA is not applicable
b)	Medical Reimbursement	Medi-claim policy for self and family. Reimbursement of medical expenses incurred by the appointee (including medi-claim insurance premium) on self and her family, subject to a ceiling of one month's salary in a year or Three months' salary over a period of Three years.
c)	Leave Travel Concession	To and fro air Fare, Boarding, lodging expenses with in India or Abroad for self and family once in a year incurred in accordance with the rules of the Company.
d)	Club Fees	Fees of the clubs subject to maximum held by the beneficiary prior to appointment as Executive Chairman of the Company. Admission fee, life membership fee will not be a part of the above.
e)	Personal Accident Insurance	Premium not to exceed ₹ 10,000/- per annum.
f)	Leave encashment	Encashment of underutilised leaves as per the rules of the Company. Encashment of leaves at the end of tenure of services will not be a part or included in the computation of ceiling of perquisite.

S.No.	REMUNERATION	DETAILS
g)	Provident Fund & other funds	Contribution to provident fund, superannuation fund or annuity fund and this will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961. The said contribution will also be subject to the rules framed by the Company in this respect.
h)	Gratuity	Gratuity payable shall not exceed half a month's salary for each completed year of service and this shall not be included in the computation of ceiling on perquisites. This will, however, be subject to the ceiling prescribed by the Central Government from time to time.
i)	Car & Telephone	Provision for car for use of Company's business and telephone at residence will not be considered as a perquisite.

Explanation: "Family" means the spouse, the dependent children and dependent parents of the appointee.

RESOLVED FURTHER THAT notwithstanding anything to the contrary herein contained, where in any Financial Year, the Company has no profit or inadequate profits the Company will pay remuneration to the Mr. Gursaran Singh (Din : 00805558) Managing Director in compliance with Schedule V of the Companies Act-2013 and rules made thereunder.

RESOLVED FURTHER THAT Mr. Ranbir Singh CEO & Whole time Director or Mr. Gourav Jain – Company Secretary be and are hereby severally authorized to comply with all legal and procedural formalities to give effect to the appointment of Mr. Gursaran Singh as Managing Director of the Company.

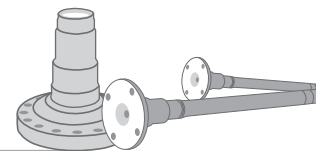
By order of the Board
FOR GNA AXLES LIMITED
Gourav Jain
 (Company Secretary)

Place: Jalandhar

Dated: 19th July, 2017

Notes:

- The statement pursuant to section 102(1) of the Companies Act, 2013, relating to special business to be transacted at the meeting, is annexed hereto.
- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) IN NUMBER AND HOLDING IN AGREE GATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY.
- The instrument appointing a proxy shall be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of their Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
- The Register of Members and Share Transfer Book of the Company shall remain closed on 29th August, 2017.
- Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company/Registrar and Transfer Agent. Kindly note that as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') it is mandatory for the Company to print the bank account details of the investors in dividend payment instrument. Hence, you are requested to register/update your correct bank account details with the Company/ RTA/Depository Participant, as the case may be.
- As part of the "Green Initiative in Corporate Governance" of Ministry of Corporate Affairs, electronic copies of the Annual Report are being sent to all the members whose e-mail IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode.
- 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.
- Electronic copy of the Notice of this Meeting of the Company inter alia indicating the process and manner of e-voting along with attendance slip and proxy form is being sent to all the members whose e-mail IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copies of the Notice of the 24th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode. Members may also note that Notice of this Meeting and the Annual Report will also be available on the Company's website www.gnagroup.com for their download.



10. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting; members are requested to bring their copies at the meeting.
11. Members/proxies should bring their attendance slips sent herewith, duly filled in, for attending the Meeting. Members/proxies attending the AGM are requested to carry their identity proof.
12. A statement containing details of the Directors seeking appointment/reappointment at the forthcoming Annual General Meeting as required under Regulation 36 of the SEBI (LODR) Regulations, 2015 is annexed. The Directors have furnished the requisite declarations for their appointment / reappointment.
13. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company between 11.00 am and 1.00 pm on all working days except Saturdays, till the date of the meeting.

14. Voting through electronic means:

In Compliance with the provisions of section 108 of the Companies Act, 2013, and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (LODR) Regulations, 2015, the Company is pleased to provide its members a facility to exercise their right to vote at the 24th Annual General Meeting (AGM) by electronic means and business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CSDL).

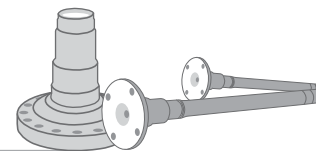
The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 2nd September, 2017 at 9 : 00 AM and ends on 4th September, 2017 at 5 : 00 PM. During this period shareholders' of the Company, holding shares either in physical form or in de-materialised form, as on the cut-off date of 29th August 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number printed on attendance slip provided with Annual Report.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (xii) Click on the EVSN for **GNA Axlex Limited**.
 - (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
 - (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
 - (xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - (xix) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk. evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk. evoting@cdslindia.com
15. M/s. H.K & Associates, Company Secretaries, have been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner (including the ballot forms received from members who do not have access to the e-voting process). The Scrutinizer shall upon the conclusion of E-voting period, unblock the votes in presence of at least two witnesses not in employment of the Company and make a report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 16. The Results of the resolutions passed at the AGM of the Company will be declared within 48 hours of the conclusion of AGM. The results declared along with the Scrutinizer's report shall be simultaneously placed on the Company's website www.gnagroup.com and on the website of CDSL and will be communicated to the Stock Exchanges.



ANNEXURE TO THE NOTICE

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO 6 to 10 OF 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 appointed Mr. Anish Kumar Dhingra, Mr. Vikas Uppal, Mr. Manbhupinder Singh Atwal, Air Cmde. (Retd.) Shailindra Singh Kaushik and Mrs Geeta Khanna as Non Executive Independent Directors of the company for a term of two years from 10th June, 2015 to 9th June 2017. As the tenure of these Independent Directors was going to expire on June 9, 2017, the Board of Directors in its meeting held on 5th May 2017, upon the recommendation of the Nomination and Remuneration Committee had reappointed Mr. Anish Kumar Dhingra, Mr. Vikas Uppal, Mr. Manbhupinder Singh Atwal, Air Cmde. (Retd.) Shailindra Singh Kaushik and Mrs Geeta Khanna as Non Executive Independent Directors of the Company for a second term of five (5) consecutive years from 10th June 2017 to 9th June 2022, subject to the approval of the shareholders in the ensuing Annual General Meeting. The Company has received the consent from these Independent Directors and also declaration confirming that they are 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 Mr. Anish Kumar Dhingra, Mr. Vikas Uppal, Mr. Manbhupinder Singh Atwal, Air Cmde. (Retd.) Shailindra Singh Kaushik and Mrs Geeta Khanna for the office of Non Executive Independent Director of the Company.

All these Independent Directors are Independent of the Management and in the opinion of the Board they fulfil the conditions specified in the Companies Act, 2013 and rules made thereunder. The copy of the draft letter of 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 to 10 of the Notice for the approval by the shareholders.

MEMORANDUM OF INTEREST

The Directors or any of the Key Managerial Personnel of the Company or any relatives of the Directors or Key Managerial Personnel of the Company are not in anyway concerned or interested, financially or otherwise, in the proposed resolutions as set out in item No. 6 to 10 of this notice except the appointees themselves. This statement may also be regarded as a disclosure under the SEBI (LODR), Regulations, 2015.

ITEM NO 11 OF THE SPECIAL BUSINESS.

The Board of Directors of the Company in its meeting held on

5th May, 2017 had appointed Mr. Ajit Singh as Additional Non Executive Independent Director of the Company pursuant to section 161 (1) of the Companies Act, 2013 to fill the vacancy created by the resignation of Mr. Dilsher Singh Bhatti from the Board of Directors of the Company. He will hold office upto the date of the ensuing Annual General Meeting of the Company.

In this regard, requisite notice in writing from a member has been received proposing the appointment of Mr. Ajit Singh for the office of Non Executive Independent Director of the Company for a term of five (5) consecutive years starting from the date of this Annual General Meeting till the conclusion of the 29th Annual General Meeting of the Company.

The Company has also received the consent from Mr. Ajit Singh 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.

Mr. Ajit Singh is Independent of the Management and in the opinion of the Board he fulfil the conditions specified in the Companies Act, 2013 and rules made thereunder as an Independent Director of the Company. A copy of the draft letter of 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 Mr. Ajit Singh are provided at the end of this statement.

The Board recommends the Ordinary Resolutions as set out at Item No 11 of the Notice for the approval by the shareholders.

MEMORANDUM OF INTEREST

The Directors or any of the Key Managerial Personnel of the Company or any relatives of the Directors or Key Managerial Personnel of the Company are not in anyway concerned or interested, financially or otherwise, in the proposed resolution as set out in item No. 11 of this notice except the appointee himself. This statement may also be regarded as a disclosure under the SEBI (LODR), Regulations, 2015.

ITEM NO 12 OF THE SPECIAL BUSINESS.

S. Rachhpall Singh was appointed as Executive Director of the Company vide Board resolution dated 29th September 2014 and shareholders' resolution dated 14th March, 2015 for a period of 3 years from 1st April 2014 to 31st March 2017. The Board of Directors of the Company in its meeting held on 19th January 2017, upon the recommendations of the Nomination and Remuneration committee of the company, has reappointed S. Rachhpall Singh as Executive Director of the Company, designated as Chairman of the Company, for a further period of 3 years from 1st April 2017 to 31st March 2020, subject to the approval of the shareholders of the company in the ensuing Annual General Meeting, on such remuneration as provided in the resolution. He is having an experience of more than 55 years in the auto components industry and the Company has gained immensely from his experience and the Company intends to gain from his experience in the time to come

The details of Mr. Rachhpall Singh, as required to be given pursuant to Listing Regulations and Secretarial Standards, are attached to the notice.

The Board recommends the Special Resolution as set out at Item No 12 of the Notice for the approval by the shareholder Mr. This statement may also be regarded as a disclosure under the SEBI (LODR), Regulations, 2015.

MEMORANDUM OF INTEREST

Except Mr. Rachhpall Singh the appointee himself Mr. Jasvinder Singh and Mr. Gursaran Singh being the appointee's relatives, none of the Directors / Key Managerial Personnel of the Company / their relatives is / are concerned or interested, financially or otherwise, in the resolution set out at item no 12.

ITEM NO 13 OF THE SPECIAL BUSINESS.

S. Gursaran Singh was appointed as Managing Director of the Company vide Board resolution dated 29th September 2014 and shareholders' resolution dated 14th March, 2015 for a period of 3 years from 1st April 2014 to 31st March 2017. The Board of Directors of the Company in its meeting held on 19th January 2017, upon the recommendations of the Nomination and Remuneration committee of the company, has reappointed S. Gursaran Singh as Managing Director of the Company, for a further period of 3 years from 1st April 2017 to 31st March 2020, subject to the approval of the shareholders of the company in the ensuing Annual General Meeting, on such remuneration as provided in the resolution. S. Gursaran Singh is the doyen of the Indian Auto Components Industry and has an experience of around

55 years. He has been on the Board of the Company since inception of the Company and has been instrumental in making the Company a renowned name, in the manufacture of Axle shafts, around the world. The Company intends to gain from his experience in the Industry in future also.

The details of Mr. Gursaran Singh, as required to be given pursuant to Listing Regulations and Secretarial Standards, are attached to the notice.

The Board recommends the Special Resolution as set out at Item No 13 of the Notice for the approval by the shareholders. This statement may also be regarded as a disclosure under the SEBI (LODR), Regulations, 2015.

MEMORANDUM OF INTEREST

Except Mr. Gursaran Singh the appointee himself Mr. Rachhpall Singh, Mr. Ranbir Singh and Mr. Gurdeep Singh being the appointee's relatives, none of the Directors / Key Managerial Personnel of the Company / their relatives is / are concerned or interested, financially or otherwise, in the resolution set out at item no 13.

By order of the Board
FOR GNA AXLES LIMITED
Gourav Jain
(Company Secretary)

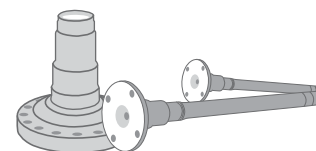
Place: Jalandhar

Dated: 19th July, 2017

ANNEXURE TO THE NOTICE

Details of Directors seeking appointment / reappointment at the forthcoming Annual General Meeting (in pursuance of Regulation 36(3) of the SEBI (LODR) Regulations, 2015) as at 31st March, 2017

Name of Director	Mr. Anish Kumar Dhingra	Mr. Vikas Uppal	Mr. Manbhupinder Singh Atwal	Air Cmde. (Retd.) Shailindra Singh Kaushik
Date of Birth	03-01-1953	29-07-1964	26-12-1956	22-11-1940
Date of Appointment	10-06-2015	10-06-2015	10-06-2015	10-06-2015
Expertise in specific functional area	Experience of more than 35 years in the field of Banking and Auto Components.	Experience of more than 26 years in Engineering Industry.	Experience of more than 25 years in the field of Defence and Defence related Industries.	Experience of more than 35 years in the field of Defence and General Administration.
Qualification	B.Com, M.Com	B.Tech	B.Sc, M.Sc, MA, B.Tech	Post Graduate in Defence Studies
Directorship of other Companies as on 31st March, 2017	1. Friends Castings Private Limited	1. Opal Engines Private Limited	1. MSA Global Opto Electronics Private Limited. 2. Kinetix Solutions Private Limited 3. Kinetix Engineering Solutions Limited 4. Tested Healthcare Private Limited	-
Chairman / Member of committees of other Companies as on 31st March, 2017.	NIL	NIL	NIL	NIL
Number of shares held	NIL	NIL	NIL	950
Relationship with other Director(s)	Not related to any Director	Not related to any Director	Not related to any Director	Not related to any Director



Name of Director	Ms. Geeta Khanna	Mr. Ajit Singh	Mr. Rachhpall Singh	Mr. Gursaran Singh
Date of Birth	26-12-1955	26-09-1963	15-10-1933	20-04-1936
Date of Appointment	10-09-2015	05-05-2017	01-04-2014	01-04-2014
Expertise in specific functional area	Experience of more than 30 years in the field of International Banking, Finance and Credit	Experience of more than 25 years in Business.	Experience of more than 55 years in the auto components industry	Experience of more than 55 years in the auto components industry
Qualification	B.Sc, MA	Graduate	Under Graduate	Under Graduate
Directorship of other Companies as on 31st March, 2017	-	1. New Look Colonisers Private Limited	-	1. Lumax Industries Limited. 2. GNA Gears Limited 3. Guru Nanak Transmissions Punjab Limited
Chairman / Member of committees of other Companies as on 31st March, 2017.	-	-	-	Audit Committee: 1. Lumax Industries Limited
Number of shares held	NIL	NIL	17,90,400	13,65,400
Relationship with other Director(s)	Not related to any Director	Not related to any Director	Brother of Mr. Gursaran Singh and father of Mr. Jasvinder Singh	Brother of Mr. Rachhpall Singh and father of Mr. Ranbir Singh and Mr. Gurdeep Singh

Name of Director	Mr. Jasvinder Singh	Mr. Ranbir Singh	Mr. Gurdeep Singh
Date of Birth	26-07-1958	04-12-1961	04-01-1967
Date of Appointment	06-09-1993	06-09-1993	06-09-1993
Expertise in specific functional area	Experience of more than 35 years in Auto Component industry.	Experience of more than 30 years in Auto Component industry.	Experience of more than 30 years in Auto Component industry.
Qualification	Graduate	Diploma in Mechanical Engineering	Graduate
Directorship of other Companies as on 31st March, 2017	1. GNA Investment Limited 2. Guru Nanak Transmissions Punjab Limited 3. Automotive Components Manufacturers Association of India	1. GNA Gears Limited. 2. GNA Investments Limited 3. Guru Nanak Transmissions Punjab Limited 4. Capital Small Finance Bank Limited 5. Association of India Forging Industry.	1. GNA Gears Limited 2. GNA Investment Limited 3. Guru Nanak Transmissions Punjab Limited 4. Amarsons Automotives Limited
Chairman / Member of committees of other Companies as on 31st March, 2017.	-	Member of the following Committees of Capital Small Finance Bank Limited:- 1. Audit Committee 2. Credit Sanctioning Committee 3. Stakeholders Relationship Committee 4. CSR Committee	Audit Committee: 1. GNA Gears Limited
Number of shares held	26,30,400	26,30,400	26,30,400
Relationship with other Director(s)	Son of Mr. Rachhpall Singh and Father of Mr. Harwinder Singh	Son of Mr. Gursaran Singh, brother of Mr. Gurdeep Singh and father of Mr. Kulwin Seehra	Son of Mr. Gursaran Singh and brother of Mr. Ranbir Singh

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC OVERVIEW

Global Economy

During 2016-17, the global economy was faced by a series of uncertainties. US elections, referendums in Britain and Italy, rise of populism across Europe and India's currency reforms – these were the primary reasons behind the decline in global trade activities. The Brexit vote further weakened global sentiments. However, a mild recovery was witnessed in the latter half of the year, particularly in the advanced economies. While employment and confidence-level improved in US, UK witnessed a rise in domestic demand following Brexit. Additionally, there was a momentum in the Eurozone economy as robust domestic demand led recovery in the second half of 2016.

This contradicted the earlier expectations of a slowdown due to geopolitical uncertainties.

The emerging markets and developing economies (EMDEs) experienced a subdued growth. While China continued growing moderately with persistent support from the authorities, a major slowdown in some Latin American countries (Argentina, Brazil and Colombia) was also seen. Going ahead, the global GDP is expected to grow around 3.5% in 2017. A close watch would be there on the geo-political tensions in the Middle East and North Africa region, faster than expected Fed rate hike and increase in protectionism policies by the advanced economies.

Indian Economy

According to the World Bank, India witnessed 6.8% growth in 2016-17. This made the country one of the fastest growing economies among the G20 nations. Together, sustained low inflation, falling fiscal deficit, low current account deficit and a stable currency, created a positive environment for economic growth. However, the country witnessed a temporary slowdown in the last quarter owing to demonisation. By the end of the fiscal, a positive improvement in some of the largely observed data, such as automobile sales, cement consumption, personal loan growth and exports growth, indicated economic recovery post demonetisation. The implementation GST, in July 2017, combined with Government's thrust on infrastructure and affordable housing, will see India grow steadily in the near term.

INDUSTRY OVERVIEW

Commercial Vehicles

Global

The global market for heavy commercial vehicles expanded again in 2016. A total of 2.9 Million trucks were sold worldwide a 6% rise as compared with 2015. The most successful markets were China and Western Europe, both with double-digit growth rates. On the contrary, business in the US and Brazil contracted significantly. This was owing to the slow pace of economic growth.

Roughly one-third of all new heavy commercial vehicles around the world are sold in China. The market almost reached the 1 Million mark in 2016, with sales climbing by 28 percent to 962,000 units. However, anticipatory buying

had considerable impact on the figures. In China, the new National V standard for exhaust emissions is currently being introduced. It largely corresponds to the European Euro V standard. (Source: www.vda.de)

The Western European market for heavy commercial vehicles over 6 tonnes increased by 11 percent to 287,300 vehicles in 2016-17. This was the highest level since 2008. Recovery continued most strongly in the Southern European markets. The growth in sales was greatest in Italy (+51 percent). Double-digit increases also occurred in new registrations in France (+13 %) and Spain (+10 %). Despite the Brexit vote, registrations in the UK also rose by 6% to 46,800 units. However, the UK is expected to record lower sales in 2017. The growth expected in the rest of Western Europe will probably more or less compensate for this decrease.

As expected, the US truck market went sharply into reverse in 2016 after six years of growth. Sales were 11 percent down from the previous year's volume, with 4,00,400 units sold. Over the current year, the market may well record another loss, although less marked than that in 2016.

(Source: <https://www.vda.de/en/press/press-releases/20170201-Global-commercial-vehicle-market-expands-in-2016.html>)

Indian

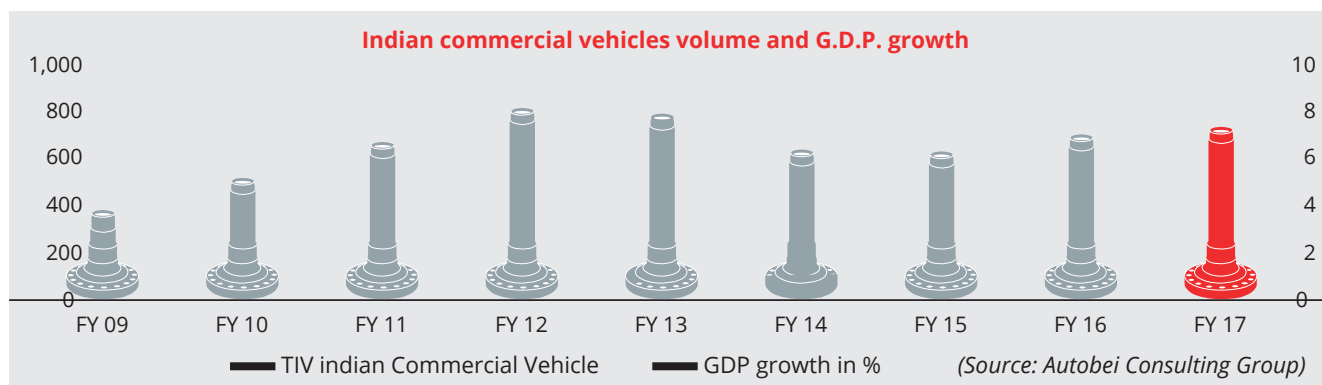
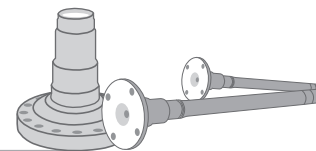
A Commercial Vehicle ("CV") finds its use in transporting goods or passengers. In India, 85-88 percent of vehicles produced are used to transport goods. Further, most vehicles produced in India are sold in the domestic market, while only around 11 % is exported across South Asian Countries, Middle East, South East Asia and Africa.

Based on their vehicle load capacity, Commercial Vehicles can be classified into three categories:

1. Small Commercial Vehicles (SCV)
2. Light and Medium Duty Trucks (LMDT) and
3. Heavy Duty Trucks (HDT)

The Indian commercial vehicle (CV) industry registered volume growth of 4.16 % in the financial year 2017 against 2016. Medium and Heavy Commercial Vehicles (M&HCV) grew by 0.04% and Light Commercial Vehicles grew by 7.41%. The CV industry growth was urged by positive economic condition and business sentiments. In FY 2017, the Commercial Vehicle volume reached 727 thousand units as compared to 383 thousand units in 2009. The CV market is largely dependent on economy, availability of load, low cost finance, freight rate and diesel price equilibrium. Currently, fuel prices are low, freight rates are at comfortable levels and customers are seeing profits. This leads to an improvement of the general economy, consequently leading to the betterment of the industry. Increased road construction and mining activities have also contributed to the economy development. In the next five years, CV sales are expected to grow due to improvement in industrial activity, steady agricultural output and strong focus on infrastructure project execution along with continued capacity constraints in the railways.

(Source: Autobei Consulting Group)



Key drivers for commercial vehicles

- Improved industrial activity
- Increased agricultural output
- Private final consumption expenditure
- Uptick in Export Import transportation
- Road construction and mining segment growth to drive tipper demand

Challenges

- Better infrastructure is required with lots of tweaking and improvements
- Emission standard: Euro 4's implementation needs to be changed to Euro 6 to get a better performance
- Sulphur concentration – The present concentration of Sulphur in fuels is alarming. Euro – 6 will bring a change to this too
- CV industry capacity utilisation is greater than 50-55% as a lot of new capacity has been introduced in the past years. Due to this, many new companies have not been able to reach their projected figures
- Other challenges include discount, product mix, cost and competition, among others

The Commercial Vehicle Industry outlook

The Commercial Vehicle market is expected to grow by 5-6% in 2017-18 due to normal Monsoon and implementation of GST. The sales growth should be visible after July 2017 after implementation of GST. It would further accelerate the evolution of the hub-and-spoke model for transportation in the country, where small CVs are used for last mile or spoke distribution, and HCVs for hub-to-hub transportation. This will give a boost to the growth in CV Industry in the coming years. (Source: Autobei Consulting Group)

Tractors

The tractor is a multi-utility vehicle. It is used to pull a variety of farm implements. These implements are used for ploughing, planting, cultivating, fertilising and harvesting crops. Most tractors find usage on farms. However, they are also used at the construction sites and at airports to transport material and goods. Based on their engine Horse Power (HP), tractors, in India, are divided into three categories:

- Small tractors (<30 HP)
- Medium-sized tractors (30-40 HP)
- Large tractors (> 40 HP)

GLOBAL

North America and Europe

In terms of value, North America is one of the largest market in agricultural equipment. Over the past decade, a strong growth in demand of such equipment too has been witnessed. High crop prices led to this robust growth, hence converting higher returns to the farmer. This also resulted in an increased demand for farm tractors in North America and Europe. Factors like favorable government policies encouraging the usage as well as purchase of agro machinery and various farming equipment support the market.

By 2024, a sales volume of 582.2 thousand units is expected to be recorded in the North America and Europe farm tractor market. In terms of revenue, an expansion from USD13.6 Billion in 2015 to USD17.23 Billion by 2024 has been projected for the market. Going by the projections, the North America farm tractors market is expected to register a modest 3.0% CAGR by value during the forecast period. On the other hand, Europe is expected to demonstrate a 5.4% CAGR from 2016 to 2024.

(Source: Marketwatch.com)

Growth Drivers

There has been a growing trend of farm mechanisation across North America and Europe. This can be accredited to the numerous benefits offered:

- Considerable savings in terms of time and resources
- Improved efficiency
- Increased production.

Factors behind an increase in usage of mechanized farming techniques and equipment

- Shortage of farm laborers in these regions
- Growing demand for agricultural products due to rising population
- Government offering subsidies and easy access as an effort to encourage use of mechanized farming techniques

Challenges

A lot of challenges have been posed due to the implementation of strict emission norms in most developed countries

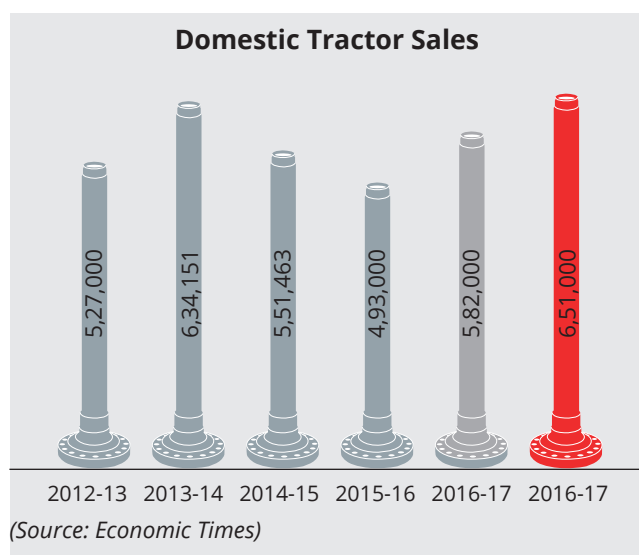
- Stringent regulations, with regards to the usage of diesel engines, particularly in off-road vehicles, posed by regulatory bodies such as the U.S. Environment Protection Agency (EPA) and the Economic Commission for Europe (ECE). This makes it mandatory for the Tractor manufacturers to bear additional costs to adhere to these norms, hence restricting the uptake of farm tractors.

Indian

At the end of 2016-17, the Indian tractor industry showed an 18% growth wherein tractor makers sold 5,82,000 units. This growth can be rightly accredited to good monsoons. Moving ahead, Maharashtra, Madhya Pradesh and Uttar Pradesh are predicted to drive demand. A normal monsoon and consistent pace of rural development activities are said to help the peninsular region also perform well. Factors like Government's Pro-farmer policies and economy's growing pace are also expected to boost India's tractor industry and help it reach record sales in the coming years. These elements are projected to alleviate concerns of demand shrinkage due to insufficient monsoon rains. A double-digit growth in 2017-18 will also help the industry reach the record set four years ago.

Growth drivers

- Various Government initiatives like doubling farmer income in next five years and writing off farmers loan is encouraging people to invest in tractors
- Favorable budget announcements like record farm credit disbursement of ₹10 Lacs crs and other rural development initiatives will benefit tractor sales
- Other factors, like higher allocation of credit to farmers in the Budget, higher demand by non-agri sector and positive forecast by the Indian metrological department, are said to reflect a growth in tractor demand by 12-15% in 2017-18



Challenges:

- Monsoons largely influence tractor sales. Anything below normal impacts and affects the buying pattern.
- Higher interest rates charged by lending bodies directly affect a farmer's financial condition, hence restricting their tractor-purchasing ability.
- Other factors impacting the earning and buying pattern of farmers' include:
 - Improper ground implementation of policies like Fasal Bima Yojna and
 - Farmers' inability to realise benefits of higher minimum supporting price (MSP)

Outlook

A descent growth pace has been projected for the domestic demand till Fiscal 2020. An increase by 8-9% CAGR from 2015 to 2020 is expected in tractor demand as against an estimated CAGR of 16% from 2009 to 2014. This growth will mainly be driven by

- An increase in farm profitability due to healthy growth in MSP and crop yields
- Farm labour shortage because of migration to urban areas and rural entrepreneurship
- Government's increased focus on agriculture through agricultural credit
- Increase in rural development
- Increased finance availability via:
 - Non-mortgage schemes with private financiers as against mortgage of land earlier
 - Expansion of private financiers (East) and finance for used tractors leading to shortening of replacement cycles (North).

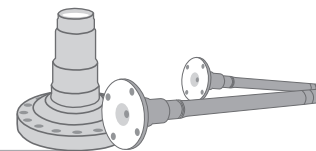
Looking at the long term, the tractor sales are expected to grow by 8-9% CAGR. This will be possible with falling replacement cycles stable farm incomes and the Government's increased focus on agricultural and rural development.

Auto Component Industry

The fiercely competitive global automotive industry depends on a lot of factors. These include:

- Technological advancement
- Difficulty in product manufacturing
- Costs adjustments
- Demand volume

In the coming two years, some regulatory tightening is expected. The prices in established markets are also likely to be flat except in US. This is due to the changes in the auto component industry, yet to be adjudged with NAFTA and CAFÉ. More platform sharing and modular systems are also expected. In North America, vehicle segmentation will see a shift to higher value segments. Developed markets are predicted to increase by 20% by 2020 while emerging markets are expected to increase by 65%. This will relatively affect the auto parts and manufacturing industry mainly



because the demand in the emerging markets will increase in relative growth to the automotive industry.

The industry of auto components constitutes 3.6% of total production of the global manufacturing industry. The global auto parts production, during 2014, touched about USD1.4 Trillion. Here, Asia Pacific enjoyed the largest share with 55.5%, followed by North America (24%) and Europe (14%). The auto component production in North America is around USD 335 Billion in size whereas that in Europe is around USD193 billion. In both these markets, a 70-75% of production is for OEMs.

Growth Drivers

- With a shift in the industry trend towards fuel-efficient cars, hybrid and electric cars demand is expected to boost the industry.
- An increase in demand for fuel-efficient components due to increased oil prices and changes in CAFÉ mandates, presents a growth opportunity
- An increase in consumers' disposable income in North America will also prove to be a positive for auto sales.
- The new Government's stricter emissions regulations would also prove beneficial for manufacturers of turbochargers and emissions systems as it will drive demand for fuel efficient auto parts
- The industry's foothold and revenue contribution is also expected to increase with new technological advancements in driverless cars and boost in E-commerce

Challenges

- Interest Rates: If Federal Reserve Bank increases the interest rates, it will negatively affect the demand of automobiles in the market
- Exposure to European markets - subject to numerous political and economic risks - will affect the major players negatively
- The revenues and margins of major global players in industry will be adversely affected by the proposed changes in NAFTA and localization call by the Trump government in US

Indian auto component industry

The Indian automotive component industry witnessed a robust growth in the last decade. The main drivers behind this were increased investments by automotive OEMs in India. This helped to lift the demand for technologically advanced components. The growing scale allowed manufacturers to keep costs low. This further made sourcing automotive parts from India more lucrative. The Indian auto component industry witnessed a healthier growth in 2016-17. This was a welcome change after the sluggish trend recorded in the last few years.

The Indian auto-components industry has been forecasted to register a turnover of USD 100 Billion by 2020. This is said to be backed by strong exports ranging between

USD 80-100 Billion by 2026, from the current USD11.2 Billion.

The Indian Automotive sector is expected to be among the world's top 3 in the next few decades. It is likely to contribute more than 12% to the country's GDP and comprise more than 40% of the manufacturing sector. Auto Components Exports are projected to touch 4.36 – 4.63 Lac Crs by 2025-2026 whereas the Domestic sales of the auto components are expected to touch around 4.45 – 5.49 Lac Crs.

(Source: The Automotive Component Manufacturers Association of India (ACMA)).

The government's Automotive Mission Plan 2016-26 is one of the major growth drivers behind this. It will drive the 'Make in India' campaign. The campaign's focus will mainly be on exports of small cars, multi-utility vehicles (MUVs), two and three wheelers and automotive components.

GST's implementation will be a remarkable development. It is expected to influence the economy favorably, especially the demand for automobiles. This is likely to further add to the growth momentum in the sector in the medium to long run.

Outlook

The global economy, showing a rapid increase, is likely to throw new opportunities for the transportation industry and this will result in newer verticals and opportunities for auto-component manufacturers in the decade to come. The auto-component manufacturers would then be required to adapt to the change via systematic research and development. By the year 2025, the Indian auto-components industry is all geared up to become the world's third largest. The Indian auto-component makers are aptly positioned to enjoy the advantage from globalization. This is possible because exports potential is expected to show an increase by up to four times to USD 40 Billion by 2020 from the current USD 11.2 Billion.

REAR AXLE MARKET

Global

By the year 2024, the global rear axle market is forecasted to reach USD 57.77 Billion. An increase in the concern over safety and security is estimated to drive demand over the projected period.

The increasing urbanization is leading consumers in developed countries to look for alternatives to car ownership. Today, the integrated mobility business and car-sharing have fast become the ongoing trend in the developed nations. To enjoy a wider presence in all the diversified segments, the original equipment manufacturers are anticipated to diversify the product portfolio for offering services including car-sharing.

With an increasing demand and approach towards value for money (VFM) - including high mileage and fuel-efficient products - the vehicle industry is anticipated to be propelled. Developed markets, such as Europe and the U.S., represent the dominant share in the industry. A shift in the markets

from developed to emerging has been observed. Intense competition is what led this shift in the focus. Other factors that led the emerging countries, such as India and China, to display market growth include:

- Lifestyle change
- Rise in disposable income
- Stabilization of economic conditions

During 2015, the drive axles segment accounted for over 40% of the overall revenue. For an increased efficiency, a number of interconnecting systems were incorporated with the drive shaft. These systems also helped control the movement and power. Now that the engine power helps turn the axle for creating movement, drive shafts are being used in a wide variety of vehicles. The economy vehicles segment is anticipated to experience an enormous growth. It is estimated to reach over USD 22.0 Billion by 2024 (Source: Businesswire). The demand is aptly reflected in the shorter lead times in development, higher fuel economy, lower vehicle noise and higher engine power. Rear axles used in these vehicles offer better fuel consumption and lower noise levels. The Asia Pacific rear axle market is expected to grow at a CAGR of 4.9% from 2016 to 2024 (Source: Businesswire). The overall industry demand is expected to experience a boost by emerging countries like South Africa and India. SA displayed a significant growth under the motor industry development program. Economy vehicles are expected to dominate the overall market in context with the rear axle application.

Indian Rear Axle and spindle Market

The current market size for rear drive axle shaft used in CV and tractors manufactured in India is around ₹ 5.2 Billion. A greater number of CV production in Fiscal 2012, led the axle shaft market at a peak. Thereafter, it declined due to weak economic activity.

Amongst the four segments, the tractor contributes the highest in terms of volume. The current market size for Indian spindles used in CVs is around ₹ 1.7 Billion. In 2012, the spindle market showcased a good performance. This was mainly due to higher CV production. In 2014 and 2015, low CV production, due to below average demand and high financing cost, muted the market.

When it comes to spindle market, SCV contributes the highest volume as compared with any other commercial vehicle segment.

Rear axle shaft and spindle outlook

Rear axle shaft and spindle volume is estimated to grow at a CAGR of 10-11% and 11-12%, respectively, from 2015 to 2020 due to LCV. Demand is expected to increase by 12-13% CAGR from 2015 to 2020 due to:

- Improved private financial consumption expenditure (PFCE)
- Growing hub and spoke network
- Replacement of 3-wheelers
- Ease in CV financing

Between the period 2015 and 2020, MHCV sales are expected to grow by 10-12% CAGR. This growth can be accredited to:

- The expected improvement in industrial activity
- Steady agricultural output
- Strong focus on infrastructure project execution
- Along with continued capacity constraints in the Railways

BUSINESS OVERVIEW

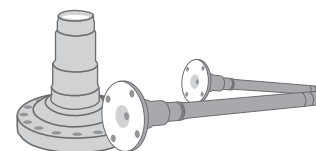
Given below is a brief overview of the Company's operational and financial performance in 2016-17:

Product-wise volume distribution

Products Types			(No. of pcs., in Lacs)	
	2016-17		2015-16	
	Domestic	Exports	Domestic	Exports
Rear Axle Shafts	11.79	6.11	10.70	7.65
Spindles	0.42	2.51	0.16	1.52
Drive shafts	1.71	0.85	1.54	1.06
Total Volumes	13.92	9.47	12.40	10.23

Segment-wise volume distribution

Segment			(No. of pcs., in Lacs)	
	2016-2017		2015-2016	
	Domestic	Exports	Domestic	Exports
Off Highway	11.24	2.67	10.17	2.94
Commercial Vehicles	2.68	6.80	2.23	7.29
Total Volume	13.92	9.47	12.40	10.23



Geography-wise revenue distribution

		(₹ in crs)
Revenue Break up	2016-2017	2015-2016
Domestic	279.43	246.73
Exports	233.98	261.78
Total	513.41	508.51

FINANCIAL SNAPSHOT

	(₹ in Crs)	
Financial Highlights	2016-2017	2015-2016
Total Net Revenue	513.41	508.52
Profit Before Interest and depreciation	83.35	82.77
Interest	12.52	16.29
Cash Profit	70.83	66.48
Depreciation	23.94	27.17
Profit before tax	46.89	39.31
Tax	17.29	13.35
Net Profit after Tax	29.6	25.96

Quality, Efficiency and Delivery

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

- Focus on quality: ISO/TS-16949:2009 certifications obtained for both manufacturing units. Applicable to organisation sites manufacturing customer specified parts
- In-house execution of manufacturing processes to monitor product quality, control production costs and maintain delivery schedules
- Trained and certified several employees with Six Sigma Certified Black Belts (Level I)
- Improving forging efficiency to increase capacity utilisation
- Better relations with vendors for achieving quality, costs and delivery objectives with the help of regular vendor audits
- Centralised approach towards sourcing and vendor management ensuring economies of scale in raw material procurement, especially steel
- Special focus on products packaging to meet customers' requirements. Due consideration given to the mode of transportation and destination, ensuring timely deliveries.

Technology and Automation

The Company took active steps towards better utilisation of resources and maximising efficiency. This was done

by increasing automation in the forging and machining processes. We use IT-enabled business processes such as advanced computer aided design and analysis capabilities. These help us provide a variety of customer specifications. The forging facilities are supported by robots. We intend to invest in automation for most stages of production process. This will help ensure optimal use of resources, reduction of industrial risk to human workers, economies of scale and significantly higher accuracy in the overall manufacturing and design of products.

Human Resource

The Company believes in crafting a workspace where people from diverse background can thrive and come together to contribute. The ever-changing customer needs is one of the key factors that dictates the direction of the People framework. The Company constantly works towards providing the best suited framework in partnership with business leadership. We have utilised the insights from the current, past and potential employees. These have helped us craft the employee value proposition for the organisation. The Company is committed towards its people's development. We have now institutionalized the people review process across the organisation. It encourages, promotes and supports developmental conversations across all levels.

Within the overall people framework, we have placed priorities while creating a strategic workforce planning. This has helped us create a long-term roadmap for gaining and managing future capabilities in the most optimum manner.

Cautionary Statement

This document contains statements about expected future events, financial and operating results of GNA Axles, 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 significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of 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's discussion and analysis of GNA Axles Annual Report, 2016-17

DIRECTOR'S REPORT

Dear Members,

The Directors of your Company have pleasure in presenting their 24th Annual Report on the affairs of the Company together with the Audited Accounts of the Company for the year ended 31st March, 2017

FINANCIAL RESULTS AND ANALYSIS

The Financial results for the year are as under: -

Particulars	(₹ in Crs)	
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Net Revenue from Operations (Gross)	513.41	508.52
Other Income	2.91	0.42
Profit Before Depreciation, Interest and Tax	83.35	82.77
Interest and Financial Charges	12.52	16.29
Profit before Depreciation and Tax	70.83	66.48
Depreciation	23.94	27.17
Profit before Tax	46.89	39.31
Tax Expense		
- Current	18.52	15.65
- Deferred	(1.23)	(2.30)
Profit after tax	29.60	25.96
Earnings Per Share		
-Basic	13.79	17.12
-Diluted	13.79	17.12

FINANCIAL PERFORMANCE AND REVIEW OF OPERATIONS:

SALES

Net revenue from operations increased by ₹ 4.89 Crs. to ₹ 513.41 Crs. for the Fiscal 2017 from ₹ 508.52 Crs. for the Fiscal 2016, or an increase of 0.96%. Export sales decreased by ₹ 27.81 Crs. to ₹ 233.98 Crs. for the Fiscal 2017 from ₹ 261.79 Crs. for the Fiscal 2016. Domestic net revenue from operations increase from ₹ 246.73 Crs. to ₹ 279.43 Crs. showing and increase of 13.25 %

PROFITABILITY

The company earned Profit before Tax of ₹ 46.89 Crs. during the year under review against ₹ 39.31 Crs. for the Fiscal 2016 showing an increase of 19.28%.

Profit after tax increased by ₹ 3.64 Crs. to ₹ 29.60 Crs. for the Fiscal 2017 from ₹ 25.96 Crs. for the Fiscal 2016, or an increase of 14.02 %.

RESOURCE UTILISATION:

Fixed Assets

The net tangible assets (including capital work in progress) as at 31st March, 2017 were ₹ 134.27 Crs. as against previous year's fixed assets of ₹ 147.36 Crs.

CURRENT ASSETS:

The net current assets as on 31st March, 2017 were ₹ 144.73 Crs. as against ₹ 18.54 Crs. in the previous year.

INITIAL PUBLIC OFFER:

During the year under review, the Company successfully completed its Initial Public Offer of 63,00,000 Equity shares of ₹ 10/- each for cash at a premium of ₹ 197/- per share aggregating to ₹ 130.41 Crs. The issue opened on 14th September, and closed on 16th September, 2017. Pursuant to this Initial Public Issue, the share Capital of the Company increased from ₹ 15.16 Crs. to Rs, 21.46 Crs.

The Equity shares of the Company got listed on BSE Limited and National Stock Exchange of India Limited w.e.f 26th September, 2016.

DIVIDEND:

In view of the ongoing expansions and to conserve the funds for expansions your Directors do not recommend any Dividend for the Financial Year 2016-2017.

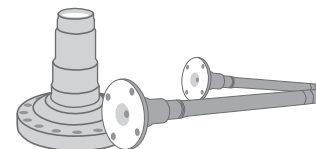
SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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 I to this Report.

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

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company prepared after consolidating the accounts of the Subsidiary Company M/s GNA Axles Inc. are provided in this Annual Report.



MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR UNDER REPORTING AND DATE OF REPORT:

There have 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.

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES:

Your company has formulated its Corporate Social Responsibility policy 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 recognized 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 2016-17 is attached herewith in Annexure II.

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 minimizing threats or losses, and identifying and maximizing 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>

INTERNAL FINANCIAL CONTROL:

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

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

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

The Company has not given any loan, provided any guarantee, provided any security or made any investments u/s 186 of the Companies Act during the financial year 2016-2017.

DIRECTORS

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

Pursuant to the provisions of the Companies Act, 2013, Mr. Dilsher Singh Bhatti, Air Cmde. (Retd.) Shailindra Singh Kaushik, Mr. Manbhupinder Singh Atwal, Mr. Vikas Uppal and Mrs. Geeta Khanna, and Mr. Anish Kumar Dhingra were appointed as Independent Directors in the 22nd Annual General Meeting, who are not liable to retire by rotation and whose term ends at the conclusion of the ensuing Annual General Meeting. The Board of Directors in its meeting held on 5th May, 2017 had reappointed Air Cmde. (Retd.) Shailindra Singh Kaushik, Mr. Manbhupinder Singh Atwal, Mr. Vikas Uppal Mrs. Geeta Khanna, and Mr. Anish Kumar Dhingra as Independent Directors of the Company. Their reappointment as Independent Directors for a term of five years starting from June 10, 2017 to June 9, 2022 is to be approved by the members in the ensuing Annual General Meeting.

During the year under review Mr. Dilsher Singh Bhatti resigned from the Board of Directors of the Company w.e.f 9th March, 2017. Mr. Ajit Singh was appointed as an Additional Independent Director of the Company by the Board of Directors in its meeting held on 5th May, 2017. His appointment as Independent Director of the Company for a term of five years starting from 24th Annual General Meeting till the conclusion of 29th Annual General Meeting is to be approved by the members in the ensuing Annual General Meeting.

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

WholeTime Key Managerial Personnel of the Company	Designation
Gursaran Singh	Managing Director (MD)
Jasvinder Singh	Jt. Managing Director (Jt. MD)
Ranbir Singh	Whole-Time Director (WTD) & CEO
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 fulfil 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.

Company's Policy relating to the Directors appointment, Payment of remuneration and other matters related thereto.

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 III.

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 2016-2017 was held on 19th January, 2017 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:

As per the provisions of section 139 of the Companies Act, 2013 the term of M/s G S Syal & Company, Chartered Accountants Jalandhar as Statutory Auditors of the Company ends at the conclusion of the 24th Annual General Meeting of the Company.

The Board of Directors of the Company, upon the recommendations of the Audit Committee, at its meeting held on 5th May, 2017 have appointed M/s Harish & Company, Chartered Accountants, Jalandhar as the Statutory Auditors of the Company for a term of 5 years commencing from the conclusion of the 24th Annual General Meeting till the conclusion of 29th Annual General Meeting of the Company, subject to the approval of the shareholders in place of the retiring auditors M/s G S Syal & Company, Chartered Accountants, Jalandhar.

The Company has received written consent and a certificate from M/s Harish & Company, Chartered Accountants that

they satisfy the criteria provided under section 141 of the Companies Act 2013 and if appointed, their appointment will be within limits prescribed under section 139 of the Companies Act, 2013.

Your Directors recommend the appointment of M/s Harish & Company, Chartered Accountants, Jalandhar, as Statutory Auditors of the Company to hold office from the conclusion of the 24th Annual General Meeting upto the Conclusion of the 29th Annual General Meeting of the Company.

Further, the Statutory Auditors of the Company M/s G S Syal & Company have submitted Auditors' Report on the accounts of the Company for the Financial Year ended 31st March, 2017. The Auditors' Report is self explanatory and do not call for any comments.

b. Secretarial Auditor:

M/s H.K & Associates, Practicing Company Secretaries, were appointed as Secretarial Auditor for the year 2016-17. 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 IV.

BOARD MEETINGS:

During the Financial Year 2016-17, the Board met 4 times i.e. on 23rd May, 2016, 17th September, 2016, 1st November, 2016 and 19th January, 2017.

AUDIT COMMITTEE DISCLOSURES:

Composition of Audit Committee:

The Audit Committee comprises of three directors i.e. Air Cmde. (Retd.) Shailindra Singh Kaushik, Independent Director, Mr. Jasmininder Singh Johal, Independent Director, and Mr. Ranbir Singh Executive and Non Independent Director. Air Cmde. (Retd.) Shailindra Singh Kaushik is the Chairman of the committee and Mr. Gourav Jain is Secretary of the Committee.

Vigil Mechanism and Whistle Blower:

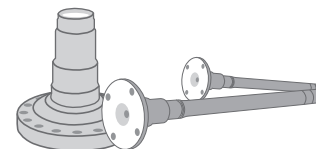
Pursuant to provisions of section 177 (9) of the Companies Act, 2013, the Company has established a "Vigil Mechanism" incorporating Vigil Mechanism Policy which also incorporates the Whistle Blower Policy in terms of rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 for employees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

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.



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 utilization 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 V.

MANAGEMENT DISCUSSION & ANALYSIS

Pursuant to provisions of Regulation 34(2) of SEBI listing obligations disclosure requirement Regulation, 2015, a report on 'Management Discussion and Analysis' is annexed separately and forms an integrated part of this Annual Report

ANNUAL RETURN

The extract of Annual Return pursuant to the provisions of Section 134 (3) (a) of the Companies Act 2013, is furnished in Annexure (Form MGT 9) and is attached to this Report as Annexure VI.

HUMAN RESOURCES/INDUSTRIAL RELATIONS:

For your Company, its Human Resources are its most important assets. It has been the endeavour 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. During the year around 1049 personnel were employed by the Company.

PERSONNEL & RELATED INFORMATION:

The disclosures required under section 5(1), 197(12) of the Companies Act 2013 and Rule 5(2) and 5 (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 are annexed as Annexure VII hereto and forms part of this report.

DIRECTOR'S RESPONSIBILITY STATEMENT:

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

1. In the preparation of the annual accounts, the applicable Accounting Standards have been followed;
2. Appropriate accounting policies have been selected and applied consistently, and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;

3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The annual accounts have been prepared on a going concern basis.
5. The Board of Director of the Company has Laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively.
6. Devised proper systems to ensure compliance with the provisions of all applicable laws and those systems were adequate and operating effectively.

GENERAL DISCLOSURES:

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

1. Details of joint venture or associate company.
2. Issue of equity shares with differential rights to dividend, voting or otherwise.
3. 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 are pleased to place on record their appreciation to the Shareholders, Government Authorities, Financial Institutions, Bankers and other Statutory Authorities for their continued and valuable support to the Company.

Your Directors express their deep gratitude and appreciation to the employees at all levels for their continued and devoted services and sincere efforts. The Company feels confident of continued cooperation and efforts from them in future also

Ranbir Singh
CEO & Wholetime Director
Date: 5th May, 2017
Place: Mehtiana

For and on Behalf of the Board
Gursaran Singh
Managing Director

Annexure - I

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

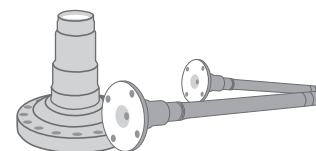
Part A		(Amt. in ₹)
Particulars	GNA Axles Inc. (Current Year)	
a) Reporting period of subsidiary concerned, if different from the holding Company's reporting period.	January - December	
b) Reporting currency and exchange rate as on the last date of the relevant financial year in case of foreign subsidiaries	USD, Exchange Rate 1 USD = ₹ 64.8386	
c) Capital	64838.60	
d) Reserves	0.00	
e) Total Assets	620181.21	
f) Total Liabilities	620181.21	
g) Details of investments (Except in case of investment of subsidiaries)	NIL	
h) Turnover (net)	NIL	
i) Profit before taxation	(248781.82)	
j) Provision for taxation	0.00	
k) Profit after taxation	(248781.82)	
l) Proposed dividend (including tax thereon)	0.00	
m) % of shareholding	100.00	

Annexure - II

ANNUAL REPORT OF THE CSR ACTIVITIES FOR THE FINANCIAL YEAR 2016-2017, UNDER (SECTION 135 & RULE 8(1) OF COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014.

Name of Company G N A Axles Limited
Corporate Identity Number L29130PB1993PLC013684
For Financial Year 2016-2017

S. No.	Particulars	Details
1	Brief Outline of the Company's CSR Policy, including overview of the projects or programs proposed to be undertaken	Brief contours of the CSR Policy of the Company:- 1. Eradicating hunger and providing for healthcare. 2. Empowerment of Women. 3. Promoting Education 4. Promotion of sports 5. Rural Development 6. Any other project / programme pertaining to the activities listed in the Companies (CSR) Rules, 2014.
2	The Composition of the CSR Committee	The CSR Committee was constituted on 29th September, 2014 and was reconstituted on 9th June, 2015. Chairman of the Committee : Air Cmde. (Retd.) Shailindra Singh Kaushik Members : Mr. Ranbir Singh & Anish Kumar Dhingra.
3	Average Net profit of the Company for the last three financial years	₹ 2204.87 Lacs
	Prescribed CSR Expenditure	₹ 44.08 Lacs for Financial Year 2016-17 and ₹ 21.69 Lacs of previous year remaining unspent totaling to ₹ 65.77 Lacs
	Details of the CSR spent during the financial year	
	a. Total amount to be spent for the financial year	₹ 65.77 Lacs
	b. Amount unspent, if any	₹ 5.25 Lacs
	c. Manner in which the amount spent during the financial year	As per annexure A
	In case the Company has failed to spent the two percent, of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in Board's report.	The Company has not spent the full amount of ₹ 65.77 Lacs in the financial year 2016-2017 on CSR activities as the Company is in the process of identifying more areas relating to preventive healthcare, education, sports, women empowerment, eradication of hunger where the Company can spend the earmarked amount in a way which is more beneficial to the society.



1	2	3	4	5	6	7	8
S. No	CSR Project or activity identified	Sector in which the project is covered	projects or programs (1) Local area or others (2) Specify the state and district where projects or programs was undertaken	Amount Outlay (budget) project or program wise	Amount spent on the projects or programs subheads: (1) Direct expenditure on projects or programs. (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent Direct or of through implementing agency.
1	Healthcare	Healthcare	The Programme is being implemented in the state of Punjab in Dist. Hoshiarpur	₹ 3.52 Lacs	Direct amount of ₹ 3.52 Lacs	₹ 3.52 Lacs	Direct
2	Promoting Preventive healthcare	Healthcare	The programme is being implemented in the state of Punjab in Phillaur	₹ 54.50 Lacs	Direct amout ₹ 54.50 Lacs	₹ 54.50 Lacs	Direct
3.	Rural Development	Development	The programme is being implemented in Palampur District of Himachal Pradesh	₹ 2.50.Lacs	Direct Amount ₹ 2.50 Lacs	₹ 2.50 Lacs	Direct

Responsibility Statement

The Implimentation and monitoring of the Corporate Social Responsibility (CSR) Policy is in compliance with the CSR Objectives and Policy of the Company

Date: 5th May, 2017

Place : Mehtiana

Air Cmde. (Retd.) Shailindra Singh Kaushik

Chairman of CSR Committee

Annexure - III

NOMINATION AND REMUNERATION POLICY OF GNA AXLES LIMITED

(U/s 178 of the Companies Act, 2013)

1. PREFACE:

The Nomination and Remuneration Committee was constituted by our Board on 29th September, 2014. The Nomination and Remuneration Committee was reconstituted on 9th June, 2015 and the terms of reference were modified pursuant to the Board resolution dated 7th March, 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:

- 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;
- Formulating of criteria for evaluation of the independent directors and the Board;
- Devising a policy on Board diversity;
- 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;
- Analyzing, monitoring and reviewing various human resource and compensation matters;
- 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.

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:

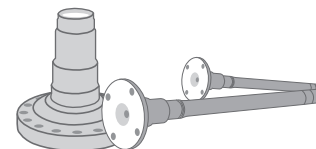
- a) Decisions of the Committee shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

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 7th March, 2016 and may be amended subject to the approval of Board of Directors.



Annexure - IV

Form No. MR-3 SECRETARIAL AUDIT REPORT

for the financial year ended 31st March, 2017

[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 31st March, 2017 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 31st March, 2017 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 (Prohibitions of Insider Trading) Regulations, 1992
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase scheme) Guidelines, 1999
 - e. 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]
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client. [Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review]
 - g. 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]
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. [Not applicable as the Company has not bought back / proposed to buy-back any of its securities during the financial year under review]
- VI. The following law 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 clause 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 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

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 Act.

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

Majority decisions are carried through while the dissenting members' views captured and recorded as part of the minutes. However, 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 the following specific events/actions, having major bearing on the Company's affairs in pursuance of above referred laws, rules, regulation, guidelines, standards, etc.

1. The Company has made an initial public offer of 63,00,000 equity shares of face value of ₹ 10/- each at a premium of ₹ 197/- per equity share, aggregating to ₹ 130.41 Crores which opened for subscription on 14th September, 2016 and closed on 16th September, 2016.

For H. K. & Associates

Company Secretaries

Harsimran Kaur

Proprietor

Place: Jalandhar

Dated: 5th May 2017

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

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

Annexure to the Secretarial Audit Report

To the Members of

GNA Axles Limited

GNA House

1-C, Chhoti Baradari Part – 2

Garha Road, Opposite Medical College, Jalandhar – 144001

CIN: L29130PB1993PLC013684

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

Maintenance of secretarial record is the responsibility of the management of the Company.

Our responsibility is to express an opinion on these secretarial records based on our audit.

We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

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

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

The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

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

For H. K. & Associates

Company Secretaries

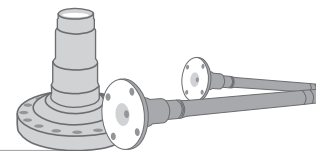
Harsimran Kaur

Proprietor

Place: Jalandhar

Dated: 5th May, 2017

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



Annexure V

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, 2017.

CONSERVATION OF ENERGY

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

TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT

- i) Efforts made in Technology Absorption:
As result of ongoing improvements the company has been absorbing and localizing the latest technology in production and process with the help of importing of latest machinery & allied equipments. The Company 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 organization 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.
- Mobilization/ Gearing up of the existing as well as new markets keeping in view the ongoing expansions.

Total Foreign Exchange earned and used:

(₹ in Crs)

	Current Year	Previous Year
Earnings in Foreign Exchange	233.98	261.79
Foreign Exchange Outgo	16.67	9.42

Ranbir Singh
Wholetime Director & CEO

For and on behalf of the board
Gursaran Singh
Managing Director

Dated : 5th May, 2017
Place : Jalandhar

Annexure - VI

Form No. MGT 9**EXTRACT OF ANNUAL RETURN****As on financial year ended on 31st March, 2017**

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

I. REGISTRATION & OTHER DETAILS:

1	CIN	L29130PB1993PLC013684
2	Registration Date	06-09-1993
3	Name of the Company	G N A AXLES LIMITED
4	Category/Sub-category of the Company	NON GOVT. COMPANY
5	Address of the Registered office & contact details	GNA HOUSE 1-C CHHOTI BARADARI - II GARHA ROAD OPPOSITE MEDICAL COLLEGE JALANDHAR 144001 PUNJAB TEL : 0181- 4630477, FAX : 0181- 4630477 EMAIL : gjain@gnagroup.com
6	Whether listed company	YES
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	LINK INTIME INDIA PRIVATE LIMITED, C 101 247 PARK LBS MARG VIKHROLI WEST MUMBAI 400083 TEL : 022 - 4918 6000 / 4918 6270, FAX : 022 - 49186060 EMAIL : rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)			
Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	MANUFACTURING OF AUTO PARTS		98.04

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

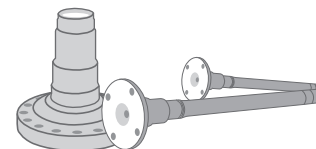
Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	"% of shares held"	"Applicable Section"
1	GNA Axles Inc. 6960 Orchard Lake Road, Suite 2334, West Bloomfield Michigan 48322 USA		Subsidiary	100	2(87)(ii)

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) indian									
a) Individual/ HUF	1,51,65,400	-	1,51,65,400	100.00%	1,51,65,400	-	1,51,65,400	70.65%	-29.35%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (1)	1,51,65,400	-	1,51,65,400	100.00%	1,51,65,400	-	1,51,65,400	70.65%	0.00%



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	1,51,65,400	-	1,51,65,400	100.00%	1,51,65,400	-	1,51,65,400	70.65%	0.00%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	0.00%	29,79,521	-	29,79,521	13.88%	13.88%
b) Banks / FI	-	-	-	0.00%	10,389	-	10,389	0.05%	0.05%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIs	-	-	-	0.00%	1,24,537	-	1,24,537	0.58%	0.58%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(1):-	-	-	-	0.00%	31,14,447	-	31,14,447	14.51%	14.51%
2. Non- Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	0.00%	437848	-	4,37,848	2.04%	2.04%
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Individuals	-	-	-		-	-	-		
i) Individual shareholders holding nominal share capital upto ₹ 2 Lacs	-	-	-	0.00%	2271337	-	22,71,337	10.58%	10.58%
ii) Individual shareholders holding nominal share capital in excess of Rs 2 Lacs	-	-	-	0.00%	26071	-	26,071	0.12%	0.12%
c) Others (specify)									
Non Resident Indians	-	-	-	0.00%	94657	-	94,657	0.44%	0.44%
Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Nationals	-	-	-	0.00%	-	-	-	0.00%	0.00%
Clearing Members	-	-	-	0.00%	207431	-	2,07,431	0.97%	0.97%
Trusts	-	-	-	0.00%	148209	-	1,48,209	0.69%	0.69%
Foreign Bodies - D R	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(2):-	-	-	-	0.00%	31,85,553	-	31,85,553	14.84%	14.84%
Total Public (B)	-	-	-	0.00%	63,00,000	-	63,00,000	29.35%	29.35%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	0.00%	-	-	-	0.00%	0.00%
Grand Total (A+B+C)	1,51,65,400	-	1,51,65,400	100.00%	2,14,65,400	-	2,14,65,400	100.00%	29.35%

(ii) Shareholding of Promoters & Promoters Group

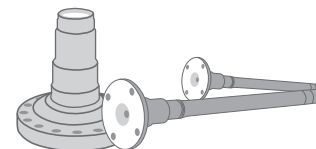
S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. GURSARAN SINGH	13,65,400	9.00%	0	13,65,400	6.36%	0	0.00%
2	SMT. MOHINDER KAUR	5,31,500	3.50%	0	5,31,500	2.48%	0	0.00%
3	Mr. RANBIR SINGH	26,30,400	17.34%	0	26,30,400	12.25%	0	0.00%
4	Mr. GURDEEP SINGH	26,30,400	17.34%	0	26,30,400	12.25%	0	0.00%
5	Mr. RACHHPALL SINGH	17,90,400	11.81%	0	17,90,400	8.34%	0	0.00%
6	Mr. MANINDER SINGH	26,30,400	17.34%	0	26,30,400	12.25%	0	0.00%
7	Mr. JASVINDER SINGH	26,30,400	17.34%	0	26,30,400	12.25%	0	0.00%
8	SMT. HARJINDER KAUR	5,31,500	3.50%	0	5,31,500	2.48%	0	0.00%
9	Mr. KULWIN SEEHRA	2,12,500	1.40%	0	2,12,500	0.99%	0	0.00%
10	Mr. KEERAT SEEHRA	2,12,500	1.40%	0	2,12,500	0.99%	0	0.00%

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

S. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year						
	Changes during the year						
				NO CHANGE			
	At the end of the year						

(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders GDR'S & ADR'S)

S. No	Name	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)	
		Number of shares at the beginning (01.04.2016) and at the end of the year (31.03.2017)	% of total shares of the Company				Number of shares	% of total shares of the Company
1	HDFC Trustee Company Limited	10,06,832	4.69	22-Sep-16				
				10-Feb-17	1,50,000	Transfer	11,56,832	5.39
		11,56,832	5.39	31-Mar-17			11,56,832	5.39
2	Reliance Capital Trustee Company Limited	5,98,195	2.79	22-Sep-16				
				04-Nov-16	1,00,000	Transfer	6,98,195	3.25
				11-Nov-16	76,100	Transfer	7,74,295	3.61
				18-Nov-16	10,935	Transfer	7,85,230	3.66
				06-Jan-17	21,000	Transfer	8,06,230	3.76
				13-Jan-17	44,700	Transfer	8,50,930	3.96
				03-Feb-17	5,100	Transfer	8,56,030	3.99
3	UTI Mutual Fund	8,56,030	3.99	31-Mar-17			8,56,030	3.99
		4,89,661	2.28	22-Sep-16				
				06-Jan-17	16,777	Transfer	5,06,438	2.36
				03-Feb-17	3,827	Transfer	5,10,265	2.37
				10-Feb-17	76,452	Transfer	5,86,717	2.73
				25-Feb-17	3,027	Transfer	5,89,744	2.75
4	Sundaram Mutual Fund	5,89,744	2.75	31-Mar-17			5,89,744	2.75
		1,34,484	0.63	22-Sep-16				
				30-Dec-16	5,000	Transfer	1,39,484	0.65
				17-Feb-17	6,815	Transfer	1,46,299	0.68
				24-Feb-17	17,225	Transfer	1,63,524	0.76
				03-Mar-17	1,19,270	Transfer	2,82,794	1.32
		2,86,915	1.34	31-Mar-17	4,121	Transfer	2,86,915	1.34
				31-Mar-17				

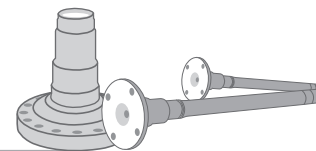


5	IDFC Tax Advantage Fund	16,259	0.08	22-Sep-16				
				07-Oct-16	28,874	Transfer	45,133	0.21
				18-Nov-16	2,209	Transfer	47,342	0.22
				25-Nov-16	7,658	Transfer	55,000	0.26
				16-Dec-16	5,000	Transfer	60,000	0.28
				30-Dec-16	11,686	Transfer	71,686	0.33
				03-Feb-17	8,243	Transfer	79,929	0.37
				24-Feb-17	5,071	Transfer	85,000	0.40
				03-Mar-17	5,000	Transfer	90,000	0.42
6	TJ Stock Broking Services Private Limited	90,000	0.42	31-Mar-17			90,000	0.42
		68,929	0.32	17-Mar-17			68,929	0.32
		68,929	0.32	31-Mar-17				
7	Resonance Opportunities Fund	28,497	0.13	22-Sep-16				
				30-Sep-16	29868	Transfer	58,365	0.27
		58,365	0.27	31-Mar-17			58,365	0.27
8	Aspire Emerging Fund	19,143	0.09	28-Oct-16				
				11-Nov-16	7500	Transfer	26,643	0.12
				13-Jan-17	17,500	Transfer	44,143	0.21
		44,143	0.21	31-Mar-17			44,143	0.21
9	Renaissance Jewellery Limited	40,744	0.19	17-Feb-17				
		40,744	0.19	31-Mar-17			40,744	0.19
10	Sarup Inder Singh Kang	70	0	22-Sep-16				
				10-Mar-17	26,001	Transfer	26,071	0.12
		26,071	0.12	31-Mar-17			26,071	0.12

(V) Shareholding of Directors and Key Managerial Personnel:

S. No	Name	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)	
	Top 10 shareholders	Number of shares at the beginning (01.04.2016) and at the end of the year (31.03.2017)	% of total shares of the Company				Number of shares	% of total shares of the Company
A)	DIRECTORS							
1	Rachhpall Singh	17,90,400	8.34	01-Apr-16	0	Nil movement during the year	17,90,400	8.34
		17,90,400	8.34	31-Mar-17				
2	Gursaran Singh	13,65,400	6.36	01-Apr-16	0	Nil movement during the year	13,65,400	6.36
		13,65,400		31-Mar-17				
3	Jasvinder Singh Sehra	26,30,400	12.25	01-Apr-16	0	Nil movement during the year	26,30,400	12.25
		26,30,400	12.25	31-Mar-17				
4	Ranbir Singh	26,30,400	12.25	01-Apr-16	0	Nil movement during the year	26,30,400	12.25
		26,30,400	12.25	31-Mar-17				
5	Gurdeep Singh	26,30,400	12.25	01-Apr-16	0	Nil movement during the year	26,30,400	12.25
		26,30,400	12.25	31-Mar-17				

6	Harwinder Singh	0	0	01-Apr-16	0	Nil movement during the year	0	0
				31-Mar-17				
7	Kulwin Seehra	2,12,500	0.99	01-Apr-16	0	Nil movement during the year	2,12,500	0.99
		2,12,500	0.99	31-Mar-17				
8	Mr. Jaswinder Singh Johal	0	0	01-Apr-16	0	Nil movement during the year	0	0
				31-Mar-17				
9	Mr. Anish Kumar Dhingra	0	0	01-Apr-16	0	Nil movement during the year	0	0
				31-Mar-17				
10	Mr. Manbhupinder Singh Atwal	0	0	01-Apr-16	0	Nil movement during the year	0	0
				31-Mar-17				
11	Geeta Khanna	0	0	01-Apr-16	0	Nil movement during the year	0	0
				31-Mar-17				
12	Vikas Uppal	0	0	01-Apr-16	0	Nil movement during the year	0	0
				31-Mar-17				
13	Air Cmde. (Retd.) Shailindra Singh Kaushik	0	0	01-Apr-16				
				30-Sep-16	150	Transfer	150	0
				07-Oct-10	150	Transfer	300	0.001
				21-Oct-16	100	Transfer	400	0.002
				11-Nov-16	550	Transfer	950	0.004
		950	0.004	31-Mar-17				
14	Dilsher Singh Bhatti	0	0	01-Apr-16	0	Nil movement during the year	0	0
				31-Mar-17				
B) KEY MANAGERIAL PERSONS (KMP's)								
1	Rakesh Kumar (CFO)	0	0	01-Apr-16	0		0	0
				16-Nov-16	20	Transfer	20	0
				18-Nov-16	80	Transfer	100	0
				07-Dec-16	-90	Transfer	10	0
		10	0	31-Mar-17				
2	Gourav Jain (CS)	0	0	01-Apr-16	0	Nil movement during the year	0	0
				31-Mar-17				



V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ in Lacs)

	Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
	Indebtedness at the beginning of the financial year				
i)	Principal Amount	13,829.65	32.76	-	13,862.41
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	13,829.65	32.76	-	13,862.41
	Change in Indebtedness during the financial year				
	* Addition	-	-	-	-
	* Reduction	2,100.64	32.76	-	2,133.40
	Net Change	2,100.64	32.76	-	2,133.40
	Indebtedness at the end of the financial year				
i)	Principal Amount	11,729.01	-	-	11,729.01
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	11,729.01	-	-	11,729.01

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

(₹ in Lacs)

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager						Total Amount
	Name	Gursaran Singh	Jasvinder Singh	Ranbir singh	Rachhpall Singh	Harwinder Singh	Kulwin Seehra	
	Designation	MD	WTD	WTD	WTD	WTD	WTD	
1	Gross salary							
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	50.16	72.96	72.96	46.20	22.05	22.05	286.38
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-	-
4	Commission	-	-	-	-	-	-	-
	- as % of profit	-	-	-	-	-	-	-
	- others, specify	-	-	-	-	-	-	-
5	Others, please specify	-	-	-	-	-	-	-
	Total (A)	50.16	72.96	72.96	46.20	22.05	22.05	286.38
	Ceiling as per the Act							515.78

B. Remuneration to other Directors

(₹ in Lacs)

SN.	Particulars of Remuneration	Name of Directors							Total Amount
		Mr. Anish Kumar Dhingra	Mr. J S Johal	Air Cmde. (Retd.) Shailindra Singh Kaushik	Mr. D S Bhatti	Ms. Geeta Khanna	Mr. Vikas Uppal	Mr. M S Atwal	
1	Independent Directors								
	Fee for attending board committee meetings	0.06	0.38	0.34	0.06	0.10	0.26	0.06	1.26
	Commission								-
	Others, please specify								-
	Total (1)	0.06	0.38	0.34	0.06	0.10	0.26	0.06	1.26
2	Other Non-Executive Directors								
	Other Non-Executive Directors	Mr. Gurdeep Singh							-
	Fee for attending board committee meetings	NIL							-
	Commission								-
	Others, please specify								-
	Total (2)	-	-	-	-	-	-	-	-
	Total (B)=(1+2)	0.06	0.38	0.34	0.06	0.06	0.06	0.06	1.26
	Total Managerial Remuneration								287.64
	Overall Ceiling as per the Act								515.78

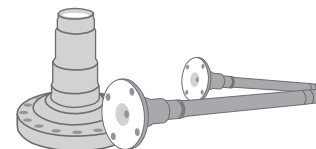
C. Remuneration to Key Managerial Personnel other than MD/Manager/WTB

(₹ in Lacs)

SN.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount
		Rakesh Kumar	Gourav Jain	
	Name			
	Designation	CFO	CS	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	10.04	5.75	15.79
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	10.04	5.75	15.79

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

	Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY						
	Penalty					
	Punishment					
	Compounding					
B. DIRECTORS						
	Penalty					
	Punishment					
	Compounding					
C. OTHER OFFICERS IN DEFAULT						
	Penalty					
	Punishment					
	Compounding					



Annexure - VII

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. The Median Remuneration employees for the Financial Year is ₹ 1.24 Lacs

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

SR. No.	NAME & DESIGNATION OF DIRECTOR	REMUNERATION (AMOUNT ₹ IN LACS)	RATIO TO MEDIAN REMUNERATION
1.	Mr. Rachhpall Singh – Chairman and Executive Director	46.20	37.26
2.	Mr. Gursaran Singh – Managing Director	50.16	40.45
3.	Mr. Jasvinder Singh – Wholetime Director	72.96	58.84
4.	Mr. Ranbir Singh – Wholetime Director & CEO	72.96	58.84
5.	Mr. Gurdeep Singh – Director	0	0
6.	Mr. Harwinder Singh – WholeTime Director	22.05	17.78
7.	Mr. Kulwin Seehra – Wholetime Director	22.05	17.78
8.	Mr. Jasinder Singh Johal – Independent Director	-	Not Applicable as only sitting fees is paid during the year
9.	Mr. Anish Kumar Dhingra – Independent Director	-	Not Applicable as only sitting fees is paid during the year
10.	Air Cmde. (Retd.) Shailindra Singh Kaushik – 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. Dilsher Singh Bhatti – Independent Director	-	Not Applicable as only sitting fees is paid during the year
14.	Ms. Geeta Khanna –Independent Director	-	Not Applicable as only sitting fees is paid during the year

- II) The percentage increase in remuneration of each Director, CFO, CEO, CS or Manager if any in the financial year 2016-17 compared to 2015-16

SR. No.	NAME & DESIGNATION OF DIRECTOR, CFO, CEO AND CS	REMUNERATION FOR THE YEAR ENDED 2016-17 (₹ IN LACS)	REMUNERATION FOR THE YEAR ENDED 2015-16 (₹ IN LACS)	% CHANGE
1.	Mr. Rachhpall Singh – Executive Chairman	46.20	42.00	10.00%
2.	Mr. Gursaran Singh – Managing Director	50.16	45.60	10.00%
3.	Mr. Jasvinder Singh – Jt. Managing Director	72.96	63.84	14.29%
4.	Mr. Ranbir Singh – Wholetime Director & CEO	72.96	63.84	14.29%
5.	Mr. Gurdeep Singh – Director	0	0	0
6.	Mr. Harwinder Singh – WholeTime Director	22.05	17.64	25.00%
7.	Mr. Kulwin Seehra – Wholetime Director	22.05	17.64	25.00%
8.	Mr. Jasinder Singh Johal – Independent Director	-	-	NA
9.	Mr. Anish Kumar Dhingra – Independent Director	-	-	NA
10.	Air Cmde. (Retd.) Shailindra Singh Kaushik – Independent Director	-	-	NA
11.	Mr. Vikas Uppal – Independent Director	-	-	NA
12.	Mr. M S Atwal – Independent Director	-	-	NA
13.	Mr. Dilsher Singh Bhatti – Independent Director	-	-	NA
14.	Ms. Geeta Khanna –Independent Director	-	-	NA
15.	Mr. Rakesh Gupta – CFO	10.04	9.21	9.01
16.	Mr. Gourav Jain – CS	5.75	5.12	12.30%

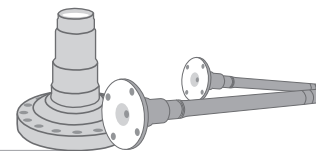
- III) The median remuneration of the employees has increased by 10.75 % In 2016-17 as compared to 2015-16.
- IV) Number of permanent employees on the rolls of the company during Financial Year 2016-17 was 1049.
- V) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and is there are any exceptional circumstances for increase in the managerial remuneration :- Average increase in the Employees remuneration other than managerial remuneration is 10.75% while the managerial remuneration increased by 14.30%. The increase in the managerial remuneration was on account of increased responsibilities.
- VI) We affirm that the remuneration paid to the Directors, Key Managerial Personnel and employees is as per the remuneration policy of the Company

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

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

SR. No.	Name of Employee	Designation of the Employee	Remuneration Received (₹ 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	Mr. Satwinder Singh	Sr. Vice President - Projects	12.70	Permanent	Diploma in Mechanical Engineering, 35 YeAars	01.03.2005	61	GNA Udyog Limited	- 0.00 %	Not Related
2	Mr. Pradeep Sharma	Sr. General Manager - Marketing	11.46	Permanent	B.Com 33 Years	16.05.1994	54	Guru Nanak Auto Enterprises Limited	1287 0.006 %	Not Related
3	Mr. Surinder Singh	Sr. General Manager - Engineering	10.44	Permanent	Diploma in Mechanical Engineering 38 Years	16.05.1994	60	Guru Nanak Auto Enterprises Limited	510 0.002 %	Not Related
4	Mr. Anil Arora	General Manager (Marketing)	10.30	Permanent	B.Com	16.05.1994	55	GNA Gears Limited	-	Not Related
5	Mr. Rakesh Kumar	CFO	10.00	Permanent	B.Com, ACA 22 Years	06.05.2006	49	GNA Gears Limited	10 0.000%	Not Related
6	Mr. Manjit Singh Rihal	AGM - Exports	9.38	Permanent	B.Com 12 Years	01.11.2006	39	Genpact	910 0.004 %	Not Relate
7	Mr. G S Cheema	DGM - Personnel & HRD	9.22	Permanent	B.Sc, LL.B 22 Years	16.05.1994	50	Guru Nanak Auto Enterprises Limited	- 0.00 %	Not Related
8	Dr. Jaswant Singh	DGM - Forging	8.51	Permanent	Ph. D in Metal Forming 23 Years	16.05.1994	48	Guru Nanak Auto Enterprises Limited	- 0.00 %	Not Related
9	Mr. Kirpal Singh	AGM - Engineering	8.13	Permanent	Diploma in Mechanical Engineering 28 Years	10.10.2005	53	-	910 0.004 %	Not Related
10	Jatinder Singh Virdi	AGM- Production	7.67	Permanent	Diploma in Mechanical Engineering 22 Years	20.08.1994	50	-	- 0.00 %	Not Related

- II) Name of the employees who were employed throughout the Financial Year 2016-17 and were paid remuneration not less than Rupees 1.02 Crs. per annum – NIL.
- III) Name of employees who were employees in part during the Financial Year 2016-17 and were paid remuneration not less than rupees 8.50 Lacs per month – NIL.
- IV) Name of employees who were employees throughout the Financial Year 216-17 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 Regulations, 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

2. BOARD OF DIRECTORS

- Composition:** The Board of Directors comprises of a Chairman, Executive Directors, Non Executive Directors, a Managing Director and a Joint Managing Director. Out of the total strength of Fourteen (14) Directors, seven Directors are independent.
- Board Meetings:** During the Financial Year 2016-17, the Board met Four (4) times on 23rd May, 2016, 17th September, 2016, 01st November, 2016 and 19th January, 2017.

The composition of Board of Directors and Directors attendance at the Board Meetings and at last Annual General Meeting of the Company, and also the number of Directorship/Chairmanships held by them in other Public Limited Companies, during the Financial Year 2016-17 are given as follows:-

Name of Director	Designation & Category	Number of Board Meetings Attended	Attendance at Last Annual General Meeting	Directorship in other Companies As at 31st March, 2017	Other Committee Membership As at 31st March, 2017	Board Chairmanship in other Companies As at 31st March, 2017	Committee Chairmanships in other Companies As at 31st March, 2017
Mr. Rachhpall Singh	Chairman + Executive Director	1	NO	NIL	-	-	-
Mr. Gursaran Singh	Managing Director	4	YES	3	1	1	-
Mr. Jasvinder Singh Seehra	Jt. Managing Director	4	YES	3	-	1	-
Mr. Ranbir Singh	Executive Director And CEO	4	YES	5	4	-	-
Mr. Gurdeep Singh	Non-Independent And Non Executive Director	4	YES	4	1	-	-
Mr. Harwinder Singh Sehra	Executive Director	3	NO	-	-	-	-
Mr. Kulwin Seehra	Executive Director	4	YES	1	-	-	-
Mr. Anish Kumar Dhingra	Independent Director	1	NO	-	-	-	-
Mr. Jasvinder Singh Johal	Independent Director	3	NO	-	-	-	-
Mr. Vikas Uppal	Independent Director	3	NO	-	-	-	-
Ms. Geeta Khanna	Independent Director	1	NO	-	-	-	-
Air Cmde. (Retd.) Shailindra Singh Kaushik	Independent Director	3	NO	-	-	-	-
Mr. Dilsher Singh Bhatti*	Independent Director	1	NO	-	-	-	-
Mr. Manbhupinder Singh Atwal	Independent Director	1	NO	1	-	-	-

*Resigned w.e.f. March 9, 2017

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 Audit Committee comprises of three directors viz. Air Cmde. (Retd.) Shailindra Singh Kaushik, Mr. Ranbir Singh and Mr. Jasvinder Singh Johal. Air Cmde. (Retd.) Shailindra Singh Kaushik is the Chairperson of the Committee. All members of the Audit Committee are financially literate. 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 2016-17, the Audit Committee met Three (3) times on 23rd May, 2015, 01st November, 2016 and 19th January, 2017.

The attendance of the members of the Committee for the Financial Year 2016-17 is as under:

Committee Members	Category	No. of Audit Committee Meetings Attended
Air Cmde. (Retd.) Shailindra Singh Kaushik	Independent Director	3
Mr. Jasvinder Singh Johal	Executive Director	3
Mr. Ranbir Singh	Independent Director	3

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. The said committee is consisting of three Directors viz., Mr. Jasvinder Singh Johal, Mr. Gurdeep Singh and Mr. Vikas Uppal.

Mr. Vikas Uppal is the chairperson of said Committee. During the Financial Year 2016-17, the Committee met One time on 19th January, 2017 and all the members attended the said committee, meeting.

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

(ii) Remuneration details:**a) Executive Directors:**

The Company paid an amount of ₹ 286.38 Lacs remuneration to the Executive Director(s) during the Financial Year 2016-17 as follows:-

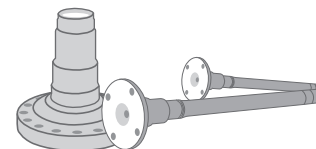
(₹ in Lacs)					
S.No	Name	Designation	Salary	Other Benefits	Gross Remuneration
1	Mr. Rachhpall Singh	Chairman & Wholetime Director	46.20	-	46.20
2	Mr. Gursaran Singh	Managing Director	46.20	3.96	50.16
3	Mr. Jasvinder Singh	Jt. Managing Director	67.20	5.76	72.96
4	Mr. Ranbir Singh	CEO & Wholetime Director	67.20	5.76	72.96
5	Mr. Harwinder Singh	Wholetime Director	20.25	1.80	22.05
6	Mr. Kulwin Sehra	Wholetime Director	20.25	1.80	22.05
	Total		267.30	19.08	286.38

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 2016-17 is given below:-

S.No	Name	Designation	SITTING FEE (₹)
1.	Mr. Anish Kumar Dhingra	Independent Director	6,000
2.	Mr. Jasvinder Singh Johal	Independent Director	38,000
3.	Mr. Vikas Uppal	Independent Director	26,000
4.	Ms. Geeta Khanna	Independent Director	10,000
5.	Air Cmde. (Retd.) Shailindra Singh Kaushik	Independent Director	34,000
6.	Mr. Dilsher Singh	Independent Director	6,000
7.	Mr. Manbhupinder Singh Atwal	Independent Director	6,000



(iii) Shareholding :

The Shareholding of the Directors in the equity share capital of the Company as at 31st March, 2017 is given as follows:-

S.No	NAME OF DIRECTOR	NUMBER OF SHARES HELD	S.No	NAME OF DIRECTOR	NUMBER OF SHARES HELD
1.	Mr. Rachhpall Singh	17,90,400	2	Mr. Gursaran Singh	13,65,400
3.	Mr. Jasvinder Singh	26,30,400	4.	Mr. Ranbir Singh	26,30,400
5.	Mr. Gurdeep Singh	26,30,400	6.	Mr. Harwinder Singh	NIL
7	Air Cmde. (Retd) Shailindra Singh Kaushik	950	8	Mr. Kulwin Seehra	2,12,500
9	Mr. Anish Kumar Dhingra	NIL	10.	Mr. Manbhupinder Singh Atwal	NIL
11	Mr. Vikas Uppal	NIL	12.	Mr. Jasvinder Singh Johal	NIL
13	Ms. Geeta Khanna	NIL			

(iv) Relationship inter se:

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

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

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 9th June, 2015, recognised and renamed the said committee as Stakeholders Relationship Committee.

The Stakeholders Relationship Committee presently comprises of Ms. Geeta Khanna, Mr. Ajit Singh and Mr. Jasvinder Singh Seehra. Smt. Geeta Khanna is the Chairperson of the said Committee.

6. 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
23rd Annual General Meeting	20th June, 2016 at 12:30 PM	Registered office, GNA House, 1- C, Chotti Baradari- Part-II, Garha Road, Jalandhar	0
Extra Ordinary General Meeting	Wednesday, 30th March, 2016 at 12:30 P.M.	Corporate Office, Mehtiana , Dist Hoshiarpur	5
22nd Annual General Meeting for financial year ended 31st March, 2015	Saturday, 20th June, 2015 at 11:00 A.M.	Registered office, GNA House, 1- C, Chotti Baradari- Part-II, Garha Road, Jalandhar	9
Extra Ordinary General Meeting	Saturday, 14th March, 2015 at 4:00 PM	Registered office, GNA House, 1- C, Chotti Baradari- Part-II, Garha Road, Jalandhar	10
21st Annual General Meeting for financial year ended 31st March, 2014	Monday, 21st July, 2014 at 11:00 A.M.	Registered office, GNA House, 1- C, Chotti Baradari- Part-II, Garha Road, Jalandhar	4

- B. **Postal Ballot :** The Company has not passed any resolution through postal ballot during the Financial Year 2016-17.

7. 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.

- d. The Company does not have any material non-listed Indian Subsidiary as defined under Regulation 16 of the SEBI (LODR) Regulations 2015. It is therefore not required to have an independent director of the Company on the board of such subsidiary.

8. MEANS OF COMMUNICATION:

The Company communicates with its 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

9. GENERAL SHAREHOLDERS INFORMATION:

(i) 24th Annual General Meeting:

Date : 5th September, 2017

Time : 11.30 a.m.

Venue : Magestic Grand Hotel, GT Road, Paragpur, Jalandhar

(ii) Financial Calendar 2017-18 (Tentative):

First Quarter Results : July, 2017

Second Quarter Results : October, 2017

Third Quarter Results : January, 2017

Annual Results : May, 2018

(iii) Dates of Book Closure : 29th August, 2017

(iv) Dividend payment date : The Board of Directors has not recommended dividend for FY 2016 -17

(v) Listing:

The Equity shares of the Company are listed on the following Stock Exchanges w.e.f 26th September, 2016.

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 2016-17.

(vi) Stock Code:

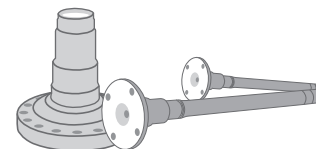
BSE Limited : 540124

National Stock Exchange of India Limited : GNA

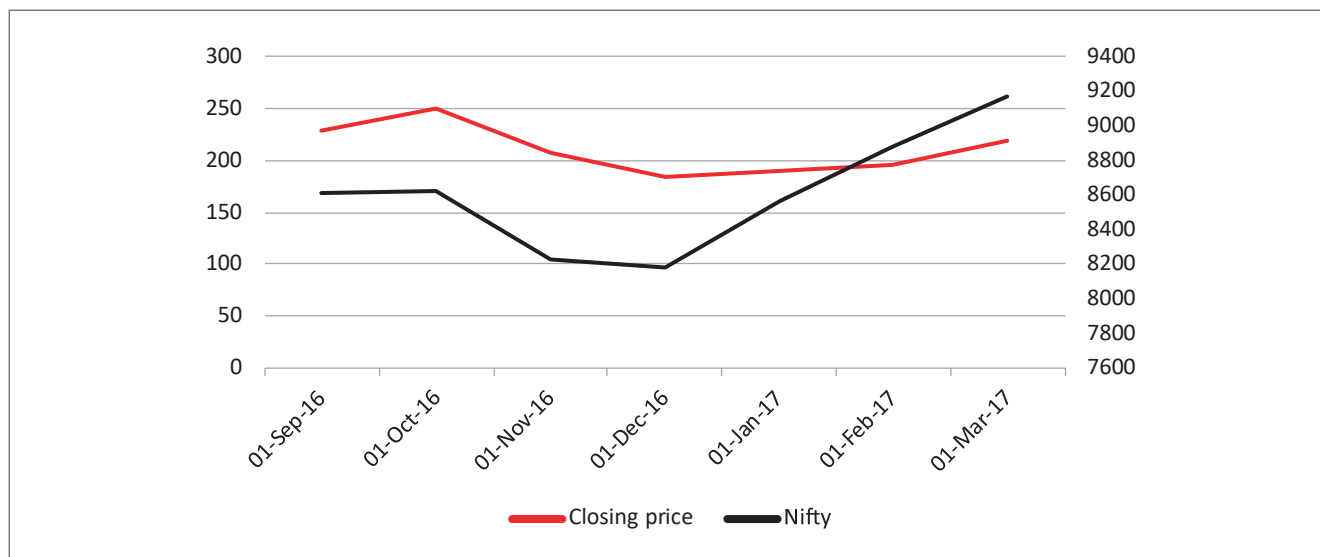
(vii) Stock Market Data:

The Company's Equity Shares got listed on BSE Limited and National Stock Exchange of India Limited w.e.f 26th September, 2016 after the successful Initial Public Offer for 63,00,000 Equity shares of ₹ 10/- each at a price of ₹ 207/- per share. The monthwise highest, lowest and closing price of the Company in NSE and BSE during the financial year 2016-17 are given below:-

STOCK EXCHANGE	BSE LIMITED				NATIONAL STOCK EXCHANGE OF INDIA LIMITED			
	Highest (₹)	Lowest (₹)	Closing (₹)	Percentage change over last month closing	Highest (₹)	Lowest (₹)	Closing (₹)	Percentage change over last month closing
Month of the Year 2016-17								
September 2016	260.00	217.65	227.80	-	261.80	218.90	228.20	-
October 2016	275.55	226	249.75	9.64	276.50	220.30	249.80	9.47
November 2016	259.50	171.10	209.60	-16.08	240.65	172.00	208.45	-16.55
December 2016	212	175.00	181.90	-13.22	211.90	176.35	183.45	-12.00
January 2017	207.50	178.10	192.15	5.63	211.40	182.00	190.65	3.92
February 2017	209	188	197.70	2.89	207	187.60	196.70	3.17
March 2017	223.50	188.50	218.15	10.34	223.25	188.25	218.90	11.29



The Company's share price movement during 2016-17* on BSE and NSE vis- a-vis respective indices :



*The Company's equity shares were listed on NSE and BSE on 26th September, 2016.

(viii) Information regarding dividend payment:

The Company has not paid any dividend in last 8 financial years and accordingly there is no amount liable to be transferred to Investor Education and Protection Fund (IEPF).

(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 Linkintime India Private Limited as per address given below:-

M/s Linkintime India Private Limited (Unit : G N A Axles Limited)

C-101, 247 Park, LBS Marg Vikhroli (West) Mumbai 400083

Phone : 022-49186000 Fax : 022-49186060 Email : rnt.helpdesk@linkintime.co.in

x) Share Transfer System:

Hundred percent Equity shares of the Company are in the de-materialised form and there are no Physical Shares held by the shareholders of the Company either at the end of the financial year or as on date of the report. The Shares of the Company are traded on the Stock Exchanges in de-materialised form only. The Company has entered into an agreement with both the Depositories i.e National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the de-materialisation of the shares. The shareholders may operate through any of the depositories based upon their will. The International Securities Identification Number (ISIN) of the Equity shares of the Company is INE934S01014. The Transfer of the Shares is done through the depositories with no involvement of the Company.

xi) Distribution of the Shareholding pattern of the Company as on 31st March, 2017

S.No	Shares Range	Number of Shareholders	% of Total Shareholders	Total shares for range	% of issued Capital
1	1-500	16735	94.8911	1508081	7.0256
2	501-1000	472	2.6763	381670	1.7781
3	1001-2000	217	1.2304	331554	1.5446
4	2001-3000	80	0.4536	207606	0.9672
5	3001-4000	27	0.1531	96178	0.4481
6	4001-5000	20	0.1134	93283	0.4346
7	5001-10000	42	0.2381	298226	1.3893
8	Above 10000	43	0.2438	18548802	86.4126
	Total	17636	100.00	21465400	100.00

S.No.	Category of Shareholders	% of Shareholding
1	Promoter & Promoter Group	70.65
2	Mutual Funds / Foreign Portfolio Investors / Financial Institutions & Banks	14.51
3	Bodies Corporates	2.04
4	Clearing Members	0.97
5	NRI's	0.44
6	Resident Indians	11.39
	Total	100.00

xii) Dematerialisation:

As on 31st March, 2017, 100.00 % of the issued Equity Capital of the Company comprising of 2,14,65,400 Equity Shares was dematerialized.

xiii) Outstanding GDR's/ ADR's/ Warrants or any other Convertible Instruments, Conversion dates and likely impact on equity.

The Company has not issued any GDR's/ADR's/ Warrants or any other Convertible Instruments during the year.

xiv) Address for Correspondence

Registered Office : GNA House, 1-C Chhoti Baradari – II Garha Road Opp. Medical College, Jalandhar - 144 001

Telephone : 0181-4630477, Fax : 0181-4630477

Shareholders holding shares in the electronic mode should address all their correspondence to their respective depository.

xv) Plant Locations

(I) **GNA Axles Limited** (Unit - I), VPO Mehtiana, Phagwara - Hoshiarpur Road, Dist. Hoshiarpur, Punjab.

(II) **GNA Axles Limited** (Unit - II), Village Gulab Garh Jattan, Phagwara - Hoshiarpur Road, Dist. Kapurthala, Punjab.

For effective & efficient investor grievance management the Company has dedicated email ID : gjain@gnagroup.com.

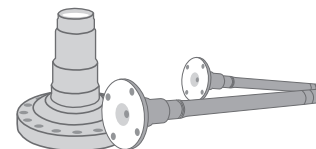
DECLARATION UNDER REGULATION 26 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015.

All the members of the Board and Senior Management have affirmed Compliance to the code of Conduct for the Financial Year 2016-17.

Place : Mehtiana

Dated : 5th May, 2017

Gursaran Singh
Managing Director



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

To,
The Board of Directors
G N A Axles Limited

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

knowledge and belief certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the year ended on 31st March, 2017 and based on our knowledge and belief, we state that:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws, and regulations.
- (b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal, or violative of the Company's code of conduct.

- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if

any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

- (d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:

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

Ranbir Singh
Chief Executive Officer
Place : Jalandhar
Date : 5th May, 2017

Rakesh Kumar
Chief Financial Officer

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
G N A Axles Limited

We have examined the compliance of the conditions of Corporate Governance by G N A Axles Limited for the year ended on 31st March, 2017, 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 G.S Syal & Co.
Chartered Accountants
(Firm Regn No.000457N)

Gurcharan Singh
Proprietor
M.No 080075

Place : Jalandhar
Dated : 5th May, 2017

INDEPENDENT AUDITOR'S REPORT

To the Members of

GNA AXLES LIMITED

Report on the Financial Statements

We have audited the accompanying Standalone financial statements of **GNA AXLES LIMITED ("The Company")** which comprise the Balance Sheet as at 31st March, 2017 the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial

reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

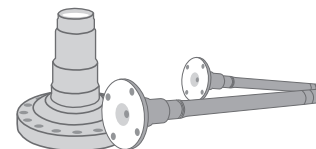
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone financial statements

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its Profit and its Cash Flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), 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, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d. in our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



- i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Notes to financial statements point no. 27
- 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.
- iv) The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintain by the Company.

For G.S. Syal & Co.,

Chartered Accountants (FRN 000457N)

(Gurcharan Singh)

Proprietor

M. No. 080075

Place : Jalandhar

Dated : 5th May, 2017

“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 financial statements of the Company for the year ended 31st March, 2017:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Fixed Assets have been physically verified by the management at reasonable intervals in accordance with regular programme of verification. According to the information and explanation given to us no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the Company.
- 2) (a) The management has conducted the physical verification of inventory at reasonable intervals.
- (b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, 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 31st March, 2017 for a period of more than six months from the date on when they become payable.
- b) According to the information and explanation given to us, there are no material dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, sales tax, duty of excise, service tax and value added tax have not been deposited by the Company on account of disputes;

Nature of the Statute	Nature of the Dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Punjab Sales Tax Act	Demand P-VAT	5467036/-	2009-2010	DETC Appeals
Punjab Sales Tax Act	Demand P-VAT	13906308/-	2008-2009	DETC
Punjab Sales Tax Act	Demand P-VAT (Crane)	180000/-	2004-2005	DETC Appeals
Excise & Service Tax Act	Service Tax outward freight	523288/-	2008-2009	Before Commissioner Appeal
Excise & Service Tax Act	Service Tax outward freight	215324/-	2009-10	Before Commissioner Appeal
Excise & Service Tax Act	Service Tax outward freight	912302/-	2010-11	Before Commissioner Appeal
Excise & Service tax act	Cenvat credit on tractor parts	250216/-	2011-12	Before commissioner appeal
Excise & service tax act	Service tax on others	233605/-	2011-12	Before commissioner appeal
Excise & Service Tax Act	Service Tax on others	122261/-	2012-13	Before Commissioner Appeal
Excise & Service Tax Act	Service Tax on others	477159/-	2012-13	Before Commissioner Appeal
Excise & Service Tax Act	Service Tax on others	567775/-	2013-14	Before Commissioner Appeal
Excise & Service Tax Act	Service Tax on others	43494/-	2013-14	Before Commissioner Appeal
Excise & Service Tax Act	Service Tax on others	446637/-	2013-14	Before Commissioner Appeal
Excise & Service Tax Act	Service Tax on others/ Guest House	689322/-	2014-15	Before Commissioner Appeal
Excise & Service Tax Act	Service Tax on Club Membership/Misc.	322847/-	2013-14	Asstt. Commissioner SE
Excise & Service Tax Act	Service Tax on Insurance	454935/-	2014-15	Before Asstt. Commissioner
Income Tax	Income Tax Regular Assessment	13504810/-	2012-13	Before Commissioner of Income-tax (Appeals)
Excise & Service Tax Act	Excise Duty CENVAT	3420284	2016-17	Asstt. Commissioner

- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings from a financial institutions, banks.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the Company has raised monies by way of initial public offer in nature of equity shares and applied for the purpose for which those were raised, though idle/surplus funds which were not required for immediate utilisation have been gainfully invested in demand deposits with bank.
- 10) 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.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him and the provisions of section 192 of Companies Act, 2013 have been complied with.
- 16) In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For G.S. Syal & Co.,

Chartered Accountants (FRN 000457N)

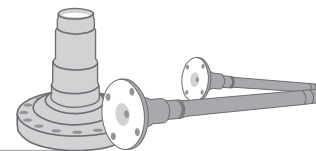
(Gurcharan Singh)

Proprietor

M. No. 080075

Place : Jalandhar

Dated : 5th May, 2017



“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, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future 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, 2017, 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 G.S. Syal & Co.,

Chartered Accountants (FRN 000457N)

(Gurcharan Singh)

Proprietor

M. No. 080075

Place : Jalandhar

Dated : 5th May, 2017

BALANCE SHEET as at 31st March, 2017

				(₹)
S. No.	Particulars	Notes No.	As at 31st March, 2017	As at 31st March, 2016
I	EQUITY AND LIABILITIES			
1	Shareholders Funds			
	(a) Share Capital	1	21,46,54,000	15,16,54,000
	(b) Reserve & Surplus	2	2,75,44,16,830	1,23,13,84,293
	TOTAL (1)		2,96,90,70,830	1,38,30,38,293
2	Share Application Money Pending Allotment		-	-
3	Non-Current Liabilities			
	(a) Long Term Borrowings	3	26,24,31,025	42,20,42,496
	(b) Deferred Tax Liabilities (Net)		2,48,69,410	3,71,53,157
	(c) Other Long Term Liabilities		-	-
	(d) Long Term Provisions		-	-
	TOTAL (3)		28,73,00,435	45,91,95,653
4	Current Liabilities			
	(a) Short Term Borrowings	4	72,66,94,049	74,92,98,319
	(b) Trade Payables	5	1,52,07,40,001	1,53,98,23,109
	(c) Other Current Liabilities	6	24,88,27,582	28,63,81,604
	(d) Short Term Provisions	7	1,97,49,025	4,75,86,632
	TOTAL (4)		2,51,60,10,657	2,62,30,89,664
	TOTAL (1+2+3+4)		5,77,23,81,922	4,46,53,23,610
II	ASSETS			
1	Non-Current Assets			
	(a) Fixed Assets	8		
	(i) Tangible Assets		1,31,74,11,817	1,47,31,34,810
	(ii) Intangible Assets			
	(iii) Capital Work in Progress		2,53,10,457	4,98,480
	(iv) Intangible Assets under development		-	-
	(v) Fixed Assets held for sale		-	-
	(b) Non-current Investments	9	66,127	66,127
	(c) Long Term Loans & Advances	10	34,13,03,959	16,14,85,054
	(d) Other Non-current Assets	11	12,50,02,957	2,16,32,459
	TOTAL (1)		1,80,90,95,317	1,65,68,16,930
2	Current Assets			
	(a) Current Investments		-	-
	(b) Inventories	12	1,10,29,42,516	91,36,86,908
	(c) Trade Receivable	13	1,82,27,31,951	1,62,08,42,789
	(d) Cash & Cash Equivalents	14	72,44,77,969	66,96,517
	(e) Short Term Loans & Advances	15	31,31,34,169	26,72,80,466
	(f) Other Current Assets			
	TOTAL (2)		3,96,32,86,605	2,80,85,06,680
	TOTAL (1 + 2)		5,77,23,81,922	4,46,53,23,610
	Significant Accounting Policies			
	Notes on Financial Statements	1-34		

As per our Report of even date annexed

For G.S. SYAL & CO.

Chartered Accountants (FRN 000457N)

(Gurcharan Singh)

Proprietor

M. No. 080075

Place : Jalandhar

Dated : 5th May, 2017

Gursaran Singh

Managing Director

Rakesh Kumar

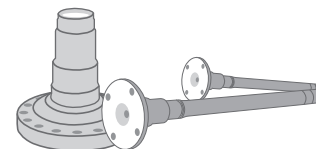
Chief Financial Officer

Ranbir Singh

CEO & Wholtime Director

Gourav Jain

Company Secretary



STATEMENT OF PROFIT & LOSS for year ended 31st March, 2017

				(₹)
S. No.	Particulars	Notes No.	For the year ended 31st March, 2017	For the year ended 31st March, 2016
	REVENUE			
I	Revenue from Operations	16	5,13,40,96,013	5,08,52,05,435
II	Other Income	17	2,90,70,119	42,30,084
III	TOTAL REVENUE (I + II)		5,16,31,66,132	5,08,94,35,519
	EXPENSES			
	Cost of Material consumed	18	3,22,75,25,633	3,30,34,45,689
	Change in Inventory	19	-4,21,07,495	-12,82,91,044
	Employee Benefit Expenses	20	27,11,64,818	23,71,53,713
	Financial Costs	21	12,51,78,866	16,28,92,193
	Depreciation	22	23,94,10,126	27,17,35,769
	Other Expenses	23	87,31,04,306	84,93,99,766
	TOTAL EXPENSES		4,69,42,76,254	4,69,63,36,086
V	PROFIT BEFORE TAX (III-IV)		46,88,89,878	39,30,99,433
	TAX EXPENSES			
	Current Tax		18,52,00,000	15,65,00,000
	Deferred Tax		-1,22,83,747	-2,29,62,886
	NET PROFIT		29,59,73,625	25,95,62,319
	Earning Per Equity Shares (Face Value of ₹ 10/- each)			
	Basic		13.79	17.12
	Diluted		13.79	17.12
	Significant Accounting Policies			
	Notes on Financial Statements	1-34		

As per our Report of even date annexed

For G.S. SYAL & CO.

Chartered Accountants (FRN 000457N)

(Gurcharan Singh)

Proprietor

M. No. 080075

Place : Jalandhar

Dated : 5th May, 2017

Gursaran Singh

Managing Director

Rakesh Kumar

Chief Financial Officer

Ranbir Singh

CEO & Wholetime Director

Gourav Jain

Company Secretary

CASH FLOW STATEMENT as at 31st March, 2017

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	46,88,89,878	39,30,99,433
Adjustments for :		
Depreciation	23,94,10,126	27,17,35,769
Loss on sale of fixed assets (net)		
Interest income	-2,89,53,959	-41,32,828
Interest paid	11,10,33,989	15,16,04,433
Rent	-1,16,160	-97,256
Loss on Assets	28,721	-
Operating profit before working capital changes	79,02,92,595	81,22,09,551
Adjustments for :		
Inventories	-18,92,55,608	56,69,904
Trade and other receivables	-24,77,42,865	-31,27,70,438
Trade and other payable/Provisions	-5,33,50,737	37,77,56,045
Income tax of current year & earlier year paid	-19,92,41,088	-13,81,33,491
Net cash from operating activities	10,07,02,297	74,47,31,571
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets	-10,91,62,831	-14,78,28,911
Sale of Fixed assets	6,35,000	-
Non Current Assets	-	-66,127
Increase in other non current assets	-10,33,70,498	-2,01,32,459
Interest received	2,89,53,959	41,32,828
Increase in Long Term Loans & Advances	-17,98,18,905	-
Rent	1,16,160	97,256
Net cash used in Investing activities	-36,26,47,115	-16,37,97,413
C CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Equity Shares at Premium	1,30,41,00,000	-
Proceeds from Long term Borrowings	45,00,000	2,55,14,756
Repayment of long term borrowings	-19,52,35,471	-22,88,62,140
Increase/ (Decrease) in cash credits & Packing credits	-2,26,04,270	-22,86,68,208
Interest Paid	-11,10,33,989	-15,16,04,433
Net cash flow from financing activities	97,97,26,270	-58,36,20,025
Net increase/ (decrease) in cash & cash equivalents (A+B+C)	71,77,81,452	-26,85,867
Cash & Cash equivalents at the beginning of year (see note 2)	66,96,517	93,82,384
Cash & Cash equivalents at the end of year	72,44,77,969	66,96,517
	71,77,81,452	-26,85,867
Notes:		
1. The Cash flow is based on and derived from the accounts of the Company for the year ended 31st March, 2017 and 31st March, 2016		
2. Cash and Cash equivalents comprise of:		
Cash in hand	22,24,072	22,36,367
Cash Imprest	4,82,887	28,35,152
With scheduled banks		
On current accounts	11,62,221	16,24,998
On fixed deposit accounts	72,06,08,789	0
Cash and cash equivalent at the end of year	72,44,77,969	66,96,517

As per our Report of even date annexed

For G.S. SYAL & CO.

Chartered Accountants (FRN 000457N)

(Gurcharan Singh)

Proprietor

M. No. 080075

Place : Jalandhar

Dated : 5th May, 2017

Gursaran Singh

Managing Director

Rakesh Kumar

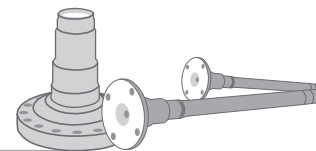
Chief Financial Officer

Ranbir Singh

CEO & Wholtime Director

Gourav Jain

Company Secretary



NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2017

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 market 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).

Significant Accounting Policies:

A) Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards as prescribed u/s 133 of the Companies Act 2013 ("Act") read with rule 7 of the Companies (Accounts) rules.

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

B) Fixed Assets

a) Tangible Fixed Assets & Capital Work In Progress

Tangible fixed assets are stated at cost, net of accumulated depreciation & capital work in progress comprises of the cost of fixed assets that are not ready for their intended use at the reporting date.

b. Depreciation on tangible fixed assets.

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

C) Inventories

Inventories are valued as follows:

a) Stock of raw material & stores	Purchase price +direct expenses
b) Value of stock of work in progress	At estimated cost price
c) Stock of finished goods	At estimated cost or market price whichever is less

D. Revenue Recognition

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer. The Company collects sales taxes and excise duty on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

E. Interest

Interest income is recognized on Accrual basis & as per the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

F. Exchange differences

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

G. 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 tax resulting from timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period is accounted for using the tax rates and loss that are enacted or substantively enacted as on the balance sheet date.

H. Retirement & Other Benefits

- Gratuity: - The Company has a defined benefit gratuity plan. Ever employee who has completed 5 years are more of service is entitled to gratuity on terms not less favourable than the Provisions of "The Payment of Gratuity Act 1972." The scheme is funded with LIC of India.
- Leave Encashment: - The Company also extends benefit of leave encashment to employees, on yearly basis or accumulated leave at the time of retirement. This is an unfunded plan.
- Provident Fund: - Eligible employees receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employees and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary.
- Superannuation Fund: - Certain employees are also participants in the superannuation plan which is a defined contribution plan. The plans is funded with L.I.C of India.

I) 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. There is no impairment of assets.

J) Borrowing Costs

All borrowing costs are recognized as an expanse in the statement of profit and loss.

K) Earning per equity share (EPS)

Earning per share is calculated by dividing profit for the year attributable to equity shareholders by no. of equity shares outstanding during the year.

L) Cash Flow Statement

Cash flow are reported using the indirect method, whereby profit before tax 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 flows from operating, investing and financing activities of the Company are segregated.

M) Previous Years Figures have been regrouped rearranged wherever consider necessary.

For G.S. Syal & Co.,
Chartered Accountants (FRN 000457N)
(Gurcharan Singh)
Proprietor
M. No. 080075
Place : Jalandhar
Dated : 5th May, 2017

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2017 (Contd.)**1 SHARE CAPITAL**

S. No. PARTICULARS	As at 31st March, 2017		As at 31st March, 2016	
	Nos.	Amount	Nos.	Amount
(1) Authorised Share Capital Equity Share of ₹ 10/- each. (Previous year Equity Share of ₹ 10/- each)	30,00,000	3,00,00,000	30,00,000	3,00,00,000
(2) Issued, Subscribed & Paid-up Equity Shares of ₹ 10/- each (Previous year Equity Share of ₹ 10/- each)	2,14,65,400	21,46,54,000	1,51,65,400	15,16,54,000
	2,14,65,400	21,46,54,000	1,51,65,400	15,16,54,000

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

	As at 31st March, 2017		As at 31st March, 2016	
	Nos.	Amount	Nos.	Amount
Equity Shares				
Shares outstanding at the beginning of the year	1,51,65,400	15,16,54,000	1,51,65,400	15,16,54,000
Shares issued during the year	63,00,000	6,30,00,000	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	2,14,65,400	21,46,54,000	1,51,65,400	15,16,54,000

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

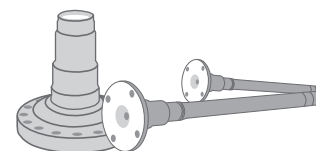
Name of Shareholder	As at 31st March, 2017		As at 31st March, 2016	
	Nos.	Percentage holding	Nos.	Percentage holding
(Equity Shares of ₹ 10/- each)				
S. Rachhpal Singh	17,90,400	8.34%	17,90,400	12
S. Gursaran Singh	13,65,400	6.36%	13,65,400	9
S. Maninder Singh	26,30,400	12.25%	26,30,400	17
S. Jasvinder Singh	26,30,400	12.25%	26,30,400	17
S. Ranbir Singh	26,30,400	12.25%	26,30,400	17
S. Gurdeep Singh	26,30,400	12.25%	26,30,400	17
HDFC Trustee Co. Limited	11,56,832	5.39%	-	-

1.3 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 in proportion to the number of equity shares held by the shareholders.

2 RESERVES & SURPLUS

	As at 31st March, 2017		As at 31st March, 2016	
Security Premium Reserve				
Opening Balance	-	-	-	-
Additions	1,24,11,00,000	-	-	-
Less: Deletion	-	-	-	-
Closing Balance	1,24,11,00,000			
Surplus in Statement of Profit & Loss				
Opening Balance	1,23,13,84,293	97,64,18,351		
Add: Profit during the year	29,59,73,625	25,95,62,319		
Less: Deletions	1,40,41,088	45,96,377		
	1,51,33,16,830	1,23,13,84,293		
Total ₹	2,75,44,16,830	1,23,13,84,293		



NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2017 (Contd.)

3 LONG TERM BORROWINGS

	As at 31st March, 2017	As at 31st March, 2016
SECURED		
From Banks - Term Loans	44,62,07,025	63,36,66,624
Less: Current Maturities of Long Term Borrowings (Refer to Note NO. 6)	18,37,76,000	21,49,00,000
	26,24,31,025	41,87,66,624
UNSECURED		
From Others	-	32,75,872
	26,24,31,025	42,20,42,496

3.1 The above mentioned borrowings are secured by mortgage created on all 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 (except book debts) subject to charges created in favour of the Bankers for securing the working capital limits and the personal guarantee of directors.

3.2 Terms of Repayment of Term Loans

			(₹)					
Loan Amount			Repayment Period		Instalment o/s		Periodicity of repayment	
			Current year	Previous year	Current year	Previous Year	Current Year	Previous Year
			(Years)	(Years)	(No.)	(No.)		
Description	As at 31st March, 2017	As at 31st March, 2016						
CBI T/L 13.9 Cr.	9,06,73,919	11,90,79,707	5	5	13	17	Qtly.	Qtly.
CBI T/L 69 Cr.	31,35,37,870	43,34,34,309	5	5	9	13	Qtly.	Qtly.
CBI T/L 6 Cr.	2,67,16,537	3,58,81,450	5	5	9	13	Qtly.	Qtly.
CBI T/L 1.1 Cr.	60,30,051	82,69,147	5	5	13	17	Qtly.	Qtly.
PNB T/L 14.50 Lacs	4,51,547	9,77,142	3	3	11	23	Monthly	Monthly
PNB T/L 27 Lacs	1,35,643	12,07,433	3	3	2	14	Monthly	Monthly
PNB T/L 72.65 Lacs	26,62,550	37,90,136	7	7	30	42	Monthly	Monthly
CBI T/L 28.47 Lacs	18,48,226	25,31,085	4	4	31	43	Monthly	Monthly
PNB T/L 31 Lacs	28,86,982	0	7	0	78	-	Monthly	Monthly
PNB T/L 14 Lacs	12,63,700	0	3	0	33	-	Monthly	Monthly

Figures of Loans stated above in Para 3.2 includes current maturities of Long Term Loans

4 SHORT-TERM BORROWINGS

	As at 31st March, 2017	As at 31st March, 2016
SECURED LOANS		
From Banks (Repayable on Demand)	72,66,94,049	74,92,98,319
	72,66,94,049	74,92,98,319

4.1 Shot Term Borrowings includes Cash Credit Limit, O/D Limit & PCFC from

Consortium Banks which are secured by hypothecation of entire present & 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 directors.

5 TRADE PAYABLES

	As at 31st March, 2017	As at 31st March, 2016
Micro, Small and Medium Enterprises	---	---
Others	1,52,07,40,001	1,53,98,23,109
	1,52,07,40,001	1,53,98,23,109

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2017 (Contd.)

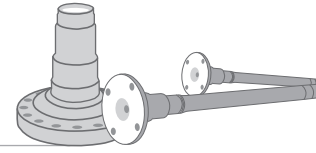
5.1 The information as required to be disclosed under the micro, small and medium enterprises has not been received so far so the disclosure requirement for balance outstanding, interest paid/payable as at the year end as required by the Act has not been given

6 OTHER CURRENT LIABILITIES

	As at 31st March, 2017	(₹) As at 31st March, 2016
Current Maturities of Long Term Borrowings (Refer to Note No.)	18,37,76,000	21,49,00,000
STATUTORY PAYABLES		
TDS Payable	28,83,782	17,95,115
Provident Fund/pension Payable	35,45,861	34,02,291
Bonus Payable	1,45,26,813	1,35,44,400
GSLI Payable	1,18,566	1,63,727
Service Tax	1,33,599	2,11,817
	2,12,08,621	191,17,350
SUNDRY PAYABLE		
Sundry Payable	1,21,35,335	1,20,83,862
Wages Payable	3,73,840	94,495
Salary Deduction	1,69,293	1,52,093
Outstanding Expenses Payable	3,11,64,493	4,00,33,804
	4,38,42,961	5,23,64,254
	24,88,27,582	28,63,81,604

7 SHORT TERM PROVISIONS

	As at 31st March, 2017	(₹) As at 31st March, 2016
Provision for Income Tax	1,97,49,025	4,75,86,632
	1,97,49,025	4,75,86,632



NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2017 (Contd.)

8 (A) - TANGIBLE ASSETS

DESCRIPTION OF ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	Value at the beginning	Additions During the year	Deduction During the year	Value at the end	Value at the beginning	Additions During the year	Deduction During the year	WDV as on 31.03.2017	WDV as on 31.03.2016
FREEHOLD LAND	5,46,18,465	2,14,74,880	-	7,60,93,345	-	-	-	7,60,93,345	5,46,18,465
FACTORY BUILDING	40,22,92,454	-	-	40,22,92,454	13,77,49,622	2,51,31,570	-	23,94,11,262	26,45,42,832
PLANT & MACHINERY	2,36,34,33,021	4,89,50,429	-	2,41,23,83,450	1,25,84,87,314	20,04,80,592	-	95,34,15,544	1,10,49,45,707
FURNITURE & EQUIPMENTS	2,94,41,848	15,95,121	-	3,10,36,969	2,08,57,860	24,30,574	-	77,48,535	85,83,988
VEHICLES	7,33,32,672	55,05,564	60,95,480	7,27,42,756	5,22,02,606	66,49,639	54,31,759	1,93,22,270	2,11,30,066
OFFICE EQUIPMENT	4,21,26,654	35,73,525	-	4,57,00,179	2,49,22,844	30,85,153	-	1,76,92,182	1,72,03,810
COMPUTERS	4,12,97,364	32,51,335	-	4,45,48,699	3,91,87,422	16,32,598	-	37,28,679	21,09,942
TOTAL ₹	3,00,65,42,478	8,43,50,854	60,95,480	3,08,47,97,852	1,53,34,07,668	23,94,10,126	54,31,759	1,76,73,86,035	1,47,31,34,810

(B) CAPITAL - WORK IN PROGRESS

	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	Value at the beginning	Additions During the year	Deduction During the year	Value at the end	Value at the beginning	Additions During the year	Deduction During the year	WDV as on	WDV as on
DESCRIPTION OF ASSETS	4,98,480	2,48,11,977		2,53,10,457				31.03.2017	31.03.2016
BUILDING UNDER CONSTRUCTION									
MACHINERY UNDER INSTALLATION	-			-					
TOTAL ₹	4,98,480	2,48,11,977	-	2,53,10,457	-	-	-	2,53,10,457	4,98,480

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2017 (Contd.)**9 NON-CURRENT INVESTMENTS**

	As at 31st March, 2017	As at 31st March, 2016
Investment in Subsidiary Company		
1 share of GNA Axles INC Michigan	66,127	66,127
	66,127	66,127

10 LONG TERM LOANS AND ADVANCES

	As at 31st March, 2017	As at 31st March, 2016
Advance for Fixed Assets	18,72,39,553	2,06,72,000
Security Deposits	15,40,64,406	14,08,13,054
	34,13,03,959	16,14,85,054

11 OTHER NON-CURRENT ASSETS

	As at 31st March, 2017	As at 31st March, 2016
Share issue expenses	12,50,02,957	2,16,32,459
	12,50,02,957	2,16,32,459

12 INVENTORIES

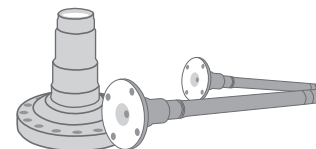
	As at 31st March, 2017	As at 31st March, 2016
1 RAW MATERIALS		
Raw Material Steel	32,03,83,179	18,26,05,739
Raw Material Non-Steel	12,57,979	11,80,031
	32,16,41,158	18,37,85,770
2 Work in Progress	65,04,71,665	60,22,83,227
3 Finished Goods	7,29,51,383	7,55,55,363
4 STORES, SPARES & LOOSE TOOLS		
Stock of Operating Supply	3,97,66,860	3,44,65,560
Stock of Spare Parts	99,21,434	70,08,660
Stock of Diesel	12,41,076	11,79,010
Stock of Die Steel	2,08,342	1,62,084
Stock of Oil Lubricant	30,49,945	22,63,872
	5,41,87,657	4,50,79,186
5 OTHERS		
Stock of Scrap Material	9,25,328	44,02,291
Stock of Packing	27,65,325	25,81,071
	36,90,653	69,83,362
	1,10,29,42,516	91,36,86,908

12.1 Inventories are valued as under:-

Raw Material & Stores	: At purchase price plus Direct Expenses
Work-in-Progress	: At estimated cost price
Finished Goods	: At estimated cost or market price whichever is less

13 TRADE RECEIVABLES

	As at 31st March, 2017	As at 31st March, 2016
Outstanding due for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	20,67,31,637	8,33,15,863
Other Receivables		
Unsecured, considered good	1,61,60,00,314	1,53,75,26,926
	1,82,27,31,951	1,62,08,42,789



NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2017 (Contd.)

14 CASH & CASH EQUIVALENTS

	As at 31st March, 2017	(₹) As at 31st March, 2016
(a) Balance With Banks		
IN FIXED DEPOSITS		
PNB FDR	72,04,03,982	-
CBI FDR held as Margin Money	2,04,807	-
	72,06,08,789	-
IN CURRENT ACCOUNTS		
Central Bank of India-70421	11,505	10,532
HDFC-00180	33,602	5,43,423
Punjab & Sind Bank C/A -27	60,242	40,851
Punjab & Sind Bank C/A-40672	26,497	26,498
PNB C/A-1895	4,90,592	4,62,646
SBI C/A-200183	1,03,683	1,04,316
SBI C/A-331440124491	4,36,100	4,36,732
	11,62,221	16,24,998
Cash in hand	22,24,072	22,36,367
Cash Imprest	4,82,887	28,35,152
	27,06,959	50,71,519
	72,44,77,969	66,96,517

14.1 Margin Money deposits have been given to Bank against Bank Guarantees

15 SHORT TERM LOANS & ADVANCES

	As at 31st March, 2017	(₹) As at 31st March, 2016
1 RECEIVABLE FROM REVENUE AUTHORITIES		
Balance with Central Excise	2,99,98,070	1,97,33,449
Excise Duty pending claims	70,23,934	82,55,137
Value Added Tax	17,46,23,294	15,05,37,539
Excise duty pending rebate (Export sales)	5,85,99,062	6,16,38,428
	27,02,44,360	24,01,64,553
2 OTHER ADVANCES		
Group Gratuity recoverable	-	3,25,140
Amount Recoverable	1,41,26,729	6,91,182
Insurance claim recoverable	-3,06,517	-1,23,907
Advance to Vendors	1,56,61,492	2,13,22,146
Advance to Employees	56,36,884	2,63,963
Pre-paid Expenses	77,71,221	46,37,389
	4,28,89,809	2,71,15,913
	31,31,34,169	26,72,80,466

16 REVENUE FROM OPERATIONS

PARTICULARS	For the year ended 31st March, 2017	(₹) For the year ended 31st March, 2016
Sale Of Products		
Sale Domestic	2,13,92,96,779	2,19,26,71,820
Sale Export (Indirect)	42,31,12,929	13,18,57,955
Sale Export (Direct)	2,33,97,54,808	2,61,78,74,070
Sale of Scrap	13,11,71,091	8,31,96,151
Excise Duty Realized	27,90,72,325	28,14,51,092
	5,31,24,07,932	5,30,70,51,088
Less: Excise Duty Paid	27,90,72,325	28,14,51,092
	5,03,33,35,607	5,02,55,99,996
Other Operating Revenue		
FPS/DEPB	5,87,36,501	61,32,874
Duty Drawback	4,20,23,905	5,34,72,565
Total	5,13,40,96,013	5,08,52,05,435

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2017 (Contd.)**17 OTHER INCOME**

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Interest Income	2,89,53,959	41,32,828
Rent Received	1,16,160	97,256
	2,90,70,119	42,30,084

**18 COST OF MATERIALS CONSUMED
CONSUMPTION OF RAW MATERIAL**

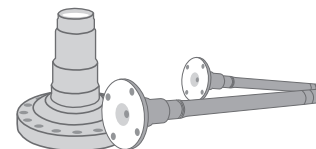
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Raw Material -Steel	2,70,98,66,753	2,81,54,73,121
Raw Material-Non-Steel	20,07,624	36,34,336
	2,71,18,74,377	2,81,91,07,457
Consumption Of Store & Spares		
Consumption of operating supply	27,27,56,797	23,91,80,733
Consumption of Die Steel	3,44,32,257	2,92,89,347
Consumption of oil & Lubricants	5,26,64,319	4,16,31,383
Consumption of Packing Materials	11,88,12,347	13,00,30,869
Consumption of Furnace Oil	3,69,85,536	4,42,05,900
	51,56,51,256	48,43,38,232
	3,22,75,25,633	3,30,34,45,689

**19 CHANGE IN INVENTORY OF-
WORK IN PROGRESS & FINISHED GOODS**

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
At the beginning of Accounting period	68,22,40,881	55,39,49,837
At the end of the Accounting period	72,43,48,376	68,22,40,881
	-4,21,07,495	-12,82,91,044

20 EMPLOYEE BENEFIT EXPENSE

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Wages	8,86,73,118	8,86,92,253
Staff Salary	10,53,79,342	8,88,78,157
Production Incentive Bonus	1,02,96,750	-
Contribution to Provident Fund	75,35,860	67,60,867
Family Pension	99,33,246	91,98,917
Administration charges	12,44,647	12,18,859
Group Gratuity Scheme	60,72,035	50,27,066
Group Insurance	22,13,518	12,84,123
Super Annuation Fund	19,02,115	17,38,960
Workers and Staff Welfare	1,52,96,994	1,43,98,541
Bonus	1,56,29,065	1,38,75,689
Leave with Wages	19,78,860	16,75,157
Medical reimbursement	50,09,268	44,05,124
	27,11,64,818	23,71,53,713



NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2017 (Contd.)

20.1 Disclosure under Accounting Standard 15 (Revised)

As per Accounting Standard (AS-15) (Revised 2005) "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below:

(a) Defined Contribution Plans

Employer's Contribution to Provident Fund & Other Funds 1,74,69,106 1,59,59,784

(b) Every employee who has completed 5 years or more of service is entitled to gratuity on terms not less favourable than the provisions of "The payment of Gratuity Act, 1972". The scheme is funded with LIC of India.

(c) The Company also extends benefit of Leave Encashment to employees on yearly basis or accumulated leave at the time of retirement. This is unfunded Plan

(a) Superannuation Fund:- Certain employees are also participants in the superannuation plan which is a defined contribution plan. The plans is funded with L.I.C of India.

21 FINANCIAL COSTS

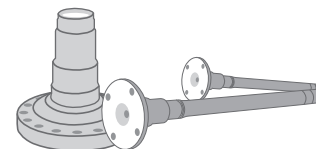
	(₹)
	For the year ended 31st March, 2017
	For the year ended 31st March, 2016
a) Interest Expense	
Interest on Term Loan	6,29,65,464
Interest on Cash Credit	3,55,37,041
Interest to Others	1,25,31,484
b) Other Borrowing Cost	
Bank Commission	1,41,44,877
	12,51,78,866
	16,28,92,193

22 DEPRECIATION AND AMORTISATION EXPENSE DEPRECIATION

	(₹)
	For the year ended 31st March, 2017
	For the year ended 31st March, 2016
Building	2,51,31,570
Plant & Machinery	20,04,80,592
Furniture	24,30,574
Vehicle	66,49,639
Computers	16,32,598
Officer Equipments	30,85,153
	23,94,10,126
	27,17,35,769

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2017 (Contd.)**23 OTHER EXPENSES MANUFACTURING EXPENSES**

	(₹)
	For the year ended 31st March, 2017
	For the year ended 31st March, 2016
Machining charges	13,59,37,246
Power & Fuel	40,63,98,625
Repair & Maintenance	2,14,73,169
Factory Expenses	28,10,108
	56,66,19,148
Administrative Expense	52,40,44,558
Office Expenses	12,74,759
Donation / CSR	13,49,006
Subscription / Membership fees	51,76,600
Entertainment Expense	5,62,149
Fees & Taxes	8,47,686
Insurance	11,69,482
Legal Expenses	15,89,038
News Paper & Periodicals	31,17,724
Payment To Auditors	60,50,715
As Audit Fee	90,39,927
For Taxation purpose	88,09,398
For any other matters	1,23,076
Vehicle Petrol	84,018
Vehicle Repair	11,50,000
Repair of Building	10,50,000
Postage & Courier expenses	-
Printing & Stationery	-
Generator / General Repair & Maintenance	-
Loss on sale of asset	55,69,906
Repair & Maintenance of Computer	52,09,444
Telephone Expenses	62,32,371
Wealth Tax	43,90,740
Directors sitting fees	31,43,652
Rounded-off	5,72,980
Travelling Expenses	5,59,830
Travelling Expenses Foreign	24,92,044
	22,50,790
	2,51,81,866
	2,07,64,639
	28,721
	-
	29,29,499
	21,32,416
	13,52,309
	18,46,676
	-
	39,646
	1,52,592
	1,18,412
	2,492
	-2,395
	1,72,17,063
	1,52,62,298
	42,49,245
	87,81,783
	9,69,95,074
	9,12,90,003
Selling & Distribution Expense	
Advertisement expenses	3,77,398
Guest House expenses	1,69,000
Club fee	1,38,755
Freight & Cartage outward	77,690
Business Promotion Expenses	1,13,947
Export Packing & Forwarding expenses	1,53,836
	6,09,65,212
	4,24,92,524
	16,52,416
	30,32,403
	14,62,42,356
	18,81,39,752
	20,94,90,084
	23,40,65,205
	87,31,04,306
	84,93,99,766



NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2017 (Contd.)

24 RELATED PARTY DISCLOSURE

Disclosures as required by Accounting Standards (AS-18) "Related Party Disclosure" are given below"

(a) Directors, Key Managerial Personnel

Mr. Rachhpal Singh
Mr. Gursaran Singh
Mr. Ranbir Singh
Mr. Jasvinder Singh
Mr. Kulvin Seehra
Mr. Harvinder Seehra

(b) Key Managerial Personnel

Mr. Rakesh Gupta
Mr. Gaurav Jain

(c) Wholly owned Subsidiary Company

GNA Axles INC Michigan

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

GNA Gears Limited
GNA Udyog Limited
GNA Transmission (Punjab) Limited
GNA Investment Limited
Amarson Automotive Limited

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

M/s Seehra Overseas
M/s GNA Sons
M/s GNA Consultancy
M/s GNA Autotech

Nature of Transaction	(₹)	
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
(a) Security Deposit with-		
GNA Udyog Limited	4,88,95,603	4,88,95,603
GNA Sons	5,65,21,030	5,65,21,030
Seehra Overseas	10,00,000	10,00,000
(b) Remuneration Paid to Directors		
Mr. Rachhpal Singh	46,20,000	42,60,000
Mr. Gursaran Singh	50,16,000	45,60,000
Mr. Ranbir Singh	72,96,000	63,84,000
Mr. Jasvinder Singh	72,96,000	63,84,000
Mr. Kulvin Seehra	22,05,000	17,64,000
Mr. Harvinder Seehra	22,05,000	17,64,000
(c) Remuneration Paid to Key Managerial Personnel		
Mr. Rakesh Gupta	10,04,340	9,21,192
Mr. Gaurav Jain	5,75,076	5,12,040

25 The Company has paid annual listing fee to Bombay Stock Exchange Limited & National Stock Exchange of India Limited, where its equity shares are listed.

26 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.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2017 (Contd.)**27 EARNINGS PER SHARE**

		(₹)
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Basic and Diluted Earnings Per Share		
Net Profit attributable to Equity Shareholders	₹ 29,59,73,625	25,95,62,319
Weighted Average number of Equity Shares Outstanding during the year	Nos. 2,14,65,400	1,51,65,400
Face Value	₹ 10	10
Basic Earnings Per Share	₹ 13.79	17.12
Diluted Earnings Per Share	₹ 13.79	17.12

28 CONTINGENT LIABILITIES AND COMMITMENTS:-

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent. The Company does not recognize a contingent liability but discloses its existence in financial Statements. The following are the contingent liabilities:-

		(₹)
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
(a) Contingent Liabilities		
1. Bank Guarantees	7,33,736	2,00,000
2. Excise Duty & Service Tax Demand against which the Company has preferred appeals	79,01,667	51,99,165
3. Income Tax demand against which Company has preferred appeals	1,35,04,810	1,35,04,810
4. Value Added Tax Liabilities	1,95,53,344	1,95,53,344
(b) Commitments		
1. Capital commitments	Nil	Nil

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.

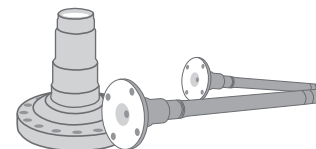
29 THE BALANCES OF TRADE RECEIVABLE, ADVANCES & TRADE PAYABLES ARE SUBJECT TO CONFIRMATION.

30 In the opinion of Board, the current assets, loans & advances are approximately of the value stated, if realized in the ordinary course of business. The provision for depreciation has been made @ prescribed by Company Law and all known liabilities are adequate and not in excess of the amount reasonably necessary.

31 CORPORATE SOCIAL RESPONSIBILITY

The provisions of section 135 of the Companies Act, 2013 in regard to Corporate Social Responsibility is applicable to the Company.

		(₹)
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Amount required to be spent	65,77,000	68,19,000
	(incl. 2169000 prev. unspent)	(incl. 3000000 prev. unspent)
Amount spent	60,52,000	46,50,000
Amount unspent	5,25,000	21,69,000



NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2017 (Contd.)

- 32** Details of specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in the Table below:-

	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 8th November, 2016	44500	28,86,063	29,30,563
(+) Permitted receipts	0	12,00,875	12,00,875
(-) Permitted payments	0	11,38,600	11,38,600
(-) Amount deposited in Banks	44500	-	44,500
Closing cash in hand as on 30th December, 2016	0	29,48,338	29,48,338

- 33 INSURANCE CLAIMS ARE ACCOUNTED FOR ON RECEIPT BASIS.**

- 34 DEFERRED TAX LIABILITIES**

Particulars	For the year ended 31st March, 2017	(₹) For the year ended 31st March, 2016
Value of Assets as per Book (except land)	1,26,66,28,929	1,41,90,14,825
Less: Revaluation	11,49,12,177	11,49,12,177
Net Value:	1,15,17,16,752	1,30,41,02,648
Value of Assets as per Income Tax Rules	1,07,98,39,845	1,19,47,96,507
Timing Difference	7,18,76,907	10,93,06,141
Tax Rate	34.60%	34%
Deferred Tax	2,48,69,410	3,71,53,157
Deferred Tax Liability	-1,22,83,747	

As per our Report of even date annexed

For G.S. SYAL & CO.

Chartered Accountants (FRN 000457N)

(Gurcharan Singh)

Proprietor

M. No. 080075

Place : Jalandhar

Dated : 5th May, 2017

Gursaran Singh

Managing Director

Rakesh Kumar

Chief Financial Officer

Ranbir Singh

CEO & Wholetime Director

Gourav Jain

Company Secretary

INDEPENDENT AUDITOR'S REPORT

To the Members of GNA Axles Limited

Report on the Consolidated Financial Statements

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 31st March, 2017, the consolidated statement of profit and loss and the consolidated cash flow statement 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").

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the

consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

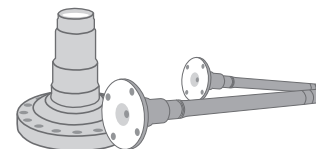
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31st March, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

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 USD 3836.94.

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, and the consolidated cash flow statement 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. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 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 31st March, 2017 from being appointed as a Director of that Company in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note (27) 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.
 - iv) The Company has provided requisite disclosures in its standalone final statements as to holdings as well as dealing in Specified Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company

For G.S. Syal & Co.,

Chartered Accountants (FRN 000457N)

(Gurcharan Singh)

Proprietor

M. No. 080075

Place : Jalandhar

Dated : 5th May, 2017

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 31st March, 2017, 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 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 31st March, 2017 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For G.S. Syal & Co.,

Chartered Accountants (FRN 000457N)

(Gurcharan Singh)

Proprietor

M. No. 080075

Place : Jalandhar

Dated : 5th May, 2017

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CONSOLIDATED BALANCE SHEET as at 31st March, 2017

			(₹)	
S. No.	Particulars	Notes No.	As at 31st March, 2017	As at 31st March, 2016
I	EQUITY AND LIABILITIES			
1	Shareholders Funds			
	(a) Share Capital	1	21,46,54,000	15,16,54,000
	(b) Reserve & Surplus	2	2,75,38,48,834	1,23,10,79,737
	TOTAL (1)		2,96,85,02,834	1,38,27,33,737
2	Share Application Money Pending Allotment		-	-
3	Minority Interest		-	-
4	Non-Current Liabilities			
	(a) Long Term Borrowings	3	26,24,31,025	42,20,42,496
	(b) Deferred Tax Liabilities (Net)		2,48,69,410	3,71,53,157
	(c) Other Long Term Liabilities		-	-
	(d) Long Term Provisions		-	-
	TOTAL (3)		28,73,00,435	45,91,95,653
5	Current Liabilities			
	(a) Short Term Borrowings	4	72,66,94,049	74,92,98,319
	(b) Trade Payables	5	1,52,13,26,752	1,54,01,77,353
	(c) Other Current Liabilities	6	24,88,27,582	28,63,81,604
	(d) Short Term Provisions	7	1,97,49,025	4,75,86,632
	TOTAL (4)		2,51,65,97,408	2,62,34,43,908
	TOTAL (1+2+3+4)		5,77,24,00,677	4,46,53,73,298
II	ASSETS			
1	Non-Current Assets			
	(a) Fixed Assets	8		
	(i) Tangible Assets		1,31,74,11,817	1,47,31,34,810
	(ii) Intangible Assets			
	(iii) Capital Work in Progress		2,53,10,457	4,98,480
	(iv) Intangible Assets under development		-	-
	(v) Fixed Assets held for sale		-	-
	(b) Non-current Investments		-	-
	(c) Long Term Loans & Advances	9	34,13,03,959	16,14,85,054
	(d) Other Non-current Assets	10	12,50,02,957	2,16,32,459
	TOTAL (1)		1,80,90,29,190	1,65,67,50,803
2	Current Assets			
	(a) Current Investments		-	-
	(b) Inventories	11	1,10,29,42,516	91,36,86,908
	(c) Trade Receivable	12	1,82,27,31,951	1,62,08,42,789
	(d) Cash & Cash Equivalents	13	72,45,62,851	68,12,332
	(e) Short Term Loans & Advances	14	31,31,34,169	26,72,80,466
	(f) Other Current Assets		-	-
	TOTAL (2)		3,96,33,71,487	2,80,86,22,495
a	TOTAL (1 + 2)		5,77,24,00,677	4,46,53,73,298
Significant Accounting Policies				
Notes on Financial Statements		1-33		

As per our Report of even date annexed

For G.S. SYAL & CO.

Chartered Accountants (FRN 000457N)

(Gurcharan Singh)

Proprietor

M. No. 080075

Place : Jalandhar

Dated : 5th May, 2017

Gursaran Singh

Managing Director

Rakesh Kumar

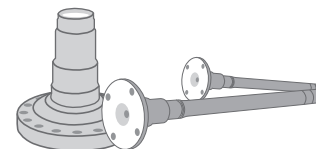
Chief Financial Officer

Ranbir Singh

CEO & Wholetime Director

Gourav Jain

Company Secretary



CONSOLIDATED STATEMENT OF PROFIT & LOSS for year ended 31st March, 2017

				(₹)
S. No.	Particulars	Notes No.	For the year ended 31st March, 2017	For the year ended 31st March, 2016
	REVENUE			
I	Revenue from Operations	15	5,13,40,96,013	5,08,52,05,435
II	Other Income	16	2,90,70,119	42,30,084
III	TOTAL REVENUE (I + II)		5,16,31,66,132	5,08,94,35,519
	EXPENSES			
	Cost of Material consumed	17	3,22,75,25,633	3,30,34,45,689
	Change in Inventory	18	-4,21,07,495	-12,82,91,044
	Employee Benefit Expenses	19	27,11,64,818	23,71,53,713
	Financial Costs	20	12,52,07,197	16,29,09,038
	Depreciation	21	23,94,10,126	27,17,35,769
	Other Expenses	22	87,33,39,415	84,96,87,477
	TOTAL EXPENSES		4,69,45,39,694	4,69,66,40,642
V	PROFIT BEFORE TAX (III-IV)		46,86,26,438	39,27,94,877
VI	TAX EXPENSES			
	Current Tax		18,52,00,000	15,65,00,000
	Deferred Tax		-1,22,83,747	-2,29,62,886
	NET PROFIT		29,57,10,185	25,92,57,763
	Earning Per Equity Shares (Face Value of ₹ 10/- each)			
	Basic		13.78	17.10
	Diluted		13.78	17.10
	Significant Accounting Policies			
	Notes on Financial Statements	1 - 33		

As per our Report of even date annexed

For G.S. SYAL & CO.

Chartered Accountants (FRN 000457N)

(Gurcharan Singh)

Proprietor

M. No. 080075

Place : Jalandhar

Dated : 5th May, 2017

Gursaran Singh

Managing Director

Rakesh Kumar

Chief Financial Officer

Ranbir Singh

CEO & Wholetime Director

Gourav Jain

Company Secretary

CONSOLIDATED CASH FLOW STATEMENT as at 31st March, 2017

		(₹)
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	46,86,26,438	39,27,94,877
Adjustments for:		
Depreciation	23,94,10,126	27,17,35,769
Interest income	-2,89,53,959	-41,32,828
Interest paid	11,10,33,989	15,16,04,433
Rent	-1,16,160	-97,256
Loss on sale of assets	28,721	-
Operating profit before working capital changes	79,00,29,155	81,19,04,995
Adjustments for:		
Inventories	-18,92,55,608	56,69,904
Trade and other receivables	-24,77,42,865	-31,27,70,438
Trade and other payable/Provisions	-5,31,18,230	37,81,10,289
Income tax of earlier year	-1,40,41,088	-45,96,377
Income Tax Paid	-18,52,00,000	-13,35,37,114
Net cash from operating activities	10,06,71,364	74,47,81,259
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets	-10,91,62,831	-14,78,28,911
Sale of fixed assets	6,35,000	-
Increase in other non current assets	-10,33,70,498	-2,01,32,459
Interest received	2,89,53,959	41,32,828
Increase in long term loan & advances	-17,98,18,905	-
Rent	1,16,160	97,256
Net cash used in Investing activities	-36,26,47,115	-16,37,31,286
C CASH FLOW FROM FINANCING ACTIVITIES		
Issue of equity shares at premium	1,30,41,00,000	-
Proceeds from Long term Borrowings	45,00,000	2,55,14,756
Repayment of long term borrowings	-19,52,35,471	-22,88,62,140
Increase / (Decrease) in cash credits & Packing credits	-2,26,04,270	-22,86,68,208
Interest Paid	-11,10,33,989	-15,16,04,433
Net cash flow from financing activities	97,97,26,270	-58,36,20,025
Net increase/ (decrease) in cash & cash equivalents (A+B+C)	71,77,50,519	-25,70,052
Cash & Cash equivalents at the beginning of year (see note 2)	68,12,332	93,82,384
Cash & Cash equivalents at the end of year	72,45,62,851	68,12,332
	71,77,50,519	-25,70,052
Notes:		
1. The Cash flow is based on and derived from the accounts of the Company for the year ended 31st March, 2017 and 31st March, 2016		
2. Cash and Cash equivalents comprise of:		
Cash in hand	22,24,072	22,36,367
Cash Imprest	4,82,887	28,35,152
With scheduled banks		
On current accounts	12,47,103	17,40,813
On fixed deposit accounts	72,06,08,789	0
Cash and cash equivalent at the end of year	72,45,62,851	68,12,332

As per our Report of even date annexed

For G.S. SYAL & CO.

Chartered Accountants (FRN 000457N)

(Gurcharan Singh)

Proprietor

M. No. 080075

Place : Jalandhar

Dated : 5th May, 2017

Gursaran Singh

Managing Director

Rakesh Kumar

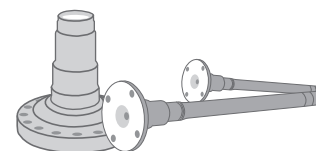
Chief Financial Officer

Ranbir Singh

CEO & Wholtime Director

Gourav Jain

Company Secretary



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2017 (Contd.)

1 SHARE CAPITAL

S. No. PARTICULARS	As at 31st March, 2017		As at 31st March, 2016	
	Nos.	Amount	Nos.	Amount
(1) Authorised Share Capital				
Equity Share of ₹ 10/- each.	30,00,000	3,00,00,000	30,00,000	3,00,00,000
(Previous year Equity Share of ₹ 10/- each)				
(2) Issued, Subscribed & Paid-up				
Equity Shares of ₹ 10/- each	2,14,65,400	21,46,54,000	1,51,65,400	15,16,54,000
(Previous year Equity Share of ₹ 10/- each)				
	2,14,65,400	21,46,54,000	1,51,65,400	15,16,54,000

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

	As at 31st March, 2017		As at 31st March, 2016	
	Nos.	Amount	Nos.	Amount
Equity Shares				
Shares outstanding at the beginning of the year	1,51,65,400	15,16,54,000	1,51,65,400	15,16,54,000
Shares issued during the year	63,00,000	6,30,00,000	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	2,14,65,400	21,46,54,000	1,51,65,400	15,16,54,000

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

Name of Shareholder	As at 31st March, 2017		As at 31st March, 2016	
	Nos.	Percentage holding	Nos.	Percentage holding
(Equity Shares of ₹ 10/- each)				
S. Rachhpal Singh	17,90,400	8.34%	17,90,400	12
S. Gursaran Singh	13,65,400	6.36%	13,65,400	9
S. Maninder Singh	26,30,400	12.25%	26,30,400	17
S. Jasvinder Singh	26,30,400	12.25%	26,30,400	17
S. Ranbir Singh	26,30,400	12.25%	26,30,400	17
S. Gurdeep Singh	26,30,400	12.25%	26,30,400	17
HDFC Trustee Co. Limited	11,56,832	5.39%	-	-

1.3 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 in proportion to the number of equity shares held by the shareholders.

2 RESERVES & SURPLUS

	As at 31st March, 2017		As at 31st March, 2016	
Security Premium Reserve				
Opening Balance	-	-	-	-
Additions	1,24,11,00,000	-	-	-
Less: Deletion	-	-	-	-
Closing Balance	1,24,11,00,000			
Surplus in Statement of Profit & Loss				
Opening Balance	1,23,10,79,737	97,64,18,351		
Add: Profit during the year	29,57,10,185	25,92,57,763		
Less: Deletions	1,40,41,088	45,96,377		
	1,51,27,48,834	1,23,10,79,737		
Total ₹	2,75,38,48,834	1,23,10,79,737		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2017 (Contd.)**3 LONG TERM BORROWINGS**

	As at 31st March, 2017	As at 31st March, 2016
SECURED		
From Banks - Term Loans	44,62,07,025	63,36,66,624
Less: Current Maturities of Long Term Borrowings (Refer to Note NO. 6)	18,37,76,000	21,49,00,000
	26,24,31,025	41,87,66,624
UNSECURED		
From Others	-	32,75,872
	26,24,31,025	42,20,42,496

3.1 The above mentioned borrowings are secured by mortgage created on all 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 (except book debts) subject to charges created in favour of the Bankers for securing the working capital limits and the personal guarantee of directors.

3.2 Terms of Repayment of Term Loans

			(₹)					
Loan Amount			Repayment Period		Instalment o/s		Periodicity of repayment	
			Current year	Previous year	Current year	Previous Year	Current Year	Previous Year
			(Years)	(Years)	(No.)	(No.)		
Description	As at 31st March, 2017	As at 31st March, 2016						
CBI T/L 13.9 Cr.	9,06,73,919	11,90,79,707	5	5	13	17	Qtly.	Qtly.
CBI T/L 69 Cr.	31,35,37,870	43,34,34,309	5	5	9	13	Qtly.	Qtly.
CBI T/L 6 Cr.	2,67,16,537	3,58,81,450	5	5	9	13	Qtly.	Qtly.
CBI T/L 1.1 Cr.	60,30,051	82,69,147	5	5	13	17	Qtly.	Qtly.
PNB T/L 14.50 Lacs	4,51,547	9,77,14 2	3	3	11	23	Monthly	Monthly
PNB T/L 27 Lacs	1,35,643	12,07,433	3	3	2	14	Monthly	Monthly
PNB T/L 72.65 Lacs	26,62,550	37,90,136	7	7	30	42	Monthly	Monthly
CBI T/L 28.47 Lacs	18,48,226	25,31,085	4	4	31	43	Monthly	Monthly
PNB T/L 31 Lacs	28,86,982	0	7	0	78	-	Monthly	Monthly
PNB T/L 14 Lacs	12,63,700	0	3	0	33	-	Monthly	Monthl

Figures of Loans stated above in Para 3.2 includes current maturities of Long Term Loans

4 SHORT-TERM BORROWINGS

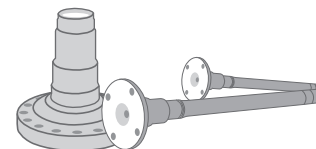
	As at 31st March, 2017	As at 31st March, 2016
SECURED LOANS		
From Banks (Repayable on Demand)	72,66,94,049	74,92,98,319
	72,66,94,049	74,92,98,319

4.1 Shot Term Borrowings includes Cash Credit Limit, O/D Limit & PCFC from

Shot Term Borrowings includes Cash Credit Limit, O/D Limit & PCFC from Consortium Banks which are secured by hypothecation of entire present & 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 directors.

5 TRADE PAYABLES

	As at 31st March, 2017	As at 31st March, 2016
Micro, Small and Medium Enterprises	---	---
Others	1,52,13,26,752	1,54,01,77,353
	1,52,13,26,752	1,54,01,77,353



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2017 (Contd.)

- 5.1** The information as required to be disclosed under the micro, small and medium enterprises has not been received so far so the disclosure requirement for balance outstanding, interest paid/payable as at the year end as required by the Act has not been given.

6 OTHER CURRENT LIABILITIES

	As at 31st March, 2017	(₹) As at 31st March, 2016
Current Maturities of Long Term Borrowings (Refer to Note No.)	18,37,76,000	21,49,00,000
STATUTORY PAYABLES		
TDS Payable	28,83,782	17,95,115
Provident Fund/pension Payable	35,45,861	34,02,291
Bonus Payable	1,45,26,813	1,35,44,400
GSLI Payable	1,18,566	1,63,727
Service Tax	1,33,599	2,11,817
	2,12,08,621	1,91,17,350
SUNDRY PAYABLE		
Sundry Payable	1,21,35,335	1,20,83,862
Wages Payable	3,73,840	94,495
Salary Deduction	1,69,293	1,52,093
Outstanding Expenses Payable	3,11,64,493	4,00,33,804
	4,38,42,961	5,23,64,254
	24,88,27,582	28,63,81,604

7 SHORT TERM PROVISIONS

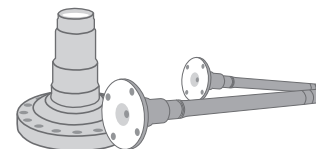
	As at 31st March, 2017	(₹) As at 31st March, 2016
Provision for Income Tax	1,97,49,025	4,75,86,632
	1,97,49,025	4,75,86,632

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2017 (Contd.)**8 (A) - TANGIBLE ASSETS**

DESCRIPTION OF ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	Value at the beginning	Additions During the year	Deduction During the year	Value at the end	Value at the beginning	Additions During the year	Deduction During the year	Value at the end
FREEHOLD LAND	5,46,18,465	2,14,74,880	-	7,60,93,345	-	-	-	7,60,93,345
FACTORY BUILDING	40,22,92,454	-	-	40,22,92,454	13,77,49,622	2,51,31,570	-	23,94,11,262
PLANT & MACHINERY	2,36,34,33,021	4,89,50,429	-	2,41,23,83,450	1,25,84,87,314	20,04,80,592	-	95,34,15,544
FURNITURE & EQUIPMENTS	2,94,41,848	15,95,121	-	3,10,36,969	2,08,57,860	24,30,574	-	2,32,88,434
VEHICLES	7,33,32,672	55,05,564	60,95,480	7,27,42,756	5,22,02,606	66,49,639	54,31,759	1,93,22,270
OFFICE EQUIPMENT	4,21,26,654	35,73,525	-	4,57,00,179	2,49,22,844	30,85,153	-	2,80,07,997
COMPUTERS	4,12,97,364	32,51,335	-	4,45,48,699	3,91,87,422	16,32,598	-	4,08,20,020
TOTAL ₹	3,00,65,42,478	8,43,50,854	60,95,480	3,08,47,97,852	1,53,34,07,668	23,94,10,126	54,31,759	1,76,73,86,035
								1,31,74,11,817
								1,47,31,34,810

(B) CAPITAL - WORK IN PROGRESS

DESCRIPTION OF ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	Value at the beginning	Additions During the year	Deduction During the year	Value at the end	Value at the beginning	Additions During the year	Deduction During the year	Value at the end
BUILDING UNDER CONSTRUCTION	4,98,480	2,48,11,977	-	2,53,10,457	-	-	-	2,53,10,457
MACHINERY UNDER INSTALLATION	-	-	-	-	-	-	-	-
TOTAL ₹	4,98,480	2,48,11,977	-	2,53,10,457	-	-	-	2,53,10,457
								4,98,480



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2017 (Contd.)

9 LONG TERM LOANS AND ADVANCES

	As at 31st March, 2017	As at 31st March, 2016
Advance for Fixed Assets	18,72,39,553	2,06,72,000
Security Deposits	15,40,64,406	14,08,13,054
	34,13,03,959	16,14,85,054

10 OTHER NON-CURRENT ASSETS

	As at 31st March, 2017	As at 31st March, 2016
Share issue expenses	12,50,02,957	2,16,32,459
	12,50,02,957	2,16,32,459

11 INVENTORIES

	As at 31st March, 2017	As at 31st March, 2016
1 RAW MATERIALS		
Raw Material Steel	32,03,83,179	18,26,05,739
Raw Material Non-Steel	12,57,979	11,80,031
	32,16,41,158	18,37,85,770
2 Work in Progress	65,04,71,665	60,22,83,227
3 Finished Goods	7,29,51,383	7,55,55,363
4 STORES, SPARES & LOOSE TOOLS		
Stock of Operating Supply	3,97,66,860	3,44,65,560
Stock of Spare Parts	99,21,434	70,08,660
Stock of Diesel	12,41,076	11,79,010
Stock of Die Steel	2,08,342	1,62,084
Stock of Oil Lubricant	30,49,945	22,63,872
	5,41,87,657	4,50,79,186
5 OTHERS		
Stock of Scrap Material	9,25,328	44,02,291
Stock of Packing	27,65,325	25,81,071
	36,90,653	69,83,362
	1,10,29,42,516	91,36,86,908

11.1 Inventories are valued as under:-

Raw Material & Stores	: At purchase price plus Direct Expenses
Work-in-Progress	: At estimated cost price
Finished Goods	: At estimated cost or market price whichever is less

12 TRADE RECEIVABLES

	As at 31st March, 2017	As at 31st March, 2016
Outstanding due for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	20,67,31,637	8,33,15,863
Other Receivables		
Unsecured, considered good	1,61,60,00,314	1,53,75,26,926
	1,82,27,31,951	1,62,08,42,789

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2017 (Contd.)**13 CASH & CASH EQUIVALENTS**

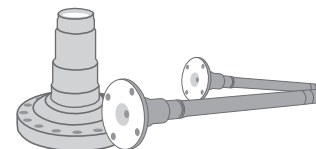
	As at 31st March, 2017	As at 31st March, 2016
(a) Balance With Banks		
IN FIXED DEPOSITS		
PNB FDR	72,04,03,982	-
CBI FDR held as Margin Money	2,04,807	-
	72,06,08,789	-
IN CURRENT ACCOUNTS		
Central Bank of India-70421	11,505	10,532
HDFC-00180	33,602	5,43,423
Punjab & Sind Bank C/A -27	60,242	40,851
Punjab & Sind Bank C/A-40672	26,497	26,498
PNB C/A-1895	4,90,592	4,62,646
Comerica Bank MI	84,882	1,15,815
SBI C/A-200183	1,03,683	1,04,316
SBI C/A-331440124491	4,36,100	4,36,732
	12,47,103	17,40,813
Cash in hand	22,24,072	22,36,367
Cash Imprest	4,82,887	28,35,152
	27,06,959	50,71,519
	72,45,62,851	68,12,332

13.1 Margin Money deposits have been given to Bank against Bank Guarantees**14 SHORT TERM LOANS & ADVANCES**

	As at 31st March, 2017	As at 31st March, 2016
1 RECEIVABLE FROM REVENUE AUTHORITIES		
Balance with Central Excise	2,99,98,070	1,97,33,449
Excise Duty pending claims	70,23,934	82,55,137
Value Added Tax	17,46,23,294	15,05,37,539
Excise duty pending rebate (Export sales)	5,85,99,062	6,16,38,428
	27,02,44,360	24,01,64,553
2 OTHER ADVANCES		
Group Gratuity recoverable	-	3,25,140
Amount Recoverable	1,41,26,729	6,91,182
Insurance claim recoverable	-3,06,517	-1,23,907
Advance to Vendors	1,56,61,492	2,13,22,146
Advance to Employees	56,36,884	2,63,963
Pre-paid Expenses	77,71,221	46,37,389
	4,28,89,809	2,71,15,913
	31,31,34,169	26,72,80,466

15 REVENUE FROM OPERATIONS

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
PARTICULARS		
Sale Of Products		
Sale Domestic	2,13,92,96,779	2,19,26,71,820
Sale Export (Indirect)	42,31,12,929	13,18,57,955
Sale Export (Direct)	2,33,97,54,808	2,61,78,74,070
Sale of Scrap	13,11,71,091	8,31,96,151
Excise Duty Realized	27,90,72,325	28,14,51,092
	5,31,24,07,932	5,30,70,51,088
Less: Excise Duty Paid	27,90,72,325	28,14,51,092
	5,03,33,35,607	5,02,55,99,996
Other Operating Revenue		
FPS/DEPB	5,87,36,501	61,32,874
Duty Drawback	4,20,23,905	5,34,72,565
Total	5,13,40,96,013	5,08,52,05,435



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2017 (Contd.)

16 OTHER INCOME

	As at 31st March, 2017	As at 31st March, 2016
Interest Income	2,89,53,959	41,32,828
Rent Received	1,16,160	97,256
	2,90,70,119	42,30,084

17 COST OF MATERIALS CONSUMED CONSUMPTION OF RAW MATERIAL

	As at 31st March, 2017	As at 31st March, 2016
Raw Material -Steel	2,70,98,66,753	2,81,54,73,121
Raw Material-Non-Steel	20,07,624	36,34,336
	2,71,18,74,377	2,81,91,07,457
Consumption Of Store & Spares		
Consumption of operating supply	27,27,56,797	23,91,80,733
Consumption of Die Steel	3,44,32,257	2,92,89,347
Consumption of oil & Lubricants	5,26,64,319	4,16,31,383
Consumption of Packing Materials	11,88,12,347	13,00,30,869
Consumption of Furnace Oil	3,69,85,536	4,42,05,900
	51,56,51,256	48,43,38,232
	3,22,75,25,633	3,30,34,45,689

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

	As at 31st March, 2017	As at 31st March, 2016
At the beginning of Accounting period	68,22,40,881	55,39,49,837
At the end of the Accounting period	72,43,48,376	68,22,40,881
	-4,21,07,495	-12,82,91,044

19 EMPLOYEE BENEFIT EXPENSE

	As at 31st March, 2017	As at 31st March, 2016
Wages	8,86,73,118	8,86,92,253
Staff Salary	10,53,79,342	8,88,78,157
Production Incentive Bonus	1,02,96,750	-
Contribution to Provident Fund	75,35,860	67,60,867
Family Pension	99,33,246	91,98,917
Administration charges	12,44,647	12,18,859
Group Gratuity Scheme	60,72,035	50,27,066
Group Insurance	22,13,518	12,84,123
Super Annuation Fund	19,02,115	17,38,960
Workers and Staff Welfare	1,52,96,994	1,43,98,541
Bonus	1,56,29,065	1,38,75,689
Leave with Wages	19,78,860	16,75,157
Medical reimbursement	50,09,268	44,05,124
	27,11,64,818	23,71,53,713

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2017 (Contd.)**19.1 DISCLOSURE UNDER ACCOUNTING STANDARD 15 (REVISED)**

As per Accounting Standard (AS-15) (Revised 2005) "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below:

(a) Defined Contribution Plans

Employer's Contribution to Provident Fund & Other Funds	1,74,69,106	1,59,59,784
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(b) Every employee who has completed 5 years or more of service is entitled to gratuity on terms not less favourable than the provisions of "The payment of Gratuity Act, 1972". The scheme is funded with LIC of India.

(c) The Company also extends benefit of Leave Encashment to employees on yearly basis or accumulated leave at the time of retirement. This is unfunded Plan

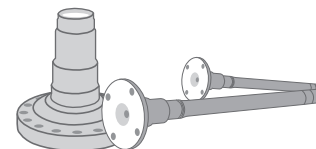
(a) **Superannuation Fund:-** Certain employees are also participants in the superannuation plan which is a defined contribution plan. The plans is funded with L.I.C of India.

20 FINANCIAL COSTS

	As at 31st March, 2017	As at 31st March, 2016
a) Interest Expense		
Interest on Term Loan	6,29,65,464	9,50,53,782
Interest on Cash Credit	3,55,37,041	5,16,46,533
Interest to Others	1,25,31,484	49,04,118
b) Other Borrowing Cost		
Bank Commission	1,41,73,208	1,13,04,605
	12,52,07,197	16,29,09,038

21 DEPRECIATION AND AMORTISATION EXPENSE DEPRECIATION

	As at 31st March, 2017	As at 31st March, 2016
Building	2,51,31,570	2,64,99,997
Plant & Machinery	20,04,80,592	22,92,98,969
Furniture	24,30,574	27,60,791
Vehicle	66,49,639	77,59,173
Computers	16,32,598	22,74,364
Officer Equipments	30,85,153	31,42,475
	23,94,10,126	27,17,35,769



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2017 (Contd.)

22 OTHER EXPENSES MANUFACTURING EXPENSES

	As at 31st March, 2017	As at 31st March, 2016
Machining charges	13,59,37,246	12,58,76,502
Power & Fuel	40,63,98,625	36,95,54,804
Repair & Maintenance	2,14,73,169	2,57,68,567
Factory Expenses	28,10,108	28,44,685
	56,66,19,148	52,40,44,558
Administrative Expense		
Office Expenses	12,74,759	13,49,006
Donation / CSR	73,17,651	51,76,600
Subscription / Membership fees	5,60,718	5,62,149
Entertainment Expense	8,47,686	11,69,482
Fees & Taxes	15,89,038	31,17,724
Insurance	60,50,715	54,34,637
Legal Expenses	92,88,714	90,85,662
News Paper & Periodicals	84,018	1,23,076
Payment To Auditors		
As Audit Fee	11,50,000	10,50,000
For Taxation purpose	-	-
For any other matters	-	-
Vehicle Petrol	55,69,906	52,09,444
Vehicle Repair	62,32,371	43,90,740
Exchange Difference (Consolidation)	-13,678	11,447
Repair of Building	30,99,474	31,43,652
Postage & Courier expenses	5,72,980	5,59,830
Printing & Stationery	24,92,044	22,50,790
Generator / General Repair & Maintenance	2,51,81,866	2,07,64,639
Loss on sale of asset	28,721	-
Repair & Maintenance of Computer	29,29,499	21,32,416
Telephone Expenses	13,52,309	18,46,676
Wealth Tax	-	39,646
Directors sitting fees	1,52,592	1,18,412
Rounded-off	2,492	-2,395
Travelling Expenses	1,72,17,063	1,52,62,298
Travelling Expenses Foreign	42,49,245	87,81,783
	9,72,30,183	9,15,77,714
Selling & Distribution Expense		
Advertisement expenses	3,77,398	1,69,000
Guest House expenses	1,38,755	77,690
Club fee	1,13,947	1,53,836
Freight & Cartage outward	6,09,65,212	4,24,92,524
Business Promotion Expenses	16,52,416	30,32,403
Export Packing & Forwarding expenses	14,62,42,356	18,81,39,752
	20,94,90,084	23,40,65,205
	87,33,39,415	84,96,87,477

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2017 (Contd.)**23 RELATED PARTY DISCLOSURE**

Disclosures as required by Accounting Standards (AS-18) "Related Party Disclosure" are given below"

(a) Directors, Key Managerial Personnel

Mr. Rachhpal Singh
Mr. Gursaran Singh
Mr. Ranbir Singh
Mr. Jasvinder Singh
Mr. Kulvin Seehra
Mr. Harvinder Seehra

(b) Key Managerial Personnel

Mr. Rakesh Gupta
Mr. Gaurav Jain

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

GNA Gears Limited
GNA Udyog Limited
GNA Transmission (Punjab) Limited
GNA Investment Limited
Amarson Automotive Limited

(d) 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

Nature of Transaction	(₹)	
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
(a) Security Deposit with-		
GNA Udyog Limited	4,88,95,603	4,88,95,603
GNA Sons	5,65,21,030	5,65,21,030
Seehra Overseas	10,00,000	10,00,000
(b) Remuneration Paid to Directors		
Mr. Rachhpal Singh	46,20,000	42,60,000
Mr. Gursaran Singh	50,16,000	45,60,000
Mr. Ranbir Singh	72,96,000	63,84,000
Mr. Jasvinder Singh	72,96,000	63,84,000
Mr. Kulvin Seehra	22,05,000	17,64,000
Mr. Harvinder Seehra	22,05,000	17,64,000
(c) Remuneration Paid to Key Managerial Personnel		
Mr. Rakesh Gupta	10,04,340	9,21,192
Mr. Gaurav Jain	5,75,076	5,12,040

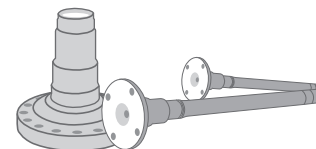
24 The Company has paid annual listing fee to Bombay Stock Exchange Limited & National Stock Exchange of India Limited, where its equity shares are listed.

25 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.

26 EARNINGS PER SHARE

		(₹)	
		For the year ended 31st March, 2017	For the year ended 31st March, 2016
Basic and Diluted Earnings Per Share			
Net Profit attributable to Equity Shareholders	₹	29,57,10,185	25,92,57,763
Weighted Average number of Equity Shares Outstanding during the year	Nos.	2,14,65,400	1,51,65,400
Face Value	₹	10	10
Basic Earnings Per Share	₹	13.78	17.10
Diluted Earnings Per Share	₹	13.78	17.10



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2017 (Contd.)

27 CONTINGENT LIABILITIES AND COMMITMENTS:-

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent. The Company does not recognize a contingent liability but discloses its existence in financial Statements. The following are the contingent liabilities :-

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
(a) Contingent Liabilities		
1. Bank Guarantees	7,33,736	2,00,000
2. Excise Duty & Service Tax Demand against which the Company has preferred appeals	80,28,142	46,07,858
3. Income Tax demand against which Company has preferred appeals	1,35,04,810	1,35,04,810
4. Value Added Tax Liabilities	1,95,53,344	1,95,53,344
(b) Commitments		
1. Capital commitments	Nil	Nil

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.

28 THE BALANCES OF TRADE RECEIVABLE, ADVANCES & TRADE PAYABLES ARE SUBJECT TO CONFIRMATION.

29 In the opinion of Board, the current assets, loans & advances are approximately of the value stated, if realized in the ordinary course of business. The provision for depreciation has been made @ prescribed by Company Law and all known liabilities are adequate and not in excess of the amount reasonably necessary.

30 CORPORATE SOCIAL RESPONSIBILITY

The provisions of section 135 of the Companies Act, 2013 in regard to Corporate Social Responsibility is applicable to the Company.

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Amount required to be spent	65,77,000 (incl. 2169000 prev. unspent)	68,19,000 (incl. 3000000 prev. unspent)
Amount spent	60,52,000	46,50,000
Amount unspent	5,25,000	21,69,000

31 Details of specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in the Table below:-

	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 8th November, 2016	44500	28,86,063	29,30,563
(+) Permitted receipts	0	12,00,875	12,00,875
(-) Permitted payments	0	11,38,600	11,38,600
(-) Amount deposited in Banks	44500	-	44,500
Closing cash in hand as on 30th December, 2016	0	29,48,338	29,48,338

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31st March, 2017 (Contd.)**32 INSURANCE CLAIMS ARE ACCOUNTED FOR ON RECEIPT BASIS.****33 DEFERRED TAX LIABILITIES**

Particulars	(₹)	
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Value of Assets as per Book (except land)	1,26,66,28,929	1,41,90,14,825
Less: Revaluation	11,49,12,177	11,49,12,177
Net Value:	1,15,17,16,752	1,30,41,02,648
Value of Assets as per Income Tax Rules	1,07,98,39,845	1,19,47,96,507
Timing Difference	7,18,76,907	10,93,06,141
Tax Rate	34.60	34
Deferred Tax	2,48,69,410	3,71,53,157
Deferred Tax Liability	-1,22,83,747	

As per our Report of even date annexed

For G.S. SYAL & CO.

Chartered Accountants (FRN 000457N)

(Gurcharan Singh)

Proprietor

M. No. 080075

Place : Jalandhar

Dated : 5th May, 2017

Gursaran Singh

Managing Director

Rakesh Kumar

Chief Financial Officer

Ranbir Singh

CEO & Wholetime Director

Gourav Jain

Company Secretary



BIRD'S EYE VIEW OF UNIT II OF THE COMPANY AT GULABGARH JATTAN



ROUTE MAP TO THE VENUE OF THE 24TH ANNUAL GENERAL MEETING



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, District - Hoshiarpur
Punjab, India

GNA AXLES LIMITED**[CIN: L29130PB1993PLC013684]****Registered Office:** GNA House, 1-C Chhoti Baradari – II Garha Road, Opposite Medical College Jalandhar 144001 Punjab.**Email:** gjain@gnagroup.com **Website:** www.gnagroup.com**PROXY FORM****[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]**

Name of the member (s) :	
Registered Address :	
Email Id :	
Folio No./ DPID-Client ID :	

I/We, being the member (s) of		Shares of the above named Company, hereby appoint:
1.	Name :	Address :
	E-mail Id	Signature :, or failing him
2.	Name :	Address :
	E-mail Id	Signature :
3.	Name :	Address :
	E-mail Id	Signature :

as my/ our proxy to attend and vote (on a poll) for me as me/us and on my/ our behalf at the 24th Annual General Meeting of the Company, to be held on Tuesday, September 5, 2017 at 11:30 A.M. at Hotel Grand Majestic, GT Road, Paragpur, Jalandhar 144001 Punjab and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions
Ordinary Business	
1	Adoption of audited Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss for the year ended on that date together with the Reports of the Board of Directors and the Auditors thereon.
2	Re-Appointment of Mr. Jasvinder Singh (DIN : 01831572), liable to retire by rotation as Director of the Company
3	Re-Appointment of Mr. Ranbir Singh (DIN : 01572708), liable to retire by rotation as Director of the Company
4	Re-Appointment of Mr. Gurdeep Singh (DIN : 01572748), liable to retire by rotation as Director of the Company
5	Appointment of Statutory Auditors of the Company
Special Business	
6	Reappointment of Mr. Anish Kumar Dhingra (DIN 01062917) as Independent Director for a period of 5 years.
7	Reappointment of Mr. Vikas Uppal (DIN : 00796828) as Independent Director for a period of 5 years.
8.	Reappointment of Mr. Manbhupinder Singh Atwal (DIN : 03298665) as Independent Director for a period of 5 years.
9.	Reappointment of Air Cmde. (Retd.) Shailindra Singh Kaushik (DIN 07196966) as Independent Director for a period of 5 years.
10.	Reappointment of Ms. Geeta Khanna (DIN : 07206191) as Independent Director for a period of 5 years.
11.	Reappointment of Mr. Ajit Singh (DIN : 000237491) as Independent Director for a period of 5 years.
12.	Reappointment of Mr. Rachhpall Singh (DIN : 00806002) as Executive Director for a period of 3 years)
13.	Reappointment of Mr. Gursaran Singh (DIN : 00805558) as Managing Director for a period of 3 years.

Signed this _____ day of _____ 2017

Affix Revenue Stamp of ₹ 1 here
--

Signature of Proxy holder(s)_____
Signature of Shareholder

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

GNA AXLES LIMITED

[CIN: L29130PB1993PLC013684]

Registered Office: GNA House, 1-C Chhoti Baradari – II Garha Road, Opposite Medical College Jalandhar 144001 Punjab.

Email: gjain@gnagroup.com **Website:** www.gnagroup.com

ATTENDANCE SLIP

[PLEASE BRING THIS ATTENDANCE SLIP TO THE MEETING AND HAND IT OVER AT THE ENTRANCE DULY FILLED IN]

24TH ANNUAL GENERAL MEETING	
NAME OF SHAREHOLDER / PROXY*	:
ADDRESS	:
No. of Shares Held	:
DP ID / Client ID	:

I hereby record my presence at the **24th Annual General Meeting** of the Company held on Tuesday, September 5, 2017 at 11:30 A.M. at Majestic Grand Hotel, GT Road, Paragpur Jalandhar – 144001 Punjab.

Signature of Shareholder/Proxy

*Strike out which ever is not applicable

ELECTRONIC VOTING PARTICULARS		
EVSNO	User ID / Folio No / DP / Client ID	SEQUENCE NO.
170724002		