

# GNA

# GNA AXLES LIMITED

Regd. Office : GNA HOUSE, I-C, CHHOTI BARADARI - PART-II  
GARHA ROAD, JALANDHAR- 144001

Phones : 0181-4830477  
Fax : 0181-4830477  
E-mail : info@gnagroup.com  
Website : www.gnagroup.com

Dated : 19<sup>th</sup> May, 2020

Department of Corporate Services BSE Limited 25 <sup>th</sup> Floor Rotunda Building, P J Towers Dalal Street, Fort MUMBAI 400001  <b>SCRIP CODE : 540124</b>	The National Stock Exchange of India Limited "Exchange Plaza" Plot No C-1, G Block Bandra Kurla Complex Bandra (East) MUMBAI – 400051  <b>SCRIP CODE : GNA</b>
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**SUB: COMPLIANCE OF REGULATION 30 and 33 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

Sir,

Pursuant to Regulation 30 & 33 of the SEBI (LODR) Regulations, 2015, please find enclosed herewith the Audited Financial Results of the Company (both standalone and consolidated) for the quarter and financial year ended March 31, 2020, alongwith the Auditor's Report, as approved by the Board of Directors in its meeting held on 19<sup>th</sup> May 2020.

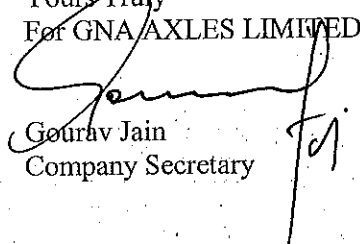
We further state that the report of the Auditors is with unmodified opinion with respect to the Audited Financial Results (both Standalone & Consolidated) of the Company for the quarter and financial year ended 31<sup>st</sup> March 2020.

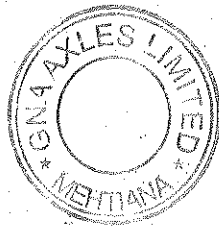
The meeting of the Board of Directors Commenced at 12:30 PM and concluded at 2:30 PM.

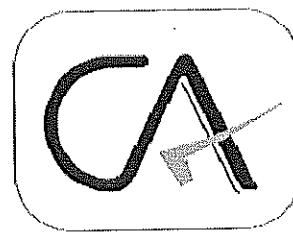
Kindly take the same on record.

Thanking You

Yours Truly  
For GNA AXLES LIMITED

  
Gourav Jain  
Company Secretary





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**Independent Auditor's Report**

**To the Members of  
GNA AXLES LIMITED.**

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

**Opinion**

We have audited the accompanying Standalone financial statements of **GNA AXLES LIMITED ("the Company")**, which comprise the Balance Sheet as at, March 31, 2020, the statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the standards on auditing specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

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

**Information other than the financial statements and auditors' report thereon**

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

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

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

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

#### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance in accordance with the accounting principles generally accepted in India, including the Accounting Standards Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Indian accounting standard) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind As financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The board of directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguard. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 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, Statement of Profit and loss and the cash flow statements dealt with by this report are in agreement with the books of account.

d. In our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under section 133 of the Act.

e. On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

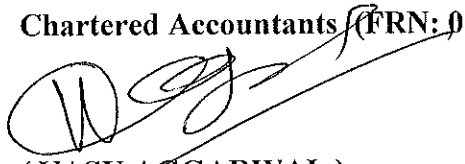
g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind. AS financial statements-Refer notes to financial statements **point No. 29.**

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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



(VASU AGGARWAL)

Partner

M. No. 091343

Place: Jalandhar

Date:



UDIN:- 20091343AAAAAT4312 ...

**“Annexure “A” to the Independent Auditors’**

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the Standalone Ind AS financial statements of the Company for the year ended March 31, 2020.

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, Goods and Service Tax, Customs Duty, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2020 for a period of more than six months from the date on when they become payable.

(b) According to the information and explanation given to us, there are no material dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, sales tax, excise duty, service tax and value added tax have not been deposited by the Company on account of disputes;

Nature of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Punjab Sales Tax Act	Demand P-VAT	5467036	2009-2010	VAT Tribunal
Punjab Sales Tax Act	Demand P-VAT	13906308	2008-2009	VAT Tribunal
Punjab Sales Tax Act	Demand P-VAT (Crane	180000	2004-2005	VAT Tribunal
Excise & Service Tax	Service Tax outward freight	523288	2009-2010	Before Commissioner Appeal
Excise & Service Tax	Service Tax on others	216932	2017-18	Before Assistant Commissioner
Excise & Service Tax	Service tax on others	155987	2011-12	Before CESTAT
Excise & Service Tax	Service Tax on others	37005	2012-13	Before CESTAT
Excise & Service Tax	Service Tax on others	146341	2012-13	Before CESTAT
Excise & Service Tax	Service Tax on others	70004	2013-14	Before CESTAT
Excise & Service Tax	Service Tax on others	420176	2017-18	Before Assist. Comsioner.
Excise & Service Tax	Service Tax on others	82841	2015-16	Before CESTAT
Excise & Service Tax	Service Tax on others/Guest House	32550	2014-15	Before CESTAT
Excise & Service Tax	Service Tax on Club Membership/Misc.	109052	2013-14	Before CESTAT
Income Tax Act	Income Tax Regular Assessment 143(3)	139835	2016-17	Before Commissioner of Income-tax (Appeals
Excise & Service Tax	Excise Duty CENVAT	3813476	2017-18	Asstt. Commissioner

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

8 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.



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.

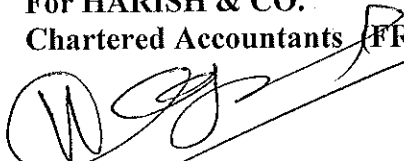
13 In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

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

  
(VASU AGGARWAL)

Partner  
M. No. 091343  
Place: Jalandhar  
Date:



UDIN:- 20091343AAAAAT4212

**“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, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

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

**Auditors’ Responsibility**

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

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

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

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the Internal Control over financial reporting criteria established by the company considering the essential components of the Internal Control stated in the Guidance Note on audit of Internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India.

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



(VASU AGGARWAL)

Partner

M. No.091343

Place: Jalandhar

Date:



UDIN:- 20091343AAAAAT4312

G N A Axles Limited

Regd. Office : GNA House I-C Chhofi Baradari Part - II, Garha Road, Opposite Medical College Jalandhar 144001 Punjab

Unaudited Financial Results for the quarter and year ended Mar 31, 2020

Corporate Identity Number : L29130PB1993PLC013684

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

Rs. in Lacs

	PARTICULARS	STAND ALONE				
		Quarter Ended			Year Ended	
		31/03/2020	31/12/2019	31/03/2019	31/03/2020	31/03/2019
		Audited	Unaudited	Audited	Audited	Audited
I	Revenue From Operations	18071.89	21414.02	24219.92	90901.58	92827.99
II	Other Income	67.32	32.72	27.32	128.92	40.21
III	TOTAL INCOME (I + II)	18139.21	21446.74	24247.24	91030.50	92868.20
IV	<b>EXPENSES</b>					
	Cost of Material Consumed	10948.36	12901.68	16328.32	58699.09	61538.58
	Change In Inventory [WIP & FG]	322.97	1667.20	-628.66	415.49	-618.42
	Employee Benfit Expenses	972.31	1017.38	1165.86	4083.62	3863.70
	Finance Cost	284.93	353.98	165.04	1359.43	810.43
	Depreciation	1060.04	1064.04	884.41	4235.80	3473.21
	Other Expenses	3942.13	3437.84	3488.56	15252.95	13536.63
	<b>TOTAL EXPENSES IV</b>	17530.74	20442.12	21403.53	84046.38	82604.13
V	Profit/Loss Before Exceptional Items	608.47	1004.62	2843.71	6984.12	10264.07
VI	Exceptional Items		0.00	0.00		0.00
VII	Profit/Loss Before Tax	608.47	1004.62	2843.71	6984.12	10264.07
VIII	Tax Expenses					
	a) Current Tax	221.60	311.17	930.00	1984.00	3550.00
	b) Deferred Tax	-77.54	-70.00	122.18	-275.35	127.61
IX	Profit For the Period	464.41	763.45	1791.53	5275.47	6586.46
X	Other Comprehensive Income	0.00	0.00	0.00	0.00	0.00
XI	<b>Total Comprehensive Income for the Period</b>	464.41	763.45	1791.53	5275.47	6586.46
XII	Paid Up Equity Capital ( Face value Rs.10 per Share)	2146.54	2146.54	2146.54	2146.54	2146.54
XIII	Reserves Excluding revaluation reserves				4254.79	38027.57
XIV	Earning Per Share (of face value 10 each)					
	a) Basic	2.16	3.56	8.35	24.58	30.68
	b) Diluted	2.16	3.56	8.35	24.58	30.68

**Notes:**

- Figures of the previous periods have been recasted / regrouped, wherever necessary to make them comparable.
- The entire operations of the Company relate to only one segment i.e "Auto Components", therefore the disclosure requirement of " Segment reporting" are not applicable.
- The Figures for the last quarter are the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures upto the third quarter of the Financial Year
- The above unaudited financial results were reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on May 19, 2020.

For GNA AXLES LIMITED  
 Gursaran Singh  
 Managing Director

Gursaran Singh  
 Managing Director  
 DIN 00805558

Place: Mehtiana

Date : May 19, 2020



# HARISH & CO.

Chartered Accountants  
Lajpat Nagar Market  
Jalandhar City-144001



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## Independent Auditor's Report

To the Members of  
GNA AXLES LIMITED.

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

#### Opinion

We have audited the accompanying consolidated financial statements of **GNA Axles Limited** ("the Holding Company") and its subsidiaries (collectively referred to as "the Group"), comprising of the consolidated balance sheet as at March 31, 2020, the consolidated statement of profit and loss (including other comprehensive income), the consolidated cash flow statement and the consolidated statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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

- a) Include the annual financial results of the subsidiary (GNA Axles Inc Michigan)
- b) Are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- c) Give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of consolidated net profit and other comprehensive income and other financial information of the Group for the year ended 31<sup>st</sup> March, 2020.

#### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the standards on auditing specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

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

**Information other than the financial statements and auditors' report thereon**

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

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

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

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

**Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows of the Company and consolidated changes in equity of the group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. The holding companies Board of Directors and the respective Board of Directors of the Companies included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

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

### **Auditor's responsibilities for the audit of the consolidated financial statements**

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

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

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

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated financial statements made by management and Board of Directors.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

We communicate with those charged with governance of holding company and such other entities included in consolidated annual financial statements of which we are independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguard. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Others Matters**

We did not audit the financial statements of GNA Axles Inc. Michigan and placed reliance on the accounts reviewed by certified public Accountant Alina Rits of RITS Accounting PC Birmingham Michigan which shows the net operating loss \$4054.45.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

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



- e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies incorporated outside India, none of the Directors of the Group companies incorporated outside India is disqualified as on March 31, 2020 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:
- h.
- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note (28) to the consolidated financial statements;
  - ii) The holding company and its subsidiaries did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.; and
  - iii) There were no amounts which were required to be transferred to investor education and protection fund by the holding and its subsidiaries.

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



(VASU AGGARWAL)

Partner

M.No. 091343

Place: Jalandhar

Dated:



UDIN! - 20091243AAAAAU6078

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, 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 March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

## 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 \$4054.39. Our opinion is not qualified in respect of the above matter with respect to our reliance on the work done by and the reports of certified public accountants.

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

(VASU AGGARWAL)

Partner

M. No. 091343

Place: Jalandhar

Dated



UDIN :- 20091343AAAAAU6078

**G N A Axles Limited**

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

**Unaudited Financial Results for the quarter and year ended Mar 31, 2020**

**Corporate Identity Number : L29130PB1993PLC013684**

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

**Rs. in Lacs**

PARTICULARS	Consolidated				
	Quarter Ended			Year Ended	
	31/03/2020	31/12/2019	31/03/2019	31/03/2020	31/03/2019
	Audited	Unaudited	Audited	Audited	Audited
I Revenue From Operations	18071.89	21414.02	24219.92	90901.58	92827.99
II Other Income	67.32	32.72	27.32	128.92	40.21
III TOTAL INCOME (I + II)	<b>18139.21</b>	<b>21446.74</b>	<b>24247.24</b>	<b>91030.50</b>	<b>92868.20</b>
IV EXPENSES					
Cost of Material Consumed	10948.36	12901.68	16328.32	58699.09	61538.58
Change In Inventory [WIP & FG]	322.97	1667.20	-628.66	415.49	-618.42
Employee Benefit Expenses	972.31	1017.38	1165.86	4083.62	3863.70
Finance Cost	285.30	353.98	165.06	1359.80	810.75
Depreciation	1060.04	1064.04	884.41	4235.80	3473.21
Other Expenses	3943.07	3438.20	3489.89	15255.33	13538.80
TOTAL EXPENSES IV	17532.05	20442.48	21404.88	84049.13	82606.62
V Profit/Loss Before Exceptional Items	607.16	1004.26	2842.36	6981.37	10261.58
VI Exceptional Items	0.00	0.00	0.00		0.00
VII Profit/Loss Before Tax	607.16	1004.26	2842.36	6981.37	10261.58
VIII Tax Expenses	0.00				
a) Current Tax	221.60	311.17	930.00	1984.00	3550.00
b) Deferred Tax	-77.54	-70.00	122.18	-275.35	127.61
IX Profit For the Period	463.10	763.09	1790.18	5272.72	6583.97
X Other Comprehensive Income	0.00	0.00	0.00	0.00	0.00
XI Total Comprehensive Income for the Period	463.10	763.09	1790.18	5272.72	6583.97
XII Paid Up Equity Capital ( Face value Rs.10 per Share)	2146.54	2146.54	2146.54	2146.54	2146.54
XIII Reserves Excluding revaluation reserves				4253.41	3801.65
XIV Earning Per Share (of face value 10 each)					
a) Basic	2.16	3.55	8.34	24.56	30.67
b) Diluted	2.16	3.55	8.34	24.56	30.67

**Notes:**

- Figures of the previous periods have been recasted / regrouped, wherever necessary to make them comparable.
- The entire operations of the Company relate to only one segment i.e "Auto Components", therefore the disclosure requirement of "Segment reporting" are not applicable.
- The Figures for the last quarter are the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures upto the third quarter of the Financial Year
- The above unaudited financial results were reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on May 19, 2020.

Place: Mehtiana  
Date : May 19, 2020

For G N A Axles Limited

Gursaran Singh  
Managing Director  
DIN 00805558

FOR GNA AXLES LIMITED

Managing Director



**G N A Axles Limited**

**Regd. Office : GNA House 1-C Chhoti Baradari Part - II, Garha Road, Opposite**

**Medical College, Jalandhar 144001 Punjab**

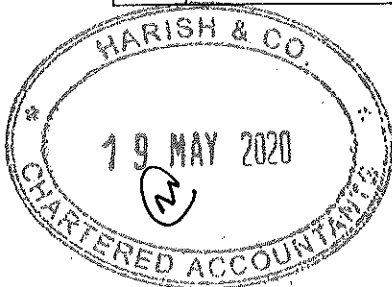
**Corporate Identity Number : L29130PB1993PLC013684**

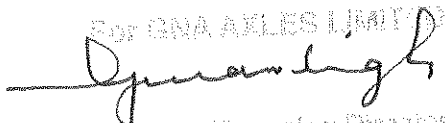
**Website : www.gnagroup.com Email: gjain@gnagroup.com**

**Balance Sheet as at Mar 31, 2020**

**[RS. IN LAC]**

Sr. No.	Particulars	STANDALONE		CONSOLIDATED	
		31.03.2020	31.03.2019	31.03.2020	31.03.2019
	<b>ASSETS</b>	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>
1	<b>Non Current Assets</b>				
a	Property, Plant and Equipment	24445.06	22884.70	24445.06	22884.70
b	Capital Work in Progress	6104.37	1570.00	6104.37	1570.00
c	Intangible Assets				
d	Financial Assets				
	Long Term Investments	0.66	0.66		
	Long Term Loans				
	Other Financial non Current Assets				
e	Other Non Current Assets	1993.71	3412.03	1993.71	3412.03
	<b>Total Non Current Assets</b>	<b>32543.80</b>	<b>27867.39</b>	<b>32543.14</b>	<b>27866.73</b>
2	<b>Current Assets</b>				
a	Inventories	14504.60	16096.76	14504.60	16096.76
b	Financial Assets				
	Short Term Investments				
	Trade Receivables	29628.05	31245.00	29628.05	31245.00
	Cash & Cash Equivalents	23.90	36.40	25.28	36.66
	Short Term Loans				
	Other Financial Current assets	2086.98	0.37	2086.98	0.37
c	Other Current Assets	3295.83	2971.91	3295.83	2971.91
	<b>Total Current assets</b>	<b>49539.36</b>	<b>50350.44</b>	<b>49540.74</b>	<b>50350.70</b>
	<b>Total Assets</b>	<b>82083.16</b>	<b>78217.83</b>	<b>82083.88</b>	<b>78217.43</b>
	<b>Equity &amp; Liabilities</b>				
1	<b>Equity</b>				
a	Equity Share Capital	2146.54	2146.54	2146.54	2146.54
b	Other Equity	42547.88	38027.57	42534.13	38016.58
	<b>Total Equity</b>	<b>44694.42</b>	<b>40174.11</b>	<b>44680.67</b>	<b>40163.12</b>
2	<b>Liabilities</b>				
a	Financial Liabilities				
	Long Term Borrowings	10542.02	7353.65	10542.02	7353.65
	Other Financial Non current Liabilities				
b	Long Term Provisions				
c	Deferred Tax Liabilities (Net)	54.98	330.35	54.98	330.35
d	Other Non Current Liabilities				
	<b>Total Non Current Liabilities</b>	<b>10597.00</b>	<b>7684.00</b>	<b>10597.00</b>	<b>7684.00</b>
3	<b>Current Liabilities</b>				
	Financial Liabilities				
	Short Term Borrowing	5710.92	7867.55	5710.92	7867.55
	Trade Payable	16585.32	18789.71	16599.80	18800.29
	Other Financial Current Liabilities	3115.79	1759.61	3115.79	1759.61
b	Other Current Liabilities				
	Short Term Provisions	261.95	307.26	261.95	307.26
	Short Term Provisions	973.65	1408.08	973.65	1408.08
	Current Tax Liabilities	144.11	227.51	144.10	227.52
	<b>Total Current Liabilities</b>	<b>26791.74</b>	<b>30359.72</b>	<b>26806.21</b>	<b>30370.31</b>
	<b>Total Liabilities</b>	<b>82083.16</b>	<b>78217.83</b>	<b>82083.88</b>	<b>78217.43</b>



For GNA AXLES LIMITED  
  
 Managing Director

**GNA AXLES LIMITED**

**Cash Flow Statement as at 31st March, 2020**

	STANDALONE		CONSOLIDATED	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	Unaudited	Audited	Audited	Audited
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit before tax	6984.11	10264.08	6981.35	10261.58
Adjustments for :				
Depreciation	4235.80	3473.22	4235.80	3473.22
Interest income	-126.96	-40.21	-126.96	-40.21
Interest paid	1277.12	645.96	1277.12	645.96
IPO Expenses W/off	130.41	130.41	130.41	130.41
Profit/Loss on sale of assets	-1.96	-4.12	-1.96	-4.12
Operating profit before working capital changes	12498.52	14469.34	12495.76	14466.84
Adjustments for :				
Inventories	1592.15	-733.24	1592.15	-733.24
Decrease/Increase in Trade Rec./Other Current/Non-Current Assets	2580.64	-4008.47	2580.64	-4008.47
Decrease/Increase in Trade Payable/Other Current Liabilities	-2767.55	1080.38	-2763.66	1082.81
Income tax of earlier year	-43.53	-37.43	-43.53	-37.65
Income Tax Paid	-1984.00	-3550.00	-1984.00	-3550.00
Net cash from operating activities	11876.23	7220.58	11877.36	7220.29
<b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>				
increase in fixed deposits	-2086.32	0.00	-2086.32	0.00
Purchase of Fixed assets	-10332.91	-8867.16	-10332.91	-8867.16
Sale of Fixed Assets	4.35	12.72	4.35	12.72
Interest received	126.96	40.21	126.96	40.21
Net cash used in Investing activities	-12287.92	-8814.23	-12287.92	-8814.23
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Long term Borrowings	6343.84	7244.45	6343.84	7244.45
Repayment of long term borrowings	-1799.28	-2479.83	-1799.28	-2479.83
Dividend Paid	-711.64	-517.55	-711.64	-517.55
Decrease in cash credits & Packing credits	-2156.61	-2015.64	-2156.61	-2015.64
Interest Paid	-1277.12	-645.96	-1277.12	-645.96
Net cash flow from financing activities	399.19	1585.47	399.19	1585.47
Net increase/ (decrease ) in cash & cash equivalents (A+B+C)	-12.50	-8.18	-11.37	-8.47
Cash & Cash equivalents at the beginning of the year	36.40	44.59	36.66	45.14
Cash & Cash equivalents at the end of the year	23.90	36.41	25.29	36.67
	-12.50	-8.19	-11.38	-8.48
<b>NOTE</b>				
1 Cash & cash equivalents comprise of :				
Cash in hand	16.11	28.85	16.11	28.85
With scheduled banks :				
In current accounts	7.79	7.56	9.18	7.82
Cash and cash equivalents at the end of the year	23.90	36.41	25.29	36.67



For GNA AXLES LIMITED  
  
 Managing Director