

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL

CHANDIGARH BENCH, CHANDIGARH

(ORIGINAL JURISDICTION)

COMPANY APPLICATION NO. CA (CAA) 41/Chd/Pb OF 2021

IN THE MATTER OF THE COMPANIES ACT, 2013 (18 OF 2013)

SECTIONS 230 & 232

AND

IN THE MATTER OF SCHEME OF ARRANGEMENT

AND

IN THE MATTER OF

G.N.A. TRANSMISSIONS PVT LTD

APPLICANT NO. 1/TRANSFEROR COMPANY

GURU NANAK AUTO ENTERPRISES LTD

APPLICANT NO. 2/TRANSFeree COMPANY

AND

ASKK ESTATES PVT LTD

APPLICANT NO. 3/ RESULTING COMPANY

### **Explanatory Statement**

[Under Sections 230 & 232 read with Section 66 of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, and other applicable provisions, if any]

- 1.** A joint Application being CA (CAA) 41/Chd/Pb of 2021, was filed before the Hon'ble National Company Law Tribunal, Chandigarh Bench, Chandigarh (hereinafter referred to as "the Tribunal/NCLT") under the provisions of Sections 230 & 232 read with Section 66 of the Companies Act, 2013, and other applicable provisions, if any, in connection with the proposed Scheme of Arrangement of G.N.A. Transmissions Pvt Ltd, Guru Nanak Auto Enterprises Ltd and ASKK Estates Pvt Ltd (hereinafter referred to as "the Scheme of Arrangement" or "this Scheme or "the Scheme") and other connected matters, if any.
- 2.** Pursuant to the Order dated 23<sup>rd</sup> December, 2021 (date of pronouncement), passed by the Hon'ble Tribunal, in the above referred joint Company Application, separate meetings of the Secured Creditors of the Transferor Company; and Secured Creditors and Un-secured Creditors of the Transferee Company are scheduled to be convened and held **through Video Conferencing** with facility of remote e-voting, **on Saturday, 5<sup>th</sup> March, 2022**, as per the following schedule, for the purpose of considering and, if thought fit, approving, the proposed

Scheme of Arrangement, at which time the said stakeholders are requested to attend:

<b>Meeting of</b>	<b>Time</b>
Secured Creditors of the Transferor Company-G.N.A. Transmissions Pvt Ltd	10:00 A.M.
Secured Creditors of the Transferee Company-Guru Nanak Auto Enterprises Ltd	12:00 Noon
Un-secured Creditors of the Transferee Company-Guru Nanak Auto Enterprises Ltd	2:00 P.M.

**Voting** may be made through remote e-voting which will be available during the prescribed period before the meetings (as given below); and through e-voting platform which will be available during the meetings:

<b>Commencement of remote e-voting</b>	Monday, 28 <sup>th</sup> February, 2022 at 9:00 A.M. IST
<b>End of remote e-voting</b>	Friday, 4 <sup>th</sup> March, 2022 at 5:00 P.M. IST

- 3.** The Scheme of Arrangement provides for
- a.** Amalgamation of G.N.A. Transmissions Pvt Ltd with Guru Nanak Auto Enterprises Ltd;
  - b.** De-merger of Real Estate and Ancillary Business of Guru Nanak Auto Enterprises Ltd into ASKK Estates Pvt Ltd; and
  - c.** Other matters connected with the aforesaid Amalgamation and De-merger, if any.

A copy of the Scheme of Arrangement setting out the terms and conditions of the proposed Amalgamation, De-merger and other matters connected, is enclosed with this Explanatory Statement.

#### **4. Companies to the Scheme and their Background**

##### **4.1 The Applicant No. 1/the Transferor Company-G.N.A. Transmissions Pvt Ltd:**

- i.** The Transferor Company-G.N.A. Transmissions Pvt Ltd [Corporate Identification No. (CIN): U 23209 PB 1986 PTC 007159; Income Tax Permanent Account No. (PAN): AAA CG 4933 H] (hereinafter referred to as "the Transferor Company") was incorporated under the provisions of the Companies Act, 1956, as a private limited company vide Certificate of Incorporation dated 1<sup>st</sup> December, 1986 issued by the Registrar of Companies, Punjab and Chandigarh, Chandigarh.
- ii.** Presently, the Registered Office of the Applicant Transferor Company is situated at G.T. Road, Goraya-144 409, District Jalandhar, Punjab, E-mail; [cs@gnaent.com](mailto:cs@gnaent.com).

**iii.** The detailed objects of the Transferor Company are set out in the Memorandum of Association and are briefly stated as below:

1. *To Manufacture, Fabricate, Process and to Purchase, Sell, Import-Export or otherwise deal in all types of component parts, Accessories, Spares, and Fittings of all Kinds of or Automotive, General Engineering, Petrochemicals, Miscellaneous Industries in allied fields of all types and description.*
2. *To Manufacture, Fabricate, Process, Buy, Sell, Deal in all kinds of Castings and Stampings, Machinery Parts, Moulds, Press Tolls, Jigs, Fixtures Garage Tools Agricultural Implements, Iron and Steel Products and Mattalic products die making, Die Castings, Automobile and Electrical Parts, Electronic Goods, Spare Parts of all kinds of Machinery and/or to deal in other allied lines.*
3. *To Manufacture and Deal in forge and forgings of heavy and light machinery, used in engineering products of ferrous and non- ferrous metal and to carry on the business of mechanical engineers and of manufactures, dealers, importers, exporters, assemblers, factory builders and repairers and contractors of locomotive and rolling stocks of all description of boilers, of boilers, steam engines, internal combustion engines, tractors, turbines and all type of hydraulic machines, armaments, ammunition, machine tools and machinery of other description and builders of carriages, cars, trucks, wagons carts, aircraft, military hardware and all appliances and machinery of all kinds intended to be used for foundry and treatment of metals.*
4. *To Carry on the business of Real Estate or to Act as Builders, Real Estate Agent or Colonizers.*
5. *To Lease out any land or building with an object to earn regular income or to get accretion thereto.*

**iv.** The Transferor Company is engaged in manufacturing and processing of auto components on job work basis and other related activities.

**v.** Present Authorised Share Capital of the Transferor Company is ₹5,00,00,000 divided into 50,00,000 Equity Shares of ₹10 each. The Present Issued, Subscribed and Paid-up Capital of the Company is ₹65,87,800 divided into 6,58,780 Equity Shares of ₹10 each.

**vi.** Detail of the present Board of Directors of the Transferor Company is given below:

<b>Sl. No.</b>	<b>Name &amp; Address</b>	<b>DIN</b>	<b>Designation</b>
<b>1.</b>	Shri Jagdish Singh Sarhali Road, Patti Niewal, Bundala, Jalandhar-144 034,	01333785	Managing Director

	Punjab		
<b>2.</b>	Smt Amardeep Kaur Sarhali Road, Patti Niewal, Bundala, Jalandhar-144 034, Punjab	02223548	Director
<b>3.</b>	Smt Kamaljit Kaur Village Bundala, Patti Niewal, Phillaur, Jalandhar-144 034 Punjab	01341079	Whole time Director

**4.2 The Applicant No. 2/Transferee Company-Guru Nanak Auto Enterprises Ltd:**

- i.** The Transferee Company-Guru Nanak Auto Enterprises Ltd [Corporate Identification No. (CIN): U 50404 PB 1974 PLC 003420; Income Tax Permanent Account No. (PAN): AAA CG 4804 F] (hereinafter referred to as "the Transferee Company/the Company") was originally incorporated under the provisions of the Companies Act, 1956, as a public limited company with the name and style as 'G.N.A. Enterprises Pvt Ltd' vide Certificate of Incorporation dated 30<sup>th</sup> March, 1974 issued by the Registrar of Companies, Punjab and Chandigarh, Chandigarh. Name of the Company was changed to 'Guru Nanak Auto Enterprises Pvt Ltd' vide Fresh Certificate of Incorporation dated 5<sup>th</sup> March, 1981 issued by the Registrar of Companies, Punjab and Chandigarh. The Company was converted into a public limited company and name of the Company was changed to its present name 'Guru Nanak Auto Enterprises Ltd' vide Fresh Certificate of Incorporation issued by the Registrar of Companies, Punjab and Chandigarh.
- ii.** Presently, the Registered Office of the Transferee Company is situated at G.T Road, Jamalpur, Phagwara-144 632, District Kapurthala, Punjab; E-mail: [finance@gnaent.com](mailto:finance@gnaent.com); Website: [www.gnaent.com](http://www.gnaent.com).
- iii.** The detailed objects of the Transferee Company are set out in the Memorandum of Association and are briefly stated as below:
  - 1. To Deal, Import and Export and Manufacture Auto Parts & Auto Spare Parts and Accessories of Vehicles of every description.*
  - 2. To Enter into Partnership or to take over the assets and Liabilities of any running Concern with Goodwill and Rights.*
  - 3. To Manufacture and deal in Cars, Trucks, Scooters and other Vehicles and their parts & spare parts and accessories.*
  - 4. To Carry on the Business of Mechanical Engineers, Electrical Engineers, Machinists Filters, Mill Rights Founders, Wire Drawers, Tube makers, Metallurgists, Saddlers, Galvanisers, Forgers of Ferrous and Non-Ferrous Metals, Spanners, Assemblers, Painters, Electro Platers and Packing Cases makers.*

5. To Manufacture and Deal in all kinds of Electrical Appliances, Electrical Goods and Electrical Equipments.

6. To purchase, acquire, sell, lease, exchange, hire, let, sub-let, dispose off or otherwise deal in real estate, land, building, moveable and immovable properties of any tenure or description; to erect, construct, build, demolish, fabricate, execute, carry out, improve, work, develop and enlarge, rebuild, furnish, fabricate, manage or control in India or abroad on any land or immovable property and conveniences of all kinds; to carry on the business as civil contractors and engineers, builders, colonizers, town planners, real estate developers, land developers, estate agents, architect, interior decorators, real estate consultants and to otherwise deal in all kind of real estate business; and to deal in all kinds of building materials, equipments, plant and machinery used in connection therewith.

**iv.** The Transferee Company is engaged in manufacture and marketing of rear axle shafts, other forged & machined components for Automotive Industry and other related activities. The Transferee Company is also engaged in Real Estate and Ancillary Business comprising of business activities related to owning and maintenance of immovable properties for leasing/sale purposes. Hence, the Transferee Company has two business verticals-(a) manufacturing of auto components; and (b) real estate and ancillary business.

**v.** Present present Authorised Share Capital of the ₹40,00,00,000 divided into 3,50,00,000 Equity Shares of ₹10 each aggregating to ₹35,00,00,000; and 50,00,000 Preference Shares of ₹10 aggregating to ₹5,00,00,000. The present Issued, Subscribed and Paid-up Share Capital of the Company is ₹23,12,16,450 divided into 2,31,21,645 Equity Shares of ₹10 each.

**vi.** Detail of the present Board of Directors of the Transferee Company is given below:

<b>Sl. No.</b>	<b>Name &amp; Address</b>	<b>DIN</b>	<b>Designation</b>
<b>1.</b>	Shri Jagdish Singh Sarhali Road, Patti Niewal, Bundala, Jalandhar-144 034, Punjab	01333785	Chairman & Whole time Director
<b>2.</b>	Smt Amardeep Kaur Sarhali Road, Patti Niewal, Bundala, Jalandhar-144 034, Punjab	02223548	Whole time Director
<b>3.</b>	Smt Kamaljit Kaur Village Bundala, Patti Niewal, Phillaur, Jalandhar-144 034 Punjab	01341079	Whole time Director
<b>4.</b>	Shri Radhakrishnan Singaram 1-C, Kristal Meadows, 3 <sup>rd</sup> Cross No. 3556, Hal-II Stage, Indira	01246033	Managing Director

	Nagar, Bangalore-560 008, Karnataka		
<b>5.</b>	Shri Harsh Mitter A-87, Kendriya Vihar Sector-48 B, Chandigarh-160 047	09110102	Independent Director
<b>6.</b>	Shri Vijay Kumar Bhandari 1704, Wallace Apts., Sleater Road, Grant Road West, Mumbai-400 007 Maharashtra	00052716	Independent Director
<b>7.</b>	Shri Surjit Singh Ajimal 11-A, New Vijay Nagar, Jalandhar-144 001 Punjab	01201314	Independent Director

#### **4.3 The Applicant No. 3/Resulting Company-ASKK Estates Pvt Ltd:**

- i.** The Resulting Company-ASKK Estates Pvt Ltd [Corporate Identification No. (CIN): U 70109 PB 2021 PTC 054162; Income Tax Permanent Account No. (PAN): AAV CA7355 G] (hereinafter referred to as "the Resulting Company/the Company") was incorporated under the provisions of the Companies Act, 2013, as a private limited company vide Certificate of Incorporation dated 4th September, 2021 issued by the Central Registration Centre on behalf of the jurisdictional Registrar of Companies, Punjab and Chandigarh, Chandigarh.
- ii.** Presently, the Registered Office of the Resulting Company is situated at Village and Post Office: Bundala, Tehsil & District Jalandhar-144 034, Punjab; E-mail: [gs.amar@yahoo.co.in](mailto:gs.amar@yahoo.co.in).
- iii.** The detailed objects of the Resulting Company are set out in the Memorandum of Association and are briefly stated as below:
  - 1. To carry on the business of purchase, exchange, or otherwise, lands and immovable property of any description and of any tenure or any interest in the same, in India or elsewhere.*
  - 2. To carry on the business to erect, build, construct houses, flats, buildings or works or estates or condominiums or commercial centers, business parks, roads, colonies, infrastructures of every description on any land of the Company, or upon other lands or immovable property and to pull down, rebuild, enlarge, alter and improve existing estates, houses, building or works thereon, to convert and appropriate any such land into and for roads, streets, squares, gardens, schools, hospitals, clubs, police posts/stations and other conveniences and to deal with and improve the immovable property of the Company or any other immovable property, in India or elsewhere.*
  - 3. To carry on the business of buying, selling, reselling, importing, exporting, transporting, storing, promoting,*

*marketing or supplying, trading, dealing in any manner whatsoever in all types of civil construction material on retail as well as on wholesale basis in India or elsewhere.*

- iv. The Resulting Company is recently incorporated for the proposed de-merger and yet to start commercial operations.
- v. Present Authorised Share Capital of the Resulting Company is ₹10,00,000 divided into 1,00,000 Equity Shares of ₹10 each. The Present Issued, Subscribed and Paid-up Capital of the Company is ₹10,00,000 divided into 1,00,000 Equity Shares of ₹10 each.
- vi. Detail of the present Board of Directors of the Resulting Company is given below:

<b>Sl. No.</b>	<b>Name &amp; Address</b>	<b>DIN</b>	<b>Designation</b>
<b>1.</b>	Shri Jagdish Singh Sarhali Road, Patti Niewal, Bundala, Jalandhar-144 034, Punjab	01333785	Director
<b>2.</b>	Smt Amardeep Kaur Sarhali Road, Patti Niewal, Bundala, Jalandhar-144 034, Punjab	02223548	Director

- 5. **Detail of the Promoters:** All the Transferor Company, the Transferee Company and the Resulting Company are family owned, closely held un-listed Group Companies under common shareholding, management and control. Shri Jagdish Singh is the Core Promoter of all the three Companies along with his family members.
- 6. The proposed Arrangement of G.N.A. Transmissions Pvt Ltd, Guru Nanak Auto Enterprises Ltd and ASKK Estates Pvt Ltd, will be affected by the arrangement embodied in the Scheme of Arrangement framed under Sections 230 & 232 read with Section 66 of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal Rules, 2016, and other applicable provisions, if any.

## **7. Rationale and Benefits of the Scheme:**

- 7.1 The circumstances which justify and/or necessitate the proposed Amalgamation of G.N.A. Transmissions Pvt Ltd with Guru Nanak Auto Enterprises Ltd are, inter alia, as follows:
  - i. Both the Transferor and Transferee Companies are family-owned closely held un-listed Group Companies under common shareholding, management and control. The proposed amalgamation of the Transferor Company with the Transferee Company would result in consolidation of Group Companies and pooling of their resources into a single entity.
  - ii. The Transferee Company is, inter alia, engaged in manufacture and marketing of rear axle shafts, other forged & machined components for Automotive Industry and other related

activities. Whereas the Transferor Company is engaged in manufacturing and processing of auto components on job work basis and other related activities. It would be advantageous to combine the activities and operations in a single Company and to build strong capability to effectively meet future challenges in competitive business environment. The proposed amalgamation will enable the integration of the business activities of the Transferor Company with the Transferee Company.

- iii.** The proposed Amalgamation would result in business synergy, pooling of physical, financial and human resource of these Companies for the most beneficial utilization of these factors in the combined entity.
- iv.** The proposed Scheme of Amalgamation will result in usual economies of a centralized and a large company including elimination of duplicate work, reduction in overheads, better and more productive utilization of financial, human and other resource and enhancement of overall business efficiency. The proposed Scheme will enable these Companies to combine their managerial and operating strength, to build a wider capital and financial base and to promote and secure overall growth.
- v.** The amalgamation will result in significant reduction in multiplicity of legal and regulatory compliances which at present is required to be made separately by the Transferee Company as well as by the Transferor Company.
- vi.** The proposed amalgamation would enhance the shareholders' value of the Transferor and the Transferee Companies.
- vii.** The proposed Scheme of Amalgamation will have beneficial impact on the Transferor and the Transferee Companies, their shareholders, employees and other stakeholders and all concerned.

**7.2** The circumstances which justify and/or necessitate the proposed De-merger of Real Estate and Ancillary Business of Guru Nanak Auto Enterprises Ltd into ASKK Estates Pvt Ltd are, inter alia, as follows:

- a.** The Transferee Company- Guru Nanak Auto Enterprises Ltd is engaged in manufacture and marketing of rear axle shafts, other forged & machined components for Automotive Industry and other related activities. The Transferee Company has also diversified in real estate business and earning real estate rental income. Hence, the Transferee Company has two distinct business-(a) manufacturing of automobile parts and components and other related activities; and (b) Real Estate and Ancillary Business.
- b.** Since the manufacturing and real estate businesses have different characteristics and nature, it is proposed to segregate both these businesses into separate companies.
- c.** It is, accordingly, proposed to hive-off Real Estate and Ancillary Business from the Transferee Company into the Resulting



Company, which, upon de-merger, will be owned by the shareholders of the Transferee Company in the same manner and proportion in which they own shareholding in the Transferee Company.

- d.** The proposed de-merger will enable the Transferee Company and the Resulting Company to raise necessary funds, invite strategic investors and other stakeholders for their respective businesses.
- e.** It will impart better management focus, will facilitate administrative convenience and will ensure optimum utilization of various resources by these Companies.
- f.** The proposed de-merger will provide scope for independent expansion of various businesses. It will strengthen, consolidate and stabilize the business of these Companies and will facilitate further expansion and growth of their business.
- g.** The proposed De-merger will have beneficial impact on the Transferee Company and the Resulting Company, their employees, shareholders and other stakeholders and all concerned.
- h.** With a view to achieve greater management focus and keeping in mind the paramount and overall interest of the Shareholders, the Board of Directors of the Transferee Company and the Resulting Company considered that a Scheme of Arrangement for De-merger would be the most appropriate methodology.

**7.3** The Scheme of Arrangement is proposed for the aforesaid reasons. The Board of Directors and Management of the Transferor Company, the Transferee Company and the Resulting Company are of the opinion that the proposed Scheme is in the best interest of these Companies, their Shareholders and other stakeholders.

## **8. Salient features of the Scheme of Arrangement**

- i.** On Amalgamation, all assets and liabilities including Income Tax and all other statutory liabilities, if any, of G.N.A. Transmissions Pvt Ltd will be transferred to and vest in Guru Nanak Auto Enterprises Ltd.
- ii.** On De-merger, all assets and liabilities including Income Tax and all other statutory liabilities, if any, of Real Estate and Ancillary Business (the Demerged Business) of Guru Nanak Auto Enterprises Ltd will be transferred to and vest in ASKK Estates Pvt Ltd.
- iii.** On Amalgamation, all the employees of the Transferor Company in service on the Effective Date, if any, shall become the employees of Transferee Company on and from such date without any break or interruption in service and upon terms and conditions not less favorable than those subsisting in the Transferor Company on the said date.

- iv. On De-merger, all the employees of the Transferee Company employed in the activities relating to the Demerged Business, in service on the Effective Date, if any, shall become the employees of the Resulting Company on and from such date without any break or interruption in service and upon terms and conditions not less favorable than those applicable to them in the Demerged Business of the Transferee Company, on the Effective Date.
- v. Appointed Date for amalgamation will be 1<sup>st</sup> April, 2021, or such other date as the Hon'ble National Company Law Tribunal or any other competent authority may approve.
- vi. Appointed Date for de-merger will be the same as the Effective Date, or such other date as the Hon'ble National Company Law Tribunal or any other competent authority may approve.
- vii. Share Exchange Ratio for Amalgamation will be as follows:
  - a. The Transferee Company-Guru Nanak Auto Enterprises Ltd will issue 16,522 (sixteen thousand five hundred and twenty-two) Equity Shares of ₹10 each, credited as fully paid up, for every 1,000 (one thousand) Equity Shares of ₹10 each held in the Transferor Company-G.N.A. Transmissions Pvt Ltd.

Any fraction of share arising out of the aforesaid share exchange process, if any, will be rounded off to the nearest whole number.

- viii. Share Exchange Ratio for De-merger will be as follows:
  - The Resulting Company-ASKK Estates Pvt Ltd will issue 1 (one) Equity Share of ₹10 each, credited as fully paid-up, to the shareholders of the Transferee Company for every 10 (ten) Equity Shares of ₹10 each held in the Transferee Company-Guru Nanak Auto Enterprises Ltd.

Any fraction of share arising out of the aforesaid share exchange process, if any, will be rounded off to the nearest whole number.

- ix. Upon the Scheme becoming effective, the pre-Scheme issued and paid-up share capital of the Resulting Company which consists of 10,000 Equity Shares of ₹10 each aggregating ₹1,00,000, will be cancelled. 10,000 9% Compulsorily Redeemable Preference Shares of ₹10 each, credited as fully paid-up, aggregating ₹1,00,000, will be issued in place of such cancelled equity share capital.

- 9. **Extracts of the Scheme:** Extracts of the selected clauses of the Scheme are reproduced below in italics (*points/clauses referred to in this part are of the Scheme of Arrangement*):

### **1.1 DEFINITIONS**

*In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning as under: and*

- i. **"Act"** means the Companies Act, 2013 (18 of 2013), the Companies (Compromises, Arrangements and Amalgamations)

*Rules, 2016, the National Company Law Tribunal Rules, 2016, and other applicable Rules made there under and includes any amendments, statutory re-enactments and modifications thereof for the time being in force; and the Companies Act, 1956 (1 of 1956), to the extent applicable, if any.*

- 1.1 "Act"** means the Companies Act, 2013 (18 of 2013), the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal Rules, 2016, and other applicable Rules made there under and includes any amendments, statutory re-enactments and modifications thereof for the time being in force; and the Companies Act, 1956 (1 of 1956), to the extent applicable, if any.
- 1.2 "Amalgamation"** means amalgamation of the Transferor Company with and into the Transferee Company in terms of this Scheme in its present form or with any modification(s) as approved by the Hon'ble National Company Law Tribunal or any other competent authority, as the case may be.
- 1.3 "Applicable Law(s)"** means any relevant statute, notification, by-laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, schemes, notices, treaties, judgement, decree, approvals, orders or instructions enacted or issued or sanctioned by any Governmental and Registration Authority, having the force of law and as applicable to Companies.
- 1.4 "Appointed Date-1"** which is relevant for the purpose of amalgamation of G.N.A. Transmissions Pvt Ltd with Guru Nanak Auto Enterprises Ltd in terms of this Scheme, means commencement of business on 1<sup>st</sup> April, 2021, or such other date as the Hon'ble National Company Law Tribunal or any other competent authority may approve.
- 1.5 "Appointed Date-2"** which is relevant for the purpose of the de-merger of Real Estate and Ancillary Business of Guru Nanak Auto Enterprises Ltd into ASKK Estates Pvt Ltd in terms of this Scheme, means the same date as the Effective Date, or such other date as the Hon'ble National Company Law Tribunal or any other competent authority may approve.
- 1.6 "Appointed Date"** means Appointed Date-1 and Appointed Date-2, collectively or any one of them as the context requires.
- 1.7 "Board" or "Board of Directors"** means the Board of Directors of the respective Transferor Company, the Transferee Company and the Resulting Company, as the case may be, and shall, unless it is repugnant to the context or otherwise, include Committee(s) so authorised by the Board of Directors, or any person authorised by the Board of Directors or such Committee(s).
- 1.8 "Demerged Business"** means the Real Estate and Ancillary Business of Guru Nanak Auto Enterprises Ltd, which is proposed to be De-merged into ASKK Estates Pvt Ltd and includes the business/undertaking comprising of:

- 1.8.1 Investments in various Real Estate; purchase, sale and dealing in Real Estate; owning and maintenance of immovable properties for leasing/sale purposes; land holding, and other related activities being carried on by Guru Nanak Auto Enterprises Ltd (Real Estate and Ancillary Business).
- 1.8.2 All assets (real or personal, corporeal or incorporeal, present future or contingent, tangible or intangible) of Real Estate and Ancillary Business of Guru Nanak Auto Enterprises Ltd wherever situated pertaining thereto.
- 1.8.3 All present and future liabilities (including contingent liabilities) arising out of the activities or operations of the Demerged Business, including loans, debts, current liabilities and provisions, duties and obligations relatable to the Demerged Business.
- 1.8.4 Without prejudice to the generality of the above, Demerged Business shall include in particular.
  - i. Plant, machinery and fixtures and all other properties and assets of the Demerged Business wherever situated.
  - ii. All rights, entitlements and other statutory permissions, approvals, consents, licenses, registrations, the benefits of all contracts including all customer contracts, agreements, vendor codes, approved tenders, past experience and credentials, business track record, and all other rights including leasehold rights if any, goodwill, intellectual property rights including copy right, design, patent, etc., investment, cash balances, the benefit of any deposit, financial assets, funds belonging to or proposed to be utilized for the Demerged Business, bank balances and bank accounts relating to the day to day operations and specific to the working of the Demerged Business; and all other fiscal and non-fiscal incentives, benefits and privileges which are available to or being availed by the Transferee Company or which the Transferee Company may be entitled to at any time for its Demerged Business, shall be continued to be available in the Resulting Company for the Demerged Business after the proposed De-merger.
  - iii. All records, files, papers, computer programs, manuals, data and other records, whether in physical form or electronic form in connection with or relating to the Demerged Business.
  - iv. All duties and obligations, which are relatable to the Demerged Business.
  - v. All advance money, earnest moneys and/or security deposits, bank guarantee, if any, paid or received by the Transferee Company in connection with or relating to the Demerged Business.

- vi. All trademarks, service marks, patents and domain names, copyrights, industrial designs, product registrations and other intellectual property including but not limited to all intellectual property and all other interests exclusively relating to the goods or services being dealt with by the Transferee Company with regard to the Demerged Business but shall not include any assets or liabilities relating to the Remaining Business of the Transferee Company.
- 1.8.5 For the purpose of this Scheme, it is clarified that liabilities pertaining to the Demerged Business include:
- i. The liabilities, which arise out of the activities or operations of the Demerged Business.
  - ii. Specific loans and borrowings raised, incurred and utilized solely for the respective activities or operation of the Demerged Business.
- 1.8.6 All employees of the Transferee Company employed in the Demerged Business, as identified by the Board of Directors of the Transferee Company, as on the Effective Date.
- 1.8.7 Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Demerged Business or whether it arises out of the activities or operations of the Demerged Business, shall be decided by the Board of Directors of the Transferee Company.

Proforma Balance Sheet of the Real Estate and Ancillary Business of the Transferee Company is set out in Schedule-1.

**1.9 "De-merger"** means transfer and vesting of Real Estate and Ancillary Business (the Demerged Business) of Guru Nanak Auto Enterprises Ltd, on a going-concern basis, by way of de-merger into ASKK Estates Pvt Ltd, in terms of this Scheme in its present form or with any modification(s) as approved by the Hon'ble National Company Law Tribunal or any other competent authority, as the case may be.

**1.10 "Effective Date"** means last of the dates on which the certified copies of the Order(s) passed by the Hon'ble National Company Law Tribunal, sanctioning the Scheme of Arrangement, are filed with the concerned Registrar of Companies, Ministry of Corporate Affairs.

**1.11 "Encumbrance" means (a) any mortgage, charge (whether fixed or floating),** pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any person, including any right granted by a transaction which in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Laws; (b) any proxy, power of attorney, voting trust agreement, interest, option, right of first offer, refusal or transfer restriction in favour of any person; and (iii) any adverse claim as to title, possession or use.

- 1.12 "FEMA"** means the Foreign Exchange Management Act, 1999 along with the rules and regulations made there under and shall include any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force.
- 1.13 "Intellectual Property Rights"** means, whether registered or not, in the name of or recognized under Applicable Laws as being intellectual property of the Transferor Company, or in the nature of common law rights of the Transferor Company, all domestic and foreign (a) trademarks, service marks, brand names, internet domain names, websites, online web portals, trade names, logos, uniforms and all applications and registration for the foregoing and all goodwill associated with the foregoing and symbolized by the foregoing; (b) confidential and proprietary information and trade secrets; (c) published and unpublished works of authorship and copyrights therein, and registrations and applications therefor, and all renewals, extensions, restorations and reversions thereof; (d) computer software, programs (including source code, object code, firmware, operating systems and specifications) and processes; (e) designs, drawings, sketches; (f) tools, databases, frameworks, customer data, proprietary information, knowledge, any other technology or know-how, licenses, software licenses and formulas; (g) ideas and all other intellectual property or proprietary rights; and (h) all rights in all of the foregoing provided by Applicable Laws.
- 1.14 "IT Act"** means the Income Tax Act, 1961, and the rules made there under and shall include any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force.
- 1.15 National Company Law Tribunal** means appropriate Bench/Benches of the Hon'ble National Company Law Tribunal constituted under the Companies Act, 2013, or such other court, tribunal, forum or authority having jurisdiction to sanction the present Scheme and other connected matters. The National Company Law Tribunal has been referred to as the Tribunal/NCLT.
- 1.16 "Record Date-1"** means the date to be fixed by the Board of Directors of the Transferor Company and/or the Transferee Company, with reference to which the eligibility of the shareholders of the Transferor Company shall be determined for allotment of shares in the Transferee Company on amalgamation in terms of this Scheme; and other connected matters, if any.
- 1.17 "Record Date-2"** means the date(s) to be fixed by the Board of Directors of the Transferee Company or the Resulting Company, with reference to which the eligibility of the shareholders of Transferee Company shall be determined for allotment of shares in the Resulting Company on de-merger in terms of this Scheme; and other connected matters, if any. It is clarified that for the purpose of the De-merger, post-merger list of shareholders of the Transferee Company will be taken into consideration after giving effect to allotment of shares pursuant to amalgamation of the Transferor Company with the Transferee Company.

- 1.18 "Record Date"** means Record Date-1 and Record Date-2, collectively or any one of them, as the context requires.
- 1.19 "Registrar of Companies"** means concerned Registrar(s) of Companies, Ministry of Corporate Affairs having jurisdiction under the Companies Act, 2013, and other applicable provisions, if any, on the respective Companies.
- 1.20 "Remaining Business of the Transferee Company"** means all assets and liabilities including immovable property, undertakings, businesses, activities, operations and intellectual property rights of the Transferee Company other than the Demerged Business.
- 1.22 "Scheme"** means the present Scheme of Arrangement framed under the provisions of sections 230 & 232 of the Companies Act, 2013, read with section 66 of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, together with sections 2(1B) and 2(19AA) of the Income Tax Act, 1961, and other applicable provisions, if any, which provides for (a) Amalgamation of G.N.A. Transmissions Pvt Ltd with Guru Nanak Auto Enterprises Ltd; (b) De-merger of Real Estate and Ancillary Business of Guru Nanak Auto Enterprises Ltd into ASKK Estates Pvt Ltd; and other matters connected with the said amalgamation and de-merger; in the present form or with any modification(s), approved or imposed or directed by Members/Creditors of these Companies and/or by any competent authority and/or by the Hon'ble National Company Law Tribunal or that may otherwise be deemed fit by these Companies.

## **AMALGAMATION OF G.N.A. TRANSMISSIONS PVT LTD WITH GURU NANAK AUTO ENTERPRISES LTD**

### **2.1 TRANSFER AND VESTING OF UNDERTAKING(S)**

- 2.1.1** On the Scheme becoming effective and with effect from the Appointed Date-1, subject to the provisions of the Scheme in relation to the modalities of transfer and vesting, the undertakings and entire business and all immovable properties (including agricultural land, industrial land, residential land and all other land and plots) where so ever situated and incapable of passing by physical delivery as also all other assets, capital work-in-progress, current assets, investments, deposits, bookings and advances against residential and commercial plots and buildings, powers, authorities, awards, allotments, approvals and consents, licenses, registrations, contracts, agreements, engagements, arrangement, rights, intellectual property rights, titles, interests, benefits and advantages of whatsoever nature belonging to or in the ownership, power, possession, control of or vested in or granted in favour of or enjoyed by the Transferor Company, including but without being limited to, benefit of all agreements and all other interests arising to the Transferor Company (hereinafter collectively referred to as "the said assets") shall, without any further act or deed or without payment of any duty or other charges, be transferred to and vested in the Transferee Company pursuant to the provisions of Section 232 of the Act as a going concern, for all the estate, right, title and interest of the Transferor Company therein so as

to become the property of the Transferee Company but, subject to mortgages, charges and encumbrances, if any, then affecting the undertaking of the Transferor Company without such charges in any way extending to the undertaking of the Transferee Company.

- 2.1.2** Notwithstanding what is provided herein above, it is expressly provided that in respect to such of the said assets as are movable in nature or are otherwise capable of being transferred by physical delivery or by endorsement and delivery, the same shall be so transferred, with effect from the appointed date-1, by the Transferor Company to the Transferee Company after the Scheme is duly sanctioned and given effect to without requiring any order of the Tribunal or any deed or instrument of conveyance for the same or without the payment of any duty or other charges and shall become the property of the Transferee Company accordingly.
- 2.1.3** On and from the Appointed Date-1, all liabilities, provisions, duties and obligations including Income Tax and other statutory liabilities, if any, of every kind, nature and description of the Transferor Company whether provided for in the books of accounts of the Transferor Company or not, shall devolve and shall stand transferred or be deemed to be transferred without any further act or deed, to the Transferee Company with effect from the Appointed Date and shall be the liabilities, provisions, duties and obligations of the Transferee Company.
- 2.1.4** Similarly, on and from the Appointed Date-1, all the taxes and duties including advance tax, tax deducted at source, tax collected at source, minimum alternative tax (MAT), self-assessment tax, Input Tax Credit under Goods and Services Tax (GST) or any other available input credit, etc., paid by or on behalf of the Transferor Company immediately before the amalgamation, shall become or be deemed to be the property of the Transferee Company by virtue of the amalgamation. Upon the Scheme becoming effective, all the taxes and duties paid (including TDS, MAT and GST, etc.) by or on behalf of the Transferor Company from the Appointed Date, regardless of the period to which these payments relate, shall be deemed to have been paid for and on behalf of and to the credit of the Transferee Company as effectively as if the Transferee Company had paid the same.
- 2.1.5** Upon the Scheme becoming effective, all un-availed credits and exemptions, statutory benefits, including in respect of Income Tax (including MAT credit), CENVAT, Customs, VAT, Sales Tax, Service Tax, Goods and Services Tax, etc., of the Transferor Company, shall be available to and vest in the Transferee Company, without any further act or deed.
- 2.1.6** Without prejudice to the generality of the provisions contained in aforesaid clauses, upon the Scheme becoming effective, requisite form(s) will be filed with the Registrar of Companies for creation, modification and/or satisfaction of charge(s), to the extent required, to give effect to the provisions of this Scheme.



- 2.1.7** On the Scheme becoming effective, the Transferee Company shall be entitled to file/revise income tax returns, TDS returns, GST returns, and other statutory filings and returns, filed by it or by the Transferor Company, if required, and to take all such steps that may be required to give effect to the provisions of this Scheme and/or required to claim refunds, depreciation benefits, advance tax credits, un-availed credits and exemptions, statutory benefits, etc., if any.
- 2.1.8** With effect from the Effective Date and until such time name in the bank accounts of the Transferor Company is replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the existing bank accounts of the Transferor Company, in so far, as may be necessary. The banks shall also honour cheques or other bills issued in the name of the Transferor Company on and from the Effective Date. Further, the Transferee Company, if so required, shall also be entitled to maintain one Bank Account in the name of the Transferor Company to enable it to deposit/encash any refund or other payment received in the name of the Transferor Company. All such deposits will, then, be transferred to the bank account of the Transferee Company. It may, however, be clarified that such bank account(s) (in the name of the Transferor Company) will be used only for the limited purpose of depositing/encashing any refund or other payments received in the name/in favour of the Transferor Company. Such bank account will not be used for normal banking transactions.
- 2.1.9** All other assets & liabilities of the Transferor Company, which may not be specifically covered in the aforesaid clauses, shall also stand transferred to the Transferee Company with effect from the Appointed Date.
- 2.1.10** In accordance with the Central Goods & Services Tax Act, 2017 ('CGST'), Integrated Goods & Services Tax Act, 2017 ('IGST') and respective State Goods & Services Tax laws ('SGST'), Goods & Services tax as are prevalent on the Effective Date, the unutilized credits relating to, Goods & Services tax lying in the accounts of the undertaking of the Transferor Company shall be permitted to be transferred to the credit of the Transferee Company (including in electronic form/registration). The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the Goods & Services tax payable by it.
- 2.1.11** All compliances with respect to taxes or any other law between the respective Appointed Date and Effective Date done by the Transferor Company shall, upon the approval of this Scheme, be deemed to have been made with by the Transferee Company.
- 2.1.12** Any tax liabilities under the Income Tax Act, 1961, Wealth Tax Act, 1957, customs duty laws, central sales tax, applicable state value added tax, service tax laws, excise duty laws, Goods & Services tax, or other applicable laws/ regulations dealing with taxes, duties, levies allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately

preceding the Appointed Date shall be transferred or stand transferred to Transferee Company. Any surplus in the provision for taxation / duties/ levies account including advance tax and tax deducted at source as on the date immediately preceding the Appointed Date will also be transferred to the account of the Transferee Company.

- 2.1.13** Any refund under the Income Tax Act, 1961, Wealth Tax Act, 1957, customs duty laws, central sales tax, applicable state value added tax, service tax laws, excise duty laws, Goods & Services tax, or other applicable laws/ regulations dealing with taxes/ duties/ levies allocable or related to the business and available on various electronic forms (including Form 26AS) / registration of the Transferor Company due to Transferor Companies consequent to the assessment(s) and other proceeding(s) made on the Transferor Company and for which no credit is taken in the accounts, as on the date immediately preceding the Appointed Date, shall also belong to and be received by the Transferee Company.

### **2.3 LEGAL PROCEEDINGS**

All legal proceedings of whatever nature by or against the Transferor Company pending on the Effective Date, shall not be abated, be discontinued or be, in any way, prejudicially affected by reason of the transfer of the undertaking of the Transferor Company or of anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made.

### **2.7 ISSUE OF SHARES BY TRANSFEREE COMPANY**

- 2.7.1** Upon the Scheme finally coming into effect and in consideration of the transfer and vesting of all the said assets and liabilities of the Transferor Company to the Transferee Company in terms of the Scheme, the Transferee Company shall, without any further application or deed, issue and allot Share(s) to the Shareholders of the Transferor Company, whose names appear in the Register of Members as on the Record Date-1, in the following ratio:
- b.** The Transferee Company-Guru Nanak Auto Enterprises Ltd will issue 16,522 (sixteen thousand five hundred and twenty-two) Equity Shares of ₹10 each, credited as fully paid up, for every 1,000 (one thousand) Equity Shares of ₹10 each held in the Transferor Company-G.N.A. Transmissions Pvt Ltd.
- 2.7.2** Any fraction of share arising out of the aforesaid share exchange process, if any, will be rounded off to the nearest whole number.
- 2.7.3** New Shares to be issued in terms of the aforesaid Clause shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company. New Equity Shares shall rank pari passu in all respects, including dividend, with the existing Equity Shares of the Transferee Company.

- 2.7.4** The issue and allotment of new Shares by the Transferee Company, as provided in this Scheme, is an integral part thereof. The members of the Transferee Company, on approval of the Scheme, shall be deemed to have given their approval under sections 42 & 62 of the Companies Act, 2013, and other applicable provisions, if any, for issue of new Shares in terms of this Scheme.
- 2.7.5** The Transferee Company is providing facility of holding shares in dematerialized form and for this purpose, it is registered with National Securities Depository Ltd (NSDL). Accordingly, the New Equity Shares to be issued by the Transferee Company to the shareholders of the Transferor Company in terms of this Scheme, will also be issued in dematerialized form with the equity shares being credited to the existing depository account of the Equity Shareholders of the Transferor Company. In case, any shareholder of the Transferor Company fails to provide the necessary details of his/her/its depository account to the Transferee Company on or before the Record Date-1, the New Equity Shares in the Transferee Company will be issued to such shareholder in physical form.
- 2.7.6** It is, however, clarified that provisions of this Scheme with regard to issue of shares by the Transferee Company will not apply to the share application money, if any, which may remain outstanding in the Transferor Company.

## **DE-MERGER OF REAL ESTATE AND ANCILLARY BUSINESS OF GURU NANAK AUTO ENTERPRISES LTD INTO ASKK ESTATES PVT LTD**

### **3.1 TRANSFER AND VESTING OF DEMERGED UNDERTAKING**

After giving effect to the amalgamation as provided under Part 2 of this Scheme, on the Scheme becoming effective and with effect from the Appointed Date-2, subject to the provisions of the Scheme in relation to the modalities of transfer and vesting, Demerged Business of the Transferee Company, as defined in 'Clause 1.8' above shall stand transferred to and vested in or deemed to be transferred to and vested in the Resulting Company, as a going concern, in the following manner:

- 3.1.1** The whole of the undertaking and properties of Demerged Business of the Transferee Company shall, without any further act or deed or without payment of any duty, stamp duty, or other charges, stand transferred to and vested in or be deemed to be transferred to and vested in the Resulting Company, pursuant to the provisions contained in sections 230 and 232 of the Companies Act, 2013, and all other applicable provisions, if any, and so as to vest in the Resulting Company, for all rights, title and interest pertaining to the Demerged Business of the Transferee Company.
- 3.1.2** All debts, liabilities, contingent liabilities, duties and obligations of every kind nature and description of the Transferee Company relating to the Demerged Business shall also, under the provisions of Sections 230 and 232 and all other applicable

provisions, if any, of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to the Resulting Company, so as to become the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company, and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.

- 3.1.3** All licenses, permissions, approval, consents or NOCs given by various government and other competent authorities to the Transferee Company in relation to the Demerged Business or otherwise held by the Transferee Company to implement/carry on the Demerged Business shall stand vested in or transferred to the Resulting Company, without any further act or deed, and shall be appropriately mutated by the authorities concerned therewith in favour of the Resulting Company. The benefit of all statutory and regulatory permissions, registration or other licenses, and consents shall vest in and become available to the Resulting Company, pursuant to the Scheme.
- 3.1.4** The transfer and vesting of the Demerged Business, as aforesaid, shall be subject to the existing securities, charges, mortgages and other encumbrances if any, subsisting over or in respect of the property and assets or any part thereof pertaining to the Demerged Business to the extent such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of Demerged Business.
- 3.1.5** Without prejudice to the generality of the provisions contained in aforesaid clauses, upon the Scheme becoming effective, the Transferee Company and Resulting Company will file requisite form(s) with the Registrar of Companies for creation, modification and/or satisfaction of charge(s), to the extent required, to give effect to the provisions of this Scheme.
- 3.1.6** For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that in accordance with the provisions of relevant laws, consents, permissions, licenses, registrations, certificates, authorities, powers of attorneys given by, issued to or executed in favour of Demerged Business and the rights and benefits under the same and all other interests of the Demerged Business, be without any further act or deed, be transferred to and vested in the Resulting Company.
- 3.1.7** Upon the Scheme coming into effect, all taxes/ cess/ duties, direct and/ or indirect, payable by or on behalf of the Demerged Business of the Transferee Company from the Appointed Date onwards, including all advance tax payments, tax deducted at source, any refunds or claims (including refunds or claims pending with the Revenue Authorities), shall, for all purposes, be treated as the tax/ cess/ duty, liability, advance tax payment, tax deducted at source, refund or claim, as the case may be, of the Resulting Company. The Resulting Company is expressly permitted to claim refunds/ credits in respect of any transaction

between the Demerged Business of the Transferee Company and the Resulting Company, if any.

- 3.1.8** Upon the Scheme becoming effective, all un-availed credits and exemptions, statutory benefits, including in respect of Income Tax (including MAT credit), CENVAT, Customs, VAT, Sales Tax, Service Tax, Goods and Services Tax, etc., relating to Demerged Business to which the Transferee Company is entitled to shall be available to and vest in the Resulting Company, without any further act or deed.
- 3.1.9** Upon this Scheme becoming effective, the Transferee Company and the Resulting Company shall be entitled to file/revise income tax returns, TDS returns, TDS certificates, sales tax/ value added tax returns, service tax returns, GST returns and other statutory filings and returns for the period commencing on and from the Appointed Date, and to take all such steps that may be required to give effect to the provisions of this Scheme and/or required to claim refunds, depreciation benefits, advance tax credits, MAT credit, un-availed credits and exemptions, statutory benefits, etc., if any.
- 3.1.10** Without prejudice to the generality of the above, all benefits, incentives, claims, losses, credits (including, without limitation income tax, service tax, GST, excise duty, applicable state value added tax etc.) to which Demerged Business of the Transferee Company is entitled to in terms of applicable laws, shall be available to and vest in the Resulting Company from the Appointed Date.

## **3.2 LEGAL PROCEEDINGS**

- 3.2.1** All legal proceedings of whatever nature by or against the Transferee Company pending and/or arising on or after the Appointed Date and relating to the Transferee Company, in relation to the Demerged Business, shall not abate or be discontinued or be, in any way, prejudicially affected by reason of the Scheme or by anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Resulting Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferee Company, in relation to the Demerged Business, as if the Scheme had not been made.
- 3.2.2** The Resulting Company undertakes to have all legal or other proceedings initiated by or against the Transferee Company, in relation to the Demerged Business, referred to in the above-mentioned clause, transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Transferee Company, in relation to the Demerged Business.
- 3.2.3** The Resulting Company undertakes to indemnify and save harmless the Transferee Company, to the fullest extent lawful from and against all third party actions, suits, claims, proceedings, costs, damages, judgments, amounts paid in

settlement and expenses (including reasonable attorney fees) relating to or arising out of, any acts or omissions of the Transferee Company (and its respective past, present and future affiliates, shareholders, partners, agents, directors, officers, employees, representatives, advisors, attorneys, successors, heirs, executors, administrators and assigns), relating to, or in pursuance of, or arising from:

- a. the filing, approval and implementation of the actions contemplated in this Scheme, or
- b. All legal proceedings in relation to the Demerged Business whether subsisting on the Appointed Date or arising thereafter.

### **3.9 Issue of Shares by the Resulting Company**

**3.9.1** Upon the Scheme finally coming into effect and after giving effect to allotment of shares pursuant to amalgamation of the Transferor Company with the Transferee Company and in consideration of de-merger and vesting of the Demerged Business of the Transferee Company into the Resulting Company, in terms of this Scheme, the Resulting Company, shall, without any further application or deed, issue and allot Equity Share(s), to the Equity Shareholders of the Transferee Company whose names appear in the Register of Members as on the Record Date-2, in the following ratio:

- i. The Resulting Company-ASKK Estates Pvt Ltd will issue 1 (one) Equity Share of ₹10 each, credited as fully paid-up, to the shareholders of the Transferee Company for every 10 (ten) Equity Shares of ₹10 each held in the Transferee Company-Guru Nanak Auto Enterprises Ltd.

**3.9.2** Any fraction of share arising out of the aforesaid share exchange process, if any, will be rounded off to the nearest whole number.

**3.9.3** New Equity Shares to be issued by the Resulting Company in terms of clause 3.9.1 above shall be subject to the provisions of the Memorandum and Articles of Association of the Resulting Company. The new Equity Shares to be issued by the Resulting Company shall rank pari passu in all respects, including dividend, with the existing Equity Shares of the Resulting Company.

**3.9.4** The issue and allotment of Equity Shares by the Resulting Company to the shareholders of the Transferee Company, as provided in this Scheme, is an integral part thereof. The members of the Resulting Company, on approval of the Scheme, shall be deemed to have given their approval under sections 42 & 62 of the Companies Act, 2013, and other applicable provisions, if any, for issue of new Shares to the Shareholders of the Transferee Company in terms of this Scheme.

**3.9.5** In the event there being any pending share transfer(s), the Board of Directors of the Transferee Company or any committee thereof, shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such transfer

in the Transferee Company as if such changes in the registered holders were operative on the Record Date, in order to remove any difficulty arising on account of such transfer and in relation to equity shares to be issued to the shareholders of the Transferee Company on de-merger pursuant to this Scheme.

- 3.9.6** Shares to be issued by the Resulting Company pursuant to this Scheme in respect of any shares of the Transferee Company, which are held in abeyance under the provisions of the Act or otherwise, shall be held in abeyance by the Resulting Company.
- 3.9.7** It is, however, clarified that provisions of this Scheme with regard to issue of shares by the Resulting Company will not apply to the share application money, if any, which may remain outstanding in the Transferee Company.

### **3.10 Re-organisation/Reduction of Capital of the Resulting Company and other matters**

- 3.10.1** Present issued and paid up share capital of the Resulting Company is ₹1,00,000 divided into 10,000 Equity Shares of ₹10 each, which is held by the Promoters of the Company. In terms of the provisions of this Scheme, the Resulting Company will issue Equity Shares to the Equity Shareholders of the Transferee Company. However, it is proposed that upon the Scheme becoming effective, the Resulting Company will have 100% mirror Equity Shareholding as that of the Transferee Company. In other words, post de-merger; all the Equity Shareholders of the Transferee Company will hold same percentage of Equity Shares in the Resulting Company as they are holding in the Transferee Company as on the record date. Accordingly, upon the Scheme becoming effective, the pre-Scheme issued and paid-up share capital of the Resulting Company which consists of 10,000 Equity Shares of ₹10 each aggregating ₹1,00,000, will be cancelled. 10,000 9% Compulsorily Redeemable Preference Shares of ₹10 each, credited as fully paid-up, aggregating ₹1,00,000, will be issued in place of such cancelled equity share capital.
- 3.10.2** Accordingly, upon the Scheme coming into effect, the Resulting Company No. 1 will issue 1 (one) 9% Compulsorily Redeemable Preference Shares of ₹10 each, credited as fully paid-up, for every 1 (one) Equity Share of ₹10 each held in the Resulting Company. Pre-Scheme issued and paid-up share capital of the Resulting Company consisting of 10,000 Equity Shares of ₹10 each aggregating ₹1,00,000, will stand cancelled.
- 3.10.3** 9% Compulsorily Redeemable Preference Shares to be issued in terms of the above, shall be redeemed in terms of the provisions of the Companies Act, 2013, at Par within a period of 5 years from the date of issue of such Redeemable Preference Shares with a put and call option available to the Shareholders and the Issuer Company for early redemption.
- 3.10.4** Re-organization/reduction of the paid-up share capital, reserves & surplus, etc., as the case may be, of the Resulting Company, on de-merger, as the case may be, shall be affected as an

integral part of the Scheme only. Approval of this Scheme by the Shareholders and/or Creditors of the Resulting Company and sanction by the Tribunal under section 230 and 232 of the Companies Act, 2013, shall be sufficient compliance with the provisions of section 66 of the Companies Act, 2013, and other applicable provisions, if any, relating to the re-organization/reduction of the paid-up capital, reserves & surplus, etc., as the case may be, of the Resulting Company. Such re-organisation/reduction of share capital would not involve either the diminution of any liability in respect of un-paid share capital or payment to any shareholder of any paid-up share capital. The Resulting Company is not proposing any buy-back of shares from its shareholders.

**3.10.5** It is clarified that no creditor of the Resulting Company will be adversely affected by the proposed re-organisation/reduction of share capital. Compulsorily Redeemable Preference Shares to be issued in terms of this Scheme, shall be redeemed in accordance with the provisions of the Companies Act, 2013, relating to the redemption of preference shares. Hence, such redemption of Preference Shares will not be deemed to be a reduction of capital of the Company.

#### **4.1 OPERATIVE DATE OF THE SCHEME**

- a. This Scheme shall be effective from the last of the dates on which certified copies of order of the Tribunal under Sections 230 and 232 of the Companies Act, 2013, are filed in the office(s) of the concerned Registrar of Companies. Such date is called as the Effective Date.
- b. Though this Scheme shall become effective from the Effective Date, the provisions of this Scheme shall be applicable and come into operation from the Appointed Date.

**The aforesaid are the salient features/selected extracts of the Scheme of Arrangement. Please read the entire text of the Scheme of Arrangement to get acquainted with the complete provisions of the Scheme.**

- 10.** The proposed Scheme of Arrangement is for the benefit of all the Companies, their Shareholders and other stakeholders. It is fair and reasonable and is not detrimental to the interest of the public. It is not prejudicial to any person.
- 11.** Valuation exercise has been carried out to determine the share swap ratio for the proposed Scheme of Arrangement. Mr Sandeep Kumar Agrawal, a Chartered Accountant and the Registered Valuer in respect of Securities or Financial Assets, registered with the Insolvency and Bankruptcy Board of India (IBBI), has prepared the Report on Valuation of Shares and Share Exchange Ratio.

The Report on Valuation of Shares & Share Exchange Ratio of Mr Sandeep Kumar Agrawal, a Chartered Accountant and the Registered Valuer in respect of Securities or Financial Assets, registered with the Insolvency and Bankruptcy Board of India (IBBI), has been unanimously accepted by the respective Board of Directors of the



Transferor Company, the Transferee Company and the Resulting Company. The Board of Directors of the Transferor Company, the Transferee Company and the Resulting Company, based on the Report on Valuation of Shares & Share Exchange Ratio and on the basis of their independent evaluation and judgment, concluded that the proposed exchange ratio is fair and reasonable to the Shareholders and other stakeholders of all the Companies.

A complete set of the Report on Valuation of Shares & Share Exchange Ratio of Mr Sandeep Kumar Agrawal, a Chartered Accountant and the Registered Valuer in respect of Securities or Financial Assets, registered with the Insolvency and Bankruptcy Board of India (IBBI), giving basis of valuation, valuation methodology and calculations, etc., is enclosed herewith.

- 12.** The proposed Scheme of Arrangement has been unanimously approved by the respective Board of Directors of the Transferor Company, the Transferee Company and the Resulting Company in their respective meetings held on 23<sup>rd</sup> September, 2021. None of the Directors voted against or abstained from voting on the resolution for approving the Scheme of Arrangement in the aforesaid meetings.

Further, the notices of the aforesaid meetings scheduled to be convened and held under the supervisions of the Hon'ble National Company Law Tribunal, the Explanatory Statement and other papers of the meetings have also been approved unanimously, by the respective Board of Directors of the Transferor Company, the Transferee Company and the Resulting Company on 24<sup>th</sup> January, 2022. None of the Directors voted against or abstained from voting on the resolution for approving the notice and other papers of the meeting.

- 13.** The present Scheme of Arrangement, if approved in the aforesaid meetings, will be subject to the subsequent approval of the Hon'ble National Company Law Tribunal, Chandigarh Bench, Chandigarh. No specific approval is required to be obtained from any other government authority to the present Scheme of Arrangement.

- 14.** No proceedings for inspection, inquiry or investigation under the provisions of the Companies Act, 2013, or under the provisions of the Companies Act, 1956, are pending against the Transferor Company, the Transferee Company and the Resulting Company.

**15. Effect of the Scheme on the Promoters, Directors, Key Managerial Personnel, Shareholders, etc.:**

- a.** Promoters and/or Directors of the Transferor Company, the Transferee Company and the Resulting Company are deemed to be interested in the proposed Scheme of Arrangement to the extent of their shareholding in, loan given to and remuneration drawn from, as the case may be, the respective Companies. Similarly, Key Managerial Personnel (KMP) of the Transferor Company, the Transferee Company and the Resulting Company may also be deemed to be interested in the proposed Scheme to the extent of their shareholding in, loan given to and remuneration drawn from, as the case may be, the respective Companies.

- b.** The proposed Scheme of Arrangement would not have any effect on the material interest of the Promoters, Directors and Key Managerial Personnel of the Transferor Company, the Transferee Company and the Resulting Company different from that of the interest of other shareholders, creditors and employees of these Companies.
- c.** The proposed Scheme of Arrangement does not envisage any corporate debt restructuring. There is no proposal to restructure or vary the debt obligation of any of the Transferor Company, the Transferee Company or the Resulting Company towards their respective creditors. The proposed Scheme of Arrangement will not adversely affect the rights of any of the creditors of the Transferor Company, the Transferee Company or the Resulting Company in any manner whatsoever.
- d.** The proposed Scheme of Arrangement will not have any adverse effect on the Secured Creditors, Un-Secured Creditors, Employees and other stakeholders, if any, of the Transferor Company, the Transferee Company or of the Resulting Company.
- 16.** A copy of the Scheme of Arrangement is being filed with the concerned Registrar of Companies.
- 17.** Copies of the latest Audited Financial Statements of the Transferor Company and the Transferee Company for the year ended 31<sup>st</sup> March, 2021, along with the Auditors' Reports thereon, are enclosed herewith.
- 18.** Copy of the Un-audited Financial Statements (provisional) of the Resulting Company for the period ended 22<sup>nd</sup> September, 2021, is also enclosed herewith.
- 19.** Copies of the Un-audited Financial Statements (provisional) of the Transferor Company, the Transferee Company and the Resulting Company for the period ended 30<sup>th</sup> September, 2021, are also enclosed herewith.
- 20.** Total amount due to Un-secured Creditors [excluding Statutory and Other Dues] of the Transferor Company and the Transferee Company, as on 31<sup>st</sup> March, 2021, is given below:

(As on 31.03.2021)

<b>Sl. No.</b>	<b>Un-secured Creditors of</b>	<b>Amount ₹</b>
<b>1.</b>	G.N.A. Transmissions Pvt Ltd	5,90,696
<b>2.</b>	Guru Nanak Auto Enterprises Ltd	64,58,01,705

Total amount due to Un-secured Creditors [excluding Statutory and Other Dues] of the Resulting Company, as on 22<sup>nd</sup> September, 2021, is given below:

(As on 22.09.2021)

<b>Sl. No.</b>	<b>Un-secured Creditors of</b>	<b>Amount ₹</b>
<b>1.</b>	ASKK Estates Pvt Ltd	Nil

- 21.** The following documents will be available for inspection or for obtaining extracts from or for making or obtaining copies of, by the members and creditors at the registered office of the Transferor Company, the

Transferee Company and the Resulting Company on any working day from the date of this notice till the date of meeting between 11:00 A.M. and 4:00 P.M.:

- a. The Memorandum and Articles of Association of the Transferor Company, the Transferee Company and the Resulting Company.
  - b. The Audited Financial Statements of the Transferor Company, and Transferee Company for the last 3 years ended 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March, 2020 and 31<sup>st</sup> March, 2021.
  - c. Un-audited Financial Statements (provisional) for the period ended 22<sup>nd</sup> September, 2021, of the Resulting Company.
  - d. Un-audited Financial Statements (provisional) for the period ended 30<sup>th</sup> September, 2021, of the Transferor Company, and Transferee Company.
  - e. Register of Particulars of Directors and KMP and their Shareholding, of the Transferor Company, the Transferee Company and the Resulting Company.
  - f. Copy of the proposed Scheme of Arrangement.
  - g. Paper Books and proceedings of the Company Application No. CA (CAA) 41/Chd/Pb of 2021.
  - h. Copy of Order dated 23<sup>rd</sup> December, 2021 (date of pronouncement), passed by the Hon'ble National Company Law Tribunal, Chandigarh Bench, Chandigarh, in the Company Application No. CA (CAA) 41 /Chd/Pb of 2021, jointly filed by the Transferor Company, the Transferee Company and the Resulting Company, in pursuance of which the aforesaid meetings are scheduled to be convened.
  - i. Report on Valuation of Shares & Share Exchange Ratio by Mr Sandeep Kumar Agrawal, a Chartered Accountant and the IBBI Registered Valuer in respect of Securities or Financial Assets.
  - j. Copies of the Certificates issued by the Statutory Auditors of the Transferor Company, the Transferee Company and the Resulting Company to the effect that the accounting treatment proposed in the Scheme of Arrangement is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013.
- 22.** A copy of the Scheme of Arrangement, Explanatory Statement and other annexures may be obtained free of charge on any working day (except Saturday) prior to the date of meeting, from the respective registered office of the Transferor Company and the Transferee Company; or from the office of the Legal Counsel-M/s Rajeev Goel & Associates, Advocates and Solicitors, 785, Pocket-E, Mayur Vihar-II, Delhi Meerut Expressway/ NH-9, Delhi-110 091, India, Mobile: 88005 15597, e-mail: [rajeev391@gmail.com](mailto:rajeev391@gmail.com); Website: [www.rgalegal.in](http://www.rgalegal.in).
- 23.** Notice of the meeting, Explanatory Statement and other documents are also being placed on the following website:

<b>Particulars</b>	<b>Website</b>
Guru Nanak Auto Enterprises Ltd	<a href="http://www.gnaent.com">www.gnaent.com</a>

- 24. Please take note that since all the meetings are proposed to be held through Video Conferencing, option of attending the meetings through proxy is not applicable/available.**
- 25.** Facility of remote e-voting will be available during the prescribed period before the meeting as given in the notice of the meeting. e-voting system will also be available during the meeting. Instructions for attending the meetings through Video Conferencing; and for voting through e-voting system are given in the notice of meetings.

Dated this 24<sup>th</sup> day of January, 2022

**For and on behalf of the Board of Directors  
For G.N.A. Transmissions Pvt Ltd**

**For and on behalf of the Board of Directors  
For Guru Nanak Auto Enterprises Ltd**

**Sd/-  
Jagdish Singh  
Managing Director  
DIN: 01333785**

**Sd/-  
Jagdish Singh  
Chairman and Whole Time Director  
DIN: 01333785**

**For and on behalf of the Board of Directors  
For ASKK Estates Pvt Ltd**

**Sd/-  
Amardeep Kaur  
Director  
DIN: 02223548**

**SCHEME OF ARRANGEMENT OF G.N.A. TRANSMISSIONS PVT LTD, GURU NANAK AUTO ENTERPRISES LTD AND ASKK ESTATES PVT LTD;**

**AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS UNDER SECTIONS 230 & 232 OF THE COMPANIES ACT, 2013, READ WITH SECTION 66 OF THE COMPANIES ACT, 2013, AND OTHER APPLICABLE PROVISIONS, IF ANY**

**A. Preamble**

This Scheme of Arrangement is framed in terms of the provisions of sections 230 & 232 of the Companies Act, 2013, read with section 66 of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, together with sections 2(1B) and 2(19AA) of the Income Tax Act, 1961, and other applicable provisions, if any.

The Scheme of Arrangement provides for:

- i.** Amalgamation of G.N.A. Transmissions Pvt Ltd with Guru Nanak Auto Enterprises Ltd;
- ii.** De-merger of Real Estate and Ancillary Business of Guru Nanak Auto Enterprises Ltd into ASKK Estates Pvt Ltd; and
- iii.** Other matters connected with the aforesaid Amalgamation and De-merger, if any.

**B. Parts of the Scheme of Arrangement:**

This Scheme provides for matters connected with the aforesaid Amalgamation and De-merger, etc. Accordingly, this Scheme is divided into the following parts:

**Part-1** which deals with the Definitions, Share Capital of the Companies and the Rationale for the Scheme.

**Part-2** which deals with Amalgamation of G.N.A. Transmissions Pvt Ltd with Guru Nanak Auto Enterprises Ltd.

**Part-3** which deals with De-merger of Real Estate and Ancillary Business of Guru Nanak Auto Enterprises Ltd into ASKK Estates Pvt Ltd.

**Part-4** which deals with Other General Terms and Conditions applicable to the Scheme.

## PART 1

### DEFINITIONS, SHARE CAPITAL AND RATIONALE FOR THE SCHEME

#### A. DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning as given below:

- 1.1 "Act"** means the Companies Act, 2013 (18 of 2013), the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal Rules, 2016, and other applicable Rules made there under and includes any amendments, statutory re-enactments and modifications thereof for the time being in force; and the Companies Act, 1956 (1 of 1956), to the extent applicable, if any.
- 1.2 "Amalgamation"** means amalgamation of the Transferor Company with and into the Transferee Company in terms of this Scheme in its present form or with any modification(s) as approved by the Hon'ble National Company Law Tribunal or any other competent authority, as the case may be.
- 1.3 "Applicable Law(s)"** means any relevant statute, notification, by-laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, schemes, notices, treaties, judgement, decree, approvals, orders or instructions enacted or issued or sanctioned by any Governmental and Registration Authority, having the force of law and as applicable to Companies.
- 1.4 "Appointed Date-1"** which is relevant for the purpose of amalgamation of G.N.A. Transmissions Pvt Ltd with Guru Nanak Auto Enterprises Ltd in terms of this Scheme, means commencement of business on 1<sup>st</sup> April, 2021, or such other date as the Hon'ble National Company Law Tribunal or any other competent authority may approve.
- 1.5 "Appointed Date-2"** which is relevant for the purpose of the de-merger of Real Estate and Ancillary Business of Guru Nanak Auto Enterprises Ltd into ASKK Estates Pvt Ltd in terms of this Scheme, means the same date as the Effective Date, or such other date as the Hon'ble National Company Law Tribunal or any other competent authority may approve.
- 1.6 "Appointed Date"** means Appointed Date-1 and Appointed Date-2, collectively or any one of them as the context requires.
- 1.7 "Board" or "Board of Directors"** means the Board of Directors of the respective Transferor Company, the Transferee Company and the Resulting Company, as the case may be, and shall, unless it is repugnant to the context or otherwise, include Committee(s) so authorised by the Board of Directors, or any person authorised by the Board of Directors or such Committee(s).
- 1.8 "Demerged Business"** means the Real Estate and Ancillary Business of Guru Nanak Auto Enterprises Ltd, which is proposed to be De-merged into ASKK Estates Pvt Ltd and includes the business/undertaking comprising of:
  - 1.8.1 Investments in various Real Estate; purchase, sale and dealing in Real Estate; owning and maintenance of immovable properties for leasing/sale purposes; land holding, and other related activities being carried on by Guru Nanak Auto Enterprises Ltd (Real Estate and Ancillary Business).

- 1.8.2 All assets (real or personal, corporeal or incorporeal, present future or contingent, tangible or intangible) of Real Estate and Ancillary Business of Guru Nanak Auto Enterprises Ltd wherever situated pertaining thereto.
- 1.8.3 All present and future liabilities (including contingent liabilities) arising out of the activities or operations of the Demerged Business, including loans, debts, current liabilities and provisions, duties and obligations relating to the Demerged Business.
- 1.8.4 Without prejudice to the generality of the above, Demerged Business shall include in particular.
- i. Plant, machinery and fixtures and all other properties and assets of the Demerged Business wherever situated.
  - ii. All rights, entitlements and other statutory permissions, approvals, consents, licenses, registrations, the benefits of all contracts including all customer contracts, agreements, vendor codes, approved tenders, past experience and credentials, business track record, and all other rights including leasehold rights if any, goodwill, intellectual property rights including copy right, design, patent, etc., investment, cash balances, the benefit of any deposit, financial assets, funds belonging to or proposed to be utilized for the Demerged Business, bank balances and bank accounts relating to the day to day operations and specific to the working of the Demerged Business; and all other fiscal and non-fiscal incentives, benefits and privileges which are available to or being availed by the Transferee Company or which the Transferee Company may be entitled to at any time for its Demerged Business, shall be continued to be available in the Resulting Company for the Demerged Business after the proposed Demerger.
  - iii. All records, files, papers, computer programs, manuals, data and other records, whether in physical form or electronic form in connection with or relating to the Demerged Business.
  - iv. All duties and obligations, which are relating to the Demerged Business.
  - v. All advance money, earnest moneys and/or security deposits, bank guarantee, if any, paid or received by the Transferee Company in connection with or relating to the Demerged Business.
  - vi. All trademarks, service marks, patents and domain names, copyrights, industrial designs, product registrations and other intellectual property including but not limited to all intellectual property and all other interests exclusively relating to the goods or services being dealt with by the Transferee Company with regard to the Demerged Business but shall not include any assets or liabilities relating to the Remaining Business of the Transferee Company.
- 1.8.5 For the purpose of this Scheme, it is clarified that liabilities pertaining to the Demerged Business include:
- i. The liabilities, which arise out of the activities or operations of the Demerged Business.

- ii. Specific loans and borrowings raised, incurred and utilized solely for the respective activities or operation of the Demerged Business.
- 1.8.6 All employees of the Transferee Company employed in the Demerged Business, as identified by the Board of Directors of the Transferee Company, as on the Effective Date.
- 1.8.7 Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Demerged Business or whether it arises out of the activities or operations of the Demerged Business, shall be decided by the Board of Directors of the Transferee Company.

Proforma Balance Sheet of the Real Estate and Ancillary Business of the Transferee Company is set out in Schedule-1.

- 1.9 "De-merger"** means transfer and vesting of Real Estate and Ancillary Business (the Demerged Business) of Guru Nanak Auto Enterprises Ltd, on a going-concern basis, by way of de-merger into ASKK Estates Pvt Ltd, in terms of this Scheme in its present form or with any modification(s) as approved by the Hon'ble National Company Law Tribunal or any other competent authority, as the case may be.
- 1.10 "Effective Date"** means last of the dates on which the certified copies of the Order(s) passed by the Hon'ble National Company Law Tribunal, sanctioning the Scheme of Arrangement, are filed with the concerned Registrar of Companies, Ministry of Corporate Affairs.
- 1.11 "Encumbrance" means (a) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any person, including any right granted by a transaction which in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Laws; (b) any proxy, power of attorney, voting trust agreement, interest, option, right of first offer, refusal or transfer restriction in favour of any person; and (iii) any adverse claim as to title, possession or use.**
- 1.12 "FEMA"** means the Foreign Exchange Management Act, 1999 along with the rules and regulations made there under and shall include any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force.
- 1.13 "Intellectual Property Rights"** means, whether registered or not, in the name of or recognized under Applicable Laws as being intellectual property of the Transferor Company, or in the nature of common law rights of the Transferor Company, all domestic and foreign (a) trademarks, service marks, brand names, internet domain names, websites, online web portals, trade names, logos, uniforms and all applications and registration for the foregoing and all goodwill associated with the foregoing and symbolized by the foregoing; (b) confidential and proprietary information and trade secrets; (c) published and unpublished works of authorship and copyrights therein, and registrations and applications therefor, and all renewals, extensions, restorations and reversions thereof; (d) computer software, programs (including source code, object code, firmware, operating systems and specifications) and processes; (e) designs, drawings, sketches; (f) tools, databases, frameworks, customer data, proprietary information, knowledge, any other technology or know-how, licenses, software licenses and formulas;



(g) ideas and all other intellectual property or proprietary rights; and (h) all rights in all of the foregoing provided by Applicable Laws.

**1.14 "IT Act"** means the Income Tax Act, 1961, and the rules made there under and shall include any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force.

**1.15 National Company Law Tribunal** means appropriate Bench/Benches of the Hon'ble National Company Law Tribunal constituted under the Companies Act, 2013, or such other court, tribunal, forum or authority having jurisdiction to sanction the present Scheme and other connected matters. The National Company Law Tribunal has been referred to as the Tribunal/NCLT.

**1.16 "Record Date-1"** means the date to be fixed by the Board of Directors of the Transferor Company and/or the Transferee Company, with reference to which the eligibility of the shareholders of the Transferor Company shall be determined for allotment of shares in the Transferee Company on amalgamation in terms of this Scheme; and other connected matters, if any.

**1.17 "Record Date-2"** means the date(s) to be fixed by the Board of Directors of the Transferee Company or the Resulting Company, with reference to which the eligibility of the shareholders of Transferee Company shall be determined for allotment of shares in the Resulting Company on de-merger in terms of this Scheme; and other connected matters, if any. It is clarified that for the purpose of the De-merger, post-merger list of shareholders of the Transferee Company will be taken into consideration after giving effect to allotment of shares pursuant to amalgamation of the Transferor Company with the Transferee Company.

**1.18 "Record Date"** means Record Date-1 and Record Date-2, collectively or any one of them, as the context requires.

**1.19 "Registrar of Companies"** means concerned Registrar(s) of Companies, Ministry of Corporate Affairs having jurisdiction under the Companies Act, 2013, and other applicable provisions, if any, on the respective Companies.

**1.20 "Remaining Business of the Transferee Company"** means all assets and liabilities including immovable property, undertakings, businesses, activities, operations and intellectual property rights of the Transferee Company other than the Demerged Business.

**1.21 "Resulting Company"** means **ASKK Estates Pvt Ltd** being a company incorporated under the provisions of the Companies Act, 2013, and having its registered office at Village and Post Office: Bundala, Tehsil & District Jalandhar-144 034, Punjab; E-mail: [gs.amar@yahoo.co.in](mailto:gs.amar@yahoo.co.in).

The Resulting Company-ASKK Estates Pvt Ltd [Corporate Identification No. (CIN): U 70109 PB 2021 PTC 054162; Income Tax Permanent Account No. (PAN): AAV CA7355 G] (hereinafter referred to as "the Resulting Company/the Company") was incorporated under the provisions of the Companies Act, 2013, as a private limited company vide Certificate of Incorporation dated 4<sup>th</sup> September, 2021 issued by the Central Registration Centre on behalf of the jurisdictional Registrar of Companies, Punjab and Chandigarh, Chandigarh.

**1.22 "Scheme"** means the present Scheme of Arrangement framed under the provisions of sections 230 & 232 of the Companies Act, 2013, read with section 66 of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, together with sections

2(1B) and 2(19AA) of the Income Tax Act, 1961, and other applicable provisions, if any, which provides for (a) Amalgamation of G.N.A. Transmissions Pvt Ltd with Guru Nanak Auto Enterprises Ltd; (b) De-merger of Real Estate and Ancillary Business of Guru Nanak Auto Enterprises Ltd into ASKK Estates Pvt Ltd; and other matters connected with the said amalgamation and de-merger; in the present form or with any modification(s), approved or imposed or directed by Members/Creditors of these Companies and/or by any competent authority and/or by the Hon'ble National Company Law Tribunal or that may otherwise be deemed fit by these Companies.

**1.23 "Transferor Company"** means **G.N.A. Transmissions Pvt Ltd** being a company incorporated under the provisions of the Companies Act, 1956, and having its registered office at G.T. Road, Goraya-144 409, District Jalandhar, Punjab, E-mail; [cs@gnaent.com](mailto:cs@gnaent.com).

The Transferor Company-G.N.A. Transmissions Pvt Ltd [Corporate Identification No. (CIN): U 23209 PB 1986 PTC 007159; Income Tax Permanent Account No. (PAN): AAA CG 4933 H] (hereinafter referred to as "the Transferor Company") was incorporated under the provisions of the Companies Act, 1956, as a private limited company vide Certificate of Incorporation dated 1<sup>st</sup> December, 1986 issued by the Registrar of Companies, Punjab and Chandigarh, Chandigarh.

**1.24 "Transferee Company"** means Guru Nanak Auto Enterprises Ltd being a company incorporated under the provisions of the Companies Act, 1956, and having its registered office at G.T Road, Jamalpur, Phagwara-144 632, District Kapurthala, Punjab; E-mail: [finance@gnaent.com](mailto:finance@gnaent.com); Website: [www.gnaent.com](http://www.gnaent.com).

The Transferee Company-Guru Nanak Auto Enterprises Ltd [Corporate Identification No. (CIN): U 50404 PB 1974 PLC 003420; Income Tax Permanent Account No. (PAN): AAA CG 4804 F] (hereinafter referred to as "the Transferee Company/the Company") was originally incorporated under the provisions of the Companies Act, 1956, as a public limited company with the name and style as 'G.N.A. Enterprises Pvt Ltd' vide Certificate of Incorporation dated 30<sup>th</sup> March, 1974 issued by the Registrar of Companies, Punjab and Chandigarh, Chandigarh. Name of the Company was changed to 'Guru Nanak Auto Enterprises Pvt Ltd' vide Fresh Certificate of Incorporation dated 5<sup>th</sup> March, 1981 issued by the Registrar of Companies, Punjab and Chandigarh. The Company was converted into a public limited company and name of the Company was changed to its present name 'Guru Nanak Auto Enterprises Ltd' vide Fresh Certificate of Incorporation issued by the Registrar of Companies, Punjab and Chandigarh.

It is clarified that for the purpose of the proposed De-merger of Real Estate and Ancillary Business of Guru Nanak Auto Enterprises Ltd into ASKK Estates Pvt Ltd, the Transferee Company-Guru Nanak Auto Enterprises Ltd is the Demerged Company. However, for the sake of clarity, Guru Nanak Auto Enterprises Ltd has been referred to as the Transferee Company in the entire Scheme and other documents.

## **B. INTERPRETATION**

Terms and expressions which are used in this Scheme but not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, and if not defined therein then under the relevant Applicable Laws. In this Scheme, unless the context otherwise requires:

- i. references to "persons" shall include individuals, bodies corporate (wherever incorporated), un-incorporated entities, associations, partnerships and proprietorship;
- ii. heading, sub-heading and bold typeface are only for convenience and shall not affect the construction or interpretation of this Scheme;
- iii. the term "Clause" refers to the specified clause of this Scheme;
- iv. references to one gender includes all genders;
- v. any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;
- vi. words denoting singular shall include the plural and vice versa;
- vii. reference to any legislation, statute, regulation, rule, notification or any other provision of law means and includes references to such legal provisions as amended, supplemented or re-enacted from time to time, and any reference to a legal provision shall include any subordinate legislation made from time to time under such a statutory provision.
- viii. unless otherwise defined, the reference to the word "days" shall mean calendar days; and
- ix. references to dates and times shall be construed to be references to Indian dates and times.

### **C. SHARE CAPITAL**

- i. The present Authorised Share Capital of the Transferor Company is ₹5,00,00,000 divided into 50,00,000 Equity Shares of ₹10 each. The Present Issued, Subscribed and Paid-up Capital of the Company is ₹65,87,800 divided into 6,58,780 Equity Shares of ₹10 each.
- ii. The present Authorised Share Capital of the Transferee Company is ₹40,00,00,000 divided into 3,50,00,000 Equity Shares of ₹10 each aggregating to ₹35,00,00,000; and 50,00,000 Preference Shares of ₹10 aggregating to ₹5,00,00,000. The present Issued, Subscribed and Paid-up Capital of the Company is ₹23,12,16,450 divided into 2,31,21,645 Equity Shares of ₹10 each.
- iii. The present Authorised Share Capital of the Resulting Company is ₹10,00,000 divided into 1,00,000 Equity Shares of ₹10 each. The Present Issued, Subscribed and Paid-up Capital of the Company is ₹1,00,000 divided into 10,000 Equity Shares of ₹10 each.
- iv. All the Transferor Company, the Transferee Company and the Resulting Company are family owned, closely held un-listed Group Companies under common shareholding, management and control.

### **D. RATIONALE AND BENEFITS OF THE SCHEME**

- 1.1** The circumstances which justify and/or necessitate the proposed Amalgamation of G.N.A. Transmissions Pvt Ltd with Guru Nanak Auto Enterprises Ltd are, inter alia, as follows:
  - i. Both the Transferor and Transferee Companies are family-owned closely held un-listed Group Companies under common shareholding,

management and control. The proposed amalgamation of the Transferor Company with the Transferee Company would result in consolidation of Group Companies and pooling of their resources into a single entity.

- ii.** The Transferee Company is, inter alia, engaged in manufacture and marketing of rear axle shafts, other forged & machined components for Automotive Industry and other related activities. Whereas the Transferor Company is engaged in manufacturing and processing of auto components on job work basis and other related activities. It would be advantageous to combine the activities and operations in a single Company and to build strong capability to effectively meet future challenges in competitive business environment. The proposed amalgamation will enable the integration of the business activities of the Transferor Company with the Transferee Company.
- iii.** The proposed Amalgamation would result in business synergy, pooling of physical, financial and human resource of these Companies for the most beneficial utilization of these factors in the combined entity.
- iv.** The proposed Scheme of Amalgamation will result in usual economies of a centralized and a large company including elimination of duplicate work, reduction in overheads, better and more productive utilization of financial, human and other resource and enhancement of overall business efficiency. The proposed Scheme will enable these Companies to combine their managerial and operating strength, to build a wider capital and financial base and to promote and secure overall growth.
- v.** The amalgamation will result in significant reduction in multiplicity of legal and regulatory compliances which at present is required to be made separately by the Transferee Company as well as by the Transferor Company.
- vi.** The proposed amalgamation would enhance the shareholders' value of the Transferor and the Transferee Companies.
- vii.** The proposed Scheme of Amalgamation will have beneficial impact on the Transferor and the Transferee Companies, their shareholders, employees and other stakeholders and all concerned.

**1.2** The circumstances which justify and/or necessitate the proposed De-merger of Real Estate and Ancillary Business of Guru Nanak Auto Enterprises Ltd into ASKK Estates Pvt Ltd are, inter alia, as follows:

- a.** The Transferee Company- Guru Nanak Auto Enterprises Ltd is engaged in manufacture and marketing of rear axle shafts, other forged & machined components for Automotive Industry and other related activities. The Transferee Company has also diversified in real estate business and earning real estate rental income. Hence, the Transferee Company has two distinct business-(a) manufacturing of automobile parts and components and other related activities; and (b) Real Estate and Ancillary Business.
- b.** Since the manufacturing and real estate businesses have different characteristics and nature, it is proposed to segregate both these businesses into separate companies.
- c.** It is, accordingly, proposed to hive-off Real Estate and Ancillary Business from the Transferee Company into the Resulting Company,

which, upon de-merger, will be owned by the shareholders of the Transferee Company in the same manner and proportion in which they own shareholding in the Transferee Company.

- d.** The proposed de-merger will enable the Transferee Company and the Resulting Company to raise necessary funds, invite strategic investors and other stakeholders for their respective businesses.
- e.** It will impart better management focus, will facilitate administrative convenience and will ensure optimum utilization of various resources by these Companies.
- f.** The proposed de-merger will provide scope for independent expansion of various businesses. It will strengthen, consolidate and stabilize the business of these Companies and will facilitate further expansion and growth of their business.
- g.** The proposed De-merger will have beneficial impact on the Transferee Company and the Resulting Company, their employees, shareholders and other stakeholders and all concerned.
- h.** With a view to achieve greater management focus and keeping in mind the paramount and overall interest of the Shareholders, the Board of Directors of the Transferee Company and the Resulting Company considered that a Scheme of Arrangement for De-merger would be the most appropriate methodology.

**1.3** The Scheme of Arrangement is proposed for the aforesaid reasons. The Board of Directors and Management of the Transferor Company, the Transferee Company and the Resulting Company are of the opinion that the proposed Scheme is in the best interest of these Companies, their Shareholders and other stakeholders.

## **PART-2**

### **AMALGAMATION OF G.N.A. TRANSMISSIONS PVT LTD WITH GURU NANAK AUTO ENTERPRISES LTD**

#### **2.1 TRANSFER AND VESTING OF UNDERTAKING(S)**

- 2.1.1 On the Scheme becoming effective and with effect from the Appointed Date-1, subject to the provisions of the Scheme in relation to the modalities of transfer and vesting, the undertakings and entire business and all immovable properties (including agricultural land, industrial land, residential land and all other land and plots) where so ever situated and incapable of passing by physical delivery as also all other assets, capital work-in-progress, current assets, investments, deposits, bookings and advances against residential and commercial plots and buildings, powers, authorities, awards, allotments, approvals and consents, licenses, registrations, contracts, agreements, engagements, arrangement, rights, intellectual property rights, titles, interests, benefits and advantages of whatsoever nature belonging to or in the ownership, power, possession, control of or vested in or granted in favour of or enjoyed by the Transferor Company, including but without being limited to, benefit of all agreements and all other interests arising to the Transferor Company (hereinafter collectively referred to as "the said assets") shall, without any further act or deed or without payment of any duty or other charges, be transferred to and vested in the Transferee Company pursuant to the provisions of Section 232 of the Act as a going concern, for all the estate, right, title and interest of the Transferor Company therein so as to become the property of the Transferee Company but, subject to mortgages, charges and encumbrances, if any, then affecting the undertaking of the Transferor Company without such charges in any way extending to the undertaking of the Transferee Company.
- 2.1.2 Notwithstanding what is provided herein above, it is expressly provided that in respect to such of the said assets as are movable in nature or are otherwise capable of being transferred by physical delivery or by endorsement and delivery, the same shall be so transferred, with effect from the appointed date-1, by the Transferor Company to the Transferee Company after the Scheme is duly sanctioned and given effect to without requiring any order of the Tribunal or any deed or instrument of conveyance for the same or without the payment of any duty or other charges and shall become the property of the Transferee Company accordingly.
- 2.1.3 On and from the Appointed Date-1, all liabilities, provisions, duties and obligations including Income Tax and other statutory liabilities, if any, of every kind, nature and description of the Transferor Company whether provided for in the books of accounts of the Transferor Company or not, shall devolve and shall stand transferred or be deemed to be transferred without any further act or deed, to the Transferee Company with effect from the Appointed Date and shall be the liabilities, provisions, duties and obligations of the Transferee Company.
- 2.1.4 Similarly, on and from the Appointed Date-1, all the taxes and duties including advance tax, tax deducted at source, tax collected at source, minimum alternative tax (MAT), self-assessment tax, Input Tax Credit under Goods and Services Tax (GST) or any other available input credit, etc., paid by or on behalf of the Transferor Company immediately before the amalgamation, shall become or be deemed to be the

property of the Transferee Company by virtue of the amalgamation. Upon the Scheme becoming effective, all the taxes and duties paid (including TDS, MAT and GST, etc.) by or on behalf of the Transferor Company from the Appointed Date, regardless of the period to which these payments relate, shall be deemed to have been paid for and on behalf of and to the credit of the Transferee Company as effectively as if the Transferee Company had paid the same.

- 2.1.5 Upon the Scheme becoming effective, all un-availed credits and exemptions, statutory benefits, including in respect of Income Tax (including MAT credit), CENVAT, Customs, VAT, Sales Tax, Service Tax, Goods and Services Tax, etc., of the Transferor Company, shall be available to and vest in the Transferee Company, without any further act or deed.
- 2.1.6 Without prejudice to the generality of the provisions contained in aforesaid clauses, upon the Scheme becoming effective, requisite form(s) will be filed with the Registrar of Companies for creation, modification and/or satisfaction of charge(s), to the extent required, to give effect to the provisions of this Scheme.
- 2.1.7 On the Scheme becoming effective, the Transferee Company shall be entitled to file/revise income tax returns, TDS returns, GST returns, and other statutory filings and returns, filed by it or by the Transferor Company, if required, and to take all such steps that may be required to give effect to the provisions of this Scheme and/or required to claim refunds, depreciation benefits, advance tax credits, un-availed credits and exemptions, statutory benefits, etc., if any.
- 2.1.8 With effect from the Effective Date and until such time name in the bank accounts of the Transferor Company is replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the existing bank accounts of the Transferor Company, in so far, as may be necessary. The banks shall also honour cheques or other bills issued in the name of the Transferor Company on and from the Effective Date. Further, the Transferee Company, if so required, shall also be entitled to maintain one Bank Account in the name of the Transferor Company to enable it to deposit/encash any refund or other payment received in the name of the Transferor Company. All such deposits will, then, be transferred to the bank account of the Transferee Company. It may, however, be clarified that such bank account(s) (in the name of the Transferor Company) will be used only for the limited purpose of depositing/encashing any refund or other payments received in the name/in favour of the Transferor Company. Such bank account will not be used for normal banking transactions.
- 2.1.9 All other assets & liabilities of the Transferor Company, which may not be specifically covered in the aforesaid clauses, shall also stand transferred to the Transferee Company with effect from the Appointed Date.
- 2.1.10 In accordance with the Central Goods & Services Tax Act, 2017 ('CGST'), Integrated Goods & Services Tax Act, 2017 ('IGST') and respective State Goods & Services Tax laws ('SGST'), Goods & Services tax as are prevalent on the Effective Date, the unutilized credits relating to, Goods & Services tax lying in the accounts of the undertaking of the Transferor Company shall be permitted to be transferred to the credit of the Transferee Company (including in electronic form/registration). The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the Goods & Services tax payable by it.

- 2.1.11 All compliances with respect to taxes or any other law between the respective Appointed Date and Effective Date done by the Transferor Company shall, upon the approval of this Scheme, be deemed to have been made with by the Transferee Company.
- 2.1.12 Any tax liabilities under the Income Tax Act, 1961, Wealth Tax Act, 1957, customs duty laws, central sales tax, applicable state value added tax, service tax laws, excise duty laws, Goods & Services tax, or other applicable laws/ regulations dealing with taxes, duties, levies allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred or stand transferred to Transferee Company. Any surplus in the provision for taxation / duties/ levies account including advance tax and tax deducted at source as on the date immediately preceding the Appointed Date will also be transferred to the account of the Transferee Company.
- 2.1.13 Any refund under the Income Tax Act, 1961, Wealth Tax Act, 1957, customs duty laws, central sales tax, applicable state value added tax, service tax laws, excise duty laws, Goods & Services tax, or other applicable laws/ regulations dealing with taxes/ duties/ levies allocable or related to the business and available on various electronic forms (including Form 26AS) / registration of the Transferor Company due to Transferor Companies consequent to the assessment(s) and other proceeding(s) made on the Transferor Company and for which no credit is taken in the accounts, as on the date immediately preceding the Appointed Date, shall also belong to and be received by the Transferee Company.

## **2.2 CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS**

- 2.2.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature, to which the Transferor Company is a party, subsisting or having effect immediately before or after the Effective date, shall remain in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectually, as if instead of the Transferor Company, the Transferee Company had been a party thereto.
- 2.2.2 The transfer of the said assets and liabilities of the Transferor Company to the Transferee Company and the continuance of all the contracts or legal proceedings by or against the Transferee Company shall not affect any contract or proceedings relating to the said assets or the liabilities already concluded by the Transferor Company on or after the Appointed Date.
- 2.2.3 The Transferee Company may, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of the secured creditors of the Transferor Company or in favour of any other party to any contract or arrangement to which the Transferor Company are a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and, to implement and carry out all such formalities or compliance referred to above on the part/benefit of the Transferor Company to be carried out or performed.



## **2.3 LEGAL PROCEEDINGS**

All legal proceedings of whatever nature by or against the Transferor Company pending on the Effective Date, shall not be abated, be discontinued or be, in any way, prejudicially affected by reason of the transfer of the undertaking of the Transferor Company or of anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made.

## **2.4 DISSOLUTION OF TRANSFEROR COMPANY**

On this Scheme becoming effective, the Transferor Company shall stand dissolved without the process of winding up.

## **2.5 EMPLOYEES OF TRANSFEROR COMPANY**

- 2.5.1 All the employees of the Transferor Company in service on the date immediately preceding the date on which the Scheme finally takes effect, i.e., the Effective Date, shall become the employees of the Transferee Company on such date without any break or interruption in service and upon terms and conditions not less favourable than those subsisting in the concerned Transferor Company on the said date.
- 2.5.2 Provident Fund, Gratuity Fund, Superannuation Fund and any other special fund or trusts created or existing for the benefit of the employees of the Transferor Company, if any, upon the Scheme becoming finally effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes and intents, whatsoever, relating to the administration or operation of such schemes or funds or in relation to the obligation to make contributions to the said funds in accordance with the provisions of such funds. It is the intent that all the rights, duties, powers and obligations of the Transferor Companies in relation to such funds shall become those of the Transferee Company. It is clarified that the services of the employees, if any, of the Transferor Company will be treated as having been continued for the purpose of the aforesaid funds or provisions.

## **2.6 CONDUCT OF BUSINESS BY TRANSFEROR COMPANY**

From the Appointed Date-1 until the Effective Date, the Transferor Company

- a. Shall stand possessed of all the assets and properties referred to in Clause 2.1 above, in trust for the Transferee Company.
- b. Shall be deemed to have carried on business and activities for and on behalf of and for the benefit and on account of the Transferee Company. Any income or profit accruing to the Transferor Company and all costs, charges and expenses or loss arising or incurring by the Transferor Company on and from the Appointed Date shall, for all purposes and intents, be treated as the income, profits, costs, charges, expenses or loss, as the case may be, of the Transferee Company.

## **2.7 ISSUE OF SHARES BY TRANSFEE COMPANY**

- 2.7.1 Upon the Scheme finally coming into effect and in consideration of the transfer and vesting of all the said assets and liabilities of the Transferor Company to the Transferee Company in terms of the Scheme, the Transferee Company shall, without any further application or deed,

issue and allot Share(s) to the Shareholders of the Transferor Company, whose names appear in the Register of Members as on the Record Date-1, in the following ratio:

- a.** The Transferee Company-Guru Nanak Auto Enterprises Ltd will issue 16,522 (sixteen thousand five hundred and twenty-two) Equity Shares of ₹10 each, credited as fully paid up, for every 1,000 (one thousand) Equity Shares of ₹10 each held in the Transferor Company-G.N.A. Transmissions Pvt Ltd.
- 2.7.2 Any fraction of share arising out of the aforesaid share exchange process, if any, will be rounded off to the nearest whole number.
- 2.7.3 New Shares to be issued in terms of the aforesaid Clause shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company. New Equity Shares shall rank pari passu in all respects, including dividend, with the existing Equity Shares of the Transferee Company.
- 2.7.4 The issue and allotment of new Shares by the Transferee Company, as provided in this Scheme, is an integral part thereof. The members of the Transferee Company, on approval of the Scheme, shall be deemed to have given their approval under sections 42 & 62 of the Companies Act, 2013, and other applicable provisions, if any, for issue of new Shares in terms of this Scheme.
- 2.7.5 The Transferee Company is providing facility of holding shares in dematerialized form and for this purpose, it is registered with National Securities Depository Ltd (NSDL). Accordingly, the New Equity Shares to be issued by the Transferee Company to the shareholders of the Transferor Company in terms of this Scheme, will also be issued in dematerialized form with the equity shares being credited to the existing depository account of the Equity Shareholders of the Transferor Company. In case, any shareholder of the Transferor Company fails to provide the necessary details of his/her/its depository account to the Transferee Company on or before the Record Date-1, the New Equity Shares in the Transferee Company will be issued to such shareholder in physical form.
- 2.7.6 It is, however, clarified that provisions of this Scheme with regard to issue of shares by the Transferee Company will not apply to the share application money, if any, which may remain outstanding in the Transferor Company.

## **2.8 UPON THIS SCHEME BECOMING EFFECTIVE:**

- 2.8.1 Entire Issued Share Capital and share certificates of the Transferor Company shall automatically stand cancelled. Shareholders of the Transferor Company will not be required to surrender the Share Certificates held in the Transferor Company.
- 2.8.2 Cross holding of shares between the Transferor Company and the Transferee Company, on the record date, if any, shall stand cancelled. Approval of this Scheme by the Shareholders and/or Creditors of the Transferor Company and the Transferee Company, as the case may be, and sanction by the Tribunal under section 230 and 232 of the Companies Act, 2013, shall be sufficient compliance with the provisions of sections 66 of the Companies Act, 2013, and other applicable provisions, if any, relating to the reduction of share capital on cancellation of cross holding, if any. However, such reduction would not

involve either the diminution of any liability in respect of un-paid share capital or the payment to any shareholder of any paid-up share capital.

- 2.8.3 The authorised share capital of the Transferor Company shall be added to and shall form part of the authorised share capital of the Transferee Company. Accordingly, the authorised share capital of the Transferee Company shall stand increased to the extent of the aggregate authorised share capital of the Transferor Company as on the effective date. In terms of the provisions of section 232(3)(i) of the Companies Act, 2013, and other applicable provisions, if any, the aggregate fees paid by the Transferor Company on the authorised capital shall be set-off against the fees payable by the Transferee Company on the increase in the authorised share capital as mentioned above. It is hereby clarified that the Transferee Company will pay the balance fee, if any, on the aforesaid increase in the authorised share capital after deducting the aggregate fees paid by the Transferor Company on the pre-merger authorised share capital.

Clause V/Capital Clause of the Memorandum of Association and relevant article(s) of the Articles of Association, if any, of the Transferee Company shall stand modified to give effect to the aforesaid increase in the authorised share capital of the Transferee Company. Approval of the present Scheme of Arrangement by the Shareholders of the Transferor/Transferee Companies will be sufficient for the aforesaid modification in Clause V of the Memorandum of Association and relevant article(s) of the Articles of Association, if any, of the Transferee Company and no further approval will be required for the same.

## **2.9 ACCOUNTING TREATMENT FOR AMALGAMATION**

Upon the Scheme becoming effective, amalgamation of the Transferor Company with the Transferee Company and other connected matters will be accounted for in accordance with the applicable provisions of the Companies Act, 2013, Accounting Standards prescribed under section 133 of the Companies Act, 2013, and Generally Accepted Accounting Principles in India (Indian GAAP), as the case may be.

The Transferee Company shall give effect of the proposed amalgamation in its books of accounts in accordance with accounting prescribed under "pooling of interest" method. Following are the salient features of the accounting treatment to be given:

- a.** All the assets and liabilities recorded in the books of the Transferor Company shall be transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at the respective carrying values as reflected in the books of the Transferor Company as on the Appointed Date.
- b.** Cross investments or other inter-company balances, if any, will stand cancelled.
- c.** All the reserves of the Transferor Company under different heads shall become the corresponding reserves of the Transferee Company. Similarly, balance in the Profit & Loss Accounts of the Transferor and Transferee Companies will also be clubbed together.
- d.** Any deficit arising out of amalgamation (including on account of cancellation of cross holdings or any other inter-company balances) shall be adjusted against reserves and surplus, if any, in the books of the Transferee Company. Whereas any surplus arising out of Amalgamation

(including on account of cancelling of cross holdings or any other inter-company balances) shall be credited to capital reserve.

- e. Accounting policies of the Transferor Company will be harmonized with that of the Transferee Company following the amalgamation.
- f. It is, however, clarified that the Board of Directors of the Transferee Company, in consultation with the Statutory Auditors, may account for the present amalgamation and other connected matters in such manner as to comply with the provisions of section 133 of the Companies Act, 2013, the applicable Accounting Standard(s), Generally Accepted Accounting Principles and other applicable provisions, if any.

It is, further, clarified that in case of applicability of the Indian Accounting Standards (Ind AS) as prescribed under the Companies (Indian Accounting Standards) Rules, 2015, amalgamation of the Transferor Company with the Transferee Company and other connected matters will be accounted for in the manner as provided in the applicable Ind AS.

## **2.10 COMPLIANCE WITH TAX LAWS**

This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as defined under Section 2(1B) of the Income Tax Act, 1961 and other applicable provisions, if any. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the Income Tax Act shall prevail. The Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme. The power to make such amendments, as may become necessary, shall vest with the Board of Directors of the Transferee Company, which power can be exercised at any time and shall be exercised in the best interests of the Companies and their shareholders.

## **PART 3**

### **DE-MERGER OF REAL ESTATE AND ANCILLARY BUSINESS OF GURU NANAK AUTO ENTERPRISES LTD INTO ASKK ESTATES PVT LTD**

#### **3.1 TRANSFER AND VESTING OF DEMERGED UNDERTAKING**

After giving effect to the amalgamation as provided under Part 2 of this Scheme, on the Scheme becoming effective and with effect from the Appointed Date-2, subject to the provisions of the Scheme in relation to the modalities of transfer and vesting, Demerged Business of the Transferee Company, as defined in 'Clause 1.8' above shall stand transferred to and vested in or deemed to be transferred to and vested in the Resulting Company, as a going concern, in the following manner:

- 3.1.1** The whole of the undertaking and properties of Demerged Business of the Transferee Company shall, without any further act or deed or without payment of any duty, stamp duty, or other charges, stand transferred to and vested in or be deemed to be transferred to and vested in the Resulting Company, pursuant to the provisions contained in sections 230 and 232 of the Companies Act, 2013, and all other applicable provisions, if any, and so as to vest in the Resulting Company, for all rights, title and interest pertaining to the Demerged Business of the Transferee Company.
- 3.1.2** All debts, liabilities, contingent liabilities, duties and obligations of every kind nature and description of the Transferee Company relating to the Demerged Business shall also, under the provisions of Sections 230 and 232 and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to the Resulting Company, so as to become the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company, and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.
- 3.1.3** All licenses, permissions, approval, consents or NOCs given by various government and other competent authorities to the Transferee Company in relation to the Demerged Business or otherwise held by the Transferee Company to implement/carry on the Demerged Business shall stand vested in or transferred to the Resulting Company, without any further act or deed, and shall be appropriately mutated by the authorities concerned therewith in favour of the Resulting Company. The benefit of all statutory and regulatory permissions, registration or other licenses, and consents shall vest in and become available to the Resulting Company, pursuant to the Scheme.
- 3.1.4** The transfer and vesting of the Demerged Business, as aforesaid, shall be subject to the existing securities, charges, mortgages and other encumbrances if any, subsisting over or in respect of the property and assets or any part thereof pertaining to the Demerged Business to the extent such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of Demerged Business.
- 3.1.5** Without prejudice to the generality of the provisions contained in aforesaid clauses, upon the Scheme becoming effective, the Transferee Company and Resulting Company will file requisite form(s) with the Registrar of Companies for creation, modification and/or satisfaction of

charge(s), to the extent required, to give effect to the provisions of this Scheme.

- 3.1.6** For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that in accordance with the provisions of relevant laws, consents, permissions, licenses, registrations, certificates, authorities, powers of attorneys given by, issued to or executed in favour of Demerged Business and the rights and benefits under the same and all other interests of the Demerged Business, be without any further act or deed, be transferred to and vested in the Resulting Company.
- 3.1.7** Upon the Scheme coming into effect, all taxes/ cess/ duties, direct and/ or indirect, payable by or on behalf of the Demerged Business of the Transferee Company from the Appointed Date onwards, including all advance tax payments, tax deducted at source, any refunds or claims (including refunds or claims pending with the Revenue Authorities), shall, for all purposes, be treated as the tax/ cess/ duty, liability, advance tax payment, tax deducted at source, refund or claim, as the case may be, of the Resulting Company. The Resulting Company is expressly permitted to claim refunds/ credits in respect of any transaction between the Demerged Business of the Transferee Company and the Resulting Company, if any.
- 3.1.8** Upon the Scheme becoming effective, all un-availed credits and exemptions, statutory benefits, including in respect of Income Tax (including MAT credit), CENVAT, Customs, VAT, Sales Tax, Service Tax, Goods and Services Tax, etc., relating to Demerged Business to which the Transferee Company is entitled to shall be available to and vest in the Resulting Company, without any further act or deed.
- 3.1.9** Upon this Scheme becoming effective, the Transferee Company and the Resulting Company shall be entitled to file/revise income tax returns, TDS returns, TDS certificates, sales tax/ value added tax returns, service tax returns, GST returns and other statutory filings and returns for the period commencing on and from the Appointed Date, and to take all such steps that may be required to give effect to the provisions of this Scheme and/or required to claim refunds, depreciation benefits, advance tax credits, MAT credit, un-availed credits and exemptions, statutory benefits, etc., if any.
- 3.1.10** Without prejudice to the generality of the above, all benefits, incentives, claims, losses, credits (including, without limitation income tax, service tax, GST, excise duty, applicable state value added tax etc.) to which Demerged Business of the Transferee Company is entitled to in terms of applicable laws, shall be available to and vest in the Resulting Company from the Appointed Date.

## **3.2 LEGAL PROCEEDINGS**

- 3.2.1** All legal proceedings of whatever nature by or against the Transferee Company pending and/or arising on or after the Appointed Date and relating to the Transferee Company, in relation to the Demerged Business, shall not abate or be discontinued or be, in any way, prejudicially affected by reason of the Scheme or by anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Resulting Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferee Company, in

relation to the Demerged Business, as if the Scheme had not been made.

- 3.2.2** The Resulting Company undertakes to have all legal or other proceedings initiated by or against the Transferee Company, in relation to the Demerged Business, referred to in the above-mentioned clause, transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Transferee Company, in relation to the Demerged Business.
- 3.2.3** The Resulting Company undertakes to indemnify and save harmless the Transferee Company, to the fullest extent lawful from and against all third party actions, suits, claims, proceedings, costs, damages, judgments, amounts paid in settlement and expenses (including reasonable attorney fees) relating to or arising out of, any acts or omissions of the Transferee Company (and its respective past, present and future affiliates, shareholders, partners, agents, directors, officers, employees, representatives, advisors, attorneys, successors, heirs, executors, administrators and assigns), relating to, or in pursuance of, or arising from:
- a.** the filing, approval and implementation of the actions contemplated in this Scheme, or
  - b.** All legal proceedings in relation to the Demerged Business whether subsisting on the Appointed Date or arising thereafter.

### **3.3 CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS**

- 3.3.1** Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature, to which the Transferee Company, in relation to the Demerged Business, is a party, subsisting or having effect on the Effective date, shall remain in full force and effect and shall stand assigned/novated in favour of the Resulting Company, may be enforced by or against the Resulting Company as fully and effectually as if, instead of the Transferee Company, in relation to the Demerged Business, the Resulting Company had been a party thereto.
- 3.3.2** It is expressly clarified that consent of the counterparties shall not be separately required for assignment of such contracts etc., in favour of Resulting Company.
- 3.3.3** The Resulting Company shall be obligated to fulfill all the obligations and covenants of aforesaid contracts, deeds, bonds, agreements and instruments in relation to the Demerged Business and indemnify and save harmless the Transferee Company, to the fullest extent lawful from and against all third party actions, suits, claims, proceedings, costs, damages, judgments, amounts paid in settlement and expenses (including reasonable attorney fees) relating to or arising out of, any such contracts etc., whether in relation to any acts or omissions there under committed by the Transferee Company or the Resulting Company (and its respective past, present and future affiliates, shareholders, partners, agents, directors, officers, employees, representatives, advisors, attorneys, successors, heirs, executors, administrators and assigns), prior to the Appointed Date or thereafter.
- 3.3.4** Pursuant to the demerger of the Transferee Company, in case for the purpose of entering into any contract, tenders, bid documents, expression of interest, memorandum of understanding, agreements or

any other such instruments, the Resulting Company is required to demonstrate experience, track record and credentials of the Transferee Company, then the experience, track record and credentials gained by the Transferee Company in the past prior to demerger in relation to the Demerged Business, would be considered to be equivalent as the experience, track record and credentials of the Resulting Company.

### **3.4 PERMISSIONS**

Any statutory licenses, permissions, approvals or consents to carry on the operations of the Transferee Company, in relation to the Demerged Business, shall stand vested in or transferred to the Resulting Company without any further act or deed and shall be appropriately mutated by the Statutory Authorities concerned in favour of the Resulting Company upon the vesting and transfer of the Undertakings pursuant to this Scheme. The benefit and obligations of all statutory and regulatory permissions, licenses, environmental approvals and consents, sales tax registrations or other licenses and consents shall vest in and become available to the Resulting Company pursuant to this Scheme. In so far as the various incentives, subsidies, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Transferee Company, in relation to the Demerged Businesses, are concerned, the same shall vest with and be available to the Resulting Company on the same terms and conditions. It is specifically clarified that all the excise concessions, exemptions, benefits in terms of the Central Excise Act, 1944, Notifications, Circulars, Orders, Trade Notices, Guidelines, Clarifications and/or other Communications issued by the any appropriate competent authority; Income Tax holiday including benefits under Chapter VIA of the Income Tax Act, 1961; sales tax exemptions and benefits under the Central Sales Tax Act, 1956, exemptions and credits under the Central Goods and Services Tax Act, 2017 (GST) and other local sales tax laws; and all other fiscal and non-fiscal incentives, benefits and privileges which are available to or being availed by the Transferee Company or which the Transferee Company may be entitled to at any time for its Demerged Business, shall be continued to be available in the Resulting Company for the Demerged Business after the proposed De-merger;

### **3.5 SAVING OF CONCLUDED TRANSACTIONS**

The transfer and vesting of the Demerged Business into the Resulting Company as above and the continuance of proceedings by or against the Resulting Company shall not affect any transaction or proceedings already concluded on or after the Appointed Date till the Effective Date, to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by the Transferee Company, in relation to the Demerged Business, in respect thereto as done and executed on behalf of the Resulting Company.

### **3.6 CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE**

#### **3.6.1** With effect from the Appointed Date-2:

- a.** The Transferee Company, in relation to the Demerged Business shall carry on and be deemed to have carried on the business and activities and shall possessed of their properties and assets for and in trust of the Resulting Company and all the profits/losses accruing, shall for all purposes be treated as profits/losses of the Resulting Company.



- b. The Transferee Company, in relation to the Demerged Business shall not, without the prior written consent of the Board of Directors of the Resulting Company or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage or encumber or otherwise deal with or dispose of any undertaking or any part thereof except in the ordinary course of its business.

### **3.7 STAFF, WORKMEN AND EMPLOYEES**

- 3.7.1** On the Scheme becoming effective, all staff, workmen and employees of the Transferee Company, in relation to the Demerged Business, in service on the Effective Date, shall become and deemed to have become staff, workmen and employees of the Resulting Company on such date without any break or interruption in their service and on the basis of continuity of service, and upon terms and conditions not less favorable than those applicable to them with reference to the Transferee Company, in relation to the Demerged Business, on the Effective Date.
- 3.7.2** It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund and any other special fund or trusts created or existing for the benefit of the staff, workmen and employees of the Transferee Company, in relation to the Demerged Business, for all purposes whatsoever in relation to the administration or operation of such fund or funds or in relation to the obligation to make contributions to the said fund or funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferee Company, in relation to the Demerged Business, in relation to such fund or funds shall become those of the Resulting Company. It is clarified that the services of the staff, workmen and employees of the Transferee Company, in relation to the Demerged Business, will be treated as having been continuous for the purpose of the aforesaid funds or provisions.

### **3.8 REMAINING BUSINESS OF THE TRANSFEREE COMPANY**

#### **Remaining Business of the Transferee Company to continue with Transferee Company**

- 3.8.1** The Remaining Business of the Transferee Company and all the assets including immovable property, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Transferee Company.
- 3.8.2** All legal and other proceedings by or against the Transferee Company under any statute, whether pending on the Appointed Date or which may be instituted in future, whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business of the Transferee Company (including those relating to any property, right, power, liability, obligation or duty, of the Transferee Company in respect of the Remaining Business of the Transferee Company) shall be continued and enforced by or against the Transferee Company.
- 3.8.3** With effect from the Appointed Date and including the Effective Date:
  - a. The Transferee Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Remaining Business of the Transferee Company for and its own behalf.

- b. All profit accruing to the Transferee Company thereon or losses arising or incurred by it relating to the Remaining Business of the Transferee Company shall, for all purposes, be treated as the profit, or losses, as the case may be, of the Transferee Company.

### **3.9 Issue of Shares by the Resulting Company**

- 3.9.1** Upon the Scheme finally coming into effect and after giving effect to allotment of shares pursuant to amalgamation of the Transferor Company with the Transferee Company and in consideration of de-merger and vesting of the Demerged Business of the Transferee Company into the Resulting Company, in terms of this Scheme, the Resulting Company, shall, without any further application or deed, issue and allot Equity Share(s), to the Equity Shareholders of the Transferee Company whose names appear in the Register of Members as on the Record Date-2, in the following ratio:
  - i. The Resulting Company-ASKK Estates Pvt Ltd will issue 1 (one) Equity Share of ₹10 each, credited as fully paid-up, to the shareholders of the Transferee Company for every 10 (ten) Equity Shares of ₹10 each held in the Transferee Company-Guru Nanak Auto Enterprises Ltd.
- 3.9.2** Any fraction of share arising out of the aforesaid share exchange process, if any, will be rounded off to the nearest whole number.
- 3.9.3** New Equity Shares to be issued by the Resulting Company in terms of clause 3.9.1 above shall be subject to the provisions of the Memorandum and Articles of Association of the Resulting Company. The new Equity Shares to be issued by the Resulting Company shall rank pari passu in all respects, including dividend, with the existing Equity Shares of the Resulting Company.
- 3.9.4** The issue and allotment of Equity Shares by the Resulting Company to the shareholders of the Transferee Company, as provided in this Scheme, is an integral part thereof. The members of the Resulting Company, on approval of the Scheme, shall be deemed to have given their approval under sections 42 & 62 of the Companies Act, 2013, and other applicable provisions, if any, for issue of new Shares to the Shareholders of the Transferee Company in terms of this Scheme.
- 3.9.5** In the event there being any pending share transfer(s), the Board of Directors of the Transferee Company or any committee thereof, shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such transfer in the Transferee Company as if such changes in the registered holders were operative on the Record Date, in order to remove any difficulty arising on account of such transfer and in relation to equity shares to be issued to the shareholders of the Transferee Company on de-merger pursuant to this Scheme.
- 3.9.6** Shares to be issued by the Resulting Company pursuant to this Scheme in respect of any shares of the Transferee Company, which are held in abeyance under the provisions of the Act or otherwise, shall be held in abeyance by the Resulting Company.
- 3.9.7** It is, however, clarified that provisions of this Scheme with regard to issue of shares by the Resulting Company will not apply to the share application money, if any, which may remain outstanding in the Transferee Company.

### **3.10 Re-organisation/Reduction of Capital of the Resulting Company and other matters**

- 3.10.1** Present issued and paid up share capital of the Resulting Company is ₹1,00,000 divided into 10,000 Equity Shares of ₹10 each, which is held by the Promoters of the Company. In terms of the provisions of this Scheme, the Resulting Company will issue Equity Shares to the Equity Shareholders of the Transferee Company. However, it is proposed that upon the Scheme becoming effective, the Resulting Company will have 100% mirror Equity Shareholding as that of the Transferee Company. In other words, post de-merger; all the Equity Shareholders of the Transferee Company will hold same percentage of Equity Shares in the Resulting Company as they are holding in the Transferee Company as on the record date. Accordingly, upon the Scheme becoming effective, the pre-Scheme issued and paid-up share capital of the Resulting Company which consists of 10,000 Equity Shares of ₹10 each aggregating ₹1,00,000, will be cancelled. 10,000 9% Compulsorily Redeemable Preference Shares of ₹10 each, credited as fully paid-up, aggregating ₹1,00,000, will be issued in place of such cancelled equity share capital.
- 3.10.2** Accordingly, upon the Scheme coming into effect, the Resulting Company No. 1 will issue 1 (one) 9% Compulsorily Redeemable Preference Shares of ₹10 each, credited as fully paid-up, for every 1 (one) Equity Share of ₹10 each held in the Resulting Company. Pre-Scheme issued and paid-up share capital of the Resulting Company consisting of 10,000 Equity Shares of ₹10 each aggregating ₹1,00,000, will stand cancelled.
- 3.10.3** 9% Compulsorily Redeemable Preference Shares to be issued in terms of the above, shall be redeemed in terms of the provisions of the Companies Act, 2013, at Par within a period of 5 years from the date of issue of such Redeemable Preference Shares with a put and call option available to the Shareholders and the Issuer Company for early redemption.
- 3.10.4** Re-organization/reduction of the paid-up share capital, reserves & surplus, etc., as the case may be, of the Resulting Company, on de-merger, as the case may be, shall be affected as an integral part of the Scheme only. Approval of this Scheme by the Shareholders and/or Creditors of the Resulting Company and sanction by the Tribunal under section 230 and 232 of the Companies Act, 2013, shall be sufficient compliance with the provisions of section 66 of the Companies Act, 2013, and other applicable provisions, if any, relating to the re-organization/reduction of the paid-up capital, reserves & surplus, etc., as the case may be, of the Resulting Company. Such re-organisation/reduction of share capital would not involve either the diminution of any liability in respect of un-paid share capital or payment to any shareholder of any paid-up share capital. The Resulting Company is not proposing any buy-back of shares from its shareholders.
- 3.10.5** It is clarified that no creditor of the Resulting Company will be adversely affected by the proposed re-organisation/reduction of share capital. Compulsorily Redeemable Preference Shares to be issued in terms of this Scheme, shall be redeemed in accordance with the provisions of the Companies Act, 2013, relating to the redemption of preference shares. Hence, such redemption of Preference Shares will not be deemed to be a reduction of capital of the Company.

### **3.11 ACCOUNTING TREATMENT**

Upon the Scheme becoming effective, De-merger of the Real Estate and Ancillary Business of the Transferee Company into the Resulting Company will be accounted for in accordance with the applicable provisions of the Companies Act, 2013, Accounting Standards prescribed under section 133 of the Companies Act, 2013, and Generally Accepted Accounting Principles in India (Indian GAAP), as the case may be.

De-merger of the Real Estate and Ancillary Business of the Transferee Company into the Resulting Company will be accounted in the following manner:

#### **3.11.1 In the books of the Transferee Company**

- a.** All the assets and liabilities pertaining to the Demerged Business (difference between the assets and liabilities hereinafter referred to as "Net Assets"), which cease to be the assets and liabilities of the Transferee Company, will be reduced from the books of accounts of the Transferee Company at their respective book values as on the Appointed Date.
- b.** Difference between the assets and liabilities pertaining to the Demerged Business will be adjusted against the Capital Reserves, Securities Premium Account, and other Reserves & Surplus, in that order, in books of the Transferee Company.

#### **3.11.2 In the books of the Resulting Company**

- a.** The Resulting Company shall record the assets and liabilities (difference between the assets and liabilities hereinafter referred to as "Net Assets") pertaining to the Demerged Business vested in it pursuant to this Scheme, at the book values as appearing in the books of the Transferee Company as on the Appointed Date. In terms of the provisions of section 2(19AA) of the Income Tax Act, 1961, any change in the value of assets consequent to their revaluation will be ignored.
- b.** The Resulting Company shall credit to the Share Capital Account, in the books of accounts, the aggregate face value of the new Equity Shares to be issued by it to the Shareholders of the Transferee Company pursuant to Clause 3.2.1 of the Scheme.
- c.** Any difference between the Net Assets and the aggregate face value of new Equity Shares to be issued shall be credited to the Capital Reserve (in case of surplus), in the books of the Resulting Company. In case of deficit arising on de-merger, such deficit will be debited to the goodwill account or such other account as may be deemed fit and proper by the management in consultation with the Statutory Auditors of the Transferee Company and the Resulting Company, in terms of the provisions of the Companies Act, 2013, and the Generally Accepted Accounting Principles.

- 3.11.3** It is, however, clarified that the Board of Directors of the Transferee Company and the Resulting Company, in consultation with the respective Statutory Auditors, may account for the present de-merger in such manner as to comply with the provisions of section 133 of the Companies Act, 2013, the applicable Accounting Standard(s), Generally Accepted Accounting Principles and other applicable provisions, if any.

### **3.12 COMPLIANCE WITH TAX LAWS**

- a.** The De-merger of the Real Estate and Ancillary Business of the Transferee Company into the Resulting Company shall comply with the provisions of Section 2(19AA) of the Income Tax Act, 1961 and other applicable provisions, if any.
- b.** This Scheme has been drawn up to comply with the conditions relating to "Demerger" as defined under Section 2(19AA) of the Income Tax Act, 1961 and other applicable provisions, if any. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the Income Tax Act shall prevail. The Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme. The power to make such amendments as may become necessary shall vest with the Board of Directors of the Transferee Company, which power can be exercised at any time and shall be exercised in the best interests of the Companies and their shareholders.

## **PART 4**

### **OTHER TERMS AND CONDITIONS**

#### **4.1 APPLICATION/PETITION TO THE NATIONAL COMPANY LAW TRIBUNAL**

- 4.1.1 The Transferor Company will make necessary application(s)/ petition(s) under the provisions of sections 230 and 232 of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal Rules, 2016, and other applicable provisions, if any, to the Hon'ble National Company Law Tribunal for sanctioning of this Scheme, dissolution of the Transferor Company without the process of winding up and other connected matters.
- 4.1.2 The Transferee Company will make necessary application(s)/petition(s) under the provisions of sections 230 and 232 of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal Rules, 2016, and other applicable provisions, if any, to the appropriate Bench of the Hon'ble National Company Law Tribunal and other competent authorities, if any, for sanctioning of this Scheme and other connected matters.
- 4.1.3 The Resulting Company will also make necessary application(s)/ petition(s) under the provisions of sections 230 and 232 of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal Rules, 2016, and other applicable provisions, if any, to the appropriate Bench of the Hon'ble National Company Law Tribunal and other competent authorities, if any, for sanctioning of this Scheme and other connected matters.

#### **4.2 MODIFICATIONS/AMENDMENTS TO THE SCHEME**

- 4.2.1 The Transferor Company, the Transferee Company and the Resulting Company through their respective Board of Directors may make or assent, from time to time, on behalf of all persons concerned, to any modifications or amendments to this Scheme or to any conditions or limitations which the Tribunal and/or any authorities under the law may deem fit to approve of or impose and to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds, matters and things necessary for carrying the Scheme into effect.
- 4.2.2 In order to give effect to this Scheme or to any modifications or amendments thereof, the Board of Directors of the Transferee Company may give and are authorised to give all such directions as may be necessary including directions for settling any question, doubt or difficulty that may arise.
- 4.2.3 The Transferor Company, the Transferee Company and/or the Resulting Company shall be at liberty to withdraw from this Scheme in case any condition, alteration or modification, imposed or suggested by the Tribunal or any other competent authority, is not acceptable to them; or as may otherwise be deemed fit or proper by any of these Companies. The Transferor Company, the Transferee Company and/or the Resulting Company will not be required to assign the reason for withdrawing from this Scheme.

### **4.3 OPERATIVE DATE OF THE SCHEME**

- a. This Scheme shall be effective from the last of the dates on which certified copies of order of the Tribunal under Sections 230 and 232 of the Companies Act, 2013, are filed in the office(s) of the concerned Registrar of Companies. Such date is called as the Effective Date.
- b. Though this Scheme shall become effective from the Effective Date, the provisions of this Scheme shall be applicable and come into operation from the Appointed Date.

### **4.4 AUTHORISED SHARE CAPITAL**

Save as provided in this Scheme, the concerned Transferee Company and the Resulting Company, as the case may be, will increase/modify their respective Authorized Share Capital to implement the terms of this Scheme, to the extent necessary. It is, however, clarified that approval of the present Scheme of Arrangement by the Shareholders of the Transferee Company and the Resulting Company will be sufficient for such the modification/increase in the authorised share capital and no further approval will be required for the same.

### **4.5 IMPLEMENTATION OF THE SCHEME:**

Upon the sanction of this Scheme and upon this Scheme becoming effective, the following shall be deemed to have occurred in the sequence and in the order mentioned hereunder. Accordingly, the Scheme of Arrangement will be implemented in that order:

- i. Amalgamation of G.N.A. Transmissions Pvt Ltd with Guru Nanak Auto Enterprises Ltd as provided in Part-2 of this Scheme; and issue of shares by the Transferee Company to the Shareholders of the Transferor Company, as on Record Date-1, pursuant to such amalgamation.
- ii. De-merger of Real Estate and Ancillary Business of Guru Nanak Auto Enterprises Ltd into ASKK Estates Pvt Ltd as provided in Part-3 of this Scheme; and issue of shares by the Resulting Company to the Shareholders of the Transferee Company, as on Record Date-2, pursuant to such de-merger. It is clarified that for the purpose of the De-merger, post-merger list of shareholders of the Transferee Company will be taken into consideration after giving effect to allotment of shares pursuant to amalgamation of the Transferor Company with the Transferee Company.

Re-organisation/reduction of Share Capital of ASKK Estates Pvt Ltd, as provided in Part-3 of this Scheme will be implemented simultaneously with the de-merger.

#### **4.6 EXPENSES CONNECTED WITH THE SCHEME**

All costs, charges and expenses incurred in relation to or in connection with this Scheme or incidental to the completion of the Amalgamation and De-merger in pursuance of this Scheme, shall be borne and paid by the Transferee Company. However, in the event of the Scheme becoming invalid for any reason whatsoever, all costs, charges and expenses relating to the amalgamation and de-merger exercise or incidental thereto shall be borne and paid by the respective Companies incurring the same.

#### **Legal Consultants of the Scheme:**

**Rajeev Goel & Associates**  
Advocates and Solicitors  
785, Pocket-E, Mayur Vihar II  
Delhi Meerut Expressway/NH-9  
Delhi 110 091  
Mobile: 93124 09354  
e-mail: [rajeev391@gmail.com](mailto:rajeev391@gmail.com)  
Website: [www.rgalegal.in](http://www.rgalegal.in)



**Schedule-1 to the Scheme of Arrangement**

**Performa Balance Sheet of Real Estate and Ancillary Business of Guru  
Nanak Auto Enterprises Ltd to be De-merged into  
ASKK Estates Pvt Ltd**

**(As on 31<sup>st</sup> March, 2021)**

<b>Particulars</b>	<b>Amount (Rs. in lakhs)</b>
<b>Assets</b>	
Tangible Assets	1233.02
Security Deposits	21.95
Loans and Advances	0.06
Sundry Debtors	0.83
Cash and Bank Balances	3.50
<b>Sub-total (A)</b>	<b>1259.36</b>
<b>Liabilities</b>	
Other Long Term Liabilities	154.47
Other Current Liabilities	2.73
<b>Sub-total (B)</b>	<b>157.20</b>
<b>Net Asset Value [A-B]</b>	<b>1102.16</b>

**To,**

**GNA Transmissions Pvt Ltd**  
G.T. Road, Goraya-144 409,  
District Jalandhar, Punjab

**Guru Nanak Auto Enterprises Ltd**  
G.T Road, Jamalpur,  
Phagwara-144632,  
District Kapurthala, Punjab

**ASKK Estates Pvt Ltd**  
Village and Post Office:  
Bundala, Tehsil & District  
Jalandhar-144 034, Punjab

**Sub: Report on Valuation of Shares and Share Exchange Ratio for the purpose of the proposed Scheme of Arrangement of GNA Transmissions Pvt Ltd, Guru Nanak Auto Enterprises Ltd and ASKK Estates Pvt Ltd**

**Dear Sirs,**

**Preamble:** There is a proposal for Amalgamation of GNA Transmissions Pvt Ltd (hereinafter referred to as **“the Transferor Company”**) with Guru Nanak Auto Enterprises Ltd (hereinafter referred to as **“the Transferee Company”**); and De-merger of Real Estate and Ancillary Business (hereinafter referred to as **“the Demerged Business”**) of Guru Nanak Auto Enterprises Ltd into ASKK Estates Pvt Ltd. (hereinafter referred to as **“the Resulting Company”**), to be implemented through a Scheme of Arrangement under the provisions of the Companies Act, 2013, and other applicable provisions, if any (hereinafter collectively referred to as **“the Proposed Scheme”**). I have been engaged to carry out the valuation exercise and to advise share swap ratio for the Proposed Scheme.

The Board of Directors of GNA Transmissions Pvt Ltd, Guru Nanak Auto Enterprises Ltd and ASKK Estates Pvt Ltd (hereinafter collectively referred to as **“the Companies”**), in the meetings held on 12<sup>th</sup> August, 2021, 12<sup>th</sup> August, 2021 and 17<sup>th</sup> September, 2021, respectively, have appointed me to carry out the valuation of shares and to recommend a share swap ratio for the Proposed Scheme.

I, accordingly, report as under:

- 1. Objective:** The objective of the present valuation process is to carry out the valuation exercise and to advise share swap ratio in connection with the amalgamation of GNA Transmissions Pvt Ltd with Guru Nanak Auto Enterprises Ltd; and De-merger of Demerged Business of Guru Nanak Auto Enterprises Ltd into ASKK Estates Pvt Ltd., in terms of the aforesaid Proposed Scheme.

2. **Disclosure regarding identity and interest of the Valuer:** The Valuer - Mr Sandeep Kumar Agrawal, having his office at 523, Pocket-E, Mayur Vihar Phase-2, Delhi-110 091, is a Chartered Accountant and Registered Valuer in respect of Securities or Financial Assets duly registered with the Insolvency and Bankruptcy Board of India (IBBI) vide Registration No. IBBI/RV/06/2019/10705. The Valuer is hereinafter referred to as “**the Registered Valuer**”.

The Registered Valuer does not have any conflict of interest in the present valuation exercise as he does not hold any share or other pecuniary interest in any of the Companies under the valuation except fee or any other payment received/to be received for carrying out any professional services, if any. The Registered Valuer is not associated with the management of the Companies, which are subject matter of the present valuation, their promoters or any other group company in any way other than in professional capacity, if any. We have no current or expected interest in the Company or its assets and there is no conflict of interest among the Registered Valuer and the Companies under the valuation exercise or their Management. Prior to accepting this engagement, I have considered my independence.

The fee paid for our services in no way influenced the results of our analysis.

### 3. **Source of Information**

In connection with preparing this Valuation Report, I have received the following information from the management of the Companies:

- a. Memorandum and Articles of Associations of the Companies along with the Certificate of Incorporation;
- b. Audited Financial Statements of the Transferor Company and the Transferee Company for the financial year ended March 31, 2021;
- c. Performa balance sheet of the Demerged Business of the Transferee Company as on March 31, 2021;
- d. Brief details about the business of the Companies;
- e. List of Shareholders of the Companies;
- f. Proposed Draft Scheme of Arrangement.

During the valuation exercise, I had various discussion with the Management of the Companies on the subject matter. I have also relied on various secondary research, market data and such other analysis, reviews and enquiries, as I considered relevant.

The valuation cut-off date for the present valuation is 31<sup>st</sup> March, 2021.

4. **Scope/Limitation:** The Valuation exercise carried out by me does not constitute an audit carried out in accordance with Generally Accepted Accounting Principles/Auditing Standards. Accordingly, I do not express any opinion on the financial statements, assumptions underlying such financial statements and representations of management included in the Valuation Report. I do not provide any assurance that the financial information or assumptions, upon which these have been based, are accurate.

The present exercise is limited to carry out the valuation exercise and to advise share swap ratio in connection with the Proposed Scheme and does not necessarily constitute an enterprise valuation of these Companies. In carrying out the valuation, I have entirely relied upon the financial statements of the concerned Companies, assumptions and other information, documents & explanations provided by the management and discussions with the management from time to time regarding operations of these Companies.

5. **Caveats, Limitations, and Disclaimers:**

This Report is a private and confidential document prepared under the specific instructions of the client(s). It is for the internal use of the client(s) and their Shareholders/Creditors and is not meant for external circulation except to any statutory agency or competent authority for the purpose of the Proposed Scheme. Any person making any investment or taking other decision on reliance of this report will be doing so at its/ his sole risk. I shall not be responsible for any decision taken by anybody on reliance of this report other than the aforesaid Scheme of Arrangement.

While our work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the client existing business records. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by and on behalf of the Companies/ Client. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.

The valuation of Companies and businesses is not a precise science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value and we normally express our opinion on the value as falling within a likely range. The object of the present valuation

exercise is to determine the share swap ratio for the purpose of the proposed Scheme of Arrangement, we have determined the relative value to determine the share swap ratio.

The ultimate analysis has been tempered by the exercise of judicious discretion by the Registered Valuer and judgment considering the relevant factors. There will always be several factors, e.g. management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which may not be apparent from the face of the Balance Sheet but could strongly influence the value.

In the course of the valuation, we were provided with both written and verbal information. We have however, evaluated the information provided to us by the Company through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. Our conclusions are based on the assumptions, forecasts and other information given by/on behalf of the Company.

Our report is meant for the purpose mentioned above and should not be used for any purpose other than the purpose mentioned therein. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared.

6. **Compliance with the Rules and Standards:** While carrying out the present valuation exercise, I have relied on relevant provisions of the Companies Act, 2013; the Companies (Registered Valuers and Valuation) Rules, 2017; the Indian Valuation Standards, 2018, issued by the Institute of Chartered Accountants of India (ICAI); various Guidance Notes on Valuation issued by the ICAI through its publications-Technical Guide on Valuation, Valuation: Professionals' Insight, the Guidelines on Use of Caveats, Limitations and Disclaimers by the Registered Valuers in Valuation Reports (issued by IBBI); and other relevant material, to the extent relevant/applicable.

The present Valuation Report complies with the Companies (Registered Valuers and Valuation) Rules, 2017; the Indian Valuation Standards, 2018, issued by the ICAI, and other applicable provisions, if any.

## 7. **Brief Profile of the Companies:**

### 7.1 **Transferor Company: GNA Transmissions Pvt Ltd**

- a. **GNA Transmissions Pvt Ltd** [Corporate Identification No. (CIN): U 23209 PB 1986 PTC 007159] was incorporated under the provisions of the Companies Act, 1956, as a private limited company vide Certificate of

Incorporation dated 1<sup>st</sup> December, 1986 issued by the Registrar of Companies, Punjab and Chandigarh, Chandigarh.

- b. Registered Office of the Transferor Company is situated at G.T. Road, Goraya-144 409, District Jalandhar, Punjab.
- c. The present Authorised Share Capital of the Transferor Company is Rs. 5,00,00,000 divided into 50,00,000 Equity Shares of Rs. 10 each.

The present Issued, Subscribed and Paid-up Capital of the Transferor Company is Rs. 65,87,800 divided into 6,58,780 Equity Shares of Rs. 10 each.

- d. Presently, the Transferor Company is engaged in manufacturing and processing of auto components on job work basis and other related activities.

## **7.2 Transferee Company:**

- a. **Guru Nanak Auto Enterprises Ltd** [Corporate Identification No. (CIN): U 50404 PB 1974 PLC 003420] was originally incorporated under the provisions of the Companies Act, 1956, as a public limited company with the name and style as 'G.N.A. Enterprises Pvt Ltd' vide Certificate of Incorporation dated 30<sup>th</sup> March, 1974 issued by the Registrar of Companies, Punjab and Chandigarh, Chandigarh.

Name of the Company was changed to 'Guru Nanak Auto Enterprises Pvt Ltd' vide Fresh Certificate of Incorporation dated 5<sup>th</sup> March, 1981 issued by the Registrar of Companies, Punjab and Chandigarh.

The Company was converted into a public limited company and name of the Company was changed to its present name 'Guru Nanak Auto Enterprises Ltd' vide Fresh Certificate of Incorporation issued by the Registrar of Companies, Punjab and Chandigarh.

- b. Registered Office of the Transferee Company is situated at G.T Road, Jamalpur, Phagwara-144 632, District Kapurthala, Punjab.
- c. The present Authorised Share Capital of the Transferee Company is Rs. 40,00,00,000 divided into 3,50,00,000 Equity Shares of Rs. 10 each aggregating to Rs. 35,00,00,000; and 50,00,000 Preference Shares of Rs. 10 aggregating to Rs. 5,00,00,000.

The present Issued, Subscribed and Paid-up Capital of the Transferee Company is Rs. 23,12,16,450 divided into 2,31,21,645 Equity Shares of Rs. 10 each.

- d. Presently, the Transferee Company is engaged in manufacture and marketing of rear axle shafts, other forged & machined components for Automotive Industry and other related activities. The Transferee Company is also engaged in Real Estate and Ancillary Business comprising of business activities related to owning and maintenance of immovable properties for leasing/sale purposes. Hence, the Transferee Company has two business verticals-(a) manufacturing of auto components; and (b) real estate and ancillary business.

### **7.3 The Resulting Company - ASKK Estates Pvt Ltd**

- a. **ASKK Estates Pvt Ltd** [Corporate Identification No. (CIN): U 70109 PB 2021 PTC 054162] was incorporated under the provisions of the Companies Act, 2013, as a private limited company vide Certificate of Incorporation dated 4<sup>th</sup> September, 2021 issued by the Central Registration Centre on behalf of the jurisdictional Registrar of Companies, Punjab and Chandigarh, Chandigarh.
- b. Registered Office of the Resulting Company is situated at Village and Post Office: Bundala, Tehsil & District Jalandhar-144 034, Punjab.
- c. The present Authorised Share Capital of the Resulting Company is Rs. 10,00,000 divided into 1,00,000 Equity Shares of Rs. 10 each.

The present Issued, Subscribed and Paid-up Capital of the Resulting Company is Rs. 1,00,000 divided into 10,000 Equity Shares of Rs. 10 each.

- d. The Resulting Company is recently incorporated for the proposed de-merger and yet to start commercial operations.

### **8. Valuation approach and methodologies:**

As mentioned above, it is proposed to amalgamate GNA Transmissions Pvt Ltd with Guru Nanak Auto Enterprises Ltd and Demerge Real Estate and Ancillary Business of Guru Nanak Auto Enterprises Ltd into ASKK Estates Pvt Ltd. The primary objective of the present exercise is to find out the number of shares to be issued (i) by the Transferee Company to the shareholders of the Transferor Company in consideration of the amalgamation of the Transferor Company with the Transferee Company and (ii) by the Resulting Company to the shareholders of the Transferee Company in consideration of

the demerger of the Demerged Business of the Transferee Company into the Resulting Company.

## **I. Amalgamation:**

- 8.1** The Equity Shares of the Transferor and the Transferee Companies are required to be valued to recommend a Share Swap for the proposed amalgamation, based on the relative value of the shares of both these Companies.
- 8.2** The Transferor Company and the Transferee Company are closely held companies under the common management and control and general public is not affected by the proposed share exchange ratio.
- 8.3** There are a number of techniques/methods for valuation of shares. According to judicial precedents, the valuation of shares is a technical matter which requires considerable skill and expertise. There are bound to be differences of opinion as to the correct value of the shares of the Company. Simply because it is possible to value the shares in a manner different from the one adopted in a given case, it cannot be said that the valuation agreed upon has been unfair.
- 8.4** In the valuation of the shareholders' equity of a subject company, mainly three different approaches may be employed to determine its fair market value, viz., the Income Approach, the Asset Approach and the Market Approach. While each of these approaches would initially be considered in the valuation, the nature and the characteristics of the subject company/companies will determine which approach or approaches is/are most suitable in a particular case.

### **A. Income Approach**

#### **i. Discounted Cash Flow Method (DCF)**

One methodology in the Income Approach is the discounted cash flow method, which focuses on the expected cash flow of the subject company/companies.

The discounted Cash Flow method indicates the Fair Value of a business based on the value of cash flows that the business is expected to generate in future. This method involves the estimation of post-tax cash flows for the projected period, after taking into account the business's requirement of reinvestment in terms of capital expenditure and incremental working capital. These cash flows are then discounted at a cost of capital that reflects the risks of the business and the capital structure of the entity.



- ii. **Profit Earning Capacity Method (PECV)**  
PECV method focuses on the future earning capability of the business enterprise, based on the past income generated by the Company. The PECV Method requires the determination of parameters like, future maintainable profit, appropriate income tax rate, expected rate of returns etc. the value is determined by capitalizing the future maintainable profits.

## **B. Asset Approach**

- i. **Book Value/Net Asset Value**  
This is a value based on the books of accounts of the business. In simple term, Assets minus Liabilities equals the owner's equity, which is the "Book Value" or Net Assets Value of the business.
- ii. **Replacement Value**  
This is mainly used with asset heavy business such as hotels, motels, natural resources. The asset valuation methodology essentially estimates the cost of replacing the tangible assets of the businesses. The replacement cost takes into account the market value of various assets or the expenditure required to create the infrastructure similar to that of the company being valued.

## **C. Market Approach**

- i. **Value based on market quotes as available from recognized stock exchange**  
In case of valuation of shares of a company which is listed and traded on the stock exchanges, the market price of such shares is also considered to arrive at the fair value of the shares. Generally, an average market price of the listed shares for a reasonably past period is taken.
- ii. **Price Earning Multiple Value/Comparable Companies Multiple Method**

The basic of this approach is to find the earning capacity of the business and to capitalize it on the basis of appropriate rate considering the business fundamentals. In this method appropriate multiple can be used with the normalized earnings to arrive at fair estimation of business value (market price per share, book value of the shares, MPS)

The multiple can be taken based at PE, Revenue, Book Value multiple (MPS/EPS) of the industry, on the rate of return expected by the equity shareholder of the Company.

**8.5** The ICAI Valuation Standard provides that in transactions of the nature of merger or amalgamation or arrangement between companies or merger or demerger of businesses, the consideration is often discharged primarily by issue of securities in the nature of equity of the acquirer or transferee entity with reference to an exchange ratio or entitlement ratio, considering the relative values. Such relative values are arrived at by applying an appropriate valuation approach or a combination of valuation approaches. If a combination of valuation approaches or methodologies is adopted, appropriate weightages are assigned to arrive at a single value. Relative values are usually derived by using similar valuation approaches, methodologies and weightages. Use of differing methodologies or approaches may be justified in some circumstances, e.g., merger of a listed company and an unlisted company where market price method would be relevant only for the listed company. It further provides that Valuation base selected by a valuer shall be appropriate considering the purpose of engagement and the terms of the engagement. The valuer will use the relevant valuation approach and adhere to other assumptions associated with the valuation bases.

**8.6** Since, both the Transferor Company and the Transferee Company, in the valuation exercise are un-listed companies, determination of value of share at market price is not applicable. Further, due to unavailability of consistent and reliable projected profitability and considering the financials of the Companies; DCF/ price earning multiple value of shares of these Companies would not be quite relevant in this case.

**8.7** The Transferor Company consists of investment in the Transferee Company Resulting Company. Apart from the investments in the equity shares of the Transferee Company, the Transferor Company also comprise of some other assets and liabilities.

Considering these facts, it would be most appropriate that in consideration of demerger; the shareholders of the Transferor Company should be issued shares in the Transferee Company equivalent to the existing Transferor Company's shareholding in the Transferee Company plus additional shares of the Transferee Company against the Net Asset Value of the Transferor Company (except the Investment in the Transferee Company).

**8.8** I have carefully analysed the financial performance of the Companies in the valuation exercise, nature of their business, scale of business operations, shareholding structure, status of the relevant industries in which these Companies operate and other relevant information. Considering the nature of business, the common ownership and purpose of valuation, we are of the opinion that Net Asset Value method of valuation of shares is the most appropriate method in the present case, as detailed out in the working sheets enclosed with this Report.

- 8.9** The latest Financial Statements of both the Transferor Company and the Transferee Company have been prepared for the period ended March 31, 2021. Accordingly, share swap ratio has been calculated based on the Net Asset Value of Shares of the Companies on the basis of the Audited Financial Statements for the period ended March 31, 2021.

## **II. Demerger:**

- 8.10** Unlike merger/ amalgamation, there is no prescribed method or guidelines for determining share exchange ratio for de-merger. In fact, as per several judicial precedents, in case of de-merger, no formal Share Valuation is required.
- 8.11** Section 2(19AA) of the Income Tax Act, 1961, provides that in case of a de-merger, assets and liabilities of demerged business have to be transferred to the resulting company, in compliance to the Indian Accounting Standards specified in Annexure to the Companies (Indian Accounting Standards) Rules, 2015. Section 2(19AA) further provides that the Resulting Company must issue, in consideration of the de-merger, its shares to the shareholders of the Demerged Company on a proportionate basis.
- 8.12** Performa Balance Sheet of the Demerged Business has been prepared as on 31<sup>st</sup> March, 2021. Net asset value of the Demerged Business is taken on the basis of such Performa Balance Sheet as on 31<sup>st</sup> March, 2021. The Resulting Company has a paid-up capital of Rs. 1.00 lakhs only and has not carried any business activities since its incorporation on 4<sup>th</sup> September, 2021, as it has been incorporated for the purpose of the proposed demerger.
- 8.13** The managements of the Companies have proposed that post de-merger, all the Shareholders of the Transferee Company will hold same percentage of Shares in the Resultant Company as they are holding in the Transferee Company (after giving effect to allotment of shares pursuant to amalgamation of the Transferor Company with the Transferee Company).

It is proposed that the entire existing Equity Share Capital of the Resulting Company will be cancelled and the same shall be replaced by equal number of Non-cumulative Compulsorily Redeemable Preference Shares of Rs. 10 each. Compulsorily Redeemable Preference Shares to be issued will carry a coupon rate of 9% per annum and shall be redeemable in terms of the provisions of the Companies Act, 2013, at Par within a period of 5 years from the date of issue of such Redeemable Preference Shares with a call option available to the Issuer Company for early redemption.

- 8.14** Since, after the proposed de-merger, the entire Equity Share Capital of the Resultant Company will be held by the Equity Shareholders of the Transferee Company (after giving effect to allotment of shares pursuant to amalgamation of the Transferor Company with the Transferee Company), exactly in the same proportion as they are holding in the Transferee Company, no formal Share Valuation is required. The proposed Share Entitlement Ratio for demerger, given in this report is based entirely on the discussions with the Companies' management and suggestions made by them.
- 8.15** The Management of the Companies has proposed that in consideration of the demerger; the Resulting Company should issue equity shares to all the equity shareholders of the Transferee (after giving effect to allotment of shares pursuant to amalgamation of the Transferor Company with the Transferee Company), **in the ratio of 1:10.**
- 9. Share Exchange Ratio for the Proposed Scheme:** On the basis of valuation exercise and after rounding off, we recommend the following Share Swap Ratio for the Proposed Scheme:
- A. Amalgamation:** The Transferee Company - Guru Nanak Auto Enterprises Ltd will issue 16,522 (sixteen thousand five hundred and twenty-two) Equity Shares of Rs. 10 each, credited as fully paid up, for every 1,000 (one thousand) Equity Shares of Rs. 10 each held in the Transferor Company - GNA Transmissions Pvt Ltd.
- Any fraction of share arising out of the aforesaid share exchange process, if any, may be rounded off to the nearest whole number.
- B. Demerger:** The Resulting Company - ASKK Estates Pvt Ltd will issue 1 (one) Equity Share of Rs. 10 each, credited as fully paid-up, to the shareholders of the Transferee Company for every 10 (ten) Equity Shares of Rs. 10 each held in the Transferee Company - Guru Nanak Auto Enterprises Ltd.
- It is clarified that, for the purpose of Demerger, the Resulting Company will issue shares to such shareholders of the Transferee Company after giving effect to allotment of shares pursuant to amalgamation of the Transferor Company with the Transferee Company.
- C. Re-organisation/Reduction of Capital of the Resulting Company:** The Resulting Company will issue 1 (one) 9% Compulsorily Redeemable Preference Shares of Rs. 10 each, credited as fully paid-up, for every 1 (one) Equity Share of Rs. 10 each held in the Resulting Company and the pre-Scheme issued and paid-up share capital of the Resulting Company consisting of 10,000 Equity Shares of Rs 10 each aggregating Rs. 1,00,000, will be cancelled.

**10.** Separate workings of Valuation of Shares are enclosed herewith.

Thanking you

**Sd/-**

**CA Sandeep Kumar Agrawal**  
**Registered Valuer in respect of Securities or Financial Assets**  
**IBBI Registration No.: IBBI/RV/06/2019/10705**

**Date: 21<sup>st</sup> September, 2021**

**Place: Delhi**

**Encl: as above**

**UDIN: 21088699AAAAAW8250**

**Guru Nanak Auto Enterprises Ltd (Transferee Company)**

**Calculation of Net Asset Value**

**(As on 31st March, 2021)**

<b>Particulars</b>	<b>Amount (Rs. In Lakhs)</b>
Non Current Assets	10,353.48
Current Assets	21,725.09
Total Assets (A)	32,078.57
Less:	
Non Current & Other Liabilities	4,918.53
Current Liabilities	16,289.43
Total Liabilities (B)	21,207.96
<b>Net Asset Value (NAV) [A-B]</b>	<b>10,870.61</b>
Number of Equity Shares (Face Value Rs. 10/- each)	2,31,21,645
<b>NAV per Equity Share (Rs.)</b>	<b>47.01</b>

**GNA Transmissions Pvt Ltd (Transferor Company)**

**Determination Share Swap Ratio for Amalgamation**

**(As on 31st March, 2021)**

<b>Particulars</b>	<b>Number of Shares</b>	<b>Amount (Rs. In Lakhs)</b>
<b>Investment in equity shares of the Transferee - Guru Nanak Auto Enterprises Ltd [A]</b>	<b>92,20,780</b>	<b>677.02</b>
<b>Calculation of Net Asset Value (NAV) of the Transferor Company except the investment in the Transferee Company )</b>		
Non Current Assets	877.69	
Current Assets	82.27	
Total Assets (B)	959.96	
Less:		
Non Current & Other Liabilities	88.54	
Current Liabilities	89.37	
Total Liabilities (C)	177.91	
<b>Net Asset Value the Transferor Company except the investment in the Transferee Company ) D=[B-C]</b>	<b>782.05</b>	<b>782.05</b>
		<b>Amount (Rs.)</b>
NAV per equity share of the Transferee Company [E]		47.01
<b>Number of Shares to be issued by the Transferee Company upon Amalgamation against the NAV of the Transferee Company (except the Investment in the Transferee Company) [F=D/E]</b>	<b>16,63,410</b>	
<b>Total Number of Shares to be issued by the Transferee Company to the shareholders of the Transferor Company upon Amalgamation [G=A+F]</b>	<b>1,08,84,190</b>	
<b>Number of equity shares of Rs. 10 each issued in the Transferor Company [H]</b>	<b>6,58,780</b>	
<b>Share Exchange Ratio for amalgamation of the Transferor Company into Resulting Company [for every 1000 shares held in the Transferor Company]</b>	<b>16,522</b>	

**Performa Balance Sheet of Real Estate and Ancillary Business of Guru Nanak  
Auto Enterprises Ltd to be De-merged into ASKK Estates Pvt Ltd**

**(As on 31<sup>st</sup> March, 2021)**

<b>Particulars</b>	<b>Amount (Rs. in lakhs)</b>
<b>Assets</b>	
Tangible Assets	1233.02
Security Deposits	21.95
Loans and Advances	0.06
Sundry Debtors	0.83
Cash and Bank Balances	3.50
<b>Sub-total (A)</b>	<b>1259.36</b>
<b>Liabilities</b>	
Other Long Term Liabilities	154.47
Other Current Liabilities	2.73
<b>Sub-total (B)</b>	<b>157.20</b>
<b>Net Asset Value [A-B]</b>	<b>1102.16</b>





**INDEPENDENT AUDITOR'S REPORT**

To

The Members of  
**GNA Transmissions Private Limited**  
Goraya

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the standalone financial statements of **GNA Transmissions Private Ltd.** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss, and statement of cash flow for the year ended, and notes to financial Statements including summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to explanations given to us, the aforesaid standalone financial statements give the information required by the companies Act, 2013 ("the act") in the manner so required and give a true and fair view in conformity with the Indian accounting standards prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit/loss, and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the standards on auditing specified under section 143(10) of the Companies Act 2013. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and Rules 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion.





### **Responsibility of Management for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 as going concern, disclosing, as applicable, matters related to going concern basis of accounting unless management intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Standalone 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 SA's 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 standalone financial statements.

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

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





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- Evaluate the appropriateness of accounting policies used and the reasonableness of the accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on 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 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

1. As required by the Companies (Auditor's Report) Order, 2016("the order"), issued by the central government of India in the terms of sub section (11) of section 143 of the Companies Act, 2013, We give in the "Annexure A" statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, We report that:

We have sought & obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

- a) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
- b) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement deat with by this Report are in agreement with the books of account.
- c) In our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.





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- d) On the basis of the written representations received from the directors as on March 31, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of Section 164(2) of the Act.
- e) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, the reporting on same is exempted to the Company.
- f) 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 positions in its financial statements.
  - ii) The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii) There were no amount which were required to be transferred to Investor Education and Protection Fund by the company.

PLACE: PHAGWARA  
DATED: 04.09.2021  
UDIN: 21082373AAAADT1222

FOR R.K. CHADHA & CO.  
CHARTERED ACCOUNTANTS  
(REGISTRATION NO.03513N)

  
RAKESH KUMAR CHADHA  
(Partner)  
M.NO. 082373





**ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT**

**(Referred to in Paragraph 1 under the Heading of "Report on Other Legal and Regulatory Requirements" of our Audit Report of Even Date)**

- (i) a). The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
b). As explained to us, all the fixed assets have been physically verified by the management at reasonable intervals during the year. According to the information and explanation given to us and the records produced to us for our verification, discrepancies noticed on such physical verification were not, in our opinion, material and the same have been properly dealt with in books of account.  
c). The title deeds of immovable properties are held in the name of the company.
- (ii) a). The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.  
b). The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- (iii) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 189 of the companies Act, 2013. Consequently, the provisions of clauses iii (a) to (C) of the order are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 with respect to any loans, investments, guarantees, and security given.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2016 with regard to the deposits accepted from the public are not applicable.
- (vi) As informed to us, the maintenance of Cost Records has not been specified by the central Government under section (1) of section 148 the Companies Act, 2013 in respect of the activities carried on by the company.
- (vii) a). The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, custom duty, excise duty, cess, service tax and other material statutory dues applicable to it.  
b). According to the information and explanations given to us, there are no dues of sales tax, income tax, custom duty, excise duty, cess and service tax which have not been deposited on account of any dispute.





- (viii) In our opinion and according to information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (ix) In our opinion and according to the information & explanation given to us, the term loans have been applied for the purpose for which they were obtained.
- (x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to information and explanations given to us, the provisions of section 197 read with Schedule V to the Companies Act, 2013 is not applicable to private company. Accordingly, the provision of clause 3 (xi) of the order is not applicable to the company.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- (xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.
- (xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.
- (xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

PLACE: PHAGWARA  
DATED: 04.09.2021  
UDIN: 21082373AAAADT1222

FOR R.K. CHADHA & CO.  
CHARTERED ACCOUNTANTS  
(REGISTRATION NO.03512N)



(RAKESH CHADHA)  
Partner  
M.NO. 082373

**M/S. GNA TRANSMISSIONS PVT. LTD.**  
**GORAYA**  
**CIN: U23209PB1986PTC007159**  
**Balance Sheet as at 31st MARCH, 2021**

(Amount in ₹)

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	6,587,800.00	6,587,800.00
(b) Reserves and surplus	2	139,318,982.10	129,607,637.00
(c) Money received against share warrants		-	-
<b>2 Share application money pending allotment</b>		-	-
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	3	8,854,160.00	15,273,856.00
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities	4	-	5,040,000.00
(d) Long-term provisions		-	-
<b>4 Current liabilities</b>			
(a) Short-term borrowings		-	-
(b) Trade payables		16,037.00	76,549.00
(c) Other current liabilities	5	7,657,524.00	7,604,370.00
(d) Short-term provisions	6	1,263,080.00	667,460.00
<b>TOTAL</b>		<b>163,697,583.10</b>	<b>164,857,672.00</b>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
<b>1 (a) Property, Plant and Equipment</b>	7		
(i) Tangible assets		76,415,098.00	80,555,232.00
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments	8	67,701,700.00	67,701,700.00
(c) Deferred tax assets (net)		11,353,818.00	10,325,576.00
(d) Long-term loans and advances		-	-
(e) Other non-current assets		-	-
<b>2 Current assets</b>			
(a) Current investments		-	-
(b) Inventories	9	190,462.00	190,462.00
(c) Trade receivables		-	-
(d) Cash and cash equivalents	10	1,346,606.10	1,433,378.00
(e) Short-term loans and advances	11	6,689,899.00	4,651,324.00
(f) Other current assets		-	-
<b>TOTAL</b>		<b>163,697,583.10</b>	<b>164,857,672.00</b>
Accounting Policies & Notes to Accounts	18		

**AUDITORS' REPORT**

As per our separate report of even date

For **R.K. CHADHA & CO.**  
**CHARTERED ACCOUNTANTS**



Rakesh Kumar Chadha (Partner)

Mem. No. 082373

UDIN: 21082373AAAADT1222

For and on behalf of the Board of Directors

Jagdish Singh

DIN: 01333785  
 Managing Director

Kamaljit Kaur

DIN: 01341079  
 Whole Time Director

Place: Phagwara

Date: 04/09/2021

## M/S. GNA TRANSMISSIONS PVT. LTD.

GORAYA

CIN: U23209PB1986PTC007159

Profit and loss statement for the year ended 31st MARCH, 2021

(Amount in ₹)

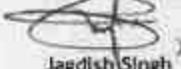
Particulars	Notes	As at 31 March 2021	As at 31 March 2020
I. Revenue from operations	12	-	5,781,106.68
II. Other income	13	18,000,000.00	18,166,554.28
III. Total Revenue (I + II)		18,000,000.00	23,947,660.96
IV. Expenses:			
Cost of materials consumed		-	-
Purchases of Stock-in-Trade		-	5,261,644.30
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	14	-	-
Employee benefits expense		-	-
Finance costs	15	1,677,511.43	2,560,285.50
Depreciation and amortization expense	16	4,774,960.00	5,235,744.00
Other expenses	17	200,841.47	428,711.00
Total expenses		6,653,312.90	13,486,384.80
V. Profit before exceptional and extraordinary items and tax (III-IV)		11,346,687.10	10,461,276.16
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		11,346,687.10	10,461,276.16
VIII. Extraordinary items		-	-
IX. Profit before tax (VII- VIII)		11,346,687.10	10,461,276.16
X Tax expense:			
(1) Current tax			
(a) Advance/TDS		1,387,500.00	1,807,122.00
(b) Provision		1,263,080.00	667,460.00
(2) Income Tax Earlier Year		13,004.00	(213,698.00)
(3) Deferred tax		(1,028,242.00)	(808,924.00)
Profit (Loss) for the period from continuing operations (IX-X)		9,711,345.10	9,009,316.16
XII Profit/ (loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV Profit (Loss) for the period (XI + XIV)		9,711,345.10	9,009,316.16
XVI Earnings per equity share:			
Basic & Diluted		14.74	13.68

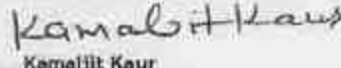
## AUDITORS' REPORT

As per our separate report on Balance Sheet of even date

for R.K. CHADHA & CO.  
CHARTERED ACCOUNTANTSRakesh Kumar Chadha (Partner)  
Mem. No. 082373  
UDIN:21082373AAAADT1222

For and on behalf of the Board of Directors

  
Jagdish Singh  
DIN: 01333785  
Managing Director

  
Kamaljit Kaur  
DIN: 01341079  
Whole Time Director
Place: Phagwara  
Date:04/09/2021



**M/S. GNA TRANSMISSIONS PVT. LTD., GORAYA**

**Note No. 1**  
**Share Capital**

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number	₹	Number	₹
<b>Authorised</b> Equity Shares of ₹ 10 each	5,000,000	50,000,000	5,000,000	50,000,000
<b>Issued</b> Equity Shares of ₹ 10 each	658,780	6,587,800	658,780	6,587,800
<b>Subscribed &amp; Fully Paid up</b> Equity Shares of ₹ 10 each	658,780	6,587,800	658,780	6,587,800
<b>Total</b>	<b>658,780</b>	<b>6,587,800</b>	<b>658,780</b>	<b>6,587,800</b>

**Reconciliation of the number of Equity Shares outstanding**

Particulars	Equity Shares	
	Number	₹
Shares outstanding at the beginning of the year	658,780	6,587,800
Shares Issued during the year		
Shares bought back/forfeited during the year		
Shares outstanding at the end of the year	658,780	6,587,800

**Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:**

Name of Shareholder	As at 31 March 2021		As at 31 March 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Jagdish Singh	398,760.00	60.53%	398,757.00	60.53%
Kamaljit Kaur	115,013.00	17.46%	100,010.00	15.18%
Gurinder Singh	-	0.00%	60,010.00	9.11%
M/s Guru Nanak Auto Enterprises Ltd.	100,000.00	15.18%	100,000.00	15.18%

**Note No. 2**  
**Reserves & Surplus**

Particulars	As at 31 March 2021	As at 31 March 2020
	₹	₹
(a) Surplus		
Opening balance	129,607,637.00	120,598,320.84
(+) Net Profit/(Net Loss) For the C.Y	9,711,345.10	9,009,316.16
<b>Total</b>	<b>139,318,982.10</b>	<b>129,607,637.00</b>



**M/S. GNA TRANSMISSIONS PVT. LTD., GORAYA**

**Note No. 3**

**Long Term Borrowings**

Particulars	As at 31 March 2021	As at 31 March 2020
	₹	₹
<b>SECURED</b>		
(a) Term loans from Banks		
Kotak Mahindra Bank LAP-1763905 (Secured Against Land & Building)	1,653,868.00	2,779,451.00
(b) Term loans from Financial Institution		
Tata Capital Financial Services Limited (Secured Against Land & Building)	14,000,000.00	19,000,000.00
<i>(of the above, all amounts of loan is guaranteed by Directors)</i>		
	15,653,868.00	21,779,451.00
Less: current maturities of Long Term Borrowings	7,293,279.00	7,108,172.00
	8,360,589.00	14,671,279.00
<b>UNSECURED</b>		
(a) Loans and advances from related parties		
Directors & their Relatives		
Jagdish Singh	234,007.00	216,023.00
Kamaljit Kaur	227,694.00	210,195.00
Gurinder Singh	-	146,938.00
Gurinder Singh & Sons. (HUF)	31,870.00	29,421.00
<i>(All the above loans are due for repayment on 01/04/2025)</i>		
	493,571.00	602,577.00
<b>Total</b>	<b>8,854,160.00</b>	<b>15,273,856.00</b>

**Note No. 3.1**

**Nature of Security & Terms of Repayment of Long Term Borrowings**

Sr No	Nature of Security	Terms of Repayment
1	<u>KOTAK MAHINDERA BANK LTD.</u> The loan of ₹ 79,65,000 is secured against property at EMMAR MFG. LTD.	Repayable in 41 installments of ₹ 114275 & 100 installments of ₹ 118648 each starting from November-10
2	<u>Tata Capital Financial Services Limited</u> The loan of ₹ 30,000,000 is secured against Land & Building at Jamalpur.	Repayable in 60 installments of ₹ 500000 each starting from June-18

**Note No. 4**

**Other Long term liabilities**

Particulars	As at 31 March 2021	As at 31 March 2020
	₹	₹
<b>Secured</b>		
(a) Loans from banks		
Rent Security	-	5,040,000.00
<b>Total</b>	<b>-</b>	<b>5,040,000.00</b>



**M/S. GNA TRANSMISSIONS PVT. LTD., GORAYA**

**Note No. 5**

**Other Current Liabilities**

Particulars	As at 31 March 2021	As at 31 March 2020
	₹	₹
<b>(a) Other payables</b>		
Current maturities of Long Term Borrowings	7,293,279.00	7,108,172.00
TDS payable	21,600.00	32,688.00
Salary payable	-	8,000.00
Service Tax/GST Payable	245,520.00	361,010.00
Audit Fee Payable	97,125.00	94,500.00
<b>Total</b>	<b>7,657,524.00</b>	<b>7,604,370.00</b>

**Note No. 6**

**Short Term Provisions**

Particulars	As at 31 March 2021	As at 31 March 2020
	₹	₹
<b>(a) Others</b>		
Provision for Income Tax	1,263,080.00	667,460.00
<b>Total</b>	<b>1,263,080.00</b>	<b>667,460.00</b>



**M/S. GNA TRANSMISSIONS PVT. LTD., GORAYA**

**Note No. 7**

**FIXED ASSETS SCHEDULE / DEPRECIATION CHART AS PER COMPANIES ACT 2013, AS ON 31st MARCH, 2021**

Fixed Assets	Gross Block		Depreciation		Net Block			
	Balance as at 1st April 2020	Additions	Balance as at 31st March 2021	Balance as at 1st April 2020	Depreciation charge for the year	Balance as at 31st March 2021	Balance as at 1st April 2020	Balance as at 31st March 2021
	₹	₹	₹	₹	₹	₹	₹	₹
<b>a Tangible Assets</b>								
Building	71,913,896.04	-	71,913,896.04	37852343.04	3,235,848.00	41,088,191.04	34,061,553.00	30,825,705.00
Commercial Office at Gurugram	22,958,116.00	634,826.00	23,592,942.00	1,098,665.00	1,080,584.00	2,179,249.00	21,859,451.00	21,413,693.00
Land	22,115,000.00	-	22,115,000.00	-	-	-	22,115,000.00	22,115,000.00
Machinery	14,085,904.32	-	14,085,904.32	11593405.32	451,142.00	12,044,547.32	2,492,499.00	2,041,357.00
Electric Fitting	243,179.65	-	243,179.65	227838.65	3,972.00	231,810.65	15,341.00	11,369.00
Furniture & Fixture	49,145.00	-	49,145.00	47478	432.00	47,910.00	1,667.00	1,235.00
Air Conditioner	51,990.00	-	51,990.00	46641	1,385.00	48,026.00	5,349.00	3,964.00
Computers	258,514.00	-	258,514.00	257787	459.00	258,246.00	727.00	268.00
Car & Vehicle	300,000.00	-	300,000.00	296355	1,138.00	297,493.00	3,645.00	2,507.00
<b>Total</b>	<b>131,975,745.01</b>	<b>634,826.00</b>	<b>132,610,571.01</b>	<b>51,420,513.01</b>	<b>4,774,960.00</b>	<b>56,195,473.01</b>	<b>80,555,232.00</b>	<b>76,415,098.00</b>



M/S. GNA TRANSMISSIONS PVT. LTD., GORAYA

**Note No. 8**

**Non-current investments**

Particulars	As at 31 March 2021	As at 31 March 2020
Other Investments		
Investment in Shares with Guru Nanak Auto Enterprises Limited	67,701,700.00	67,701,700.00
<b>Total</b>	<b>67,701,700.00</b>	<b>49,703,300.00</b>

**Note No. 8.1**

Particulars	As at 31 March 2021	As at 31 March 2020
Aggregate amount of unquoted investments	67,701,700.00	67,701,700.00
<b>Total</b>	<b>67,701,700.00</b>	<b>49,703,300.00</b>

**Note No. 8.2**

Details of other Investments			
Name of the body corporate	No. of Shares		Subsidiary/Associate s/jv/Controlled Entity/others
	2021	2020	
Investment in Equity Instruments(Stated at cost)			
Guru Nanak Auto Enterprises Limited	9,220,780	9,220,780	Associate



**Note No. 9**

**Inventories**

Particulars	As at 31 March 2021	As at 31 March 2020
	₹	₹
a. Stock-in-Trade (Valued at Cost or Market Price whichever is less)	190,462.00	190,462.00
<b>Total</b>	<b>190,462.00</b>	<b>190,462.00</b>

**Note No. 10**

**Cash and Bank Balance**

Particulars	As at 31 March 2021	As at 31 March 2020
	₹	₹
(a) Cash and cash equivalents Cash in hand	4,311.00	13,991.00
(b) Other Bank Balance <u>Balances with Scheduled banks</u>		
HDFC Bank Limited	811,484.10	813,319.00
Punjab National Bank( Previously Oriental Bank of Commerce (01117)	151,348.00	222,829.00
Kotak Mahindra Bank-19	301,320.00	305,096.00
Kotak Mahindra Bank-106	78,143.00	78,143.00
<b>Total</b>	<b>1,346,606.10</b>	<b>1,433,378.00</b>

**Note No. 11**

**Short-term Loans and Advances**

Particulars	As at 31 March 2021	As at 31 March 2020
	₹	₹
A. Others		
Unsecured, considered good		
Vat/GST Refundable	-	265,245.00
TDS Recoverable ( TCFSL)	33,242.00	147,403.00
Rent Receivable ( GNAE)	6,608,812.00	4,193,774.00
Prepaid Insurance	47,845.00	44,882.00
Emmar India Community Management India Pvt. Ltd.	-	20.00
<b>Total</b>	<b>6,689,899.00</b>	<b>4,651,324.00</b>



**M/S. GNA TRANSMISSIONS PVT. LTD., GORAYA**

**Note No. 12**

**Revenue from Operation**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
	₹	₹
<b>Sale of products</b>		
Domestic sale	-	5,425,036.68
<b>Other operating revenues</b>		
Job Work Received	-	356,070.00
<b>Total</b>	-	<b>5,781,106.68</b>

**Note No. 13**

**Other Income**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
	₹	₹
Rent Received	18,000,000.00	18,000,000.00
Interest on Income Tax Refund	-	165,874.00
Amount R/o	-	1.16
Amount W/o	-	679.12
<b>Total</b>	<b>18,000,000.00</b>	<b>18,166,554.28</b>

**Note No. 14**

**Changes in Inventories of Finished Goods, Work in Progress & Stock-in-Trade**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
	₹	₹
<b>Opening Stock</b>		
Stock-in-Trade	190,462.00	190,462.00
<b>Closing Stock</b>		
Stock-in-Trade	190,462.00	190,462.00
<b>Total</b>	-	-



Note No. 15

## Finance Costs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
	₹	₹
(a) Interest	1,674,900.33	2,558,641.00
(b) Bank Charges & Commission	2,611.10	1,644.50
<b>Total</b>	<b>1,677,511.43</b>	<b>2,560,285.50</b>

Note No. 16

## Depreciation &amp; Amortization Expenses

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
	₹	₹
Depreciation	4,774,960.00	5,235,744.00
<b>Total</b>	<b>4,774,960.00</b>	<b>5,235,744.00</b>

Note No. 17

## Other Expenses

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
	₹	₹
<b>Direct Expenses</b>		
Freight Inward	-	31,480.00
Consumable Store	-	1,400.00
<b>Indirect Expenses</b>		
Amount R/Off	1.47	-
Advertisement	-	300.00
Interest On Tds	773.00	926.00
Loading & Unloading Exp.	-	2,100.00
Packing Exp.	-	14,690.00
Salary	-	32,000.00
Consultancy Charges	15,000.00	21,600.00
Fees, Taxes & Subscription	6,100.00	45,821.00
Insurance	35,287.00	48,394.00
Printing & Stationery	1,680.00	2,350.00
Repair & Maintenance Of Vehicle	-	102,650.00
Legal & Professional Charges	37,000.00	20,000.00
Audit Fee	105,000.00	105,000.00
<b>Total</b>	<b>200,841.47</b>	<b>428,711.00</b>





M/S. GNA TRANSMISSIONS PVT. LTD., GORAYA  
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

PARTICULARS	Details (₹)	Current Year	Details (₹)	Previous Year
<b>A. Cash Flow From Operating Activities</b>				
Net Profit before Taxes & Extraordinary Items		11,346,687		10,461,276
Adjustments For Non Cash Items:				
Depreciation	4774960		5,235,744	
Interest Charged	1677511		2,560,286	
Interest Received	-		-165,874.00	
(Profit) / Loss on Sale of Fixed Assets	-	6452471	-	7630155.50
Adjustments for Changes in Working Capital:				
(Increase) / Decrease in Sundry Debtors	-		0	
Increase / (Decrease) in Current Liabilities	588262		-824168	
(Increase) / Decrease in Loans & Advances	-2,038,575		-3936045	
(Increase) / Decrease in Inventories	-		-	
(Increase) / Decrease in non current assets	-	-1450313	-	-4,760,213
Cash Generation from Operations		16,348,846		13,331,219
Taxes Paid		2,663,584		2,260,884
Net Cash from Operating Activities		13,685,262		11,070,335
<b>B. Cash Flow from Investing Activities</b>				
Purchase of Fixed Assets & Capital Work in Process	-634,826		-822,897	
Purchase/Sale of Investments	-		-	
Sale of Fixed Assets	-		-	
Interest Received	-		165,874	
Net Cash Flows From Investing Activities		-634,826		-657,023
<b>C. Cash Flows from Financing Activities</b>				
Proceeds from Share Capital Issued	-		-	
Proceeds / Repayment of Long term Borrowings	-11459696		-7059914	
Proceeds / Repayment Of Short term borrowings	-		-	
Interest Paid	-1677511		-2,560,286	
Net Cash Flows From Financing Activities		-13,137,207		-9,620,200
Net Increase /Decrease in Cash & Cash Equivalent		-86,772		793,112
Cash & Cash Equivalents - Opening Balance		1,433,378		640,266
Cash & Cash Equivalents - Closing Balance		1,346,606		1,433,378


Subject to our Separate Report of Even Date  
For R.K. Chadha & Co.  
Chartered Accountants

(Rakesh Chadha)  
Partner

UDIN:21082373AAAADT1222



For and on behalf of the Board of Directors  
GNA TRANSMISSIONS PVT. LTD.

  
Jagdish Singh  
DIN:01333785  
Managing Director  
DATED:04/09/2021

  
Kamaljit Kaur  
DIN:01341079  
Whole Time Director

## **GNA TRANSMISSIONS PVT. LTD.**

Regd. Office: GORAYA

### **NOTE NO. 18 – ACCOUNTING POLICIES & NOTES TO ACCOUNTS:**

#### **A. SIGNIFICANT ACCOUNTING POLICIES:-**

**a) *Basis of Accounting:***

The financial statements are prepared on accrual basis of accounting, and in accordance with the relevant provisions of the Companies Act, 2013 and comply in all material aspects with the Accounting Standards issued by the Institute of Chartered Accountants of India as notified under section 133 of the Companies Act, 2013

**b) *Revenue Recognition:***

All the income and expenditure are accounted for on accrual basis in terms of provisions of 145(1) of the Income Tax Act, 1961. Sales are recognized on issue of invoices to the customers.

**c) *Fixed Assets:***

All the fixed assets are stated at cost less depreciation. The cost of fixed assets comprises its purchase price and any directly attributable to bringing the asset in an operational condition for its intended use. Expenditure incurred on account of additions, improvements and renewals are capitalized and repairs and maintenance expenditures are charged to Profit & Loss Account.

**d) *Depreciation:***

Fixed assets are depreciated under the written down method as per the life prescribed in the Schedule II of the Companies Act, 2013 on pro rata basis from the month in which such assets were actually put to use. No depreciation has been taken on the fixed assets whose life has been exhausted as a result of compliance with schedule II of the Companies Act 2013.

**e) *Retirement Benefits:***

Provisions of Employees State Insurance, Provident Fund and Family Pension Fund are not applicable to the company since there is no employee with the company.

**f) *Accounting for Taxes on Income:***

Provision for current taxes (if any) is made on the basis of taxable profits computed for current accounting period in accordance with the Income Tax Act, 1961. Deferred taxation has not been made since no depreciation has been charged on assets.

**g) *Foreign Currency Transactions:***

There are no foreign currency transactions.

**h) *Provisions:***

Provisions are recognized when the Company has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of obligation.

**i) *Borrowing Costs:***

Borrowing costs that are attributable to the acquisition of assets and amount advanced therefore, are capitalized as part of the cost of such assets. All other borrowing costs are charged to revenue.

**j) *Revenue Expenditures:***

All expenses are accounted on accrual basis. It is the practice of the company to make all the payments which are duly supported by relevant vouchers/bills. However there are some expenses which are not supported by bills. Conversion charges paid to municipal authorities annually are being recognized on payment basis. Further reversal of bank charges, if any, are accounted on cash basis.

**k) *Investments:***

Investments includes amount advanced to prospective suppliers for acquisition of assets for investment purposes and includes interest paid on loans borrowed from banks for investment purposes.

**l) *General:***

Accounting policies not referred to otherwise are consistent with generally accepted accounting principles.



# GNA TRANSMISSIONS PVT. LTD.

Regd. Office: GORAYA

-: 2 :-

## B. NOTES TO ACCOUNTS:

1. The following are the contingent liabilities during the year.

Particulars	Amount (In Crore)
<b>Contingent Liabilities</b>	
1. Bank Guarantees	138.98

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

2. Claims against company not acknowledged as debt: - Nil (P. Year Nil).
3. Estimated amount of contracts remaining to be executed on capital account and not provided for: - Nil (P. Year Nil)
4. In the opinion of the Board, current assets, loans & advances have a value on realization in the ordinary course of business at least equal to the value at which they have been stated in the Balance Sheet.
5. Sundry debtors, loans & advance and sundry creditors are subject to confirmation. Board is of the opinion that the no material differences are likely to arise on such reconciliation.
6. Income tax assessment of the company has been completed up to accounting year 31.03.2019.
7. Sundry debtors include a sum of Rs. Nil (Previous Year Nil) due from firms & companies in which directors are interested.
8. As required by Accounting Standard (AS 28) "Impairment of Assets" issued by the Institute of Chartered Accountants of India, the company has carried out the assessment of impairment of assets. There has been no impairment loss during the year.

### 9. **Deferred Taxation:**

As per the provisions of the Accounting Standard 22 (Accounting for taxes on Income) issued by the Institute of Chartered Accountants of India, deferred tax Assets(net) as on 31.03.2021 on account of depreciation difference has been determined at ` 113.53 lacs (Previous Year ` 103.25 lacs/-). The net increase in deferred tax asset is ` 10.28 lacs (Previous Year increase in deferred tax asset ` 8.08 lacs) relating to current financial year has been credited to Profit and Loss A/c.

### 10. **Earnings per share:**

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of equity and dilutive equivalent shares outstanding during the year end, except where the results would be anti-dilutive:

Particulars	(In Rupees)	
	31.03.2021	31.03.2020
Profit after tax, available to equity share holders	9711345	9009316
Weight average number of equity shares outstanding during the year	658780	658780
Basic earning per share (face value-Rs. 10 per share)	14.74	13.68

### 12. **Related party transactions**

Detail of Transaction carried out with the related parties in the ordinary course of business as required to be disclosed under Accounting Standard 18 are as follows:

Related Party	Relation	Nature of Transaction	Amount (Rs)
Guru Nanak Auto Enterprises Ltd.	Sister Concern	Rent Received	1,80,00,000
Kamaljit Kaur	Director	Interest	18,917
Gurinder Singh	Director	Interest	10,128
Gurinder Singh & Sons HUF	Director's HUF	Interest	2,648
Jagdish Singh	Director	Interest	19,442



**GNA TRANSMISSIONS PVT. LTD.**

Regd. Office: GORAYA

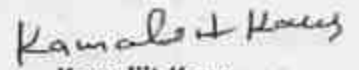
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13. Previous year figures have been re-grouped and re-casted so as to make them comparable with current year wherever felt necessary.

For and on behalf of the Board of Directors



Jagdish Singh  
DIN: 1333785  
Director



Kamaljit Kaur  
DIN: 1341079  
Director





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**INDEPENDENT AUDITOR'S REPORT**

To

The Members of  
**Guru Nanak Auto Enterprises Limited**  
Phagwara

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the standalone financial statements of **Guru Nanak Auto Enterprises Ltd. ("the Company")**, G.T. Road, Jamalpur, Phagwara which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss, and statement of cash Flow for the year ended, and notes to financial Statements including summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to explanations given to us, the aforesaid standalone financial statements give the information required by the companies Act, 2013 ("the act") in the manner so required and give a true and fair view in conformity with the Indian accounting standards prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit/loss, and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the standards on auditing specified under section 143(10) of the Companies Act 2013. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and Rules 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion.







### **Information other than the Standalone Financial Statements and Auditor's Report Thereon**

The company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information include in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Shareholder's Information, and information included in the Annual Report but does not include the standalone financial statements and our auditor's report thereon.

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

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

### **Responsibility of Management for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 as going concern, disclosing, as applicable, matters related to going concern basis of accounting unless management intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.





### **Auditors' Responsibilities for the Audit of the Standalone 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 SA's 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide as 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 controls 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 the accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on 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 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.





### Other Matter

The amount of GST availed, utilized, deposited & balance is considered as provided by the Company which is apparently matched with the books of account on test check basis. The data given is subject to GST Audit, the difference if any arises at the time of GST Audit will be considered by the Company in the period/ year in which the audit is conducted. Further the various reconciliation related to GST are under process with the Company as on date of this audit, the difference if any arises will be considered by the Company in the period/year when these are finally reconciled.

The balance of debtors, creditors and loans and advances is considered as provided by the Company which is apparently matched with balances in books of accounts. Further, some reconciliation related to debtors, creditors and advances are under process with the Company as on date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016("the order"), issued by the central government of India in the terms of sub section (11) of section 143 of the Companies Act, 2013, We give in the "Annexure A" a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, We report that:

- a) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- b) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- c) In our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
- d) On the basis of the written representations received from the directors as on March 31, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of Section 164(2) of the Act.
- e) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".







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- f) 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 positions in its financial statements.
  - ii) The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii) There were no amount which were required to be transferred to Investor Education and Protection Fund by the company.

PLACE: PHAGWARA  
DATED: 04/09/2021  
UDIN: 21082373AAAADZ2426

FOR R.K. CHADHA & CO.  
CHARTERED ACCOUNTANTS  
(REGISTRATION NO.03513N)

  
RAKESH KUMAR CHADHA  
(Partner)  
M.NO. 082373



**ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT**

**(Referred to in Paragraph 1 under the Heading of "Report on Other Legal and Regulatory Requirements' of our Audit Report of Even Date)**

- (i) a). The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
b). As explained to us, all the fixed assets have been physically verified by the management at reasonable intervals during the year. According to the information and explanation given to us and records produced to us for our verification, discrepancies noticed on such physical verification were not, in our opinion, material and the same have been properly dealt with in books of account.  
c). The title deeds of immovable properties are held in the name of the company.
- (ii) a). The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.  
b). The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- (iii) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 189 of the companies Act, 2013. Consequently, the provisions of clauses iii (a) to (c) of the order are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 with respect to any loans, investments, guarantees, and security given.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148 of the Act for any of the goods manufactured and traded by the Company.





- (vii) a). The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, custom duty, excise duty, cess, service tax and other material statutory dues applicable to it with appropriate authorities.
- b). According to the information and explanations given to us, there are no material dues of sales tax, income tax, custom duty, excise duty, cess and service tax which have not been deposited on account of any dispute except mentioned below:

Nature of Statute	Nature of Dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Excise & Service Tax Act	Excise duty on Drawings of products provided by Customers	2,28,687	Mar-16 to June-17	Central Goods and Service Tax
Excise & Service Tax Act	Excise duty on Drawings of products provided by Customers	85,003	Mar-13 to Feb-14	Chief Comm, Chandigarh

- (viii) According to the information and explanation given to us, the company has not made default in repayment of dues to financial institutions, banks and debenture holders.
- (ix) In our opinion and according to the information & explanation given to us, the term loans have been applied for the purpose for which they were obtained.
- (x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- (xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Standalone Financial Statements as required by the AS 18.





- (xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.
- (xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him and hence provisions of section 192 of the companies Act, 2013 are not applicable to the Company.
- (xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

**PLACE: PHAGWARA**  
**DATED: 04/09/2021**  
**UDIN: 21082373AAAADZ2426**

**FOR R.K. CHADHA & CO.**  
**CHARTERED ACCOUNTANTS**  
**(REGISTRATION NO.03513N)**

  
**RAKESH KUMAR CHADHA**  
**(Partner)**  
**M.NO. 082373**



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**"Annexure B" to the Independent Auditor's Report**

(Referred to in paragraph 1(e) under 'Report on other legal and regulatory requirements' section of our report to members of "Guru Nanak Auto Enterprises Limited".

**Report on the Internal Financial Controls under Clause (l) 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 Guru Nanak Auto Enterprises Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

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

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

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







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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, 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.

PLACE: PHAGWARA  
DATED: 04/09/2021  
UDIN: 21082373AAAADZ2426

FOR R.K. CHADHA & CO.  
CHARTERED ACCOUNTANTS  
(REGISTRATION NO.03513N,

RAKESH KUMAR CHADHA  
(Partner)

M.NO. 082373

**GURU NANAK AUTO ENTERPRISES LIMITED ANNUAL REPORT 2020-21**

**Balance Sheet as at 31st March 2021**

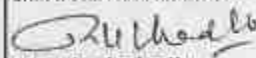
Particulars	Notes	31-Mar-21 In (₹)	31-Mar-20 In (₹)
<b>Equities and Liabilities</b>			
<b>Shareholders' fund</b>			
Share Capital	3	231,216,450	231,216,450
Reserves and Surplus	4	855,844,538	591,561,009
		<b>1,087,060,988</b>	<b>822,777,459</b>
<b>Non-current Liabilities</b>			
Long Term Borrowings	5	407,648,558	367,376,514
Deferred Tax Liability (Net)	6	6,519,972	48,506,605
Other Long term liabilities & Provisions	7	16,947,100	15,447,100
Long term Provisions	8	60,737,254	-
		<b>491,852,884</b>	<b>431,330,219</b>
<b>Current Liabilities</b>			
Short-term borrowings	9	729,252,579	927,093,371
Trade Payables	10	484,799,797	501,073,161
Other Current Liabilities	11	248,942,922	188,196,065
Short-term provisions	12	165,948,104	70,510,722
		<b>1,628,943,402</b>	<b>1,686,873,319</b>
<b>Total</b>		<b>3,207,857,274</b>	<b>2,940,980,997</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, Plant & Equipment			
Tangible Assets	13	946,444,087	1,030,517,058
Capital work-in-progress		35,275,099	5,313,435
Non-current Investments	14	4,350,000	4,600,000
Deferred Tax Assets(net)		-	-
Long term Loans and advances	15	49,278,753	63,000,356
		<b>1,035,347,939</b>	<b>1,103,430,849</b>
<b>Current Assets</b>			
Inventory	16	411,054,176	429,072,958
Trade receivables	17	1,551,993,674	1,208,926,455
Cash and Bank balances	18	42,780,293	27,677,982
Short-term Loans and advances	19	166,681,192	171,872,753
		<b>2,172,509,335</b>	<b>1,837,550,148</b>
<b>Total</b>		<b>3,207,857,274</b>	<b>2,940,980,997</b>
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For R.K. CHADHA & CO.

Chartered Accountants

  
CA Rakesh Chadha

Partner

M.No. 082373


FRN : 03513N

Place : Phagwara

Date: 04.09.2021

UIDIN: 21082373AAAADZ2426

For and on behalf of the Board of Directors of  
GURU NANAK AUTO ENTERPRISES LIMITED

  
Radhakrishnan Singaram  
Managing Director  
DIN:01246033

  
Jagdish Singh  
Chairman & WTD  
DIN: 01333785

  
Chandee Shekhar Shingari  
Chief Financial Officer

  
Malti Ohri  
Company Secretary



**GURU NANAK AUTO ENTERPRISES LIMITED ANNUAL REPORT 2020-21**

**Statement of profit and loss for the year ended 31st March 2021**

Particulars	Notes	31-Mar-21 in (₹)	31-Mar-20 in (₹)
<b>Revenue</b>			
Revenue from operations(net)	20	3,463,091,366	3,586,777,392
Other Income	21	46,452,131	100,184,942
<b>Total revenue (I)</b>		<b>3,509,543,497</b>	<b>3,686,962,334</b>
<b>Expenses</b>			
Cost of material consumed	22	1,272,146,195	1,364,529,201
Change in Inventories of Finished Goods WIP	23	(16,838,798)	34,066,943
Employee Benefit Expenses	24	410,245,980	408,118,835
Finance costs	25	123,405,327	167,221,954
Depreciation and amortization expense	26	182,583,265	208,938,763
Other expenses	27	1,112,453,171	1,289,434,252
<b>Total expenses (II)</b>		<b>3,083,995,140</b>	<b>3,472,309,948</b>
<b>Profit before prior period, exceptional and extraordinary items and tax (I - II)</b>		<b>425,548,357</b>	<b>214,652,386</b>
Exceptional Items	28	(1,307,821)	(895,792)
Extraordinary Items	29	73,323,514	-
<b>Profit before tax</b>		<b>353,532,664</b>	<b>213,756,594</b>
<b>Tax expenses</b>			
Current Tax		133,023,278	66,758,280
Previous Year Tax		(1,787,510)	-
Deferred Tax		(41,986,633)	(10,700,688)
<b>Total tax expense</b>		<b>89,249,135</b>	<b>56,057,592</b>
<b>Profit/(loss) for the year from continuing operations</b>		<b>264,283,529</b>	<b>157,699,002</b>
<b>Earnings per equity share</b>		<b>11.43</b>	<b>6.82</b>
Basic & Diluted			
Computed on the basis of profit from continuing operations			
Summary of significant accounting policies	2.1		
The accompanying notes are an integral part of the financial statements.			
As per our report of even date			
<b>For R.K. CHADHA &amp; CO.</b> <b>Chartered Accountants</b>  CA Rakesh Chadha Partner M.No. 082373 FRN : 03513N Place : Phagwara Date: 04.09.2021 UDIN: 21082373AAAADZ2426		<b>For and on behalf of the Board of Directors of</b> <b>GURU NANAK AUTO ENTERPRISES LIMITED</b>  Radhakrishnan Singaram Managing Director DIN:01246033  Jagdish Singh Chairman & WTD DIN: 01333785  Malti Ohri Company Secretary  Chander Shekhar Shingari Chief Financial Officer	





**GURU NANAK AUTO ENTERPRISES LIMITED ANNUAL REPORT 2020-21**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2021**

<b>PARTICULARS</b>	<b>Details (₹)</b>	<b>Current Year</b>	<b>Details (₹)</b>	<b>Previous Year</b>
<b>A. Cash Flow From Operating Activities</b>				
Net Profit before Taxes & after Extraordinary Item	353,532,665		213,756,594	
<b>Adjustments For Non Cash Items:</b>				
Preliminary Expenses W/Off	-		-	
Depreciation	182,583,265		208,938,763	
Interest Charged	123,405,327		167,221,954	
Interest Received	-3,078,103		-3,347,206	
Rental Income	-28,013,077		-33,186,294	
(Profit) / Loss on Sale of Investment	-26,835		-180,471	
(Profit) / Loss on Sale of Fixed Assets	-1,307,821		895,792	
<b>Adjustments for Changes in Working Capital:</b>	<b>627,095,421</b>		<b>554,099,132</b>	
(Increase) / Decrease in Sundry Debtors	-343,067,219		-154,403,458	
Increase / (Decrease) in Creditors	-16,273,364		-152,888,953	
Increase / (Decrease) in Current Liabilities	156,184,239		-54,395,135	
(Increase) / Decrease in Loans & Advances	5,191,561		-96,596,018	
(Increase) / Decrease in Inventories	18,018,781		73,072,147	
(Increase) / Decrease in Long Term Provision	60,737,254		-	
<b>Cash Generation from Operations</b>	<b>507,886,674</b>		<b>168,887,715</b>	
Taxes Paid	-131,235,768		-66,758,280	
<b>Net Cash from Operating Activities</b>		<b>376,650,906</b>		<b>102,129,435</b>
<b>B. Cash Flow from Investing Activities</b>				
Purchase of Fixed Assets & Capital Work in Process	-130,877,425		-118,056,014	
Sale of Investments	276,835		1,050,471	
Sale of Fixed Assets	3,713,288		6,578,494	
Interest Received	3,078,103		3,347,206	
Rental Income	28,013,077		33,186,294	
<b>Net Cash Flows From Investing Activities</b>		<b>-95,796,122</b>		<b>-73,893,549</b>
<b>C. Cash Flows from Financing Activities</b>				
Proceeds from Share Capital & Share Premium	-		-	
Proceeds from Share Capital Issued	-		-	
Net Increase in Long term Borrowings	40,272,044		-122,410,726	
Proceeds from Other Long term Liabilities	1,500,000		-	
Payment of Short term borrowings	-197,840,792		236,593,457	
Net Increase in Other Long term Loan & Advances	13,721,603		23,178,512	
Interest Paid	-123,405,327		-167,221,954	
<b>Net Cash Flows From Financing Activities</b>		<b>-265,752,473</b>		<b>-29,860,711</b>
<b>Net Increase /Decrease In Cash &amp; Cash Equivalent</b>		<b>15,102,311</b>		<b>-1,624,825</b>
Cash & Cash Equivalents - Opening Balance		27,677,982		29,302,807
Cash & Cash Equivalents - Closing Balance		<b>42,780,293</b>		<b>27,677,982</b>

Subject to our Separate Report on Balance Sheet of Even Date  
For R.K. Chadha & Co.

Chartered Accountants

*R. Chadha*  
CA Rakesh Chadha  
Partner  
M.No. 082373

Place: Phagwara  
Date: 04.09.2021

*R. Singaram*  
Radhakrishnan Singaram  
Managing Director  
DIN:01246033

*Chander Shekhar Singari*  
Chander Shekhar Singari  
Chief Financial Officer

For and on the behalf of Board of  
GURU NANAK AUTO ENTERPRISES LTD.

*Jagdish Singh*  
Jagdish Singh  
Chairman & WTD  
DIN: 01333785

*Malti Ohri*  
Malti Ohri  
Company Secretary



## GURU NANAK AUTO ENTERPRISES LIMITED ANNUAL REPORT 2020-21

### Notes to financial statements for the year ended 31st March 2021

#### **2 CORPORATE INFORMATION:-**

GURU NANAK AUTO ENTERPRISES LIMITED (the "Company") is a Company established in 1974. The Company manufactures auto Components for the four-wheeler industry, for sale in domestic market and foreign market. The Company has manufacturing location in the state of Punjab Unit - I Bundala & Unit - II (EOU) at VPO Jamalpur ( Phagwara -Ludhiana Road).

#### **2.1 SIGNIFICANT ACCOUNTING POLICIES:-**

##### **a) Basis of Accounting:**

The financial statements are prepared on accrual basis of accounting, and in accordance with the relevant provisions of the Companies Act, 2013 and comply in all material aspects with the Accounting Standards issued by the Institute of Chartered Accountants of India as notified under section 133 of the Companies Act, 2013. Further, these financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. All material known liabilities have been provided for on the basis of available information/ estimates.

##### **b) Inventories:**

Inventories other than scrap are valued at cost or net realizable value whichever is lower. Cost includes cost of purchases and other cost incurred in bringing the inventory to their present location and condition. Cost is ascertained on specific identification of cost. Net realizable value is estimated selling price in ordinary course of business, less estimated cost necessary to make the sale. The amount of refundable duties and taxes are not included in the cost of inventories as these would not have impact on Taxable Income. The inventories have been considered as taken valued, prepared and certified by the management.

Scrap is valued at estimated net realizable value.

Cost of Work in Process and Finished Goods include cost of materials and other inputs plus appropriate share of labour and overheads.

##### **c) Use of Estimates**

The presentation of financial statements require estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the period in which results are known/materialized.

##### **d) Revenue Recognition:**

All the income and expenditure are accounted for on accrual basis in terms of provisions of 145(1) of the Income Tax Act, 1961. Sales are recognized on issue of invoices to the customers. Sales are recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales exclude Goods and Services Tax as these are not economic benefits flowing to the Company. There is no revenue which has not been recognized as revenue during the previous year due to lack of reasonably certainty of its ultimate collection.

##### **e) Fixed Assets:**

All the fixed assets are stated at cost less depreciation. The cost of fixed assets comprises its purchase price and any directly attributable to bringing the asset in an operational condition for its intended use. Expenditure incurred on account of additions, improvements and renewals are capitalized and repairs and maintenance expenditures are charged to Profit & Loss Account.

##### **f) Depreciation:**

Fixed assets are depreciated under the written down method as per the life prescribed in the Schedule II of the Companies Act, 2013 on pro rata basis from the month in which such assets were actually put to use. No depreciation has been taken on the fixed assets whose life has been exhausted as a result of compliance with schedule II of the Companies Act 2013.



**g) Employees Benefits:**

**(i) Short term obligations**

Liabilities for wages and salaries, short term compensated absence and ex-gratia including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefits obligations in the balance sheet.

**(ii) Post-employment obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually as per Valuation report given by Actuary on the basis of Guidance issued by The Actuarial Society of India.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in the statement of profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in employee benefit expenses in the statement of profit or loss as actuarial loss/gain.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

For all the periods upto and including the year ended 31st March, 2020, the value of Gratuity liability is accounted for on actual payment basis. However, in current year the company has followed AS 15 due to that the amount of Current Service Cost, Interest Cost & Actuarial Gain/Loss for all the periods upto and including the year ended 31st March, 2020 i.e. Rs. 89316188 is shown as Extraordinary Item in statement of profit & loss. (Refer Note 29).

**(iii) Defined contribution plans**

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

**h) Accounting for Taxes on Income:**

Provision for current taxes is made on the basis of taxable profits computed for current accounting period in accordance with the Income Tax Act, 1961. Deferred Tax resulting from timing difference between book profits and tax profits is accounted for at the applicable rate of tax to the extent the timing differences are expected to crystallize, in case of deferred tax liabilities with reasonable certainty and in case of deferred tax assets with virtual certainty that there would be adequate future taxable income against which deferred tax assets can be realized.

**i) Foreign Currency Transactions:**

(i) Foreign Currency transactions are accounted at the exchange rates prevailing on the date of the transactions. Monetary items denominated in foreign currencies outstanding at the year-end are restated in Indian rupees at the rates prevailing on the date of the balance sheet. Any gain or loss on account of exchange difference either on a settlement of the obligation or on translation is recognized in the statement of Profit & Loss.

(ii) Foreign Currency Forward Contract are entered by the company to mitigate the risk of change in exchange rate on foreign currency exposure. The counterparty for these contracts is generally a bank. Any gain or loss on account of exchange difference on settlement of the contract is recognized in the statement of Profit & Loss.

**j) Provisions and contingent liabilities:**

Provisions are recognized when the Company has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of obligation. A provision is recognized if, as a result of a past event, the firm has a present legal obligation that is reasonably estimable and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.



## GURU NANAK AUTO ENTERPRISES LIMITED ANNUAL REPORT 2020-21

### **k) Borrowing Costs:**

Borrowing costs include interest costs and other cost i.e. commitment charges, amortized amount of discounts or premiums relating to borrowings, finance charges in respect of assets acquired under finance leases. Borrowing cost that are directly attributable to acquisition, construction or production of a qualifying assets are capitalized as part of cost of that assets. All other borrowing costs are charged to revenue.

### **l) Revenue Expenditures:**

All expenses are accounted on accrual basis. It is the practice of the company to make all the payments which are duly supported by relevant vouchers/bills. However there are some expenses which are not supported by bills. Conversion charges paid to municipal authorities annually are being recognized on payment basis. Further reversal of bank charges, if any, are accounted on cash basis.

### **m) Investments:**

The investment in associate are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost.

### **n) General:**

Accounting policies not referred to otherwise are consistent with generally accepted accounting principles.



**GURU NANAK AUTO ENTERPRISES LIMITED ANNUAL REPORT 2020-21**

**Notes to financial statements for the year ended 31st March 2021**

**3 Share Capital**

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number	In (₹)	Number	In (₹)
<b>Authorised</b>				
Equity Shares of Rs. 10 each	3,50,00,000	35,00,00,000	3,50,00,000	35,00,00,000
Preference Shares of Rs. 10 each	50,00,000	5,00,00,000	50,00,000	5,00,00,000
	<u>4,00,00,000</u>	<u>40,00,00,000</u>	<u>4,00,00,000</u>	<u>40,00,00,000</u>
<b>Issued</b>				
Equity Shares of Rs. 10 each	2,31,21,645	23,12,16,450	2,31,21,645	23,12,16,450
<b>Subscribed &amp; Paid up</b>				
Equity Shares of Rs. 10 each	2,31,21,645	23,12,16,450	2,31,21,645	23,12,16,450
<b>Total</b>	<u>2,31,21,645</u>	<u>23,12,16,450</u>	<u>2,31,21,645</u>	<u>23,12,16,450</u>

**Reconciliation of the number of Equity Shares outstanding**

Particulars	Equity Shares	
	Number	In (₹)
Shares outstanding at the beginning of the year	2,31,21,645	23,12,16,450
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	<u>2,31,21,645</u>	<u>23,12,16,450</u>

**Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:**

Name of Shareholder	Number		Number	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Jagdish Singh	27,20,715	11.77%	27,20,815	11.77%
Mrs. Kamaljit Kaur	27,76,110	12.01%	27,76,110	12.01%
Mr. Gurinder Singh	66,57,315	28.79%	66,57,315	28.79%
Mrs. Amardeep Kaur	17,46,425	7.55%	17,46,425	7.55%
GNA Transmissions Pvt. Ltd.	92,20,780	39.88%	92,20,780	39.88%

**4 Reserve and Surplus**

	31 March 2021	31 March 2020
	In (₹)	In (₹)
<b>Securities premium account</b>		
Balance as per last financial statements	3,08,20,310	3,08,20,310
Add: Premium received during the financial Year	(A)	-
	<u>3,08,20,310</u>	<u>3,08,20,310</u>
<b>Surplus/(deficit) in the statement of profit &amp; loss</b>		
Balance as per the last financial statements	56,07,40,699	40,30,41,697
Profit for the period/year	26,42,83,529	15,76,99,002
Addition during the Year	-	-
Net (deficit) in the statement of profit and loss	(B)	-
	<u>82,50,24,228</u>	<u>56,07,40,699</u>
<b>Total reserves and surplus</b>	(A+B)	
	<u>85,58,44,538</u>	<u>59,15,61,009</u>





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**Notes to financial statements for the year ended 31st March 2021**

		<b>31 March 2021</b>	<b>31 March 2020</b>
		<b>In (₹)</b>	<b>In (₹)</b>
<b>5</b>	<b>Long-term borrowings</b>		
	<b>Secured</b>		
	<b>I</b>		
	Term Loan from Bank	25,75,60,039	6,93,85,236
	Term Loan from Other than Banks	11,13,07,316	16,59,61,585
	Long Term Maturities of Financial Lease	1,44,03,803	2,11,83,061
	<b>(A)</b>	<b>38,32,71,158</b>	<b>25,65,29,882</b>
	<b>Unsecured</b>		
	<b>II</b>		
	Loan from Directors & their Relatives	3,92,35,086	3,52,12,982
	Loan from Others	10,08,60,501	15,55,14,353
	<b>(B)</b>	<b>14,00,95,587</b>	<b>19,07,27,335</b>
	<b>Total Long Term Borrowings (A+B)</b>	<b>52,33,66,745</b>	<b>44,72,57,217</b>
	<b>Less: Current Maturities of Long Term Borrowings</b>	<b>11,57,18,187</b>	<b>7,98,80,703</b>
	<b>Non-Current maturities of Long Term Borrowings</b>	<b>40,76,48,558</b>	<b>36,73,76,514</b>
<b>6</b>	<b>Deferred tax Liability/asset (net)</b>		
	<b>Deferred tax Liability</b>		
	Fixed assets: Impact of difference between tax depreciation and depreciation / amortization charged for financial reporting.	2,88,95,480	4,96,87,503
	<b>Gross deferred tax Liability</b>	<b>2,88,95,480</b>	<b>4,96,87,503</b>
	<b>Deferred tax Asset</b>		
	Impact of Expenditure charged to statement of profit and loss in the current year but allowed for tax purpose on payment basis	2,23,75,508	11,80,898
	<b>Gross deferred tax Asset</b>	<b>2,23,75,508</b>	<b>11,80,898</b>
	<b>Net deferred tax Liability/(asset)</b>	<b>65,19,972</b>	<b>4,85,06,605</b>
<b>7</b>	<b>Other Long-term Liabilities</b>		
	Security deposits & Others	1,69,47,100	1,54,47,100
		<b>1,69,47,100</b>	<b>1,54,47,100</b>
<b>8</b>	<b>Long-term Provisions</b>		
	Actuarial Liability towards Gratuity	6,07,37,254	-
		<b>6,07,37,254</b>	<b>-</b>



**GURU NANAK AUTO ENTERPRISES LIMITED ANNUAL REPORT 2020-21**

**Notes to financial statements for the year ended 31st March 2021**

9 Short-term borrowings		31 March 2021 In (₹)	31 March 2020 In (₹)
<b>Secured</b>	III		
<b>(a) Loans repayable on demand</b>			
Loans from Bank		72,65,89,708	92,66,75,435
<i>(Secured By first charge on all stock of the company and all present and future moveable assets of the company)</i>			
<i>(All amount of loan is guaranteed by Directors)</i>			
<b>Unsecured</b>			
<b>(a) Other Loans &amp; advances</b>			
Advances from Customers		26,62,871	4,17,936
		<u>26,62,871</u>	<u>4,17,936</u>
<b>Total Short Term Borrowings</b>		<u><u>72,92,52,579</u></u>	<u><u>92,70,93,371</u></u>
10 Trade payables		31 March 2021 In (₹)	31 March 2020 In (₹)
Trade payables		48,47,99,797	50,10,73,161
		<u>48,47,99,797</u>	<u>50,10,73,161</u>
11 Other current liabilities		31 March 2021 In (₹)	31 March 2020 In (₹)
Current maturities of long term borrowings		11,57,18,187	7,98,80,703
Interest accrued but not due on borrowings		18,08,691	24,72,957
Others			
Statutory Payables	IV	3,22,34,020	70,45,151
Expenses Payable	V	9,72,98,817	9,72,37,819
Other Payable	VI	18,83,207	15,59,435
		<u>24,89,42,922</u>	<u>18,81,96,065</u>
12 Short-term provisions		31 March 2021 In (₹)	31 March 2020 In (₹)
Provision for Employee Benefits	VII	6,42,01,264	4,47,93,188
Others			
Foreign Currency Hedge Reserve		-	1,37,60,024
Net Provision for Income Tax		10,17,46,840	1,19,57,510
		<u>16,59,48,104</u>	<u>7,05,10,722</u>



FIXED ASSETS SCHEDULE / DEPRECIATION CHART AS PER COMPANIES ACT 2013, AS ON 31st March, 2021

Fixed Assets	Gross Block				Depreciation				Net Block	
	Balance as at 1 April 2020	Additions	Sale/ Adjustment	Balance as at 31st Mar, 2021	Balance as at 1 April 2020	Depreciation charge for the year	On disposals	Balance as at 31st Mar, 2021	Balance as at 1 April 2020	Balance as at 31st Mar, 2021
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>a</b>										
<b>Tangible Assets</b>										
<b>Plant: Bundala, Jalandhar</b>										
Land	2,23,37,730	1,51,37,830	-	3,74,75,560	-	-	-	-	2,23,37,730	3,74,75,560
Building	12,93,13,222	-	-	12,93,13,222	6,83,26,250	57,93,762	-	7,41,20,012	6,99,86,972	5,51,93,210
Plant & Machinery	93,10,32,754	5,98,52,498	-	99,08,85,252	55,19,08,006	7,29,00,397	-	62,48,08,403	37,91,24,748	36,60,76,849
Furniture & Fixtures	1,51,50,492	93,000	-	1,52,43,492	1,36,08,808	4,99,109	-	1,40,17,917	15,41,694	12,25,575
Office Equipments	2,05,44,645	2,24,628	-	2,07,69,273	1,86,76,354	8,81,360	-	1,95,57,714	18,68,292	12,11,589
Cars & Vehicles	4,66,65,270	3,76,397	30,17,333	4,40,24,334	2,25,04,003	73,69,130	23,47,421	2,75,25,712	2,41,61,267	1,64,98,622
Air Conditioner & Coolers	91,74,497	4,78,798	-	96,53,295	68,73,773	11,06,623	-	79,80,396	33,00,724	16,72,899
Containing And Handling Equipments	2,95,671	74,000	-	3,69,671	95,685	46,202	-	1,41,887	1,99,986	2,27,784
Computer	1,71,98,718	13,47,808	-	1,85,36,526	1,64,97,901	6,64,814	-	1,71,62,715	6,90,817	13,73,812
Computer Server	5,72,543	-	-	5,72,543	5,09,500	24,776	-	5,34,276	63,043	38,267
Leased Machinery	1,45,00,000	-	-	1,45,00,000	32,76,123	20,42,382	-	53,18,505	1,12,83,877	92,41,495
<b>Total</b>	<b>1,20,68,35,543</b>	<b>7,75,94,959</b>	<b>30,17,333</b>	<b>1,28,14,03,169</b>	<b>70,22,76,402</b>	<b>9,12,38,355</b>	<b>23,47,421</b>	<b>79,13,67,536</b>	<b>50,45,59,141</b>	<b>49,02,35,633</b>
<b>Plant: Jamalpur, Phaeewara</b>										
Plant & Machinery	77,09,59,738	1,19,15,143	1,56,44,464	76,72,30,417	39,89,92,301	6,78,73,237	1,46,73,523	45,21,92,015	37,19,67,437	31,50,38,402
Furniture & Fixtures	1,00,11,960	1,68,600	-	1,01,80,560	65,08,616	9,17,273	-	74,25,889	35,03,344	27,54,671
Electric Fitting	44,70,092	-	-	44,70,092	17,07,828	7,15,150	-	24,22,978	37,62,264	20,47,114
Fire Extinguisher	5,65,737	47,232	-	6,12,969	3,96,721	76,175	-	4,72,896	1,69,016	1,40,073
Office Equipments	90,74,233	3,96,365	-	94,70,599	57,07,871	15,70,323	-	72,78,194	33,66,362	21,92,405
Lift Elevator	19,16,141	-	-	19,16,141	13,91,011	95,049	-	14,86,060	5,25,130	4,30,081
Cars & Vehicles	3,09,85,563	99,20,630	24,14,125	3,84,92,068	2,16,73,658	35,78,495	16,49,511	2,36,02,642	93,11,905	1,48,89,426
Air Conditioner & Coolers	52,48,970	1,11,908	-	53,60,878	39,26,098	5,99,093	-	45,25,191	13,22,872	8,35,687
Computer	1,14,82,805	7,70,924	-	1,22,53,728	91,94,141	15,85,671	-	1,07,79,812	22,88,664	14,73,916
Containing And Handling Equipments	24,68,275	-	-	24,68,275	13,68,365	2,42,970	-	16,11,335	10,99,910	8,56,940
Computer Server	9,35,639	-	-	9,35,639	7,69,854	65,154	-	8,35,058	1,65,785	1,00,631
Leased Machinery	1,55,00,000	-	-	1,55,00,000	38,20,319	21,14,922	-	59,34,341	1,16,79,681	95,65,699
<b>Total</b>	<b>86,36,19,153</b>	<b>2,33,30,802</b>	<b>1,80,58,589</b>	<b>86,88,91,366</b>	<b>45,54,56,783</b>	<b>7,94,32,612</b>	<b>1,63,23,034</b>	<b>51,85,66,361</b>	<b>40,81,62,370</b>	<b>35,03,25,085</b>
<b>Pune</b>										
Building	12,24,01,141	-	-	12,24,01,141	1,21,37,590	1,04,75,037	-	2,26,12,627	11,02,63,552	9,97,88,515
Plant & Machinery	86,54,342	-	-	86,54,342	17,51,136	12,49,480	-	30,00,616	69,03,206	56,53,726
Furniture & Fixture	62,344	-	-	62,344	17,504	11,609	-	29,113	44,840	33,231
Electric Fitting	6,50,352	-	-	6,50,352	1,83,515	1,20,864	-	3,04,379	4,66,837	3,45,973
Computers	34,890	-	-	34,890	22,037	8,118	-	30,155	12,853	4,735
Office Equipment	1,89,904	-	-	1,89,904	85,844	46,990	-	1,32,634	1,04,260	57,270
<b>Total</b>	<b>13,19,92,873</b>	<b>-</b>	<b>-</b>	<b>13,19,92,873</b>	<b>1,41,97,426</b>	<b>1,19,12,098</b>	<b>-</b>	<b>2,61,09,524</b>	<b>11,77,95,548</b>	<b>10,58,83,450</b>
<b>Total Tangible Assets</b>	<b>2,20,74,47,690</b>	<b>10,09,15,761</b>	<b>2,10,75,922</b>	<b>2,28,22,87,599</b>	<b>1,17,19,30,611</b>	<b>18,25,83,265</b>	<b>1,86,70,455</b>	<b>1,33,58,43,421</b>	<b>1,03,05,17,058</b>	<b>94,44,44,087</b>
<b>b</b>										
<b>Capital Work in Progress</b>										
Machinery At Bundala Plant	-	42,57,310	-	42,57,310	-	-	-	-	-	42,57,310
Building At Bundala Plant	-	2,57,04,354	-	3,10,17,789	-	-	-	-	53,13,435	3,10,17,789
<b>Total</b>	<b>2,20,77,61,195</b>	<b>13,08,77,425</b>	<b>2,10,75,922</b>	<b>2,31,75,62,408</b>	<b>1,17,19,30,611</b>	<b>18,25,83,265</b>	<b>1,86,70,455</b>	<b>1,33,58,43,421</b>	<b>1,03,58,30,494</b>	<b>98,17,19,187</b>



**GURU NANAK AUTO ENTERPRISES LIMITED ANNUAL REPORT 2020-21**

**Notes to financial statements for the year ended 31st March 2021**

<b>14 Non Current Investments</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
	<b>In (₹)</b>	<b>In (₹)</b>
<b>Other Investment</b>		
Investment in Equity Instruments	10,00,000	10,00,000
Investment in Mutual Funds	33,50,000	36,00,000
	<b>43,50,000</b>	<b>46,00,000</b>

<b>Particulars</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
	<b>In (₹)</b>	<b>In (₹)</b>
Aggregate amount of unquoted investments	10,00,000	10,00,000
Aggregate amount of quoted investments	33,50,000	36,00,000

**Details of Other investments**

<b>Particulars</b>	<b>Investment Type</b>	<b>No. of Units</b>	<b>Subsidiary / Associate / Others</b>
GNA Transmissions Pvt. Ltd.	Equity	1,00,000	Others
SBI Credit Risk Fund(Regular Growth)	Mutual Funds	1,28,442	Others

<b>15 Long Term Loans and Advances</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
	<b>In (₹)</b>	<b>In (₹)</b>
Security deposit	4,92,78,753	6,30,00,356
	<b>4,92,78,753</b>	<b>6,30,00,356</b>

<b>16 Inventories (valued at lower of cost and net market value)</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
	<b>In (₹)</b>	<b>In (₹)</b>
Raw material	14,96,00,412	18,40,40,056
Work-in-Progress	12,73,20,687	8,33,30,016
Finished Goods	3,33,42,806	5,45,78,724
Other Stores	10,07,90,271	10,71,24,162
	<b>41,10,54,176</b>	<b>42,90,72,958</b>

<b>17 Trade receivables</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
	<b>In (₹)</b>	<b>In (₹)</b>
(Unsecured, considered good unless stated otherwise)		
-For more than Six Month	66,24,700	5,19,69,492
-Other	1,54,53,68,974	1,15,69,56,963
	<b>1,55,19,93,674</b>	<b>1,20,89,26,455</b>

**17.1 Trade Receivable stated above include debts due by**

<b>Particulars</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
	<b>In (₹)</b>	<b>In (₹)</b>
Ask Overseas Pvt. Ltd. (Where directors are Shareholder of the company)	15,51,418	-



**GURU NANAK AUTO ENTERPRISES LIMITED ANNUAL REPORT 2020-21**

**Notes to financial statements for the year ended 31st March 2021**

18 Cash and bank balances		31 March 2021 In (₹)	31 March 2020 In (₹)
<b>Cash and cash equivalents</b>			
Cash in hand		4,07,907	12,20,161
<b>Other Bank Balances</b>	VIII		
Balances with Schedule Banks		1,80,74,822	34,72,097
Fixed Deposits		2,42,97,564	2,29,85,724
		<b>4,27,80,293</b>	<b>2,76,77,982</b>
19 Short term loans and advances		31 March 2021 In (₹)	31 March 2020 In (₹)
<b>Other loans and advances</b>			
<i>(Unsecured, considered good unless stated otherwise)</i>			
Advance Tax & Other Recoverables	IX	1,37,34,489	1,98,42,713
Accrued Income		4,35,67,695	3,14,96,909
Advance to employees	X	7,77,332	8,47,833
Advance to Suppliers		7,41,32,209	5,47,33,776
Prepaid expenses		1,45,43,645	81,75,954
Group Gratuity Scheme Fund		43,27,263	91,08,523
Provision for Diff. in Foreign Exchange		1,12,19,287	4,76,67,045
Foreign Currency Hedge Reserve		43,79,272	.
		<b>16,66,81,192</b>	<b>17,18,72,753</b>
20 Revenue from operations		31 March 2021 In (₹)	31 March 2020 In (₹)
<b>Sale of products</b>			
-Domestic		1,24,48,42,584	1,29,32,89,519
-Export		2,10,36,85,185	2,14,14,29,248
-Scrap Sale		16,07,25,130	15,29,04,480
		<b>3,50,92,52,899</b>	<b>3,58,76,23,247</b>
<b>Less:</b>			
-Sale Return		31,68,273	68,27,413
-Rebate Discount & rate Difference		8,58,75,932	8,29,63,041
<b>Net Sales</b>		<b>3,42,02,08,694</b>	<b>3,49,78,32,793</b>
<b>Other Operational Revenue</b>			
-DEPB License Sales		3,60,26,574	8,36,97,477
-Duty Draw Back		68,56,098	52,47,122
<b>Revenue from operations (net)</b>		<b>3,46,30,91,366</b>	<b>3,58,67,77,392</b>



**GURU NANAK AUTO ENTERPRISES LIMITED ANNUAL REPORT 2020-21**

**Notes to financial statements for the year ended 31st March 2021**

	31 March 2021	31 March 2020
	In (₹)	In (₹)
<b>21 Other Income</b>		
Interest Received	30,78,103	33,47,206
Income from / Profit on Sale of Units of Mutual Funds	26,835	1,80,471
Exchange differences (net)	1,40,60,221	6,10,23,491
Rent Received	2,80,13,077	3,31,86,294
Miscellaneous income	12,73,895	24,47,480
	<b>4,64,52,131</b>	<b>10,01,84,942</b>
<b>22 Cost of Material Consumed</b>		
	31 March 2021	31 March 2020
	In (₹)	In (₹)
<b>Raw Material Consumed</b>		
Opening Stock	18,40,40,056	22,30,45,260
Add: Steel Purchases (Net)	1,23,77,06,551	1,32,55,23,997
Less: Closing Stock	(14,96,00,412)	(18,40,40,056)
<b>Total</b>	<b>1,27,21,46,195</b>	<b>1,36,45,29,201</b>
<b>23 Change in Inventory</b>		
	31 March 2021	31 March 2020
	In (₹)	In (₹)
<b>Inventory at the beginning of the year</b>		
Work in Progress	8,33,30,016	11,37,07,985
Finished Goods	5,41,60,788	2,91,91,570
Other Stores	10,71,24,162	13,57,82,354
	24,46,14,966	27,86,81,909
<b>Inventory at the end of the year</b>		
Work in Progress	12,73,20,687	8,33,30,016
Finished Goods	3,33,42,806	5,41,60,788
Other Stores	10,07,90,271	10,71,24,162
	26,14,53,764	24,46,14,966
<b>Total</b>	<b>(1,68,38,798)</b>	<b>3,40,66,943</b>
<b>24 Employee Benefit Expenses</b>		
	31 March 2021	31 March 2020
	In (₹)	In (₹)
Salaries and incentives	9,40,21,119	10,23,15,469
Salary to Directors	5,89,25,822	3,63,00,000
Wages	15,16,96,726	16,94,50,577
Contributions to - PF	49,64,765	49,32,076
E.S.I.	50,00,371	40,54,798
Bonus Expenses	1,23,68,418	1,21,34,453
Employee Family Pension	1,11,81,025	1,07,88,012
Gratuity	52,13,917	45,00,000
Staff welfare expenses	1,48,83,735	1,95,00,841
Administration Charges PF	15,17,577	14,76,291
Staff Training & Recruitment Expenses	5,76,015	1,48,068
Leave with wages	49,12,762	64,32,108
Labour Welfare Fund	2,75,744	2,65,960
Incentives	4,47,07,984	3,58,20,182
	<b>41,02,45,980</b>	<b>40,81,18,835</b>



**GURU NANAK AUTO ENTERPRISES LIMITED ANNUAL REPORT 2020-21**

**Notes to financial statements for the year ended 31st March 2021**

	31 March 2021 In (₹)	31 March 2020 In (₹)
<b>25 Finance costs</b>		
Interest on:		
Leased Assets	18,56,002	25,43,215
Other	10,61,14,308	14,86,42,036
Bank Charges & Processing Fees	1,54,35,017	1,60,36,703
	<b>12,34,05,327</b>	<b>16,72,21,954</b>
<b>26 Depreciation and amortization expense</b>		
Depreciation and Amortization of Fixed assets	18,25,83,265	20,89,38,763
	<b>18,25,83,265</b>	<b>20,89,38,763</b>
<b>27 Other expenses</b>		
<b>Manufacturing Expenses</b>		
Factory Expenses	23,76,175	39,91,730
Forging & Servicing charges	6,83,77,876	8,45,26,781
Freight & Octroi	4,46,25,504	6,44,47,558
Machinery Repair & Maintenance	4,12,39,778	6,58,10,973
Packing Material	8,61,81,143	8,71,22,771
Power Exps	23,35,04,589	24,48,58,799
Fuel Exps ( Gas )	4,58,91,191	5,98,31,395
Tools & Consumable Stores	18,64,11,710	21,07,19,134
	<b>70,86,07,966</b>	<b>82,13,09,141</b>
<b>Indirect Expenses</b>		
Amount Written Off	48,885	65,68,096
Audit fees	14,00,000	14,00,000
Book, Newspapers & Periodicals	9,303	35,874
Building repair, other repair & other consumables	85,69,553	2,34,25,997
CSR Expenditure	22,30,289	14,75,304
Charity & Donation	29,100	88,523
Computer Expenses	26,56,388	34,86,828
Consultancy and Professional charges	2,11,95,997	2,81,11,850
Insurance charges	75,45,117	80,93,433
Legal & Professional Charges	16,04,650	5,24,063
Material Testing & Lab Expenses	65,31,448	88,10,342
MEIS Expenses	14,02,531	16,10,684
Office Electricity Exps	5,61,336	7,59,683
Office expenses	17,66,583	12,97,062
Penalty Expenses	79,072	49,912
Postage, telegram and telephone	12,71,805	22,10,515
Printing & Stationery	11,02,466	14,54,734
Rates & Taxes	12,18,508	9,77,210
Rent paid	3,68,32,666	4,70,53,906
Repair & Maintenance of Vehicles	40,49,326	68,20,351
Security Expenses	1,22,82,413	89,24,792
Subscription & Membership fee	4,40,742	11,80,929
Taxes Paid to Local Authority	3,96,138	3,96,138
Travelling Exps Domestic Directors	4,19,004	30,18,052
Travelling Exps Domestic Others	1,12,42,648	1,49,25,519
Foreign Travelling Exps Directors	9,26,835	71,63,424
Foreign Travelling Exps Others	24,701	61,22,731
Advertisement Expenses	10,17,449	18,20,631
Business Promotion expenses	5,62,897	48,09,614
Export Freight & Forwarding charges	27,45,24,508	27,51,13,434
Insurance ECGC	19,02,847	3,95,480
	<b>1,11,24,53,171</b>	<b>1,28,94,34,252</b>



**GURU NANAK AUTO ENTERPRISES LIMITED ANNUAL REPORT 2020-21**

**Notes to financial statements for the year ended 31st March 2021**

	<b>31 March 2021</b>	<b>31 March 2020</b>
	<b>In (₹)</b>	<b>In (₹)</b>
<b>Payment to auditor</b>		
<b>Payment to auditor</b>		
As Audit fee	14,00,000	14,00,000
	<b>14,00,000</b>	<b>14,00,000</b>
<b>28 Exceptional items</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
	<b>In (₹)</b>	<b>In (₹)</b>
Profit ( Loss) on Sale of Assets	(13,07,821)	(8,95,792)
	<b>(13,07,821)</b>	<b>(8,95,792)</b>
<b>29 Extraordinary Items</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
	<b>In (₹)</b>	<b>In (₹)</b>
Actuarial Gain	(1,59,92,674)	-
Current Service Cost/Interest Cost/Actuarial Loss	8,93,16,188	-
	<b>7,33,23,514</b>	<b>-</b>
<b>Foreign Currency Transactions</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
	<b>In (₹)</b>	<b>In (₹)</b>
<b>Earnings in Foreign Currency</b>		
Export Sale on FOB basis	1,93,97,34,193	2,05,98,44,844
Export of Services	-	-
	<b>1,93,97,34,193</b>	<b>2,05,98,44,844</b>
<b>Expenditure in foreign Currency</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
	<b>In (₹)</b>	<b>In (₹)</b>
Professional and Consultancy Fee	-	-
Travelling Expenses*	7,79,564	64,18,789
	<b>7,79,564</b>	<b>64,18,789</b>
* This includes expense incurred in Foreign Currency		
<b>Value of Import on CIF basis</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
	<b>In (₹)</b>	<b>In (₹)</b>
Raw Materials, Components and Spare parts	11,87,51,580	13,34,10,675
Capital Goods	18,11,029	1,87,92,183
	<b>12,05,62,609</b>	<b>15,22,02,858</b>
<b>Analysis of imported/Indigenous raw material consumed</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
	<b>In (₹)</b>	<b>In (₹)</b>
Imported	1,27,21,46,195	1,36,45,29,201
Indigenous	-	-
	<b>1,27,21,46,195</b>	<b>1,36,45,29,201</b>



**GURU NANAK AUTO ENTERPRISES LIMITED ANNUAL REPORT 2020-21**

**Annexures to financial statements for the year ended 31st March 2021**

		31 March 2021	31 March 2020
		In (₹)	In (₹)
<b>Long Term Borrowing</b>			
<b>I</b>	<b>Secured</b>		
	<b>(a) Term loans from Banks</b>		
	ICICI Bank Veh Loans	63,796	16,73,989
	HDFC Bank Veh, Machinery Loans, GECL	15,99,96,243	6,73,02,458
	AXIS BANK - Veh Loan, GECL	5,00,00,000	4,08,789
	Federal Bank - GECL	4,75,00,000	-
	<b>Total</b>	<b>25,75,60,039</b>	<b>6,93,85,236</b>
	<b>(b) Term loans from Other than Banks</b>		
	Siemens Financial Services P Ltd.	-	2,18,99,481
	Tata Capital Fin. Serv. Ltd.	5,65,49,062	7,29,81,129
	Dewan Housing Finance Ltd.	1,97,26,874	2,44,63,316
	Bajaj Finance Ltd.	3,50,31,380	4,66,17,659
	<b>Total</b>	<b>11,13,07,316</b>	<b>16,59,61,585</b>
<b>II</b>	<b>Unsecured</b>		
	<b>(a) Loans and advances from related parties</b>		
	<b>Directors &amp; their Relatives</b>		
	Gurinder Singh	-	77,43,514
	Jagdish Singh	2,29,71,370	1,13,45,732
	Kamaljit Kaur	1,08,65,019	51,87,393
	Ranjit Kaur	-	25,70,265
	Amardeep Kaur	51,47,599	47,51,996
	Gurinder Singh & Sons	2,51,098	2,31,801
	Balbir Singh & Manjit Kaur	-	10,24,796
	Rajinder Singh Ghataura & Harveen Kaur	-	23,57,485
	<b>Total</b>	<b>3,92,35,086</b>	<b>3,52,12,982</b>
	<b>(b) Loans and advances from Others</b>		
	Tata Capital Limited	3,22,43,805	4,60,68,044
	Tata Capital Financial Services Ltd (Unsec.)	1,42,96,196	2,38,01,396
	Tata Capital Financial Services Ltd (WCTL)	1,16,68,000	1,75,01,000
	Tata Capital Financial Services Ltd (P.O.)	2,00,00,000	3,02,81,346
	Tata Capital Limited WCTL	2,26,52,500	3,53,32,062
	DHFL	-	25,30,505
	<b>Total</b>	<b>10,08,60,501</b>	<b>15,55,14,353</b>
		<b>31 March 2021</b>	<b>31 March 2020</b>
		<b>In (₹)</b>	<b>In (₹)</b>
<b>III</b>	<b>Secured</b>		
	<b>(a) Loans repayable on demand from Banks</b>		
	State Bank of India	-	17,66,61,858
	HDFC Bank	48,98,82,025	26,54,57,401
	Axis Bank	18,64,43,010	21,20,96,457
	Federal Bank (Export Bill Discounting)	4	23,80,27,970
	Axis Bank (Channel Partner Financing)	5,02,64,669	3,44,31,749
	<b>Total</b>	<b>72,65,89,708</b>	<b>92,66,75,435</b>





**GURU NANAK AUTO ENTERPRISES LIMITED ANNUAL REPORT 2020-21**

**Annexures to financial statements for the year ended 31st March 2021**

IV	Statutory Payables	31 March 2021	31 March 2020
		In (₹)	In (₹)
	GST Payable	1,93,97,869	5,03,523
	GST Payable	1,64,377	1,20,999
	Professional Tax Payable	5,800	12,400
	<b>TDS Payable</b>		
	TDS Payable 194C	7,43,516	6,97,090
	TDS Payable 194I	2,75,753	3,84,167
	TDS Payable 194J	2,28,951	4,09,793
	TDS Payable 192B	1,02,72,070	35,01,750
	TDS Payable 194A	4,74,221	11,54,237
	TDS Payable 194H	750	64,421
	TCS on Scrap	6,70,713	1,96,771
		<b>3,22,34,020</b>	<b>70,45,151</b>
V	Expenses Payable	31 March 2021	31 March 2020
		In (₹)	In (₹)
	Electricity & Water Expenses	3,09,73,826	1,92,73,667
	Audit Fees Payable	12,96,350	12,60,000
	Rent Payable	-	20,23,556
	Expenses Payable others	6,50,28,641	7,46,80,596
		<b>9,72,98,817</b>	<b>9,72,37,819</b>
VI	Other Payables	31 March 2021	31 March 2020
		In (₹)	In (₹)
	Employee Security	14,56,425	12,63,900
	Worker Loan (CBI)	26,150	50,450
	Emergency Fund Employee Welfare	1,46,522	-
	HDFC Bank Credit Card	-	1,28,003
	Indsind Bank Credit Card	2,54,110	1,17,082
		<b>18,83,207</b>	<b>15,59,435</b>
VII	Provision for employee Benefits	31 March 2021	31 March 2020
		In (₹)	In (₹)
	Wages & Salary	2,36,13,245	2,03,17,953
	PF (including Family Pension, Ins Fund & Admn Charges)	44,52,516	37,67,978
	E.S.I.	5,85,171	5,63,868
	Bonus	1,37,10,885	1,25,36,680
	Incentive	81,70,740	47,46,601
	Leave with Wages	24,30,772	23,73,583
	Welfare Commission Punjab	1,60,686	4,86,525
	Provision for Defined Benefit Obligation (Gratuity)	1,10,77,249	-
		<b>6,42,01,264</b>	<b>4,47,93,188</b>



**GURU NANAK AUTO ENTERPRISES LIMITED ANNUAL REPORT 2020-21**

**Annexures to financial statements for the year ended 31st March 2021**

		31 March 2021	31 March 2020
		In (₹)	In (₹)
<b>Cash and bank balances</b>			
<b>VIII Other Bank Balances</b>			
<b>(a) Balances with Schedule Banks</b>			
Allahabad Bank C/A	-	2,73,875	
Axis Bank C/e A/C	77,47,415	-	
SBI EPC 18966	-	8,877	
SBI C/C 125663	54,093	-	
CBI - Mumbai	-	7,307	
HDFC Bank Phagwara	92,29,365	28,92,907	
PNB - Goraya	6,84,375	1,00,526	
SBI C/A Jandiala, Jalandhar	1,31,430	36,209	
ICICI BANK A/C 001705012054	1,21,423	43,108	
Federal Bank C/A	1,06,721	1,09,288	
	<b>1,80,74,822</b>	<b>34,72,097</b>	
<b>(b) Fixed Deposits</b>			
CBI Margin Money	10,99,464	10,36,891	
HDFC Bank Margin Money	58,31,614	55,25,740	
SBI Margin Money	10,16,208	9,77,033	
Axis Bank Margin Money	1,61,31,984	1,52,38,966	
Dewan Housing Finance Ltd	2,07,294	2,07,294	
Federal Bank	11,000	-	
	<b>2,42,97,564</b>	<b>2,29,85,724</b>	
<b>Short term loans and advances</b>			
	31 March 2021	31 March 2020	
	In (₹)	In (₹)	
<b>IX Advance Tax and Other Receivables</b>			
CST Receivable	7,04,886	7,04,886	
Excise Duty Receivable	-	25,92,099	
GST Receivable Punjab	-	5,58,282	
Advance Income Tax	34,91,206	38,96,329	
Service Tax Recoverable	8,66,265	8,66,265	
TDS Recoverable	36,62,310	59,19,148	
VAT Receivable	44,35,704	44,35,704	
Recoverable from Siemens Fin Serv / Axis Bank Veh 1	5,74,118	-	
Mutual Funds in SBI Matured (Receivable)	-	8,70,000	
	<b>1,37,34,489</b>	<b>1,98,42,713</b>	
<b>X Staff Advances</b>			
	31 March 2021	31 March 2020	
	In (₹)	In (₹)	
Advance against Salary	3,37,982	3,61,007	
Loan Against Salary	4,39,350	4,86,826	
	<b>7,77,332</b>	<b>8,47,833</b>	





**GURU NANAK AUTO ENTERPRISES LIMITED ANNUAL REPORT 2020-21**

**B. NOTES TO ACCOUNTS:**

1. The following are the contingent liabilities during the year.

Particulars	Amount (₹ in Crore)
<b>Contingent Liabilities</b>	
1. Bank Guarantees	1.10

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

2. In the opinion of the Board, current assets, loans & advances have a value on realization in the ordinary course of business at least equal to the value at which they have been stated in the Balance Sheet.

3. Sundry debtors, loans & advances and sundry creditors are subject to confirmation. Board is of the opinion that the no material differences are likely to arise on such reconciliation.

4. Income tax assessment of the company has been completed up to accounting year 31.03.2019.

5. As required by Accounting Standard (AS-28) "Impairment of Assets" issued by the Institute of Chartered Accountants of India, the company has carried out the assessment of impairment of assets. There is no impairment loss during the year.

**6. Deferred Taxation:**

As per the provisions of the Accounting Standard 22 (Accounting for taxes on Income) issued by the Institute of Chartered Accountants of India, deferred tax Liabilities (net) as on 31.03.2021 on account of timing differences has been determined at ₹ 65.19 lacs (Previous Year ₹ 485.06 lacs). The net decrease in the deferred tax Liabilities ₹ 419.86 lacs (Previous Year decrease ₹ 107.01 lacs) relating to current financial year has been credited to Profit and Loss A/c.

**7. Earnings per share:**

Basic earning per share is computed using the weighted average number of equity shares outstanding during the year.

	(in Rupees)	
	31.03.2021	31.03.2020
Profit after tax, available to equity share holders *	26,42,83,529	15,76,99,002
Weighted average number of equity shares outstanding	2,31,21,645	2,31,21,645
Basic earning per share (face value -Rs.10 per share)	11.43	6.82

**8 Related party transactions**

Disclosure of Related Parties and relationship between the parties:

A. Key Management Personnel	S. Jagdish Singh	Whole Time Director
	S. Gurinder Singh	Mg. Director till 26/10/2020
	Sh. Radhakrishnan Singaram	Mg. Director
	Smt. Kamaljit Kaur	Whole Time Director
	Smt. Amardeep Kaur	Whole Time Director
	Sh. V.K Bhandari	Director
	Sh. Surjit Singh Ajmal	Director
	Sh. Harsh Mitter	Director
	Miss Malvi Ohri	Company Secretary
B. Enterprises owned by Key Managerial Personnel & their Relatives	Sh. Chander Sheldhar Shingari	CFO
	G.N.A. Transmissions Pvt Ltd Ask Overseas Pvt. Ltd	
C. Relatives of KMP	Gurinder Singh & Sons	
	Smt. Ranjit Kaur	
	S. Balbir Singh	
	S. Rajinder Singh	
	Smt. Usha Singaram	



**GURU NANAK AUTO ENTERPRISES LIMITED ANNUAL REPORT 2020-21**

The detail of Transactions carried out with the related parties in the ordinary course of business as required to be disclosed under Accounting Standard 18 are as follows:

Nature of Transactions	Related Parties		
	Referred in 'A' above	Referred in 'B' above	Referred in 'C' above
<b>Income</b>			
Sales	Nil	8713451	Nil
<b>Expenditure</b>			
Purchase Others	Nil	Nil	94480
Remuneration	60925822	Nil	Nil
Interest	2586602	Nil	480255
Consultancy	321600	Nil	Nil
Rent	974928	18000000	880000
<b>Loans</b>			
Loan Repaid	9043514	Nil	5952546
Loan Received	17100000	Nil	Nil
<b>Assets</b>			
Land Purchased	14008500	Nil	Nil

The list of Transactions carried out with the related parties in the ordinary course of business as required to be disclosed under Accounting Standard 18 are as follows:

Particulars	(Amount in ₹)
<b>Salary</b>	
Jagdish Singh Salary	1,60,00,000
Jagdish Singh Incentive	1,29,60,000
Gurinder Singh Salary	1,06,98,822
Gurinder Singh Gratuity	20,00,000
Kamaljit Kaur	32,00,000
Amardeep Kaur	88,00,000
Radhakrishnan Singaram	72,67,000
<b>Interest Paid</b>	
Jagdish Singh	11,08,798
Amardeep Kaur	4,27,679
Kamaljit Kaur	5,16,353
Gurinder Singh	5,33,772
Gurinder Singh & Sons	20,862
Rajinder Singh	1,85,557
Balbir Singh	81,102
Ranjit Kaur	1,92,734
<b>Consultancy</b>	
Mr. V K Bhandari	1,80,000
Mr. S S Ajmal	1,41,600
<b>Rent Paid</b>	
G.N.A. Transmissions Pvt. Ltd.	1,80,00,000
Ranjit Kaur	4,80,000
Amardeep Kaur	9,74,928
Usha Radhakrishnan	4,00,000
<b>Purchase Others</b>	
Gurinder Singh & Sons	94,480
<b>Sales</b>	
M/s ASK Overseas Pvt. Ltd.	87,13,451
<b>Assets Purchased</b>	
Jagdish Singh	1,32,26,000
Kamaljit Kaur	7,82,500
<b>Loans Repaid</b>	
Kamaljit Kaur	13,00,000
Gurinder Singh	77,43,514
Ranjit Kaur	25,70,265
Rajinder Singh	10,24,796
Balbir Singh	23,57,485
<b>Loans Received</b>	
Jagdish Singh	1,06,00,000
Kamaljit Kaur	65,00,000



**GURU NANAK AUTO ENTERPRISES LIMITED ANNUAL REPORT 2020-21**

9. The details of loans as to the amount and no. of installments, security pledged etc., stated in Long Term Borrowings are as follows:

Sr. No.	Particulars	No. of installments	Amount of installments	Repayment starting date	Security Pledged
1	ICICI Bank 2 Innova	60	85184	13-05-2016	Vehicles
2	Tata Capital	54	122470+Intr	10-06-2017	Machinery
3	Tata Capital	54	25135+Intr	10-06-2017	Machinery
4	Tata Capital	54	32050+Intr	10-06-2017	Machinery
5	HDFC Bank	60	40457	07-09-2017	Vehicles
6	HDFC Bank	60	50571	07-09-2017	Vehicles
7	Tata Capital	51	88200+Intr	10-10-2017	Machinery
8	HDFC Bank	48	231560	05-03-2018	Vehicles
9	Tata Capital	60	500000+INTT	15-06-2018	Machinery
10	HDFC BANK	30	680606	07-07-2018	Machinery
11	Tata Capital	59	20085+INTT	15-07-2018	Machinery
12	Tata Capital	58	35000+INTT	15-08-2018	Machinery
13	HDFC BANK	60	41422	07-08-2018	Vehicles
14	HDFC BANK	60	1041516	07-09-2018	Machinery
15	Tata Capital	57	244560+INTT	15-09-2018	Machinery
16	HDFC BANK	60	78710	31-08-2018	Vehicles
17	Tata Capital	56	50200+INTT	15-10-2018	Machinery
18	DHFL	60	668117	10-03-2019	Machinery
19	BAJAJ FINANCE	60	247480	05-02-2019	Machinery
20	BAJAJ FINANCE	60	85274	05-02-2019	Machinery
21	BAJAJ FINANCE	60	99496	05-03-2019	Machinery
22	BAJAJ FINANCE	60	193462	05-03-2019	Machinery
23	BAJAJ FINANCE	60	146987	05-04-2019	Machinery
24	BAJAJ FINANCE	60	55918	05-04-2019	Machinery
25	BAJAJ FINANCE	60	25395	05-03-2019	Machinery
26	BAJAJ FINANCE	60	130789	05-05-2019	Machinery
27	HDFC BANK	24	211291	05-06-2019	Vehicles
28	HDFC BANK	36	47711	12-09-2019	Vehicles
29	HDFC BANK	60	185641	07-11-2019	Machinery
30	Tata Capital	47	319790+INTT	26-09-2018	Machinery
31	Tata Capital	60	521750+INTT	10-07-2019	Machinery
32	BAJAJ FINANCE	60	116397	07-06-2019	Machinery
33	HDFC Bank	60	53638	05-07-2020	Vehicles
34	HDFC Bank	60	949064	07-08-2020	Machinery
35	HDFC Bank	36	185571	05-03-2021	Vehicles
36	AXIS BANK	48	1041567	30-04-2022	GECL
37	FEDERAL BANK	48	990000	30-04-2022	GECL
38	HDFC Bank	48	1250000	30-04-2022	GECL

**10. Segment information:**

The company is engaged in the business of manufacturing of auto components for the four-wheeler industry, for sale in domestic market and foreign market. The entire operations are governed by the same set of risk and returns, hence, the same has been considered as representing a single primary segment. The said treatment is in accordance with the guiding principles enunciated in the Accounting Standard 17 on Segment Reporting.

The company have operations in Export and Domestic as economic environment with different risks and returns, hence they considered operating geographical segment.



**GURU NANAK AUTO ENTERPRISES LIMITED ANNUAL REPORT 2020-21**

**Information about Geographical Segment**

**Operating Segments**  
**(a) Export Sale**  
**(b) Domestic Sale**

Particulars	Export		Domestic		Total (in Rs.)	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>Segment Revenue</b>						
External Sale	2,10,36,85,185	2,14,14,29,248	1,31,65,23,509	1,35,64,03,545	3,42,02,08,694	3,49,78,32,793
Other Income	4,28,82,672	8,89,44,599	-	-	4,28,82,672	8,89,44,599
Inter Segment Sale	-	-	-	-	-	-
<b>Total Revenue</b>	<b>2,14,65,67,857</b>	<b>2,23,03,73,847</b>	<b>1,31,65,23,509</b>	<b>1,35,64,03,545</b>	<b>3,46,30,91,366</b>	<b>3,58,67,77,392</b>
<b>Segment Results</b>	<b>67,38,91,229</b>	<b>64,19,30,021</b>	<b>54,89,01,921</b>	<b>47,76,16,253</b>	<b>1,22,27,93,150</b>	<b>1,11,95,46,274</b>
Less: Unallocated Corporate Expenses					70,62,31,376	77,68,33,385
<b>Operating Profits</b>					<b>51,65,61,774</b>	<b>34,27,12,889</b>
Less: Interest Expenses					12,34,05,327	16,72,21,954
Add: Other Income not allocable					3,23,91,910	3,91,61,451
Income Tax					42,55,48,357	21,46,52,386
<b>Profit From Ordinary Activities</b>					<b>8,92,49,135</b>	<b>5,60,57,592</b>
Add: Exceptional Items					33,62,99,222	15,85,94,794
Less: Extra-ordinary Items					13,07,821	-8,95,792
<b>Net Profit</b>					<b>7,33,23,514</b>	<b>26,42,83,529</b>
					<b>15,76,99,002</b>	
<b>Other Information</b>						
Segment Assets	1,16,44,01,493	97,40,70,080	44,67,58,435	31,40,20,329	1,61,11,59,928	1,28,80,90,409
Unallocated corporate Assets					1,59,66,97,346	1,65,28,90,588
<b>Total Assets</b>					<b>3,20,78,57,274</b>	<b>2,94,09,80,997</b>
Segment Liabilities	52,999	1,38,04,088	26,07,871	3,73,872	26,60,870	1,41,77,960
Unallocated corporate Liabilities					3,20,51,96,404	2,92,68,03,037
<b>Total Liabilities</b>					<b>3,20,78,57,274</b>	<b>2,94,09,80,997</b>

**11. Leases**

(a) The Company has taken some machines on finance lease. The future lease rent payable on such machines taken on finance lease are as follows:

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> Mar 2021	As at 31 <sup>st</sup> Mar 2020
Minimum Lease Payments:		
Within 1 Year	79,26,759	86,35,264
Later than 1 year but not later than 5 years	46,34,507	1,25,61,266
	<b>1,25,61,266</b>	<b>2,11,96,530</b>
Present value of minimum lease payments:		
Within 1 Year	67,64,990	67,79,262
Later than 1 year but not later than 5 years	42,44,608	1,10,09,598
Add: Future Finance Charges	15,51,668	34,07,670
	<b>1,25,61,266</b>	<b>2,11,96,530</b>



## GURU NANAK AUTO ENTERPRISES LIMITED ANNUAL REPORT 2020-21

(b) The Company has taken some machines on operating lease. The expense on such lease Rentals recognized in Statement of Profit & Loss for the year ended 31<sup>st</sup> March 2021 is ₹ 169.77 lacs. The future lease rent payable on such machines taken on operating lease are as follows:

Particulars	(Amount in ₹)		
	Not later than 1 year	Later than 1 year not later than 5 years	Later than 5 years
Minimum Lease Rentals Payable	11539164	17093636	NIL

### 12. Defined Benefit Plan

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. For the funded plan the Company makes contributions to recognised funds in India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

#### Actuarial assumptions

Discount Rate	7.00% per annum
Salary Escalation Rate	8.00% per annum
Mortality	IALM 2012-14
Expected rate of return	7.00% per annum
Withdrawal rate(per annum)	5.00% per annum

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

### 13 Corporate Social Responsibility:

a) Expenditure related to Corporate Social Responsibility as per section 135 of the Companies Act, 2013 read with Schedule VII there of Rs. 22,59,389.

b) Gross amount required to be spent during the year Rs. 22,28,787.

14. Previous year figures have been re-grouped and re-casted so as to make them comparable with current year wherever felt necessary.

**For and on behalf of the Board of Directors of  
GURU NANAK AUTO ENTERPRISES LIMITED**

  
Radhakrishnan Singaram  
Managing Director  
DIN:01246033

  
Jagdish Singh  
Chairman & WTD  
DIN: 01333785

  
Chander Shekhar Shingari  
Chief Financial Officer

  
Malti Ohri  
Company Secretary



**M/S. ASKK ESTATES PVT. LTD.**  
**VPO-BUNDALA, DISTT.- JALANDHAR-144034**  
**CIN:U70109PB2021PTC054162**

Un-audited Provisional Balance Sheet as at 22nd September,2021

Particulars	Notes	As at 22nd September2021
<b>I. EQUITY AND LIABILITIES</b>		
<b>1 Shareholders' funds</b>		
(a) Share capital	1	100,000.00
(b) Reserves and surplus	2	-
(c) Money received against share warrants		-
<b>2 Share application money pending allotment</b>		-
<b>3 Non-current liabilities</b>		
(a) Long-term borrowings		-
(b) Deferred tax liabilities (Net)		-
(c) Other Long term liabilities		-
(d) Long-term provisions		-
<b>4 Current liabilities</b>		
(a) Short-term borrowings		-
(b) Trade payables		-
(c) Other current liabilities		-
(d) Short-term provisions		-
<b>TOTAL</b>		<b>100,000.00</b>
<b>II. ASSETS</b>		
<b>Non-current assets</b>		
<b>1 (a) Fixed assets</b>		
(i) Tangible assets		-
(ii) Intangible assets		-
(iii) Capital work-in-progress		-
(iv) Intangible assets under development		-
(b) Non-current investments		-
(c) Deferred tax assets (net)		-
(d) Long-term loans and advances		-
(e) Other non-current assets	3	51,556.00
<b>2 Current assets</b>		
(a) Current investments		-
(b) Inventories		-
(c) Trade receivables		-
(d) Cash and cash equivalents	4	48,444.00
(e) Short-term loans and advances		-
(f) Other current assets		-
<b>TOTAL</b>		<b>100,000.00</b>

For and on behalf of the Board of Directors

sd/-

Jagdish Singh  
Director  
DIN:01333785

Place: Bundala

sd/-

Amardeep Kaur  
Director  
DIN:2223548

Place: Bundala

**M/S. ASKK ESTATES PVT. LTD.**  
**VPO-BUNDALA, DISTT.- JALANDHAR-144034**  
**CIN:U70109PB2021PTC054162**  
**un-audited Provisional Profit and loss statement for the period from**  
**04th September,2021 to 22nd September,2021**

Particulars	Notes	As at 22nd September2021
I. Revenue from operations		
II. Other income		
<b>III. Total Revenue (I + II)</b>		
IV. Expenses:		
Cost of materials consumed		-
Purchases of Stock-in-Trade		
Changes in inventories of finished goods work-in-progress and Stock-in-Trade		
Employee benefits expense		
Finance costs		
Depreciation and amortization expense		
Other expenses		-
Total expenses		-
<b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>		-
VI. Exceptional items		-
<b>VII. Profit before extraordinary items and tax (V - VI)</b>		-
VIII. Extraordinary Items		-
<b>IX. Profit before tax (VII- VIII)</b>		-
X Tax expense:		
(1) Current tax		
(a) Advance		
(b) Provision		
(2) Income Tax Earlier Year		
(3) Deferred tax		
<b>Profit (Loss) for the period from continuing operations (IX-XI X)</b>		-
XII Profit/(loss) from discontinuing operations		-
XIII Tax expense of discontinuing operations		-
<b>Profit/(loss) from Discontinuing operations (after tax) (XII-XIV XIII)</b>		-
<b>XV Profit (Loss) for the period (XI + XIV)</b>		-
XVI Earnings per equity share:		
Basic & Diluted		-

For and on behalf of the Board of Directors

sd/-

Jagdish Singh  
Director  
DIN:01333785

Place: Bundala

sd/-

Amardeep Kaur  
Director  
DIN:2223548

Place: Bundala



**M/S. ASKK ESTATES PVT. LTD.**  
**VPO-BUNDALA, DISTT.- JALANDHAR-144034**

**Note No. 1**  
**Share Capital**

Particulars	As at 22nd September 2021	
	Number	₹
<b><u>Authorised</u></b> Equity Shares of ₹ 10 each	100,000	100,000
<b><u>Issued</u></b> Equity Shares of ₹ 10 each	10,000	100,000
<b><u>Subscribed &amp; Fully Paid up</u></b> Equity Shares of ₹ 10 each	10,000	100,000
<b>Total</b>	10,000	100,000

**Reconciliation of the number of Equity Shares outstanding**

Particulars	Equity Shares	
	Number	₹
Shares outstanding at the beginning of the year	-	-
Shares Issued during the year	10,000	100,000
Shares bought back/forfeited during the year		
Shares outstanding at the end of the year	10,000	100,000

**Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Name of Shareholder	As at 22nd September 2021	
	No. of Shares held	% of Holding
Jagdish Singh	3,400	34.00%
Kamaljit Kaur	3,300	33.00%
Amardeep Kaur	3,300	33.00%

**Note No. 2**  
**Reserves & Surplus**

Particulars	As at 22nd September 2021	
	₹	
(a) Surplus		
Opening balance	-	
(+) Net Profit/(Net Loss) For the C.Y	-	
<b>Total</b>	-	



**M/S. ASKK ESTATES PVT. LTD.**  
**VPO-BUNDALA, DISTT.- JALANDHAR-144034**

**Note No. 3**

**Other Non-Current assets**

Particulars	As at 22nd September2021
	₹
Preliminary Expenses	51,556.00
<b>Total</b>	<b>51,556.00</b>

**Note No. 4**

**Cash and Bank Balance**

Particulars	As at 22nd September2021
	₹
(a) Cash and cash equivalents Cash in hand	
(b) Other Bank Balance <u>Balances with Scheduled banks</u> HDFC BANK- 50200061477381	48,444.00
<b>Total</b>	<b>48,444.00</b>



G.N.A. TRANSMISSIONS PVT. LTD.

GORAYA

CIN: U23209PB1986PTC007159

Provisional Balance Sheet as at 30th September, 2021

(Amount in ₹)

Particulars		Notes	As at 30th September 2021
I.	<b>EQUITY AND LIABILITIES</b>		
1	<b>Shareholders' funds</b>		
	(a) Share capital	1	6,587,800.00
	(b) Reserves and surplus	2	143,732,917.10
	(c) Money received against share warrants		-
2	<b>Share application money pending allotment</b>		-
3	<b>Non-current liabilities</b>		
	(a) Long-term borrowings	3	5,513,561.00
	(b) Deferred tax liabilities (Net)		-
	(c) Other Long term liabilities		-
	(d) Long-term provisions		-
4	<b>Current liabilities</b>		
	(a) Short-term borrowings		-
	(b) Trade payables		7,500.00
	(c) Other current liabilities	4	7,459,784.63
	(d) Short-term provisions	5	673,080.00
	<b>TOTAL</b>		<b>163,974,642.73</b>
II.	<b>ASSETS</b>		
	<b>Non-current assets</b>		
1	(a) Property, Plant and Equipment	6	
	(i) Tangible assets		74,487,696.07
	(ii) Intangible assets		-
	(iii) Capital work-in-progress		-
	(iv) Intangible assets under development		-
	(b) Non-current investments	7	67,701,700.00
	(c) Deferred tax assets (net)		11,353,818.00
	(d) Long-term loans and advances		-
	(e) Other non-current assets		-
2	<b>Current assets</b>		
	(a) Current investments		-
	(b) Inventories	8	190,462.00
	(c) Trade receivables		-
	(d) Cash and cash equivalents	9	354,205.66
	(e) Short-term loans and advances	10	9,886,761.00
	(f) Other current assets		-
	<b>TOTAL</b>		<b>163,974,642.73</b>
			-

For and on behalf of the Board of Directors

sd/-  
Jagdish Singh  
DIN: 01333785  
Managing Director  
Goraya

sd/-  
Kamaljit Kaur  
DIN: 01341079  
Whole Time Director  
Goraya

## G.N.A. TRANSMISSIONS PVT. LTD.

GORAYA

CIN: U23209PB1986PTC007159

Provisional Profit and loss statement for the year ended 30th September, 2021

Particulars		Notes	As at 30th September 2021
I.	Revenue from operations	11	-
II.	Other income	12	9,000,000.00
III.	<b>Total Revenue (I + II)</b>		<b>9,000,000.00</b>
IV.	Expenses:		
	Cost of materials consumed		-
	Purchases of Stock-in-Trade		-
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	13	-
	Employee benefits expense		-
	Finance costs	14	769,313.00
	Depreciation and amortization expense	15	2,177,857.00
	Other expenses	16	428,895.00
	<b>Total expenses</b>		<b>3,376,065.00</b>
V.	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>5,623,935.00</b>
VI.	Exceptional items		-
VII.	<b>Profit before extraordinary items and tax (V - VI)</b>		<b>5,623,935.00</b>
VIII.	Extraordinary Items		-
IX.	<b>Profit before tax (VII- VIII)</b>		<b>5,623,935.00</b>
X	Tax expense:		
	(1) Current tax		
	(a) Advance/TDS		900,000.00
	(b) Provision		310,000.00
	(2) Income Tax Earlier Year		
	(3) Deferred tax		
XI	<b>Profit (Loss) for the period from continuing operations (IX-X)</b>		<b>4,413,935.00</b>
XII	Profit/(loss) from discontinuing operations		-
XIII	Tax expense of discontinuing operations		-
XIV	<b>Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>		<b>-</b>
XV	<b>Profit (Loss) for the period (XI + XIV)</b>		<b>4,413,935.00</b>
XVI	Earnings per equity share:		
	Basic & Diluted		6.70

For and on behalf of the Board of Directors

sd/-  
Jagdish Singh  
DIN: 01333785  
Managing Director

Goraya

sd/-  
Kamaljit Kaur  
DIN: 01341079  
Whole Time Director

Goraya

**G.N.A. TRANSMISSIONS PVT. LTD.,GORAYA****Note No. 1****Share Capital**

Particulars	As at 30th September 2021	
	Number	₹
<b>Authorised</b> Equity Shares of ₹ 10 each	5,000,000	50,000,000
<b>Issued</b> Equity Shares of ₹ 10 each	658,780	6,587,800
<b>Subscribed &amp; Fully Paid up</b> Equity Shares of ₹ 10 each	658,780	6,587,800
<b>Total</b>	658,780	6,587,800

**Reconciliation of the number of Equity Shares outstanding**

Particulars	Equity Shares	
	Number	₹
Shares outstanding at the beginning of the year	658,780	6,587,800
Shares Issued during the year		
Shares bought back/forfeited during the year		
Shares outstanding at the end of the year	658,780	6,587,800

**Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:**

Name of Shareholder	As at 30th September 2021	
	No. of Shares held	% of Holding
Jagdish Singh	398,760.00	60.53%
Kamaljit Kaur	115,013.00	17.46%
M/s Guru Nanak Auto Enterprises Ltd.	100,000.00	15.18%

**Note No. 2****Reserves & Surplus**

Particulars	As at 30th September 2021	
	₹	
<b>(a) Surplus</b>		
Opening balance	139,318,982.10	
(+) Net Profit/(Net Loss) For the C.Y	4,413,935.00	
<b>Total</b>	<b>143,732,917.10</b>	

**G.N.A. TRANSMISSIONS PVT. LTD.,GORAYA****Note No. 3****Long Term Borrowings**

Particulars	As at 30th September 2021
	₹
<b><u>SECURED</u></b>	
(a) Term loans from Banks	
Kotak Mahindra Bank LAP-1763905 (Secured Against Land & Building)	1,026,765.63
(b) Term loans from Financial Institution	
Tata Capital Financial Services Limited (Secured Against Land & Building)	11,000,000.00
<i>(of the above, all amounts of loan is guaranteed by Directors)</i>	
	12,026,765.63
Less: current maturities of Long Term Borrowings	7,026,765.63
	5,000,000.00
<b><u>UNSECURED</u></b>	
(a) Loans and advances from related parties	
Directors & their Relatives	
Jagdish Singh	243,484.00
Kamaljit Kaur	236,916.00
Gurinder Singh	-
Gurinder Singh & Sons. (HUF)	33,161.00
<i>(All the above loans are due for repayment on 01/04/2025)</i>	
	513,561.00
<b>Total</b>	<b>5,513,561.00</b>

**Note No. 3.1****Nature of Security & Terms of Repayment of Long Term Borrowings**

Sr No	Nature of Security	Terms of Repayment
1	<u>KOTAK MAHINDERA BANK LTD.</u> The loan of ₹ 79,65,000 is secured against property at EMMAR MFG. LTD.	Repayable in 41 installments of ₹ 114275 & 100 installments of ₹ 118648
2	<u>Tata Capital Financial Services Limited</u> The loan of ₹ 30,000,000 is secured against Land & Building at Jamalpur.	Repayable in 60 installments of ₹ 500000 each starting from June-18

**G.N.A. TRANSMISSIONS PVT. LTD., GORAYA**

**Note No. 4**

**Other Current Liabilities**

Particulars	As at 30th September 2021
	₹
<b>(a) Other payables</b>	
Current maturities of Long Term Borrowings	7,026,765.63
TDS payable	22,424.00
Service Tax/GST Payable	266,220.00
Audit Fee Payable	144,375.00
<b>Total</b>	<b>7,459,784.63</b>

**Note No. 5**

**Short Term Provisions**

Particulars	As at 30th September 2021
	₹
<b>(a) Others</b>	
Provision for income Tax	673,080.00
<b>Total</b>	<b>673,080.00</b>

**G.N.A. TRANSMISSIONS PVT. LTD., GORAYA**

**Note No. 6**

**FIXED ASSETS SCHEDULE / DEPRECIATION CHART AS PER COMPANIES ACT 2013, AS ON 30th September, 2021**

	Fixed Assets	Gross Block			Depreciation			Net Block	
		Balance as at 1st April 2021	Additions	Balance as at 30th September 2021	Balance as at 1st April 2021	Depreciation charge for the year	Balance as at 30th September 2021	Balance as at 1st April 2021	Balance as at 30th September 2021
		₹	₹	₹	₹	₹	₹	₹	₹
a	<b>Tangible Assets</b>								
	Building	71,913,896.04	-	71,913,896.04	41088191.04	1,464,221.00	42,552,412.04	30,825,705.00	29,361,484.00
	Commercial Office at Gurugram	23,592,942.00	250,455.07	23,843,397.07	2,179,249.00	526,272.00	2,705,521.00	21,413,693.00	21,137,876.07
	Land	22,115,000.00	-	22,115,000.00	-	-	-	22,115,000.00	22,115,000.00
	Machinery	14,085,904.32	-	14,085,904.32	12044547.32	184,743.00	12,229,290.32	2,041,357.00	1,856,614.00
	Electric Fitting	243,179.65	-	243,179.65	231810.65	1,472.00	233,282.65	11,369.00	9,897.00
	Furniture & Fixture	49,145.00	-	49,145.00	47910	160.00	48,070.00	1,235.00	1,075.00
	Air Conditioner	51,990.00	-	51,990.00	48026	513.00	48,539.00	3,964.00	3,451.00
	Computers	258,514.00	-	258,514.00	258246	85.00	258,331.00	268.00	183.00
	Car & Vehicle	300,000.00	-	300,000.00	297493	391.00	297,884.00	2,507.00	2,116.00
	<b>Total</b>	<b>132,610,571.01</b>	<b>250,455.07</b>	<b>132,861,026.08</b>	<b>56,195,473.01</b>	<b>2,177,857.00</b>	<b>58,373,330.01</b>	<b>76,415,098.00</b>	<b>74,487,696.07</b>



**G.N.A. TRANSMISSIONS PVT. LTD., GORAYA**

**Note No. 7**

**Non-current investments**

Particulars	As at 30th September 2021
<b><u>Other Investments</u></b>	
Investment in Shares with Guru Nanak Auto Enterprises Limited	67,701,700.00
<b>Total</b>	<b>67,701,700.00</b>

**Note No. 7.1**

Particulars	As at 30th September 2021
Aggregate amount of unquoted investments	67,701,700.00
<b>Total</b>	<b>67,701,700.00</b>

**Note No. 7.2**

Details of other investments		
Name of the body corporate	No. of Shares	Subsidiary/Associates/jv/Controlled Entity/others
	2021	
<b><u>Investment in Equity Instruments(Stated at cost)</u></b>		
Guru Nanak Auto Enterprises Limited	9,220,780	Associate

**Note No. 8**

**Inventories**

Particulars	As at 30th September 2021
	₹
a. Stock-in-Trade (Valued at Cost or Market Price whichever is less)	190,462.00
<b>Total</b>	<b>190,462.00</b>

**Note No. 9**

**Cash and Bank Balance**

Particulars	As at 30th September 2021
	₹
(a) Cash and cash equivalents	
Cash in hand	1,611.00
(b) Other Bank Balance	
<u>Balances with Scheduled banks</u>	
HDFC Bank Limited	45,084.10
Punjab National Bank( Previousaly Oriental Bank of Commerce (01117)	39,849.10
Kotak Mahindra Bank-19	189,518.46
Kotak Mahindra Bank-106	78,143.00
<b>Total</b>	<b>354,205.66</b>

**Note No. 10**

**Short-term Loans and Advances**

Particulars	As at 30th September 2021
	₹
A. Others	
Unsecured, considered good	
TDS Recoverable ( TCFSL)	107,949.00
Rent Receivable ( GNAE)	9,778,812.00
<b>Total</b>	<b>9,886,761.00</b>

**G.N.A. TRANSMISSIONS PVT. LTD.,GORAYA**

**Note No. 11**

**Revenue from Operation**

Particulars	For the period ended 30th September 2021
	₹
<b><u>Sale of products</u></b>	
Domestic sale	-
<b>Total</b>	-

**Note No. 12**

**Other Income**

Particulars	For the period ended 30th September 2021
	₹
Rent Received	9,000,000.00
<b>Total</b>	<b>9,000,000.00</b>

**Note No. 13**

**Changes in Inventories of Finished Goods, Work in Progress & Stock- in- Trade**

Particulars	For the period ended 30th September 2021
	₹
<b><u>Opening Stock</u></b>	
Stock-in-Trade	190,462.00
<b><u>Closing Stock</u></b>	
Stock-in-Trade	190,462.00
<b>Total</b>	-

**Note No. 14**  
**Finance Costs**

Particulars	For the period ended 30th September 2021
	₹
(a) Interest	769,254.00
(b) Bank Charges & Commission	59.00
<b>Total</b>	<b>769,313.00</b>

**Note No. 15**  
**Depreciation & Amortization Expenses**

Particulars	For the period ended 30th September 2021
	₹
Depreciation	2,177,857.00
<b>Total</b>	<b>2,177,857.00</b>

**Note No. 16**  
**Other Expenses**

Particulars	For the period ended 30th September 2021
	₹
<b><u>Indirect Expenses</u></b>	
Amount R/Off	0.10
Advertisement	8,380.00
Interest On Tds	50.00
Property Tax	261,119.90
Consultancy Charges	7,500.00
Fees, Taxes & Subscription	18,000.00
Insurance	47,845.00
Repair & Maintenance Of Vehicle	2,500.00
Legal & Professional Charges	31,000.00
Audit Fee	52,500.00
<b>Total</b>	<b>428,895.00</b>

G.N.A. TRANSMISSIONS PVT. LTD.,GORAYA

List of Sundry Creditors as on 30th September 2021

Particulars	Amount (Rs.)
Anuj Bansal & Associates	7,500.00
Total	7,500.00

**GURU NANAK AUTO ENTERPRISES LIMITED**

**Provisional Balance Sheet as at 30th Sept 2021**

Particulars	Notes	30-Sep-21 In (Rs.)	31-Mar-21 In (Rs.)
<b>Equities and Liabilities</b>			
<b>Shareholders' fund</b>			
Share Capital	3	23,12,16,450	23,12,16,450
Reserves and Surplus	4	1,11,26,55,780	85,58,44,538
		<b>1,34,38,72,230</b>	<b>1,08,70,60,988</b>
<b>Non-current Liabilities</b>			
Long Term Borrowings	5	44,01,39,280	40,76,48,558
Deferred Tax Liability (Net)	6	65,19,972	65,19,972
Other Long term liabilities & Provisions	7	1,69,47,100	1,69,47,100
Long term Provisions	8	6,07,37,254	6,07,37,254
		<b>52,43,43,606</b>	<b>49,18,52,884</b>
<b>Current Liabilities</b>			
Short-term borrowings	9	75,99,18,140	72,92,52,579
Trade Payables	10	56,10,98,869	48,47,99,797
Other Current Liabilities	11	25,57,95,149	24,89,42,922
Short-term provisions	12	21,61,92,528	16,59,48,104
		<b>1,79,30,04,686</b>	<b>1,62,89,43,402</b>
<b>Total</b>		<b>3,66,12,20,522</b>	<b>3,20,78,57,274</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, Plant & Equipment			
Tangible Assets	13	1,08,75,16,238	94,64,44,087
Capital work-in-progress		3,94,26,161	3,52,75,099
Non-current Investments	14	43,50,000	43,50,000
Deferred Tax Assets(net)		-	-
Long term Loans and advances	15	4,99,40,888	4,92,78,753
		<b>1,18,12,33,287</b>	<b>1,03,53,47,939</b>
<b>Current Assets</b>			
Inventory	16	56,84,34,306	41,10,54,176
Trade receivables	17	1,69,93,29,804	1,55,19,93,674
Cash and Bank balances	18	6,56,23,162	4,27,80,293
Short-term Loans and advances	19	14,65,99,962	16,66,81,192
		<b>2,47,99,87,234</b>	<b>2,17,25,09,335</b>
<b>Total</b>		<b>3,66,12,20,522</b>	<b>3,20,78,57,274</b>

**For and on behalf of the Board of Directors of  
GURU NANAK AUTO ENTERPRISES LIMITED**

--Sd-- <b>Radhakrishnan Singaram</b> Managing Director DIN:01246033	--Sd-- <b>Jagdish Singh</b> Chairman & WTD DIN: 01333785
--Sd-- <b>Chander Shekhar Shingari</b> Chief Financial Officer	--Sd-- <b>Malti Ohri</b> Company Secretary

**GURU NANAK AUTO ENTERPRISES LIMITED**

**Statement of profit and loss for the Half year ended 30th Sept 2021**

<b>Particulars</b>	<b>Notes</b>	<b>30-Sep-21 In (Rs.)</b>	<b>31-Mar-21 In (Rs.)</b>
<b>Revenue</b>			
Revenue from operations(net)	20	1,91,93,63,650	3,46,30,91,366
Other Income	21	12,46,80,769	4,64,52,131
<b>Total revenue (I)</b>		<b>2,04,40,44,419</b>	<b>3,50,95,43,497</b>
<b>Expenses</b>			
Cost of material consumed	22	83,29,39,764	1,27,21,46,195
Change in Inventories of Finised Goods WIP	23	(10,65,67,143)	(1,68,38,798)
Employee Benefit Expenses	24	22,69,78,632	41,02,45,980
Finance costs	25	5,22,07,425	12,34,05,327
Depreciation and amortization expense	26	8,21,54,328	18,25,83,265
Other expenses	27	61,58,79,430	1,11,24,53,171
<b>Total expenses (II)</b>		<b>1,70,35,92,436</b>	<b>3,08,39,95,140</b>
<b>Profit before prior period, exceptional and extraordinary items and tax (I - II)</b>		<b>34,04,51,982</b>	<b>42,55,48,357</b>
Exceptional items	28	(59,260)	(13,07,821)
Extraordinary Items	29	-	7,33,23,514
<b>Profit before tax</b>		<b>34,05,11,242</b>	<b>35,35,32,664</b>
<b>Tax expenses</b>			
Current Tax		8,37,00,000	13,30,23,278
Previous Year Tax		-	(17,87,510)
Deferred Tax		-	(4,19,86,633)
<b>Total tax expense</b>		<b>8,37,00,000</b>	<b>8,92,49,135</b>
<b>Profit/(loss) for the year from continuing operations</b>		<b>25,68,11,242</b>	<b>26,42,83,529</b>
<b>Earnings per equity share</b>		<b>11.11</b>	<b>11.43</b>
<b>For and on behalf of the Board of Directors of GURU NANAK AUTO ENTERPRISES LIMITED</b>			
		--Sd-- <b>Radhakrishnan Singaram</b> Managing Director DIN:01246033	--Sd-- <b>Jagdish Singh</b> Chairman & WTD DIN: 01333785
		--Sd-- <b>Chander Shekhar Shingari</b> Chief Financial Officer	--Sd-- <b>Malti Ohri</b> Company Secretary

**GURU NANAK AUTO ENTERPRISES LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 30th September, 2021**

<b>PARTICULARS</b>	<b>Details (₹)</b>	<b>Current Year</b>	<b>Details (₹)</b>	<b>Previous Year</b>
<b>A. Cash Flow From Operating Activities</b>				
Net Profit before Taxes & after Eaxtraordinary Item	34,05,11,242		35,35,32,665	
<b>Adjustments For Non Cash Items:</b>				
Preliminary Expenses W/Off	-		-	
Depreciation	8,21,54,328		18,25,83,265	
Interest Charged	5,22,07,425		12,34,05,327	
Interest Received	-17,47,664		-30,78,103	
Rental Income	-1,54,37,268		-2,80,13,077	
(Profit) / Loss on Sale of Investment	-		-26,835	
(Profit) / Loss on Sale of Fixed Assets	59,260		-13,07,821	
<b>Adjustments for Changes in Working Capital:</b>	<b>45,77,47,324</b>		<b>62,70,95,421</b>	
(Increase) / Decrease in Sundry Debtors	-14,73,36,130		-34,30,67,219	
Increase / (Decrease) in Creditors	7,62,99,072		-1,62,73,364	
Increase / (Decrease) in Current Liabilities & Provis.	5,70,96,651		15,61,84,239	
(Increase) / Decrease in Loans & Advances	2,00,81,230		51,91,561	
(Increase) / Decrease in Inventories	-15,73,80,130		1,80,18,781	
(Increase) / Decrease in Long Term Provision	-		6,07,37,254	
<b>Cash Generation from Operations</b>	<b>30,65,08,016</b>		<b>50,78,86,674</b>	
Taxes Paid	-8,37,00,000		-13,12,35,768	
<b>Net Cash from Operating Activities</b>		<b>22,28,08,016</b>		<b>37,66,50,906</b>
<b>B. Cash Flow from Investing Activities</b>				
Purchase of Fixed Assets & Capital Work in Process	-23,29,05,311		-13,08,77,425	
Sale of Investments	-		2,76,835	
Sale of Fixed Assets	54,68,508		37,13,288	
Interest Received	17,47,664		30,78,103	
Rental Income	1,54,37,268		2,80,13,077	
<b>Net Cash Flows From Investing Activities</b>		<b>-21,02,51,871</b>		<b>-9,57,96,122</b>
<b>C. Cash Flows from Financing Activities</b>				
Proceeds from Share Capital & Share Premium	-		-	
Proceeds from Share Capital Issued	-		-	
Net Increase in Long term Borrowings	3,24,90,722		4,02,72,044	
Proceeds from Other Long term Liabilities	-		15,00,000	
Increase in Short term borrowings	3,06,65,561		-19,78,40,792	
Payment of Other Long term Loan & Advances	-6,62,135		1,37,21,603	
Interest Paid	-5,22,07,425		-12,34,05,327	
<b>Net Cash Flows From Financing Activities</b>		<b>1,02,86,723</b>		<b>-26,57,52,473</b>
<b>Net Increase /Decrease In Cash &amp; Cash Equivalent</b>		<b>2,28,42,869</b>		<b>1,51,02,311</b>
Cash & Cash Equivalent - Opening Balance		4,27,80,293		2,76,77,982
Cash & Cash Equivalent - Closing Balance		<b>6,56,23,162</b>		<b>4,27,80,293</b>

**For and on the behalf of Board of  
GURU NANAK AUTO ENTERPRISES LTD.**

--Sd--

**Radhakrishnan Singaram**  
Managing Director  
DIN:01246033

--Sd--

**Jagdish Singh**  
Chairman & WTD  
DIN: 01333785

--Sd--

**Chander Shekhar Shingari**  
Chief Financial Officer

--Sd--

**Malti Ohri**  
Company Secretary



## GURU NANAK AUTO ENTERPRISES LIMITED

### Notes to financial statements for the year ended 30th Sept 2021

#### 3 Share Capital

Particulars	As at 30 Sept 2021		As at 31 March 2021	
	Number	In (Rs.)	Number	In (Rs.)
<b>Authorised</b>				
Equity Shares of Rs. 10 each	3,50,00,000	35,00,00,000	3,50,00,000	35,00,00,000
Preference Shares of Rs. 10 each	50,00,000	5,00,00,000	50,00,000	5,00,00,000
	<u>4,00,00,000</u>	<u>40,00,00,000</u>	<u>4,00,00,000</u>	<u>40,00,00,000</u>
<b>Issued</b>				
Equity Shares of Rs. 10 each	2,31,21,645	23,12,16,450	2,31,21,645	23,12,16,450
<b>Subscribed &amp; Paid up</b>				
Equity Shares of Rs. 10 each	2,31,21,645	23,12,16,450	2,31,21,645	23,12,16,450
<b>Total</b>	<u>2,31,21,645</u>	<u>23,12,16,450</u>	<u>2,31,21,645</u>	<u>23,12,16,450</u>

#### Reconciliation of the number of Equity Shares outstanding

Particulars	Equity Shares	
	Number	In (Rs.)
Shares outstanding at the beginning of the year	2,31,21,645	23,12,16,450
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	<u>2,31,21,645</u>	<u>23,12,16,450</u>

#### Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:

Name of Shareholder	Number		Number	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Jagdish Singh	27,20,715	11.77%	27,20,815	11.77%
Mrs. Kamaljit Kaur	27,76,110	12.01%	27,76,110	12.01%
Mr. Gurinder Singh	66,57,315	28.79%	66,57,315	28.79%
Mrs. Amardeep Kaur	17,46,425	7.55%	17,46,425	7.55%
GNA Transmissions Pvt. Ltd.	92,20,780	39.88%	92,20,780	39.88%

#### 4 Reserve and Surplus

	30 Sept 2021	30 Sept 2021
	In (Rs.)	In (Rs.)
<b>Securities premium account</b>		
Balance as per last financial statements	3,08,20,310	3,08,20,310
Add: Premium received during the financial Year	(A) -	-
	<u>3,08,20,310</u>	<u>3,08,20,310</u>
<b>Surplus/(deficit) in the statement of profit &amp; loss</b>		
Balance as per the last financial statements	82,50,24,227	56,07,40,699
Profit for the period/year	25,68,11,242	26,42,83,529
Addition during the Year	-	-
Net (deficit) in the statement of profit and loss	(B) <u>1,08,18,35,470</u>	<u>82,50,24,228</u>
<b>Total reserves and surplus</b>	<b>(A+B) <u>1,11,26,55,780</u></b>	<b><u>85,58,44,538</u></b>

## GURU NANAK AUTO ENTERPRISES LIMITED

### Notes to financial statements for the year ended 30th Sep 2021

		30 Sept 2021	31 March 2021
		In (Rs.)	In (Rs.)
<b>5</b>	<b>Long-term borrowings</b>		
	<b>Secured</b>	<b>I</b>	
	Term Loan from Bank	34,41,36,997	25,75,60,039
	Term Loan from Other than Banks	9,22,45,125	11,13,07,316
	Long Term Maturities of Financial Lease	1,11,09,438	1,44,03,803
		<b>(A)</b>	<b>38,32,71,158</b>
	<b>Unsecured</b>	<b>II</b>	
	Loan from Directors & their Relatives	6,10,75,214	3,92,35,086
	Loan from Others	8,18,99,300	10,08,60,501
		<b>(B)</b>	<b>14,00,95,587</b>
	<b>Total Long Term Borrowings</b>	<b>(A+B)</b>	<b>52,33,66,745</b>
	<b>Less: Current Maturities of Long Term Borrowings</b>	15,03,26,794	11,57,18,187
	<b>Non-Current maturities of Long Term Borrowings</b>	<b>44,01,39,280</b>	<b>40,76,48,558</b>
<b>6</b>	<b>Deferred tax Liability/asset (net)</b>	<b>30 Sept 2021</b>	<b>31 March 2021</b>
		<b>In (Rs.)</b>	<b>In (Rs.)</b>
	<b>Deferred tax Liability</b>		
	Fixed assets: Impact of difference between tax depreciation and depreciation / amortization charged for financial reporting.	2,88,95,480	2,88,95,480
	<b>Gross deferred tax Liability</b>	<b>2,88,95,480</b>	<b>2,88,95,480</b>
	<b>Deferred tax Asset</b>		
	Impact of Expenditure charged to statement of profit and loss in the current year but allowed for tax purpose on payment basis	2,23,75,508	2,23,75,508
	<b>Gross deferred tax Asset</b>	<b>2,23,75,508</b>	<b>2,23,75,508</b>
	<b>Net deferred tax Liability/(asset)</b>	<b>65,19,972</b>	<b>65,19,972</b>
<b>7</b>	<b>Other Long-term Liabilities</b>	<b>30 Sept 2021</b>	<b>31 March 2021</b>
		<b>In (Rs.)</b>	<b>In (Rs.)</b>
	Security deposits & Others	1,69,47,100	1,69,47,100
		<b>1,69,47,100</b>	<b>1,69,47,100</b>
<b>8</b>	<b>Long-term Provisions</b>	<b>30 Sept 2021</b>	<b>31 March 2021</b>
		<b>In (Rs.)</b>	<b>In (Rs.)</b>
	Acturial Liability towards Gratuity	6,07,37,254	6,07,37,254
		<b>6,07,37,254</b>	<b>6,07,37,254</b>

**GURU NANAK AUTO ENTERPRISES LIMITED**

**Notes to financial statements for the year ended 30th Sep 2021**

9 Short-term borrowings		30 Sept 2021 In (Rs.)	31 March 2021 In (Rs.)
<b>Secured</b>	<b>III</b>		
<b>(a) Loans repayable on demand</b>			
Loans from Bank		75,94,48,291	72,65,89,708
<i>(Secured By first charge on all stock of the company and all present and future moveble assets of the company)</i>			
<i>(All amount of loan is guaranteed by Directors)</i>			
<b>Unsecured</b>			
<b>(a) Other Loans &amp; advances</b>			
Advances from Customers		4,69,849	26,62,871
		4,69,849	26,62,871
<b>Total Short Term Borrowings</b>		<b>75,99,18,140</b>	<b>72,92,52,579</b>
<b>10 Trade payables</b>		<b>30 Sept 2021 In (Rs.)</b>	<b>31 March 2021 In (Rs.)</b>
Trade payables		56,10,98,869	48,47,99,797
		<b>56,10,98,869</b>	<b>48,47,99,797</b>
<b>11 Other current liabilities</b>		<b>30 Sept 2021 In (Rs.)</b>	<b>31 March 2021 In (Rs.)</b>
Current maturities of long term borrowings		15,03,26,794	11,57,18,187
Interest accrued but not due on borrowings		2,57,684	18,08,691
Cheques issued but not presented for payments		2,07,74,612	
Others			
Statutory Payables	<b>IV</b>	1,31,88,564	3,22,34,020
Expenses Payable	<b>V</b>	6,92,48,686	9,72,98,817
Other Payable	<b>VI</b>	19,98,809	18,83,207
		<b>25,57,95,149</b>	<b>24,89,42,922</b>
<b>12 Short-term provisions</b>		<b>30 Sept 2021 In (Rs.)</b>	<b>31 March 2021 In (Rs.)</b>
Provision for Employee Benefits	<b>VII</b>	7,27,53,061	6,42,01,264
Others			
Net Provision for Income Tax		14,34,39,466	10,17,46,840
		<b>21,61,92,528</b>	<b>16,59,48,104</b>

**GURU NANAK AUTO ENTERPRISES LIMITED**

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**FIXED ASSETS SCHEDULE / DEPRECIATION CHART AS PER COMPANIES ACT 2013, AS ON 30th Sept, 2021**

	Fixed Assets	Gross Block			Depreciation				Net Block		
		Balance as at 1 April 2021	Additions	Sale/ Adjustment	Balance as at 30th Sept, 2021	Balance as at 1 April 2021	Depreciation charge for the year	On disposals	Balance as at 30th Sept, 2021	Balance as at 1 April 2021	Balance as at 30th Sept, 2021
a	<b>Tangible Assets</b>										
	<b>Plant : Bundala, Jalandhar</b>										
	Land	3,74,75,560	-	-	3,74,75,560	-	-	-	-	3,74,75,560	3,74,75,560
	Building	12,93,13,222	8,16,698	-	13,01,29,920	7,41,20,012	26,21,677	-	7,67,41,689	5,51,93,210	5,33,88,231
	Plant & Machinery	99,08,85,253	18,19,76,884	-	1,17,28,62,137	62,48,08,403	3,45,50,506	-	65,93,58,909	36,60,76,849	51,35,03,227
	Furniture & Fixtures	1,52,43,492	8,27,948	-	1,60,71,439	1,40,17,917	1,99,893	-	1,42,17,810	12,25,575	18,53,630
	Office Equipments	2,07,69,273	1,47,557	-	2,09,16,831	1,95,57,714	2,81,118	-	1,98,38,832	12,11,559	10,77,999
	Cars & Vehicles	4,40,24,334	-	-	4,40,24,334	2,75,25,712	25,76,260	-	3,01,01,972	1,64,98,622	1,39,22,362
	Air Conditioner & Coolers	96,53,295	21,11,724	-	1,17,65,019	79,80,396	8,18,614	-	87,99,010	16,72,899	29,66,009
	Containing And Handling Equipments	3,69,671	38,000	-	4,07,671	1,41,887	27,965	-	1,69,852	2,27,784	2,37,819
	Computer	1,85,36,526	2,59,000	-	1,87,95,526	1,71,62,715	4,67,425	-	1,76,30,140	13,73,812	11,65,387
	Computer Server	5,72,543	-	-	5,72,543	5,34,276	7,519	-	5,41,795	38,267	30,748
	Leased Machinery	1,45,60,000	-	-	1,45,60,000	53,18,505	8,36,355	-	61,54,860	92,41,495	84,05,140
	<b>Total</b>	<b>1,28,14,03,169</b>	<b>18,61,77,811</b>	<b>-</b>	<b>1,46,75,80,980</b>	<b>79,11,67,536</b>	<b>4,23,87,332</b>	<b>-</b>	<b>83,35,54,868</b>	<b>49,02,35,633</b>	<b>63,40,26,112</b>
	<b>Plant : Jamalpur, Phagwara</b>										
	Plant & Machinery	76,72,30,417	3,76,48,760	1,70,38,744	78,78,40,433	45,21,92,015	2,89,43,174	1,16,01,715	46,95,33,474	31,50,38,402	31,83,06,959
	Furniture & Fixtures	1,01,80,560	4,56,161	-	1,06,36,721	74,25,889	3,62,056	-	77,87,945	27,54,671	28,48,776
	Electric Fitting	44,70,092	-	-	44,70,092	24,22,978	2,64,999	-	26,87,977	20,47,114	17,82,115
	Fire Extinguisher	6,12,969	21,504	-	6,34,473	4,72,896	34,008	-	5,06,904	1,40,073	1,27,569
	Office Equipments	94,70,599	90,404	-	95,61,002	72,78,194	5,01,822	-	77,80,016	21,92,405	17,80,986
	Lift Elevator	19,16,141	-	-	19,16,141	14,86,060	38,922	-	15,24,982	4,30,081	3,91,159
	Cars & Vehicles	3,84,92,068	37,65,437	21,13,500	4,01,44,005	2,36,02,642	26,60,282	20,22,760	2,42,40,164	1,48,89,426	1,59,03,841
	Air Conditioner & Coolers	53,60,878	-	-	53,60,878	45,25,191	1,88,322	-	47,13,513	8,35,687	6,47,365
	Computer	1,22,53,728	5,94,172	-	1,28,47,901	1,07,79,812	4,78,191	-	1,12,58,003	14,73,916	15,89,898
	Containing And Handling Equipments	24,68,275	-	-	24,68,275	16,11,335	94,649	-	17,05,984	8,56,940	7,62,291
	Computer Server	9,35,639	-	-	9,35,639	8,35,008	19,774	-	8,54,782	1,00,631	80,857
	Leased Machinery	1,55,00,000	-	-	1,55,00,000	59,34,341	8,65,692	-	68,00,033	95,65,659	86,99,967
	<b>Total</b>	<b>86,88,91,366</b>	<b>4,25,76,438</b>	<b>1,91,52,244</b>	<b>89,23,15,560</b>	<b>51,85,66,361</b>	<b>3,44,51,891</b>	<b>1,36,24,475</b>	<b>53,93,93,777</b>	<b>35,03,25,005</b>	<b>35,29,21,783</b>
	<b>Pune</b>										
	Building	12,24,01,141	-	-	12,24,01,141	2,26,12,627	47,39,954	-	2,73,52,581	9,97,88,515	9,50,48,561
	Plant & Machinery	86,54,342	-	-	86,54,342	30,00,616	5,11,662	-	35,12,278	56,53,726	51,42,064
	Furniture & Fixture	62,344	-	-	62,344	29,113	4,302	-	33,415	33,231	28,929
	Electric Fitting	6,50,352	-	-	6,50,352	3,04,379	44,786	-	3,49,165	3,45,973	3,01,187
	Computers	34,890	-	-	34,890	30,155	1,495	-	31,650	4,735	3,240
	Office Equipment	1,89,904	-	-	1,89,904	1,32,634	12,906	-	1,45,540	57,270	44,364
	<b>Total</b>	<b>13,19,92,973</b>	<b>-</b>	<b>-</b>	<b>13,19,92,973</b>	<b>2,61,09,524</b>	<b>53,15,105</b>	<b>-</b>	<b>3,14,24,629</b>	<b>10,58,83,450</b>	<b>10,05,68,345</b>
	<b>Total Tangible Assets</b>	<b>2,28,22,87,509</b>	<b>22,87,54,249</b>	<b>1,91,52,244</b>	<b>2,49,18,89,514</b>	<b>1,33,58,43,421</b>	<b>8,21,54,328</b>	<b>1,36,24,475</b>	<b>1,40,43,73,274</b>	<b>94,64,44,087</b>	<b>1,08,75,16,239</b>
b	<b>Capital Work in Progress</b>										
	Machinery At Bundala Plant	42,57,310	2,23,619	-	44,80,929	-	-	-	-	42,57,310	44,80,929
	Building At Bundala Plant	3,10,17,789	39,27,443	-	3,49,45,232	-	-	-	-	3,10,17,789	3,49,45,232
	<b>Total</b>	<b>3,52,75,099</b>	<b>41,51,062</b>	<b>-</b>	<b>3,94,26,161</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,52,75,099</b>	<b>3,94,26,161</b>
	<b>Total Assets</b>	<b>2,31,75,62,608</b>	<b>23,29,05,311</b>	<b>1,91,52,244</b>	<b>2,53,13,15,675</b>	<b>1,33,58,43,421</b>	<b>8,21,54,328</b>	<b>1,36,24,475</b>	<b>1,40,43,73,274</b>	<b>98,17,19,187</b>	<b>1,12,69,42,401</b>



## GURU NANAK AUTO ENTERPRISES LIMITED

### Notes to financial statements for the year ended 30th Sep 2021

18 Cash and bank balances	30 Sept 2021 In (Rs.)	31 March 2021 In (Rs.)
<b>Cash and cash equivalents</b>		
<b>Cash in hand</b>	8,86,297	4,07,907
<b>Other Bank Balances</b>	VIII	
Balances with Schedule Banks	1,65,09,041	1,80,74,822
Fixed Deposits	4,82,27,824	2,42,97,564
	<b>6,56,23,162</b>	<b>4,27,80,293</b>
19 Short term loans and advances	30 Sept 2021 In (Rs.)	31 March 2021 In (Rs.)
<b>Other loans and advances</b> <i>(Unsecured, considered good unless stated otherwise)</i>		
Advance Tax & Other Recoverables	1,05,07,995	1,37,34,489
Accrued Income	4,10,08,982	4,35,67,695
Advance to employees	18,20,400	7,77,332
Advance to Suppliers	7,54,91,856	7,41,32,209
Prepaid expenses	40,64,346	1,45,43,645
Group Gratuity Scheme Fund	50,35,439	43,27,263
Provision for Diff. in Foreign Exchange	28,52,885	1,12,19,287
Foreign Currency Hedge Reserve	58,18,059	43,79,272
	<b>14,65,99,962</b>	<b>16,66,81,192</b>
20 Revenue from operations	30 Sept 2021 In (Rs.)	31 March 2021 In (Rs.)
<b>Sale of products</b>		
-Domestic	75,51,55,454	1,24,48,42,584
-Export	1,06,22,91,350	2,10,36,85,185
-Scrap Sale	11,01,00,513	16,07,25,130
	1,92,75,47,317	3,50,92,52,899
<b>Less:</b>		
-Sale Return	1,43,826	31,68,273
-Rebate Discount & rate Difference	1,07,74,225	8,58,75,932
<b>Net Sales</b>	1,91,66,29,266	3,42,02,08,694
<b>Other Operational Revenue</b>		
-DEPB License Sales	-	3,60,26,574
-Duty Draw Back	27,34,384	68,56,098
<b>Revenue from operations (net)</b>	<b>1,91,93,63,650</b>	<b>3,46,30,91,366</b>

## GURU NANAK AUTO ENTERPRISES LIMITED

### Notes to financial statements for the year ended 30th Sep 2021

	30 Sept 2021 In (Rs.)	31 March 2021 In (Rs.)
<b>21 Other Income</b>		
Interest Received	17,47,664	30,78,103
Income from / Profit on Sale of Units of Mutual Funds	-	26,835
Exchange differences (net)	1,15,32,787	1,40,60,221
Rent Received	1,54,37,268	2,80,13,077
Miscellaneous income	9,59,63,050	12,73,895
	<b>12,46,80,769</b>	<b>4,64,52,131</b>
<b>22 Cost of Material Consumed</b>		
<b>Raw Material Consumed</b>		
Opening Stock	14,96,00,412	18,40,40,056
Add: Steel Purchases (Net)	88,37,52,751	1,23,77,06,551
Less: Closing Stock	(20,04,13,399)	(14,96,00,412)
<b>Total</b>	<b>83,29,39,764</b>	<b>1,27,21,46,195</b>
<b>23 Change in Inventory</b>		
<b>Inventory at the beginning of the year</b>		
Work in Progress	12,73,20,687	8,33,30,016
Finished Goods	3,33,42,806	5,41,60,788
Other Stores	10,07,90,271	10,71,24,162
	26,14,53,764	24,46,14,966
<b>Inventory at the end of the 30-09-2021</b>		
Work in Progress	19,33,20,258	12,73,20,687
Finished Goods	4,23,10,748	3,33,42,806
Other Stores	13,23,89,901	10,07,90,271
	36,80,20,907	26,14,53,764
<b>Total</b>	<b>(10,65,67,143)</b>	<b>-1,68,38,798</b>
<b>24 Employee Benefit Expenses</b>		
Salaries and incentives	6,29,19,171	9,40,21,119
Salary to Directors	2,76,00,000	5,89,25,822
Wages	7,75,20,381	15,16,96,726
Contributions to - PF	29,08,219	49,64,765
E.S.I.	28,52,499	50,00,371
Bonus Expenses	62,89,461	1,23,68,418
Employee Family Pension	59,20,431	1,11,81,025
Gratuity	24,64,882	52,13,917
Staff welfare expenses	73,45,551	1,48,83,735
Administration Charges PF	8,14,119	15,17,577
Staff Training & Recruitment Expenses	2,99,799	5,76,015
Leave with wages	22,07,635	49,12,762
Labour Welfare Fund	1,65,000	2,75,744
Incentives	2,76,71,484	4,47,07,984
	<b>22,69,78,632</b>	<b>41,02,45,980</b>

**GURU NANAK AUTO ENTERPRISES LIMITED**

**Notes to financial statements as on 30th Sept 2021**

<b>25 Finance costs</b>	<b>30 Sept 2021</b>	<b>31 March 2021</b>
	<b>In (Rs.)</b>	<b>In (Rs.)</b>
Interest on :		
Leased Assets	6,67,577	18,56,002
Other	4,61,89,648	10,61,14,308
Bank Charges & Processing Fees	53,50,201	1,54,35,017
	<b>5,22,07,425</b>	<b>12,34,05,327</b>
<b>26 Depreciation and amortization expense</b>	<b>30 Sept 2021</b>	<b>31 March 2021</b>
	<b>In (Rs.)</b>	<b>In (Rs.)</b>
Depreciation and Amortization of Fixed assets	8,21,54,328	18,25,83,265
	<b>8,21,54,328</b>	<b>18,25,83,265</b>
<b>27 Other Expenses</b>	<b>30 Sept 2021</b>	<b>31 March 2021</b>
	<b>In (Rs.)</b>	<b>In (Rs.)</b>
<b>Manufacturing Expenses</b>		
Factory Expenses	14,27,272	23,76,175
Forging & Servicing charges	4,29,45,480	6,83,77,876
Freight & Octroi	2,43,55,165	4,46,25,504
Machinery Repair & Maintenance	2,92,91,535	4,12,39,778
Packing Material	4,84,67,561	8,61,81,143
Power Exps	12,36,36,801	23,35,04,589
Fuel Exps ( Gas )	3,33,02,029	4,58,91,191
Tools & Consumable Stores	11,85,43,368	18,64,11,710
	<b>42,19,69,211</b>	<b>70,86,07,966</b>
<b>Indirect Expenses</b>		
Amount Written Off	-	48,885
Audit fees	7,00,000	14,00,000
Book, Newspapers & Periodicals	9,015	9,303
Building repair, other repair & other consumables	70,61,114	85,69,553
CSR Expenditure	14,25,680	22,30,289
Charity & Donation	-	29,100
Computer Expenses	8,29,926	26,56,388
Consultancy and Professional charges	40,03,321	2,11,95,997
Insurance charges	70,14,353	75,45,117
Legal & Professional Charges	50,000	16,04,650
Material Testing & Lab Expenses	59,43,633	65,31,448
MEIS Expenses	61,710	14,02,531
Office Electricity Exps	3,28,559	5,61,336
Office expenses	4,23,615	17,66,583
Penalty Expenses	-	79,072
Postage, telegram and telephone	5,56,767	12,71,805
Printing & Stationery	6,36,497	11,02,466
Rates & Taxes	9,20,584	12,18,508
Rent paid	1,78,98,956	3,68,32,666
Repair & Maintenance of Vehicles	27,31,138	40,49,326
Security Expenses	55,58,577	1,22,82,413
Subscription & Membership fee	3,52,676	4,40,742
Taxes Paid to Local Authority	-	3,96,138
Travelling Exps Domestic Directors	20,38,564	4,19,004
Travelling Exps Domestic Others	2,80,786	1,12,42,648
Foreign Travelling Exps Directors	57,771	9,26,835
Foreign Travelling Exps Others	3,328	24,701
Advertisement Expenses	60,534	10,17,449
Business Promotion expenses	1,23,499	5,62,897
Export Freight & Forwarding charges	13,27,20,385	27,45,24,508
Insurance ECGC	21,19,230	19,02,847
	<b>61,58,79,430</b>	<b>1,11,24,53,171</b>



## GURU NANAK AUTO ENTERPRISES LIMITED

### Annexures to financial statements as on 30th September, 2021

	30 Sept 2021 In (Rs.)	31 March 2021 In (Rs.)
<b>Long Term Borrowing</b>		
<b>I Secured</b>		
<b>(a) Term loans from Banks</b>		
ICICI Bank Veh Loans	-	63,796
HDFC Bank Veh, Machinery Loans, GECL	14,38,02,238	15,99,96,243
AXIS BANK - Veh Loan, GECL	15,10,42,168	5,00,00,000
Federal Bank - GECL	4,92,92,591	4,75,00,000
<b>Total</b>	<b>34,41,36,997</b>	<b>25,75,60,039</b>
<b>(b) Term loans from Other than Banks</b>		
Tata Capital Fin. Serv. Ltd.	4,49,89,600	5,65,49,062
Dewan Housing Finance Ltd.	1,69,01,640	1,97,26,874
Bajaj Finance Ltd.	3,03,53,885	3,50,31,380
<b>Total</b>	<b>9,22,45,125</b>	<b>11,13,07,316</b>
<b>II Unsecured</b>		
<b>(a) Loans and advances from related parties</b>		
<b>Directors &amp; their Relatives</b>		
Jagdish Singh	4,25,58,763	2,29,71,370
Kamaljit Kaur	1,28,74,147	1,08,65,019
Amardeep Kaur	53,79,875	51,47,599
Gurinder Singh & Sons	2,62,429	2,51,098
<b>Total</b>	<b>6,10,75,214</b>	<b>3,92,35,086</b>
<b>(b) Loans and advances from Others</b>		
Tata Capital Limited	2,49,99,800	3,22,43,805
Tata Capital Financial Services Ltd (Unsec.)	85,95,800	1,42,96,196
Tata Capital Financial Services Ltd (WCTL)	81,68,200	1,16,68,000
Tata Capital Financial Services Ltd (P.O.)	2,00,00,000	2,00,00,000
Tata Capital Limited WCTL	2,01,35,500	2,26,52,500
DHFL	-	-
<b>Total</b>	<b>8,18,99,300</b>	<b>10,08,60,501</b>
<b>Short-term borrowings</b>		
<b>III Secured</b>		
<b>(a) Loans repayable on demand from Banks</b>		
State Bank of India	-	-
HDFC Bank	41,24,07,575	48,98,82,025
Axis Bank	23,73,80,958	23,67,07,679
Federal Bank	10,96,59,757	4
<b>Total</b>	<b>75,94,48,291</b>	<b>72,65,89,708</b>

**GURU NANAK AUTO ENTERPRISES LIMITED**

**Annexures to financial statements for the year ended 30th Sept 2021**

<b>IV Statutory Payables</b>	<b>30 Sept 2021</b>	<b>31 March 2021</b>
	<b>In (Rs.)</b>	<b>In (Rs.)</b>
GST Payable	92,14,817	1,93,97,869
GSLI Payable	1,40,940	1,64,377
Professional Tax Payable	7,600	5,800
<b>TDS Payable</b>		
TDS Payable 194C	3,04,224	7,43,516
TDS Payable 194I	2,08,271	2,75,753
TDS Payable 194J	1,78,622	2,28,951
TDS Payable 192B	24,85,600	1,02,72,070
TDS Payable 194A	1,48,519	4,74,221
TDS Payable 194H	-	750
TDS on Purchase	1,67,916	-
TCS on Scrap	2,25,829	6,70,713
TCS on Sales	1,06,226	
	<b>1,31,88,564</b>	<b>3,22,34,020</b>
<b>V Expenses Payable</b>	<b>30 Sept 2021</b>	<b>31 March 2021</b>
	<b>In (Rs.)</b>	<b>In (Rs.)</b>
Electricity & Water Expenses	2,66,72,820	3,09,73,826
Audit Fees Payable	19,96,350	12,96,350
Rent Payable	-	-
Expenses Payable others	4,05,79,516	6,50,28,641
	<b>6,92,48,686</b>	<b>9,72,98,817</b>
<b>VI Other Payables</b>	<b>30 Sept 2021</b>	<b>31 March 2021</b>
	<b>In (Rs.)</b>	<b>In (Rs.)</b>
Employee Security	17,76,940	14,56,425
Worker Loan (CBI)	2,500	26,150
Emergency Fund Employee Welfare	1,40,982	1,46,522
HDFC Bank Credit Card	12,950	-
Indsind Bank Credit Card	65,437	2,54,110
	<b>19,98,809</b>	<b>18,83,207</b>
<b>VII Provision for employee Benefits</b>	<b>30 Sept 2021</b>	<b>31 March 2021</b>
	<b>In (Rs.)</b>	<b>In (Rs.)</b>
Wages & Salary	2,73,41,259	2,36,13,245
PF (including Family Pension, Ins Fund & Admn Charges)	46,65,005	44,52,516
E.S.I.	5,69,628	5,85,171
Bonus	1,92,63,680	1,37,10,885
Incentive	51,41,187	81,70,740
Leave with Wages	45,17,719	24,30,772
Welfare Commission Punjab	1,77,334	1,60,686
Provision for Defined Benefit Obligation (Gratuity)	1,10,77,249	1,10,77,249
	<b>7,27,53,061</b>	<b>6,42,01,264</b>

## GURU NANAK AUTO ENTERPRISES LIMITED

### Notes to financial statements as on 30th Sept 2021

Cash and bank balances	30 Sept 2021 In (Rs.)	31 March 2021 In (Rs.)
<b>VIII Other Bank Balances</b>		
<b>(a) Balances with Schedule Banks</b>		
Axis Bank C/c A/C	70,87,598	77,47,415
SBI CC A/C 125663		54,093
HDFC Bank Phagwara	89,01,613	92,29,365
PNB - Goraya	4,26,169	6,84,375
SBI C/A Jandiala, Jalandhar	13,844	1,31,430
ICICI BANK A/C 001705012054	18,402	1,21,423
Federal Bank C/A	61,414	1,06,721
	<b>1,65,09,041</b>	<b>1,80,74,822</b>
<b>(b) Fixed Deposits</b>		
CBI Margin Money	10,99,464	10,99,464
HDFC Bank Margin Money	58,31,614	58,31,614
SBI Margin Money	10,66,208	10,16,208
Axis Bank Margin Money	1,53,12,897	1,61,31,984
Icici Bank	50,000	-
Dewan Housing Finance Ltd	1,56,641	2,07,294
Federal Bank	2,47,11,000	11,000
	<b>4,82,27,824</b>	<b>2,42,97,564</b>
<b>Short term loans and advances</b>	<b>30 Sept 2021 In (Rs.)</b>	<b>31 March 2021 In (Rs.)</b>
<b>IX Advance Tax and Other Receivables</b>		
CST Receivable	7,04,886	7,04,886
Advance Income Tax	6,61,716	34,91,206
Service Tax Recoverable	8,66,265	8,66,265
TDS Recoverable	35,68,741	36,62,310
VAT Receivable	44,35,704	44,35,704
Recoverable from Siemens Fin Serv / Axis Bank Veh I	2,70,684	5,74,118
Mutual Funds in SBI Matured (Receivable)	-	-
	<b>1,05,07,995</b>	<b>1,37,34,489</b>
<b>X Staff Advances</b>	<b>30 Sept 2021 In (Rs.)</b>	<b>31 March 2021 In (Rs.)</b>
Advance against Salary	13,74,104	3,37,982
Loan Against Salary	4,46,296	4,39,350
	<b>18,20,400</b>	<b>7,77,332</b>

**M/S. ASKK ESTATES PVT. LTD.**  
**VPO-BUNDALA, DISTT.- JALANDHAR-144034**  
**CIN:U70109PB2021PTC054162**

Un-audited Provisional Balance Sheet as at 30th September,2021

Particulars	Notes	As at 30th September2021
<b>I. EQUITY AND LIABILITIES</b>		
<b>1 Shareholders' funds</b>		
(a) Share capital	1	100,000.00
(b) Reserves and surplus	2	-4,570.00
(c) Money received against share warrants		-
<b>2 Share application money pending allotment</b>		-
<b>3 Non-current liabilities</b>		
(a) Long-term borrowings		
(b) Deferred tax liabilities (Net)		-
(c) Other Long term liabilities		-
(d) Long-term provisions		-
<b>4 Current liabilities</b>		
(a) Short-term borrowings		
(b) Trade payables		
(c) Other current liabilities		
(d) Short-term provisions		
<b>TOTAL</b>		<b>95,430.00</b>
<b>II. ASSETS</b>		
<b>Non-current assets</b>		
<b>1 (a) Fixed assets</b>		
(i) Tangible assets		
(ii) Intangible assets		-
(iii) Capital work-in-progress		-
(iv) Intangible assets under development		-
(b) Non-current investments		-
(c) Deferred tax assets (net)		
(d) Long-term loans and advances		-
(e) Other non-current assets	3	51,556.00
<b>2 Current assets</b>		
(a) Current investments		-
(b) Inventories		
(c) Trade receivables		
(d) Cash and cash equivalents	4	43,874.00
(e) Short-term loans and advances		
(f) Other current assets		-
<b>TOTAL</b>		<b>95,430.00</b>

For and on behalf of the Board of Directors

sd/-

Jagdish Singh  
Director  
DIN:01333785

Place: Bundala

sd/-

Amardeep Kaur  
Director  
DIN:2223548

Place: Bundala

**M/S. ASKK ESTATES PVT. LTD.**  
**VPO-BUNDALA, DISTT.- JALANDHAR-144034**  
**CIN:U70109PB2021PTC054162**  
**un-audited Provisional Profit and loss statement for the period from**  
**04th September,2021 to 30th September,2021**

Particulars	Notes	As at 30th September2021
I. Revenue from operations		
II. Other income		
<b>III. Total Revenue (I + II)</b>		
IV. Expenses:		
Cost of materials consumed		-
Purchases of Stock-in-Trade		
Changes in inventories of finished goods work-in-progress and Stock-in-Trade		
Employee benefits expense		
Finance costs		
Depreciation and amortization expense		
Other expenses	5	4,570.00
Total expenses		<b>4,570.00</b>
<b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>(4,570.00)</b>
VI. Exceptional items		-
<b>VII. Profit before extraordinary items and tax (V - VI)</b>		<b>(4,570.00)</b>
VIII. Extraordinary Items		-
<b>IX. Profit before tax (VII- VIII)</b>		<b>(4,570.00)</b>
X Tax expense:		
(1) Current tax		
(a) Advance		
(b) Provision		
(2) Income Tax Earlier Year		
(3) Deferred tax		
<b>Profit (Loss) for the period from continuing operations (IX- XI X)</b>		<b>(4,570.00)</b>
XII Profit/(loss) from discontinuing operations		-
XIII Tax expense of discontinuing operations		-
<b>Profit/(loss) from Discontinuing operations (after tax) (XII- XIV XIII)</b>		<b>-</b>
<b>XV Profit (Loss) for the period (XI + XIV)</b>		<b>(4,570.00)</b>
XVI Earnings per equity share:		
Basic & Diluted		-0.05

For and on behalf of the Board of Directors

sd/-

Jagdish Singh  
Director  
DIN:01333785

Place: Bundala

sd/-

Amardeep Kaur  
Director  
DIN:2223548

Place: Bundala

**M/S. ASKK ESTATES PVT. LTD.**  
**VPO-BUNDALA, DISTT.- JALANDHAR-144034**

**Note No. 1**  
**Share Capital**

Particulars	As at 30th September 2021	
	Number	₹
<b><u>Authorised</u></b> Equity Shares of ₹ 10 each	100,000	100,000
<b><u>Issued</u></b> Equity Shares of ₹ 10 each	10,000	100,000
<b><u>Subscribed &amp; Fully Paid up</u></b> Equity Shares of ₹ 10 each	10,000	100,000
<b>Total</b>	10,000	100,000

**Reconciliation of the number of Equity Shares outstanding**

Particulars	Equity Shares	
	Number	₹
Shares outstanding at the beginning of the year	-	-
Shares Issued during the year	10,000	100,000
Shares bought back/forfeited during the year		
Shares outstanding at the end of the year	10,000	100,000

**Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:**

Name of Shareholder	As at 30 September 2021	
	No. of Shares held	% of Holding
Jagdish Singh	3,400	34.00%
Kamaljit Kaur	3,300	33.00%
Amardeep Kaur	3,300	33.00%

**Note No. 2**  
**Reserves & Surplus**

Particulars	As at 30th September 2021	
		₹
(a) Surplus		
Opening balance	-	
(+) Net Profit/(Net Loss) For the C.Y	(4,570.00)	
<b>Total</b>	<b>(4,570.00)</b>	

**M/S. ASKK ESTATES PVT. LTD.**  
**VPO-BUNDALA, DISTT.- JALANDHAR-144034**

**Note No. 3**

**Other Non-Current assets**

Particulars	As at 30th September2021
	₹
Preliminary Expenses	51,556.00
<b>Total</b>	<b>51,556.00</b>

**Note No. 4**

**Cash and Bank Balance**

Particulars	As at 30th September2021
	₹
(a) Cash and cash equivalents Cash in hand	
(b) Bank Balances <u>Balances with Scheduled banks</u> HDFC BANK- 50200061477381	43,874.00
<b>Total</b>	<b>43,874.00</b>

**M/S. ASKK ESTATES PVT. LTD.**  
**VPO-BUNDALA, DISTT.- JALANDHAR-144034**

**Note No. 5**  
**Other Expenses**

Particulars	For the period ended 30th September 2021
	₹
<b><u>Indirect Expenses</u></b>	
FEES, TAXES	800.00
LEGAL & PROFESSIONAL CHARGES	2,000.00
PRINTING & STATIONERY	1,770.00
<b>Total</b>	<b>4,570.00</b>