GKN Driveline (India) Limited

36th Annual Report 2020-21

CONTENTS

Board of Directors

Mr. Anthony Bell	Chairman & Non-Executive Director (with effect from June 23, 2020)
Mr. Sanjay Katyal	Managing Director
Mr. Madan Singh Sisodia	Executive Director
Mr. Rajeev Dogra	Executive Director
Mr. Jonathon Colin Fyfe Crawford	Non Executive Director
Mr. Matthew Richard Nozemack	Non Executive Director
Ms. Monica Widhani	Additional Independent Director (with effect from April 1, 2020)
Mr. Subramaniam Ramaswamy	Additional Independent Director (with effect from April 1, 2020)
Mr. Adam Touhig	Director & Chairman (upto May 25, 2020)

Audit & Risk Management Committee

Ms. Monica Widhani	Chairman (with effect from April 1, 2020)
Mr. Subramaniam Ramaswamy	Member (with effect from April 1, 2020)
Mr. Madan Singh Sisodia	Member

Nomination & Remuneration Committee

Mr. Subramaniam Ramaswamy	Chairman (with effect from April 1, 2020)
Ms. Monica Widhani	Member (with effect from April 1, 2020)
Mr. Anthony Bell	Member (with effect from June 23, 2020)
Mr. Rajeev Dogra	Member
Mr. Adam Touhig	Member (upto May 25, 2020)

Stakeholders Relationship Committee

Mr. Anthony Bell	Chairman (with effect from June 23, 2020)
Mr. Sanjay Katyal	Member
Mr. Madan Singh Sisodia	Member
Ms. Richa Porwal	Member
Mr. Adam Touhig	Chairman (upto May 25, 2020)

Corporate Social Responsibility Committee

Mr. Sanjay Katyal	Chairman
Mr. Rajeev Dogra	Member
Ms. Monica Widhani	Member (with effect from April 1, 2020)
Mr. Subramaniam Ramaswamy	Member (with effect from April 1, 2020)

Chief Financial Officer
Mr. Tushar Jain

Company Secretary
Ms. Richa Porwal

Technical Collaborators
GKN Automotive Limited, UK

Registered Office & Faridabad Works
270, Sector 24
Faridabad 121 005 (Haryana)
Tel: +91 (129) 4091100, 6621300
Fax: +91 (129) 6621349
Group Website: www.gknautomotive.com

Oragadam Works
Plot NO. B-13, SIPCOT Industrial Park
Sriperumbadur, Kancheepuram 602105
Tamil Nadu
Tel: +91 (44) 67128380
Fax:+91 (44) 67128300

Pune Works
Plot No. 4, Village Lonikand,
Taluka - Haveli, Pune - 412 216
Tel: +91 (20) 67090900

Share Transfer Agent
MCS Share Transfer Agent Ltd.
F-65, Ist Floor, Okhla Industrial Area,
Phase I, New Delhi 110 020
Tel: +91 (11) 41406149/ 41406151 / 52
Fax: +91 (11) 41709881

Auditors
Deloitte Haskins & Sells LLP, Chartered Accountants Gurgaon

Bankers
HDFC Bank Ltd.
The Hongkong and Shanghai Banking Corporation Ltd.
Citibank N.A.
State Bank of India
Indian Bank

Dharuhera Works
34 & 35, Industrial Area
Dharuhera 122 106 (Haryana)
Tel.: +91 (1274) 277800

Kadi Works
Plot No. B7, Mascot Industrial Park,
Jadavpura Cross Road, Kadi,
Vithalapur Highway, Kadi
Mehsana 382715 (Gujarat)
Tel: +91 (2764) 243500

GKN Driveline (India) Limited
CIN: U74999HR1985PLC034079
Regd. Office: Plot No. 270, Sector 24,
Faridabad 121005 (Haryana), India
Tel : +91 (129) 4091100, 6621300
Fax: +91 (129) 6621349
Email: gdi.stakeholder@gknautomotive.com
Group website: www.gknautomotive.com

NOTICE OF 36th ANNUAL GENERAL MEETING

Notice is hereby given that the 36th Annual General Meeting of members of GKN Driveline (India) Limited (CIN U74999HR1985PLC034079) ("the Company") is scheduled to be held on **29th September 2021, Wednesday, 2021 at 11 am at its Registered Office, Plot No. 270, Sector 24, Faridabad 121 005 (Haryana), India** to transact the following business(es):

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements for the financial year ended on 31st March, 2021 including audited Balance Sheet as at March 31, 2021, Statement of Profit & Loss Account (including other comprehensive income), Cash Flow Statement and Statement of changes in Equity for the period ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To re-appoint a director in place of Mr. Madan Singh Sisodia (DIN-08111748) who retires by rotation and is eligible for re-appointment.
3. To confirm interim dividend of INR 62 per share as final dividend for FY 2020-2021.
4. To appoint M/S Deloitte Haskins & Sells LLP (FRN – 117366W/W-100018) in terms of Section 139 of the Companies Act 2013, as statutory auditors of the Company from the conclusion of this Annual General Meeting and to hold office, until the conclusion of the 41st and to fix their remuneration for the financial year ending March 31 2022.

SPECIAL BUSINESS

5. **Revisions in remuneration of Mr. Sanjay Katyal, Managing Director:**

   To consider and if thought fit, to pass with or without modification, the following Special Resolution:

   "RESOLVED THAT pursuant to provision of Section 196 and 203 of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules 2014 read with Schedule V of the Act, approval of Members be and is hereby accorded for revision of remuneration of Mr. Sanjay Katyal (DIN-08384025), Managing Director of the Company on following terms and conditions effective from April 1, 2021:

   1. Remuneration - Basic salary Rs. 3,680,000/- per annum.
   2. Perquisites, Allowances & Retirement Benefits:
      a. House Rent Allowance — Rs. 2,208,000/- per annum.
      b. Medical Reimbursement: — Rs. 15,000/- per annum.
      c. Leave Travel Concession: — Expenses to be incurred for Mr. Sanjay Katyal and his dependents to the maximum of Rs. 306,667/- per annum.
      d. Car and Telephone: — The Company will provide a car with driver for use on Company's business as well as for personal use. The Company will also provide a telephone at Mr. Sanjay Katyal's place of residence for official and personal local calls.
      e. Provident Fund : — Rs. 441,600/- per annum, being the contribution to provident fund.
      f. Group Accident and Mediclaim Insurance: — In accordance with the rules of the Company.
      g. Superannuation : — Rs. 552,000/- per annum

h.	Gratuity:	As per the payment of gratuity act.
i.	Furnishing*	Up to a maximum of Rs. 1,50,000/- as per the Company Policy.

3. Performance Linked Bonus/incentive: As may be approved by the Board of Directors from time to time.

RESOLVED FURTHER THAT in case of losses or inadequate profits, Mr. Sanjay Katyal would continue to receive remuneration (including minimum remuneration as per Schedule V of the Companies Act, 2013)

RESOLVED FURTHER THAT the payment of one time lump sum amount for INR 605,070/- for performance of 2020 as recommended by Board of Directors of the Company be and is hereby approved

RESOLVED FURTHER THAT the Board of Directors of the Company, subject to the approval of Central Government and /or the Members, as may be required, be and is hereby authorized to alter, vary, modify and increase the remuneration including perquisites within the limits or ceilings prescribed under Schedule V of Companies Act, 2013 as amended to date or any statutory modification or re-enactment thereof and to alter the terms and conditions between the Company and Mr. Sanjay Katyal, as given in the explanatory statement which forms part of this resolution & also given in the Agreement as mentioned above.

RESOLVED FURTHER THAT Ms. Richa Porwal Company Secretary of the Company be and are hereby authorised to do all such acts, deed and things as deemed necessary and proper pursuant to the Companies Act, 2013."

6. Revision in remuneration of Mr. Madan Singh Sisodia, Executive Director:-

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

"RESOLVED THAT pursuant to provision of Section 196 and 203 of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules 2014 read with Schedule V of the Act, approval of Members be and is hereby accorded for revision of remuneration of Mr. Madan Singh Sisodia (DIN-08111748), Executive Director of the Company on following terms and conditions effective from April 1, 2021 :

1. Remuneration - Basic salary Rs. 4,126,000/- per annum.

2. Perquisites, Allowances & Retirement Benefits:

a.	House Rent Allowance	Rs. 2,475,600/- per annum.
b.	Medical Reimbursement:	Rs. 15,000/- per annum.
c.	Leave Travel Concession:	Expenses to be incurred for Mr. Madan Singh Sisodia and his dependents to the maximum of Rs. 343,833/- per annum.
d.	Car and Telephone:	The Company will provide a car with driver for use on Company's business as well as for personal use. The Company will also provide a telephone at Mr. Madan Singh Sisodia's place of residence for official and personal local calls.
e.	Provident Fund :	Rs. 495,120/- per annum, being the contribution to provident fund.
f.	Group Accident and Mediclaim Insurance:	In accordance with the rules of the Company.
g.	Superannuation :	Rs. 618,900/- per annum
e.	Gratuity:	As per the payment of gratuity act.
f.	Furnishing*	Up to a maximum of Rs. 1,50,000/- as per the Company Policy.

3. Performance Linked Bonus/incentive: As may be approved by the Board of Directors from time to time.

RESOLVED FURTHER THAT in case of losses or inadequate profits, Mr. Madan Singh Sisodia would continue to receive remuneration (including minimum remuneration as per Schedule V of the Companies Act, 2013).

RESOLVED FURTHER THAT the payment of one time lump sum amount for INR 780,511/- for performance of 2020 as recommended by Board of Directors of the Company be and is hereby approved.

RESOLVED FURTHER THAT the Board of Directors of the Company, subject to the approval of Central Government and /or the Members, as may be required, be and is hereby authorized to alter, vary, modify and increase the remuneration including perquisites within the limits or ceilings prescribed under Schedule V of Companies Act, 2013 as amended to date or any statutory modification or re-enactment thereof and to alter the terms and conditions between the Company and Mr. Madan Singh Sisodia, as given in the explanatory statement which forms part of this resolution & also given in the remuneration revision letter as mentioned above.

RESOLVED FURTHER THAT Ms. Richa Porwal Company Secretary of the Company be and are hereby authorised to do all such acts, deed and things as deemed necessary and proper pursuant to the Companies Act, 2013."

7. Revision in remuneration of Mr. Rajeev Dogra, Executive Director:-

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

"RESOLVED THAT pursuant to provision of Section 196 and 203 of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules 2014 read with Schedule V of the Act, approval of Members be and is hereby accorded for revision of remuneration of Mr. Rajeev Dogra (DIN-05270378), Executive Director of the Company on following terms and conditions effective from April 1, 2021:

1.	Remuneration		Basic salary Rs. 3,400,000/- per annum
2.	Perquisites, Allowances & Retirement Benefits:		
	a)	House Rent Allowance	Rs. 2,040,000/- per annum
	b)	Medical Reimbursement	Rs.15,000/- per annum.
	c)	Leave Travel Concession	Expenses to be incurred for Mr. Rajeev Dogra and his dependents to the maximum of Rs. 283,333/- per annum
	d)	Car and Telephone	The Company will provide a car with driver for use on Company's business as well as for personal use. The Company will also provide a telephone at Mr. Rajeev Dogra's place of residence for official and personal local calls.
	e)	Provident Fund	Rs. 408,000/- per annum, being the contribution to provident fund
	f)	Superannuation	Rs. 510,000/- per annum
	g)	Group Accident and Mediclaim Insurance:	In accordance with the rules of the Company.
	h)	Gratuity	As per the payment of gratuity Act.
	i)	Furnishing	Up to a maximum of Rs. 1,50,000/- as per the Company Policy
3	Performance Linked Bonus/incentive:		As may be approved by the Board of Directors from time to time

RESOLVED FURTHER THAT in case of losses or inadequate profits, Mr. Rajeev Dogra would continue to receive remuneration (including minimum remuneration as per Schedule V of the Companies Act, 2013).

RESOLVED FURTHER THAT the payment of one time lump sum amount for INR *545,603/-* for performance of 2020 as recommended by Board of Directors of the Company be and is hereby approved

RESOLVED FURTHER THAT the Board of Directors of the Company, subject to the approval of Central Government and /or the Members, as may be required, be and is hereby authorized to alter, vary, modify and increase the remuneration including perquisites within the limits or ceilings prescribed under Schedule V of Companies Act, 2013 as amended to date or any statutory modification or re-enactment thereof and to alter the terms and conditions between the Company and Mr. Rajeev Dogra, as given in the explanatory statement which forms part of this resolution & also given in the remuneration letter as mentioned above.

RESOLVED FURTHER THAT Ms. Richa Porwal Company Secretary of the Company be and are hereby authorised to do all such acts, deed and things as deemed necessary and proper pursuant to the Companies Act, 2013."

For and on the behalf of the Board of Directors of
GKN Driveline (India) Limited

Sd/-
Richa Porwal
Company Secretary
FCS- 8318

Date: 23 Aug 2021
Place: Faridabad

Regd. Off:-
270, Sector 24,
Faridabad 121 005 (Haryana), India
Tel: +91 (129) 4091100, 6621300
Fax: +91 (129) 6621349
CIN: U74999HR1985PLC034079
E-mail: gdi.stakeholder@gknautomotive.com

NOTES:

1. **A member who is entitled to attend and vote at the meeting is entitled to appoint another person (such person need not be a member) as his proxy to attend instead of himself at the meeting. However, the proxy shall not have the right to speak at meeting and shall not be entitled to vote except on a poll.**
2. The instrument of proxy, in order to be effective, should be deposited at the registered office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A proxy form is annexed to this report.
3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours (between 10:00 A.M. and 5:30 P.M.) of the Company, provided that not less than three days of notice in writing is given to the Company.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
5. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights.

   Provided that a member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
6. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
7. Members/ proxies should bring filled Attendance Slip enclosed herewith to attend the meeting.
8. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be made available for inspection by members of the Company.
9. The Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be made available for inspection by the members of the Company.
10. Members are advised, in their own interest, to convey to the Company at the earliest opportunity, any change in their postal addresses. They are also advised to typewrite their names and if they write in hand they must write their names and addresses in capital letters.

11. An explanatory statement pursuant to Section 102 of the Companies Act, 2013, relating to Special Business to be transacted at the Meeting is annexed hereto and forms part of this notice.

12. All the documents referred to in the Notice are open for inspection at the Registered Office of the Company between 10.00 a.m. to 1.00 p.m. on all days except Sunday and Holidays until the date of the Annual General Meeting or any adjournment(s) thereof.

13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to M/s. MCS Share Transfer Agent Limited (Registrar & Transfer Agent), F-65, Okhla Industrial Area, Phase I, New Delhi – 110020 or to the Company.

14. Ministry of Corporate Affairs has taken Green Initiative and allowed the Companies to send Notice of Annual General Meeting, Balance Sheet and Auditors Report etc. to members of the Company as required under Section 101 and Section 136 of the Companies Act, 2013 though electronic mode. **Members are requested to send their email addresses to the Company at its registered office or to the Registrar & Transfer Agent.** Members who have not registered their e-mail address with the Company are requested to register the same by submitting the letter to M/s. MCS Share Transfer Agent Limited, F-65, Okhla Industrial Area, Phase I, New Delhi – 110020.

15. In accordance with the provisions of Section 72 of the Companies Act, 2013, members are entitled to make nominations in respect of the Equity Shares held by them, in physical form. Members desirous of making nominations may procure the prescribed form from the Registrar & Share Transfer Agent M/s. MCS Share Transfer Agent Limited and have it duly filled and sent back to them.

16. Electronic copy of the Annual Report is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode.

17. Electronic copy of the Notice of the 36th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 36th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on 26th September 2021 at 9 A.M. and ends on 28th September 2021 at 5 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 22nd September 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 22nd September 2021.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of share-holders	**Login Method**
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to **e-Voting website of NSDL** for casting your vote during the remote e-Voting period If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 2. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. 3. Shareholders/Members can also download NSDL Mobile App **"NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL.** Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

<u>How to Log-in to NSDL e-Voting website?</u>

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
   a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period..
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to cs.ranjeet@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

   In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Soni Singh, Assistant Manager at evoting@nsdl.co.in or at 1800 102 0990; 1800 22 4430

Process for those shareholders whose email ids are not registered with the depositories/company for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to gdi.stakeholder@gknautomotive.com

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to gdi.stakeholder@gknautomotive.com If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

Other Notes

- Shareholders who have not so far encashed their dividend paid by the Company upto the financial year ended March 31, 2021, may immediately approach the Company / RTA for claiming dividend amount.
- Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of Shareholders w.e.f. April 01, 2020 and the Company is required to deduct tax at source at the prescribed rates from dividend to be paid to shareholders. For the prescribed rates under various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the RTA (in case of shares held in physical mode) and depositories (in case of shares held in demat mode). A resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.
- Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits.
- Above documents can be provided by sending an email to admin@mcsregistrars.com

EXPLANATORY STATEMENT

The following Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 as amended to date sets out all material facts relating to the business mentioned at item nos. 5,6 and 7 in the accompanying Notice

Special Business

Item No. 5

Revisions in remuneration of Mr. Sanjay Katyal, Managing Director:

The details of Mr. Sanjay Katyal, Managing Director is given below:

Age	:	54 years
Qualification	:	Bachelor's Degree- Mech. Engg. & Post Diploma in Production Engg.
Experience	:	32 years
Terms and conditions of appointment	:	No change in terms & conditions of appointment for FY 2020-21

Remuneration:

	Remuneration for FY 2020-21 (INR) per annum	**Proposed remuneration for FY 2021-22 (INR) per annum**
Basic salary	3,200,000	3,680,000
House Rent Allowance	1,920,000	2,208,000
Medical Allowance	15,000	15,000
Leave Travel Concession	266,667	306,667
Car and Telephone:	The Company will provide a car with driver for use on Company's business as well as for personal use. The Company will also provide a telephone at Mr. Sanjay Katyal's place of residence for official and personal local calls.	The Company will provide a car with driver for use on Company's business as well as for personal use. The Company will also provide a telephone at Mr. Sanjay Katyal's place of residence for official and personal local calls.

Provident Fund	384,000	441,600
Group Accident and Mediclaim Insurance:	In accordance with the rules of the Company	In accordance with the rules of the Company
Superannuation	480,000	552,000
Gratuity:	As per the payment of gratuity act.	As per the payment of gratuity act.
Furnishing*	Up to a maximum of Rs. 1,50,000/- as per the Company Policy.	Up to a maximum of Rs. 1,50,000/- as per the Company Policy.
Performance Linked Bonus/ incentive:	605,070	As may be approved by the Board of Directors from time to time.

Shareholding in the Company	24 shares
Relationship with other Directors, Managers & KMPs	None

Details of Board / Committee Meetings

	Board	Shareholder Relationship Committee	Corporate Social Responsibility Committee
Total number of meetings in FY 2020-21	5	4	3
No of Meeting attended	5	4	3
Chairman / Member	Member	Member	Chairman

Mr. Sanjay Katyal was appointed as Managing Director of the Company w.e.f. February 1, 2019.

Mr. Sanjay Katyal was born on 13th October 1966, is an Engineering Graduate from National Institute of Technology, Kurukshetra and Post Diploma in Production Engg. From Haryana Technical Education Board with 27 year of post qualification experience.

He has been working with GKN since August 1992 He has worked in various engineering roles like Quality, ME, Production, Operations, Lean Enterprises and Projects. Thereafter he assumed various roles like Supply Chain, Oragadam Plant Head, Purchasing and Supply Chain Head. In the year 2018 he was promoted to the position of Director Supply Chain for Asia Pacific Region.

He has been driving organization for Supply Chain excellence leading to the improvement in working capital through stock turn improvements / freight cost reduction in line with 100% customer deliveries.

Prior to GKN, he has worked in Eicher Tractors Ltd. In addition to this Mr. Sanjay Katyal is trustee with GKN Driveline (India) Limited Gratuity Trust.

A supplemental agreement has been entered between the Company and Mr. Sanjay Katyal which contains revised remuneration as mentioned in the Resolution. The Agreement is available for inspection to Members at the Registered Office of the Company on any working day between 11 a.m. to 1.00 p.m. prior to the date of the Annual General Meeting.

In case of losses or inadequate profits, Mr. Sanjay Katyal would receive remuneration (including minimum remuneration) as per Schedule V of the Companies Act, 2013. Sanjay Katyal is Non-Rotational Director.

None of the Directors, Key Managerial Personnel or their relatives, except Mr. Sanjay Katyal is concerned or interested in this Resolution.

The remuneration is in line with current industry standard.

The Board commends the resolutions set out in Item no. 5 for the approval of Members.

Item No. 6

Revision in remuneration of Mr. Madan Singh Sisodia, Executive Director:

The details of Mr. Madan Singh Sisodia, Executive Directors is given below:

Age	:	49 years
Qualification	:	Chartered Accountant & Cost and Management Accountant
Experience	:	23 years
Terms and conditions of appointment 2020-21	:	No change in terms & conditions of appointment for FY

	Remuneration for FY 2020-21 (INR) per annum	Proposed remuneration for FY 2021-22 (INR) per annum
Basic salary	3,750,300	4,126,000
House Rent Allowance	2,250,180	2,475,600
Medical Allowance	15,000	15,000
Leave Travel Concession	312,525	343,833
Car and Telephone:	The Company will provide a car with driver for use on Company's business as well as for personal use. The Company will also provide a telephone at Mr. Madan Singh Sisodia's place of residence for official and personal local calls.	The Company will provide a car with driver for use on Company's business as well as for personal use. The Company will also provide a telephone at Mr. Madan Singh Sisodia's place of residence for official and personal local calls.
Provident Fund	450,036	495,120
Group Accident and Medi-claim Insurance:	In accordance with the rules of the Company	In accordance with the rules of the Company
Gratuity:	As per the payment of gratuity act.	As per the payment of gratuity act.
Furnishing*	Up to a maximum of Rs. 1,50,000/- as per the Company Policy.	Up to a maximum of Rs. 1,50,000/- as per the Company Policy.
Performance Linked Bonus/ incentive:	780,511	As may be approved by the Board of Directors from time to time.

Shareholding in the Company	Nil
Relationship with other Directors, Managers & KMPs	None

Details of Board / Committee Meetings

	Board	Audit & Risk Management Committee	Shareholder Relationship Committee
Total number of meetings in FY 2020-21	5	5	4
No of Meeting attended	5	5	4
Chairman / Member	Member	Member	Member

Mr. Madan Singh Sisodia was appointed as Executive Director of the Company w.e.f. May 8, 2018.

Mr. Madan Singh Sisodia, born on 23rd November 1971, is a commerce graduate from Shri Ram College of Commerce and a Chartered Accountant and Cost & Management Accountant with 21 years of post-qualification experience. He has been working with GKN since Nov 2003 barring 3 months tenure when he worked with General Motors. During his tenure with GKN he initially worked as Manager Finance until August 2008 and subsequently assumed the current role of Chief Financial Officer at GKN Driveline. He has been driving organization for financial excellence leading to growth in bottom line commensurate with growth in top line which is also evident from turnaround of loss making GKN operation in 2012 into profitable numbers in 2017. Apart from this handled transfer pricing litigation on Group Recharges & Royalty with revenue.

Prior to GKN he has worked in conglomerates and multinational companies such as General Motors, New Holland Tractors & Daewoo Motors. In addition to this Mr. Madan Singh Sisodia is trustee with GKN Driveline (India) Limited Provident Fund Trust, Superannuation Trust and Gratuity Trust. Currently he is designated as Finance Director Asia Pacific excluding China

None of the Directors, Key Managerial Personnel or their relatives, except Mr. Madan Singh Sisodia is concerned or interested in this Resolution.

The remuneration is in line with current industry standard.

The Board recommends the resolutions set out in Item No. 6 for the approval of members

Item No. 7

Revision in remuneration of Mr. Rajeev Dogra as Director:

The details of Mr. Rajeev Dogra, Executive Directors is given below:

Age	:	54 years
Qualification	:	Bachelor's Degree- Mech. Engg
Experience	:	31 years
Terms and conditions of appointment	:	No change in terms & conditions of appointment for FY 2020-21

Remuneration:

	Remuneration for FY 2020-21 (INR) per annum	**Proposed remuneration for FY 2021-22 (INR) per annum**
Basic salary	2,869,632	3,400,000
House Rent Allowance	1,721,779	2,040,000
Medical Allowance	15,000	15,000
Leave Travel Concession	239,136	283,333
Car and Telephone:	The Company will provide a car with driver for use on Company's business as well as for personal use. The Company will also provide a telephone at Mr. Rajeev Dogra's place of residence for official and personal local calls	The Company will provide a car with driver for use on Company's business as well as for personal use. The Company will also provide a telephone at Mr. Rajeev Dogra's place of residence for official and personal local calls.
Provident Fund	344,356	408,000
Group Accident and Mediclaim Insurance:	In accordance with the rules of the Company	In accordance with the rules of the Company
Superannuation	430,445	510,000
Gratuity:	As per the payment of gratuity act.	As per the payment of gratuity act.
Furnishing*	Up to a maximum of Rs. 1,50,000/- as per the Company Policy.	Up to a maximum of Rs. 1,50,000/- as per the Company Policy.
Performance Linked Bonus/ incentive:	545,603	As may be approved by the Board of Directors from time to time.

Shareholding in the Company	01 share
Relationship with other Directors, Managers & KMPs	Nil

Details of Board / Committee Meetings

	Board	**Nomination and Remuneration Committee**	**Corporate Social Responsibility Committee**
Total number of meetings in FY 2020-21	5	3	3
No of Meeting attended	5	3	3
Chairman / Member	Member	Member	Member

Mr. Rajeev Dogra was appointed as Executive Director of the Company w.e.f. May 15, 2019.

Mr. Rajeev Dogra, born on April 10, 1966, holds degree in Mechanical Engineering from National Institute of Technology (REC), Srinagar.

He has been with GKN Driveline (India) Limited since August 24, 1990. He is associated with the Company since beginning of his career as Graduate Engineer. Mr. Dogra worked with GKN India in various capacities viz. Head – Dharuhera Plant and Project Leader for setting up Oragadam Plant near Chennai and General Manager - North Operations. At present he is Senior Value Stream Manager.

In addition to this Mr. Rajeev Dogra is trustee with GKN Driveline (India) Limited Provident Fund Trust, Superannuation Trust and Gratuity Trust.

The remuneration is in line with current industry standard.

None of the directors, Key Managerial Personnel or their relatives except Mr. Rajeev Dogra is concerned or interested in this resolution.

The Board recommends the resolutions set out in Item No. 7 for the approval of members

For and on the behalf of the Board of Directors of
GKN Driveline (India) Limited

Richa Porwal
Company Secretary
FCS- 8318

Date : 23 August 2021
Place: Faridabad

Regd. Off:-
270, Sector 24,
Faridabad 121 005 (Haryana), India
Tel: +91 (129) 4091100, 6621300
Fax: +91 (129) 6621349
CIN: U74999HR1985PLC034079
E-mail: gdi.stakeholder@gknautomotive.com

STATEMENT OF PARTICULARS
(PURSUANT TO SCHEDULE V OF THE COMPANIES ACT, 2013)

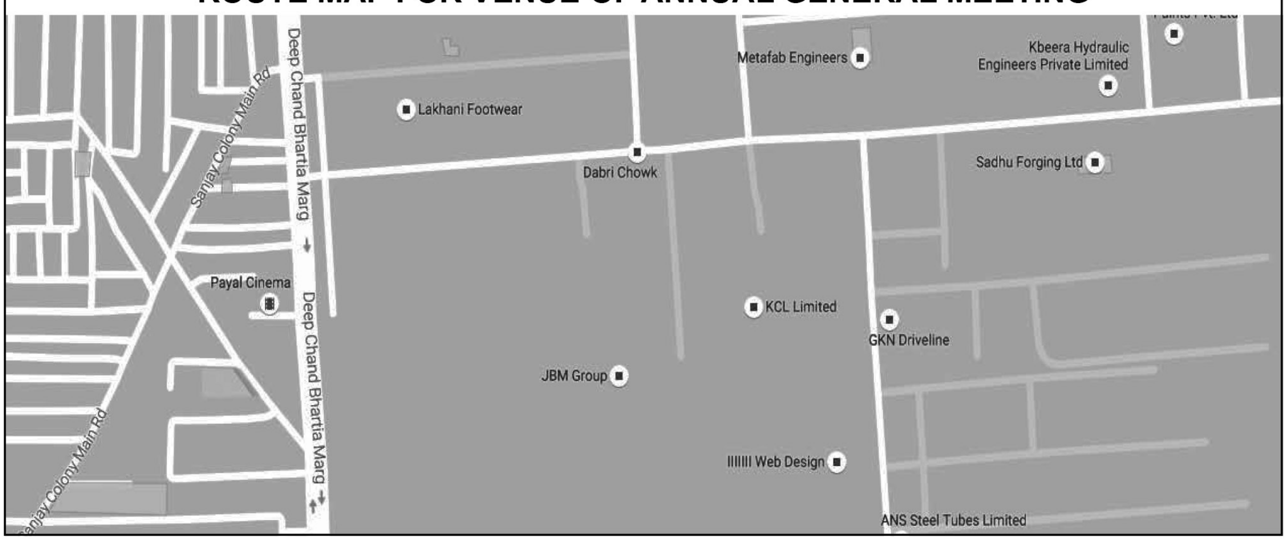
I. GENERAL INFORMATION

Sl. No	Particulars / Subject	Information
1.	Nature of industry	Manufacturing Automotive Products
2.	Date or expected date of commencement of commercial production	The Company was incorporated as Private Limited on July 25, 1985. Company's name changed more than once and latest change was from GKN Driveshafts (India) Limited to GKN Driveline (India) Limited on July 3, 2003.
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable
4.	Financial performance based on given Indicators	In the Financial year ended March 31, 2021, the Company made net turnover of INR 6644 Mn and profit before tax of INR 710 Mn. Whereas in the financial year ended March 31, 2020, the Company had registered net turnover of INR 9415 Mn and profit before tax of INR 835 Mn.
5.	Export performance and net foreign exchange collections	During the Financial year ended March 31, 2021, the Company posted foreign currency inflows of INR 455 Mn in comparison to foreign currency inflows of INR 729 Mn in the financial year ended March 31, 2020.
6.	Foreign Investments or collaborators, if any.	During the period, the Company did not make any foreign investments or executed any foreign collaboration. The Company is having technical collaboration with GKN Automotive Limited, UK and under the collaboration agreement the Company draws various state of the art technologies from GKN.

II. OTHER INFORMATION

Sl. No	Particulars / Subject	Information
1.	Reason of loss or inadequate profits.	The Company's topline showed a degrowth of 29.43 % when current year is compared with previous year mainly due to lower market demand on account of COVID 19 lockdown in 2020. However, the export sales remained largely the same with negligible decline of 2% The profit before interest, tax and depreciation (EBITDA) is INR 1201.03 Mn (18.08%) as compared to INR 1381.84 Mn (14.68 %) in previous year. EBITDA is better than previous year due to write back of provision for interest and penalty on Income tax for INR 179 Mn as company has opted for Vivad se Vishwas Scheme for settlement of Income tax litigations and lower supplier provisions in current year by INR 65 Mn.
2.	Steps taken or proposed to be taken for improvement.	The company is planning on cost rationalization through headcount optimization, fixed cost rationalization, re-negotiation with suppliers, reduction/deferment of capex, implementation of solar power projects, product localization by expanding manufacturing facility at its Pune and Kadi plant. Your company is also expected to win some new businesses from existing and potential customers.
3.	Expected increase in the productivity and profits in measurable terms.	The Company believes that the aforesaid measures would help maintain revenue and profit margin of the Company although the next Financial Year would be very challenging in view of COVID 19 pandemic, lockdown and its consequences.

ROUTE MAP FOR VENUE OF ANNUAL GENERAL MEETING



DIRECTORS REPORT

To the Members of
GKN Driveline (India) Limited
Plot No. 270, Sector 24,
Faridabad-121005, Haryana

Your directors have pleasure in presenting their 36th Board Report on the audited Accounts of the Company for the financial year ended March 31, 2021.

FINANCE

The summarized financial figures are given below: (Rs.in Mn)

	Apr 1, 2020 to Mar 31, 2021	Apr 1, 2019 to Mar 31, 2020
Revenue from Operations	6,643.93	9,415.13
Other Income	254.34	103.38
Profit /(loss) before Tax, Interest and Depreciation (EBITDA)	1,201.03	1,381.84
Profit /(loss)before Tax and Depreciation (EBTDA)	1,161.61	1,283.10
Profit /(loss) before Tax (PBT)	709.66	835.19
Tax	144.41	202.69
Net Profit / (Loss)	565.25	632.50
Other Comprehensive Income	(3.25)	(17.19)
Total Comprehensive Income/(loss) for the year	562.00	615.31

Financial performance

The Company's top-line showed a degrowth of 29.43 % when current year is compared with previous year mainly due to lower market demand on account of COVID 19 lockdown in 2020. However, the export sales remained largely the same with negligible decline of 2% The profit before interest, tax and depreciation (EBITDA) is INR 1201.03 Mn (18.08%) as compared to INR 1381.84 Mn (14.68 %) in previous year. EBITDA is better than previous year due to write back of provision for interest and penalty on Income tax for INR 179 Mn as company has opted for Vivad se Vishwas Scheme for settlement of Income tax litigations and lower supplier provisions in current year by INR 65 Mn.

Your directors are satisfied that the accounts represent correct performance of the company and give a true and fair view of the state of affairs of the company as at March 31, 2021 and of the profit of the company for that year

STATE OF THE COMPANY'S AFFAIRS AND OPERATIONS

Focus in 2020-21 continued to be on maintenance of harmonious industrial relations, people safety in view of COVID 19, flexing business operations as per market changing conditions and retaining business and its growth by production excellence.

Faridabad Plant won 1st Runner Up position “Best Innovation Practices in EHS” competition organized by CII at India Level where 40 top companies participated. Also, it won Silver Award in Low-cost automation organized by CII at National Level. It implemented upgradation of ETP by introducing MVR concept (Mechanical Vapour recompression) in order to meet stringent discharge norms.

Dharuhera Plant won first prize in Quality Circle organized by CII. In order to contribute to society during COVID pandemic FAR/DHA plants donated PPE like face mask, hand sanitizers, PPE kits etc. to the local administration. All necessary precautions relating to hygiene, sanitization, social distancing, care and protection and payment to the employees would continue to be followed.

ORA awarded “First” in CII SR – EHS Excellence Awards 2020 in Auto & Automotive sector with Highest 5 Star Rating for the second consecutive year. Gold Awards awarded in QCFI- CC Kaizen (virtual) competition in Sep 2020. Also, team

Won “Gold Awards – 2 Nos” and “Silver Award –1 No” in POKA YOKE competition conducted by QCFI in the month of Mar-21’. It achieved Zero PPM award from TKML for the year 2019 in Aug 2020. ORA retained Ford-Q1 GOLD status. IATF 16949:2016 Surveillance audit completed successfully.

GKN Pune awarded with Supplier quality Excellence award 2019 for outstanding performance in 2020. Spicer SSA Audit completed with green status. TATA PVBU – PCPA system audit completed with green status & 87% score. CQI-9 Audit by Spicer was successfully completed without any major NC.

IATF Audit conducted at PUN and KAD completed with ZERO non compliance. VSA by SMG was successfully conducted without any major non compliance. In view of Covid 19 crisis, donated N95 mask to Civil Hospital Ahmedabad.

COVID-19 has impacted all stakeholders in the value chain who will experience both short- and medium-term impact.

The Operations & the Financial Results of the Company during the/Year ended 31st March 2021 were substantially impacted due to shutdown of the company’s plants under the lockdown announced by the State/Central Government after the outbreak of COVID-19 Pandemic during April to May 2020. The Company has since resumed its operations at various plants in a phased manner since May, 2020 conforming to the guidelines of the Government. All necessary precautions relating to hygiene, sanitization, social distancing, care and protection and payment to the employees would continue to be followed.

AMOUNT PROPOSED TO BE CARRIED TO RESERVES

No amount was transferred to reserves during the year.

DIVIDEND

The Board of Directors of the Company at its meeting held on 23rd June 2021, declared an interim dividend of INR 62 per equity share (620%) of face value of INR 10 each for the year 2020-21. Same shall be considered as final dividend for FY 2020-2021.

INDEPENDENT AUDITORS AND AUDITORS’ REPORT

M/s. Deloitte Haskins & Sells LLP, Gurugram will be re-appointed as Statutory Auditors of the Company at the ensuing Annual General Meeting. The Report given by the Auditors (DHS) on the financial statements of the Company is part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report

FOREIGN EXCHANGE EARNING AND OUTGO

Capital and other commitments:

(Rs in Mn)

Particulars	As at 31.03.2021	As at 31.03.2020
Capital commitments		
(a) Estimated value of contracts in capital account remaining to be executed.	17.05	74.73

FOREIGN CURRENCY OUTFLOW IN 2020-21

Foreign Currency	FC Value in Mn	INR in Mn
USD	6.86	508.34
EUR	4.07	362.97
JPY	17.82	12.61
GBP	1.51	150.81

FOREIGN CURRENCY INFLOW IN 2020-21

Foreign Currency	Amount (In Mn)	INR (Mn)
USD	6.16	454.83

CHANGE IN NATURE OF BUSINESS

There was no change in the nature of business during the year.

CONSERVATION OF ENERGY

Steps taken and impact on conservation of energy and investment made:

During the year 2020-21, Company initiated various steps for conserving electricity.

FAR

- *Replaced street lights CFL , T5 conventional lights with LED lighting. Now entire plant is only on LED lighting ,*
- *Installation of Inverter type 5 Star rating energy efficient air conditioners.*
- *Solar power plant of 200KWp generated 0.158 Mn KWH power in 2020 .*
- *Compressed air leakages controlled in the plant and saved 0.15 Mn KWH in 2019*
- *Auto timer system installed in all air conditioners / lights etc.*
- *Investment – INR 3.0 Mn*

PUN

- *Use Plate type heat exchanger to cool neat cutting oil & quench water by replacing existing refringent type oil / water coolers - Saved 0.196 Mn KwH power.*
- *Use of roof top solar power plant of 872 KWp without any investment (Opex Model) – Generated power 0.706 Mn KwH power.*
- *Air pressure optimization on Inner Race-2 machines. (3 Nos.) – Saved 4.2k KwH power*
- *Investment – INR 1.63 Mn*

KAD

- *Auto timer to control canteen Air conditioner operation -Energy saving – Saved 217 KwH power*
- *Auto timer to control emergency light operation – Energy saving- Saved 89 KwH power*

ORA

- *250 CFM compressor (rental) utilized to manage CVJ 2nd shift air requirement – in the month of Sep, Oct, and Nov 2020. – Saved 0.025 Mn Kwh Saved in 2020*
- *PF- For tool room air consumption and press maintenance time air reequipment managed with lesser capacity 30 CFM compressor. - Saved 0.0155 Mn Kwh in 2020*
- *By isolating idle transformers in holiday and Sunday, transformer no load losses were reduced – Saved 0.0235 Mn in 2020*

DHA

- *Installation of Inverter type 3 Star rating energy efficient air conditioner in offices (23 nos.), results in the saving of 67140 KWH*
- *UV Fluorescent lights 400watts are replaced by UV Led lights 24 watts in Crack Check machines (03 nos), results in the saving of 3954 kwh.*
- *Air leakage arresting on the machines from Pu pipes, Pneumatic actuators & replacing solenoid valves with manifolds in Assy lines.*
- *Motion sensors provided to all Assy lines for controlling on/off lights & fans during Lunch/tea breaks and no production plan in the cell.*
- *Solar power plant of 70KWp generated 76579 KWH power in 2020-2021.*
- *Heaters run for Shaft washing in washing m/c’s (ICS) now Shaft washing with ambient temperature so that Removed heaters, results in saving of 68813 kwh.*
- *Investment – INR 1.5 Mn.*

TECHNOLOGY ABSORPTION

The Company maintains interaction with GKN Group internationally. The benefits derived by the Company through technology absorption and Research & Development are detailed in Annexure A with this Report. Company continuously imports technology from GKN Group under the Technical Collaboration Agreement and the same is fully absorbed. Company is receiving support and guidance from GKN Group to drive functional excellence in marketing, human resource, application engineering, supply management and information technology, among others, which helps Company to remain competitive and further step-up its overall business performance. GKN is committed to ensuring that the support in terms of new products, innovations, technologies and services is commensurate with the needs of the Company and enables it to continue as market leader.

AUTOMOTIVE INDUSTRY AND OUTLOOK:

Auto Industry India 2020-2021:

The passenger vehicle industry showed a de-growth in financial year ending March 2021 as compared to previous year due to covid-19 pandemic spread. Before the second wave, the auto sector had been seeing a recovery in sales, despite challenges such as a shortage of semiconductors and increase in raw material costs.

The SUV segment crossed 1-million mark for the first time and it is the only segment registering 12% growth contributed by new launches and strengthening of new players in auto manufacturing.

The exports were heavily impacted by the decline in global trade and frequenting lockdown restrictions in many parts of the world:

	Production (Apr-Mar)		Domestic Sales (Apr-Mar)		Exports (Apr-Mar)	
	2019-2020	2020-2021	2019-2020	2020-2021	2019-2020	2020-2021
Passenger Cars	2,156,868	1,772,972	1,695,436	1,541,866	475,801	264,927
Utility Vehicles	1,136,209	1,182,085	945,959	1,060,750	183,468	137,825
Vans	131,487	107,164	132,124	108,841	2,849	1,648
Passenger Vehicles	3,424,564	3,062,221	2,773,519	2,711,457	662,118	404,400

Growth FY2020 to 2021 (Apr-Mar)		
Production	Sales (Dom)	Exports
-17.8%	-9.1%	-44.3%
4.0%	12.1%	-24.9%
-18.5%	-17.6%	-42.2%
-10.6%	-2.2%	-38.9%

The Jan-March 2021 Quarter, sales were all time high in passenger vehicle segment which might include some deferred sales from previous quarters and low base due to lockdown in March 2020:

	Production (Apr-Mar)		Domestic Sales (Apr-Mar)		Exports (Apr-Mar)	
	2020	2021	2020	2021	2020	2021
Passenger Cars	487,195	545,298	384,314	465,357	71,056	74,130
Utility Vehicles	269,124	389,495	208,196	348,194	49,865	37,947
Vans	33,316	36,145	30,148	35,322	381	638
Passenger Vehicles	789,635	970,938	622,658	848,873	121,302	112,715

Growth 2020 to 2021 (Jan-Mar)		
Production	Sales (Dom)	Exports
11.9%	21.1%	4.3%
44.7%	67.2%	-23.9%
8.5%	17.2%	67.5%
23.0%	36.3%	-7.1%

HUMAN RESOURCES

Human Resource Management has remained focused on the following:

1. **Organisation Design / Organisation Effectiveness**
2. **Positive Employee Experience and Employee Engagement**
3. **Talent management, Diversity, and Inclusion**
4. **Effective Employee Relations**

1) Organisation Design / Organisation Effectiveness

a) Facilitate constructive social climate. Provide strategic support to Business in organisational design, culture and change management initiatives, workforce planning, talent management, policies and processes integrated within Business. Drive competent workforce and working Organization. Deliver optimized people solution for meeting business ambition based on deep business acumen.

b) The HR strategy focuses on creating a performance-driven environment where innovation is encouraged, performance is recognized, and employees are motivated to realize their potential. The Company believes in a strong performance driven culture. With an aim to align individual competencies with available organizational opportunities, the Company continues to provide career planning support for employee development and organizational growth. Regarding industrial relations, the Company continues to manage the process by aligning workforce with business.

c) The organization design is being periodically re-calibrated to cater to current and future business requirements, and to further improve efficiency and effectiveness through acquisition of right skill and competencies inventory .

d) Rightsizing and rationalization are a continuous exercise through which Company drives for optimal productivity. The Human Resources function has driven changes in striking a balance between business needs, individual strengths and individual aspirations.

2) Coaching People Managers to build Positive Employee Experience through Employee Enablement and Employee Engagement

a) GKN believes in the culture of driving employee engagement through people managers who are the best engagers of people. GKN encourages Participative Management . The Company encourages 'Open Door Policy' in the organization. Employees can approach any level of the Management for his/her individual or group issues / grievances. In addition, to facilitate the interaction between Employees and Management, many forums of interactions are organized on regular basis wherein employees can share their views and put forward their issues before Management in a constructive manner . Employees are provided opportunities to be involved in decision-making process through various Committees / Forums and Cross Functional Teams.

b) The Company has set up adequate cross functional forums for Redressal of Grievance of Associates. All associates can take part and attend these forums & seek redressals of their grievance , if any. Some of these cross functional formal forums are as follows:

- Cafeteria Committee Meeting
- Safety Committee Meeting
- Grievance Handling Procedure
- Anti-Harassment Policy

c) GKN continues to invest in employee engagement to further improve employee engagement and enablement through action planning with people managers .

3) **Talent Acquisition and Development, Diversity, and Inclusion**

a) Develop effective talent acquisition approach and capability

b) GKN encourages integration and strategic deployment of Talent Development and Succession Planning outcome to enable delivery of business strategy . GKN invests in Top Talent in order that People strategy supports business outcome through Talent Exchange and Culture of Talent Development ensuring inclusion and diversity outcomes. The Talent Development process identifies and mitigates people related risks to address attrition and retention of critical people to meet current and future needs of the Business. Training, development, and the recruitment of the next generation of employees with right skill and competencies inventory is an ongoing focus.

c) Blended learning of 70% on the job , 20% through coaching and mentoring and 10% through e-learning or curriculum-based learning is encouraged .

d) Measures for training and development focusing on values, code of ethics and compliance, safety of the employees and customers , health and environmental awareness receive the top priority of the management.

e) Prevention of Sexual Harassment : Provide a framework for educational initiatives to increase the awareness levels on recognizing and dealing with incidents of sexual harassment in the workplace. Make a clear distinction between accepted and unaccepted social interaction. Deploy an effective sexual harassment complaint resolution mechanism

4) **Effective Employee Relations**

a) Partner effective Union relations. Human Resources partner business in the process of IR environment sensing, formulating, and enabling deployment of overall strategy of managing employee and third-party labour relations and internal relations with Trade Unions groups to ensure progressive IR climate.

b) After nationwide lockdown was announced in March 2020, employees were advised to work from home. Utmost priority was given to employee health and safety. Company followed disease prevention and control protocols and defined travel guidelines & quarantine requirements and plan for flexible work plans and home office.

Particulars of Employees

Details of employee remuneration, pursuant to Section 197 of the Companies Act, 2013 and Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and any amendments thereof, are attached with the Report in Annexure B.

Disclosures with respect to the remuneration of Directors and Key Managerial Personnel as required under Section 197 of Companies Act, 2013 and Rule 5 (1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been appended in MGT 9 attached with this Report.

CORPORATE SOCIAL RESPONSIBILITY

Section 135 of the Companies Act 2013 and Rules made there under on Corporate Social Responsibility is applicable to the Company for the financial year 2020-2021. The company has earned profit that exceeds the threshold limit. In alignment with its CSR strategy, the Company has been continuing to contribute for betterment of the society and the community in which it operates, to help promote their sustained growth. The Company spends time, effort and money on different CSR projects focusing on COVID 19 support activities by donating masks, sanitizer, oxymeters, CCU monitors, oxygen cylinders to local administration and government hospitals. Further CSR activity includes toilets & interlocking tiles for pavement, side railings, corridor work and Building work in government Primary school (RO plant was installed at a village in Pune new classrooms were constructed at local schools. Also supported District Administration and civil hospital of Faridabad & Rewari through ICU beds & PPE kits and Dy. CM Office Haryana through COVID PPE kits, sanitizers & masks.

Total amount spent on CSR activities during the FY 2020-21 was INR 19.30 Mn.

The contents of the CSR policy are attached as **Annexure C**.

LOANS, GUARANTEES OR INVESTMENTS

During the period, the Company has not paid/given any loan, guarantee or investments to any corporate as defined in Section 186 of the Companies Act, 2013.

SECRETARIAL STANDARDS

The Directors state that applicable Secretarial Standards, i.e., SS-1 and SS-2, relating to 'Meetings of Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirement under Section 134 (3) and (5) the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

a. in the preparation of the annual accounts for the period ended on March 31, 2021, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b. the directors had selected such accounting policies and applied them consistently and 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 March 31, 2021 and of the profit and loss of the company for that period;

c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d. the directors had prepared the annual accounts on a going concern basis; and

e. the directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

HEALTH, SAFETY AND ENVIRONMENT

The company is committed for continual improvement in Health & Safety performance with goal of zero preventable accidents. During April 2020 – March 2021, we achieved zero loss time accident at Dharuhera, Faridabad, Pune and Kadi plant but 3 minor injuries were reported by West plants. There was one incident reported at Oragadam works where the Dorsal Side of the Right Hand Palm of the worker got Lacerated by rubbing the grinding Wheel

LEGAL AND GOVERNANCE

GKN has a strong legacy of practicing fair, transparent and ethical governance par excellence. Besides complying with the statutorily prescribed legal and Governance practices, the Company has voluntarily adopted and evolved various practices governance conforming to highest ethical and responsible standards of business, globally benchmarked. GKN views legal compliance and Governance more as a way of life than a mere legal obligation. It forms part of business strategy which includes, inter-alia, creating an organization intended to maximise wealth of shareholders, establish productive and lasting relationship with all stakeholders with emphasis laid on fulfilling the responsibility towards entire community and society. 'Good Governance' is not an end, it is just a beginning towards growth of company for a long term prosperity.

The Company has established systems, procedures and policies to ensure that its Board of Directors is well informed and well equipped to discharge its overall responsibilities and provide the management with the strategic direction catering to exigency of long-term shareholders value. It`s initiatives towards adhering to highest standards of governance include self-governance, professionalization of the Board, fair and transparent processes and reporting systems and going beyond the mandated Corporate Governance requirements as per the Companies Act 2013 and any amendment thereof.

Corporate Governance

Corporate Governance is modus operandi of governing a corporate entity which includes a set of systems, procedures and practices which ensure that the Company is managed in the best interest of all corporate stakeholders i.e., shareholders, employees, suppliers, customers and society in general. Fundamentals of Corporate Governance includes transparency, accountability and independence. For accomplishment of the objectives of ensuring fair Corporate Governance the Government of India has put in place a framework based on the stipulations contained under the Companies Act, SEBI Regulations, Accounting Standards, Secretarial

Standards, etc. Corporate Governance has become a buzzword in the corporate world. Globalization, widespread of shareholders, changing ownership structure, greater expectations, etc. have made a good Corporate Governance sin-quoLakhnun of modern management. Your Company strictly and strongly adheres to these requirements and norms.

We at GKN, confirm to highest standards of Corporate Governance through regular Board and committee reviews, business reviews, submission of various certifications to the GKN group by the top management. Internal audit conducted throughout the year with quarterly scope covering every function.

Vigil Mechanism/Whistle Blow System

To support Company's employee Disclosure Procedure Policy, the Company operates Group-wide international whistleblowing hotline. Run by an external and independent third party, the hotline facilitates arrangement whereby employees can make confidential disclosures about suspected impropriety and wrongdoing. Further, in terms of section 143 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended, notifications / circulars issued by the Ministry of Corporate Affairs from time to time, no fraud has been reported by the Auditors of the Company where they have reason to believe that an offence involving fraud is being or has been committed against the Company by officers or employees of the Company

Secretarial Audit

In terms of provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration) Rules, 2014, the Secretarial Audit was carried out by M/s Ranjeet Pandey & Associates, Company Secretaries, and Secretarial Auditor of the Company for the financial year 2020-21. There were few observations or remarks given by Secretarial Auditors of the Company. The report on Secretarial Audit is appended as an Annexure D to this Report.

POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

Managerial remuneration for FY 2020-21:

During the Financial Year 2020-21, the Managerial remuneration was paid to Mr. Sanjay Katyal, Managing Director, Mr. Madan Singh Sisodia, Executive Director and Mr. Rajeev Dogra, Executive Director.

The remuneration paid details are as follows;

S No.	Name and designation of Managerial person	Amount paid during the FY 2020-2021
1	Mr. Sanjay Katyal, Managing Director	68,22,059
2	Mr. Madan Singh Sisodia, Executive Director	81,27,551
3	Mr. Rajeev Dogra, Executive Director	57,07,398

Your company has a policy in place governing the appointment and remuneration to Directors, KMPs and SMPs. The contents of the policy are attached as **Annexure E** to this report.

Board of Directors & Key Management Personnel

(a) *Policy of appointment & remuneration:*

The Directors of the Company are appointed by Members at the General Meetings. All Directors, except the Managing Director & Independent Directors are liable to retire by rotation at the Annual General Meeting and, if eligible, they can offer themselves for re-election. The Managing Director of the Company is appointed for a term not exceeding five years as per the Companies Act 2013. The Executive Directors on the Board serve in accordance with the terms of their contract of service with the Company.

(b) *Board Structure and changes in composition:*

During the period, Company's Board and its Committees were restructured. The Company's Board comprises of Mr. Anthony Bell – Chairman wef 23rd June 2020, Mr. Sanjay Katyal- Managing Director Mr. Madan Singh Sisodia – Executive Director, Mr. Jonathon Colin Fyfe Crawford and Mr. Matthew Richard Nozemack as Non-executive Director, Mr, Rajeev Dogra as Executive Director and Mr. Subramaniam Ramaswamy and Ms. Monica Widhani as Independent Directors wef 1st April 2020, as on March 31, 2021. Mr. Adam Touhig resigned w.e.f 25rd May 2020.

Mr. Subramaniam Ramaswamy is a result oriented Consultant, legal professional and business enabler with over 33 years of professional experience in Board & Senior Management, Business Strategy & Advisory, legal, Intellectual Property, Corporate Governance, Compliance, Internal Audit and Secretarial domain. He is a member of the Institute of

Company Secretaries of India and a law graduate. He has many accolades to his credit including several international achievements. He is a popular face at many seminars and debate forums. He also has a vast experience in the automotive industry. Currently he is running his own business consultancy and advisory firm called Medha advisors.

Ms Monica Widhani is a member of the Institute of Chartered Accountants of India and has thirty five years of business operations experience. She has adorned several leadership roles in different functions of Bharat Petroleum Corporation Limited. She held 6 Board positions as BPCL Representative Director on its Aviation Joint Ventures for two years. Led the Regulatory Affairs of BPCL as ED (Co-ordination) and championed many issues with several Ministries for three years. She held leadership positions in Aviation, Retail Marketing, and Retail Strategy. She conceptualised and implemented strategic initiatives in Northern Region. Pioneered key channel strategies including network planning, segmentation of channels etc. Being a Chartered Accountant she started the career in Northern Region Finance and spent 9 years in Finance.

Mr. Anthony Bellholds a B-Eng Hons in Engineering Design & Alternative Technology from Warwick University, United Kingdom. Anthony joined GKN Automotive 24 years ago, and held various global Engineering & Commercial roles based across the world. His most recent position was Engineering Director for the European customer group, before appointed as VP Operations Asia Pacific – Driveline in May 2020.

The Board believes that with their experience and expertise, the new appointed Independent directors will benefit the board and the company in times to come.

(c) *Board Meetings:*

The Board meets at regular intervals to discuss and decide on Company policy and strategy apart from other Board business. The Board Meetings are pre-scheduled and a tentative annual calendar of the Board Meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which is noted and confirmed in the subsequent Board meeting. The Directors also attend the board meetings through Video conferencing with recording facility, in case they are unable to attend the meeting physically, of which a proper record is maintained. During the period under review, five board meetings were held on 9th April 2020, 23rd June 2020, 27th August 2020, 16th December 2020 and 26th March 2021. The maximum interval between any two meetings did not exceed 120 days. The number of meetings attended by each director is attached to this report as **Annexure F**.

(d) *Key Managerial Personnel:*

Mr. Sanjay Katyal- Managing Director Mr. Madan Singh Sisodia – Executive director Mr. Tushar Jain - Chief Financial Officer Mr. Rajeev Dogra, Executive Director and Ms. Richa Porwal- Company Secretary are the designated Key Managerial Personnel of the Company

Audit and Risk Management Committee

Audit & Risk Management Committee of the Board comprises of Ms. Monica Widhani (Chairperson wef 1st April 2020), Mr. Madan Singh Sisodia and Mr. Subramaniam Ramaswamy (Member wef 1st April 2020). Committee Meetings are pre-scheduled and a tentative annual calendar of the Meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. The committee members also attend the meetings through Video conferencing with recording facility, in case they are unable to attend the meeting physically, of which a proper record is maintained. During the period, the Committee met five times i.e., on 09th April 2020, 23rd June 2020, 27th August 2020, 16th December 2020 and 26th March 2021. The number of meetings attended by each director is attached to this report as **Annexure F**.

Nomination & Remuneration Committee

The Board has re-constituted Nomination & Remuneration Committee. The Committee comprises of Mr. Subramaniam Ramaswamy (Chairperson) wef 1st April 2020, Ms. Monica Widhani (member) wef 1st April 2020, Mr. Anthony Bell (member) w.e.f. 23rd June 2020, Mr. Rajeev Dogra (member) and Mr. Adam Touhig upto 25th May 2020 as Members. Committee Meetings are pre-scheduled and a tentative annual calendar of the Meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. The committee members also attend the meetings through Video conferencing with recording facility, in case they are unable to attend the meeting physically, of which a proper record is maintained. The Committee met three times on 9th April 2020, 23rd June 2020, 26th March 2021. The number of meetings attended by each director is attached to this report as **Annexure F**.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee is comprised of Mr. Anthony Bell, as the Chairman (wef 23rd June 2020) Mr. Adam Touhig (upto 25th May 2020), Mr. Madan Singh Sisodia – Member and Ms. Richa Porwal- Company Secretary, Mr. Sanjay Katyal, member. The committee members also attend the meetings through Video conferencing with recording facility, in case they are unable to attend the meeting physically, of which a proper record is maintained. During the period, the Committee met four times on 09th April 2020, 27th August 2020, 16th December 2020 and 10th March 2021 to redress/ address shareholders' grievances and requests. The number of meetings attended by each director is attached to this report as **Annexure F**.

Corporate Social Responsibility Committee

The company framed a comprehensive CSR policy and constituted a CSR committee for the implementation of policy. The CSR policy is formulated as per Section 135 of the Companies Act 2013. A three-tier governance structure is responsible for implementing CSR activities for the company. These include the CSR Committee of the Board, Central CSR Team, and Operational CSR Teams located at respective plant sites. CSR Committee consists of four directors of which at least two are independent directors. The CSR Committee of the Board consists of its chairman, Mr. Sanjay Katyal, Managing Director, Mr. Rajeev Dogra- (member), Mr. Subramaniam Ramaswamy– Independent Director (member) wef 1st April 2020 and Ms. Monica Widhani– Independent Director (member) wef 1st April 2020. Company Secretary of the Company will be responsible for activation, coordination between CSR Committee, Board, Sub – Committee and Plant Committees.

To ensure effective implementation of the CSR programmes undertaken at each Plant, a monitoring mechanism has been put in place. The CSR plan for Financial Year 2021-2022 was finalized and the projected amount of spent is INR 15. 00 Mn approx. The contents of the policy are attached as **Annexure C**.

During the year, the Committee met three times on 09th April 2020, 16th December 2020 and 26th March 2021. The number of meetings attended by each director is attached to this report as **Annexure F**.

Independent Director's meeting

Independent Directors of the Company met separately on 18 February 2021 for FY 2020-2021 without the presence of Non-Independent Directors and members of management. In accordance with the Companies Act 2013 requirements, following matters were, inter alia, reviewed and discussed in the meeting:

- Performance of Non-Independent Directors and the Board of Directors as a whole.

- Performance of the Chairman of the Company taking into consideration the views of executive and Non-Executive Directors.

- Assessment of the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

RELATED PARTY TRANSACTIONS (SECTION 188)

In line with the requirements of the Companies Act, 2013 the Company has adopted a consistency on Related Party Transactions. It is ensured that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

The Board and Audit & Risk Management Committee specifically deals with the review and approval of Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. The company takes omnibus approval of estimated Related party transactions in the beginning of the Financial year. All actual Related Party Transactions are placed before the Audit Committee for review and approval. Approval is obtained for Related Party Transactions in each of the board meeting for transactions which are of repetitive nature and / or entered in the Ordinary Course of Business and are at Arm's Length. At the time of transfer pricing audit, all the Related Party Transactions are subjected to independent review by a reputed accounting firm to establish compliance with the requirements of Related Party Transactions.

All Related Party Transactions entered during the period were in Ordinary Course of the Business and on Arm's Length basis. No Material Related Party Transactions, i.e. transactions exceeding ten percent of the annual turnover as per the last audited financial statements, were entered during the financial year by the Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC 2 is not applicable.

RISK MANAGEMENT, INTERNAL CONTROLS AND INTERNAL FINANCIAL CONTROLS

The Board gives significant attention to, and accepts its responsibility for, the company's risk management internal control and internal financial controls. The Board has systems in place which optimizes the Company's ability to manage risk in an effective and appropriate manner.

The Audit and Risk Management Committee is responsible for reviewing the ongoing control processes and reporting to the Board on the operation of the systems of internal control, internal financial controls and risk management. The Board uses feedback from Audit & Risk Management Committee to form its own view on the effectiveness of the systems.

Risk Management

Company's enterprise risk management facilitates a common, company-wide method to the assessment of risks and the way in which these are monitored, managed and controlled. Risk profiling is undertaken at plant, function/business stream. A web-based software tool is used which provides a consistent set of risk definitions and a common approach to probability and impact. A broad range of risks is considered, including those relating to strategy, operational performance, financial, product engineering and technology, business reputation, human resources, health and safety, and the environment. Consolidated 'risk maps' are reviewed by company management, the Audit & Risk Management Committee and the Board.

Internal Audit

Internal audit is part of the Company's Internal Control on Financial Reporting Programme (ICOFR). The Company has appointed M/s S.P.Nagrath & Associates LLP, Chartered Accountants, who conducts internal audit of the company and its five plants on quarterly basis, the auditors submits plant wise and areas wise report every quarter. Internal audit reports of the Plants are presented to the Executive Team of the Company during Plant Review Meetings. Action plan is drawn on each observation and same are closed in timely manner. Internal audit areas include capital expenditure, statutory compliances, procurement & logistics, quality, inventory management, customer collection, dispatches, loans & advances, legatrix audit, intercompany transactions and employee cost etc. Internal Audit recommendations are analyzed and if found appropriate, are implemented.

Internal Financial Controls

The Company has adopted adequate policies and procedures for robust internal controls to ensure orderly conduct of business, adherences to such policies and procedures, safeguarding of assets, true and fair conduct of business, prevention and detection of fraud & errors, accuracy and completeness of accounting records and timely preparation of reliable information. Components of internal controls include management commitment to integrity and ethics, independence between Board & management, establishment of appropriate authorities & responsibilities, commitment to attract and retain competent individuals.

In pursuit to follow strict controls over financial reporting and pursuant to Section 143(3) (i) of Companies Act, 2013, the Company has conducted Internal Financial Control Audit.

IFC management testing was conducted by an Independent agency called R Mahajan & Co., Chartered Accountants, and independent testing by Internal auditors of SOPs was conducted to ensure adherence to the standard processes and controls. The independent testing of the processes is ongoing activity. During IFC management testing, internal controls have been found operating satisfactorily

Compliance, Governance & Risk Framework

CGRF is another initiative of the Company on ICOFR. The Company has constituted a compliance, governance and risk framework at Plant and at Central level. The framework is bestowed with the responsibility to review compliances, governance and risk on periodic basis, draw road map to resolve the issues and implement the decisions taken for effective internal controls on compliances, governance and management of the Risks.

Standard Processes

The standard processes for all functions i.e., finance, human resource, purchasing, application engineering, supply chain, manufacturing engineering, sales & marketing, quality, production and operations developed and implemented during the period in all the plants of the Company. Effective adherence to processes is good sign of good internal control system in the Company.

Reporting & Integrity Process

Your Company observes strong controls and robust reporting processes to ensure that true and fair view of company's affairs are reported. Reporting and integrity processes of the Company are audited on quarterly and yearly basis.

Cost Audit

Cost audit is not applicable to the Company for the FY 2020-2021.

EXTRACT OF ANNUAL RETURN

The extract of annual return in Form MGT 9 as required under Section 92(3) and Rule 12 of the Companies (Management and Administration) Rules, 2014 is appended as an Annexure G to this Report.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY OCCURRING BETWEEN DATE OF FINANCIAL STATEMENTS AND THE BOARD'S REPORT

There were no material changes affecting financial position of the company

COVID-19 has impacted the normal business operations of the Company by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lock down of production facilities etc. during the lock-down period. The results for the year are, therefore, not comparable with those for the previous years.

The Company has made detailed assessment of its liquidity position for the next year and the recoverability of carrying value of its assets comprising property, plant and equipment, intangible assets, right of use assets, investments, inventory and trade receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated as at the date of approval of these IND AS financial results.

The impact of COVID-19 remains uncertain and may be different from what we have estimated as of the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions and impact on its business

MANNER IN WHICH FORMAL ANNUAL EVALUATION OF THE PERFORMANCE OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS HAS BEEN CARRIES OUT {SEC. 134(3) (P) READ WITH RULE 8(4)}

The provisions of Section 134(3) (q) of the Companies Act, 2013 read with Rule 8(4) of the Companies (Accounts) Rules 2014 is not applicable over the Company.

SIGNIFICANT AND MATERIAL ORDERS

During the period, no order had been passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

DETAILS RELATING TO DEPOSIT

Your Company has not accepted any deposits from public and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

DECLARATION GIVEN BY INDEPENDENT DIRECTOR

All the Independent Directors have given their declarations under section 149 (6) and section 149 (7) of the Companies Act, 2013 and the Rules made thereunder. In the opinion of the Board, the Independent Directors fulfill the conditions relating to their status as an Independent Director as specified in section 149 of the Companies Act, 2013 read with rules made thereunder.

SHARE CAPITAL (INCLUDING RULE 12(9) OF THE COMPANIES (SHARE CAPITAL & DEBENTURES) RULES, 2014)

There was no change in share capital of the company during the year.

Reconciliation of number of shares				
Equity Shares:				
Particulars	**As at March 31, 2021**		**As at March 31, 2020**	
	Number of shares	**Amount**	**Number of shares**	**Amount**
Balance as at the beginning of the year /period	**12,773,061**	**127,730,610**	**12,773,061**	**127,730,610**
Add: Shares issued during the year/period	**-**	**-**	**-**	**-**
Less: Share bought back	**-**	**-**	**-**	**-**
Balance as at the end of the year/period	**12,773,061**	**127,730,610**	**12,773,061**	**127,730,610**

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 (‘Act’) and Rules made thereunder, the Company has constituted Internal Complaints Committees (ICC). The Company has designated the external independent individuals as members of the Committees as per the requirements of law. During the period, no complaints with allegations of sexual harassment were received with the Company.

THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF NOTE IF NOT APPLICABLE THEN STATEMENT THAT IT IS NOT APPLICABLE ON COMPANY.

Not Applicable.

THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF NOTE IF NOT APPLICABLE THEN STATEMENT THAT IT IS NOT APPLICABLE ON COMPANY

Not Applicable

THE NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR

None

CAUTIONARY STATEMENT

This report has been prepared as per the provision of Companies Act, 2013.

APPRECIATIONS AND ACKNOWLEDGEMENT

Your directors take this opportunity to thank the GKN group, customers, vendors, dealers, investors, business associates, bankers and all other stakeholders for their continued support during the year. We place on record our appreciation of the contribution made by all the employees of the company at all levels. Our resilience to meet challenges was made possible by their hard work, solidarity, co-operation and support.

Your directors also thank the Government of India, the State Governments where we have operations and other government agencies for their support and look forward to their continued support in the future

For and on the behalf of the Board of Directors
GKN Driveline (India) Limited

	Sd/-	Sd/-	Sd/-
	Madan Singh Sisodia	Rajeev Dogra	Sanjay Katyal
	Executive Director	Executive Director	Managing Director
	DIN- 08111748	DIN – 05270378	DIN- 08354025
	House No. 364, Sector	Flat No. 501, Tower C12,	House No. 839, Sector-16,
Date: 23 August, 2021	46, Faridabad 121010,	The Pranayam, Sector 82-85,	Faridabad, 121002
Place: Faridabad	Haryana, India	Faridabad 121004, Haryana, India	Haryana, India

"Annexure A"

THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND COMPANIES (ACCOUNTS) RULES, 2014.

FORM B (See Rule 2) Form for disclosure of particulars with respect to technology absorption.

RESEARCH AND DEVELOPMENT (R&D)

1. **Specific areas in which R&D carried out by the Company.**

   Product Development

   - Third generation plunging and fixed joints developed for local and global OEMs.
   - Second generation plunging boots developed for local and global OEMs.
   - Development of new models of Long Stem Tulips and Precision Forgings.
   - Development of New Driveshaft for Global & Indian OEMs (Original Equipment Manufacturer) for Petrol & Diesel vehicles.
   - VAVE, Localization effort: Implementation of New VAVE (Value Analysis / Value Engineering) ideas in Product design, Forging, Steel, Grease Projects.
   - Successful calibration of test rigs completed by GDI engineers.
   - Radmin software installed in test rigs for remote maintenance.
   - Physical Test and Analysis site released to monitor GDI KPI & performance.
   - GDI Rigs test plan monitored by Product Test planning Portal.
   - Self calibration of test rigs & virtual access to Global rig centre for remote maintenance.
   - NVH equipment for vehicle level analysis procurement.

2. **Benefits derived as a result of the above R&D activities.**

   - Won new business from local and global OEMs.
   - Response time to customer improved by developing local design capability.
   - Reduction in cost of product.
   - Increase in export business of precision forging parts.
   - Customer Engineering relationship enhanced.
   - NVH testing for west customer execution planned in coming quarter for GDI

3. **Future plan of action**

   - Development of new generation, Light weight Joints which help to reduce CO2 emissions.
   - Expand NVH (Noise, Vibration & Harshness) analysis capabilities.
   - NVH remote training planned for model analysis.
   - Enhanced capability of design engineering team to service Asia Pacific customers in Japan / Korea.
   - GI4 & SX6 promotion.
   - Develop low cost rear joint.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. **Efforts, in brief, made towards technology absorption, adaptation and innovation.**

   Creation of driveshaft and component level drawings for 3rd generation joints in India

   - Design team capability increased.
   - Testing and validation capability increased.
   - Maintaining Data quality reports to align with global way of working

- Educated local OEMs on use of hollow shaft technology in place of solid barshaft design. It helped Indian OEMs to design vehicles to improve NVH characteristics.
- Local engineering capability enhanced in handling AWD and Electric vehicle applications.
- Training of engineers outside India to enhance NVH measurement capability and CATIA software to service global OEMs creating drawings and maintaining libraries.
- Test engineer trained in Sweden for NVH analysis on vehicle to support Warranty & Chronic NVH concerns from OEM's.
- Forging optimization, boot design change and joint performance bench marking done under VAVE activities.
- WTS (Welded tubular shaft) and MTS (Mono-block Tubular Shaft) Technology introduced for some of new customer programs.
- FB5.1 boot design implementation for MG Motor, MSIL customers.
- Technology enhancement for TML with VAVE ideas proposition for ACi1700 with FB 5.1 series boot proposed.
- New grease development for 3W application.
- Alternate new configuration development for 3W application.
- Working with various customers for E-powertrain solutions.

2. Benefits derived as a result of the above efforts, e.g., Product Development, Import Substitution, etc.

- Quick and accurate response to customers and GKN global teams.
- Support Light weight product development
- Online Creation and modification of Drawings and 3D models.
- Online design data control (Drawings release system)
- Development of new Business for upcoming Hybrid and Electric Car applications.
- GDI test site release test reports at an avg. lead time of 2 days - best among all other sites & Reports on Time 99.6%, ranking 1st in all test sites in GKN.
- Competitiveness in GKN product against competitor.

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial Year), following information may be furnished:

a)	**Technology imported**	Technology to manufacture Precision forgings & Long Stem Tulip.
b)	**Year of Import**	• 2013 Long Stem Tulip
c)	**Has technology been fully absorbed?**	Yes
d)	**If not fully absorbed, areas where this has not taken place, reasons there for and future plans of action.**	N.A.

For and on behalf of the Board of Directors
GKN Driveline (India) Limited

	Sd/-	Sd/-	Sd/-
	Madan Singh Sisodia	Rajeev Dogra	Sanjay Katyal
	Executive Director	Executive Director	Managing Director
	DIN- 08111748	DIN – 05270378	DIN- 08354025
	House No. 364, Sector	Flat No. 501, Tower C12,	House No. 839, Sector-16,
Date: 23 August, 2021	46, Faridabad 121010,	The Pranayam, Sector 82-85,	Faridabad, 121002
Place: Faridabad	Haryana, India	Faridabad 121004, Haryana, India	Haryana, India

Annexure-B

Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with the Companies (Particulars of Employees) Rules 1975 and Section 197 of the Companies Act 2013

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Name of the Employee	**Designation**	**Remuneration received;**	**Nature of employment, (contractual)/ otherwise;**	**Qualifications and experience**	**Date of commencement of employment;**	**Age**	**Last employment held by such employee before joining the company;**	**Percentage of equity shares held in the company**	**Relatioship with any director or manager of the company and if so, name of such director or manager**
Manish Gupta	Director Sales & Marketing	8576954	Employment	Bachelor's Degree- Mech. Engg. & PG Diploma -International Trade & Management & Master in Business Administration - 20 Years	07 February 2014	51	Vice President - Corporate Plannaing, Business Development & Stategy - Krishna Group	Nil	N.A.
Sanjeev Mehrotra	Plant Director- Oragadam Plant	8261250	Employment / Contractual	Bachelor's Degree- Mech. Engg. & Master in Business Administration - 33 years	02 September 2013	58	Chief Operating Officer, Magneti Marelli Talbros Chassis Systems Pvt. Ltd.	Negligible	N.A.
Madan Singh Sisodia	Executive Director	8127551	Employment	Chartered Accountant & Cost and Management Accountant - 22 years	12 April 2007	49	Dy. General Manager, General Motors India Pvt. Ltd.	Nil	N.A.
Lunna Bose	HR Director- Asia Pacific	6949437	Employment	Master's degree in Human Resources Management from Calcutta University	23 September 2019	44	AVP HR, Varroc Engineering Limited	Nil	N.A.
Sanjay Katyal*	Managing Director	6822059	Employment	Bachelor's Degree- Mech. Engg. & Post Diploma in Production Engg. - 31 years	12 August 1992	54	Quality Engineer - Eicher Tractors Ltd.	Negligible	N.A.
Sanjeev Kumar Goyal**	Plant Director - Faridabad & Dharuhera Plant	6012747	Employment	Bachelor's Degree- Mech. Engg. & MBA Operatons Management - 25 years	09 March 2016	49	Senior Manager Production - SMC Corporation	Nil	N.A.
Rajeev Dogra	Executive Director	5707398	Employment	Bachelor's Degree-Mech. Engg. - 30 years	24 August 1990	54	GET- The Printer House, Ballabhgarh	Negligible	N.A.
Manish Gupta	Deputy General Manager - Programme Management	5455202	Employment	B.Tech - 23 Years	19 January 2015	46	General Manager - R&D - Magneti Marelli India Ltd.	Nil	N.A.
Nitin Gupta	Deputy General Manager - IS/IT	5318072	Employment	Bachelor's Degree- Mech. Engg. & MBA Information Technology - 24 years	19 May 2014	51	Associate Director - Infrastructure Management Services , iGATE Global Solutions Ltd.	Nil	N.A.
K.P. Madhusudhan	Deputy General Manager - Sales	5138850	Employment	Bachelor's Degree- Mech. Engg. & PG Diploma in Financial Management - 24 years	20 September 2013	46	DGM - Marketing - Rane NSK Steering Ltd.	Nil	N.A.

*Date of appointment as Managing Director is 1st February 2019. The original date of employment is August 12, 1992.

** Employment upto 16th February 2021

Notes:

1. Remuneration shown above includes salary, allowances, ex-gratia, expenditure incurred by the Company on residential accomodation, leave travel assistance and other facilities.
2. None of the employee is relative of any Director of the Company.
3. The Company did not have an employee either in the whole or part of the year under review who held by himself or alongwith his spouse and dependent children, two percent or more Equity Shares of the Company.

or and on behalf of the Board of Directors
GKN Driveline (India) Limited

Sd/-
Madan Singh Sisodia
Executive Director
DIN- 08111748
House No. 364, Sector 46, Faridabad 121010,
Haryana, India

Sd/-
Rajeev Dogra
Executive Director
DIN – 05270378
Flat No. 501, Tower C12,
The Pranayam, Sector 82-85,
Faridabad 121004, Haryana, India

Sd/-
Sanjay Katyal
Managing Director
DIN- 08354025
House No. 839, Sector-16,
Faridabad, 121002
Haryana, India

Date: 23 August, 2021
Place: Faridabad

“Annexure C to the Board Report ”

1. Contents of the Corporate Social Responsibility Policy

GKN Driveline (India) Ltd has Five plants. Two plants are in Haryana, one in Maharashtra one in Tamilnadu and one in Gujarat.

Plants are located where basic civic infrastructure is inadequate and socio-economic profile is on weaker side. GDI’s mission is to contribute towards improving the quality of life of the communities living in these areas. The Company believes that its success in executing and operating plants is critically dependent on following a participatory development-oriented approach that strengthens our bond with the local population.

Guiding Principles: GKN Driveline (India) Ltd. in its continuous efforts to positively impact the society, especially the areas around its sites and offices, has formulated policies for social development that are based on the following guiding principles:

- Honor the spirit of law and be a responsible corporate citizen.
- Pursue growths through harmony with the community via innovative management techniques.
- Adopt an approach that aims at achieving a greater balance between social development and economic development.
- Respect culture and customs of every project / plant location.
- Work towards elimination of all barriers for the social inclusion of disadvantaged groups-such as the poor, socially backward, differently abled and others.
- Develop practices aimed at inclusive growth.
- Thrust on Environment Protection

Focus Areas: GDI CSR areas targets inclusive growth of all stakeholders under nine categories, mentioned under Sch. VII of The Companies Act, 2013.

These primarily fall under drinking water, sanitation, education, healthcare, social development, livelihood opportunities and environment protection. These are:

- Rural Development Projects
- Healthcare including sanitation and drinking water
- Education & Vocational Skills (incl. Educational Infrastructure)
- Gender Equality & Women Empowerment (Incl. Old age homes)
- Environmental Sustainability
- Heritage Protection (Incl. Art and Culture)
- Training for Promotion of Sports Talent
- Clean Ganga & Swach Bharat Abhiyan
- Other items as may be prescribed from time to time under Sch. VII of The Companies Act, 2013.

2. The Composition of the CSR Committee:

The CSR Committee of the Board consists of its chairman, Mr. Sanjay Katyal - Managing Director, Mr. Rajeev Dogra, Executive Director, Mr. Subramaniam Ramaswamy, Independent Director with effect from April 9, 2020 and Ms. Monica Widhani, Independent Director with effect from April 9, 2020.

3. Average net profit of the Company for the last three financial years is INR 910 Mn

4. Prescribed CSR Expenditure (Two percent of the average net profit) - The total spent required on CSR activities was INR 18.19 Mn.

5. Detail of CSR spent during the financial year:

(a) Total amount to be spent for the financial year: The total spend required on CSR activities was INR 18.95 Mn as against actual spent of INR 19.30 Mn.

(b) Amount unspent, if any: NIL

(c) Manner in which the amount spent during the financial year is detailed below:

CSR				Budget			Actual
Sector	**Project**	**Details**	**No of Beneficiaries**	**Budget (INR MN)**	**Location**	**NGO**	**Actual INR MN**
Setting up homes and hostels for women and orphanssetting up old age homes	Infrastructure Development at Old Age Home, NAIRH, Dabua , NIT and govt girls school.	To construction toilets and repair of school building, Support to differntly abled and slum school children	300	1.08	FAR	NAIRH	1.19
	Infrastructure Support to Old Age Home at Udan Foundation	1. Distribution of Beds, Mattresses, Pillow, Blanket, Storwells, Side Tables, Chairs. 2. RO Water Purifier (25 Ltrs)	35	0.9	PUN	Udan Foundation	0.77
	RO Plant Installation	Civil Work for RO Plant Installation .(RO was procured last year)	1 Village	0.50	PUN		0.5
	Supporting nearly village and local community people and children in combating against COVID-19	To provide awareness against COVID 19 spread and support through masks, sanitiser, food etc	Local Community	2.5	PUN		2.56
	Supporting nearly village and local community people and children in combating against COVID-19	Support needy people affected due to COVID 19 with Materials such as Food items,mask, Sanitiser etc	Local Community	0.35	ORA		0.35
	Supporting nearly village and local community people and children in combating against COVID-19	To provide awareness against COVID 19 spread and support through masks, sanitiser, food etc	Local Community	0.5	KAD		0.5
	Govt Primary School Rajpura	1. Construction of toilets for staff and male students	50	1.07	DHA		1.11
	Govt Secondary Schools (Boys & Girls) Lokri	Toilet for staff, boys and girls	125	1.4	DHA		1.4
	Basic infrastructure at ZP School & Aanganwadi, Power House, Lonikand	1. Civil Work-Kitchen for Mid Day Meal 2. Distribution of Uniform, Books, Bags and Shoes 3. Black Board 4. Benches in Other Classrooms	120	0.6	PUN		0.7
	Salamangalam Panchayat Union Middle School Kundarathur Union, Paddapai	New building Construction - Class Rooms three no's,(2 class room)	Tamil Nadu	3.01	ORA		3.01
	Paddapai Panchayat Union Primary school (Nariyambakkam)	Class Room white washing, Door fixing and roof tiles fixing-Completion work	100	0.59	ORA		0.59
	Sewing Centre at Rasgaon and Dharuhera	Supporting sewing centre for women skill development	50	0.125	DHA		0.13
Ensuring environmental sustainability	Solar energy generation	To install solar panels at local schools and anganbaris	200	0.5	FAR		0.45
CSR				**Budget**			**Actual**

Sector	Project	Details	No of Beneficiaries	Budget (INR MN)	Location	NGO	Actual INR MN
Disaster management, including relief, rehabilitation and reconstruction activities.	COVID 19 support to Civil Hospital Faridabad	Ventilator, ICU beds,Medical PPE kit ((Disposable Gown, Hood , 3 Ply Mask , Gloves, Shoe Cover , Safety Goggles,N95 Mask)	Public of Faridabad and nearby areas	1.15	FAR		1.52
Disaster management, including relief, rehabilitation and reconstruction activities.	PPE contribution to district adminstration Faridabad	Medical PPE Kit (Disposable Gown, Hood , 3 Ply Mask , Gloves, Shoe Cover , Safety Goggles,N95 Mask) Sanitizers, normal masks	Public of Faridabad	1.12	FAR		1
	COVID 19 support to Civil Hospital Rewari	Ventilator, ICU beds,Medical PPE kit ((Disposable Gown, Hood , 3 Ply Mask , Gloves, Shoe Cover , Safety Goggles,N95 Mask)	Public of Faridabad and nearby areas	1.83	DHA		1.8
	PPE contribution to Dy CM office Haryana	Medical PPE Kit (Disposable Gown, Hood , 3 Ply Mask , Gloves, Shoe Cover , Safety Goggles,N95 Mask) Sanitizers, normal masks	Public of Haryana	1.15	FAR		1.72
Total Budget for 2020-2021				18.38			19.30

The CSR committee hereby confirms that implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

For and on behalf of the Board of Directors
GKN Driveline (India) Limited

	Sd/-	Sd/-	Sd/-
	Madan Singh Sisodia	Rajeev Dogra	Sanjay Katyal
	Executive Director	Executive Director	Managing Director
	DIN- 08111748	DIN – 05270378	DIN- 08354025
	House No. 364, Sector	Flat No. 501, Tower C12,	House No. 839, Sector-16,
Date: 23 August, 2021	46, Faridabad 121010,	The Pranayam, Sector 82-85,	Faridabad, 121002
Place: Faridabad	Haryana, India	Faridabad 121004, Haryana, India	Haryana, India

"Annexure D"

SECRETARIAL AUDIT REPORT

For the financial year ended on 31st March, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
GKN Driveline (India) Limited
Plot No. 270, Sector- 24,
Faridabad- 121005, Haryana

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **"GKN Driveline (India) Limited"** (Corporate Identity Number U74999HR1985PLC034079) (hereinafter called the **"Company"**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of **GKN Driveline (India) Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives, during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021, according to the provisions of:

i) The Companies Act, 2013 (the Act) and the rules made there under;

ii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under;

iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment;

iv) As explained by the Company, there is no other law, related to the industry in which the Company is operating, is applicable specifically to the Company.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines stated above subject to the following observation;-

1. *The Board has passed resolution authorizing Mr. Sanjay Katyal, Director of the Company to sell or purchase shares of ARS Energy Private Limited as per the provisions of Section 179(3) of the Companies Act, 2013 without having recommendation of the Audit Committe. Further, MGT-14 has not been filed in regard to resolution passed in the meeting of the Board of Directors.*

2. *In the AGM held on 29.09.2020 Mr. Matthew Nozemack (date of appointment 27.02.2019) was the director who got retired & re-appointed at the meeting instead of Mr. Madan Singh Sisodia who is longest in the office and liable to retire by rotation as his date of appointment was 08.05.2018.*

With respect to Fiscal laws such as Income Tax, Goods and service Tax based on the information and explanation provided to us by the management and officers of the Company and also on verification of reports of professionals including reports of Internal Audit, we report that adequate systems are in place to monitor and ensure compliance of fiscal laws.

We further report that:-

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice has been given to all directors to schedule the Board Meetings during the financial year under review, agenda and detailed notes on agenda were sent within timeline and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Based on the verification of the records and minutes, we report that all the decisions are carried unanimously. The members of the Board have not expressed dissenting views on any of the agenda items during the financial year under review.

We further report that the systems and processes in the Company to monitor and ensure the compliance with applicable laws, rules, regulations and guidelines, are commensurate with the size and operations of the Company subject to the following observation;-.

1. *License of Universal Manpower Services, a contractor engaged at Factory located in Chennai expired on 31.12.2020. However, the same has not been renewed till 31.03.2021.*
2. *The quarterly return (ER-1) under the Employment Exchange (Compulsory Notification of vacancies) Rule, 1960 for the quarter ended March, 2020 was filed with delay w.r.t. factory Located in Faridabad.*
3. *The Annual return in form 21 under the Factories Act, 1948 for the year ended 31st December, 2020 was filed with delay w.r.t. factory Located in Faridabad.*
4. *The Annual return in form 4 under Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 for the Financial year ended 31st March,2020 was filed with delay w.r.t. factory Located in Dharuhera Location.*
5. *The Annual return in form 21 under the Factories Act, 1948 for the year ended 31st December, 2020 was filed with delay w.r.t. factory Located in Dharuhera*

We further report that, during the audit period, there were no major bearing on the Company's affairs in pursuance of the above referred laws, rules regulations, guidelines.

FOR RANJEET PANDEY & ASSOCIATES
COMPANY SECRETARIES

CS RANJEET PANDEY
FCS- 5922, CP No.- 6087
UDIN: F005922C000773931

PLACE: NEW DELHI
DATE: 12.08.2021

This report is to be read with our letter of even date which is annexed as **Annexure-I** and forms an integral part of this report

Annexure -I

To
The Members
GKN Driveline (India) Limited
Plot No. 270, Sector- 24,
Faridabad- 121005, Haryana

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

1. Management of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance on happening of the events for which documents are not required to be maintained statutorily by the Company.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We have tried to verify the physical records maintained by the Company to the extent possible in order to verify the compliances, however, reliance was also placed on electronic records for verification due to lockdown announced by Government of India and/or State Government on account of COVID-19 pandemic.

OR RANJEET PANDEY & ASSOCIATES
COMPANY SECRETARIES

CS RANJEET PANDEY
FCS-5922, CP No.-6087
UDIN: F005922C000773931

PLACE: NEW DELHI
DATE: 12.08.2021

“Annexure E to the Board Report ”

Contents of the remuneration Policy and other Best practices

The policy concerns the remuneration and other terms of employment for GKN Driveline (India) Employees, including the directors, the Managing Director and other Senior Management Personnel. The policy is approved by the Nomination and Remuneration Committee and the Board of Directors.

Objectives:

The policy aims to:

- Attract and retain the best qualified people available to achieve the organization’s objectives.
- Provide equitable and consistent remuneration to employees.
- Pay for performance: Differentiate performers from non-performers.
- Enable an appropriate compensation structure.
- Communicate the staff the basic parameters of Salary Structure.
- Build external competitiveness and internal performance related equivalences.

Guiding principles for remuneration and other terms of employment

- The remuneration and the other terms of employment for the Employees shall be competitive in order to ensure that GKN Driveline (India) Limited can attract and retain competent Executives.
- The Employee’s fixed salary shall be competitive and based on the individual Employee’s responsibilities and performance.
- Competitiveness of the salary will be decided as per Market Survey.
- Taxing implications are of paramount importance. There will be no rule bending/compromises.

Criteria for appointment

The appointment shall be based on the following criteria:

- Qualification, experience and expertise of the person for appointment.
- Specialization, special achievements which contributed to growth in the business/functional area.
- Active participation in the affairs of the company.
- Diversity of the Board.
- Demonstrable leadership qualities and interpersonal communication skills.
- Transparent, unbiased and impartial execution.
- Appointment of Directors and KMPs is in compliance with the procedure laid down under the provisions of the Companies Act 1013, and rules made thereunder.

Criteria for remuneration

The remuneration to Directors, Key Managerial Personnel and Senior Management Personnel involves a balance between fixed and variable pay reflecting short term and long term performance objectives.

The Managing Director’s remuneration is a combination of fixed and variable pay. The Non-Executive Directors are not paid any remuneration by the Company as directors. Independent Directors are paid sitting fee for attending each meeting(s) of the Board and Committees thereof.

The remuneration is within the statutory limits and approved by the Shareholders of the Company.

For and on the behalf of the Board of Directors
GKN Driveline (India) Limited

	Sd/-	Sd/-	Sd/-
	Madan Singh Sisodia	Rajeev Dogra	Sanjay Katyal
	Executive Director	Executive Director	Managing Director
	DIN- 08111748	DIN – 05270378	DIN- 08354025
	House No. 364, Sector	Flat No. 501, Tower C12,	House No. 839, Sector-16,
Date: 23 August, 2021	46, Faridabad 121010,	The Pranayam, Sector 82-85,	Faridabad, 121002
Place: Faridabad	Haryana, India	Faridabad 121004, Haryana, India	Haryana, India

“Annexure F”

Statement of Board and committee meetings attended by the directors and KMP during the year

No. of meetings held during the year			**5**	**3**	**4**	**5**	**3**
Name of Director/KMP	**DIN/PAN**	**Category**	**Board**	**NRC**	**SRC**	**ARMC**	**CSR**
Adam Touhig (Director upto May 25, 2020)	06761622	Chairman	0	0	0	NA	NA
Sanjay Katyal	08354025	Managing Director	5	NA	4	NA	3
Madan Singh Sisodia	08111748	Executive Director	5	NA	4	5	NA
Rajeev Dogra	05270378	Executive Director	5	3	NA	NA	3
Matthew Richard Nozemack	08351828	Non Executive Director	1	NA	NA	NA	NA
Jonathan Colin Fyfe Crawford	08370872	Non Executive Director	1	NA	NA	NA	NA
Subramaniam Ramaswamy (with effect from April 1, 2020)	01952258	Independent Director	4	3	NA	5	3
Monica Widhani (with effect from April 1, 2020)	07674403	Independent Director	4	3	NA	5	3
Anthony Bell (with effect from June 23, 2020)	08754802	Chairman	3	1	3	NA	NA
Tushar Jain	ADJPJ4792J	Chief Financial Officer	5	N.A.	NA	NA	NA
Richa Porwal	ASAPP5814F	Company Secretary	5	NA	4	NA	NA

*NA stands for Not Applicable as the concerned person is not a member of the relevant Committee

Sd/-
Madan Singh Sisodia
Executive Director
DIN- 08111748
House No. 364, Sector 46, Faridabad 121010, Haryana, India

Sd/-
Rajeev Dogra
Executive Director
DIN – 05270378
Flat No. 501, Tower C12, The Pranayam, Sector 82-85, Faridabad 121004, Haryana, India

Sd/-
Sanjay Katyal
Managing Director
DIN- 08354025
House No. 839, Sector-16, Faridabad, 121002 Haryana, India

Date: 23 August, 2021
Place: Faridabad

"ANNEXURE G"

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2021

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

I. REGISTRATION & OTHER DETAILS:

1	CIN	U74999HR1985PLC034079
2	Registration Date	25th July 1985
3	Name of the Company	GKN DRIVELINE (INDIA) LIMITED
4	Category/Sub-category of the Company	29301
5	Address of the Registered office & contact details	"Plot No. 270, Sector 24, Faridabad 121 005 Haryana, India Tel : +91 129 4091100 / 6621300, Fax : +91 129 6621349"
6	Whether listed company	No
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	"MCS Share Transfer Agent Limited F-65, Ist Floor, Okhla Industrial Area, Phase I, New Delhi 110 020 Tel No.: +91 11 4140619 / 41406151 / 52, Fax : +91 11 41709881"

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)

S.No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Drive Axle Assemblies including Constant Velocity Joints	29301	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S.No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	GKN Driveline International GmbH	-	Holding	97.031	2(46)

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 1-April-2020]				No. of Shares held at the end of the year [As on 31-March-2021]]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS									
1. Indian									
a) Individual/ HUF	-	-	-	0.00%	-	-	-	0.00%	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)	**-**	**-**	**-**	**0.00%**	**-**	**-**	**-**	**0.00%**	**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.	51,44,036	72,49,772	1,23,93,808	97.03%	51,44,036	72,49,772	1,23,93,808	97.03%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
SUB TOTAL (A) (2)	**51,44,036**	**72,49,772**	**1,23,93,808**	**97.03%**	**51,44,036**	**72,49,772**	**1,23,93,808**	**97.03%**	**0.00%**
Total (A)	**51,44,036**	**72,49,772**	**1,23,93,808**	**97.03%**	**51,44,036**	**72,49,772**	**1,23,93,808**	**97.03%**	**0.00%**
B. PUBLIC SHAREHOLDING									
1. Institutions									
a) Mutual Funds	-	1,320	1,320	0.01%	-	1,320	1,320	0.01%	0.00%
b) Banks / FI	400	640	1,040	0.01%	400	640	1,040	0.01%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Fund	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	-	300	300	0.00%	-	300	300	0.00%	0.00%
g) FIIs	-	5,200	5,200	0.04%	-	5,200	5,200	0.04%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%			-	0.00%	0.00%
i) Others (specify)	201	-	201	0.00%	201	-	201	0.00%	0.00%
SUB TOTAL (B)(1):	**601**	**7,460**	**8,061**	**0.06%**	**601**	**7,460**	**8,061**	**0.06%**	**0.00%**
2. Non Institutions									
a) Bodies corporates									
i. Indian	5,051	1,110	6,161	0.05%	5626	1110	6,736	0.05%	9.33%
ii. Overseas	-	-	-	0.00%	0	0	-	0.00%	0.00%
b) Individuals									
i. Individual shareholders holding nominal share capital upto Rs. 1 lakh	123021	2,35,226	3,58,247	2.80%	1,27,887	2,29,785	3,57,672	2.80%	-0.16%
ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	0.00%	0	0	-	0.00%	0.00%
c) Others (specify)	-	-			0	0			
Non Resident Indians	6,384	400	6,784	0.05%	6384	400	6,784	0.05%	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):	**1,34,456**	**2,36,736**	**3,71,192**	**2.91%**	**1,39,897**	**2,31,295**	**3,71,192**	**2.91%**	**0.00%**
Total Public (B)	**1,35,057**	**2,44,196**	**3,79,253**	**2.97%**	**1,40,498**	**2,38,755**	**3,79,253**	**2.97%**	**0.00%**
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS	**-**	**-**	**-**	**0.00%**				**0.00%**	**0.00%**
Grand Total (A+B+C)	**52,79,093**	**74,93,968**	**1,27,73,061**	**100.00%**	**52,84,534**	**74,88,527**	**1,27,73,061**	**100.00%**	**0.00%**

(ii) Shareholding of Promoters

S. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share-holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	GKN Driveline International GmbH	1,23,93,808	97.03%	0	1,23,93,808	97.03%	0	0.00%

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

S. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares	No of shares	% of total shares
	At the beginning of the year	01-04-2020		1,23,93,808	97.03%	1,23,93,808	97.03%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-03-2021		1,23,93,808	97.03%	1,23,93,808	97.03%

(iv) Shareholding Pattern of top ten Shareholders
(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	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
1	**Shreevallabh Damani**						
	At the beginning of the year	01-04-2020		8,000	0.06%	8,000	0.06%
	Changes during the year			-	0.00%		0.00%
	At the end of the year	31-03-2021		8,000	0.06%	8,000	0.06%
2	**Roshani Neetish Doshi**						
	At the beginning of the year	01-04-2020		5,300	0.04%	5,300	0.04%
	Changes during the year			-	0.00%		0.00%
	At the end of the year	31-03-2021		5,300	0.04%	5,300	0.04%
3	**Ajay Kumar**						
	At the beginning of the year	01-04-2020		4,198	0.03%	4,198	0.03%
	Changes during the year				0.00%		0.00%
	Changes during the year	31-03-2021		4,198	0.03%	4,198	0.03%
4	**Ghanshyam Sharma**						
	At the beginning of the year	01-04-2020		4,000	0.03%	4,000	0.03%
	Changes during the year			-	0.00%		0.00%
	At the end of the year	31-03-2021		4,000	0.03%	4,000	0.03%
5	**Sithu Gupta**						
	At the beginning of the year	01-04-2020		3,572	0.03%	3,572	0.03%
	Changes during the year				0.00%		0.00%
	At the end of the year	31-03-2021		3,572	0.03%	3,572	0.03%

6	**Rajesh Gautamlal Shah**						
	At the beginning of the year	01-04-2020		2,300	0.02%	2,300	0.02%
	Changes during the year	7/10/2020	Transfer	-	0.00%	1,200	0.01%
	At the end of the year	3/31/2021		2,300	0.02%	3,500	0.03%
7	**Dilip Kumar Surana**						
	At the beginning of the year	01-04-2020		2,786	0.02%	2,786	0.02%
	Changes during the year				0.00%	-	0.00%
	At the end of the year	31-03-2020		2,786	0.02%	2,786	0.02%
8	**Morgan Stanley Dean Witter Investment**						
	At the beginning of the year	01-04-2020		2,100	0.02%	2,100	0.02%
	Changes during the year				0.00%	-	0.00%
	At the end of the year	31-03-2021		2,100	0.02%	2,100	0.02%
9	**Mohansinh Ramsinh Parmar**						
	At the beginning of the year	01-04-2020		2,009	0.02%	2,009	0.02%
	Changes during the year				0.00%	-	0.00%
	At the end of the year	31-03-2021		2,009	0.02%	2,009	0.02%
10	**Nirmal Bang**						
	At the beginning of the year	01-04-2020		1,900	0.01%	1,900	0.01%
	Changes during the year				0.00%	-	0.00%
	At the end of the year	31-03-2021		1,900	0.01%	1,900	0.01%

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	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
1	**Sanjay Katyal**						
	At the beginning of the year	01-04-2020		24	0.00%	24	0.00%
	Changes during the year			0	0.00%	-	0.00%
	At the end of the year	31-03-2021		24	0.00%	24	0.00%
2	**Rajeev Dogra**						
	At the beginning of the year	01-04-2020		1	0.00%	1	0.00%
	Changes during the year				0.00%	-	0.00%
	At the end of the year	31-03-2021		1	0.00%	1	0.00%
3	**Tushar Jain**						
	At the beginning of the year	01-04-2020		1	0.00%	1	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-03-2021		1	0.00%	1	0.00%

(v) INDEBTEDNESS

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

(Amt in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S.NO.	Particulars of Remuneration		Name of MD/WTD/ Manager		Total Amount
	Name Designation		Sanjay Katyal Managing Director		
1	Gross salary				
	(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	64,47,549		64,47,549
	(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	3,74,510		3,74,510
	(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-		-
2	Stock Option		-		-
3	Sweat Equity		-		-
4	Commission				
	- as % of profit		-		-
	- others, specify		-		-
5	Others, please specify		-		-
	Total (A)		68,22,059	-	68,22,059
	Ceiling as per the Act				-

B. Remuneration to other Directors

S.No.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	Mr. Subramaniam Ramaswamy	Ms. Monica Widhani		(Rs/Lac)
	Fee for attending board committee meetings	10,00,000.00	10,00,000.00	-	20,00,000.00
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	10,00,000.00	10,00,000.00	-	20,00,000.00
2	Other Non-Executive Directors				-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	10,00,000.00	10,00,000.00	-	20,00,000.00

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

S.No.	Particulars of Remuneration		Name of Key Managerial Personnel					Total Amount
	Name		Madan Singh Sisodia	Rajeev Dogra	Tushar Jain	Richa Porwal		(Rs/Lac)
	Designation		Director	Director	Director	CFO		
1	Gross salary							
	(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7671127	5382894	40,53,614	23,85,355		1,94,92,990
	(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	456424	324504	2,13,222			9,94,150
	(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-		-
2	Stock Option		-	-	-	-		-
3	Sweat Equity		-	-	-	-		-
4	Commission							
	- as % of profit		-	-	-	-		-
	- others, specify		-	-	-	-		-
5	Others, please specify		-	-	-	-		-
	Total		**81,27,551**	**57,07,398**	**42,66,836**	**23,85,355**		**2,04,87,140**

*Remuneration calculated from the date of appointment as Director

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board of Directors
GKN Driveline (India) Limited

Sd/-
Madan Singh Sisodia
Executive Director
DIN- 08111748
House No. 364, Sector 46, Faridabad 121010, Haryana, India

Sd/-
Rajeev Dogra
Executive Director
DIN – 05270378
Flat No. 501, Tower C12, The Pranayam, Sector 82-85, Faridabad 121004, Haryana, India

Sd/-
Sanjay Katyal
Managing Director
DIN- 08354025
House No. 839, Sector-16, Faridabad, 121002 Haryana, India

Date: 23 August, 2021
Place: Faridabad

INDEPENDENT AUDITORS' REPORT

To the Members of GKN Driveline (India) Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of GKN Driveline (India) Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 at 31 March 2021, its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Ind AS Financial Statements 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 (ICAI) together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Information Other than the Ind AS Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report including annexures to the director's report, but does not include the Ind AS financial statement and our auditor's report thereon.
- Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS 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 Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, 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 the 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Ind AS financial statements.

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 safeguards.

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.
    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 Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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 A”. 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 the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) 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, as amended 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 Ind AS financial statements. Refer Note 32of the Ind AS Financial Statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. Refer Note 34 of the Ind AS Financial Statements.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. Refer Note 42 of the Ind AS Financial Statements.

2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins and Sells LLP**
Chartered Accountants
(Firm’s Registration No. 117366W/W-100018)

Sd/-
Pramod B. Shukla
(Partner)
(Membership No. 104337)
(UDIN: 21104337AAAADS4412)

Place: Gurugram
Date: 23 August 2021

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 GKN Driveline (India) Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the 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 respective 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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 Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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, to the best of our information and according to the explanations given to us 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 31 March 2021, based on "the criteria for internal financial control over financial reporting established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For **Deloitte Haskins and Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sd/-
Pramod B. Shukla
(Partner)
(Membership No. 104337)
(UDIN: 21104337AAAADS4412)

Place: Gurugram
Date: 23 August 2021

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed /conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties that have been taken on lease and disclosed as tangible assets in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) 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 Companies Act, 2013.

(iv) The Company has not granted any loans, made investments, or provided guarantees and hence reporting under clause (iv) of the Order is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits during the year.

(vi) The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Services tax, cess and other material statutory dues applicable to it with the appropriate authorities. The operations of the Company did not give rise to Sales Tax, Excise Duty, Service Tax and Value added Tax.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Services Tax, cess and other material statutory dues in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

(c) Details of dues of Service Tax, Excise Duty, and Value Added Tax which have not been deposited as on 31 March 2021 on account of disputes are given below;

Name of the Statute	Nature of Dues	Amount (Rs. In MN)#	Amount paid under protest (Rs. In MN)	Period to which the Amount Relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty	18.24	-	January -2006 to December- 2009	CESTAT
Value Added Tax (VAT)	VAT	1.04	-	FY 2015-16	Deputy Excise and Taxation Commissioner (ST)
Finance Act 1994	Service Tax	3.77	0.06	October-11 to July-11 and FY 2014-15 to 2016-17	CESTAT
		25.17	0.82	FY 2010-11 to November 2015	CESTAT and Assistant Commissioner (ST)
		24.57	0.36	December-2008 to December-2009, February- 2010- July 2012, November 2014 to August 2015	Assistant Commissioner (ST)
		40.87	-	January 2005 to March 2008, January 2010 to October 2011, November 2014 to June 2017, FY 2011-12 & 2015-16	Commissioner of Central Excise
		2.31	-	January 2005 to March 2008	Joint Commissioner of Central Excise

#amounts disclosed above are as per Show Cause notice/demand orders including consequential interest as determined by the management till balance sheet date. Also refer note 41 to the financial statements for the year ended 31 March 2021.

(viii) 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 to banks. The Company has not issued any debentures or has not taken any loan or borrowings from any financial institution and government.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, wherever applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins and Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sd/-
Pramod B. Shukla
(Partner)
(Membership No. 104337)
(UDIN: 21104337AAAADS4412)

Place: Gurugram
Date: 23 August 2021

BALANCE SHEET AS AT 31 March, 2021

(Rs. in million)

Particulars	Note No.	As at 31.03.2021	As at 31.03.2020
A. ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	3	**3,087.85**	3,453.56
(b) Capital work-in-progress	3	**122.47**	25.68
(c) Intangible assets	3	**75.97**	3.07
(d) Right-of-use assets	3	**102.32**	113.85
(e) Financial assets			
(i) Investments			
(a) Others	4	**-**	0.13
(ii) Other financial assets	6	**50.67**	52.58
(iii) Loans	7	**2.60**	1.74
(f) Non-current tax assets	8	**11.59**	-
(g) Other non-current assets	8A	**48.63**	83.22
Total non-current assets	**(A)**	**3,502.10**	3,733.83
2. Current assets			
(a) Inventories	5	**938.58**	905.30
(b) Financial assets			
(i) Trade receivables	9	**901.68**	664.89
(ii) Cash and cash equivalents	10	**1,015.41**	1,611.36
(iii) Loans	7	**1.71**	3.30
(iv) Other financial assets	6	**18.13**	11.81
(c) Other current assets	8A	**42.71**	42.50
Total current assets	**(B)**	**2,918.22**	3,239.16
Total assets	**(A+B)**	**6,420.32**	6,972.99
B. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11	**127.73**	127.73
(b) Other equity	12	**3,850.04**	4,360.98
Total equity	**(C)**	**3,977.77**	4,488.71
Liabilities			
1. Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	14	**81.32**	89.04
(ii) Other financial liabilities	16	**8.55**	8.88
(b) Provisions	13	**134.72**	121.70
(c) Deferred tax liabilities (net)	27	**22.58**	33.35
(d) Other non-current liabilities	18	**2.27**	4.77
Total non-current liabilities	**(D)**	**249.44**	257.74
2. Current liabilities			
(a) Financial liabilities			
(i) Lease liability	14	**7.72**	6.42
(iI) Trade payables			
- total outstanding dues of micro and small enterprises	15	**65.56**	8.67
- total outstanding dues other than micro and small enterprises	15	**1,474.92**	1,400.44
(ii) Other financial liabilities	16	**62.85**	88.91
(b) Provisions	13	**427.09**	408.97
(c) Current tax liabilities (net)	17	**23.20**	260.01
(d) Other current liabilities	18	**131.77**	53.12
Total current liabilities	**(E)**	**2,193.11**	2,226.54
Total liabilities	**(D+E)**	**2,442.55**	2,484.28
Total equity and liabilities	**(C+D+E)**	**6,420.32**	6,972.99

See accompanying notes to the financial statements 1 to 42

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Pramod B. Shukla
Partner

Place: Gurugram
Date: August 23, 2021

For and on behalf of the Board of Directors of
GKN Driveline (India) Limited

Sanjay Katyal	(DIN 08354025)	Managing Director
Monica Widhani	(DIN 07674403)	Independent Director Chairman - ARMC
Subramaniam Ramaswamy	(DIN 01952258)	Independent Director
Madan Singh Sisodia	(DIN 08111748)	Executive Director
Rajeev Dogra	(DIN 05270378)	Executive Director
Tushar Jain	(Mem. No. 500602)	Chief Financial Officer
Richa Porwal	(Mem. No. F8318)	Company Secretary

Place: Faridabad
Date: August 23, 2021

Statement of Profit and Loss for the year ended 31 March, 2021

(Rs. in million)

	Particulars	Note No.	Year ended 31.03.2021	Year ended 31.03.2020
1.	**Income**			
	(a) Revenue from operations	19	**6,643.93**	9,415.13
	(b) Other income	20	**254.34**	103.38
2.	**Total income**		**6,898.27**	9,518.51
3.	**Expenses**			
	(a) Cost of materials consumed	21	**3,460.46**	4,922.80
	(b) Changes in inventories of finished goods and work-in-progress and stock-in-trade	22	**(0.31)**	119.31
	(c) Employee benefits expense	23	**1,096.09**	1,184.14
	(d) Finance costs	24	**39.42**	98.74
	(e) Depreciation and amortisation expense	3	**451.95**	447.91
	(f) Other expenses	25	**1,141.00**	1,910.42
4.	**Total expenses**		**6,188.61**	8,683.32
5.	**Profit before tax (2-4)**		**709.66**	835.19
6.	**Tax expense**			
	(a) Current tax	26(a)	**150.76**	310.83
	(b) Current tax - related to prior years	26(a)	**3.33**	-
	(c) Deferred tax	26(b)	**(9.68)**	(108.14)
7.	**Total tax expense**		**144.41**	202.69
8.	**Profit after tax (5-7)**		**565.25**	632.50
9.	**Other comprehensive (loss)/income**			
	(i) Items that will not be reclassified to profit or loss:			
	(a) Remeasurement of defined benefit obligations		**(4.34)**	(22.97)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**1.09**	5.78
10.	**Total other comprehensive (loss)/income**		**(3.25)**	(17.19)
11.	**Total comprehensive income for the year (8+10)**		**562.00**	615.31
12.	**Earnings per equity share (EPS)** (Face value of Rs. 10 per share)			
	Basic (in Rs.)	29	**44.00**	48.17
	Diluted (in Rs.)	29	**44.00**	48.17

See accompanying notes to the financial statements 1 to 42

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Pramod B. Shukla
Partner

Place: Gurugram
Date: August 23, 2021

For and on behalf of the Board of Directors of GKN Driveline (India) Limited

Sanjay Katyal	(DIN 08354025)	Managing Director
Monica Widhani	(DIN 07674403)	Independent Director Chairman - ARMC
Subramaniam Ramaswamy	(DIN 01952258)	Independent Director
Madan Singh Sisodia	(DIN 08111748)	Executive Director
Rajeev Dogra	(DIN 05270378)	Executive Director
Tushar Jain	(Mem. No. 500602)	Chief Financial Officer
Richa Porwal	(Mem. No. F8318)	Company Secretary

Place: Faridabad
Date: August 23, 2021

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2021

(Rs. in million)

Particulars		Year ended 31.03.2021	Year ended 31.03.2020
A. Cash flow from operating activities			
Profit before tax		**709.66**	835.19
Adjustments for :			
Depreciation and amortisation expense		**451.95**	447.91
Impairment loss on Property, plant and equipment		**-**	94.14
Finance costs		**39.42**	98.74
Unrealised loss/(gain) on foreign currency transactions and translation		**(0.38)**	12.01
Interest income earned on financial assets		**(30.12)**	(78.07)
Net (Gain)/Loss on sale/disposal of property, plant and equipment		**(0.86)**	(1.33)
Provision/ (write back of provision) for slow moving inventory		**(7.97)**	57.23
Provision for mark to market losses on forward contracts (net)		**2.91**	8.01
Provision for contingencies		**12.15**	19.46
Provision for Interest and penalty on Income tax written back		**(178.75)**	-
Provision/ (write back of provision) for Warranty		**(5.51)**	8.15
Provision/ (write back of provision) for doubtful and other receivables		**(0.78)**	79.51
Provisions/Liabilities no longer required written back		**3.21**	0.59
Operating profit before working capital changes		**994.93**	1,581.54
Changes in working capital:			
Adjustments for (increase)/ decrease in operating assets:			
Trade receivables		**(235.83)**	420.52
Other current and non current assets		**21.18**	96.98
Other financial assets		**(3.18)**	255.40
Loans		**0.73**	3.36
Inventories		**(25.31)**	210.91
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables		**124.02**	(543.48)
Other financial liabilities		**(7.35)**	(29.86)
Other current and non-current liabilities		**78.65**	(32.54)
Provisions		**(2.58)**	9.14
Cash generated from/ (used in) operations		**945.26**	1,971.97
Income tax paid (net of refunds during the year)		**(227.89)**	(447.59)
Net cash flow from operating activities	**(A)**	**717.37**	1,524.38

(Rs. in million)

Particulars		Year ended 31.03.2021	Year ended 31.03.2020
B. Cash flow from investing activities			
Capital expenditure on Property, plant and equipment, Intangible assets including CWIP and capital advances		**(257.91)**	(232.36)
Proceeds from sale of Property, plant and equipment		**3.12**	2.54
Proceeds from sale of Investment in Equity Shares		**0.13**	-
Interest received		**28.89**	78.35
Net cash used in investing activities	**(B)**	**(225.77)**	(151.47)
C. Cash flow from financing activities			
Finance costs paid		**(0.43)**	(0.83)
Interim Dividend on equity shares and Income tax thereon		**(1,072.94)**	(954.71)
Repayment of lease liabilities		**(14.18)**	(15.82)
Net cash used in financing activities	**(C)**	**(1,087.55)**	(971.36)
Net increase in cash and cash equivalents	**(A+B+C)**	**(595.95)**	401.55
Cash and cash equivalents as at the beginning of the year		**1,611.36**	1,209.81
Cash and cash equivalents as at the end of the year *		**1,015.41**	1,611.36

* Components of cash and cash equivalents:

a. Cash on hand	**0.09**	0.28
b. Balance with scheduled banks		
i. in current accounts	**208.58**	1,132.71
ii. in deposit accounts	**806.00**	477.79
c. Balance with unclaimed dividend account	**0.74**	0.58
	1,015.41	1,611.36

The above cash flow statement has been prepared under the “Indirect method” as set out in Ind AS 7 “Statement of cash flows”.

See accompanying notes to the financial statements 1 to 42

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Pramod B. Shukla
Partner

Place: Gurugram
Date: August 23, 2021

For and on behalf of the Board of Directors of
GKN Driveline (India) Limited

Sanjay Katyal	(DIN 08354025)	Managing Director
Monica Widhani	(DIN 07674403)	Independent Director Chairman - ARMC
Subramaniam Ramaswamy	(DIN 01952258)	Independent Director
Madan Singh Sisodia	(DIN 08111748)	Executive Director
Rajeev Dogra	(DIN 05270378)	Executive Director
Tushar Jain	(Mem. No. 500602)	Chief Financial Officer
Richa Porwal	(Mem. No. F8318)	Company Secretary

Place: Faridabad
Date: August 23, 2021

Statement of Changes in Equity for the year ended 31 March, 2021

a. Equity share capital (Rs. in million)

Particulars	Amount
Balance at 1 April, 2020	127.73
Changes in equity shares during the year	-
Balance at 31 March, 2021	127.73
Changes in equity shares during the year	-
Balance at 31 March, 2021	**127.73**

b. Other equity (Rs. in million)

Particulars	Reserves and Surplus					
	Securities premium	General reserve	Retained earnings	Share based application reserve*	Other Compre-hensive Income/ (Loss)	Total
Balance as at 01 April, 2019	214.16	150.17	4320.03	9.79	6.23	4700.38
Profit for the year	-	-	632.50	-	-	632.50
Other Comprehensive (loss) - relating to defines benefit plan	-	-	-	-	(17.19)	(17.19)
Final Dividend payment on equity shares (Refer Note 11 (iv))	-	-	(791.93)	-	-	(791.93)
Tax on Interim dividend	**-**	**-**	**(162.78)**	**-**	**-**	**(162.78)**
Balance at 31 March, 2020	214.16	150.17	3997.82	9.79	(10.96)	4360.98
Profit for the year	**-**	**-**	**565.25**	**-**	**-**	**565.25**
Other Comprehensive (loss) - relating to defined benefit plan	**-**	**-**	**-**	**-**	**(3.25)**	**(3.25)**
Interim Dividend payment on equity shares (Refer Note 11 (iv))	**-**	**-**	**(1072.94)**	**-**	**-**	**(1072.94)**
						-
Balance at 31 March, 2021	**214.16**	**150.17**	**3490.13**	**9.79**	**(14.21)**	**3850.04**

* This represents the charge for issue of shares of GKN Plc by group parent company to employees of the Company under the GKN Share retention and incentive plan 2015, GKN Sustainable earning Plan 2016 and GKN Deferred Bonus Plan 2017 (collectively called as " Schemes"). There are no shares granted under such schemes to the employees of the Company.

See accompanying notes to the financial statements 1 to 42

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Pramod B. Shukla
Partner

Place: Gurugram
Date: August 23, 2021

For and on behalf of the Board of Directors of
GKN Driveline (India) Limited

Sanjay Katyal	(DIN 08354025)	Managing Director
Monica Widhani	(DIN 07674403)	Independent Director Chairman - ARMC
Subramaniam Ramaswamy	(DIN 01952258)	Independent Director
Madan Singh Sisodia	(DIN 08111748)	Executive Director
Rajeev Dogra	(DIN 05270378)	Executive Director
Tushar Jain	(Mem. No. 500602)	Chief Financial Officer
Richa Porwal	(Mem. No. F8318)	Company Secretary

Place: Faridabad
Date: August 23, 2021

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021

1. Corporate information

GKN Driveline (India) Limited is a public limited company and domiciled in India was incorporated on July 25, 1985. The Company is a subsidiary of GKN Driveline international GmbH and is engaged in the manufacture and sale of driveshafts to original equipment manufacturers (OEMs) in the automobile industry. The Company has five manufacturing locations in India at Faridabad, Dharuhera, Oragadam, Pune and Kadi. The address of its registered office is Plot No 270, Sector 24 Faridabad, Haryana.

The financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorised for issue on August 23, 2021.

2. Significant accounting policies

2.01 Basis of preparation

(i) Statement of Compliance

The financial statements have been prepared as a going concern in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 (“the Act”) read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India.

(ii) Basis of preparation and presentation

The financial statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies mentioned below. Historical cost is generally based on the fair value of the consideration given in exchange of goods or services.

All assets and liabilities have been classified as current or non-current according to the Company’s operating cycle and other criteria set out in the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

(iii) Going concern

The board of directors have considered the financial position of the Company as at March 31, 2021 and the projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course.

The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the financial statements to fund the Company’s operations.

(iv) Use of estimates and judgements

In preparing the financial statements in conformity with accounting principles generally accepted in India, management is required to make judgements, estimates and assumptions that may affect the application of accounting policies and reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of financial statements and the amounts of revenue and expenses during the reported period. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected.

2.02 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, balances with banks and similar institutions, and short-term deposits which are readily convertible to cash and are subject to insignificant risks of changes in value. For the purpose of statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank/book overdrafts as they are considered an integral part of Company's cash management.

2.03 Cash flow statement

Cash flows are reported using indirect method, whereby Profit after tax reported under Statement of Profit and loss is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on available information.

2.04 Property, plant and equipment

Property, plant and equipment are stated at cost or deemed cost and subsequent costs thereto net of GST credit less accumulated depreciation/amortization and provision/impairment of damaged/non-usable assets.

Deemed cost/ cost of acquisition includes expenditure that is directly attributable to the acquisition of the items. Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method on a pro-rata basis from the month in which each asset is put to use to allocate their cost, net of their residual values, over their estimated useful lives.

Useful economic life of Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end.

Category of Fixed Assets	**Life of assets (in Years)**
Computer & software	3
Electric installation	15
Furniture & fixtures	8
Office equipment	8
Mobile phones	3
Plant & machinery imported	
- Short life	6
- Medium Life	10
- Long Life	15
Plant & machinery local	
- Short life	6
- Medium Life	10
- Long Life	15
Material handling equipment	8
Mechanical testing	3
Trollies	3
Vehicles	4
Building including Roads	30
Employees white goods (Furniture & fixtures, Office equipment & computers)	4

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021

All assets, the individual written down value of which at the beginning of the year is Rs. 5,000 or less, are depreciated at the rate of 100%. Assets purchased during the year costing Rs. 5,000 or less are depreciated at the rate of 100%. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Capital work-in-progress comprises the cost of property, plant and equipment that are not yet ready for their intended use on the reporting date and materials at site.

The Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date.

2.05 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over the period of three years. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Computer software is initially recorded at cost. The Company amortizes computer software over the period of 3 years or the period of license as per the agreement. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognized.

The Company has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2016 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date.

2.06 Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.07 Inventories

Inventories are valued at cost or net realizable value whichever is lower with due allowance being made for obsolete and slow moving items. Cost is determined on First in First out (FIFO) basis.

The cost of raw materials and stores and spares comprises all cost of purchase, costs of conversion and other costs incurred in bringing inventories to their present location and condition. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct cost, related fixed and variable production overheads. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Machinery spares (other than those supplied along with main plant and machinery, which are capitalised and depreciated accordingly) are charged to statement of profit or loss on consumption.

2.08 Revenue recognition

The Company derives revenues primarily from sale of manufactured goods.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, discounts, price reductions and goods & service tax.

The Company recognises revenue when the amount of revenue and its related cost can be reliably measured and it is probable that future economic benefits will flow to the entity and degree of managerial involvement associated with ownership or effective control have been met for the Company’s activitiy.

Revenue from the sale of driveshaft is recognized at the point in time when control is transferred to the customer. Dependent upon contractual terms this may be at the point of despatch or acceptance by the customer. The revenue recognised is the transaction price as it is the observable selling price per product.

Contracts are reviewed to identify each performance obligation relating to a distinct good or service and the associated consideration. A performance obligation is identified if the customer can benefit from the good or service on its own or together with other readily available resources, and it can be separately identified within the contract. This review is performed by reference to the specific contract terms.

Discount to customers are based on certain percentages agreed with the customers, which are typically earned by the customer over an annual period. These are allocated to performance obligations and are recorded as a reduction in revenue at the point of sale based on the estimated future outcome. Due to the nature of these arrangements an estimate is made based on historical results to date, estimated future results across the contract period and the contractual provisions of the customer agreement. Revenue excludes taxes collected from customer.

Company procured / manufactured tooling which is explicitly funded by the customer, whether up-front or over time, and is included within part of a broader production contract.

Company has the practice of recovering the market movement of steel and exchange rate from its customers. The revenue for these recoveries is booked only after settlement of prices with customers.

Revenue from services is recognised on rendering of related services to the customers and when there is no uncertainty in receiving the same and is recorded net of indirect tax.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021

2.09 Other income

Dividend income and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial assets is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Export Incentives under various schemes are accounted in the year of export.

2.10 Foreign Currencies

Functional and presentation currency

The functional currency for the Company is determined as the currency of the primary economic environment in which it operates. For the Company, the functional currency is the local currency of the country in which it operates, which is INR.

Transactions and balances

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Treatment of exchange differences`

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

2.11 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortized cost. Thus, the exchange differences on the amortized cost are recognized in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income. When the investment is disposed of, the cumulative gain or loss previously accumulated in other comprehensive income is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the ‘Reserve for equity instruments through other comprehensive income’. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortized cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortized cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortized cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, lease receivables, trade receivables and other contractual rights to receive cash or other financial assets and financial guarantees not designated as at FVTPL.

For trade receivables or any contractual right to receive cash or another financial assets that result from transactions that are within the scope of Ind AS 115, the Company measures the loss allowance at an amount equal to expected credit losses.

Further, for the purpose of measuring expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience.

Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.12 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

a) Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

b) Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

c) Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

d) Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.13 Employee benefit costs

Retirement benefits costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions:

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

a) service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

b) net interest expense or income; and

c) remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

Contributions from employees or third parties to defined benefit plans

Discretionary contributions made by employees or third parties reduce service cost upon payment of these contributions to the plan.

When the formal terms of the plans specify that there will be contributions from employees or third parties, the accounting depends on whether the contributions are linked to service, as follows:

- If the contributions are not linked to services (e.g. contributions are required to reduce a deficit arising from losses on plan assets or from actuarial losses), they are reflected in the remeasurement of the net defined benefit liability (asset).
- If contributions are linked to services, they reduce service costs. For the amount of contribution that is dependent on the number of years of service, the Company reduces service cost by attributing the contributions to periods of service using the attribution method required by Ind AS 19.70 for the gross benefits. For the amount of contribution that is independent of the number of years of service, the Company reduces service cost in the period in which the related service is rendered / reduces service cost by attributing contributions to the employees' periods of service in accordance with Ind AS 19.70.

Defined contribution plans

Contribution towards provident fund, superannuation fund, employee's pension scheme and employee state insurance for certain employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

Defined benefit plans

Provident Fund contributions are made to a Trust administered by the Company. Interest payable to the Provident Fund members, shall not be at a rate lower than the statutory rate. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year and any shortfall in the fund size maintained by the Trust set up by the Company is additionally provided for. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering all employees in accordance with the Payment of Gratuity Act, 1972 without any limits on the amount. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company funds the benefits through annual contributions to Life Insurance Corporation of India (LIC) under its Group's Gratuity Scheme. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss under Other comprehensive income in the year in which they arise.

Amendment to Ind AS 19 - Plan Amendment, Curtailment or Settlement The Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements requiring an entity to determine the current service costs and the net interest for the period after the re measurement using the assumptions used for the re measurement; and determine the net interest for the remaining period based on the remeasured net defined benefit liability or asset. The adoption of amendment to Ind AS 19 did not have any material impact on the standalone financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021

Other Long term employment benefits Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date, determined based on actuarial valuation using Projected Unit Credit Method. Discount rates used for determining present value of the obligation under the defined benefit plan, are based on the market yield on Government Securities as at the balance sheet date. Remeasurements gains or losses are recognised in the Statement of Profit and Loss in the period in which they arise.

Other Long-term employee benefits

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Discount rates used for determining present value of the obligation under the defined benefit plan, are based on the market yield on Government Securities as at the balance sheet date. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

2.14 Leases:

Effective from 1st April 2019, the Company adopted Ind AS 116 – Lease and applied the standard to all lease contracts existing as on 1st April,2019 using the modified retrospective method along with transition option to recognise right-of-use assets (ROU) at the amount equal to lease liability on the date of initial application i.e., 1 April,2019.

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified assets for a period of time is exchange for consideration.

Where a lease arrangement is identified, a liability to the lessor is included in the Balance Sheet as a lease obligation calculated at the present value of minimum lease payments. A corresponding right-of-use asset is recorded in property, plant and equipment.

The Company recongnises a right-of use assets and a lease liability at the lease commencement date except for lease with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Lease term is a non-cancellable period together with period covered by an option to extend the lease if the Company is reasonably certain to exercise that option: and period covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

The right-of-use asset is initialy measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred, less any lease incentive received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying assets to the Company by the end of the lease term or code of the right-of-use assets reflects that the Company will exercise a purchase option. In that case the right-of-use assets will be depreciated over the useful life of the underlying assets.

They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use asset are depreciated over the shorter of asset's useful life and the lease term on a straight-line basis. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable

The lease liability is initially measured at the present value of the lease payments to be paid over the lease term at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Subsequently, the lease liability is measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the rate of interest implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lesse's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in the similar economic environment with similar terms, security and conditions.

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract in accordance with Ind AS 116 and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in the statement of profit and loss, unless they are directly attributable to qualifying assets. Variable lease payments are recognised in the statement of profit and loss in the period in which the condition that triggers those payments that occur.

2.15 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.16 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of exceptional items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of exceptional items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for employee share options and bonus shares, if any, as appropriate.

2.17 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.18 Provisions, Contingent assets and Contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021

Provision for contingencies Income Taxes and other Litigations:

The Company's tax jurisdiction is in India. Significant judgements are involved in determining the provision for income taxes including judgement on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

Other litigations: Litigations often involve complex legal/regulatory issues and are connected with a high degree of uncertainty. Accordingly, the assessment of whether an obligation exists on the balance sheet date as a result of an event in the past, and whether a future cash outflow is likely and the obligation can be reliably estimated, largely depends on estimations by the management.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Contingent liabilities are disclosed only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets where it is probable that future economic benefits will flow to the Group are not recognised but disclosed in the financial statements. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

2.19 Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

2.20 Operating Cycle

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM") of the respective entities.

2.22 Business Combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. Acquisition related costs are recognized in profit or loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognized at their fair value at the acquisition date, except certain assets and liabilities that are required to be measured as per the applicable standard.

Purchase consideration in excess of the Company's interest in the acquiree's net fair value of identifiable assets, liabilities and contingent liabilities is recognized as goodwill. Excess of the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the purchase consideration is recognized, after reassessment of fair value of net assets acquired, in the Capital Reserve.

Common control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory. Business combinations involving entities under common control are accounted for using the pooling of interest method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021

necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognized as capital reserve under equity.

2.23 Dividends paid

Dividend to shareholders is recognised as a liability and deducted from equity, in the year in which the dividends are approved by the shareholders. However, interim dividends declared by the Board of directors, which does not need shareholders' approval, are recognised as a liability and deducted from retained earnings, in the year in which the dividends are so declared.

2.24 Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has considered possible effects that may result from pandemic relating to COVID-19 on the carrying amount of property, plant and equipment, investments, inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions due to pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

2.25 Significant accounting judgments, estimates and assumptions

The preparation of these financial statements in conformity with the recognition and measurement principles of applicable Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the period presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect the following:

Useful lives and Impairment of Property, Plant and Equipment and Intangible Assets. Also refer note 2.04, 2.05 & 2.06.

The estimated useful lives, residual value, depreciation/ amortisation method and impairment are reviewed periodically with the effect of any changes in estimate accounted for on a prospective basis. This reassessment may result in change in depreciation/ amortisation and impairment expense in future periods.

Contingent liabilities and provisions for contingencies (Also refer Notes 2.18, 13 and 32).

The contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that arises from past events but is not recognised because:

(i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) the amount of the obligation cannot be measured with sufficient reliability.

The Company evaluates the obligation through Probable, Possible or Remote model ('PPR'). In making the evaluation for PPR, the Company takes into consideration the industry perspective, legal and technical view, availability of documentation/agreements, interpretation of the matter, independent opinion from professionals (specific matters) etc. which can vary based on subsequent events. The Company provides the liability in the books for probable cases, while possible cases are shown as contingent liability. The remote cases are not disclosed in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021

Inventory provisioning (Also refer Note 2.07)

The calculation of inventory provisions requires judgement by management of the expected value of future sales. If the carrying value of inventory is higher than the expected recoverable value, the Company makes provisions writing inventory down to its net recoverable value. The inventory is initially assessed for impairment by comparing inventory levels to recent utilization rates and carrying values to historical selling prices. A detailed review is completed for inventory lines identified in the initial assessment considering sales activity, order flow, customer contracts and current selling price.

Provision for income taxes and deferred tax (Also refer Note 2.17)

Judgements are involved in determining the provision for income taxes including judgement on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve interpretation issues, which can only be resolved over extended time periods.

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period.

Provision for employee benefits (Also refer Note 2.13)

Provision for employee benefits requires that certain assumptions such as expected future salary increases, average life expectancy and discount rates etc. are made in order to determine the amount to be recorded for retirement benefit obligations. Substantial changes in the assumed development of any of these variables may significantly change the Company's retirement benefit obligations.

2.26 New and revised Ind ASs in issue but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021

Note 3: Property, plant and equipment (Tangible assets), Intangible Assets & Right-of-use Assets (Rs. in million)

	Tangible Assets								Intangible Assets	Right of use Assets		
	Freehold Land	Buildings #	Plant and Machinery	Computers	Office and other equipment	Furniture and fixtures	Vehicles	Total	Software	Land	Building	Total
Cost												
Balance at 1 April, 2019	206.74	639.97	3,613.45	44.46	120.42	19.09	29.75	4,673.88	11.70	-	100.01	100.01
Additions	-	97.06	275.05	18.18	16.29	6.34	4.87	417.79	1.12	-	-	-
IND AS 116 transition	-	-	-	-	-	-	-	-	-	26.11	-	26.11
Disposals			(14.71)	(4.40)	(0.65)	(0.10)	(4.60)	(24.46)	-	-	-	-
Balance at 31 March, 2020	206.74	737.03	3,873.79	58.24	136.06	25.33	30.02	5,067.21	12.82	26.11	100.01	126.12
Accumulated depreciation/ Amortisation**												
Balance at 1 April, 2019	-	82.27	953.23	26.03	27.71	6.34	11.98	1,107.56	6.81	-	-	-
Depreciation expense	-	27.64	371.91	12.34	13.16	3.12	7.03	435.20	2.94	0.28	11.99	12.27
Impairment expenses (Refer Note 40)	-	-	94.14	-	-	-	-	94.14	-	-	-	-
IND AS 116 transition	-	-	-	-	-	-	-	-	-	-	-	-
Elimination on disposals of assets	-	-	(14.37)	(4.37)	(0.55)	(0.10)	(3.86)	(23.25)	-	-	-	-
Balance at 31 March,2020	-	109.91	1,404.91	34.00	40.32	9.36	15.15	1,613.65	9.75	0.28	11.99	12.27
Net book value at 31 March, 2020	206.74	627.12	2,468.88	24.24	95.74	15.97	14.87	3,453.56	3.07	25.83	88.02	113.85
Capital work in progress	-	0.2800	21.9800	3.3700	0.0200	0.0300	-	25.68	-	-	-	-
Cost												
Balance at 1 April, 2020	**206.74**	**737.03**	**3,873.79**	**58.24**	**136.06**	**25.33**	**30.02**	**5,067.21**	**12.82**	**26.11**	**100.01**	**126.12**
Additions	**-**		**22.87**	**35.57**	**4.89**	**0.13**	**7.28**	**70.74**	**81.63**	**-**	**-**	**-**
Disposals			**(19.98)**	**(5.55)**	**(2.20)**	**(0.39)**	**(8.23)**	**(36.35)**	**-**	**-**	**-**	**-**
Balance at 31 March, 2021	**206.74**	**737.03**	**3,876.68**	**88.26**	**138.75**	**25.07**	**29.07**	**5,101.60**	**94.45**	**26.11**	**100.01**	**126.12**
Balance at 31 March, 2020	**206.74**	**737.03**	**3,873.79**	**58.24**	**136.06**	**25.33**	**30.02**	**5,067.21**	**12.82**	**26.11**	**100.01**	**126.12**
Accumulated depreciation/ Amortisation**												
Balance at 1 April, 2020	**-**	**109.91**	**1,404.91**	**34.00**	**40.32**	**9.36**	**15.15**	**1,613.65**	**9.75**	**0.28**	**11.99**	**12.27**
Depreciation expense*		**29.34**	**364.03**	**16.90**	**13.65**	**3.38**	**6.89**	**434.19**	**8.73**	**0.30**	**11.23**	**11.53**
Elimination on disposal of assets	**-**	**-**	**(19.81)**	**(5.55)**	**(2.13)**	**(0.37)**	**(6.23)**	**(34.09)**	**-**	**-**	**-**	**-**
Balance at 31 March, 2021	**-**	**139.25**	**1,749.13**	**45.35**	**51.84**	**12.37**	**15.81**	**2,013.75**	**18.48**	**0.58**	**23.22**	**23.80**
Net book value at 31 March, 2021	**206.74**	**597.78**	**2,127.55**	**42.41**	**86.91**	**12.70**	**13.26**	**3,087.85**	**75.97**	**25.53**	**76.79**	**102.32**
Capital Work in Progress	**-**	**-**	**122.39**	**-**	**0.01**	**0.07**	**-**	**122.47**	**-**	**-**	**-**	**-**

a) Disclosure of contractual commitments for acquisition of Property, Plant and equipment. (refer note 34)

* b) Depreciation Expense include INR 2.5 million (previous year INR 2.5 million) amortisation for EPCG license received received in July 2007 (refer note 18(a)(i))

** c) Accumulated depreciation/Amortisation includes accumulated provision for impairment amounting Rs. 148.37 million (previous year Rs. 148.37 million).

d) Includes building on Leasehold land amounting Rs. 284.97 million (Previous year Rs. 299.66 million)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021

(Rs. in million)

Particulars			As at 31 March 2021	As at 31 March 2020
4.	**Investments**			
	Unquoted investments (all fully paid)			
		Investments in equity instruments at cost		
		-ARS Energy Private Limited	**0.00**	0.13
		(No. of shares in 2021 - 10, 2020 - 480)		
		***Value of 10 shares at 31 March 2021 Rs. 2,750**		
		Total	**0.00**	0.13
5.	**Inventories**			
	Inventories (lower of cost and net realisable value)			
	(i)	Raw materials (Net of Provision Rs. 54.50 million, Year 2020: Rs. 56.14 million)	**459.45**	393.66
	(ii)	Work-in-progress (Net of Provision Rs. 39.77 million, Year 2020: Rs. 53.78 million)	**233.45**	238.60
	(iii)	Finished goods (Net of Provision Rs. 13.95 million, Year 2020: Rs. 20.13 million)	**127.67**	122.21
	(iv)	Stores and spares (Net of Provision Rs. 46.10 million, Year 2020: Rs. 45.66 million)	**35.47**	43.61
	(v)	Loose Tools (Net of Provision Rs. 95.66 million, Year 2020: Rs. 82.24 million)	**82.54**	107.22
			938.58	905.30
	Inventory includes in transit Inventory of:			
	(i)	Raw materials	**127.26**	119.13
	(ii)	Finished goods	**16.28**	1.19

The cost of Inventories recognised as an expense during the year was Rs. 3,460.15 million (PY Rs. 5,042.11 million) - Refer note 21 and 22.

The cost of inventories recognised as an expense includes Rs. 79.87 million (2019-20: Rs. 130.72 million) in respect of write-downs of inventory, and has been reduced by Rs. 87.84 million (2019-20: Rs. 73.49 million in respect of the reversal of such write-downs. Previous write-downs have been reversed as a result of utilization of certain non-moving/ slow moving inventory in the manufacturing of driveshafts during the year.

6	**Other financial assets**			
	Non-current			
	(i)	Security deposits	**50.67**	52.58
		Total	**50.67**	52.58
	Current			
	(i)	Security deposits	**0.38**	0.78
	(ii)	Interest accrued but not due on fixed deposits	**2.83**	1.60
	(iii)	Other receivables	**14.92**	9.43
		Total	**18.13**	11.81

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021

(Rs. in million)

Particulars			As at 31.03.2021	As at 31.03.2020
7.	**Loans**			
	Non- Current			
	(i) Loans to employees - Unsecured, considered good		**2.60**	1.74
			2.60	1.74
	Current			
	(i) Loans to employees - Unsecured, considered good		**1.71**	3.30
		Total	**1.71**	3.30
8	**Non- Current tax assets**			
	a. Non-Current tax assets (net)		**11.59**	-
		Total	**11.59**	-
8A.	**Other assets**			
	Non-current			
	(i) Prepaid expenses		**3.31**	3.73
	(ii) Deposits against cases with			
	- Excise, Service tax and Sales tax and ESI authorities		**3.18**	1.25
	(iii) Gratuity Fund (Refer note 28)		**37.94**	60.84
	(iv) Capital advances		**4.20**	17.40
		Total	**48.63**	83.22
	Current			
	(i) Prepaid expenses		**18.12**	13.77
	(ii) Balance with government authorities		**21.55**	26.79
	(iii) Others			
	- Supplier advances		**2.59**	1.94
	- Other advances		**0.45**	-
		Total	**42.71**	42.50
9.	**Trade receivables**			
	Current			
	(i) Trade receivables [See notes below]			
	- Secured, considered good		**4.81**	5.82
	- Unsecured, considered good		**896.87**	659.07
	- Unsecured, considered doubtful		**1.88**	79.51
			903.56	744.40
	Less: Provision for doubtful debts		**(1.88)**	(79.51)
		Total	**901.68**	664.89

Notes:

a) The average credit period on sales of goods is 35-40 days. No interest is charged on any overdue trade receivables.

b) The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. There is no expected credit loss as per the matrix. (Refer note 30.2 (i))

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021

(Rs. in million)

Particulars	As at 31.03.2021	As at 31.03.2020
Age of receivables		
0 - 90 days	**901.68**	455.37
91 - 180 days	**1.36**	187.98
180 days and above	**0.04**	100.93
More than 365 days	**0.48**	0.12
	903.56	744.40

c) The concentration of credit risk is limited due to the fact that the Company is a market leader in supply of driveshafts and has many customers in India which are mainly OEM(Original Equipment Manufacturers).

(Rs. in million)

Particulars		As at 31.03.2021	As at 31.03.2020
10.	**Cash and cash equivalents**		
	(i) Cash in hand	**0.09**	0.28
	(ii) Balance with scheduled banks		
	- in current accounts	**208.58**	1,132.71
	- in deposit accounts	**806.00**	477.79
	Other Bank Balance		
	Unpaid Dividend	**0.74**	0.58
	Total	**1,015.41**	1,611.36
11.	**Equity share capital**		
	Authorised share capital:		
	15,100,000 (31.03.2020 - 15,100,000) equity shares of Rs.10/- each	**151.00**	151.00
	Issued and subscribed capital comprises:		
	12,773,061 (31.03.2020 - 12,773,061) equity shares of Rs.10/- each (fully paid up)	**127.73**	127.73
		127.73	127.73

Fully paid equity shares:	Number of shares
Balance as at 1 April, 2020	12,773,061
Add: Issue of shares	-
Balance as at 31 March, 2021	**1,27,73,061**

(i)	Reconciliation of Equity share capital	No of shares	Equity share capital (In million)
	As at 01 April 2019	12,773,061	127.73
	Changes during the year	-	-
	As at 31 March 2020	12,773,061	127.73
	Changes during the year	-	-
	As at 31 March 2021	**12,773,061**	**127.73**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021

(ii) Details of shares held by each shareholder holding more than 5% shares:

Name of Shareholder	As at 31.03.2021		As at 31.03.2020	
	No. of Shares	**% Holding**	No. of Shares	% Holding
Fully paid equity shares with voting rights:				
GKN Driveline International GmbH, the Holding Company	**12,393,808**	**97.03%**	12,393,808	97.03%

(iii) Equity Shares: The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(Rs. in million)

(iv) Dividend	**As at 31.03.2021**	As at 31.03.2020
A) Declared and paid during the year		
(i) Interim dividend for 2019-20 : Rs. 74.74/- Per share		954.71
(ii) (Including dividend distribution tax @20.55% of Rs. 162.78 million		
Final dividend for 2019-20 : Rs. 84/- Per share	**1,072.94**	-
B) Proposed dividend *		
Final dividend for 2019-20 : Rs. 84/- Per share	**-**	1,072.94

* The proposed dividend being subject to approval at respective annual general meeting, accordingly no corresponding liability has been recognised in the respective financial year

C) Interim dividend: Subsequent to the year end, The company has paid interim dividend amounting to Rs. 791.93 million for FY 2020-21.

Particulars		**As at 31.03.2021**	As at 31.03.2020
12. Other equity			
Securities premium account		**214.16**	214.16
General reserve		**150.17**	150.17
Share based payment reserve		**9.79**	9.79
Retained earnings		**3,490.13**	3,997.82
Other comprehensive income / (loss)		**(14.21)**	(10.96)
		3,850.04	4,360.98
a. Securities premium		**214.16**	214.16
	(A)	**214.16**	214.16
b. General reserve		**150.17**	150.17
	(B)	**150.17**	150.17
c. Retained earnings			
i. Opening balance		**3,986.86**	4,326.26
ii. Add: Profit for the year		**562.00**	615.31
iii Less: Payment of Dividend		**(1,072.94)**	(791.93)
iv Less: Dividend tax		**-**	(162.78)
v. Closing balance	(C)	**3,475.92**	3,986.86
This represents the retained earnings generated over the years of operation.			
d. Share based payment reserve		**9.79**	9.79
	(D)	**9.79**	9.79

This reserve represents the allotment of shares of GKN Plc by the group parent company to employees of the company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021

(Rs. in million)

Particulars		As at 31.03.2021	As at 31.03.2020
e. Other Comprehensive Income/(Loss)			
i. Opening balance		**(10.96)**	6.23
ii. Loss for the year		**(3.25)**	(17.19)
iii. Closing balance	(E)	**(14.21)**	(10.96)
13. Provisions			
Non-current			
a. Employee benefits			
- Compensated absences		**130.74**	117.23
b. Other provisions			
- Provision for Warranty (Refer note (b))		**3.98**	4.47
		134.72	121.70
Current			
a. Employee benefits			
- Compensated absences		**10.57**	9.85
- provident fund		**1.31**	14.26
b. Other provisions			
- Entry Tax (Refer note (a))		**139.84**	129.53
- Provision for Warranty (Refer note (b))		**2.45**	11.33
- Provision for contingencies (Refer note (c))		**272.92**	244.00
		427.09	408.97
(a) Movements in provision of entry tax			
Opening balance		**129.53**	119.20
Addition during the year		**10.31**	10.33
Closing balance		**139.84**	129.53

Matter relating to Entry tax on goods brought into the local area (jurisdiction of state of Haryana) for consumption and/or use is currently pending with the Hon'ble High Court of Punjab and Haryana. Pending final outcome of the matter, on prudent basis the Company has made provision for the potential tax liability and interest thereon.

(b) Movements in provision of warranty		
Opening balance	**15.80**	16.65
Addition/(Reduction) during the year	**(5.51)**	8.15
Utilised during the year	**(3.86)**	(9.00)
Closing balance	**6.43**	15.80

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021

(c) Movement in Provision for Contingencies

The Company has made a provision for various contingencies resulting mainly from matters as below, which are under litigation/related disputes based on management judgement.

(Rs. in Million)

	Year ended 31 March 2021			Year ended 31 March 2020		
Particulars	**Indirect Tax Matters**	**Other Matters**	**Total**	**Indirect Tax Matters**	**Other Matters**	**Total**
Opening Balance	92.00	152.00	244.00	88.09	72.08	160.17
Addition during the year*	5.76	23.16	28.92	5.77	79.92	85.69
Utilisation/Settlement during the year	-	-	-	(1.86)	-	(1.86)
Closing Balance**	97.76	175.16	272.92	92.00	152.00	244.00

* Breakup of Expense recognised in statement of Profit and loss is as follows:- (Rs. in Million)

Particulars	**Year ended 31.03.2021**	Year ended 31.03.2021
Finance costs	**16.77**	**64.37**
Other Expenses	**12.15**	19.46
	28.92	83.83

** Classified as

Current	**272.92**	244.00
	272.92	244.00

During the year, the Company has reassessed the expected outcome of pending indirect tax cases and other matters and based on management judgement made a provision of Rs. 28.92 million (previous year Rs. 83.83 million) along with interest thereon shown as finance costs and provision for contingencies respectively in these IndAS financial statements.

14. Lease Liability

Non-Current		
a Lease Liability	**81.32**	89.04
	81.32	89.04
Current		
a Lease Liability	**7.72**	6.42
	7.72	6.42

Refer Note 36

(Rs. in million)

Particulars	**As at 31.03.2021**	As at 31.03.2020
15. Trade payables		
Trade payables - Other than acceptances		
- total outstanding dues of micro enterprises and small enterprises [See note 35]	**65.56**	8.67
- total outstanding dues of creditors other than micro enterprises and small enterprises	**1,474.92**	1,400.44
	1,540.48	1,409.11

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021

(Rs. in Million)

Particulars			As at 31.03.2021	As at 31.03.2020
16.	**Other financial liabilities**			
	Non-current			
	a.	Security deposits received	**8.55**	8.88
			8.55	8.88
	Current			
	a.	Payables on purchase of property, plant and equipment	**56.06**	78.01
	b.	Security deposits received	**3.14**	2.31
	c.	Payables on forward contracts	**2.91**	8.01
	d.	Unpaid Dividend	**0.74**	0.58
			62.85	88.91
17.	**Current tax liabilities (net)**			
	a.	Current tax liabilities (net)	**23.20**	260.01
		Total	**23.20**	260.01
18.	**Other liabilities**			
	Non-current			
	a.	Deferred income arising from government grant (Refer note (i) below)	**2.27**	4.77
			2.27	4.77

i. The deferred revenue arises as a result of the benefit received from an EPCG License received in July 2007 amounting to INR 89.59 million. The revenue was offset against depreciation costs incurred over the useful life of asset.

			As at 31.03.2021	As at 31.03.2020
	Current			
	a.	Revenue received in advance		
		-Deferred income arising from government grant	**2.50**	2.50
	b.	Statutory remittances	**125.03**	49.60
	c.	Other payables		
		i. Advances from customers	**4.24**	1.02
			131.77	53.12

(Rs. in million)

Particulars			Year ended 31.03.2021	Year ended 31.03.2020
19.	**Revenue from operations**			
	a.	Sale of goods	**6,513.15**	9,303.18
	b.	Sale of services	**14.11**	-
	c.	Other operating revenue		
		i. Scrap sales	**24.77**	32.93
		ii. Other export incentives	**7.79**	14.87
		iii. Other ancillary revenue	**84.11**	64.15
			6,643.93	9,415.13

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021

(Rs. in million)

Particulars			Year ended 31.03.2021	Year ended 31.03.2020
	Reconciliation of revenue recognised with contract price :			
	Contract Price (Gross)		**6,705.97**	9,585.91
	Adjustment as per Ind AS 115 for :			
	Customer Discounts and Rebates		**(62.04)**	(170.78)
	Revenue from Operations		**6,643.93**	9,415.13
	Geographical segment disclosure:			
	Domestic		**6,151.79**	8,927.07
	Overseas		**492.14**	488.06
			6,643.93	9,415.13
20	**Other income**			
	a.	Interest income		
		i. on bank deposits	**28.29**	59.28
		ii. from government authorities	**1.37**	18.31
		iii. from others	**0.46**	0.48
	b.	Provisions/Liabilities no longer required written back	**3.21**	0.59
	c.	Provision for slow moving inventory written back	**7.97**	-
	d.	Insurance claim received	**0.07**	3.14
	e.	Warranty (Refer Note 13)	**5.51**	-
	f.	Provision for doubtful and other receivables	**0.78**	-
	g.	Other gains and losses		
		i. Net gain on foreign currency transactions and translation	**25.00**	18.09
		ii. Profit on sale of property, plant and equipment	**0.86**	1.33
	h.	Provision for interest on Income tax written back (Refer Note 41)	**78.98**	-
	i.	Provision for penalty on Income tax written back (Refer Note 41)	**99.77**	-
	j.	Miscellaneous income	**2.07**	2.16
		Total	**254.34**	103.38
21.	**Cost of Materials Consumed**			
	Raw materials at the beginning of the year		**393.66**	520.34
	Add: Purchases during the year		**3,526.25**	4,796.12
	(Less): Raw materials at the end of the year		**(459.45)**	(393.66)
	Cost of Materials Consumed		**3,460.46**	4,922.80
22.	**Changes in inventories of finished goods and work in progress**			
	Inventories at the end of the year:			
	Finished goods		**127.67**	122.21
	Work-in-progress		**233.45**	238.60
			361.12	360.81
	Less : Inventories at the beginning of the year :			
	Finished Goods		**122.21**	158.01
	Work in progress		**238.60**	322.11
			360.81	480.12
	Net (decrease) / increase		**(0.31)**	119.31

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021

(Rs. in million)

Particulars				Year ended 31.03.2021	Year ended 31.03.2020
23.	**Employee benefits expense**				
	a.	Salaries and allowances		**955.01**	1,030.79
	b.	Contribution to provident and other funds		**76.60**	66.53
	c.	Gratuity expense		**21.73**	18.47
	d.	Staff welfare expenses		**42.75**	68.35
		Total		**1,096.09**	1,184.14
24.	**Finance costs**				
	a.	Interest costs			
		i.	Interest on Bank overdraft	**0.04**	0.13
		ii.	Interest on dealer deposit	**0.39**	0.41
		iii.	Interest - others	**-**	0.29
	b.	Interest on lease liability		**7.76**	8.96
	c.	Interest on contingencies		**16.77**	64.37
	d.	Interest on entry tax		**10.31**	10.33
	e.	Interest on Income tax		**4.15**	3.44
	f.	Interest on Income tax relating to prior years		**-**	10.81
				39.42	98.74
25.	**Other Expenses**				
	a.	Consumption of stores		**223.18**	317.24
	b.	Jobwork charges		**183.42**	267.01
	c.	Rent and hire charges		**0.10**	5.66
	d.	Repair and Maintenance			
		i.	Plant and equipment	**128.11**	188.60
		ii.	Building	**5.17**	12.83
		iii.	Others	**1.06**	2.33
	e.	Power and fuel		**192.06**	291.53
	f.	Legal and professional services*		**21.35**	29.86
	g.	Expenditure on corporate social responsibility (Refer note 37)		**19.30**	21.20
	h.	Management consultancy and business auxiliary services		**3.80**	9.00
	i.	Strategic management charge		**24.00**	29.57
	j.	Royalty		**28.52**	40.39
	k.	Travel and conveyance		**22.24**	61.73
	l.	Selling and transportation expenses		**62.45**	99.28
	m.	Communication and information technology expenses		**32.04**	31.77
	n.	Trademark fees		**82.22**	115.33
	o.	Cash discount on sales		**5.77**	6.27
	p.	Insurance		**31.85**	25.68

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021

(Rs. in million)

Particulars		Year ended 31.03.2021	Year ended 31.03.2020
q.	Rates and taxes	**4.37**	12.25
r.	Provision for contingencies	**12.15**	19.46
s.	Warranty (Refer Note 13)	**-**	8.15
t.	Provision for slow moving inventory	**-**	57.23
u.	Provision for mark to market losses on forward contracts (net)	**2.91**	8.01
v.	Impairment loss on property, plant and equipment	**-**	94.14
w.	Provision for doubtful and other receivables **	**-**	79.51
x.	Miscellaneous expenses	**54.93**	76.39
	Total	**1,141.00**	1,910.42

* Legal and professional charges (net of GST) includes payment to auditor's:

To statutory auditors		
For Audit	**7.40**	5.93
For Tax Audit	**2.08**	1.99
For reimbursement of expenses	**0.40**	0.40
	9.88	8.32

** During the previous year, the Company made a provision amounting Rs. 76.51 million towards trade receivables from certain customers on account of ongoing disagreement on certain clauses of the purchase order. Basis subsequent developments and discussions with such customers, the management has written off such amount in the books of accounts during the year

26. Income tax recognised in Statement of Profit and Loss

		Year ended 31.03.2021	Year ended 31.03.2020
(a)	**Current tax**		
	In respect of current year	**150.76**	310.83
	In respect of prior years	**3.33**	-
		154.09	310.83
(b)	**Deferred tax [See note 27]**		
	Decrease/(increase) in deferred tax assets	**14.40**	26.74
	(Decrease)/increase in deferred tax liabilities	**(24.08)**	(134.88)
		(9.68)	(108.14)
	Total tax expense recognised in Statement of Profit and Loss	**144.41**	202.69

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021

(Rs. in million)

Particulars			Year ended 31.03.2021	Year ended 31.03.2020
(c)	**The income tax expense for the year can be reconciled to the accounting profit as follows:**			
	Profit before tax		**709.66**	835.19
	Income tax expense calculated at CY 25.168% (Previous year - 25.168%)	(a)	**178.61**	210.20
	Tax effect of amounts which are not deductible in calculating taxable income:			
	(Reversal)/ Provision for Interest and penalty on Income tax relating to prior years		**(44.99)**	23.25
	Effect of change in tax rate		**-**	(41.20)
	Others		**7.46**	10.44
		(b)	**(37.53)**	(7.51)
	Adjustments recognised in current year with respect to Income tax of prior years	(c)	**3.33**	-
	Income tax expense recognised in statement of profit and loss account	(a+b+c)	**144.41**	202.69

The tax rates used above are the corporate tax rate payable by corporate entities in India on taxable profits under the Income tax Act, 1961.

27 Current Tax and Deferred Tax

(I) For the year ended 31 March, 2021

(Rs. in million)

Particulars	Year ended 31.03.2021			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing balance
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment and other intangible assets	**(197.31)**	**19.41**	**-**	**(177.90)**
Gratuity fund asset	**(15.31)**	**4.67**	**1.09**	**(9.55)**
	(212.62)	**24.08**	**1.09**	**(187.45)**
Tax effect of items constituting deferred tax assets				
Provision for bonus	**2.89**	**(0.47)**	**-**	**2.42**
Provision for entry tax	**32.60**	**2.60**	**-**	**35.20**
Provision for compensated absences	**31.98**	**3.59**	**-**	**35.57**
Provision for slow moving inventory	**64.92**	**(2.01)**	**-**	**62.91**
Provision for indirect tax	**23.15**	**1.45**	**-**	**24.60**
Provision for doubtful and other receivables	**20.00**	**(19.53)**		**0.47**
Other temporary differences	**3.73**	**(0.03)**		**3.70**
	179.27	**(14.40)**	**-**	**164.87**
Deferred tax liabilities (net)	**(33.35)**	**9.68**	**1.09**	**(22.58)**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021

(II) For the year ended 31 March, 2020

(Rs. in million)

Particulars	**Year ended 31.03.2020**			
	Opening Balance	**Recognised in profit and Loss**	**Recognised in OCI**	**Closing balance**
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment and other intangible assets	(320.19)	122.88	-	(197.31)
Gratuity fund asset	(29.69)	12.00	2.38	(15.31)
	(349.88)	134.88	2.38	(212.62)
Tax effect of items constituting deferred tax assets				
Provision for bonus	4.23	(1.34)	-	2.89
Provision for entry tax	41.66	(9.06)	-	32.60
Provision for compensated absences	42.91	(10.93)	-	31.98
Provision for slow moving inventory	70.14	(5.22)	-	64.92
Provision for indirect tax	30.78	(7.63)	-	23.15
Other temporary differences	-	20.00		20.00
MAT credit	12.89	(12.56)	3.40	3.73
	202.61	(26.74)	3.40	179.27
Deferred tax Liabilities (net)	(147.27)	108.14	5.78	(33.35)

28. Employee benefit plans

(i) Defined contribution plans

The Company operates defined contribution retirement benefit plans for all its qualifying employees. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the Company are reduced by the amount of forfeited contributions.

During the year the Company has recognised the following amounts in the statement of profit and loss:

(Rs. in million)

	Year ended 31.03.2021	Year ended 31.03.2020
Contribution to Regional Provident Fund Commissioner	**19.06**	19.57
Contribution to Superannuation Fund	**13.45**	13.74
Contribution to Employee's Pension Scheme 1995	**13.79**	14.96

(ii) Defined benefit plans and other long term benefits

A Gratuity plan

The Company operates gratuity plan administered through Life Insurance Corporation of India (LIC) under its group gratuity scheme. Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service. The Company pays contribution to LIC to fund its plan.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021

B Provident Fund

Provident fund for certain eligible employees is managed by the Company through the Employees Provident Fund Trust in line with the Provident Fund and Miscellaneous Provision Act 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated hereon are payable to employees at the time of their separation from the company or retirement, whichever is earlier. The benefits vest immediately on rendering of the services by the employee. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. The Company's obligation in this regard is actuarially determined and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government.

C Compensated absences:

The employees are entitled for leaves for each year of service and part thereof and subject to the limits specified, the un-availed portion of such leaves can be accumulated / encashed or lapsed during/ at the end of the service period. The plan is not funded.

The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit method with actuarial valuations being carried out at each balance sheet date.

These plans typically expose the Company to actuarial risks such as: interest rate risk, longevity risk, salary risk and Investment risk.

Interest risk The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Longevity risk The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability

Salary risk The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Investment Risk This may arise from volatility in asset values due to market fluctuations and impairment of assets due to credit losses. LIC of India primarily invests in debt instruments such as Government securities and highly rated corporate bonds wherein the risk of downward fluctuation in value is minimal.

a) The Principal assumptions used for the purpose of the actuarial valuations were as follows:

Particulars	**Gratuity Fund**	
	31.03.2021	31.03.2020
Discount Rate(s)	**6.54%**	6.92%
Expected return on Plan Assets	**6.54%**	6.92%
Salary Rise	**8.00%**	8.00%
Attrition Rate	**5.00%**	5.00%
Expected average remaining working lives of employees (years)	**18.74 years**	20.83 years

Components of expenses recognised in the statement of profit or loss in respect of: (Rs. in million)

Particulars	**Gratuity Fund**	
	31.03.2021	31.03.2020
Past Service Cost	**-**	-
Current Service Cost	**26.0**	24.97
Actuarial loss/(gain)	**-**	-
Net Interest Cost/(Income)	**(4.21)**	(6.50)
Expenses recognised in the statement of profit & loss	**21.74**	18.47

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021

Components of expenses recognised in the other comprehensive income in respect of: (Rs. in million)

Particulars	Gratuity Fund	
	31.03.2021	31.03.2020
Actuarial (gain)/loss		
- Experiences Adjustment	**(5.78)**	(0.21)
- Differences in present value of obligations	**10.31**	5.96
- Demographic Assumption	**-**	0.19
Return on Plan Assets, excluding amounts included in Net Interest Expense	**(0.19)**	3.53
Component of defined benefit costs recognised in other comprehensive loss/(Income)	**4.34**	9.47

The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plan is as follows:

(Rs. in million)

Particulars	Gratuity Fund
As at 31.03.2021	
Present Value of obligation	**414.80**
Fair value of plan assets	**452.74**
Surplus/(deficit)	**37.94**
Effect of asset ceiling, if any*	**-**
Net asset/(liability)	**37.94**
As at 31.03.2020	
Present Value of obligation	374.53
Fair value of plan assets	435.37
Surplus/(deficit)	60.84
Effect of asset ceiling, if any*	-
Net asset/(liability)	60.84

*The company has an obligation to make good the shortfall, if any.

Classification into long term and short term

(Rs. in million)

Particulars	Gratuity Fund
As at 31.03.2021	
Long term asset/(liability)	**37.94**
Short term asset/(liability)	**-**
As at 31.03.2020	
Long term asset/(liability)	60.84
Short term asset/(liability)	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021

Movement in the present value of the defined benefit obligation are as follows

(Rs. in million)

Particulars	Gratuity Fund
Year ended 31.03.2021	
Present value of the obligation as at the beginning i.e, 01.04.2020	**374.53**
Current Service cost	**25.95**
Interest expense or cost	**25.92**
Employee's contribution	
Remeasurement (or actuarial) (gain)/loss arising from:	
- Experience Adjustment	**(5.78)**
- Others	**10.31**
Settlements/Transfer In	**-**
Benefits paid	**(16.13)**
Present value of the obligation as at the end	**414.80**
Year ended 31.03.2020	
Present value of the obligation as at the beginning i.e, 01.04.2019	336.31
Current Service cost	24.97
Interest expense or cost	25.73
Employee's contribution	-
Remeasurement (or actuarial) (gain)/loss arising from:	
- Experience Adjustment	(0.21)
- Others	6.15
Settlements/Transfer In	-
Benefits paid	(18.42)
Present value of the obligation as at the end	374.53

Movement in the fair value of the plan asset are as follows

(Rs. in million)

Particulars	Gratuity Fund
Year ended 31.03.2021	
Fair Value of plan asset at the beginning i.e, 01.04.2020	**435.37**
Interest Income	**30.32**
Employer's contribution	**3.18**
Employee's contribution	
Actuarial gain/(loss)	
Settlements/Transfer In	
Benefits paid	**(16.13)**
Fair Value of plan asset at the end	**452.74**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021

Movement in the fair value of the plan asset are as follows (Rs. in million

Particulars	**Gratuity Fund**
Year ended 31.03.2020	
Fair Value of plan asset at the beginning i.e, 01.04.2019	421.26
Interest Income	28.69
Employer's contribution	3.84
Employee's contribution	-
Actuarial gain/(loss)	-
Settlements/Transfer In	-
Benefits paid	(18.42)
Fair Value of plan asset at the end	435.37

The company expects to make a contribution of Rs. 25.84 million (as at 31.03.2020 Rs. 23.31 million)to the defined benefit plans during the next financial year.

Sensitivity Analysis

Significant actuarial assumptions for the determination of defined obligation are discount rate, expected salary growth rate, attrition rate and mortality rate. The sensitivity analysis below have been determined based on reasonably possible changes in respective assumption occurring at the end of reporting period, while holding all other assumptions constant.

If the discount rate increases (decreases) by 0.5%, the defined benefit obligation would decrease by Rs. 13.48 million(Increase by Rs. 14.31 million) (as at March 31, 2020: decrease by Rs. 12.58 million (Increase by Rs. 13.36 million).

If the expected salary growth rate increases (decreases) by 0.5%, the defined benefit obligation would increased by Rs. 14.04 million (decreased by Rs. 13.37 million) (as at 31.03.2020: increase by Rs. 13.16 million (decrease by Rs. 12.52 million).

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

In presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The Company expects to make a contribution of Rs. 25.84 million (March 31, 2020: Rs. 23.31 million) to the defined benefit plans during the next financial year.

Maturity Profile of Defined Benefit Obligation

(Rs. in million)

	Year	**Gratuity**
a)	0 to 1 Year	25.42
b)	1 to 2 Year	33.44
c)	2 to 3 Year	38.58
d)	3 to 4 Year	56.95
e)	4 to 5 Year	40.2
f)	5 to 6 Year	32.92
g)	6 year onwards	187.29

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021

Provident Fund:

Under this scheme, the employee and employer each make monthly contribution to the plan equal to 12% of the covered employee's basic salary. Contributions are made to the trust established by the Company. As at 31 March, 2021, based on the actuarial valuation, Fair value of plan assets is 688.83 million (Previous year 623.13 million), the present value of defined benefit obligation is 690.14 million (Previous year 637.03 million). For the year ended 31 March, 2021, the Company has contributed 26.66 million (Previous year 27.89 million) towards Provident Fund.

The assumptions made for the above are discount rate of 6.54% and guaranteed rate of return is 8.50%

Particulars		**Year ended 31.03.2021**	Year ended 31.03.2020
		(Rs. Per share)	(Rs. Per share)
29.	**Earnings per share (EPS)**		
	Basic earnings per share	**44.00**	48.17
	Diluted earnings per share *	**44.00**	48.17

Basic earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:

		Year ended 31.03.2021	Year ended 31.03.2020
Profit for the year	Rs. in Million	**562.00**	615.31
Weighted average number of equity shares for the purposes of basic earnings per share (Face Value of Rs. 10 each)	Numbers	**1,27,73,061**	1,27,73,061

Diluted earnings per share

The earnings and weighted average number of equity shares used in the calculation of diluted earnings per share are as follows:

		Year ended 31.03.2021	Year ended 31.03.2020
Profit for the year	Rs. in Million	**562.00**	615.31
Weighted average number of equity shares for the purposes of basic earnings per share (Face Value of Rs. 10 each)	Numbers	**1,27,73,061**	1,27,73,061

* There are no potential dilutive equity shares.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021

30. Financial Instruments and Risk Management

30.1 Financial instruments by category

(Rs. in million)

	As at 31.03.2021				As at 31.03.2020			
	FVTPL	FVOCI	Amortised cost	Total Carrying Value	FVTPL	FVOCI	Amortised cost	Total Carrying Value
Financial assets								
Trade Receivable	-	-	**901.68**	**901.68**	-	-	664.89	664.89
Cash and bank balances	-	-	**1,015.41**	**1,015.41**	-	-	1,611.36	1,611.36
Loans	-	-	**4.31**	**4.31**	-	-	5.04	5.04
Security deposits	-	-	**51.05**	**51.05**	-	-	53.36	53.36
Interest accrued	-	-	**2.83**	**2.83**	-	-	1.60	1.60
Others	-	-	**14.92**	**14.92**	-	-	13.31	13.31
Total financial assets	**-**	**-**	**1,990.20**	**1,990.20**	-	-	2,349.56	2,349.56
Financial liabilities								
Lease liability	-	-	**89.04**	**89.04**	-	-	95.46	95.46
Trade payables	-	-	**-**	**-**	-	-	1,412.86	1,412.86
Deposits from dealers, contractors	-	-	**11.69**	**11.69**	-	-	11.19	11.19
and others							-	
Payable to capital creditors	-	-	**56.06**	**56.06**	-	-	78.01	78.01
Foreign currency / commodity	-	-		**-**	-	-	-	-
forward contracts	-	-	**2.91**	**2.91**	-	-	8.01	8.01
Others	-	-	**0.74**	**0.74**	-	-	-	-
Total financial liabilities	**-**	**-**	**160.44**	**160.44**	-	-	1,605.53	1,605.53

Fair value hierarchy

The following table provides an analysis of financial instruments that are measured at fair value and have been grouped into Level 1, Level 2 and Level 3 below:

(Rs. in million)

As at 31.03.2021	Notes No	Level 1	Level 2	Level 3	Total
Financial assets					
Financial instruments at FVTOCI					
Unquoted equity instruments	4	-	-	-	-
Total financial assets					
		-	-	-	-

As at 31.03.2020	Notes No	Level 1	Level 2	Level 3	Total
Financial assets					
Financial instruments at FVTOCI		-	-	-	-
Unquoted equity instruments	4	-	-	0.13	0.13
Total financial assets		**-**	**-**	**0.13**	**0.13**

Level 1: Quoted prices in the active market. This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market. This category consists of quoted equity shares and debt based open ended mutual funds.

Level 2: Valuation techniques with observable inputs. This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly. This level of hierarchy consists of debt based close ended mutual fund investments and over the counter (OTC) derivative contracts.

Level 3: Valuation techniques with unobservable inputs. This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data. The main item in this category are unquoted equity instruments.

Reconciliation of Level 3 fair value measurement (Rs. in million)

	Unlisted equity instruments
As at 01.04.2019	0.13
Acquisition	-
Gains/(losses) recognised	-
- in other comprehensive income	
As at 31.03.2020	0.13
Disposal	(0.13)
Gains/(losses) recognised	-
- in other comprehensive income	-
As at 31.03.2021	**-**

30.2 Financial risk management objective and policies

“The Company’s activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

Risk	**Exposure arising from**	**Measurement**	**Management**
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Aging analysis Credit rating	Diversification of bank deposits, credit limits and letter of credit
Liquidity risk	Business commitment and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Commercial transactions recognised financial assets and liabilities not denominated in Indian rupee	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts

The financial risk management of the Company is carried out under the policies approved by the Board of Directors. Within these policies, the Board provides written principles for overall risk management including policies covering specific areas, such as foreign exchange risk management, commodity risk management and investment of funds.

(i) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company’s exposure to credit risk primarily arises from trade receivables, balances with banks and security deposits. The credit risk on bank balances is limited because the counterparties are banks with good credit ratings. Trade receivables consist of Original Equipment Manufacturers as customers. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The Company’s policies on assessing expected credit losses is detailed in notes to accounting policies. For details of exposure, default grading and expected credit loss as on the reporting year (See note 10).

(ii) Liquidity risk

Liquidity risk refers to the risk that the Company can not meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and to ensure funds are available for use as per the requirements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021

The Company operates with a low Debt Equity ratio. The Company raises short term rupee borrowings for cash flow mismatches and hence carries no significant liquidity risk. The Company has access to the borrowing facilities to honour any liquidity requirements arising for business needs. The Company has large investments in debt mutual funds which can be redeemed on a very short notice and hence carries negligible liquidity risk.

(a) Financing arrangements

Undrawn borrowing facilities at the end of the reporting period - Rs 1,750 Million (31 March 2020- Rs 2,650 Million)

(b) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities:

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities

		As at 31.03.2021			(Rs. in million)
	<1 year	**1-3 Years**	**3-5 Years**	**> 5 Years**	**Total**
Non current					
- Other financial liabilities	**-**	**8.55**	**-**	**-**	**8.55**
- Lease Liability		**19.94**	**27.12**	**34.26**	**81.32**
Current					
- Lease Liability	**7.72**	**-**	**-**	**-**	**7.72**
- Trade payables	**-**	**-**	**-**	**-**	**-**
- Other financial liabilities	**62.85**	**-**	**-**	**-**	**62.85**
Total	**70.57**	**28.49**	**27.12**	**34.26**	**160.44**

		As at 31.03.2020			(Rs. in million)
	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
Non current					
- Other financial liabilities	-	8.88	-	-	8.88
Lease Liability		16.64	23.04	49.36	89.04
Current					
- Lease Liability	6.42	-	-	-	6.42
- Trade payables	1,412.86	-	-	-	1,412.86
- Other financial liabilities	88.91	-	-	-	88.91
Total	1,508.19	25.52	23.04	49.36	1,606.11

(iii) Market risk

Market risk is the risk that the fair value of financial instruments will fluctuate because of change in market price. Market risk comprises of three types of risks - interest risk, foreign currency, and other price risk, such as equity price risk.

The Company's activities expose it primarily to currency risk and other price risk such as equity price risk. The financial instruments affected by market risk includes other current financial liabilities.

(iii. a) Foreign currency risk

The Company has exposure to foreign currency risk on account of its payables and receivables in foreign currency which are mitigated through the guidelines under the foreign currency risk management policy approved by the Board of Directors. The Company enters into derivative financial instruments to mitigate the foreign currency risk including forward foreign exchange and options contracts for foreign currency risk mitigation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021

Foreign currency risk exposure

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting periods expressed in INR, are as follows:

(Rs. in million)

Currency	As at 31.03.2021		As at 31.03.2020	
	Receivables	Payables	Receivables	Payables
USD	**61.81**	**146.50**	26.31	161.25
EUR	**-**	**113.96**	-	115.45
JPY	**-**	**2.83**	-	2.69
GBP	**-**	**17.69**	-	44.15
	61.81	**280.98**	26.31	323.54

Sensitivity

If INR is depreciated or appreciated by 5% vis-s-a-vis foreign currency, the impact thereof on the profit and loss of the company are given below:

(Rs. in million)

Currency Exposure	Change in currency exchange rate	Effect on profit before tax	
		31.03.2021	31.03.2020
USD	+5%	**(4.23)**	(6.75)
	-5%	**4.23**	6.75
EUR	+5%	**(5.70)**	(5.77)
	-5%	**5.70**	5.77
JPY	+5%	**(0.14)**	(0.13)
	-5%	**0.14**	0.13
GBP	+5%	**(0.88)**	(2.21)
	-5%	**0.88**	2.21

(iii. b) Interest rate risk

The Company' borrowings and fixed deposits outstanding as on the year end are subject to interest rate risk. The Company's policy is to maintain a balance of fixed and floating interest rate borrowings and the proportion of fixed and floating rate debt is determined by current market interest rates. The borrowings of the Company are principally denominated in Indian Rupees. These exposures are reviewed by appropriate levels of management on a monthly basis. The Company invests in fixed deposits to achieve the Company's goal of maintaining liquidity, carrying manageable risk and achieving satisfactory returns.

30.3 Capital Management

The Company manages its capital to ensure that it will be able to continue as going concern, support business stability and growth, while maximising the return to stakeholders. The Company funds its operations majorly through internal accruals. To ride over short term working capital needs, the Company occasionally avails temporary credit facilities.

As at the year end, the cash and cash equivalents were higher than the short term debts availed by the Company. The capital structure of the Company consists of no debt. The Company is not subject to any externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

The following table provides detail of the debt and equity at the end of the reporting period :

(Rs. in million)

	As at 31.03.2021	As at 31.03.2020
Borrowings	-	-
Cash and cash equivalents	1,015.41	1,209.81
Net debt	-	-
Total equity	3,977.77	4,828.11
Net debt to equity ratio	-	-

31(a). Related Party Disclosures

I. List of related parties

	Nature of relationship	**Party Name**
A	Ultimate holding company	Melrose Industries Plc, UK
		GKN Limited UK
		GKN Holdings Ltd., UK
		GKN Enterprise Ltd., UK
		GKN Industries Ltd., UK
B	Holding company	GKN Driveline International GmbH, Germany
C	Fellow subsidiaries with whom transactions have taken place during the current year or previous year	GKN Driveline Japan Ltd, Japan GKN Do Brasil Ltd., Brasil GKN Driveline Zumaia SA, Spain GKN Driveline Vigo, Spain GKN Ayra Servicio, S.A. Spain GKN Group Service Ltd, UK GKN Driveline Birmingham Ltd, U.K GKN Automotive Ltd., U.K GKN E Powertrain Innovation Centre GKN Investments III GP Limited., UK GKN Freight Services Ltd, UK GKN Driveline Service Ltd, UK GKN Service International GmbH, Germany GKN Walterscheid Gmbh, Germany GKN Driveline Deutschland Gmbh, Germany GKN Driveline Firenze SpA, Italy GKN Driveline Brunico, SpA, Italy GKN Driveline North America, Inc., USA GKN Driveline Malaysia Sdn Bhd, Malaysia GKN Driveline Korea Ltd, South Korea GKN Driveline (Thailand) Ltd, Thailand GKN Driveline Slovenija, d.o.o, Slovenia GKN Driveline Ribemont Sarl, France GKN Driveline Sanford GKN Driveline SA, France GKN Driveline Polska Sp.zo.o, Poland GKN Sinter Metals Private Limited, India GKN Driveline Mexico (UK) Ltd., UK
D	Joint ventures of GKN Plc, UK.	Shanghai GKN Huayo Driveline System Co. Ltd China Taiway Ltd, Taiwan Transejes Transmisiones Homocineticas de Colombia

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021

	Nature of relationship	Party Name
E	Board and Key Managerial Personnel	Mr. Sanjay Katyal (Managing Director) Mr. Adam Touhig (Chairman and Non executive director up to 25th May 2020) Mr. Anthony Bell (Chairman and Non Executive director wef 23rd June 2020) "Mr. Madan Singh Sisodia Executive Director (Executive Director From May 08, 2018)" Mr. Rajeev Dogra Executive Director Mr. Matthew Richard Nozemack (Non Executive director) Mr. Jonathon Colin Fyfe Crawford (Non Executive director) Ms. Monica Widhani (Independent Director from 1st April 2020) Mr. Subramaniam Ramaswamy (Independent Director from 1st April 2020) Mr. Tushar Jain (Chief Finance Officer) Ms. Richa Porwal (Company Secretary) Ms. Gopika Pant (Independent Director upto 19th Jan 2020) Mr. KN Subramaniam (Independent Director upto 19th Jan 2020)

31(b). Transactions with related parties during the year (Rs. in million)

Particulars	**For year ended 31.03.2021**	For year ended 31.03.2020
Sale of goods		
GKN Driveline Malaysia Sdn Bhd, Malaysia	**6.34**	20.12
GKN Driveline Japan Ltd, Japan	**40.04**	59.40
GKN Driveline Korea Ltd, Korea	**0.08**	15.33
Transejes Transmisiones Homocineticas de Colombia	**0.17**	3.46
Others	**2.12**	1.47
	48.75	99.78
Sale of services	**14.11**	-
GKN Automotive Ltd, U.K	**14.11**	-
Purchase of raw materials and components		
GKN Driveline SA, France	**2.34**	7.29
GKN Driveline Zumaia S A, Spain	**3.37**	9.69
GKN Driveline North America, Inc, USA	**30.30**	13.66
GKN DO Brasil Ltd, Brasil	**3.61**	4.78
Shanghai GKN Huayo Driveline System Co. Ltd., China	**22.32**	24.03
GKN Driveline Korea Ltd, South Korea	**6.98**	11.51
GKN Driveline Deutschland Gmbh, Germany	**89.26**	22.28
Others	**9.46**	12.67
	167.64	105.91
Expenditure on Capital item		
Undrive Pty Ltd	**-**	0.10
GKN Driveline Korea Ltd, South Korea	**28.05**	-
	28.05	0.10
Expenditure on royalty		
GKN Automotive Ltd, UK	**28.52**	40.39
Strategic management charge		
GKN Automotive Ltd, UK	**24.00**	29.57

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021

(Rs. in million)

Particulars	For year ended 31.03.2021	For year ended 31.03.2020
Expenditure on trade mark fees		
GKN Investment III GP Ltd	**82.22**	115.33
Reimbursement of expenses made		
GKN Freight Service Ltd, UK	**45.33**	63.19
GKN Driveline SA, France	**-**	4.08
Others	**0.08**	0.77
	45.41	68.04
Reimbursement of expenses received		
GKN Driveline Japan Ltd, Japan	**0.38**	0.49
GKN Automotive Ltd, U.K	**2.89**	0.60
GKN Walterscheid GmbH, Germany	**-**	4.06
GKN E Powertrain Innovation Centre	**-**	0.70
Others	**0.27**	-
	3.54	5.85

31(c). **Transactions with related parties during the year (Contd.)** (Rs. in million)

Particulars	For year ended 31.03.2021	For year ended 31.03.2020
Management Consultancy and Business Auxiliary Services		
GKN Automotive Ltd, U.K	**3.80**	9.00
Remuneration paid to key management personnel**		
Mr. Sanjay Katyal	**6.82**	7.14
Mr. Madan Singh Sisodia	**8.12**	8.20
Mr. Rajeev Dogra	**5.70**	6.28
Mr. Tushar Jain	**4.26**	3.94
Ms. Richa Porwal	**2.38**	2.32
Mr. Vinod Singh	**-**	1.82
Mr. Subramaniam Ramaswamy	**1.00**	-
Ms. Monica Widhani	**1.00**	-
Ms. Gopika Pant	-	0.82
Mr. K.N. Subramaniam	-	1.00

**Does not include provisions/contributions towards gratuity, compensated absences and personal accident insurance, where such provisions/contributions are for the Company as a whole.

31(d). **Balances Outstanding at year end** (Rs. in million)

Particulars	As at 31.03.2021	As at 31.03.2020
Receivables		
GKN Driveline Malaysia Sdn. Bhd, Malaysia	**2.20**	0.98
GKN Driveline Japan Ltd, Japan	**4.88**	5.13
GKN Driveline Mexico (UK) Limited, UK	**-**	0.94
GKN Automotive Ltd, UK	**15.20**	0.62
Others	**0.40**	0.03
	22.69	7.70

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021

(Rs. in million)

Particulars	As at 31.03.2021	As at 31.03.2020
Payables		
GKN Driveline SA, France	**2.19**	6.46
GKN Freight Services Ltd, Uk	**14.20**	13.44
GKN Investment III GP Ltd	**30.38**	102.73
GKN Automotive Ltd, UK	**2.64**	34.48
GKN Driveline Deutschland Gmbh, Germany	**19.88**	8.02
GKN Driveline Mexico (UK) Limited,	**6.45**	0.85
Others	**13.90**	22.04
	89.64	188.02
Guarantee issued in favour of the Company		
GKN Holding plc, UK	**1,600.00**	1,600.00

32. Contingent liabilities:

1) Claims against the Company not acknowledged as debts

(Rs. in million)

Particulars	As at 31.03.2021	As at 31.03.2020
Demands from Income Tax Authorities	**140.95**	55.39
Demand raised by Central Excise department for Service Tax	**17.17**	16.32
Demand raised by Sales tax/VAT department for VAT	**1.04**	0.94
Total	**159.16**	72.65

Income Tax Matters

Income Tax demands mainly relates to disallowance for Trademark Royalty, provision for slow moving inventory, mark to mark loss on forward covers, unrealised foreign exchange loss, foreign exchange gain on capital account and disallowance on account of grauity contribution.

Excise Matters

Excise demands mainly relates to reversal of Cenvat credit on slow moving inventory which are not removed from the factory, and interest for delayed reversal of credit of additional duty of customs.

Service Tax Matters

Service Tax demands mainly relates to disputes regarding availment of Cenvat credit on certain expenses, distribution of CENVAT to other plants, Short payment of Service Tax and interest for delayed payment of service tax, availment of Cenvat credit for service tax to beneficiary plant where documents were in the name of other plant, and Demand of Service Tax on reimbursement of Salary of expatriates deputed in India.

Sales Tax/VAT Matters

Sales Tax demands mainly relates to non acceptance of manual C forms and F forms issued by customer and Non submission of C forms.

Footnote to Note 32

All the above matters are subject to legal proceedings in the ordinary course of business. In the opinion of the management, the legal proceedings, when ultimately concluded, will not have a material effect on the results of the operations or financial position of the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021

2) Other money for which the Company is contingently liable: (Rs. in million)

Particulars	As at 31.03.2021	As at 31.03.2020
Bank guarantee furnished to Maharashtra Pollution Control Board.	**0.50**	0.50
Bank guarantee furnished to ARS Energy Private Ltd.		1.51
	0.50	2.01

33. COVID-19 Impact:

COVID-19 has impacted the normal business operations of the Company by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lock down of production facilities etc. during the lock-down period. The results for the year are, therefore, not comparable with those for the previous years.

The Company has made detailed assessment of its liquidity position for the next year and the recoverability of carrying value of its assets comprising property, plant and equipment, intangible assets, right of use assets, investments, inventory and trade receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated as at the date of approval of these IND AS financial results.

The impact of COVID-19 remains uncertain and may be different from what we have estimated as of the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions and impact on its business.

34. Capital and other commitments: (Rs. in million)

Particulars	As at 31.03.2021	As at 31.03.2020
Capital commitments		
(a) Estimated value of contracts in capital account remaining to be executed.	**17.05**	74.73

(b) The Company has other commitments, for purchase/sales orders which are issued after considering requirements per operating cycle for purchase/sale of goods and services, employee benefits including union agreements in normal course of business. The Company does not have any long term commitments/contracts including derivative contracts for which there will be any material foreseeable losses.

35. Disclosures as per the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

(Amount in Rs.)

	Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
(a)	Dues remaining unpaid as at the end of accounting year		
	Principal	**65.56**	8.67
	Interest on above	**0.17**	0.02
(b)	Interest paid in terms of Section 16 of the Act, along with the amount of payment made to the supplier beyond the appointed day during the year	**-**	-
	Principal paid beyond the appointed date	**272.90**	14.21
	Interest paid in terms of Section 16 of the Act	**-**	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021

(Amount in Rs.)

Particulars		For the year ended 31.03.2021	For the year ended 31.03.2020
(c)	Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	**0.39**	0.17
(d)	The amount of interest accrued and remaining unpaid at the end of the accounting year	**0.39**	0.17
(e)	Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	**0.03**	0.02

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Previous year numbers are not comparable due to change in definition of micro and small enterprises during the year vide notification number S.O. 1702 (E), dated the 1st June, 2020.

36. Lease:

Effective April 1, 2019, the Company has adopted Ind AS 116 “Leases” and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method by recognizing a lease liability at the date of initial application at the present value of the remaining lease payments, discounted using the company’s incremental borrowing rate and recognizing a right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of the financial statements for the year ended 31 March, 2019.

On transition, the adoption of the new standard resulted in recognition of ‘Right of Use’ asset of Rs. 100.01 million from leases that were earlier classified as operating lease and ‘Right of Use’ asset of Rs. 26.11 million from leases that were earlier classified as prepayments aggregating to total ‘Right of Use’ asset of Rs. 126.12 million and a lease liability of Rs. 100.01 million from leases that were earlier classified as operating lease. The effect of this adoption has resulted in decreased prepayments by Rs. 26.11 million as on 1 April 2019.

The nature of expenses in respect of operating leases has changed from lease rent to depreciation and amortisation on right-of-use asset and finance cost for interest accrued on lease liability. Consequently, Finance Costs and Depreciation for the year ended 31 March, 2020, are higher by Rs. 8.96 million and Rs. 12.27 million respectively.

Ind AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021 and March 31, 2020.

(Rs. in million)

	Category of ROU Asset		
	Land leases	**Building**	**Total**
Balance as of April 1, 2019		100.01	100.01
Reclassified on account of adoption of Ind AS 116	26.11	-	26.11
Depreciation	(0.28)	(11.99)	(12.27)
IND AS 116 transition	-	-	-
Balance as of March 31, 2020	25.83	88.02	113.85
Balance as of April 1, 2020	**25.83**	**88.02**	**113.85**
Depreciation	**(0.30)**	**(11.23)**	**(11.53)**
Balance as of March 31, 2021	**25.53**	**76.79**	**102.32**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021

The following is the movement in lease liabilities during the year ended March 31, 2021 and March 31, 2020:

(Rs. in million)

Particulars	
Balance as of April 1, 2019	100.01
Reclassified on account of adoption of Ind AS 116	-
Finance cost accrued during the year	8.96
Payment of Lease liabilities	(13.51)
Balance as of March 31, 2020	95.46
Balance as of April 1, 2020	**95.46**
Finance cost accrued during the year	**7.76**
Payment of Lease liabilities	**(14.18)**
Balance as of March 31, 2021	**89.04**

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

	As at March 31, 2021 (Rs. in million)	As at March 31, 2020 (Rs. in million)
Particulars		
Less than one year	**7.72**	6.42
One to five years	**47.06**	39.68
More than five years	**34.26**	49.36
Total	**89.04**	95.46

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

37. Expenditure on Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) Committee has been formed by the Company. Company's CSR areas targets inclusive growth of all stakeholders under the categories, mentioned under Schedule VII of the Companies Act, 2013. The approved target areas are:

Rural development project

Education & vocational skills (incl. educational infrastructure

Environmental sustainability

Healthcare including sanitation and drinking water

Gender equality & women empowerment (Incl. old age homes)

A three-tier governance structure is responsible for implementing CSR activities at GKN Driveline (India) Limited. These include the CSR Committee of the Board, Central CSR Team, and Operational CSR Teams located at respective plant sites.

Gross amount required to be spent by the Company during the year is Rs. 18.19 million (Previous year Rs. 20.60 million) and the details of amount spent are as under:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021

(Rs. in million)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Amount actually spent by the Company for above mentioned activities	**19.30**	21.20

38. The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international transactions entered into with associated enterprises during the financial year and expects such records to be in existence latest by the due date of filing of the return of income, as required under law. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

39. Segment Information

The Company is primarily in the business of manufacturing and sale of driveshafts to original equipment manufacturers in the automobile industry.

a) Revenue to External Customers

(Rs. in million)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Within India	**6,151.79**	8,815.10
Outside India	**492.14**	388.30
Total	**6,643.93**	9,203.40

b) Non Current Assets

(Rs. in million)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Within India	**3,448.83**	3,679.38
Outside India	-	-
Total	**3,448.83**	3,679.38

Information about major customers:

There are two customers which individually contribute more than 10% of the total revenue in current year. The aggregate amount of revenue from such customers account for 61% of total revenue.

40. Impairment of assets

During the previous year, as a result of reduction in demand, the Company carried out a review of the recoverable amount of manufacturing plant and the related equipment. The review led to the recognition of an impairment loss of Rs. 94.14 million, which has been recognised in profit or loss (refer note 25). The Company also estimated the fair value less costs of disposal of the LST cell and the related equipment, which is based on the recent market prices of assets with similar age and obsolescence. The fair value less costs of disposal was less than the value in use and hence the recoverable amount of the relevant assets has been determined on the basis of their value in use. The LST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2021

cell and the related equipment were impaired to their recoverable amount based on value in use of Rs. 149.84 million, which was their carrying value at previous year end.

The recoverable amount was determined based on value in use methodology using significant assumptions such as period of forecast of 5 years, Long term growth rate of 2% and pre-tax discount rate of 14% based on the weighted average cost of capital comprising risk free rate on Government of India bonds and a market participant risk premium.

41. Vivad Se Vishwas Scheme under Income Tax Act

During the year the company has applied under the Direct Tax Vivad Se Vishwas Act, 2020 (the scheme) to settle tax disputed relating to Financial Year 2009-10 to Financial Year 2013-14. The Scheme provide for complete/ partial waiver of interest and/ or penalty.

The company has filed prescribed Form specified in the rules framed under the scheme and made payments of Rs. 60.24 million pursuant to certificates issued by the designated authority towards full and final settlements of the tax arrears. This has resulted in write back of provisions for Interest and penalty of Rs. 78.98 million and Rs. 99.77 million respectively which were created by the company in an earlier year (refer note 20).

42. Impairment of assets

There were no amount which were required to the transfer to the Investor Education and Protection Fund by the Company

For and on behalf of the Board of Directors of
GKN Driveline (India) Limited

Sanjay Katyal	(DIN 08354025)	Managing Director
Monica Widhani	(DIN 07674403)	Independent Director Chairman - ARMC
Subramaniam Ramaswamy	(DIN 01952258)	Independent Director
Madan Singh Sisodia	(DIN 08111748)	Executive Director
Rajeev Dogra	(DIN 05270378)	Executive Director
Tushar Jain	(Mem. No. 500602)	Chief Financial Officer
Richa Porwal	(Mem. No. F8318)	Company Secretary

Place: Faridabad
Date: August 23, 2021

GKN Driveline (India) Limited
CIN: U74999HR1985PLC034079
Regd Office: Plot No. 270, Sector 24,
Faridabad 121005 (Haryana)
Tel: +91(129) 4091100, 2232531
Fax: +91 (129) 2230580
E-mail: GDI.Stakeholder@gknautomotive.com
Website: www.gknautomotive.com

ATTENDANCE SLIP

36th ANNUAL GENERAL MEETING

DP ID/ Client ID Folio No.	
No. of Shares held	
Name of Proxy (to be filled in Block Letters, In case Proxy attends meeting in place of Member)	

I/We hereby record my / our presence at the 36th Annual General Meeting of the Company at Registered Office, Plot No. 270, Sector 24, Faridabad 121 005 (Haryana) on Wednesday, 29th September 2021 at 11 am

Member's / Proxy's Signature

Note:

1. Please complete the Folio / DP ID-Client ID No and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.
2. Electronic copy of the Annual Report and Notice of the Annual General Meeting (AGM) alongwith Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Company / Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of the Annual Report and Notice of the Annual General Meeting alongwith Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email is not registered or have requested for a hard copy.

GKN Driveline (India) Limited
CIN: U74999HR1985PLC034079
Regd Office: Plot No. 270, Sector 24,
Faridabad 121005 (Haryana)
Tel: +91(129) 4091100, 2232531
Fax: +91 (129) 2230580
E-mail: GDI.Stakeholder@gknautomotive.com
Website: www.gknautomotive.com

E-VOTING PARTICULARS

EVEN (E-Voting Event Number)	USER ID	PASSWORD

Note : Please read instructions given out at Note No. 10 of the Notice of the 36th Annual General Meeting of the Company before casting your vote through e-voting.

GKN Driveline (India) Limited

CIN : U74999HR1985PLC034079
Regd Office : Plot No. 270, Sector 24,
Faridabad 121005 (Haryana)
Tel: +91(129) 4091100, 2232531
Fax: +91 (129) 2230580
E-mail: GDI.Stakeholder@gknautomotive.com
Website : www.gknautomotive.com

PROXY FORM

Name of the Member(s):
Registered address:
E-mail Id:
Folio / DP ID – Client ID No:

I /We being the member(s) of ……………….. shares of the above named Company hereby appoint:

(1). Name:……………………………………………………… Address:……...................………………………………………………………..

E-mail Id: ………………………………………………….. Signature ……..............………..................................………… or failing him

(2). Name:…………………………………………………….... Address:………..............……………...……………………………………..

E-mail Id: ………………………………………………….. Signature ………………..………… or failing him

(3). Name:……………………………………………………… Address:………..............………………………………………………………..

E-mail Id: ………………………………………………….. Signature ………………..…………......................

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 36th Annual General Meeting of the Company to be held on **29th September 2021, Wednesday, 2021 at 11 am at its Registered Office, Plot No. 270, Sector 24, Faridabad 121 005 (Haryana), India** and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	For	Against
Ordinary Business			
1	To consider and adopt the Audited Financial Statements for the financial year ended on 31st March, 2021 including audited Balance Sheet as at March 31, 2021, Statement of Profit & Loss Account (including other comprehensive income), Cash Flow Statement and Statement of changes in Equity for the period ended on that date and the reports of the Board of Directors and Auditors thereon.		
2	To re-appoint a director in place of Mr. Madan Singh Sisodia (DIN-08111748) who retires by rotation and is eligible for re-appointment.		
3	To confirm interim dividend of INR 62 per share as final dividend for FY 2020-2021.		
4.	To appoint M/S Deloitte Haskins & Sells LLP (FRN – 117366W/W-100018) in terms of Section 139 of the Companies Act 2013, as statutory auditors of the Company from the conclusion of this Annual General Meeting and to hold office, until the conclusion of the 41st and to fix their remuneration for the financial year ending March 31 2022.		
Special Business			
5	Revisions in remuneration of Mr. Sanjay Katyal, Managing Director		
6	Revision in remuneration of Mr. Madan Singh Sisodia, Executive Director		
7	Revision in remuneration of Mr. Rajeev Dogra, Executive Director		

Signed this ……..… day of ………...................…. 2021.

Signature of Member(s) ……………….........................…

Signature of Proxy holder(s)..

Affix Revenue Stamp not less Rs. 0.15

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 36th Annual General Meeting.
3. It is optional to put a 'X' in the appropriate column against the Resolution indicated in the Box. If you leave the 'For' and 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he / she think appropriate.
4. Please complete all details including details of members(s) in above box before submission.

If undelivered please return to :

GKN Driveline (India) Limited

CIN: U74999HR1985PLC034079
Regd. Office: Plot No. 270, Sector 24,
Faridabad 121005 (Haryana), India
Tel : +91 (129) 4091100, 6621300
Fax: +91 (129) 6621349
Email: gdi.stakeholder@gknautomotive.com

Printed by; MODERN:modernsyscorp@gmail.com