

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

Dated : 28<sup>th</sup> May, 2018

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 / financial year ended March 31, 2018 alongwith the Auditor's Report as approved by the Board of Directors in its meeting held on 28<sup>th</sup> May 2018.

The Board of Directors has recommended a dividend of Rs. 2/- per share on fully paid up equity shares of the Company.

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 2018.

The meeting of the Board of Directors Commenced at 12:15 PM and concluded at 2:10 PM.

Kindly take the same on record.

Thanking You

Yours Truly  
For GNA AXLES LIMITED

Gourav Jain  
Company Secretary



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Dated : 28<sup>th</sup> May, 2018

Department of Corporate Services BSF Limited 25 <sup>th</sup> Floor Rotunda Building, P J Towers Dalal Street, Fort MUMBAI 400001  SCRIP CODE : 540124	The National Stock Exchange of India Limited "Exchange Plaza" Plot No C-1, G Block Bandra Kurla Complex Bandra (East) MUMBAI - 400051  SCRIP CODE : GNA
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**SUB: DECLARATION PURSUANT TO COMPLIANCE OF REGULATION 33(3)(d) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

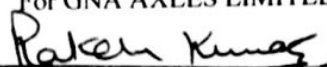
Sir,

I, Rakesh Kumar, Chief Financial Officer of GNA Axles Limited hereby declare that the Statutory Auditors of the Company have issued an Audit Report with unmodified opinion on the Annual Audited Financial Results of the Company (both Standalone and Consolidated) for the year ended 31<sup>st</sup> March, 2018.

Kindly take the same on record.

Thanking You

Yours Truly  
For GNA AXLES LIMITED



Rakesh Kumar  
Chief Financial Officer



CIN : L29130PB1993PLC013684  
Works : UNIT-I, VPO MEHTIANA, DISTT. HOSHIARPUR  
: UNIT-II, VILLAGE GULABGARH JATTAN, DISTT. KAPURTHALA  
Phones : 01882-262273 (7 Lines)  
Fax : 01882-262260, 262302

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

GNA Axles Limited

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

Unaudited Financial Results for the quarter and Year Ended Mar 31, 2018


Corporate Identity Number : L29130PB1993PLC013684

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

[Rs. In Lac]

PARTICULARS	Quarter Ended			Year Ended stand alone		Year Ended Consolidated	
	31/03/2018	31/03/2017	31/12/2017	31/03/2018	31/03/2017	31/03/2018	31/03/2017
	Audited	Audited	Unaudited	Audited	Audited	Audited	Audited
<b>I TOTAL REVENUE (NET)</b>	<b>20452.29</b>	<b>12632.01</b>	<b>16700.14</b>	<b>67013.51</b>	<b>51340.96</b>	<b>67013.51</b>	<b>51340.96</b>
Domestic (Including Excise Duty)	11128.95	7665.47	9087.68	37370.12	30734.14	37370.12	30734.14
Export	9323.34	5647.23	7612.46	30384.86	23397.54	30384.86	23397.54
Excise Duty		680.69		741.47	2790.72	741.47	2790.72
Other Income	66.66	151.91	42.19	287.50	289.54	287.50	289.54
<b>II TOTAL INCOME (I + II)</b>	<b>20518.95</b>	<b>12783.92</b>	<b>16742.33</b>	<b>67301.01</b>	<b>51630.50</b>	<b>67301.01</b>	<b>51630.50</b>
<b>IV EXPENSES</b>							
Cost of Material Consumed	14413.44	7002.27	12203.21	45816.09	32275.26	45816.09	32275.26
Change In Inventory [WIP & FG]	-944.62	782.99	-1831.15	-3314.22	-421.07	-3314.22	-421.07
Employee Benefit Expenses	924.45	734.03	756.91	3184.86	2711.65	3184.86	2711.65
Finance Cost	185.23	197.53	133.92	709.45	1251.79	709.76	1252.07
Depreciation	625.61	588.88	619.69	2480.03	2394.10	2480.03	2394.10
Other Expenses	3107.24	2416.23	2885.03	11022.33	8729.88	11024.93	8732.23
<b>TOTAL EXPENSES IV</b>	<b>18311.35</b>	<b>11721.93</b>	<b>14767.61</b>	<b>59898.54</b>	<b>46941.61</b>	<b>59901.45</b>	<b>46944.24</b>
V Profit/Loss Before Exceptional Items	2207.60	1061.99	1974.72	7402.47	4688.89	7399.56	4686.26
VI Exceptional Items	0.00	0.00	0.00	0.00	0.00	0.00	0.00
VII Profit/Loss Before Tax	2207.60	1061.99	1974.72	7402.47	4688.89	7399.56	4686.26
VIII Tax Expenses (including Deffered Tax)	562.35	451.12	706.29	2314.05	1729.16	2314.05	1729.16
IX Profit/ Loss From Continuing Operations	1645.25	610.87	1268.43	5088.42	2959.73	5085.51	2957.10
X Profit/Loss From Discontinued Operations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XI Tax Expenses OF Discontinued Bussiness	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XII Profit/Loss From Discontinued Bussiness	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XIII Profit/Loss For The Period	1645.25	610.87	1268.43	5088.42	2959.73	5085.51	2957.10
XIV Other Comprehensive	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>XV Total Comprehensive Income for the Period</b>	<b>1645.25</b>	<b>610.87</b>	<b>1268.43</b>	<b>5088.42</b>	<b>2959.73</b>	<b>5085.51</b>	<b>2957.10</b>
XVI Share of Profit/Loss of Associates	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XVII Non Controlling Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XVII Paid Up Equity Capital ( Face value Rs.10 per Share	2146.54	2146.54	2146.54	2146.54	2146.54	2146.54	2146.54
XIX Other Equity							
XX Earning Per Share(for continueing Operations) (of face value 10 each) (not annualized)							
a) Basic	7.66	2.85	5.91	23.71	13.79	23.69	13.78
b) Diluted	7.66	2.85	5.91	23.71	13.79	23.69	13.78
XXI Earning Per Share(for discontinued Operations) (of face value 10 each) (not annualized)							
a) Basic	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b) Diluted	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XXII Earning Per Share(for continued & discontinued Operations) (of face value 10 each) (not annualized)							
a) Basic	7.66	2.85	5.91	23.71	13.79	23.69	13.78
b) Diluted	7.66	2.85	5.91	23.71	13.79	23.69	13.78

For GNA AXLES LIMITED



Managing Director

**CERTIFIED TO BE TRUE COPY**

For GNA AXLES LIMITED

*Rakesh Kumar*

**RAKESH KUMAR**  
Chief Financial Officer

**Notes:**

1. The Company has completed its Initial Public Offer through fresh issue of 63,00,000 equity shares at a price of Rs. 207/- each. The Equity shares of the Company got listed on BSE and NSE on 26th September 2016.
2. The statement of IPO Proceeds is as given below - Rs. in Lacs

Particulars	Amount As per Prospectus	Amount to Be Utilized
Gross Proceeds of The Fresh Issue	13041.00	13041.00
Less: Estimated Fresh Issue Expenses	1197.40	1250.02
<b>Net Proceeds Of the Fresh Issue</b>	<b>11843.60</b>	<b>11790.98</b>

Utilization Of IPO Proceeds Rs. in Lacs

Particulars	Amount To Be Utilized	Amount Utilized Upto Mar. 31, 2018	Amount Pending Utilization
Purchase Of Plant & Machinery	8007.30	7472.38	534.92
To Meet Working Capital Requirements	3500.00	3500.00	0.00
General Corporate Purposes	283.68	283.68	0.00
<b>Total</b>	<b>11790.98</b>	<b>11256.06</b>	<b>534.92</b>


The Unutilised net proceeds of the IPO have been invested in the Fixed Deposits

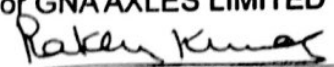
3. Reconciliation of Profit for the Quarter & Year ended Mar 31, 2018 as per previous GAAP vis-a-vis Ind AS -

	Qtr. Ended Mar. 2018	Year Ended Mar 18
Net Profit As Per Previous GAAP	1645.25	5088.42
Add/Less - Ind AS Adjustments		
Net Profit as Per Ind As	1645.25	5088.42

4. Figures of the previous periods have been recasted / regrouped, wherever necessary to make them comparable.
5. 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.
6. 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 28, 2018.
7. According to the requirements of SEBI (Listing obligation And Disclosure Requirements) Regulation 2015, revenue for the Quarter ended Jun 30, 2017, & Year ended Mar 31, 2017 were reported inclusive of excise duty. GST has been implemented with effect from Jul 01, 2017 and as per AS 18 the revenue for the quarter Ended Mar 31, 2018 is reported net of GST.
8. The Board of Directors have recommended a Dividend of @ 20 % , i.e Rs. 2 per share on the equity share of Rs. 10/- each for the Financial Year ended 31st March 2018

Place: Mehtiana  
Date : May 28, 2018

For **GNA AXLES LIMITED**  
  
 Gursaran Singh  
 Managing Director  
 DIN 00805558

**CERTIFIED TO BE TRUE COPY**  
 For **GNA AXLES LIMITED**  
  
**RAKESH KUMAR**  
 Chief Financial Officer

G N A Axles Limited

Regd. Office : GNA House I-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 March 31, 2018

[Rs. In Lac]

Sr. No.	PARTICULARS	STANDALONE		CONSOLIDATED	
		31/03/2018	31/03/2017	31/03/2018	31/03/2017
<b>ASSETS</b>					
1	<b>Non Current Assets</b>				
a	Property, Plant and Equipment	19069.37	13174.12	19069.37	13174.11
b	Capital Work in Progress		253.10		253.10
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	2833.47	4663.07	2833.47	4663.07
	<b>Total Non Current Assets</b>	21903.50	18090.95	21902.84	18090.28
2	<b>Current Assets</b>				
a	Inventories	15363.51	11029.43	15363.50	11029.43
b	Financial Assets				
	Short Term Investments				
	Trade Receivables	23546.60	18227.32	23546.60	18227.32
	Cash & Bank Balances	2608.72	7244.78	2609.27	7245.63
	Short Term Loans				
	Other Financial Current assets				
c	Other Current Assets	4807.04	3131.34	4807.04	3131.34
	<b>Total Current assets</b>	46325.87	39632.87	46326.41	39633.72
	<b>Total Assets</b>	<b>68229.37</b>	<b>57723.82</b>	<b>68229.25</b>	<b>57724.00</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	31996.09	27544.17	31987.81	27538.49
	<b>Total Equity</b>	34142.63	29690.71	34134.35	29685.03
2	<b>Liabilities</b>				
a	Financial Liabilities				
	Long Term Borrowings	2470.02	2624.31	2470.02	2624.31
	Other Financial Non current Liabilities				
b	Long Term Provisions				
c	Deferred Tax Liabilities (Net)	202.74	248.69	202.74	248.69
d	Other Non Current Liabilities				
	<b>Total Non Current Liabilities</b>	2672.76	2873.00	2672.76	2873.00
3	<b>Current Liabilities</b>				
	Financial Liabilities				
	Short Term Borrowing	9883.17	7266.94	9883.17	7266.94
	Trade Payable	18296.93	15207.40	18305.09	15213.27
	Other Financial Current Liabilities	2029.05	1965.73	2029.05	1965.73
b	Other Current Liabilities				
	Short Term Provisions	228.33	210.91	74.40	65.63
	Current Tax Liabilities	729.79	311.64	883.72	456.91
	Current Tax Liabilities	246.71	197.49	246.71	197.49
	<b>Total Current Liabilities</b>	31413.98	25160.11	31422.14	25165.97
	<b>Total Liabilities</b>	<b>68229.37</b>	<b>57723.82</b>	<b>68229.25</b>	<b>57724.00</b>

DECLARATION TO BE MADE BY

For GNA AXLES LIMITED

*Rakesh Kumar*

RAKESH KUMAR  
Chief Financial Officer

For GNA AXLES LIMITED

*J. Jain*

Managing Director

**HARISH & CO.**  
*Chartered Accountants*  
*Lajpat Nagar Market*  
*Jalandhar City*



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**Independent Auditor's Report**

**To the Members of**

**GNA AXLES LIMITED**  
**Report on the Financial Statements**

We have audited the accompanying Standalone financial statements of **GNA AXLES LIMITED ("the Company")** which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, (including other comprehensive income) Cash Flow Statement and the statement of changes in equity 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive) and cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian 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 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these Standalone Ind AS 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.

: 2 :

We conducted our audit of the Standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. And other applicable authoritative pronouncement issue by institute of Chartered Accountants of India. These Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 Standalone Ind AS 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 Standalone Ind AS 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 Ind AS financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS 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.

- (1) In the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2018
- (2) In the case of the Statement of Profit and Loss (comprising of other comprehensive income) of the profit for the year ended on that date: and
- (3) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date and
- (4) Changes in equity 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 including other comprehensive income) the Cash Flow Statement and the statement of changes in equity dealt with by this report are in agreement with the books of account .

d. in our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015 as emended.

e. On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 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)

(**HARISH KUMAR**)  
Proprietor  
M. No. 016902  
Place: Jalandhar  
Date:





(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	VAT Tribunal
Punjab Sales Tax Act	Demand P-VAT (Crane	180000	2004-2005	DETC Appeals
Excise & Service Tax	Service Tax outward freight	523288	2008-2009	Before Commissioner Appeal
Excise & Service Tax	Service Tax outward freight	866681	2010-11	CESTAT
Excise & Service Tax	Service tax on others	192693	2010-11	Before commissioner appeal
Excise & Service Tax	Service Tax on others	37005	2012-13	Before Commissioner Appeal
Excise & Service Tax	Service Tax on others	146341	2010-11	Before Commissioner Appeal
Excise & Service Tax	Service Tax on others	70004	2013-14	Before Commissioner Appeal
Excise & Service Tax	Service Tax on others	39688	2013-14	Before Commissioner Appeal
Excise & Service Tax	Service Tax on others	118584	2013-14	Before Commissioner Appeal
Excise & Service Tax	Service Tax on others/Guest House	32541	2014-15	Before Commissioner Appeal
Excise & Service Tax	Service Tax on Club Membership/Misc.	365853	2013-14	Asstt. Commissioner SE
Income Tax Act	Income Tax Regular Assessment	13504810	2012-13	Before Commissioner of Income-tax (Appeals)
Excise & Service Tax	Excise Duty CENVAT	3420284	2016-17	Asstt. Commissioner
Excise & Service Tax	Excise Duty CENVAT	3813476	2017-18	Asstt. Commissioner

**“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, 2018:

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, 2018 for a period of more than six months from the date on when they become payable.

**“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, 2018 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.

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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)

  
**(HARISH KUMAR**  
Proprietor  
M. No. 016902  
Place: Jalandhar  
Date:



### **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, 2018, 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)**



**(HARISH KUMAR)**  
**Proprietor**  
**M. No.016902**

Place: Jalandhar  
Date:

