

BOARD OF DIRECTORS

S. Rachhpall Singh	Executive Chairman
S. Gursaran Singh	Managing Director
S. Jasvinder Singh	Jt. Managing Director
S. Ranbir Singh	CEO & Wholetime Director
S. Kulwin Seehra	Wholetime Director
S. Harwinder Singh	Wholetime Director
S. Gurdeep Singh	Director
S. Jasminder Singh Johal	Independent Director
Mr. Anish Kumar Dhingra	Independent Director
Air Cmde (Retd.) Shailindra Singh Kaushik	Independent Director
Mr. Vikas Uppal	Independent Director
S. Dilsher Singh Bhatti	Independent Director
S. Manbhupinder Singh Atwal	Independent Director
Mrs. Geeta Khanna	Independent Director

CHIEF FINANCIAL OFFICER

Sh. Rakesh Gupta

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](http://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

NOTICE

GNA AXLES LIMITED

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

Notice : is hereby given that 23rd Annual General Meeting of the shareholders of GNA Axles Limited will be held on day of June 2016 at 11:00 A.M at the Registered Office of the Company at Jalandhar to transact the following Business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as on 31st March, 2016 and Profit & Loss Account for the year ended on that date together with the reports of Auditor's and Directors thereon.
2. To appoint a Director in place of S. Rachhpall Singh, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of S. Gursaran Singh , who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of S. Kulwin Seehra, who retires by rotation and being eligible offers himself for reappointment.
5. To appoint M/s G.S Syal & Co. Chartered Accountants, the retiring Auditors as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, on such remuneration as agreed upon by the Board of Directors and Auditors in connection with the audit of the Company for the year ending 31st March 2017.

**By Order of The Board
FOR GNA AXLES LIMITED**

**Place: Jalandhar
Dated: 23rd may, 2016**

**Gourav Jain
(Company Secretary)**

Notes :

1. A Member Entitled to Attend And Vote at The Meeting Is Entitled To Appoint A Proxy To Attend And Vote Instead Of Himself And The Proxy Need Not Be A Member of The Company. The Proxy In Order To Be Effective Must Be Received By The Company Not Less Than 48 Hours Before The Meeting.
2. Member Desiring Any Information As Regards To The Accounts Of The Company Are Requested To Write To The Company Atleast One Week In Advance So As To Enable The Management To Keep Information Ready, As Far As Possible, At The Meeting.
3. Members Are Requested To Please Notify Any Change In Their Address Immediately To The Company At Its Registered Office.
4. Members Are Requested To Bring Their Copies Of Annual Report To The Meeting.
5. The Copies Of The Relevant Documents Can Be Inspected At The Registered Office Of The Company On Any Working Day Between 10:30 Am To 12:30 Pm.

DIRECTOR REPORT

Dear Members,

The Directors of your Company have pleasure in

presenting their 23rd Annual Report on the affairs of the Company together with the Audited Accounts of the Company for the year ended 31st March, 2016

1. FINANCIAL RESULTS

Amount (Rs in Lacs)

Particulars	Year ended on 31 st March, 2016	Year ended on 31 st March, 2015
Sales	50255.99	42586.66
Other Income	638.36	477.80
Stock Differential	(1282.91)	(1489.40)
Depreciation	2717.36	2298.24
Profit/Loss before Tax	3931.00	2074.10
Provision (Income Tax)	1565.00	575.00
Profit/Loss after tax	2595.62	1499.10
Tangible Assets	14731.35	15933.01
Total current Assets, Loans & Advances	28085.07	24642.04
Total Current Liabilities & Provisions	24081.89	22361.37
Authorised Share Capital	3000.00	3000.00
Paid Up Share Capital	1516.14	1516.14
Reserve & Surplus	12313.84	9764.18

2. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

A. FINANCIAL ANALYSIS:

Revenue from operations increased by ₹ 76.69 Crores to ₹ 502.56 crores for the Fiscal 2016 from ₹ 425.87 Crores for the Fiscal 2015, or an increase of 18.00%. The increase was primarily attributable to an increase in our export sales. Export sales increased (including indirect exports) by ₹ 69.14 Crores to ₹ 274.98 Crores for the Fiscal 2016 from ₹ 205.84 crores for the Fiscal 2014, or an increase of 33.59%. However, domestic sales increased by ₹ 9.81 Crores million to ₹ 219.27 Crores in the Fiscal 2016 from ₹ Rs. 209.46 crores in the Fiscal 2015, or an increase of 4.68%.

Net profit before tax increased by ₹ 18.57 Crores to ₹ 39.31 crores for the Fiscal 2016 from ₹ 20.74 crores for the Fiscal 2015, or an increase of 89.58%.

Profit after tax increased by ₹ 10.97 crores to ₹ 25.96 crores for the Fiscal 2016 from ₹ 14.99 crores for the Fiscal 2015, or an increase of 73.18 %.

B. RESOURCE UTILISATION :

FIXED ASSETS:

The net fixed assets as at 31st March, 2016 were ₹ 147.31 crores as against previous year's fixed assets of ₹ 159.33 crores . During the year, there were additions of fixed assets amounting to ₹ 15.16 crores.

CURRENT ASSETS:

The net current assets as on 31st March, 2016 were ₹ 40.03 crores as against ₹ 22.81 crores in the previous year.

C. BUSINESS OUTLOOK :

The sales of our products are directly related to the production and sales volumes of vehicles by our customers. Production and sales may be affected by general economic or industry conditions. We are particularly affected by factors affecting commercial vehicle and tractors segments in India. We believe that we have come out from the general recession in 2007- 2008 in a very effective way by improving and diversifying our customer and product base due to various factors including use of modern manufacturing facilities. In Fiscal 2016, when there was a slowdown in the domestic tractor

industry, we have achieved revenue from operations of ₹ 502.56 Crores against revenue from operations of ₹425.87 million for the Fiscal 2015, primarily on account of increase in export sales. There has been some improvement in the domestic tractor industry owing to a sense that the monsoon in this year will be above normal. We hope that the Company will be able to achieve higher sales in the ongoing financial year on back of improved demand from the Tractor Manufacturers.

The company has also identified overseas market as the key driver for its sales. We hope to increase our market share in the existing geographies and also add new customers in the existing as well as new geographies, which will help the Company to expand its global footprint.

E. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY :

The Company has well defined internal control system. The Company takes abundant care to design, review and monitor the working of internal control system. Internal Audit in the organisation is an independent appraisal activity and it measures the efficiency, adequacy and effectiveness of other controls in the organisation. Your Company has also implemented SAP owing to which there has been a drastic change in the accounting as well as internal control systems of the Company and it has strengthened the inventory control, planning and its implementation in the working of your Company.

Internal audit in the organization is an independent appraisal activity and all significant issues are brought to the attention of the Audit Committee of the Board.

F. INTERNAL FINANCIAL CONTROL :

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

G. MANAGEMENT PERCEPTION OF RISK AND CONCERNS :

The Company recognizes that risk is an integral and unavoidable component of business and is committed to managing the risk in a proactive and effective manner. An enterprise-wide risk management framework is applied so that effective management of risks is an integral part of every employee's job.

H. HUMAN RESOURCES/INDUSTRIAL RELATIONS :

The Company continues to lay emphasis on building and sustaining an excellent organisation climate based on human performance. Performance management is the key word for the Company. Pursuit of proactive policies for industrial relations has resulted in peaceful and harmonious situation on the shop floors of both the plants of the Company. During the year 1100 personnel were employed by the Company.

3. PUBLIC DEPOSITS :

The Company has not accepted and does not intend to accept any deposits from the public. As at 31st March, 2016, there are no outstanding/unclaimed deposits from the public.

4. DIVIDEND :

In view of the ongoing and future expansions and to conserve the funds for expansions your Directors do not recommend any Dividend for the Financial Year 2015-2016.

5. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP) :

In accordance with provisions of the Articles of Association of the Company, Mr. Rachhpall Singh, Mr. Gursaran Singh and Mr. Kulwin Seehra, 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 provisions of Section 203 of the Companies Act, 2013, the below mentioned KMP's were appointed /designated in the Board meeting held on 9th June 2015, as detailed below:-

Whole Time 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)
Rakesh Kumar	Chief Financial Officer (CFO)
Gourav Jain	Company Secretary (CS)

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.

6. INDEPENDENT DIRECTORS :

Pursuant to the provisions of the Companies Act, 2013, Mr. Dilsher Singh Bhatti, Mr. Shailindra Singh Kaushik, Mr. Manbhupinder Singh Atwal, Mr. Vikas Uppal and Mrs. Geeta Khanna, Mr. Jasminder Singh Johal and Mr. Anish Kumar Dhingra were appointed as Independent Directors in the 22nd Annual General Meeting, who are not liable to retire by rotation.

Declaration under Section 149(6):

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and read with the relevant rules.

7. AUDITORS :

a. Statutory Auditors:

M/s. G.S. Syal & Co., Chartered Accountants, will retire at the conclusion of the ensuing Annual General Meeting, and being eligible offer themselves for reappointment at the ensuing Annual General Meeting. The Company has received certificate from the Auditors to the effect that their appointment, if made, would be within the provisions laid

down u/s 141 of the Companies Act, 2013.

b. Secretarial Auditor:

M/s H.K & Associates , Practicing Company Secretaries, were appointed as Secretarial Auditor for the year 2015-16.

c. Internal Auditor:

Pursuant to provisions of Section 138 of the Companies Act, 2013, the Company has appointed Mr. Kamlesh Kumar Sharma to conduct internal audit of the functions and activities of the Company and maintain internal control systems of the Company.

8. AUDITORS' REPORT :

The Statutory & Secretarial Auditors' Reports are self explanatory and requires no comments.

9. AUDIT COMMITTEE & VIGIL MECHANISM :

Composition of Audit Committee:

The Audit committee of the Board of Directors was constituted in conformity of provisions of the Companies Act, 2013. The committee comprises of three directors i.e. Mr. Shailindra Singh Kaushik, Mr. Jasinder Singh Johal and Mr. Ranbir Singh. Mr. Shailindra Singh Kaushik is the Chairman of the said committee and Mr. Gourav Jain is secretary of the Committee. The Committee met 2 times during the year.

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 in terms of rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 for employees and directors of the Company, for expressing the genuine concerns of unethical behavior, frauds or violation of the codes of conduct by way of direct access to the Chairman/ Chairman of the Audit Committee in exceptional cases. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns.

10. BOARD MEETINGS :

During the Financial Year 2015-16, the Board met 5 times i.e on 18th May 2015, 9th June 2015, 26th September 2015, 21st January 2015 and 7th March 2016.

11. DIRECTOR'S RESPONSIBILITY STATEMENT :

Pursuant to Section 134 (5) of the Companies Act, 2013, the Directors 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. 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.

13. PERSONNEL & RELATED INFORMATION :

None of the employees has received salary of ₹ 60.00 lac per annum or ₹ 5.00 lac per month or more during the Financial Year 2015-2016. Accordingly, no particulars of

employees are to be given pursuant to the provisions of Section 197 of the Companies Act, 2013 read with respective rules. Since the Company has no any subsidiary or holding company, no particulars are required to be given pursuant to the provisions of Section 197 (14) of the Companies Act, 2013.

14. COMPANY POLICIES & STATUS OF DEVELOPMENT:

a. CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES:

Your Company is committed to and fully aware of its Corporate Social Responsibility (CSR), the guidelines in respect of which were more clearly laid down in the recently overhauled Companies Act. The Company's vision is to pursue a corporate strategy that enables shareholder value enhancement in a mutually reinforcing and synergistic manner.

The Company has identified following thrust areas for CSR :

1. To promote Education and help in delivering quality education to the society and students.
2. To promote and help in providing healthcare and preventive healthcare facilities to the people.
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 2015-16 is attached herewith in Annexure .

b. NOMINATION AND REMUNERATION POLICY :

The Nomination & Remuneration Committee was reconstituted by the Board 2015, consisting of three

directors viz Mr. Gurdeep Singh, Mr. Jasinder Singh Johal and Mr. Vikas Uppal and Mr. Jasinder Singh Johal is the Chairperson of said Committee. The Committee met One time during the year under review. The Company's approved Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, Independence of Directors and other related matters as provided under Section 178(3) & (4) of the Companies Act, 2013 is attached herewith in Annexure.

c. RISK MANAGEMENT POLICY :

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 Committee was constituted by the Board on 9th June 2015, comprising of Mr. Ranbir Singh, Mr. Jasinder Singh Johal and Mr. Anish Kumar Dhingra. The Risk Management Policy has been approved by the Board of Directors.

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

The Company has not made any loan, provided any guarantee or made any investments u/s 186 of the Companies Act during the financial year 2015-2016.

16. 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.

17. EXTRACT OF ANNUAL RETURN:

The extracts 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.

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

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 .

19. SUBSIDIARY

The Company has incorporated its wholly owned subsidiary M/s GNA Axles Inc. in Michhigan USA during the financial year 2015-2016.

20. GENERAL DISCLOSURE :

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

1. Details of joint venture or associate company.
2. Issue of equity shares with differential rights to dividend, voting or otherwise.

3. No material changes and commitments affecting the financial position of the Company occurred between the end of the Financial Year to which this financial statements relate and the date of this report.
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.

21. ACKNOWLEDGEMENT :

Your Directors are pleased to place on record their sincere gratitude to the Government Authorities, Financial Institutions & Bankers for their continued and valuable cooperation and support to the Company.

Your Directors express their deep appreciation for the devoted and sincere efforts put in by the members of the team at all levels of operations in the Company during the year. The Company feels confident of continued cooperation and efforts from them in future also.

For And on Behalf of the Board

Date: 23rd May, 2016

Place: Mehtiana

**Ranbir Singh
CEO & Wholetime Director**

**Gursaran Singh
Managing Director**

ANNEXURE TO DIRECTORS REPORT

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 31.03.2016.

A. CONSERVATION OF ENERGY

Adequate measures have been taken for energy conservation and thereby to reduce energy cost. The Company has also set up a separate wing for energy conservation. Further the Company has constituted a Quality Council to look after various improvement activities in the work area, one of which is the Energy Conservation. The main tasks of which are given below:

1. Regular auditing of Oil, & Power conservation.
2. Implementing the latest technology to reduce energy losses.
3. Minimizing idle running hours of equipments.
4. Regular monitoring & bench marking of energy equipments.

With the help of the above efforts there was reduction in fuel, electricity and oil consumption resulting in reduction in the cost of production

PARTICULARS OF ENERGY CONSUMPTION FORM – A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. Power and fuel consumption

1.	Electricity (a) Purchased	Current Year	Previous Year
	Units (No)	50553000	41794580
	Total Amount (Rs)	369554804	300895672
	Rate Per Unit	7.31	7.2
	(a) Own Generation Through Diesel Generator		
	Units (No)	35400	131940
	Units Per litre of diesel Oil	3.18	3.31
	Cost per unit (Rs)	14.85	16.39
2.	Furnace Oil		
	Quantity MT	2119.17	2123.35
	Total Amount in Rupees	44205900	79816774
	Average Rate / MT in Rupees	20860	37590

B. Consumption per unit of production

	Products (Pieces)	2261900	1952169
	Electricity (Unit / Piece)	22.37	21.48
	Furnace Oil (MT/pc)	0.00094	0.0011

B. TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT

As result of ongoing improvements the company has been absorbing and localizing the latest technology in production and process with the help of importation of machinery & allied equipments. 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.

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

Rs. in Lacs

	Current Year	Previous Year
Earnings in Foreign Exchange	26178.74	20323.23
Foreign Exchange Outgo	941.84	480.03

FOR AND ON BEHALF OF THE BOARD

Dated: 23rd May, 2016
Place : Mehtiana

RANBIR SINGH
DIRECTOR

GURSARAN SINGH
MANAGING DIRECTOR

Annual report of the CSR Activities for the Financial Year 2015-2016

(Section 135 & Rule 8(1) of Companies (Corporate Social Responsibility Policy) Rules, 2014.

Name of Company
Corporate Identity Number
For Financial Year

G N A Axles Limited
U29130PB1993PLC013684
2015-2016

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:- <ol style="list-style-type: none"> 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 29 th September 2014 and was reconstituted on June 9, 2015. Chairman of the Committee : Mr. Anish Kumar Dhingra Members : Mr. Ranbir Singh & Mr. S S Kaushik.
3	Average Net profit of the Company for the last three financial years	Rs. 18.95 Cr
4	Prescribed CSR Expenditure	Rs. 37.89 Lacs for Financial Year 2015-16 and Rs. 30.30 Lacs of previous year remaining unspent.
5	Details of the CSR spent during the financial year	
	a. Total amount to be spent for the financial year	Rs. 68.19 Lacs
	b. Amount unspent, if any	Rs. 21.69 Lacs
	c. Manner in which the amount spent during the financial year	As per annexure A
6	In case the Company has failed to spend 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 Rs. 68.19 Lacs in the financial year 2015-2016 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.

Annexure A

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 Director of through implementing agency.
1	Promoting Education	Education	The programme was undertaken at Nanded in the state of Maharashtra & in Phillaur in Punjab.	Rs. 11.00 Lacs	Rs. 11.00 Lacs Direct	Rs. 11.00 Lacs	The amount was spent through Shri Guru Gobind Singh Trust and DAV College Phillaur
2	Promoting Preventive healthcare	Healthcare	The programme is being implemented in the state of Punjab in Phillaur	Rs. 35.50 Lacs	Rs. 35.50 Lacs	Rs. 35.50 Lacs	The Company has donated the amount to SK Malhotra Charitable Trust. The said Trust is running a Charitable Hospital in Phillaur. The amount was spent by tehe Trust for the purchase of more sophisticated healthcare equipments for the benefit of the poor.

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: 23rd May, 2016
Place : Mehtiana

Gursaran Singh
Managing Director

S S Kaushik
Member of CSR Committee *

* The Chairman of CSR Committee Mr. Anish Kumar Dhingra was not present in the meeting to sign the responsibility statement as he was in USA

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2016

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 :									
CIN		U29130PB1993PLC013684							
Registration Date		06/09/1993							
Name of the Company		G N A AXLES LIMITED							
Category/Sub-category of the Company		NON GOVT. COMPANY							
Address of the Registered office & contact details		GNA HOUSE 1-C CHHOTI BARADARI - II GARHA ROAD OPPOSITE MEDICAL COLLEGE JALANDHAR 144001 PUNJAB							
Whether listed company		NO							
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)									
Name and Description of main products / services				NIC Code of the Product/service			% to total turnover of the company		
MANUFACTURING OF AUTO PARTS							100		
III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES									
Name and address of the Company		CIN/GLN		Holding/ Subsidiary/ Associate		% of shares held		Applicable Section	
GNA Axles Inc.				Subsidiary		100		2(87)(ii)	
6960 Orchard Lake Road, Suite 2334, West Bloomfield									
Michigan 48322 USA									
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 [As on 31-March-2015]				No. of Shares held at the end of the year[As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	15165400	15165400	100.00%	15165400	-	15165400	100.00%	0.00%
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)	-	15,165,400	15,165,400	100.00%	15,165,400	-	15,165,400	100.00%	0.00%
(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)	-	15,165,400	15,165,400	100.00%	15,165,400	-	15,165,400	100.00%	0.00%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds			-	0.00%			-	0.00%	0.00%
b) Banks / FI			-	0.00%			-	0.00%	0.00%
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) FII's			-	0.00%			-	0.00%	0.00%
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%	-	-	-	0.00%	0.00%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian			-	0.00%			-	0.00%	0.00%
ii) Overseas			-	0.00%			-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh			-	0.00%			-	0.00%	0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh			-	0.00%			-	0.00%	0.00%
c) Others (specify)									

Non Resident Indians			-	0.00%			-	0.00%	0.00%
Overseas Corporate Bodies			-	0.00%			-	0.00%	0.00%
Foreign Nationals			-	0.00%			-	0.00%	0.00%
Clearing Members			-	0.00%			-	0.00%	0.00%
Trusts			-	0.00%			-	0.00%	0.00%
Foreign Bodies - D R			-	0.00%			-	0.00%	0.00%
Sub-total (B)(2):-			-	0.00%			-	0.00%	0.00%
Total Public (B)			-	0.00%			-	0.00%	0.00%
C. Shares held by Custodian for GDRs & ADRs			-	0.00%			-	0.00%	0.00%
Grand Total (A+B+C)	-	15,165,400	15,165,400	100.00%	15,165,400	-	15,165,400	100.00%	0.00%

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	
S. GURSARAN SINGH	1365400	9.00%	0	1365400	9.00%	0	0.00%
SMT. MOHINDER KAUR	531500	3.50%	0	531,500	3.50%	0	0.00%
S. RANBIR SINGH	2630400	17.34%	0	2,630,400	17.34%	0	0.00%
S. S.GURDEEP SINGH	2630400	17.34%	0	2,630,400	17.34%	0	0.00%
S. RACHHPALL SINGH	1790400	11.81%	0	1,790,400	11.81%	0	0.00%
S. MANINDER SINGH	2630400	17.34%	0	2,630,400	17.34%	0	0.00%
S. JASVINDER SINGH	2630400	17.34%	0	2,630,400	17.34%	0	0.00%
SMT. HARJINDER KAUR	531500	3.50%	0	531,500	3.50%	0	0.00%
S. KULWIN SEEHRA	212500	1.40%	0	212,500	1.40%	0	0.00%
S. KEERAT SEEHRA	212500	1.40%	0	212,500	1.40%	0	0.00%

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							
At the end of the year							

NO CHANGE

For each of the Top 10 shareholders	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
Name							
Changes during the year				0.00%			0.00%
At the end of the year				0.00%			0.00%
At the end of the year			NIL	0.00%			0.00%
Name							
Changes during the year				0.00%			0.00%
At the end of the year				0.00%			0.00%
At the end of the year				0.00%			0.00%
Shareholding of each Directors and each Key Managerial Personne	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
S. RACHHPALL SINGH							
At the beginning of the year			1,790,400	11.81%	1790400		11.81%
Changes during the year			-	0.00%			0.00%
At the end of the year			1,790,400	11.81%	1790400		11.81%
S. GURSARAN SINGH							
At the beginning of the year			1,365,400	9.00%	1365400		9.00%
Changes during the year			-	0.00%	-		0.00%
At the end of the year			1,365,400	9.00%	1365400		9.00%
S. JASVINDER SINGH							
At the beginning of the year			2,630,400	17.34%	2630400		17.34%
Changes during the year			-	0.00%	-		0.00%
At the end of the year			2,630,400	17.34%	2630400		17.34%
S. RANBIR SINGH							
At the beginning of the year			2,630,400	17.34%	2630400		17.34%
Changes during the year			-	0.00%	-		0.00%
At the end of the year			2,630,400	17.34%	2630400		17.34%
S. GURDEEP SINGH							
At the beginning of the year			2,630,400	17.34%	2630400		17.34%
Changes during the year			-	0.00%	-		0.00%
At the end of the year			2,630,400	17.34%	2630400		17.34%

S. HARWINDER SINGH							
At the beginning of the year			-	0.00%	-		0.00%
Changes during the year			-	0.00%	-		0.00%
At the end of the year			-	0.00%	-		0.00%
S. KULWIN SEEHRA							
At the beginning of the year			212,500	1.40%	212500		1.40%
Changes during the year			-	0.00%			0.00%
At the end of the year			212,500	1.40%	212500		1.40%
MR. ANISH DHINGRA							
At the beginning of the year			-	0.00%	-		0.00%
Changes during the year			-	0.00%	-		0.00%
At the end of the year			-	0.00%	-		0.00%
S. J.S JOHAL							
At the beginning of the year			-	0.00%	-		0.00%
Changes during the year			-	0.00%	-		0.00%
At the end of the year			-	0.00%	-		0.00%
Mrs. GEETA KHANNA							
At the beginning of the year			-	0.00%	-		0.00%
Changes during the year			-	0.00%	-		0.00%
At the end of the year			-	0.00%	-		0.00%
Mr. VIKAS UPPAL							
At the beginning of the year			-	0.00%	-		0.00%
Changes during the year			-	0.00%	-		0.00%
At the end of the year			-	0.00%	-		0.00%
MR. M S ATWAL							
At the beginning of the year			-	0.00%	-		0.00%
Changes during the year			-	0.00%	-		0.00%
At the end of the year			-	0.00%	-		0.00%
MR. S S KAUSHIK							
At the beginning of the year			-	0.00%	-		0.00%
Changes during the year			-	0.00%	-		0.00%
At the end of the year			-	0.00%	-		0.00%
MR. D S BHATTI							
At the beginning of the year			-	0.00%	-		0.00%
Changes during the year			-	0.00%	-		0.00%
At the end of the year			-	0.00%	-		0.00%

V. INDEBTEDNESS							
Indebtedness of the Company including interest outstanding/accrued but not due for payment.							
					(Amt. Rs./Lacs)		
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness			
Indebtedness at the beginning of the financial year							
i) Principal Amount	17965.69	216.88	-		18,182.57		
ii) Interest due but not paid	-	-	-		-		
iii) Interest accrued but not due	-	-	-		-		
Total (i+ii+iii)	17,965.69	216.88	-		18,182.57		
* Addition	-	-			-		
* Reduction	4,136.29	184.12	-		4,320.41		
Net Change	4,136.29	184.12	-		4,320.41		
Indebtedness at the end of the financial year							
i) Principal Amount	13829.4	32.76			13,862.16		
ii) Interest due but not paid	-	-	-		-		
iii) Interest accrued but not due	-	-	-		-		
Total (i+ii+iii)	13,829.40	32.76			13,862.16		
Particulars of Remuneration							
	Name of MD/WTD/ Manager						Total Amount
Name	Gursaran Singh	Jasvinder Singh	Ranbir Singh	Rachhpall Singh	Harwinder Singh	Kulwin Seehra	(Rs/Lac)
Designation	MD	WTD	WTD	WTD	WTD	WTD	
Gross salary	42	58.8	58.8	42	16.2	16.2	234
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-	-	-
(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	-	-	-	-	-	-	-
Stock Option	-	-	-	-	-	-	-
Sweat Equity	-	-	-	-	-	-	-
Commission	-	-	-	-	-	-	-
- as % of profit	-	-	-	-	-	-	-
'- others, specify	-	-	-	-	-	-	-
Others, please specify	-	-	-	-	-	-	-
Total (A)	42.00	58.80	58.80	42.00	16.20	16.20	234.00
Ceiling as per the Act							439.46

Particulars of Remuneration	Name of Directors							Total Amount (Rs/Lac)
	Mr. Anish Kumar Dhingra	Mr. J S Johal	Mr. S S Kaushik	Mr. D S Bhatti	Ms. Geeta Khanna	Mr. Vikas Uppal	Mr. M S Atwal	
Independent Directors								
Fee for attending board committee meetings	0.24	0.24	0.12	0.06	0.06	0.06	0.06	0.84
Commission								-
Others, please specify								-
Total (1)	0.24	0.24	0.12	0.06	0.06	0.06	0.06	0.84
Other Non-Executive Directors								-
Fee for attending board committee meetings	0.04	0.12	0.04	-	-	-	-	0.20
Commission								-
Others, please specify								-
Total (2)	0.04	0.12	0.04	-	-	-	-	0.20
Total (B)=(1+2)	0.28	0.36	0.16	0.06	0.06	0.06	0.06	1.04
Total Managerial Remuneration								235.04
Overall Ceiling as per the Act								439.46

Particulars of Remuneration	Name of Key Managerial Personnel							Total Amount (Rs/Lac)
	Name							
Designation	CFO	CS						
Gross salary								
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7.70	4.22						11.92
(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	-	-						-
Stock Option	-	-						-
Sweat Equity	-	-						-
Commission	-	-						-
- as % of profit	-	-						-
- others, specify	-	-						-
Others, please specify	-	-						-
Total	7.70	4.22	-					11.92

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					
			NIL		
B. DIRECTORS					
			NIL		
C. OTHER OFFICERS IN DEFAULT					
			NIL		

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

The amended policy is as under:-

2. ROLE OF THE COMMITTEE:

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

time to time in the context of the then current Indian market in accordance with applicable laws;

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

3. MEMBERSHIP:

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

4. CHAIRMAN:

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

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

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.

Independent Auditor's Report

(Report on the Financial Statements)

To the Members of GNA AXLES LIMITED

We have audited the accompanying Standalone financial statements of **GNA AXLES LIMITED (“the Company”)** which comprise the Balance Sheet as at March 31, 2016, 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 March 31, 2016, 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 March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 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. 4K.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For G.S. Syal & Co.
Chartered Accountants (FRN: 000457N)

(Gurcharan Singh)
Proprietor
M. No. 080075

Place: Jalandhar
Dated: 23rd May, 2016

“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 March 31, 2016:

- (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 March 31, 2016 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 (Rs.)	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/-	2010-11	Before commissioner appeal
Excise & Service Tax Act	Service tax on other	233605/-	2010-11	Before commissioner appeal
Excise & Service Tax Act	Service tax on other	122261/-	2012-13	Before Commissioner Appeal
Excise & Service Tax Act	Service tax on other	477159/-	2010-11	Before Commissioner Appeal
Excise & Service Tax Act	Service tax on other	567775/-	2013-14	Before Commissioner Appeal
Excise & Service Tax Act	Service tax on other	43494/-	2013-14	Before Commissioner Appeal
Excise & Service Tax Act	Service tax on other	446637/-	2013-14	Before Commissioner Appeal
Excise & Service Tax Act	Service Tax on others/ Guest House	629322/-	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)

(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 not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

(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)

Place: Jalandhar
Dated: 23rd May, 2016

(Gurcharan Singh)
Proprietor
M. No. 080075

“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, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of

adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 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, 2016, 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)**

**Place: Jalandhar
Dated: 23rd May, 2016**

**(Gurcharan Singh)
Proprietor
M. No. 080075**

GNA Axles Limited

BALANCE SHEET AS AT 31.03.2016

S. No.	PARTICULARS	31.03.2016	31.03.2015
I	EQUITY AND LIABILITIES		
1	SHAREHOLDERS FUNDS		
	(a) SHARE CAPITAL	151654000	151654000
	(b) RESERVES & SURPLUS	1231384293	976418351
	TOTAL (1)	1383038293	1128072351
2	SHARE APPLICATION MONEY PENDING ALLOTMENT	0	0
3	NON-CURRENT LIABILITIES		
	(a) LONG TERM BORROWINGS	636942496	840289880
	(b) DEFERRED TAX LIABILITIES (NET)	37153157	60116043
	(c) OTHER LONG TERM LIABILITIES	0	0
	(d) LONG TERM PROVISIONS	0	0
	TOTAL (3)	674095653	900405923
4	CURRENT LIABILITIES		
	(a) SHORT TERM BORROWINGS	749298319	977966527
	(b) TRADE PAYABLES	1539823109	1191882459
	(c) OTHER CURRENT LIABILITIES	1795115	1729055
	(d) SHORT TERM PROVISIONS	117273121	64560900
	TOTAL (4)	2408189664	2236138941
	TOTAL (1+2+3+4)	4465323610	4264617215
	ASSETS		
1	NON-CURRENT ASSETS		
	(a) FIXED ASSETS		
	(i) TANGIBLE ASSETS	1473134810	1593300958
	(ii) INTANGIBLE ASSETS	0	0
	(iii) CAPITAL WORK-IN-PROGRESS	498480	4239190
	(iv) INTANGIBLE ASSETS	0	0
	(v) FIXED ASSETS HELD FOR SALE	0	0
	(b) NON CURRENT INVESTMENTS	66127	0
	(c) DEFERED TAX ASSETS (NET)	0	0
	(d) LONG TERM LOANS & ADVANCES	161485054	201372807
	(e) OTHER NON-CURRENT ASSETS	21632459	1500000
	TOTAL (1)	1656816930	1800412955
2	CURRENT ASSETS		
	(a) CURRENT INVESTMENTS	0	0
	(b) INVENTORIES	913686908	919356812
	(c) TRADE RECEIVABLE	1620842789	1218520266
	(d) CASH & CASH EQUIVALENTS	6696517	9382384
	(e) SHORT TERM LOANS & ADVANCES	267280466	316944798
	(f) OTHER CURRENT ASSETS	0	0
	TOTAL (2)	2808506680	2464204260
a	TOTAL (1 + 2)	4465323610	4264617215

CERTIFIED CORRECT AS PER OUR SEPARATE REPORT ANNEXED

For G.S. SYAL & CO.

Chartered Accountants (FRN 000457N)

(Gurcharan Singh)

Proprietor

M. No. 080075

Place: Jalandhar

Dated: 23rd May, 2016

Gursaran Singh
Managing Director

Ranbir Singh
CEO & Wholetime
Director

Rakesh Kumar
Chief Financial Officer

Gourav Jain
Company Secretary

GNA Axles Limited

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31.03.2016

S. No.	PARTICULARS	NOTES NO.	31.03.2016	31.03.2015
I	REVENUE FROM OPERATIONS	PL-1	5025599996	4258666191
II	OTHER INCOME	PL-2	63835523	47780448
III	TOTAL REVENUE (I + II)		<u>5089435519</u>	<u>4306446639</u>
IV	<u>EXPENSES</u>			
	COST OF MATERIAL CONSUMED	PL-3	3303445689	2934038126
	MANUFACTURING EXPENSES	PL-4	524044558	447913626
	CHANGE IN INVENTORY	PL-5	-128291044	-148939590
	EMPLOYEE BENEFITS EXPENSES	PL-6	237153713	208057295
	FINANCIAL COSTS	PL-7	162892193	172594154
	DEPRECIATION	PL-8	271735769	229823523
	OTHER EXPENSES	PL-9	325355208	255549518
	TOTAL EXPENSES		<u>4696336086</u>	<u>4099036652</u>
V	PROFIT BEFORE TAX (III-IV)		393099433	207409987
VI	TAX EXPENSES			
	CURRENT TAX		156500000	57500000
	DEFERRED TAX		-22962886	
	NET PROFIT		<u>259562319</u>	<u>149909987</u>
	Earning per share (in Rs.)		17.12	9.89

For G.S. SYAL & CO.
Chartered Accountants
(FRN 000457N)

(Gurcharan Singh)
Proprietor
M. No. 080075
Place: Jalandhar
Dated: 23rd May, 2016

Gursaran Singh
Managing Director

Ranbir Singh
CEO & Wholtime
Director

Rakesh Kumar
Chief Financial Officer

Gourav Jain
Company Secretary

GNA Axles Limited

NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31.03.2016

S. No.	PARTICULARS	31.03.2016	31.03.2015
A	SHARE CAPITAL		
	(1) AUTHORISED	<u>300000000</u>	<u>300000000</u>
	3,00,00,000 EQUITY SHARES OF RS. 10/-EACH (last year 3,00,00,000 EQUITY SHARES OF RS. 10 EACH)		
	(2) ISSUED, SUBSCRIBED & PAID-UP		
	SHARES AT THE BEGINNING OF THE ACCOUNTING PERIOD 15165400 (PREVIOUS YEAR 15165400) EQUITY SHARES OF RS. 10/- EACH FULLY PAID-UP	151654000	151654000
	ADDITION DURING THE YEAR 0(PREVIOUS YEAR -0) EQUITY SHARES OF RS. 10/- EACH FULLY PAID UP	0	0
	SHARE AT THE END OF ACCOUNTING PERIOD 15165400 (PREVIOUS YEAR 15165400) EQUITY SHARES OF RS. 10/- EACH FULLY PAID-UP	<u>151654000</u>	<u>151654000</u>
	ISSUED, SUBSCRIBED & PAID-UP SHARE CAPITAL INCLUDES		
	SHARES IN THE COMPANY HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5 PERCENT SHARES. (EQUITY SHARES IN NOS. OF RS. 10/- EACH)		

Name	No. of Shares	%	No. of Shares	%
S. RACHHPAL SINGH	1790400	11.80	1790400	11.80
S. GURSARAN SINGH	1365400	9.00	1365400	9.00
S. MANINDER SINGH	2630400	17.34	2630400	17.34
S. JASVINDER SINGH	2630400	17.34	2630400	17.34
S. RANBIR SINGH	2630400	17.34	2630400	17.34
S. GURDEEP SINGH	2630400	17.34	2630400	17.34

B RESERVES & SURPLUS**SURPLUS i.e. BALANCE IN PROFIT & LOSS ACCOUNT**

AT THE BEGINNING OF THE ACCOUNTING PERIOD	976418351	890155911
Less: INCOME TAX OF EARLIER YEARS	4596377	3531504
Less: DEFERRED TAX LIABILITY OF EARLIER YEARS	0	126187418
Add: REVERSAL OF DEFERRED TAX LIABILITY	0	66071375
ADD. PROFIT DURING THE YEAR	259562319	149909987
	<u>1231384293</u>	<u>976418351</u>

C BALANCE AT THE END OF THE ACCOUNTING PERIOD**LONG TERM BORROWINGS****SECURED TERM LOANS FROM BANKS SECURED AGAINST HYP. OF MACHINERY**

CENTRAL BANK OF INDIA T/L 14558	18381973	32242371
CENTRAL BANK OF INDIA T/L 13.9 CRORE	119079707	123139099
CENTRAL BANK OF INDIA T/L 69 CRORE	433434309	576931318
	<u>570895989</u>	<u>732312788</u>

SECURED AGAINST HYP. OF BUILDING

CENTRAL BANK OF INDIA T/L 09478 (SECURED AGAINST HYP OF BUILDING)	8612065	17021765
CENTRAL BANK OF INDIA T/L 6 CRORE (SECURED AGAINST HYP OF BUILDING)	35881450	48038134
CENTRAL BANK OF INDIA T/L 1.1 CRORE (SECURED AGAINST HYP OF BUILDING)	8269147	9098339
	<u>52762662</u>	<u>74158238</u>

SECURED AGAINST HYP OF VEHICLES

PUNJAB NATIONAL BANK T/L 768 (SECURED AGAINST HYP OF HONDA CITY CAR)	0	76098
PUNJAB NATIONAL BANK-935 (SECURED AGAINST HYP OF MONTERO CAR)	0	266427
PNB T/L 1312 (SECURED AGAINST HYP OF Mercedes)	679226	1744506
PNB T/L 1297 (corolla) (SECURED AGAINST HYP OF CAR)	116906	613401
PNB T/L 1525 (14.50 LACS) (SECURED AGAINST HYP OF CORROLA)	977142	0
PNB T/L 1455 (SECURED AGAINST HYP OF HONDA CRV)	1207433	2003894
PNB T/L NG 118 (SECURED AGAINST HYP OF BMW-X5)	488365	1940362
PNB T/L NG 1181 (SECURED AGAINST HYP OF BMW)	3790136	4782504
PNB T/L NG 1206 (SECURED AGAINST HYP OF MERCEDES)	217680	703947
CBI T/L 0319 (SEC AGAINST CAMRY HYBRID)	2531085	0

	<u>10007973</u>	<u>12131139</u>
	<u>63366624</u>	<u>818602165</u>
UNSECURED LOANS		
From Others	3275872	21687715
Total...	<u>636942496</u>	<u>840289880</u>
D SHORT-TERM BORROWINGS		
SECURED LOANS FROM BANKS		
CENTRAL BANK OF INDIA C/C (SECURED AGAINST HYP. OF STOCK)	86475450	309515650
CBI O/D 60248 RLY. ROAD PHAGWARA (SECURED AGAINST HYP. OF STOCK AND BOOK-DEBTS)	57706865	70349567
PNB C/C A/c No. 5268 (SECURED AGAINST HYP. OF STOCK)	0	4984693
PNB O/D A/C No.5277 (SECURED AGAINST HYP. BOOK DEBTS)	115502305	155708762
PNB PCFC (SECURED AGAINST WORKING CAPITAL)	489613699	437407855
	<u>749298319</u>	<u>977966527</u>
E TRADE PAYABLES SUNDRY CREDITORS		
STORES	189693533	207017449
JOB WORK	6178445	6792118
SERVICE	68756366	50711643
STEEL	1256949790	925548868
CAPITAL	17961586	1393048
MISCELLANEOUS	283389	419333
	<u>1539823109</u>	<u>1191882459</u>
F OTHER CURRENT LIABILITIES TDS PAYABLE		
TDS ON JOB WORK	881152	486903
TDS ON SALARY	304000	645350
TDS ON INTEREST	3990	51231
TDS ON PROFESSIONAL	511973	457308
TAX COLLECTED AT SOURC	94000	88263
	<u>1795115</u>	<u>1729055</u>
G SHORT TERM PROVISIONS STATUTORY PAYABLES		
PROVIDENT FUND/pension PAYABLE	3402291	3044780
BONUS PAYABLE	13544400	3933454
GSLI PAYABLE	163727	55695
SERVICE TAX	211817	-127467
	<u>17322235</u>	<u>6906462</u>
SUNDRY PAYABLE		
SALARY PAYABLE	12083862	9832109

	WAGES PAYABLE	94495	504616
	SALARY DEDUCTION	152093	130200
	OUTSTANDING EXPENSES PAYABLE	40033804	24508733
		52364254	34975658
	PROVISION FOR INCOME TAX	47586632	22678780
		117273121	64560900
J	LONG TERM LOANS AND ADVANCES		
	ADVANCE FOR FIXED ASSETS	20672000	65608480
	SECURITY DEPOSITS	140813054	135764327
	(UNSECURED CONSIDERED GOOD UNLESS OTHERWISE STATED)		
		161485054	201372807
K	INVENTORIES		
	(AS TAKEN, VALUED & CERTIFIED BY THE MGT.)		
	1 RAW MATERIALS		
	RAW MATERIAL - STEEL	182605739	319625716
	RAW MATERIAL -NON STEEL	1180031	968227
		183785770	320593943
	2 WORK IN PROCESS	602283227	489949714
	3 FINISHED GOODS	75555363	60636379
	4 STORES, SPARES & LOOSE TOOLS		
	STOCK OF OPERATING SUPPLY	34465560	30213544
	STOCK OF SPARE PARTS	7008660	6793038
	STOCK OF DIESEL	1179010	1559678
	STOCK OF DIE STEEL	162084	122960
	STOCK OF OIL LUBRICANT	2263872	2327827
		45079186	41017047
	5 OTHERS		
	STOCK OF SCRAP MATERIAL	4402291	3363743
	STOCK OF PACKAGING	2581071	3795986
		6983362	7159729
		913686908	919356812
L	TRADE RECEIVABLES		
	(UNSECURED CONSIDERED GOOD UNLESS OTHERWISE STATED)		
	SUNDRY DEBTORS-DOMESTIC	528350775	409797673
	SUNDRY DEBTORS-EXPORT	1092492014	808722593
	(Including more than six months Rs. 8,33,15,863/- & previous year amount Rs. 6,12,08,484/-)		
		1620842789	1218520266
M	CASH & CASH EQUIVALENTS		
	(a) BALANCE WITH BANKS		
	IN FIXED DEPOSITS		
	PNB FDR HELD AS MARGIN MONEY	0	5134266
	CBI FDR HELD AS MARGIN MONEY	0	30000

IN CURRENT ACCOUNTS

CENTRAL BANK OF INDIA-70421	10532	10532
HDFC-00180	543423	158714
PUNJAB & SIND BANK C/A -27	40851	14337
PUNJAB & SIND BANK C/A-40672	26498	26498
PNB C/A-1895	462646	67712
SBI C/A-200183	104316	104946
SBI C/A-331440124491	436732	437363
	1624998	5984368
CASH IN HAND	2236367	1839816
CASH IMPREST	2835152	1558200
	6696517	9382384

N SHORT TERM LOANS & ADVANCES

(UNSECURED CONSIDERED GOOD
UNLESS OTHERWISE STATED)

1 RECEIVABLE FROM REVENUE AUTHORITIES

BALANCE WITH CENTRAL EXCISE	19733449	58967451
EXCISE DUTY PENDING CLAIM	8255137	11536355
VALUE ADDED TAX	150537539	162698128
EXCISE DUTY PENDING REBATE (EXPORT SALES)	61638428	49222476

2 GROUP GRATUITY RECOVERABLE	325140	243102
3 AMOUNT RECOVERABLE	691182	7974624
4 INSURANCE CLAIM RECOVERABLE	-123907	-136124
5 ADVANCE TO VENDORS	21322146	15302971

6 OTHER ADVANCES

ADVANCES TO EMPLOYEES	263963	5679242
PRE-PAID EXPENSES	4637389	4927607
ADVANCE INCOME TAX	0	528966
	267280466	316944798

OTHER NON-CURRENT ASSETS

Share issue expenses	21632459	1500000
	21632459	1500000

For G.S. SYAL & CO.
Chartered Accountants
(FRN 000457N)

(Gurcharan Singh)
Proprietor
M. No. 080075
Place: Jalandhar
Dated: 23rd May, 2016

Gursaran Singh
Managing Director

Ranbir Singh
CEO & Wholetime
Director

Rakesh Kumar
Chief Financial Officer

Gourav Jain
Company Secretary

GNA Axles Limited

NOTES TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2016

Note No.	PARTICULARS	31.03.2016	31.03.2015
PL-1	REVENUE FROM OPERATIONS SALE OF PRODUCTS		
	SALE DOMESTIC	2192671820	2094610968
	SALE EXPORT (INDIRECT)	131857955	26084885
	SALE EXPORT (DIRECT)	2617874070	2032323252
	SALE OF SCRAP	83196151	105647086
	EXCISE DUTY REALIZED	281451092	263364135
	GROSS SALE....	5307051088	4522030326
	LESS: EXCISE DUTY PAID	<u>281451092</u>	<u>263364135</u>
	NET REVENUE FROM OPERATIONS	<u>5025599996</u>	<u>4258666191</u>
PL-2	OTHER INCOME		
	INTEREST INCOME	4132828	5604505
	OTHER NON-OPERATING INCOME		
	FPS/DEPB	6132874	3645340
	DUTY DRAWBACK	53472565	38473003
	RENT RECEIVED	97256	57600
		<u>63835523</u>	<u>47780448</u>
PL-3	COST OF MATERIALS CONSUMED CONSUMPTION OF RAW MATERIAL		
	RAW MATERIAL-STEEL	2815473121	2410786436
	RAW MATERIALS-NON STEEL	3634336	3784526
		<u>2819107457</u>	<u>2414570962</u>
	CONSUMPTION OF STORE & SPARES		
	CONSUMPTION OF OPERATING SUPPLY	239180733	234183843
	CONSUMPTION OF DIE STEEL	29289347	44807201
	CONSUMPTION OF OIL & LUBRICANTS	41631383	51429419
	CONSUMPTION OF PACKING MATERIALS	130030869	109229927
	CONSUMPTION OF FURNACE OIL	44205900	79816774
		<u>484338232</u>	<u>519467164</u>
		<u>3303445689</u>	<u>2934038126</u>
PL-4	MANUFACTURING EXPENSES		
	MACHINING CHARGES	125876502	118980833
	POWER & FUEL	369554804	300895672
	REPAIR & MAINTENANCE	25768567	26039288
	FACTORY EXPENSES	2844685	1997833
		<u>524044558</u>	<u>447913626</u>
PL-5	CHANGE IN INVENTORY OF- WORK IN PROGRESS & FINISHED GOODS		
	AT THE BEGINNING OF ACCOUNTING PERIOD	553949837	405010247
	AT THE END OF ACCOUNTING PERIOD	682240881	553949837
		<u>-128291044</u>	<u>-148939590</u>

PL-6	EMPLOYEE BENEFIT EXPENSE		
	WAGES	88692253	88416454
	STAFF SALARY	65478157	50808990
	DIRECTORS' REMUNERATIONS	23400000	23400000
	CONTRIBUTION TO PROVIDENT FUND		
	DIRECTORS	1716000	2016000
	OTHERS	5044867	5327570
	CONTRIBUTION TO OTHER FUND		
	FAMILY PENSION	9198917	7310254
	ADMINISTRATION CHARGES	1218859	1349421
	GROUP GRATUITY SCHEME	5027066	4031847
	GROUP INSURANCE	1284123	949318
	SUPER ANNUATION FUND	1738960	1790253
	OTHER EXPENSES		
	WORKERS AND STAFF WELFARE	14398541	13225529
	BONUS	13875689	4143599
	LEAVE WITH WAGES	1675157	1636414
	MEDICAL REIMBURSEMENT	4405124	3651646
		<u>237153713</u>	<u>208057295</u>
PL-7	FINANCIAL COSTS		
	(a) INTEREST EXPENSE		
	INTEREST ON TERM LOAN	95053782	103670158
	INTEREST ON CASH CREDIT	51646533	53419926
	INTEREST TO OTHERS	4904118	3485505
	(b) OTHER BORROWING COSTS		
	BANK COMMISSION	11287760	12018565
		<u>162892193</u>	<u>172594154</u>
PL-8	DEPRECIATION AND AMORTIZATION EXPENSE		
	DEPRECIATION		
	BUILDING	26499997	22218523
	PLANT & MACHINERY	229298969	188070939
	FURNITURE	2760791	3329304
	VEHICLE	7759173	9027503
	COMPUTERS	2274364	3900596
	OFFICE EQUIPMENTS	3142475	3276658
		<u>271735769</u>	<u>229823523</u>
PL-9	OTHER EXPENSES		
A	ADMINISTRATIVE EXPENSE		
	OFFICE EXPENSES	1349006	1041426
	DONATION	5176600	2276900
	SUBSCRIPTION/MEMBERSHIP FEES	562149	588011
	ENTERTAINMENT EXPENSE	1169482	958484
	FEES & TAXES	3117724	1215993
	INSURANCE	5434637	5510076
	LEGAL EXPENSES	8809398	7102937
	NEWS PAPER & PERIODICALS	123076	267561
	PAYMENT TO AUDITORS		
	– As Audit Fee	1050000	1050000
	– For Taxation purpose	0	0
	– For any other matters	0	0

– VEHICLE PETROL	5209444	5342940
– VEHICLE REPAIR	4390740	3875603
– REPAIR OF BUILDING	3143652	3060232
– POSTAGE & COURIER EXPENSES	559830	901037
– PRINTING & STATIONERY	2250790	1953650
– GENERATOR/GENERAL REPAIR & MAINTENANCE	20764639	40836639
– REPAIR & MAINTENANCE OF COMPUTER	2132416	1986994
– TELEPHONE EXPENSES	1846676	1576602
– WEALTH TAX	39646	16446
– DIRECTORS SITTING FEE	118412	58428
– ROUNDED OFF	-2395	-2059
TRAVELLING EXPENSES		
– DIRECTORS	6467423	4653058
– OTHERS	8794875	8347051
TRAVELLING EXPENSES FOREIGN		
– DIRECTORS	1775520	5699251
– OTHERS	7006263	2440607
	91290003	100757867
B SELLING & DISTRIBUTION EXPENSE		
ADVERTISEMENT EXPENSES (INCL. OF MEDIA)	169000	357671
GUEST HOUSE EXPENSES	77690	76431
CLUB FEE	153836	74332
FREIGHT & CARTAGE OUTWARD	42492524	33509471
SALE COMMISSION & INCENTIVES	0	384337
BUSINESS PROMOTION EXPENSES	3032403	5681801
EXPORT PACKING & FORWARDING EXPENSES	188139752	114707608
	234065205	154791651
	325355208	255549518

For G.S. SYAL & CO.
Chartered Accountants
(FRN 000457N)

(Gurcharan Singh)
Proprietor
M. No. 080075
Place: Jalandhar
Dated: 23rd May, 2016

Gursaran Singh
Managing Director

Ranbir Singh
CEO & Wholetime
Director

Rakesh Kumar
Chief Financial Officer

Gourav Jain
Company Secretary

(Annexed to and Forming Part of the Balance Sheet)

M/S G. N. A. AXLES LIMITED

TANGIBLE ASSETS

AS AT 31ST MARCH, 2016

H- TANGIBLE ASSETS

H 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 31.03.2016	WDV as on 31.03.2015
FREEHOLD LAND	47160365	7458100	0	54618465	0	0	0	54618465	47160365
FACTORY BUILDING	340082653	62209801	0	402292454	111249625	26499997	0	264542832	228833028
PLANT & MACHINERY	2294221922	69211099	0	2363433021	1029188345	229298969	0	1104945707	1266033577
FURNITURE & EQUIPMENTS	28096932	1344916	0	29441848	18097069	2760791	0	8583988	9999863
VEHICLES	65588354	7744318	0	73332672	44443433	7759173	0	21130066	21144921
OFFICE EQUIPMENT	39921945	2204709	0	42126654	21780369	3142475	0	17203870	18741576
COMPUTERS	39900686	1396678	0	41297364	36913058	2274364	0	2109942	2987628
TOTAL Rs.....	2854972857	151569621	0	3006542478	1261671899	271735769	0	1473134810	1593300958

CAPITAL - WORK IN PROGRESS

H 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 31.03.2016	WDV as on 31.03.2015
BUILDING UNDER CONSTRUCTION	4165100	498480	4165100	498480	0	0	0	498480	4165100
MACHINERY UNDER INSTALLATION	74090	0	74090	0	0	0	0	0	74090
TOTAL Rs.....	4239190	498480	4239190	498480	0	0	0	498480	4239190

For G.S. SYAL & CO.
Chartered Accountants
(FRN 000457N)

(Gurcharan Singh)
Proprietor

M. No. 080075

Place :Jalandhar

Dated : 23rd May, 2016

Gursaran Singh Managing Director
Ranbir Singh CEO & Wholetime Director
Rakesh Kumar Chief Financial Officer
Gourav Jain Company Secretary

GNA Axles Limited

Cash Flow Statement as at 31st March,2016

		For the Year Ending 31st March,2016	For the Year Ending 31st March,2015
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net profit before tax	393099433	207409987
	Adjustments for :		
	Depreciation	271735769	229823523
	Loss on sale of fixed assets (net)		
	Interest income	-4132828	-5604505
	Interest paid	151604433	160575589
	Rent	-97256	-57600
	Operating profit before working capital changes	812209551	592146994
	Adjustments for :		
	Inventories	5669904	-306894901
	Trade and other receivables	-312770438	-227287903
	Trade and other payable/Provisions	377756045	144542881
	Income tax of earlier year	-4596377	-3531504
	Income Tax Paid	-133537114	-57500000
	Net cash from operating activities	744731571	141475567
B	CASH FLOW FROM INVESTING ACTIVITIES :		
	Purchase of Fixed assets	-147828911	
	Sale of Fixed assets		
	Non Current Assets	-66127	-136716432
	Increase in other non current assets	-20132459	-1500000
	Interest received	4132828	5604505
	Rent	97256	57600
	Net cash used in Investing activities	-163797413	-132554327
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from Long term Borrowings	25514756	133565663
	Repayment of long term borrowings	-228862140	-211731572
	Increase/ (Decrease) in cash credits & Packing credits	-228668208	233344503
	Interest Paid	-151604433	-160575589
	Net cash flow from financing activities	-583620025	-5396995
	Net increase/ (decrease) in cash & cash equivalents (A+B+C)	-2685867	3524245
	Cash & Cash equivalents at the beginning of year (see note 2)	9382384	5858139
	Cash & Cash equivalents at the end of year	6696517	9382384
		-2685867	3524245

Notes :

1 The Cash flow is based on and derived from the accounts of company for the year ended 31st March, 2016 and 31st March,2015

2 Cash & cash equivalents comprise of :

Cash on hand

Cash imprest

With scheduled banks :

On current accounts

On fixed deposit accounts

Cash and cash equivalents at the end of year

**For the Year Ending
31st March,2016**

**For the Year Ending
31st March,2015**

2236367

1839816

2835152

1558200

1624998

820102

5164266

6696517

9382384

CERTIFIED CORRECT AS PER OUR SEPARATE REPORT ANNEXED

For G.S. SYAL & CO.

Chartered Accountants

(FRN 000457N)

(Gurcharan Singh)

Proprietor

M. No. 080075

Place: Jalandhar

Dated: 23rd May, 2016

**Gursaran Singh
Managing Director**

**Ranbir Singh
CEO & Wholetime
Director**

**Rakesh Kumar
Chief Financial Officer**

**Gourav Jain
Company Secretary**

Notes to Financial Statements for the year ended 31st March 2016.

1. Corporate information

GNA Axles Ltd. ("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).

2. Segment Reporting

As the company's business activity falls within single primary business segment i.e. Automobiles Components, No separate segment information is disclosed.

3. 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.

4. Summary of significant accounting policies

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	AT ESTIMATED COST PRICE IN PROGRESS
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

1. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized.
2. 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. Earnings per share

Basic earning per share is calculated by dividing the net profit after tax for the year attributable to equity shareholders by the number of equity shares outstanding during the year.

i. Retirement & Other Benefits

(1) **Gratuity:** - The Company has a defined benefit gratuity plan. Every employee who has completed 5 years or more of service

is entitled to gratuity on terms not less favorable than the Provisions of "The Payment of Gratuity Act 1972." The scheme is funded with LIC of India.

- (2) **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.
- (3) **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. The contribution towards provident fund during the year was Rs. 15959784/-.
- (4) **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.

j. Corporate Social Responsibility

As per the provisions of amended companies Act 2013 the companies having profit of 5CR or more has to spent 2% of their average profits of last 3years upon specific activity falling within CSR. During the year the company has to spent Rs.37.89 lacs on CSR activities but the company has spent Rs. 16.20 lacs on CSR activity with the approval of its CSR committee. The total unspent of 2014-15 & 2015-16 was Rs. 21.69 lacs.

k. Contingent Liabilities

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 :- during the year.

	2015-16	2014-15
Sales Tax Liabilities	19553344/-	19553344/-
EPGC Pending Duty in lieu of import	Nil	6735960/-
Excise & Service Tax	5199165/-	7595651/-
Income Tax Liabilities	13504810/-	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.

l. 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

m. Borrowing Costs

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

n. Payment to Related Party	2015-16	2014-15
Salary to Directors	25116000/-	25416000/-

o. 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.

- p. Previous Years Figures have been regrouped/ rearranged wherever consider necessary.

For G.S. SYAL & CO.,
Chartered Accountant (FRN : 000457N)

Place: Jalandhar
Dated: 23rd May, 2016

(Gurcharan Singh)
Proprietor
M. No. 080075