GKN Driveline (India) Limited

37th Annual Report 2021-22

CONTENTS

Board of Directors

Mr. Anthony Bell	Chairman & Non-Executive Director
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	Independent Director
Mr. Subramaniam Ramaswamy	Independent Director (upto 31 March, 2022)
Ms. Bharat Dev Singh Kanwar	Independent Director (w.e.f 1 April, 2022)

Audit & Risk Management Committee

Ms. Monica Widhani	Chairman
Mr. Subramaniam Ramaswamy	Member (upto 31 March, 2022)
Mr. Madan Singh Sisodia	Member
Ms. Bharat Dev Singh Kanwar	Member (w.e.f 1 April, 2022)

Nomination & Remuneration Committee

Mr. Subramaniam Ramaswamy	Chairman (upto 31 March, 2022)
Ms. Monica Widhani	Member
Mr. Anthony Bell	Member
Mr. Rajeev Dogra	Member
Ms. Bharat Dev Singh Kanwar	Chairman (w.e.f 1 April, 2022)

Stakeholders Relationship Committee

Mr. Anthony Bell	Chairman
Mr. Sanjay Katyal	Member
Mr. Madan Singh Sisodia	Member
Ms. Richa Porwal	Member

Corporate Social Responsibility Committee

Mr. Sanjay Katyal	Chairman
Mr. Rajeev Dogra	Member
Ms. Monica Widhani	Member
Mr. Subramaniam Ramaswamy	Member (upto 31 March, 2022)
Ms. Bharat Dev Singh Kanwar	Member (w.e.f 1 April, 2022)

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), 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.

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 37th ANNUAL GENERAL MEETING

Notice is hereby given that the 37th Annual General Meeting of members of GKN Driveline (India) Limited (CIN U74999HR1985PLC034079) ("the Company") is scheduled to be held on **29th September 2022, Thursday, 2022 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, 2022 including audited Balance Sheet as at March 31, 2022, 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. Anthony Bell (DIN-08754802) 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 2021-2022.

SPECIAL BUSINESS

4. **Re-appointment and revision 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 Mr. Sanjay Katyal (DIN-08354025) who was re-appointed as Managing Director of the Company with effect from 30th January 2022 in the Board meeting held on 15th December 2021 subject to approval of shareholders, in terms of provision of Section 161 of the Companies Act, 2013 & Article 114 of Articles of Association of the Company and who holds office till conclusion of this Annual General Meeting be and is hereby appointed as Managing Director of the Company.

RESOLVED FURTHER 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, appointment of Mr. Sanjay Katyal (DIN - 08354025) as Managing Director of the Company is for a tenure of 3 years, with effect from 30th January 2022 upto 29th January 2025 on terms and conditions as given and as already agreed between the Company and Mr. Sanjay Katyal by entering into an agreement, to be signed, be and is hereby approved.

"RESOLVED FURTHER 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, 2022:

1.	Remuneration -	Basic salary Rs. 40,13,160/- per annum.
2.	Perquisites, Allowances & Retirement Benefits:	
	a. House Rent Allowance	Rs. 24,07,896/- 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. 3,34,428/- per annum.
	d. Telephone:	Rs. 64,000/- per annum
	e. Provident Fund :	Rs. 4,81,584/- per annum, being the contribution to provident fund.

f.	Superannuation:	Rs. 6,01,980/- per annum
g.	Gratuity :	As per the payment of gratuity act.
h.	White good allowance:	Rs. 56,988/- per annum .
i.	Car allowance	Rs. 15,99,204/- per annum
j.	Mediclaim	Rs. 56,140/- per annum
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 bonus amount for *INR 12,82,192/-* for performance of 2021 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."

5. 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, 2022:

1.	Remuneration	Basic salary Rs. 44,97,340/- per annum.
2.	Perquisites, Allowances & Retirement Benefits:	
a)	House Rent Allowance	Rs. 26,98,404/- 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. 3,74,784/- per annum.
d)	Telephone	Rs. 64,000/- per annum.
e)	Provident Fund	Rs. 5,39,676/- per annum, being the contribution to provident fund.
f)	Superannuation	Rs. 6,74,604/- per annum.
g)	Gratuity:	As per the payment of gratuity act.
h)	White goods allowance	Rs. 56,988/- per annum.
i)	Car allowance	Rs. 15,99,204/- per annum.
j)	Mediclaim	Rs. 56,140/- per annum.
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 bonus amount for *INR 16,13,345/-* for performance of 2021 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."

6. 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, 2022:

1.	Remuneration		Basic salary Rs. 36,17,600/- per annum
2.	Perquisites, Allowances & Retirement Benefits:		
	a)	House Rent Allowance	Rs. 21,70,560/- 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. 3,01,464/- per annum
	d)	Telephone	Rs.64,000/- per annum
	e)	Provident Fund	Rs. 4,34,112/- per annum, being the contribution to provident fund
	f)	Superannuation	Rs. 5,42,640/- per annum
	g)	Gratuity:	As per the payment of gratuity act.
	h)	White goods allowance	Rs.56,988/- per annum.
	i)	Car allowance	Rs.15,99,204/- per annum.
	j)	Mediclaim	Rs. 56,140/- per annum.
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 bonus amount for *INR 11,11,536/-* for performance of 2021 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."

7. **Appointment of Mr. Bharat Dev Singh Kanwar as Independent Director:**

To consider and if thought fit, to pass with or without modification, the following resolution as ORDINARY RESOLUTION

"RESOLVED THAT Mr. Bharat Dev Singh Kawar (DIN-00428180) who was appointed as Additional Independent Director of the Company with effect from 1st April 2022 in the Board meeting held on 30th March 2022 for a term of 2 years in terms of provision of Section 161 of the Companies Act, 2013, 149, 152 and Companies (Appointment and Qualification of Directors) Rules 2014 read with schedule IV of the Act and who holds office till conclusion of this Annual General Meeting be and is hereby appointed as Independent Director of the Company."

8. **Consolidated approval for payment of Managerial remuneration for FY 2021-22 and advance approval for Managerial remuneration for next 3 years**

"RESOLVED THAT based on the approval of Board of Directors, the provisions of the Section 197 of the Companies Act, 2013 (the "Act") read with Schedule V of the Act, and other applicable provisions, if any, of the Act and the Rules framed thereunder (including any statutory amendment(s), Modifications(s) or re-enactment(s) thereof) and the Articles of Associations of the Company, and without requiring approval of the Central Government, the approval of the Members be and is hereby accorded for the remuneration paid to Mr. Sanjay Katyal, Managing Director (DIN-08354025), Mr. Madan Singh Sisodia, Executive Director (DIN 08111748) and Mr. Rajeev Dogra, Executive Director (DIN 05270378).

RESOLVED FURTHER THAT approval of members be and is hereby granted for paying managerial remuneration to the Key Managerial Personnel as approved by the board for next three Financial years."

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

Sd/-
Richa Porwal
Company Secretary
FCS- 8318

Date: 24 August, 2022
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 37th 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 37th 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 2022 at 9 A.M. and ends on 28th September 2022 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 2022, 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 2022.

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.

How to Log-in to NSDL e-Voting website?

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.
4. 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 required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

Other Notes

- Shareholders who have not so far encashed their dividend paid by the Company upto the financial year ended March 31, 2022, 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. 4, 5,6, 7 and 8 in the accompanying Notice.

Special Business

Item No. 4

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

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

Age	:	55 years
Qualification	:	Bachelor's Degree- Mech. Engg. & Post Diploma in Production Engg.
Experience	:	33 years
Terms and conditions of appointment	:	No change in terms & conditions of appointment for FY 2021-22

Remuneration:

	Remuneration wef -01.11.2021 (INR) per annum	**Remuneration wef -01.04.2022 (INR) per annum**
Basic salary	36,80,000	40,13,160
House Rent Allowance	22,08,000	24,07,896
Medical Allowance	15,000	15,000
Leave Travel Concession	3,06,667	3,34,428
Telephone	64,000	64,000
Provident Fund	4,41,600	4,81,584
Mediclaim	44,923	56,140
Superannuation	552,000	6,01,980
Gratuity:	As per the payment of gratuity act.	As per the payment of gratuity act.
White goods allowance	56,988	56,988
Car allowance	15,99,204	15,99,204
Performance Linked Bonus/ incentive:	As may be approved by the Board of Directors from time to time.	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 2021-22	4	5	3
No of Meeting attended	4	5	3
Chairman / Member	Member	Member	Chairman

Mr. Sanjay Katyal was appointed as Managing Director of the Company w.e.f. 1st February, 2019 and re- appointed w.e.f. 30th January 2022.

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 33 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. 4 for the approval of Members.

Item No. 5

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

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

Age	:	50 years
Qualification	:	Chartered Accountant & Cost and Management Accountant
Experience	:	24 years
Terms and conditions of appointment	:	No change in terms & conditions of appointment for FY 2021-22

Remuneration:

	Remuneration wef -01.11.2021 (INR) per annum	Remuneration wef -01.04.2022 (INR) per annum
Basic salary	41,26,000	44,97,340
House Rent Allowance	24,75,600	26,98,404
Medical Allowance	15,000	15,000
Leave Travel Concession	3,43,833	3,74,784
Telephone	64,000	64,000
Provident Fund	4,95,120	5,39,676
Mediclaim	44,923	56,140
Superannuation	6,18,900	6,74,604
Gratuity:	As per the payment of gratuity act.	As per the payment of gratuity act.
White goods allowance	56,988	56,988
Car allowance	15,99,204	15,99,204
Performance Linked Bonus/ incentive:	As may be approved by the Board of Directors from time to time.	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	4	4	5
No of Meeting attended	4	4	5
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 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. 5 for the approval of members.

Item No. 6

Revision in remuneration of Mr. Rajeev Dogra as Director:

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

Age	:	55 years
Qualification	:	Bachelor’s Degree- Mech. Engg
Experience	:	32 years
Terms and conditions of appointment	:	No change in terms & conditions of appointment for FY 2021-22

Remuneration:

	Remuneration wef -01.11.2021 (INR) per annum	Remuneration wef -01.04.2022 (INR) per annum
Basic salary	3,400,000	36,17,600
House Rent Allowance	2,040,000	21,70,560
Medical Allowance	15,000	15,000
Leave Travel Concession	283,333	3,01,464
Telephone	64,000	64,000
Provident Fund	408,000	4,34,112
Mediclaim	44,923	56,140
Superannuation	510,000	5,42,640
Gratuity:	As per the payment of gratuity act.	As per the payment of gratuity act.
White goods allowance	56,988	56,988
Car allowance	15,99,204	15,99,204
Performance Linked Bonus/ incentive:	As may be approved by the Board of Directors from time to time.	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	4	3	3
No of Meeting attended	4	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. 6 for the approval of members.

Item No. 7

Appointment of Mr. Bharat Dev Singh Kanwar as Independent Director:

The details of Mr. Bharat Dev Singh Kanwar, Independent Director is given below:

Age	:	65 years
Qualification	:	B.Tech & MBA
Experience	:	40 years
Terms and conditions of appointment	:	Appointment we.f. 1st April 2022

Sitting fee: INR 75,000 per meeting subject to a maximum of INR 10 lakhs per annum.

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

Details of Board / Committee Meetings

Not applicable

Profile of Mr. Bharat Dev Singh Kanwar

He has a Bachelor's Degree in Chemical Engineering from the Punjab University in Chandigarh, India and a Master in Business Administration from the Open University Business School in the UK.

Has vast experience in managing Manufacturing companies & Technology centre. Well-connected in the India automotive industry. My professional career started in 1978 with Organo Rubbers in Northern India till 1981.

1981 -2010 different roles for Anand Automotive, which includes ; tenure at Purolator India as General Manager (largest manufacturer and exporter of filters in India), General manager Project at Arvin Exhaust UK, VP at Arvin Exhaust India, President & COO at Spicer India.

Year 2010- 2013 have held the Managing Director and Country Head position for Dana India ,a fully owned company of Dana corporation USA.

His professional tenure spanning around 40 years was successful in strategizing, turning around 6 big companies to profitability thru various operational excellence techniques and initiatives eg Lean concepts, excellence in planning, organising & execution thru employee involvement. Various initiatives accomplished leading to companies turning good to great include- Operational excellence thru TPS, TQM in office & shop floor , business Sop preparation/ implementation as per changing Indian GAAP & business requirements, achieve excellence in corporate Governance thru compliance monitoring system, internal controls & audits , effective HR management techniques, training and implementation of lean concepts. leading to operational excellence Award for three years in a row by Arvin Exhaust India. Spicer India was adjudged amongst top 100 companies in India by great place to work.

Other key achievements include- business acquisition / customer relationship management thereby continual business pipeline fill for coming 5-10 years with business win rate of 80%, merger & acquisition of companies, Strategic business planning and execution, Best HR policies /people development from within for higher positions, strategic supplier development / management there by low cost procurement, enhance supply chain management & effective programme management thereby gaining profitability in all the companies

None of the directors, Key Managerial Personnel or their relatives except Mr. Bharat Dev Singh Kanwar is concerned or interested in this resolution.

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

Item No. 8

Approval for payment of Managerial remuneration for FY 2021-22:

During the Financial Year 2021-22, the Managerial remuneration is paid to Mr. Sanjay Katyal, Managing Director, Mr. Madan Singh Sisodia, Executive Director and Rajeev Dogra, Executive Director.

The details are as follows;

No.	Name and designation of Managerial person	Amount paid during the FY 2021-2022 (INR)
1.	Mr. Sanjay Katyal, Managing Director	97,51,060
2.	Mr. Madan Singh Sisodia, Executive Director	1,10,37,046
3.	Mr. Rajeev Dogra, Executive Director	90,96,860

The Members are requested to approve remuneration paid during the Financial Year 2021-2022 in terms of section 196 and 197 of the Companies Act 2013 without requiring approval of the Central Government. This is approved by the Board and recommended to members for approval.

None of the Directors / Key Managerial Personnel of the Company / their relatives, are, in any way, concerned or interested financially or otherwise, in the said special resolution except those mentioned.

The Board recommends the Special Resolution set out in the Item No. 8 for approval of the Members.

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

Richa Porwal
Company Secretary
FCS- 8318

Date : 24 August, 2022
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, 2022, the Company made net turnover of INR 8528 Mn and profit before tax of INR 889 Mn. Whereas in the financial year ended March 31, 2021, the Company had registered net turnover of INR 6644 Mn and profit before tax of INR 710 Mn.
5.	Export performance and net foreign exchange collections	During the Financial year ended March 31, 2022, the Company posted foreign currency inflows of INR 8.31 Mn in comparison to foreign currency inflows of INR 617.55 Mn in the financial year ended March 31, 2021.
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 Driveline International GmbH, Germany since 2003 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 top-line showed a growth of 28.36 % when current year is compared with previous year mainly due to volume increase despite increase in cost of material due to steel price increase and rationalization of employee cost. However EBITDA (in percentage) is lower this year as last year there was one off 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. The profit before interest, tax and depreciation (EBITDA) is INR 1373.07 Mn (16.10%) as compared to INR 1201.02 Mn (18.08 %) in previous year.
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. 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

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 37th Board Report on the audited Accounts of the Company for the financial year ended March 31, 2022.

FINANCE

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

	Apr 1, 2021 to Mar 31, 2022	Apr 1, 2020 to Mar 31, 2021
Revenue from Operations	8528.29	6,643.93
Other Income	78.90	254.34
Profit /(loss) before Tax, Interest and Depreciation (EBITDA)	1373.07	1201.02
Profit /(loss)before Tax and Depreciation (EBTDA)	1332.50	1161.60
Profit /(loss) before Tax (PBT)	889.48	709.65
Tax	232.91	144.41
Net Profit / (Loss)	656.57	565.24
Other Comprehensive Income	04.85	(3.25)
Total Comprehensive Income/(loss) for the year	661.42	561.99

Financial performance

The Company's top-line showed a growth of 28.36 % when current year is compared with previous year mainly due to higher market demand on account of improvement in economic conditions due to lockdown removal. The profit before interest, tax and depreciation (EBITDA) is INR 1373.07 Mn (16.10%) as compared to INR 1201.02 Mn (18.08 %) in previous year. EBITDA (in absolute number) is better than previous year due to volume increase, despite increase in cost of material due to steel price increase and rationalization of employee cost. However EBITDA (in percentage) is lower this year as last year there was one off 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.

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, 2022 and of the profit of the company for that year.

STATE OF THE COMPANY'S AFFAIRS AND OPERATIONS

The focus in 2021-22 continued to be on maintenance of harmonious industrial relations, people safety in view of COVID 19 and flexing business operations as per market changing conditions.

Faridabad & Dharuhera - The wage settlement for North workers union completed successfully in cordial conditions for the period (2021 – 2024). Dharuhera plant was Awarded 1st runner up trophy in CII 34th quality circle for quality improvement practices. Dharuhera Plant also won Quality Olympics bronze award in recognition of quality excellence from GKN Automotive. All necessary precautions relating to hygiene, sanitization, social distancing, care and protection to the employees would continue to be followed till conditions improve. As part of new requirement from Govt, NOC from Haryana Water Resources Authority received for the ground water usage for the plant at Dharuhera. Won new business from MSIL for Ertiga and new SUV-Vitara for which SOP is from March 2023.This would improve the utilization of capacities to before covid period for North plants.

Pune and Kadi - EHSMS Audit - ISO 14001 & transition for ISO 45001 –Successfully completed in Q2 2021. Employee health condition monitoring being done through daily survey. All precautionary measures in place to combat Covid19. Pune received "Best Supplier Award" from Fiat Chrysler Automobiles for "Zero PPM & Zero Warranty in 2021" in Q1 2022 and VW

A' Grade supplier certificate in Q3 2021. TATA Altroz PPAP Audit & PCPA system Audit completed successfully.

Oragadam - Won Platinum Awards in Quality circle Kaizen competitions in Q2 2021. Retained Ford Q1 Gold status and Renault Nissan Level 1 Supplier. Received Hyundai Korea "Good performance" status on Customer satisfaction survey. Covid-19 precaution maintained in plant as per local Government, rules and In order to contribute to society during COVID pandemic ORA plants donated PPE like face mask, hand sanitizers, PPE kits to the local administration.

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 30th March 2022, declared an interim dividend of INR 62 per equity share (620%) of face value of INR 10 each for the year 2021-22. Same shall be considered as final dividend for FY 2021-22.

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 31.03.2022**	**As at 31.03.2021**
Capital commitments		
(a) Estimated value of contracts in capital account remaining to be executed.	88.45	17.05

FOREIGN CURRENCY OUTFLOW IN 2021-22

Foreign Currency	**FC Value in Mn**	**INR in Mn**
USD	7.64	566.82
EUR	4.53	404.26
GBP	1.03	104.15
JPY	27.44	18.45

FOREIGN CURRENCY INFLOW IN 2021-22

Foreign Currency	**Amount (In Mn)**	**INR (Mn)**
USD	8.31	617.55

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

During the year 2021-22, Company initiated various steps for conserving electricity.

FAR

- *Replacement of Energy efficient Motor of Shop Floor FDV's with old induction motor.*
- *Installation of Inverter type 5 Star rating energy efficient air conditioners.*
- *Solar power plant of 200KWp generated 0.204 Mn KWH power in 2021 .*
- *Compressed air leakages controlled in the plant and saved 0.19 Mn KWH in 2021*

- *Auto timer system installed in M/cs / air conditioners / lights etc.*
- *Investment – INR 2.5 Mn*

DHA

- *Air compressor running hours reducing by providing shutoff valve, leakage arresting on the machines from Pu pipes, Pneumatic actuators & replacing solenoid valves with manifolds in Assy lines results in saving of INR 6.4 Lakhs*
- *Cooling tower pump stops and fan controlling with temperature control, results in saving of INR 6 Lakhs.*
- *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 66495 KWH power in 2021-2022.*
- *Washing machine controlled with part present sensor.*
- *Air conditioners were operating with fix temperature of 25 degree and switch off in lunch breaks.*
- *Investment- INR 0.22 MN*

PUN

- *Plate type heat exchanger (PHE) to cool neat cutting / coolant.- Saved 0.252 Mn units.*
- *Roof top solar (OPEX Model) without any investment – Saved 0.688 Mn units.*
- *Introduction of VSD base air compressor – Saved 0.175 Mn units.*
- *Use of auto shut off valve for Assembly machines- Saved 0.009 Mn units*
- *Cycle time improvement on FOR 1 &2 EFD Machines- Saved 0.022 Mn units.*
- *Investment – INR 4.8 Mn*

KAD

- *Energy savings by activating timer for streetlights – 3 Kwh / Day*
- *Energy savings by activating timer for Canteen lights – 5 Kwh / Day*
- *Air conditioners switch off setup during Lunch time – 11 Kwh/Day*
- *Energy savings by activating timer for HVAC during lunch time – 6 Kwh/day*
- *Investment – INR 0.3 Mn*

ORA

- *Energy consumption reduced by Installing Optimized 350cfm Compressor to be used in place of 530cfm Compressor – Savings Realized 2755KWh/Day*
- *LST Torsion tester Loading conveyor removed Energy saving purposes – 4 Kwh/Day*
- *Instead of 1000KVA DG,62.5KVA DG Using While Power cut, Reducing Fossil fuel of 519L/Year*
- *Instead of 540 cfm, 40 cfm Compressor using for Sunday PF PM activity – 14 Kwh/Day*
- *Pressure Setting Changed from 7.5Bar to 7.0Bar in PF Plant along with arresting Airleaks – 34Kwh/Day*
- *Agitator Motor Running time monitoring along with Timer -32Kwh/Day*
- *Lux Level Sensor Implemented – 12Kwh/Day*
- *Air conditioners and Office Lighting timer setup by Lunch time – 7 Kwh/Day*

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 2021-22:

The passenger vehicle sales grew 13.2% to 30,69,499 units in FY 2021-22 compared to 27,11,457 units in FY 2020-21 sale. Sales of passenger cars stood at 14,67,056 units, utility vehicles at 14,89,178.

The UV segment crossed 1.4 million sales for the first time, and it is the only segment registering 40% growth contributed by new launches and strengthening of new players in auto manufacturing.

The exports showed an increasing trend mainly due to opening of international market after covid restrictions.

FY 20-21 Vs FY 21-22: Apr – Mar						
	Production		Domestic Sales		Exports	
	FY 2020-21	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21	FY 2021-22
Passenger Cars	1,772,972	1,844,985	1,541,866	1,467,056	264,907	374,986
Utility Vehicles	1,182,144	1,691,081	1,060,750	1,489,178	137,842	201,036
Vans	107,164	114,632	108,841	113,265	1,648	1,853
Passenger Vehicles	**3,062,280**	**3,650,698**	**2,711,457**	**3,069,499**	**404,397**	**577,875**

Growth FY 2021-22 Vs FY 2020-21		
Production	Sales (Dom)	Exports
4.1%	-4.9%	41.6%
43.1%	40.4%	45.8%
7.0%	4.1%	12.4%
19.2%	13.2%	42.9%

The Jan-March 2022 Quarter sales were -6% below last year.

	Production (Apr-Mar)		Domestic Sales (Apr-Mar)		Exports (Apr-Mar)	
	2021	2022	2021	2022	2021	2022
Passenger Cars	545,298	497,436	465,357	398,296	74,130	99,194
Utility Vehicles	389,495	423,742	348,194	369,116	37,947	53,919
Vans	36,145	29,776	35,322	29,360	638	157
Passenger Vehicles	**970,938**	**950,954**	**848,873**	**796,772**	**112,715**	**153,270**

Growth 2021 to 2022 (Jan-Mar)		
Production	Sales (Dom)	Exports
-8.8%	-14.4%	33.8%
8.8%	6.0%	42.1%
-17.6%	-16.9%	-75.4%
-2.1%	-6.1%	36.0%

HUMAN RESOURCES

Human Resource Development 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 Policy of Director Remuneration and Related Party Transaction section.

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 2021-2022. 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, walk ways and stair case, building renovation work in government Primary school (RO plant was installed at a village in Meerpur near Dharuhera plant. 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 2021-22 was INR 13.90 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 to any corporate as defined in Section 186 of the Companies Act, 2013. The company purchased shares of ARS Energy P Limited for INR 6 lacs to meet the condition of Private Power Purchase Agreement.

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, 2022, 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, 2022 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 2021 – March 2022, we achieved zero loss time accident at Oragadam, Pune and Kadi plant but few minor injuries were reported by North plants.

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-quo-nun 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. However there was one reported case of alleged bribery by GKN employee based in India. A formal forensic investigation was conducted by GKN group legal and Ernst and Young team and the suspected employee was dismissed from services on 15th July 2022.

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 2021-22. 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 2021-22:

During the Financial Year 2021-22, 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 2021-2022 (INR)
1	Mr. Sanjay Katyal, Managing Director	97,51,060
2	Mr. Madan Singh Sisodia, Executive Director	1,10,37,046
3	Mr. Rajeev Dogra, Executive Director	90,96,860

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, 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 as on March 31, 2022. Mr. Subramaniam Ramaswamy was Independent director till 31 March 2022 and Mr. Bharat Dev Singh Kanwar was appointed as Independent director w.e.f. 1st April 2022.

(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, four board meetings were held on 23rd June 2021, 23rd August 2021, 15th December 2021 and 30th March 2022. 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 four times i.e., on 23rd June 2021, 23rd August 2021, 15th December 2021 and 30th March 2022. The number of meetings attended by each director is attached to this report as **Annexure F.**

Nomination & Remuneration Committee

The Committee comprises of Mr. Subramaniam Ramaswamy (Chairperson) Ms. Monica Widhani, Mr. Anthony Bell and Mr. Rajeev Dogra 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 23rd June 2021, 15th December 2021 and 30th March 2022. 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 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 five times on 23rd June 2021, 23rd August 2021, 15th December 2021, 20th January 2022 and 30th March 2022 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) and Ms. Monica Widhani– Independent Director (member). 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 2022-2023 was finalized and the projected amount of spent is INR 17.60 Mn approx. The contents of the policy are attached as **Annexure C.**

During the year, the Committee met three times on 23rd June 2021, 15th December 2021 and 30th March 2022. 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 26 February 2022 for FY 2021-2022 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 2021-2022

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

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.

APPLICATIONS PENDING UNDER INSOLVENCY AND BANKRUPTCY CODE

Not Applicable

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, 2022**		**As at March 31, 2021**	
	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 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

	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: 24 August, 2022	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 on 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.
   - Radmin software installed in laptops also to monitor the actual testing.
   - Test rigs programming sharing server configured to test rigs to avoid multiple license purchases.
   - SD solution software installed in Test engineer PC for, real-time post-processing, and M Graph analysis.
   - Physical Test and Analysis site released to monitor GDI KPI & performance.
   - GDI rigs test plan replaced by Product Test planning Portal.
   - Self-calibration of test rigs & virtual access to Global rig centre for remote maintenance.
   - NVH model analysis training completed to GDI test engineers.
   - IRD boot test completion for GI3-11(s)
   - Successful validation in GI3-11(s) IRD based design without spring, retainer sheet, reduced grease volume 26 gms.
   - Elimination abutment ring in LST bearing assembly

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.
   - Additional cost saving option for 3W market with IRD based design.

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.
   - Upgrade version of MGraph projects for the Endurance and Fatigue Damage calculation.
   - Planning to add Analysis activity software to check our product performance.
   - Design capabilities has expended to handle CAD activities for Japan & GDI site, added CATIA and NX CAD software For fulfil customer requirements.
   - GI4 & SX6 promotion.
   - Develop low cost rear joint.
   - Bi-Pod design option for 3W market

4. Expenditure on R&D

(a) Capital
(b) Recurring
(c) Total
(d) R & D expenditure as a percentage of total turnover

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 2.1 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**	-
b)	**Year of Import**	-
c)	**Has technology been fully absorbed?**	-
d)	**If not fully absorbed, areas where this has not taken place, reasons there for and future plans of action.**	-

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: 24 August, 2022	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**	**Relationship with any director or manager of the company and if so, name of such director or manager**
Madan Singh Sisodia	Executive Director	11037046	Employment	Chartered Accountant & Cost and Management Accountant - 22 years	12 April 2007	50	Dy. General Manager, General Motors India Pvt. Ltd.	Nil	N.A.
Sanjay Katyal*	Managing Director	9751060	Employment	Bachelor's Degree- Mech. Engg. & Post Diploma in Production Engg. - 31 years	12 August 1992	55	Quality Engineer - Eicher Tractors Ltd.	Negligible	N.A.
Manish Gupta	Director Sales & Marketing	9514809	Employment	Bachelor's Degree- Mech. Engg. & PG Diploma -International Trade & Management & Master in Business Administration - 20 Years	07 February 2014	52	Vice President - Corporate Plannaing, Business Development & Stategy - Krishna Group	Nil	N.A.
Rajeev Dogra	Executive Director	9096860	Employment	Bachelor's Degree- Mech. Engg. - 30 years	24 August 1990	55	GET- The Printer House, Ballabhgarh	Negligible	N.A.
Lunna Bose	HR Director- Asia Pacific	8269319	Employment	"Master's degree in Human Resources Management from Calcutta University"	23 September 2019	45	AVP HR, Varroc Engineering Limited	Nil	N.A.
Sanjeev Mehrotra	Plant Director- Oragadam Plant	7488376	Employment / Contractual	Bachelor's Degree- Mech. Engg. & Master in Business Administration - 33 years	02 September 2013	59	Chief Operating Officer, Magneti Marelli Talbros Chassis Systems Pvt. Ltd.	Negligible	N.A.
Dev Raj Sharma	Deputy General Manager	7106641	Employment	B. Tech Mechanical, PG Diploma in Material Management	14 March 1995	51	Quality Engineer at New Allenberry Gears Pvt Ltd	Negligible	N.A.
K.P. Madhusudhan	Deputy General Manager - Sales	6422314	Employment	Bachelor's Degree- Mech. Engg. & PG Diploma in Financial Management - 24 years	20 September 2013	47	"DGM - Marketing - Rane NSK Steering Ltd. "	Nil	N.A.
Manish Gupta	Deputy General Manager - Programme Management	6330418	Employment	B.Tech - 23 Years	19 January 2015	47	General Manager - R&D - Magneti Marelli India Ltd.	Nil	N.A.
Tushar Jain	Deputy General Manager - Finance	6089877	Employment	Chartered Accountan - 20 years	28 August 2009	47	Sr Manager Finance - Donaldson India Filter Systems (P) Ltd.	Negligible	N.A.

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

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: 24 August, 2022
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
- Disaster management
- 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 and Ms. Monica Widhani, Independent Director.

3. Average net profit of the Company for the last three financial years is INR 718 Mn

4. Prescribed CSR Expenditure (Two percent of the average net profit) - The total spent required on CSR activities was INR 14.37 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 14.37 Mn as against actual spent of INR 13.90 Mn. The shortfall of INR 0.47 Mn was set off against excess CSR spent in FY 2020-21 to the tune of INR 1 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**
Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Infrastructure Support to Old Age Home at Eriyur Vilage - New Life Trust, Eriyur	**Project 2 :** Bore well (850 - 900 feet Pipe + connections Motor +EB connection	80	0.25	ORA	New Life Trust	0.56
	Supporting the Home for Aged Destitute and Children - “Little Drop” at Somangalam.	**Project 3 :** **A – One time materials** 1) Fabricating of cots - 10 - 15 Nos 2) Rexin Pillows – 400 Nos, 3) Walker with out wheels (basic model) 6 Nos, 4) Wheel Chair (basic model) – 6 Nos, 5) Trolley for food movement – 2 Nos, 6) Trolley for Cloth washing movement – 2 Nos, 7) Food pick-up vessels – List 8) Vessels to be used at Home – List 9) Deep Freezer 10) Other items as per requirment **B – Consumables** 1) Dettol /phenoyl 2) detergents, bathing soaps, head ach balm, etc 3) Monthly provisions – as per the list for one month	380	0.922	ORA	Little Drop - Home	0.57
	Supporting the Home for Aged Destitute and Children - “Little Drop”	**Project 4 :** White washing the Two Main buildings at destitute home	380	0.6	ORA	Little Drop - Home	0.95
	Water Purification thru RO Plant , Mirpur	To Install RO Plant with civil work in nearby village	6000	1.6	DHA		1.9
	alamangalam Panchayat Union Middle School Kundarathur Union , Paddapai	**Project 1 :** Class Room white washing, Door fixing and roof tiles fixing - Completion work	154	1.208	ORA		1.207
	Basic infrastructure at ZP School & Aanganwadi, Power House, Lonikand	**1. Civil Work - Floor repairs work to prevent fromsnakes, staircase, parapet, classroom and related infra** **2. Distribution of Uniform, Books, Bags and Shoes**	**120 Childrens**	**1.82**	**PUN**		**1.27**

	Solar Light	To install solar light in nearby villages	8000	2	DHA		2.5
	Solar energy generation	To install solar panels at local schools and anganbaris	200	1	FAR		1.24
Disaster management, including relief, rehabilitation and reconstruction activities.	COVID19 - Warriors -PPE contribution to District adminstration of Health Dept District Health Centre (DHC), Sriperumbudur	**Project 6 :** **A – COVID 19 One time materials** 1) COVID 19 - support to Dist Health Dept with PPE (used while vaccine camp) - 3 Ply Mask , 95 Mask , Gloves, Safety Goggles & Sanitizers **B) Infra structure Development** 1) Tables & Chairs 2) Dispensary Bed & Mattresses, Blanket 3) Storage racks 4) First Aid Materials	Local Community	0.38	ORA		0.25
	COVID19 - Warriors - Deputy Commissioner of Labour, (DCL) Sriperumbudur and district health centre	**Project 7 :** **COVID 19 One time materials** 1) COVID 19 - support to Depty Commissioner Dept with PPE (used while lock down / vaccine camp) - 3 Ply Mask , 95 Mask, Gloves, Safety Googgle & Sanitizers 4) First Aid Box	Local Community	0.28	ORA		0.15
	COVID19 - Warriors - Police station Oragadam	**Project 8 :** COVID 19 One time materials 1) COVID 19 - support to Police station of Oragadam Dept with PPE (used while lock down / vaccine camp) - 3 Ply Mask , 95 Mask, Gloves, Safety Googgle & Sanitizers 4) First Aid Box	Local Community	0.155	ORA		0.16
	COVID19 - Warriors - PPE contribution to District adminstration -DC Faidabad	**COVID 19 One time materials** 1) COVID 19 - Support to DC with PPE - N-95 Mask , Face Shield ,PPE Kit & Pulse Oxymeter	Local Community	0.25	FAR		
	COVID19 - Warriors - PPE contribution to District adminstration of Health Dept- CMO Faridabad	**COVID 19 One time materials** 1) COVID 19 - support to Dist Health Dept -CMO with PPE - Oxygen Concentrator & PPE Kit	Local Community	0.39	FAR		0.61
	COVID19 - Warriors - PPE contribution to Local Panchayat in Faridabad	**COVID 19 One time materials** 1) COVID 19 - support to Local Panchayat with PPE - Sanitizer & Surgical Mask	Local Community	0.26	FAR		

Promoting health care including preventinve health care and sanitation	**COVID19 - Warriors -** PPE contribution to District adminstration -DC Rewai	**COVID 19 One time materials** 1) COVID 19 - Support to DC with PPE - N-95 Mask , Face Shield ,PPE Kit & Pulse Oxymeter	Local Community	0.24	DHA		0.6
	COVID19 - Warriors- PPE contribution to District adminstration of Health Dept- CMO Rewarii	**COVID 19 One time materials** 1) COVID 19 - support to Dist Health Dept -CMO with PPE - Oxygen Concentrator & PPE Kit	Local Community	0.39	DHA		
	COVID19 - Warriors - PPE contribution to Local Panchayat in Rewari	**COVID 19 One time materials** 1) COVID 19 - support to Local Panchayat with PPE - Sanitizer & Surgical Mask	Local Community	0.37	DHA		
	Support in improving healthcare facility/ Medical infrastucture in nearly villages and local community	support through medical equipments to District Health Care Department and improve medical facility and medical infrastructure which will help local community to improve health standard in Pandamic and sustain it after pandamic.	Local Community	1.93	PUN		1.93
Total Budget for 2021-2022				14.05			13.90

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

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: 24 August, 2022
Place: Faridabad

"Annexure D"

SECRETARIAL AUDIT REPORT

For the financial year ended on 31st March, 2022

[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, 2022 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, 2022, 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;-

As per the provisions of Section 179(3) of the Companies Act, 2013, the Board has passed resolution approving overdraft of INR 0.10 Mn against fixed deposit from HDFC bank. MGT-14 has not been filed in regard to resolution passed.

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 observations;-

1. *Company has employed Contractor at Factories located in Kadi, Dharuhera. Application for amendment in Registration Certificates in regard to engagement of contractors has not been made till 31.03.2022.*
2. *M/s Goms Electrical Private Limited, M/s Blue Star Limited and M/s D.A Stuart India Private Limited ceased to be Contractor at Factory located in Oragodam. However, application for amendment in Registration Certificate was not made by the Company till 31.03.2022.*
3. *The company has not served the notice of period of work for adult workers to the inspector as per provisions of the Section 61(9) of the Factories Act, 1948 at factory located in Kadi till 31.03.2022.*
4. *As per provision of the Section 7A (e) of the Factories Act, 1948, the record in Form No. 37 in respect of monitoring of working environment has not been maintained at factory located in Kadi till 31.03.2022.*
5. *The employer shall display an abstract of the various Acts applicable on the company and the rules made thereunder in English and in the language understood by the majority of the employees at a conspicuous place at or near the main entrance of the establishment. However, abstracts of the various Acts has not been displayed by the Company w.r.t. factory Located in Pune.*
6. *The company is required to conduct health examination of the workers half-yearly as per Rule 62-N of the Tamil Nadu factories Rules, 1950. However, the health examination of the workers has not been conducted by the company till 31.03.2022 w.r.t. factory Located in Oragodam.*
7. *The Company required to summit report of the accident in form 18 to the concerned authorizes as per Section 88 of the Factories Act, 1948. However, the report of accident was not submitted to the concerned authority w.r.t. factory Located in Faridabad.*

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: F005922D000808020

PLACE: NEW DELHI
DATE: 17/08/2022

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.

OR RANJEET PANDEY & ASSOCIATES
COMPANY SECRETARIES

CS RANJEET PANDEY
FCS-5922, CP No.-6087
UDIN: F005922D000808020

PLACE: NEW DELHI
DATE: 17/08/2022

“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: 24 August, 2022	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			**4**	**3**	**5**	**4**	**3**
Name of Director/KMP	**DIN/PAN**	**Category**	**Board**	**NRC**	**SRC**	**ARMC**	**CSR**
Sanjay Katyal	08354025	Managing Director	4	NA	5	NA	3
Madan Singh Sisodia	08111748	Executive Director	4	NA	5	4	NA
Rajeev Dogra	05270378	Executive Director	4	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	01952258	Independent Director	4	3	NA	4	3
Monica Widhani	07674403	Independent Director	4	3	NA	4	3
Anthony Bell	08754802	Chairman	4	3	5	4	3
Tushar Jain	ADJPJ4792J	Chief Financial Officer	4	3	5	4	3
Richa Porwal	ASAPP5814F	Company Secretary	4	3	5	4	3

*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: 24 August, 2022
Place: Faridabad

INDEPENDENT AUDITORS' REPORT

To the Members of GKN Driveline (India) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of GKN Driveline (India) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, 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 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 March 31, 2022, 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 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 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 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 financial statements.

Information Other than the 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 but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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, based on our report we report that:
    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 books of account.
    d) In our opinion, the aforesaid 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 March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 financial statements. Refer note 32 of the 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 30.2 (iii.a) and note 34 of the 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 43 of the financial statements.

   iv. (a) The Management has represented that, to the best of it’s knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer note 42 (iv) to the financial statements

   (b) The Management has represented, that, to the best of it’s knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer note 42(v) to the financial statements.

   (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

   v. The final dividend declared and paid by the Company during the year is in accordance with section 123 of the Act. Further, the interim dividend declared by the Company during the year and paid before the date of this report is in accordance with section 123 of the Act.

2. As required by the Companies (Auditor’s Report) Order, 2020 (“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: 22104337APTSKB2732)

Place: Mumbai
Date: August 24, 2022

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 March 31, 2022 in conjunction with our audit of the 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 March 31, 2022, 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: 22104337APTSKB2732)

Place: Mumbai
Date: August 24, 2022

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)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in-progress and relevant details of right-of-use assets.

The Company has maintained proper records showing full particulars of intangible assets.

(b) The Property, Plant and Equipment, capital work-in-progress and right-of-use as-sets were physically verified during the year by the Management which, in our opinion, provides for physical verification at reasonable intervals. No material discrepancies were noticed on such verification.

(c) Based on our examination of the registered sale deed /conveyance deed provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right of use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories except for goods-in-transit and stocks held with third parties, were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year end, written confirmations have been obtained and in respect of goods-in-transit, the goods have been received subsequent to the year end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories/ alternate procedures performed as applicable, when compared with books of account.

(b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions on the basis of security of current assets, and hence, reporting under Clause 3(ii)(b) of the Order is not applicable.

(iii) The Company has not granted any advances in the nature of loans or stood guarantee, or provided security to any other entity during the year. The Company has made investment in, and granted unsecured loans during the year, in respect of which:

(a) The Company has provided loans during the year and details of which are given below:

Particulars	Loans (Rs. In Million)
A. Aggregate amount granted during the year: Employees	1.95
B. Balance outstanding as at balance sheet date in respect of above case: Employees	3.34

(b) The investments made and the terms and conditions of the grant of all the above mentioned loans granted during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans granted, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no over due amount remaining outstanding as at the balance sheet date.

(e) No loans granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

(iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made, as applicable. The Company has not provided any guarantees and securities during the year.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

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

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income tax, duty of Custom, cess and other material statutory dues applicable to the Company have been generally regularly deposited by it with the appropriate authorities in all cases during the year. Sales Tax, Value added Tax, Service Tax and duty of excise are not applicable to the Company during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Name of the Statute	Nature of Dues	Gross Amount (Rs. In Million) #	Amount paid under protest (Rs. In Million)	Period to which the Amount Relates	Forum where the dispute is pending
The Income Tax Act, 1961	Income Tax	21.57	-	AY 2017-18	Income Tax Appellate Tribunal (ITAT)
The Central Excise Act, 1944	Excise Duty	19.14	-	Jan 2006 to Dec 2009	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)
The Haryana Value Added Tax (HVAT) Act, 2003	Haryana VAT	2.20	-	FY 2017-18	Excise & Taxation officercum- As-sessing Authority, Faridabad
Maharashtra Value Added Tax (MVAT) Act, 2002	Maharashtra VAT	0.60	-	FY 2017-18	Deputy Commissioner of Sales, Pune
Tamilnadu Value Added Tax (VAT) Act, 2006	Tamilnadu VAT	6.72	-	FY 2011-12 to FY 2015-16	High Court
The Finance Act, 1994	Service Tax	20.41	0.42	April 2005 to March 2007, Oct 2010 to July 2011 and FY 2014-15 to 2016-17	Customs, Excise & Service Tax Appellate Tribunal (CESTAT)
		26.91	0.82	FY 2010-11 to Nov 2015	Customs, Excise & Service Tax Appellate Tribunal (CESTAT) and Assistant Commissioner (ST)
		15.46	-	Dec 2008 to Dec 2009, Jan 2010 to Nov 2010, August 2011 to July 2012, FY 2011-12 & 2015-16 and Feb 2011	Assistant Commissioner (ST)
		3.23	0.11	Dec 2008 to Dec 2009, Feb 2010 to Nov 2010, April 11 to Oct 2011, Nov-14 to August 15 and April 15 to June 2017	Commissioner Appeal
		2.42	-	Jan 2005 to March 2008	Joint Commissioner of Central Excise
Central Goods and Service Tax Act, 2017	CGST	0.32	-	April 2017 to March 2018	Additional/Deputy Commissioner of State Tax (Appeals)
Gujarat Goods and Service Tax Act, 2017	GGST	0.32			Additional/Deputy Commissioner of State Tax (Appeals)

#amounts disclosed above are as per show cause notices/demand orders including consequential interest as determined by the management till balance sheet date. (Also refer note 13(a), 13(c) and 41 to the financial statements for the year ended March 31, 2022).

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(e) of the Order is not applicable.

(f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) We have taken under consideration the whistle blower complaints received by the Company during the year and provided to us, when performing our audit.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto December 2021 and draft of the Internal audit reports where issued after the balance sheet date covering the period January 2022 to March 2022 for the period under audit.

(xv) In our opinion, 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 to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of the realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and the Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all the liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act, 2013 or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

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

Sd/-
Pramod B. Shukla
(Partner)
(Membership No. 104337)
(UDIN: 22104337APTSKB2732)

Place: Mumbai
Date: August 24, 2022

BALANCE SHEET AS AT 31 March, 2022

(Rs. in million)

Particulars	Note No.	As at 31.03.2022	As at 31.03.2021
A. ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	3	**2,829.78**	3,087.85
(b) Capital work-in-progress	3	**23.88**	122.47
(c) Intangible assets	3	**2.21**	75.97
(d) Right-of-use assets	3	**90.78**	102.32
(e) Financial assets			
(i) Investments	4	**0.61**	*
(ii) Loans	7	**1.94**	2.60
(iii) Other financial assets	6	**44.82**	50.67
(f) Deferred tax assets (net)	27	**9.56**	-
(g) Non-current tax assets	8	**11.59**	11.59
(h) Other non-current assets	8A	**32.07**	48.63
Total non-current assets	**(A)**	**3,047.24**	3,502.10
2. Current assets			
(a) Inventories	5	**874.57**	948.64
(b) Financial assets			
(i) Trade receivables	9	**1,004.44**	901.68
(ii) Cash and cash equivalents	10	**1,519.76**	1,014.67
(iii) Bank Balances other than (ii) above	10A	**0.87**	0.74
(iv) Loans	7	**1.17**	1.71
(v) Other financial assets	6	**8.55**	4.14
(c) Other current assets	8	**60.42**	46.64
Total current assets	**(B)**	**3,469.78**	2,918.22
Total assets	**(A+B)**	**6,517.02**	6,420.32
B. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11	**127.73**	127.73
(b) Other equity	12	**2,927.60**	3,850.04
Total equity	**(C)**	**3,055.33**	3,977.77
Liabilities			
1. Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	14	**72.16**	81.32
(ii) Other financial liabilities	16	**9.49**	8.55
(b) Provisions	13	**138.13**	134.72
(c) Deferred tax liabilities (net)	27	**-**	22.58
(d) Other non-current liabilities	18	**-**	2.27
Total non-current liabilities	**(D)**	**219.78**	249.44
2. Current liabilities			
(a) Financial liabilities			
(i) Lease liability	14	**9.16**	7.72
(il) Trade payables			
- total outstanding dues of small enterprises and micro enterprises	15	**85.83**	65.95
- total outstanding dues of creditors other than small enterprises and micro enterprises	15	**1,738.23**	1,474.54
(ii) Other financial liabilities	16	**759.71**	62.85
(b) Other current liabilities	18	**215.04**	131.77
(c) Provisions	13	**422.43**	427.09
(d) Current tax liabilities (net)	17	**11.50**	23.19
Total current liabilities	**(E)**	**3,241.91**	2,193.11
Total liabilities	**(D+E)**	**3,461.69**	2,442.55
Total equity and liabilities	**(C+D+E)**	**6,517.02**	6,420.32

See accompanying notes to the financial statements 1 to 44

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

Pramod B. Shukla
Partner

Place: Mumbai
Date: August 24, 2022

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
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 24, 2022

Statement of Profit and Loss for the year ended 31 March, 2022

(Rs. in million)

Particulars		Note No.	Year ended 31.03.2022	Year ended 31.03.2021
1.	**Income**			
	(a) Revenue from operations	19	**8,528.29**	6,643.93
	(b) Other income	20	**78.90**	254.34
2.	**Total income**		**8,607.19**	6,898.27
3.	**Expenses**			
	(a) Cost of materials consumed	21	**4,583.55**	3,460.46
	(b) Changes in inventories of finished goods and work-in-progress and stock-in-trade	22	**(41.38)**	(0.31)
	(c) Employee benefits expense	23	**1,175.30**	1,096.10
	(d) Finance costs	24	**40.56**	39.42
	(e) Depreciation and amortisation expense (net)	3	**443.02**	451.95
	(f) Other expenses	25	**1,516.67**	1,141.00
4.	**Total expenses**		**7,717.72**	6,188.62
5.	**Profit before tax (2-4)**		**889.48**	709.65
6.	**Tax expense**			
	(a) Current tax	26(a)	**266.08**	150.76
	(b) Current tax - related to prior years	26(a)	**0.60**	3.33
	(c) Deferred tax	26(b)	**(33.77)**	(9.68)
7.	**Total tax expense**		**232.91**	144.41
8.	**Profit for the period from continuing operation (5-7)**		**656.57**	565.24
9.	**Other comprehensive (loss)/income**			
	(i) Items that will not be reclassified to profit or loss:			
	(a) Remeasurement of defined benefit obligations		**6.48**	(4.34)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		**(1.63)**	1.09
10.	**Total comprehensive income for the period (8+9)**		**661.42**	561.99
11.	**Earnings per equity share (EPS)** (Face value of Rs. 10 in absolute amount per share)			
	Basic (in Rs.)	29	**51.40**	44.25
	Diluted (in Rs.)	29	**51.40**	44.25

See accompanying notes to the financial statements 1 to 44

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

Pramod B. Shukla
Partner

Place: Mumbai
Date: August 24, 2022

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
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 24, 2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2022

(Rs. in million)

Particulars		Year ended 31.03.2022	Year ended 31.03.2021
A. Cash flow from operating activities			
Profit before tax		**889.48**	709.66
Adjustments for :			
Depreciation and amortisation expense		**443.02**	451.95
Finance costs		**40.56**	39.42
Unrealised loss/(gain) on foreign currency transactions and translation		**(8.46)**	(0.38)
Interest income		**(18.29)**	(30.12)
Unclaimed deposits written back		**(0.55)**	-
Net (Gain)/Loss on sale/disposal of Property, plant, equipment and intangible assets		**1.64**	(0.86)
Provision/ (write back of provisions) for non-moving/slow-moving		**9.25**	(7.97)
Provision for mark to market losses on forward contracts (net)		**11.95**	2.91
Provision/ (write back of provisions) for contingencies		**(31.58)**	8.94
Provision for penalty on Income Tax matters		**-**	(178.75)
Provision for doubtful and other receivables		**0.72**	(0.78)
Provision / (write back of provisions) for warranty (net)		**(1.36)**	(5.51)
Operating profit before working capital changes		**1,336.39**	988.51
Changes in working capital:			
Adjustments for (increase)/ decrease in operating assets:			
Trade receivables		**(101.28)**	(235.83)
Other current/non current assets		**6.23**	21.18
Other financial assets		**0.31**	(3.18)
Loans		**1.20**	0.73
Inventories		**64.82**	(25.31)
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables		**284.47**	124.02
Other financial liabilities		**(4.01)**	(8.09)
Other current/non-current liabilities		**3.23**	78.65
Provisions		**4.54**	3.84
Cash generated from/ (used in) operations		**1,595.90**	944.52
Income tax paid(net of refunds during the year)		**(278.37)**	(223.74)
Net cash flow from operating activities	**(A)**	**1,317.53**	720.78

(Rs. in million)

Particulars		Year ended 31.03.2022	Year ended 31.03.2021
B. Cash flow from investing activities			
Capital expenditure on Property, plant, equipment and intangible assets including capital advances		**(127.96)**	(257.91)
Proceeds from sale of Property, plant, equipment and intangible assets		**104.41**	3.12
Investment in Equity Instruments		**(0.61)**	0.13
Increase in other cash & cash equivalents		**(0.13)**	(0.16)
Interest received		**19.42**	28.89
Net cash used in investing activities	**(B)**	**(4.87)**	(225.93)
C. Cash flow from financing activities			
Finance costs paid		**(0.87)**	(4.58)
Dividend on equity shares and tax thereon for FY 2020-21		**(791.80)**	(1,072.78)
Repayment of lease liabilities (including interest)		**(14.90)**	(14.18)
Net cash used in financing activities	**(C)**	**(807.57)**	(1,091.54)
Net increase in cash and cash equivalents	**(A+B+C)**	**505.10**	(596.69)
Cash and cash equivalents as at the beginning of the year		**1,014.67**	1,611.36
Cash and cash equivalents as at the end of the year *		**1,519.76**	1,014.67

* Components of cash and cash equivalents:

a. Cash on hand	**0.13**	0.09
b. Balance with scheduled banks		
i. in current accounts	**1,519.63**	208.58
ii. in deposit accounts	**-**	806.00
c. Balance with unclaimed dividend account	**1,519.76**	1,014.67

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 44

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

Pramod B. Shukla
Partner

Place: Mumbai
Date: August 24, 2022

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

Sanjay Katyal	(DIN 08354025)	Managing Director
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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 24, 2022

Statement of Changes in Equity for the year ended 31 March, 2022

a. Equity share capital (Rs. in million)

Particulars	**Amount**
Balance at April 1, 2020	127.73
Changes in equity shares during the year	-
Balance at March 31, 2021	127.73
Changes in equity shares during the year	-
Balance at March 31, 2022	**127.73**

b. Other equity (Rs. in million)

Particulars	**Reserves and Surplus**					
	Securities premium	**General reserve**	**Share based payment reserve***	**Retained earnings**	**Other Compre-hensive Income / (loss)**	**Total**
Balance as at 01 April, 2020	214.16	150.17	9.79	3,997.82	(10.96)	4,360.98
Profit for the year	-	-	-	565.25	-	565.25
Other Comprehensive loss for the year	-	-	-	-	(3.25)	(3.25)
Dividend [Refer note 11 (v)]	-	-	-	(1,072.94)	-	(1,072.94)
Tax on Interim dividend	-	-	-	-	-	-
Balance at March 31, 2021	214.16	150.17	9.79	3,490.13	(14.21)	3,850.04
Profit for the year	**-**	**-**	**-**	**656.57**	**-**	**656.57**
Other Comprehensive income for the year	**-**	**-**	**-**	**-**	**4.85**	**4.85**
Dividend [Refer note 11 (v)]	**-**	**-**	**-**	**(1,583.86)**	**-**	**(1,583.86)**
Balance at March 31, 2022	**214.16**	**150.17**	**9.79**	**2,562.84**	**(9.36)**	**2,927.60**

* This represents cost of shares of GKN Plc allotted 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"), in earlier years.

See accompanying notes to the financial statements 1 to 44

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

Pramod B. Shukla
Partner

Place: Mumbai
Date: August 24, 2022

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

Sanjay Katyal	(DIN 08354025)	Managing Director
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Tushar Jain	(Mem. No. 500602)	Chief Financial Officer
Richa Porwal	(Mem. No. F8318)	Company Secretary

Place: Faridabad
Date: August 24, 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

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, 2022 were approved by the Board of Directors and authorised for issue on August 24, 2022.

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) 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

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 on property, plant and equipment is provided on the straight-line method ('SLM'), over the useful life prescribed in Schedule II to the Companies Act, 2013 ('Act') or useful life determined based on technical evaluation and past trends, upto the estimated residual value of the depreciable assets, as follows :

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

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

2.05 Intangible assets

Intangible assets with finite useful lives (viz. software) that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is recognized on a straight-line basis over the period of three years or the period of license . 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.

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 1 April, 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.

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 activity.

Revenue from the sale of driveshaft is recognized at the point in time when control is transferred to the customer, depending 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.

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.

Export Incentives under various schemes are accounted in the year of export.

2.09 Other 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

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 Indian Rupees (Rs.).

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

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.

  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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

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. The expected credit losses on trade receivables and other financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Company follows simplified approach for recognition of impairment loss allowance for Trade Receivables.

The application of the simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in the subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising an impairment loss allowance based on a twelve months ECL. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls).

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

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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

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.

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).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

- 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.

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:

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 initially 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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

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

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

2.21 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 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

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.

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 IndAS in issue but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company is evaluating the impact of Ind AS 16 and its effect on the financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company is evaluating the impact of Ind AS 37 and its effect on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

Note 3: Property, plant and equipment (including capital work - in - progress), Intangible Assets & Right-of-use Assets (Rs. in million)

	Tangible Assets						Intangible Assets	Right-of-use Assets (Refer note 35)		
	Plant and Machinery	Computers	Office and other equipment	Furniture and fixtures	Vehicles	Total	Software	Land	Buildings	Total
Deemed cost/ cost										
Balance as at April 1, 2020	2.6.74	58.24	136.06	25.33	30.02	5,067.21	12.82	26.11	100.01	126.12
Additions	-	35.57	4.89	0.13	7.28	70.74	81.63	-	-	-
Disposals	-	(5.55)	(2.20)	(0.39)	(8.23)	(36.35)	-	-	-	-
Balance as at March 31, 2021	2.6.74	88.26	138.75	25.07	29.07	5,101.60	94.45	26.11	100.01	126.12
Accumulated depreciation and amortisation	-	-	-	-	-	-	-	-	-	-
Balance as at April 1, 2020	1,404.91	34.00	40.32	9.36	15.15	1,613.65	9.75	0.28	11.99	12.27
Depreciation and amortisation expense*	364.03	16.90	13.65	3.38	6.89	434.19	8.73	0.30	11.23	11.53
Elimination on disposals of assets	(19.81)	(5.55)	(2.13)	(0.37)	(6.23)	(34.09)	-	-	-	-
Balance as at March 31, 2021	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 as at March 31, 2021	2,127.55	42.91	86.91	12.70	13.26	3,087.85	75.97	25.53	76.79	102.32
Capital work in progress as at March 31, 2021	122.39	-	0.01	0.07	-	122.47	-	-	-	-
Deemed cost/ cost										
Balance as at April 1, 2021	**3,876.68**	**88.26**	**138.75**	**25.07**	**29.07**	**5,101.60**	**94.45**	**26.11**	**100.01**	**126.12**
Additions	**160.24**	**27.99**	**1.88**	**3.22**	**1.79**	**195.12**	**12.84**	**-**	**-**	**-**
Disposals	**(8.35)**	**(50.82)**	**(19.77)**	**(0.31)**	**(12.40)**	**(91.65)**	**(90.66)**	**-**	**-**	**-**
Reclassification	**-**	**(6.16)**	**-**	**-**	**-**	**(6.16)**	**6.16**	**-**	**-**	**-**
Balance as at March 31, 2022	**4,028.57**	**59.27**	**120.86**	**27.98**	**18.46**	**5,198.91**	**22.79**	**26.11**	**100.01**	**126.12**
Accumulated depreciation and amortisation										
Balance as at April 1, 2021	**1,749.13**	**45.35**	**51.84**	**12.37**	**15.81**	**2,013.75**	**18.480**	**0.58**	**23.22**	**23.80**
Depreciation and amortisation expense*	**339.69**	**18.73**	**13.49**	**2.92**	**6.41**	**410.58**	**23.16**	**0.30**	**11.24**	**11.54**
Reclassification	**-**	**(5.62)**	**-**	**-**	**-**	**(5.62)**	**5.62**	**-**	**-**	**-**
Elimination on disposal of assets	**(7.13)**	**(11.19)**	**(19.25)**	**(0.31)**	**(11.70)**	**(49.58)**	**(26.68)**	**-**	**-**	**-**
Balance as at March 31, 2022	**2,081.69**	**47.27**	**46.08**	**14.98**	**10.52**	**2,369.13**	**20.58**	**0.88**	**34.46**	**35.34**
Net book value as at March 31, 2022	**1,946.88**	**12.00**	**74.78**	**13.00**	**7.94**	**2,829.78**	**2.210**	**25.23**	**65.55**	**90.78**
Capital Work in Progress as at March 31, 2022	**23.88**	**-**	**-**	**-**	**-**	**23.88**	**-**	**-**	**-**	**-**

a) Disclosure of contractual commitments for acquisition of Property, Plant and equipment Cuncluding capital work- in- progress and Intangible Assets . (refer note 34)

* b) Depreciation and amortization Expense include INR 2.27 million (previous year INR 2.5 million) amortisation for EPCG license received received in July 2007 (refer note 18(a)(i))

d) Includes building on Leasehold land Net carrying amount Rs. 270.29 million (Previous year Rs. 284.97 million)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(b) Capital work-in-progress (CWIP)

CWIP ageing schedule

(Rs. in million)

	Amount in CWIP for a period of				Total
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	
Projects in progress	20.94	0.26	0.41	2.28	23.88
Projects temporarily suspended	-	-	-	-	-
As at March 31, 2022	20.94	0.26	0.41	2.28	23.88

	Amount in CWIP for a period of				Total
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	
Projects in progress	110.23	9.46	2.78	-	122.47
Projects temporarily suspended	-	-	-	-	-
As at March 31, 2021	110.23	9.46	2.78	-	122.47

(b) Expected CWIP Completion schedule whose completeness is overdue or has exceeded original plan

(Rs. in million)

	To be completed in				Total
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	
Projects in progress	2.94	-	-	-	2.94
As at March 31, 2022	**2.94**	**-**	**-**	**-**	**2.94**

	To be completed in				Total
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	
Projects in progress	2.94	-	-	-	2.94
As at March 31, 2021	**2.94**	**-**	**-**	**-**	**2.94**

(Rs. in million)

Particulars	As at 31 March 2022	As at 31 March 2021
4. Investments		
Unquoted investments (all fully paid)		
Investments in equity instruments		
-ARS Energy Private Limited	**0.61**	-
March 31, 2022 : (2,230 shares @ Face value of Rs. 10* each)		
***March 31, 2021 : Rs. 2,750* (10 shares @ face value of Rs. 10* each)**		
*** absolute amount**		
Total	**0.61**	-
5. Inventories		
Inventories (lower of cost and net realisable value)		
(i) Raw materials (Net of Provision Rs.63.05 million, Year 2021: Rs. 54.50 million)	**371.09**	469.51
(ii) Work-in-progress (Net of Provision Rs.48.51million, Year 2021: Rs. 39.77 million)	**308.94**	233.45
(iii) Finished goods (Net of Provision Rs.14.92 million, Year 2021: Rs. 13.95 million)	**93.56**	127.67
(iv) Stores and spares (Net of Provision Rs.46.17 million, Year 2021: Rs. 46.10 million)	**28.29**	35.47
(v) Loose Tools (Net of Provision Rs.86.58 million, Year 2021: Rs. 95.66 million)	**72.69**	82.54
Total	**874.57**	948.64
Inventory includes goods - in- transit:		
(i) Raw materials	**97.69**	127.26
(ii) Finished goods	**7.05**	16.28
Total	**104.44**	143.54

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

The cost of Inventories recognised as an expense during the year was Rs. 4,542.17 million (PY Rs. 3,460.15 million) - Refer note 21 and 22.

The cost of inventories recognised as an expense includes Rs. 74.00 million (2020-21: Rs. 79.87 million) in respect of write-downs of non-moving/ slow moving inventory, and has been reduced by Rs. 64.75 million (2020-21: Rs. 87.84 million) in respect of the reversal of such write-downs on account of utilization of these non-moving/ slow moving inventory in the manufacturing of driveshafts.

(Rs. in million)

			As at March 31, 2022	As at March 31, 2021
6	**Other financial assets**			
	Non-current			
	(i) Security deposits		**43.46**	47.49
	Deposits with Government authorities - For indirect tax matters		**1.36**	3.18
		Total	**44.82**	50.67
	Current			
	(i) Security deposits		**0.61**	0.38
	(ii) Interest accrued but not due on fixed deposits		**1.70**	2.83
	(iii) Other receivables		**6.24**	0.93
		Total	**8.55**	4.14

(Rs. in million)

Particulars			**As at 31.03.2022**	As at 31.03.2021
7.	**Loans**			
	Non- Current			
	(i) Loans to employees - Unsecured, considered good		**1.94**	2.60
			1.94	2.60
	Current			
	(i) Loans to employees - Unsecured, considered good		**1.71**	1.71
		Total	**1.71**	1.71
8	**Non- Current tax assets**			
	a. Tax payments less tax provisions (net) (Refer note 41)		**11.59**	11.59
		Total	**11.59**	11.59
8A.	**Other assets**			
	Non-current			
	(i) Prepaid expenses		**4.68**	3.31
	(ii) Balance with government authorities		**1.73**	3.18
	Gratuity Fund (Refer note 28)		**24.49**	37.94
	(iv) Capital advances		**1.17**	4.20
			32.07	48.63
	Current			
	(i) Prepaid expenses		**18.38**	18.12
	(ii) Balance with government authorities		**9.00**	11.49
	(iii) Others			
	- Advance to suppliers, etc.		**5.87**	3.04
	- Recoverable towards Tooling Developments		**27.17**	13.99
		Total	**60.42**	46.64
9.	**Trade receivables**			
	Current			
	(i) Trade receivables [See notes below]			
	- Secured, considered good		**4.21**	4.81
	- Unsecured, considered good		**1,000.23**	896.87
	- Credit Impaired receivables		**2.60**	1.88
			1,007.04	903.56
	Less: Provision for credit Impaired receivables		**(2.60)**	(1.88)
		Total	**1,004.44**	901.68

Notes:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

a) The credit period on sales of goods ranges between 30 to 90 days. Normally no interest is charged on any overdue trade receivables.

b) Trade receivables from contracts with customers is net of provision for Customer Incentives, Discounts and Rebates amounting Rs. 190.71 Million (As at March 31, 2021 Rs. 254.82 Million).

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).

d) The Company has recognised a loss allowance of 100 per cent against all receivables over 90 days past due because historical experience has indicated that these receivables are generally not recoverable.

Trade Receivable Ageing Schedule as at March 31, 2022 (Rs. in million)

	Outstanding for following periods from due date of payments						**Total**
	Not Due	**Less than 6 months**	**6 months -1 years**	**1-2 years**	**2-3 years**	**More than 3 years**	
Undisputed trade receivables							
(a) Considered good	**966.98**	**37.94**	**1.20**	**0.92**	**-**	**-**	**1,007.04**
(b) Which have significant increase in credit risk	-	-	-	-	-	-	-
(c) Credit impaired	-	-	-	-	-	-	-
Disputed trade receivables							
(a) Considered good	-	-	-	-	-	-	-
(b) Which have significant increase in credit risk	-	-	-	-	-	-	-
(c) Credit impaired	-	-	-	-	-	-	-
Total	**966.98**	**37.94**	**1.20**	**0.92**	**-**	**-**	**1,007.04**
Less: Allowance for credit impaired balances	**-**	**2.25**	**0.04**	**0.34**	**-**	**-**	**2.62**
Total	**966.98**	**35.70**	**1.16**	**0.59**	**-**	**-**	**1,004.42**

Trade Receivable Ageing Schedule as at March 31, 2021 (Rs. in million)

	Outstanding for following periods from due date of payments						Total
	Not Due	Less than 6 months	6 months -1 years	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
(a) Considered good	876.03	27.01	0.04	0.48	-	-	903.56
(b) Which have significant increase in credit risk"	-	-	-	-	-	-	-
(c) Credit impaired	-	-	-	-	-	-	-
Disputed trade receivables							
(a) Considered good	-	-	-	-	-	-	-
(b) Which have significant increase in credit risk	-	-	-	-	-	-	-
(c) Credit impaired	-	-	-	-	-	-	-
Total	876.03	27.01	0.0	0.5	-	-	903.56
Less: Allowance for credit impairedbalances	-	1.36	0.04	0.48	-	-	1.88
Total	876.03	25.65	-	-	-	-	901.68

(Rs. in million)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

Particulars		As at 31.03.2022	As at 31.03.2021
10. Cash and cash equivalents			
(i) Cash in hand		**0.13**	0.09
(ii) Balance with scheduled banks			
- in current accounts		**1,519.63**	208.58
- in deposit accounts		**-**	806.00
	Total	**1,519.76**	1,014.67
10A. Bank Balances other than cash and cash equivalents			
Earmarked balances with bank (Unpaid Dividend)		**0.87**	0.74
	Total	**0.87**	0.74
11. Equity share capital			
Authorised share capital:			
15,100,000 equity shares of Rs.10/- (absolute amount) each		**151.00**	151.00
Issued and subscribed capital comprises:			
12,773,061 equity shares of Rs.10/- (absolute amount) each (fully paid up)		**127.73**	127.73
		127.73	127.73

Fully paid equity shares:	Number of shares
Balance at April 01, 2021	1,27,73,061
Add: Issue of shares during the year	-
Closing balance at March 31, 2022	**1,27,73,061**

(i) Reconciliation of Equity share capital	**No of shares**	**Equity share capital (In million)**
As at April 1, 2021	**1,27,73,061**	127.73
Changes during the year	**-**	-
As at March 31, 2022	**1,27,73,061**	127.73
Changes during the year	**-**	-
As at March 31, 2022	**1,27,73,061**	**127.73**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(ii) 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.

(iii) Details of shares held by the holding company.

Name of Shareholder	As at 31.03.2022		As at 31.03.2021	
	No. of	**%**	No. of	%
Fully paid equity shares with voting rights:				
GKN Driveline International GmbH, the Holding Company	**1,23,93,808**	**97.03%**	1,23,93,808	97.03%

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

Name of the Shareholder	As at 31.03.2022		As at 31.03.2021	
	No. of Shares	**% Holding**	No. of Shares	% Holding
Fully paid equity shares with voting rights:				
GKN Driveline International GmbH	**1,23,93,808**	**97.03%**	1,23,93,808	97.03%

(v) Dividend

A) Final Dividend for 2020-21 is declared @ Rs. 62* per share aggregating Rs. 791.93 million (Previous year: for the year 2019-20 - @ Rs. 84 per share aggregating Rs. 1072.94 million).

B) Interim Dividend Declared during the current year and paid subsequent to the year end @ Rs. 62 per share aggregating Rs. 791.93 million.

(Rs. in million)

Particulars		As at 31.03.2022	As at 31.03.2021
12. Other equity			
Securities premium		**214.16**	214.16
General reserve		**150.17**	150.17
Share based payment reserve		**9.79**	9.79
Retained earnings		**2,562.84**	3,490.13
Other comprehensive income/(loss)		**(9.36)**	(14.21)
		2,927.60	3,850.04
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		**3,490.13**	3,997.82
ii. Add: Profit for the year		**656.57**	565.25
iii Less: Dividend [refer note 11(v)]		**(1,583.86)**	(1,072.94)
iv. Closing balance	(c)	**2,562.84**	3,490.13
This represents the accumulated profits after appropriation of reserves and declaration of dividend.			
d. Share based payment reserve		**9.79**	9.79
	(D)	**9.79**	9.79

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

This represents cost of shares of GKN Plc allotted 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"), in earlier years.

(Rs. in million)

Particulars		As at 31.03.2022	As at 31.03.2021
e. Other Comprehensive Income/(Loss)			
i. Opening balance		**(14.21)**	(10.96)
ii. Income/ (Loss) for the year		**-**	(3.25)
iii. Closing balance	(E)	**(14.21)**	(14.21)
This represent gain/loss on actuarial raluation of Defined benefits plans.			
13. Provisions			
Non-current			
a. Employee benefits (See note 36)			
- Compensated absences		**136.40**	130.74
b. Other provisions			
- Provision for Warranty [Refer note (b)]		**1.73**	3.98
		138.13	134.72
Current			
a. Employee benefits (See note 36)			
- Compensated absences		**12.36**	10.57
- provident fund		**-**	1.31
b. Other provisions			
- Entry Tax [Refer note (a)]		**150.16**	139.84
- Provision for Warranty [Refer note (b)]		**1.23**	2.45
- Provision for contingencies [Refer note (c)]		**258.68**	272.92
		422.43	427.09
(a) Movements in provision of entry tax			
Opening balance		**139.84**	129.53
Addition (including interest for the year)		**10.32**	10.31
Closing balance		**150.16**	139.84

Applicability of Entry tax on goods brought into the local area (jurisdiction of State of Haryana) for consumption and/or use is pending with the Hon'ble High Court of Punjab and Haryana. In the event of any adverse Order from the High Court, the Company would be required to file returns and pay Entry Tax. Pending final outcome of the matter, on prudent basis the Company has made provision for the potential tax liability and interest thereon.

		As at 31.03.2022	As at 31.03.2021
(b) Movements in provision of warranty			
Opening balance		**6.43**	15.80
Addition during the year		**(2.10)**	(5.51)
Utilised during the year		**(1.36)**	(3.86)
Closing balance		**2.97**	6.43

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(c) Movement in Provision for Contingencies

The Company has made provisions for various contingencies relating to litigation/disputes as below :

(Rs. in Million)

	Year ended 31 March 2022			Year ended 31 March 2021		
Particulars	**Indirect Tax Matters**	**Other Matters**	**Total**	**Indirect Tax Matters**	**Other Matters**	**Total**
Opening Balance	97.76	175.16	272.92	92.00	152.00	244.00
Addition (including interest for the year)	4.06	13.48	17.54	5.76	23.16	28.92
Reversal during the year	(32.29)	-	(32.29)	-	-	-
Closing Balance**	69.53	188.64	258.17	97.76	175.16	272.92

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

Particulars	**Year ended 31.03.2022**	Year ended 31.03.2021
Finance costs	**16.83**	16.77
Other Expenses	**0.71**	12.15
	17.54	28.92

Other matters mainly includes Extension fee amounting Rs. 124.02 million (previous year Rs. 111.25 million) relating to delay in work of construction at Dharuhera plant, Haryana and various labour cases being contested by the Company.

(Rs. in Million)

Particulars	**As at 31.03.2022**	As at 31.03.2021
14. Lease Liabilities (Refer note 35)		
Non-Current		
a Lease Liabilities	**72.16**	81.32
	72.16	81.32
Current		
a Lease Liabilities	**9.16**	7.72
	9.16	7.72

(Rs. in million)

Particulars	**As at 31.03.2022**	As at 31.03.2021
15. Trade payables		
Trade payables - Other than acceptances		
- total outstanding dues of small enterprises and micro enterprises [See note 36]	**85.83**	65.95
- total outstanding dues of creditors other than small enterprises and micro enterprises	**1,738.23**	1,474.54
	1,824.06	1,540.49

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

Trade payables ageing schedule as at March 31, 2022 (Rs. in million)

	Outstanding for following periods from due date of payments					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	62.35	16.62	0.83	3.32	2.71	85.83
(ii) Others	**1,041.85**	**345.83**	**10.45**	**0.10**	**6.77**	**1,405.00**
(iii) Disputed Dues-MSME	-	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-	-	-
(v) Unbilled	**333.23**	**-**	**-**	**-**	**-**	**333.23**
Total	**1,437.43**	**362.45**	**11.28**	**3.42**	**9.48**	**1,824.06**

Trade payables ageing schedule as at March 31, 2021 (Rs. in million)

	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	43.48	15.87	5.42	0.54	0.64	65.95
(ii) Others	875.66	267.54	1.17	12.88	3.04	1,160.29
(iii) Disputed Dues-MSME	-	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-	-	-
(v) Unbilled	314.25	-	-	-	-	314.25
Total	1,233.39	283.41	6.59	13.42	3.68	1,540.49

(Rs. in Million)

Particulars	**As at 31.03.2022**	As at 31.03.2021
16. Other financial liabilities		
Non-current		
a. Security deposits received	**9.49**	8.55
	9.49	8.55
Current		
a. Payables for purchase of property, plant and equipment	**34.45**	56.06
b. Security deposits received	**1.10**	3.14
c. Payables on forward contracts	**11.95**	2.91
d. Dividend payable [Refer note 11(v)]	**711.34**	-
e. Unpaid Dividend	**0.87**	0.74
	759.71	62.85
17. Current tax liabilities (net)		
a. Tax provisions less payments (net)	**11.50**	23.19
Total	**11.50**	23.19
18. Other liabilities		
Non-current		
a. Deferred income arising from government grant [Refer note (i) below]	**-**	2.27
	-	2.27

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

i. The deferred income 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.

Current		
a. Deferred income arising from government grant [Refer note (i) above]		
Statutory remittances	**2.27**	2.50
b. -GST, TDS, PF, ESIC, etc.	**206.19**	125.03
c. Other payables		
i. Advances from customers	**6.58**	4.24
	215.04	131.77

(Rs. in million)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
19. Revenue from operations		
a. Sale of goods	**8325.63**	6513.15
b. Sale of services	**46.93**	-
c. Other operating revenue		
i. Scrap sales	**34.83**	24.77
ii. Other export incentives	**2.73**	7.79
iii. Other ancillary revenue	**118.17**	84.11
	8,528.29	6,643.93

(Rs. in million)

Reconciliation of revenue recognised with contract price :		
Contract Price	**8,519.13**	6,618.51
Adjustment as per Ind AS 115 for :		
Customer Incentives, Discounts and Rebates (net of reversals)	**9.16**	25.42
Revenue from Operations	**8,528.29**	6,643.93
Geographical segment disclosure:		
Domestic	**7,865.70**	6,151.79
Overseas	**662.59**	492.14
	8,528.29	6,643.93

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Rs. in million)

	Particulars	Year ended 31.03.2022	Year ended 31.03.2021
20	**Other income**		
	a. Interest income		
	i. on bank deposits	**16.73**	28.29
	ii. from government authorities	**1.28**	1.37
	iii. from others	**0.28**	0.46
	b. Liabilities no longer required written back	**-**	3.21
	c. Provision for non moving / slow moving inventory written back	**-**	7.97
	d. Insurance claim received	**-**	0.07
	e. Warranty (Refer note 13)	**1.36**	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	**20.76**	25.00
	ii. Profit on sale of property, plant and equipment (net)	**-**	0.86
	h. Provision for interest on Income tax written back (Refer note 43)	**-**	78.98
	i. Provision for penalty on Income tax written back (Refer note 43)	**-**	99.77
	j. Contingency provision no longer required written back	**32.29**	
	k. Unclaimed deposits written back	**0.55**	-
	l. Miscellaneous income	**5.65**	2.07
	Total	**78.90**	254.34
21.	**Cost of Materials Consumed**		
	Raw materials and components at the beginning of the year	**469.51**	393.66
	Add: Purchases during the year	**4,485.13**	3,536.31
	Less: Raw materials and components at the end of the year	**(371.09)**	(469.51)
	Cost of Materials Consumed	**4,583.55**	3,460.46
22.	**Changes in inventories of finished goods and work in progress**		
	Inventories at the end of the year:		
	Finished goods	**93.56**	127.67
	Work-in-progress	**308.94**	233.45
		402.50	361.12
	Less : Inventories at the beginning of the year :		
	Finished Goods	**127.67**	122.21
	Work in progress	**233.45**	238.60
		361.12	360.81
	Net decrease	**(41.38)**	(0.31)
23.	**Employee benefits expense**		
	a. Salaries and allowances	**1,024.61**	955.01
	b. Contribution to provident and other funds [See note 36]	**74.95**	76.60
	c. Gratuity expense [See note 36]	**23.33**	21.74
	d. Staff welfare expenses	**52.41**	42.75
	Total	**1,175.30**	1,096.10

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Rs. in million)

	Particulars	Year ended 31.03.2022	Year ended 31.03.2021
24.	**Finance costs**		
	a. Interest costs		
	i. Interest on Bank overdraft	**-**	0.04
	ii. Interest on dealer deposit	**0.38**	0.39
	iii. Interest - MSME	**5.36**	-
	b. Interest on lease liabilities (Refer note. 35)	**7.18**	7.76
	c. Provision for interest on contingencies (Refer note. 13(c))	**16.83**	16.77
	d. Provision for interest on entry tax (Refer note. 13(a))	**10.32**	10.31
	e. Provision for interest on Income tax	**0.48**	4.15
		40.56	39.42
25.	**Other Expenses**		
	a. Consumption of stores	**315.45**	223.18
	b. Job work charges	**235.89**	183.42
	c. Repair and Maintenance		
	i. Plant and equipment	**154.54**	128.11
	ii. Building	**7.94**	5.17
	iii. Others	**2.34**	1.16
	d. Power and fuel	**238.53**	192.06
	e. Legal and professional services*	**26.43**	21.35
	f. Expenditure on corporate social responsibility(Refer note 38)	**13.90**	19.30
	g. Management consultancy and business auxiliary services	**59.07**	3.80
	h. Strategic management charges	**29.73**	24.00
	i. Royalty	**34.74**	28.52
	j. Travel and conveyance	**32.54**	22.24
	k. Selling and transportation expenses	**93.33**	62.45
	l. Communication and information technology expenses	**21.54**	32.04
	m. Trademark fees	**104.25**	82.22
	n. Cash discount on sales	**9.12**	5.77
	o. Insurance	**44.85**	31.85
	p. Rates and taxes	**6.10**	4.37
	q. Provision for contingencies	**0.71**	12.15
	r. Provision for non-moving / slow moving inventory	**9.25**	-
	s. Provision for mark to market losses on forward contracts (net)	**11.95**	2.91
	t. Loss on disposal of property, plant and equipment (net)	**1.64**	-
	u. Provision for doubtful and other receivables	**0.72**	-
	v. Miscellaneous expenses	**62.11**	54.93
	Total	**1,516.67**	1,141.00
	* Legal and professional charges (net of GST) includes payment to auditors:		
	To statutory auditors		
	For Audit	**7.79**	7.40
	For Tax Audit	**2.27**	2.08
	For reimbursement of expenses	**0.40**	0.40
		10.46	9.88

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Rs. in million)

Particulars		Year ended 31.03.2022	Year ended 31.03.2021
26. Income tax recognised in Statement of Profit and Loss			
(a) Current tax			
In respect of current year		**266.08**	150.76
In respect of prior years		**0.60**	3.33
		266.68	154.09
(b) Deferred tax [See note 27]			
Decrease/(increase) in deferred tax assets		**(1.45)**	14.40
(Decrease)/increase in deferred tax liabilities		**(32.32)**	(24.08)
		(33.77)	(9.68)
Total tax expense recognised in Statement of Profit and Loss		**232.91**	144.41

Particulars		Year ended 31.03.2022	Year ended 31.03.2021
(c) The income tax expense for the year can be reconciled to the accounting profit as follows:			
Profit before tax		**889.48**	709.66
Income tax expense calculated at 25.168% (Previous year - 25.168%)	(a)	**223.86**	178.61
Tax effect of amounts which are not deductible in calculating taxable income:			
Provision for interest and penalty on Income tax written back		**-**	(44.99)
Expenditure on corporate social responsibility		**3.50**	4.86
Interest on MSME		**1.35**	0.10
Provisions for contingencies - other matters		**3.39**	5.83
Interest on direct tax		**0.12**	1.04
Others		**0.09**	(4.37)
	(b)	**8.45**	(37.53)
Adjustments recognised in current year with respect to Income tax of prior years	(c)	**0.60**	3.33
Income tax expense recognised in Statement of Profit and Loss	(a+b+c)	**232.91**	144.41

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

27 Deferred Tax

(I) For the year ended 31 March, 2022

(Rs. in million)

Particulars	Year ended 31.03.2022			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing balance
<u>Tax effect of items constituting deferred tax liabilities</u>				
Property, plant and equipment and other intangible assets	(177.90)	27.31	-	(150.59)
Gratuity fund asset	(9.55)	5.00	(1.63)	(6.17)
	(187.45)	32.31	(1.63)	(156.76)
<u>Tax effect of items constituting deferred tax assets</u>				
Provision for bonus	2.42	(0.24)	-	2.18
Provision for entry tax	35.20	2.59	-	37.79
Provision for compensated absences	35.57	1.87	-	37.44
Provision for slow moving inventory	62.91	2.33	-	65.24
Provision for indirect tax	24.60	(7.10)	-	17.50
Provision for doubtful and other receivables	0.47	0.19	-	0.66
Other temporary differences	3.70	1.81	-	5.51
	164.87	1.45	-	166.32
Deferred tax asseta/(liabilities) (net)	(22.58)	33.76	(1.63)	9.56

(II) 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
<u>Tax effect of items constituting deferred tax liabilities</u>				
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)
<u>Tax effect of items constituting deferred tax assets</u>				
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 assets/(Liabilities) (net)	(33.35)	9.68	1.09	(22.58)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

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 31.03.2022	Year ended 31.03.2021
Contribution to Regional Provident Fund	**18.90**	19.06
Contribution to Superannuation Fund	**13.42**	13.45
Contribution to Employee's Pension Scheme 1995	**12.71**	13.79

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

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.

Details of defined benefits plan - gratuity based on actuarial raluation:

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

Particulars	Gratuity Fund	
	As at 31.03.2022	As at 31.03.2021
Discount Rate(s)	**6.84%**	6.54%
Expected return on Plan Assets	**6.84%**	6.54%
Salary Rise	**8.00%**	8.00%
Attrition Rate	**5.00%**	5.00%
Expected average remaining working lives of employees (years)	**17.86 years**	18.74 years

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

Particulars	Gratuity Fund	
	As at 31.03.2022	As at 31.03.2021
Past Service Cost	**-**	-
Current Service Cost	**25.81**	25.95
Actuarial loss/(gain)	**-**	-
Net Interest Cost/(Income)	**(2.48)**	(4.21)
Expenses recognised in the statement of profit & loss	**23.33**	21.74

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

Particulars	Gratuity Fund	
	As at 31.03.2022	As at 31.03.2021
Actuarial (gain)/loss		
- Experiences Adjustment	**4.67**	(5.78)
- Differences in present value of obligations	**(8.29)**	10.31
- Demographic Assumption	**-**	-
Return on Plan Assets, excluding amounts included in Net Interest Expense	**(2.86)**	(0.19)
Component of defined benefit costs recognised in other comprehensive loss/(Income)	**(6.48)**	4.34

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

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 31.03.2022	As at 31.03.2021
Present Value of obligation	**444.45**	**414.80**
Fair value of plan assets	**468.94**	**452.74**
Surplus/(deficit)	**24.49**	**37.94**
Net asset/(liability)	**24.49**	**37.94**

Classification into current and non-current

(Rs. in million)

Particulars	Gratuity Fund	
	As at 31.03.2022	As at 31.03.2021
Non-current asset/(liability)	**24.49**	37.94
current asset/(liability)	**-**	-

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

(Rs. in million)

Particulars	Gratuity Fund	
	As at 31.03.2022	As at 31.03.2021
Present value of the obligation as at the beginning	**414.80**	**374.53**
Current Service cost	**25.81**	**25.95**
Interest expense or cost	**27.12**	**25.92**
Employee's contribution	**-**	**-**
Remeasurement (or actuarial) (gain)/loss arising from:		
- Experience Adjustment	**4.67**	**(5.78)**
- Others	**(8.29)**	**10.31**
Settlements/Transfer In	**-**	**-**
Benefits paid	**(19.66)**	**(16.13)**
Present value of the obligation as at the end	**444.45**	**414.80**

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

(Rs. in million)

Particulars	Gratuity Fund	
	As at 31.03.2022	As at 31.03.2021
Fair Value of plan asset at the beginning	**452.74**	**435.37**
Interest Income	**32.48**	**30.32**
Employer's contribution	**3.39**	**3.18**
Employee's contribution	**-**	**-**
Actuarial gain/(loss)	**-**	**-**
Settlements/Transfer In	**-**	
Benefits paid	**(19.66)**	**(16.13)**
Fair Value of plan asset at the end	**468.95**	**452.74**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

The Company expects to make a contribution of Rs. 26.72 million (as at March 31, 2021 Rs. 25.84 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. 13.24 million(increase by Rs. 14.03 million)(as at March 31, 2021: decrease by Rs. 13.48 million (increase by Rs. 14.31 million).

If the expected salary growth rate increases(decreases) by 0.5%, the defined benefit obligation would increased by Rs. 13.80 million (decrease by Rs. 13.16 million) [as at March 31,2021: increase by Rs. 14.04 million (decrease by Rs. 13.37 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.

Maturity Profile of Defined Benefit Obligation

(Rs. in million)

	Year	Gratuity
a)	0 to 1 Year	36.73
b)	1 to 2 Year	41.74
c)	2 to 3 Year	65.66
d)	3 to 4 Year	46.70
e)	4 to 5 Year	37.44
f)	5 to 6 Year	32.08
g)	6 year onwards	184.11

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 March 31, 2022, based on the actuarial valuation, Fair value of plan assets is Rs. 775.04 million (Previous year Rs. 688.83 million), the present value of defined benefit obligation is Rs. 766.19 million (Previous year Rs. 690.14 million). For the year ended March 31, 2022, the Company has contributed Rs. 27.46 million (Previous year Rs. 26.66 million) towards Provident Fund.

The assumptions made for the above are discount rate of 6.84% (previous year 6.54%) and guaranteed rate of return is 8.10% (previous year 8.50%)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

Particulars	**Year ended 31.03.2022**	Year ended 31.03.2021
	(Rs. Per share)	(Rs. Per share)
29. Earnings per share (EPS)		
Basic earnings per share (Rs. In absolute amount)	**51.40**	44.25
Diluted earnings per share * (Rs. In absolute amount)	**51.40**	44.25

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 31.03.2022	Year ended 31.03.2021
Profit after tax for the year.	Rs. in Million	**656.57**	565.24
Weighted average number of equity shares for the purposes of basic earnings per share	Numbers	**1,27,73,061**	1,27,73,061
[Face Value of Rs. 10 (absolute amount) each]			

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 31.03.2022	Year ended 31.03.2021
Profit after tax for the year.	Rs. in Million	**656.57**	565.24
Weighted average number of equity shares for the purposes of basic earnings per share [Face Value of Rs. 10 (absolute amount) 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, 2022

30. Financial Instruments and Risk Management

30.1 Financial instruments by category

(Rs. in million)

	As at 31.03.2022				As at 31.03.2021			
	FVTPL	**FVOCI**	**Amortised cost**	**Total Carrying Value**	FVTPL	FVOCI	Amortised cost	Total Carrying Value
Financial assets								
Trade Receivable	-	-	**1,004.44**	**1,004.44**	-	-	901.68	901.68
Cash and bank balances	-	-	**1,519.76**	**1,519.76**	-	-	1,014.67	1,014.67
Loans	-	-	**3.11**	**3.11**	-	-	4.31	4.31
Security deposits	-	-	**45.43**	**45.43**	-	-	51.05	51.05
Foreign currency / commodity	-	-	**-**	**-**	-	-	-	-
forward contracts	-	-	**-**	**-**	-	-	-	-
Interest accrued	-	-	**1.70**	**1.70**	-	-	2.83	2.83
Investments	-	-	**0.61**	**0.61**	-	-	-	-
Earmarked Bank Balance (Unpaid Dividend)	**-**	**-**	**0.87**	**0.87**	-	-	0.74	0.74
Others Receivable	-	-	6.24	6.24	-	-	0.93	0.93
Total financial assets	**-**	**-**	**2,582.16**	**2,582.16**	-	-	1,976.21	1,976.21
Financial liabilities								
Lease liability	-	-	**81.32**	**81.32**	-	-	89.04	89.04
Trade payables	-	-	**1,824.06**	**1,824.06**	-	-	1,540.49	1,540.49
Deposits from dealers, contractors and others	-	-	**10.59**	**10.59**	-	-	11.69	11.69
Payable to capital creditors	-	-	**34.45**	**34.45**	-	-	56.06	56.06
Unpaid Dividend	-	-	**0.87**	**0.87**	-	-	0.74	0.74
forward contracts	-	-	**11.95**	**11.95**	-	-	2.91	2.91
Others	-	-	**711.34**	**711.34**	-	-	-	-
Total financial liabilities	**-**	**-**	**2,674.58**	**2,674.58**	-	-	1,700.93	1,700.93

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 31.03.2022	**Notes No**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets						
Financial instruments at FVTOCI						
Unquoted equity instruments		4	-	-	0.61	0.61
Total financial assets			**-**	**-**	**0.61**	**0.61**

	As at 31.03.2021	Notes No	Level 1	Level 2	Level 3	Total
Financial assets						
Unquoted equity instruments			-	-	*	-
*March 31, 2021 : Rs. 2,750 absolute amount (10 shares @ face value of Rs.10 each)		4	-	-	-	-
Total financial assets						

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

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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 01.04.2020	0.13
Disposal	(0.13)
Gains/(losses) recognised	-
- in other comprehensive income	
As at 31.03.2021	*
Acquisition	0.61
Gains/(losses) recognised	-
- in other comprehensive income	-
As at 31.03.2022	**0.61**

*Amount of investment as at March 31, 2021 Rs. 2750 (In absolute amount)

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

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 note 2.11 to the financial statements.

(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.

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 1,350 Million (March 31, 2021- Rs 1,750 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 31.03.2022 (Rs. in million)

	<1 year	**1-3 Years**	**3-5 Years**	**> 5 Years**	**Total**
Non current					
- Other financial liabilities	**-**	**9.49**	**-**	**-**	**9.49**
- Right-to-use Liability		**16.64**	**23.04**	**32.48**	**72.16**
Current					
- Right-of-use Liability	**9.16**	**-**	**-**	**-**	**9.16**
- Trade payables	**1,824.06**	**-**	**-**	**-**	**1,824.06**
- Other financial liabilities	**759.71**	**-**	**-**	**-**	**759.71**
Total	**2,592.93**	**26.13**	**23.04**	**32.48**	**2,674.58**

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					
- Right-of-use Liability	7.72	-	-	-	7.72
- Trade payables	1,540.49	-	-	-	1,540.49
- Other financial liabilities	62.85	-	-	-	62.85
Total	1,611.06	28.49	27.12	34.26	1,700.93

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(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.

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)

	JPY	USD	EURO	GBP
As at March 31, 2022				
Financial assets				
Trade receivables and other financial assets	**-**	**69.7**	**-**	**-**
Foreign exchange derivative contracts				
Net exposure to foreign currency risk (assets)	**-**	**69.7**	**-**	**-**
Financial liabilities				
Trade payables and other financial liabilities	**0.4**	**118.8**	**94.4**	**29.1**
Foreign exchange derivative contracts	**0.2**	**-**	**11.8**	**-**
Net exposure to foreign currency risk (liabilities)	**0.5**	**118.8**	**106.2**	**29.1**
As at March 31, 2021				
Financial assets				
Trade receivables and other financial assets	-	61.8	-	-
Foreign exchange derivative contracts				
Net exposure to foreign currency risk (assets)	-	61.8	-	-
Financial liabilities				
Trade payables and other financial liabilities	2.8	146.5	114.0	17.7
Foreign exchange derivative contracts	0.30		2.61	
Net exposure to foreign currency risk (liabilities)	3.1	146.5	116.6	17.7

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:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(Rs. in million)

Currency Exposure	Change in currency exchange rate	Effect on profit before tax	
		As at 31.03.2022	As at 31.03.2021
USD	+5%	**(2.46)**	(4.23)
	-5%	**2.46**	4.23
EUR	+5%	**(4.72)**	(5.70)
	-5%	**4.72**	5.70
JPY	+5%	**(0.02)**	(0.14)
	-5%	**0.02**	0.14
GBP	+5%	**(1.46)**	(0.88)
	-5%	**1.46**	0.88

(iii. b) Interest rate risk

The Company is exposed to interest rate risk on current borrowings and fixed deposits outstanding as at the year end. 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.

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

(Rs. in million)

	As at 31.03.2022	As at 31.03.2021
Borrowings	**-**	-
Cash and cash equivalents	**1,519.76**	1,015.41
Net debt	**-**	-
Total equity	**3,055.33**	3,977.77
Net debt to equity ratio	Not Applicable	

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

		GKN Industries Ltd., UK
B	Holding company	GKN Driveline International GmbH, Germany
C	Other Related parties where transaction have taken place:	GKN Driveline Japan Ltd, Japan GKN Do Brasil Ltd., Brasil GKN Driveline Zumaia SA, Spain GKN Automotive Ltd., U.K GKN Investments III GP Limited., UK GKN Freight Services Ltd, UK GKN Driveline Service Ltd, UK GKN Driveline Deutschland Gmbh, Germany 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 Sanford GKN Driveline Slovenija, d.o.o, Slovenia GKN Driveline Polska Sp.zo.o,Poland GKN Sinter Metals Private Limited, India GKN Sinter Metals Components GMBH , Germany GKN Driveline VIGO SA GKN Driveline SA GKN Driveline Bruneck GKN Unior-Atras d o o GKN Driveline Mosel GKN Driveline Legazpia, S A GKN Driveline Mexico (UK) Ltd., UK GKN Automotive Bengaluru Private Limited
	(ii) Joint ventures of GKN Plc, UK.	Shanghai GKN Huayo Driveline System Co. Ltd China Taiway Ltd, Taiwan
		Transejes Transmisiones Homocineticas de Colombia
	(iii) Board and Key Managerial Personnel	Mr. Sanjay Katyal (Managing Director) Mr. Madan Singh Sisodia (Executive Director) Mr. Rajeev Dogra (Executive Director)
		Ms. Monica Widhani (Independent Director)
		Mr. Subramaniam Ramaswamy (Independent Director) till March 31 2022
		Mr. Tushar Jain (Chief Finance Officer)
		Ms. Richa Porwal (Company Secretary)

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

Particulars	**For year ended 31.03.2022**	For year ended 31.03.2021
Sale of goods		
GKN Driveline Malaysia Sdn Bhd, Malaysia	**5.10**	6.34
GKN Driveline Japan Ltd, Japan	**33.32**	40.04
GKN Driveline (Thailand) Ltd, Thailand	**94.07**	-
GKN Driveline Korea Ltd, South Korea	**-**	0.08
Transejes Transmisiones Homocineticas de Colombia	**0.11**	0.17
Others	**0.85**	2.12
	133.45	48.75
Sale of services	**46.93**	14.11
GKN Automotive Ltd, U.K	**46.93**	14.11

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

Sale of Property, Plant, Equipment and Intangible Assets		
GKN Automotive Bengaluru Private Limited	**103.72**	-
	103.72	-
Purchase of raw materials and components		
GKN Driveline SA, France	**5.65**	2.34
GKN Driveline Zumaia S A, Spain	**11.92**	3.37
GKN Driveline North America, Inc, USA	**35.92**	30.30
GKN DO Brasil Ltd, Brasil	**5.12**	3.61
Shanghai GKN Huayo Driveline System Co. Ltd., China	**27.06**	22.32
GKN Driveline Korea Ltd, South Korea	**0.09**	6.98
GKN Driveline Deutschland Gmbh, Germany	**43.67**	89.26
Unidrive Pty Ltd, Australia	**-**	-
Others	**8.59**	9.46
	138.02	167.64
Expenditure on Capital item		
GKN Driveline Korea Ltd, South Korea	**-**	28.05
	-	28.05
Expenditure on royalty		
GKN Automotive Ltd, UK	**34.74**	28.52
Strategic management charge		
GKN Automotive Ltd, UK	**29.73**	24.00
Expenditure on trade mark fees		
GKN Investment III GP Ltd	**104.25**	82.22
Payment for freight		
GKN Freight Service Ltd, UK	**95.37**	45.33
Others	**1.85**	0.08
	97.22	45.41
Reimbursement of expenses received		
GKN Driveline Japan Ltd, Japan	**-**	0.38
GKN Automotive Ltd, U.K	**-**	2.89
Others	**-**	0.27
	-	3.54

31(c). Management Consultancy and Business Auxiliary Services

GKN Automotive Ltd, U.K	**59.07**	3.80
Remuneration paid to key management personnel**		
Mr. Sanjay Katyal	**9.75**	6.82
Mr. Madan Singh Sisodia	**11.04**	8.12
Mr. Rajeev Dogra	**9.10**	5.70
Mr. Tushar Jain	**6.09**	4.26
Ms. Richa Porwal	**2.62**	2.38
Ms. Monicka Widhani	**1.00**	1.00
Mr. Subramaniam Ramaswamy	**1.00**	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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

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

Particulars	As at 31.03.2022	As at 31.03.2021
Receivables		
GKN Driveline Malaysia Sdn. Bhd, Malaysia	**1.57**	2.20
GKN Driveline Japan Ltd, Japan	**3.17**	4.88
GKN Driveline (Thailand) Ltd, Thailand	**5.97**	-
GKN Automotive Ltd., U.K	**-**	15.20
Others	**0.01**	0.40
	10.72	22.68

(Rs. in million)

Particulars	As at 31.03.2022	As at 31.03.2021
Trade payables		
GKN Driveline SA, France	**1.30**	2.19
GKN Freight Services Ltd, Uk	**22.08**	14.20
GKN Investment III GP Ltd	**27.48**	30.38
GKN Automotive Ltd, UK	**25.94**	2.64
GKN Driveline Deutschland Gmbh, Germany	**6.22**	19.88
GKN Driveline North America, Inc, USA	**11.81**	8.39
GKN Driveline Zumaia SA, Spain	**3.78**	1.85
Others	**2.55**	10.11
	101.16	89.64
Guarantee issued in favour of the Company		
GKN Holding plc, UK	**1,350.00**	1,600.00

32. Contingent liabilities:

1) Claims against the Company not acknowledged as debts (Rs. in million)

Particulars	As at 31.03.2022	As at 31.03.2021
Demands for Income Tax	**86.14**	140.95
Demands for Service Tax	**18.03**	17.17
Demands for Sales tax/VAT	**-**	1.04

Income Tax Matters

Income Tax demands mainly relates to disallowance for Trademark Royalty, gratuity contributions, provision for slow moving inventory and foreign exchange gain/loss.

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 by the department of manual C forms and F forms issued by customer and Non submission of C forms.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

Footnote to Note 32.1

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.

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

Particulars	As at 31.03.2022	As at 31.03.2021
Bank guarantee furnished to Maharashtra Pollution Control Board.	**0.50**	0.50
Bank guarantee furnished to ARS Energy Private Ltd.	**-**	1.51
Bank guarantee furnished to GST Department Mehsana	**0.64**	-

33. COVID-19 Delta Version 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 Operations and the Financial Results of the Company during the Year ended March 31, 2022 were marginally impacted due to sudden shutdown of the Company's plants due to the lockdown announced by the State after the outbreak of Delta COVID-19 Pandemic in on May 2021.

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 and other assets as on March 31, 2022.

The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business on account of COVID-19."

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

Particulars	As at 31.03.2022	As at 31.03.2021
Capital commitments		
(a) Estimated value of contracts in capital account remaining to be executed (net of advances)	**88.45**	17.05

(b) (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. Lease liabilities :

The Company's leases primarily consists of leases for land and buildings for industrial use. Under these agreements, refundable security deposits have been given. The lease agreement provides for renewable option.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2022:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

(i) Movement in lease liabilities.

	Category of ROU Assets		
Particulars	**Land**	**Building**	**Total**
Balance as of April 1, 2021	**25.53**	76.78	102.32
Depriciation/amortization	**(0.30)**	(11.24)	(11.54)
Balance as of March 3rd, 2022	**25.23**	**65.55**	90.78

(ii) Movement in lease liabilities (Rs. in million)

Particulars	**As at 31.03.2022**	As at 31.03.2021
Opening Balance	**89.04**	95.46
Finance costs	**7.18**	7.76
Payment	**(14.90)**	(14.18)
Closing Balance	**81.32**	89.04

Maturity Analysis of lease liabilities: (Rs. in million)

Particulars	**As at 31.03.2022**	As at 31.03.2021
Less than one year	**9.16**	7.72
One to five years	**54.66**	47.06
More than five years	**17.51**	34.26
Total	**81.33**	89.04

The company does not face a significant liquidity risk with regard to it's lease as current are sufficient to meet the obligation related to lease liabilities as & when they fall due.

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

(Amount in Rs.)

	Particulars	**For the year ended 31.03.2022**	For the year ended 31.03.2021
(a)	Dues remaining unpaid as at the end of accounting year		
	Principal	**80.47**	65.56
	Interest on above	**3.92**	0.17
(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	**204.04**	272.90
	Interest paid in terms of Section 16 of the Act	**-**	-
(c)	Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	**1.44**	0.39
(d)	The amount of interest accrued and remaining unpaid at the end of the accounting year	**5.36**	0.39
(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	**0.85**	0.03

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

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.

Note: The above interest of Rs. 5.36 millions is clubbed in Trade payables in Balance Sheet

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

Infrastructural development

Environmental sustainability

Healthcare including sanitation and drinking water

Disaster management including COVID 19 support

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. 14.37 million (Previous year Rs. 18.19 million) and the details of amount spent are as under:

(Rs. in million)

Particulars	**year ended 31.03.2022**	year ended 31.03.2021
Amount required to be spent by the Company during the year	**14.37**	18.19
Amount of expenditure incurred	**13.90**	19.30
(Shortfall)/Excess at the end of the year	**(0.47)**	1.11
Total of previous year Excess/ (shortfall)	**0.64**	
Reason for shortfall	**NA**	NA
Nature of CSR Activities	**(i) Solar panels at schools / villages, (ii) Infrastructure Support to Old Age Home and (iii) Distribution at School & Aanganwadi (iv) Supply of materials to Local authorities for COVID-19 warriors.**	"(i) PPE Kit contribution (ii)Infrastructure Support to Old Age Home (iii) Solar panels at schools / villages

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 Form 3CEB, 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

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	year ended 31.03.2022	year ended 31.03.2021
Within India	**7,865.70**	6,151.79
Outside India	**662.59**	492.14
Total	**8,528.29**	6,643.93

b) Non Current Assets

(Rs. in million)

Particulars	year ended 31.03.2022	year ended 31.03.2021
Within India	**3,000.48**	3,448.83
Outside India	-	-
Total	**3,000.48**	3,448.83

Information about major customers:

There are three customers which individually contribute more than 10% of the total revenue in current year as well as the previous year. The aggregate amount of revenue from such customers account for 65% of total revenue.(previous year 65%)

40. Ratios

The ratios for the year ended March 31, 2022 and March 31, 2021 are as follows:

Sr No.	Particulars	Numerator	Denominator	Year ended March 31, 2022	Year ended March 31, 2021	Change	Reason for change in the ratio by more than 25%
(a)	Current ratio (number of times)	Current Assets	Current Liabilities	1.07	1.33	-20%	
(b)	Return on equity ratio (number of times)	Net Profits After Taxes	Average Shareholder's Equity	0.19	0.13	40%	Mainly due to increase in profit owing to increase in sales in the current year.
(c)	Inventory turnover ratio (number of times)	Cost of Materials Consumed	Average Inventory	5.03	3.73	35%	Better inventory management and increase in sales owing to improved economic conditions in current year.
(d)	Trade receivable turnover ratio (number of times)	Revenue from operations	Average Trade Receivable	8.95	8.48	5%	

Sr No.	Particulars	Numerator	Denominator	Year ended March 31, 2022	Year ended March 31, 2021	Change	Reason for change in the ratio by more than 25%
(e)	Trade payable turnover ratio (number of times)	Purchases of materials	Average Trade Payables	2.67	2.40	11%	
(f)	Net capital turnover ratio (number of times)	Revenue from operations	Working Capital	37.43	9.16	308%	Improved working capital mainly due to increase in sales in the current year.
(g)	Net profit ratio (%)	Net Profit	Sale of products	7.70%	8.51%	-10%	
(h)	Return on capital employed (number of times)	Earning before interest and taxes	Capital Employed	0.30	0.19	62%	Mainly due to increase in profit owing to increase in sales in the current year.
(i)	Return on investments (number of times)	Net Profits After Taxes	Average Shareholder's Equity	0.19	0.13	40%	Mainly due to increase in profit owing to increase in sales in the current year.

Footnotes:

(a) The Company do not have borrowings. Hence Debt Equity ratio and Debt Service Coverage Ratio are not applicable.

(b) Equity = Equity share capital + Other equity

(c) Working capital = Current assets - Current liabilities.

(d) Earning Before Interest and Taxes = Profit before tax + Finance costs

(e) Capital employed includes Shareholders' Equity + borrowings, if any

41. Vivad Se Vishwas Scheme under Income Tax Act

During the previous year the Company applied under the Direct Tax Vivad Se Vishwas Act, 2020 (the Scheme) to settle tax disputes relating to Financial Year 2009-10 to Financial Year 2013-14. The Scheme provides for complete/ partial waiver of interest and/or penalty.

The Company 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 settlement of the tax arrears. This resulted in write back of provisions for Interest and penalty of Rs. 78.98 million and Rs. 99.77 million respectively in the Statement of Profit and Loss for the year ended March 31, 2021. (Refer note 20 Other income)

42. (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iv) The Company has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(v) The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vi) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(vii) The Company is not declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.

(viii) The Company has complied with the number of layers for its holding in downstream companies prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

(ix) 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 of land and building that have been taken on lease and disclosed as right-of-use in the financial statements, the lease agreements are in the name of the Company.

(x) The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Asset) since the Company has adopted cost model as its accounting policy to an entire class of Property, Plant and Equipment in accordance with Ind AS 16.

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

44. Previous year figures have been regrouped/ re-classified to make them comparable with the current year figures for better presentation.

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
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 24, 2022

GKN Driveline (India) Limited
CIN: U74999HR1985PLC034079
Regd Office: Plot No. 270, Sector 24,
Faridabad 121005 (Haryana)
Tel: +91(129) 6621300
Fax: +91 (129) 6621349
E-mail: GDI.Stakeholder@gknautomotive.com
Website: www.gknautomotive.com

ATTENDANCE SLIP

37th 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 37th Annual General Meeting of the Company at Registered Office, Plot No. 270, Sector 24, Faridabad 121 005 (Haryana) on Thursday, 29th September 2022 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.

E-VOTING PARTICULARS

GKN Driveline (India) Limited
CIN: U74999HR1985PLC034079
Regd Office: Plot No. 270, Sector 24,
Faridabad 121005 (Haryana)
Tel: +91(129) 6621300
Fax: +91 (129) 6621349
E-mail: GDI.Stakeholder@gknautomotive.com
Website: www.gknautomotive.com

EVEN (E-Voting Event Number)	USER ID	PASSWORD

Note : Please read instructions given out in the Notice of the 37th 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) 6621300
Fax: +91 (129) 6621349
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 37th Annual General Meeting of the Company to be held on **29th September 2022, Thursday 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, 2022 including audited Balance Sheet as at March 31, 2022, 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. Anthony Bell (DIN-08754802) 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 2021-2022.		
Special Business			
4	Re-appointment and revision in remuneration of Mr. Sanjay Katyal, Managing Director		
5	Revision in remuneration of Mr. Madan Singh Sisodia, Executive Director		
6	Revision in remuneration of Mr. Rajeev Dogra, Executive Director		
7	Appointment of Mr. Bharat Dev Singh Kanwar as Independent Director		
8.	Consolidated approval for payment of Managerial remuneration for FY 2021-22 and advance approval for Managerial remuneration for next 3 years		

Signed this ……..… day of …………....................… 2022.

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 37th 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

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