

XLERATE DRIVELINE INDIA LIMITED

**Annual Report
2016-17**

Xlerate

DRIVELINE

NOTICE

TO THE MEMBERS OF THE COMPANY

NOTICE is hereby given that the **22nd Annual General Meeting** of the Members of Xlerate Driveline India Limited will be held as under:

Day : Tuesday
Date : 08th August, 2017
Time : 02:15 P.M.
Venue : Shed No. I, Gurukul Industrial Estate
Faridabad- 121003
Haryana

to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the financial statements of the Company for the year ended 31 March, 2017 together with Reports of the Board and Auditors thereon.
2. To consider re-appointment of Mr. P.C. Kothari, who retires by rotation and is eligible for re-appointment.
3. To consider the appointment of M/s Gupta & Dua, Chartered Accountants (ICAI Registration No. 003849N), as Statutory Auditors of the Company and if thought fit, pass the following resolution as an **Ordinary Resolution**, with or without modification(s):

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force and pursuant to the recommendation of the Audit Committee and the Board of Directors of the Company thereof, the consent of the members be and is hereby accorded for the appointment of M/s Gupta & Dua, Chartered Accountants (ICAI Registration No. 003849N) as the Statutory Auditors of the Company for a period of 5 (Five) years w.e.f. Financial Year 2017-18 in place of M/s B.R. Maheswari & Co. LLP, Chartered Accountants (ICAI Registration No. 001035N), whose tenure expires at this Annual General Meeting, at such remuneration as may be mutually agreed upon between M/s Gupta & Dua, Chartered Accountants and the Board of Directors of the Company.

RESOLVED FURTHER THAT M/s Gupta & Dua, Chartered Accountants shall hold office of the Statutory Auditors of the Company for a period of 5 (Five) years from the conclusion of this Annual General Meeting till the conclusion of 27th Annual General Meeting in the year 2022 (subject to ratification by the Members at every Annual General Meeting held after this Annual General Meeting).

Chaudhary

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof), be and is hereby authorised to do all such acts, deeds and things as may be considered necessary, desirable or expedient to give effect to this resolution."

Place: New Delhi
Date: 26.05.2017



By order of the Board

Chanchal
Chanchal Gupta
Company Secretary

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend and vote instead of himself/herself and such proxy(ies) need not be a Member of the Company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. The instrument appointing proxy(ies) must, however, be deposited at the Registered office of the Company, duly completed and signed, not less than forty-eight hours before commencement of the Meeting.
2. NO GIFTS OR COUPONS SHALL BE DISTRIBUTED AT THE MEETING.
3. Members seeking any further clarification/information(s) relating to the Annual Financial Statements are requested to write at the Registered Office of the Company.
4. Members are requested to promptly notify change in their address, if any, at the Registered Office of the Company.

Place: New Delhi
Date: 26.05.2017



By Order of the Board

Chanchal
Chanchal Gupta
Company Secretary

**EXPLANATORY STATEMENT
(PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013)**

ITEM NO. 3

The members of the Company had appointed M/s B.R. Maheswari & Co. LLP, Chartered Accountants as Statutory Auditors of the Company in the 19th Annual General Meeting (AGM) held on 31st July, 2014 for a period of 3 (Three) years w.e.f. financial year 2014-15 to hold the office from the conclusion of 19th AGM to the conclusion of 22nd AGM in the Year 2017 (subject to the ratification by members at every Annual General Meeting) in terms of provisions of Section 139 of the Companies Act, 2013. Subsequently, the appointment of M/s B.R. Maheswari & Co. LLP, Chartered Accountants as Statutory Auditors of the Company for the financial year 2015-16 and 2016-17 had been duly ratified by the members in the AGM held on 30th July, 2015 and 03rd August, 2016 respectively.

The tenure of M/s B.R. Maheswari & Co. LLP, Chartered Accountants as Statutory Auditors of the Company upto financial year 2016-17 expires at 22nd AGM in the year 2017.

The Board of Directors of the Company have recommended the appointment of M/s Gupta & Dua, Chartered Accountants (ICAI Registration No. 003849N) as Statutory Auditors of the Company for a period of 5 (Five) years w.e.f. Financial Year 2017-18 to hold the office from the conclusion of the 22nd AGM to the conclusion of 27th AGM in the year 2022 (subject to the ratification by members at every Annual General Meeting).

As required under the provisions of section 139(1) of the Companies Act, 2013, the Company has received a written consent from M/s Gupta & Dua, Chartered Accountants (ICAI Registration No. 003849N) to the effect that their appointment, if made, would be in accordance with the Companies Act, 2013 and the Rules framed thereunder and that they satisfy the criteria provided in section 141 of the Companies Act, 2013 read with Rule 4(1) of the Companies (Audit and Auditors) Rules, 2014 and that they are not disqualified to be appointed.

The Board recommends the resolution as set out at Item No. 3 of the Notice for approval by the Members.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 3 of the Notice.

INSPECTION OF DOCUMENTS

All resolutions passed in this regard are available for inspection by the Members of the Company, at its Registered Office, during the office hours between 11:00 A.M. to 1:00 P.M. except Sundays upto the date of the Annual General Meeting and shall also be available at the venue of the meeting.

Place: New Delhi
Date: 26.05.2017



By Order of the Board

Chanchal Gupta
Chanchal Gupta
Company Secretary

**BRIEF RESUME OF THE DIRECTORS SEEKING APPOINTMENT/
RE-APPOINTMENT AS REQUIRED UNDER SECRETARIAL STANDARD - 2
ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA**

1. Mr. P.C. Kothari

Mr. P.C. Kothari, aged 70 years is a Non-Executive Director of the Company since 25th August, 2004. He holds bachelor's degree in Commerce. He has a vast experience of 44 years in the field of Finance and Accounts.

During the financial year 2016-17, 4(Four) meetings of the Board of Directors had been held and all the meetings were attended by Mr. P.C. Kothari. He is not related in any capacity with other Director and Key Managerial Personnel of the Company.

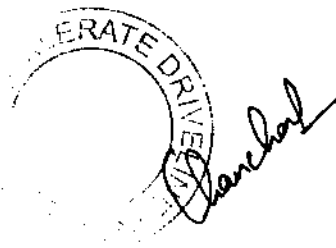
Mr. P.C. Kothari is a Director and Chairman/Member of Committees of Board of the following other Companies:

S. No.	Name of the Company/Entity in which interested	Committees Chairmanship/Membership
-	-	-

Mr. P.C. Kothari holds Directorship in the following Private Limited Companies:

S. No.	Name of the Company/Entity in which interested
1.	Future Consultants Private Limited
2.	Clip-Lok Simpak India Private Limited
3.	Vibrant Finance and Investment Private Limited
4.	Ultra Consultants Private Limited
5.	Gulab Merchandise Private Limited

As on 31st March, 2017, he holds 1(One) Equity Share as a nominee of "Raunaq EPC International Limited", Holding Company in the Company.



Xlerate

DRIVELINE

BOARD'S REPORT (SECTION 134 OF THE COMPANIES ACT, 2013)

To The Members

The Directors have pleasure in presenting the 22nd Annual Report together with the Audited Financial Statements of your Company for the financial year ended on 31st March, 2017.

FINANCIAL RESULTS:

	(₹ In Lacs)	
	Financial year ended	
Financial Results	31.03.2017	31.03.2016
Revenue from operations and other income (gross)	2672.61	2574.66
Profit before finance cost and depreciation and amortisation expense	(32.50)	11.07
Finance Cost	68.21	76.67
Depreciation and Amortisation expense	70.62	68.84
Profit before tax and exceptional items	(171.33)	(134.44)
Less: Exceptional Items	-	-
Profit/(Loss) Before Tax	(171.33)	(134.44)
Less: Tax Expense	2.51	2.63
Deferred Tax	-	-
Profit/(Loss) After Tax	(168.82)	(131.81)

DIVIDEND:

In view of the financial performance of your Company, your Directors have not recommended any dividend for the financial year 2016-17.

PERFORMANCE OVERVIEW:

During the year under review, Revenue from Operations of the Company was ₹ 2,324.96 Lacs against ₹ 2,239.82 Lacs in the previous year. The Net Loss is ₹ 168.82 Lacs against ₹ 131.81 Lacs in the last year.

OUTLOOK:

Within a span of four years, the Company has achieved significant growth in volumes and an important landmark by making a roadway to OEM Sector. This displays the strong manufacturing excellence, focus on quality and robust manufacturing set-up that the Company has. The OEM business shall provide guaranteed volume growth to the Company and enable it to effectively utilise its capacities for better operational efficiency. The Company further intends to extend scope to passenger vehicles.

This has also proved the Company's strong manufacturing excellence and quality. The OEM business will guarantee regular business volume enabling it to optimally utilise its capacities.

Further, the Company intends to fortify market share in the commercial segment and diversify to passenger vehicles segment, for which it is actively scouting for partners who can provide ready access to passenger vehicle market. Entry in passenger vehicle segment would be an important breakthrough for the Company as this segment has highest volume opportunity.

INDIAN ACCOUNTING STANDARDS (IND AS) IFRS CONVERGED STANDARDS:

Pursuant to the notification of the Companies (Indian Accounting Standards) Rules, 2015 by the Ministry of Corporate Affairs (MCA) on 16th February, 2015, the Company has adopted Indian Accounting Standards (IND AS) with effect from 01 April, 2017 along with the comparatives for the year ending 31 March, 2017.

The implementation of IND AS is a major change process for which the Company has established a dedicated team and allocated considerable resources. The impact of the change upon adoption of IND AS has been assessed and the Company is ready to adopt IND AS.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(3)(c) of the Companies Act, 2013, your Directors confirm that:-

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March, 2017 and of the profit and loss of the Company for the period ended on that date;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

RELATED PARTY CONTRACTS AND ARRANGEMENTS:

The contracts or arrangements of the Company with related parties during the period under review referred to in Section 188(1) of the Companies Act, 2013 were in ordinary course of business and on arm's length basis. During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material. The prescribed form AOC-2 of the Companies (Accounts) Rules, 2014 is enclosed as **Annexure -"A"** to this report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT:

During the period under review, the Company has not made any loan, guarantee or investment in terms of provisions of Section 186 of the Companies Act, 2013.

DIRECTORS:

In accordance with the provisions of the Act and the Articles of Association of your Company, Mr. P.C. Kothari, Director retire by rotation at the ensuing Annual General Meeting.

Mr. P.C. Kothari, Non-Executive Director of the Company, liable to retire by rotation in terms of Companies Act, 2013 has offered himself for re-appointment as Non Executive Director in terms of Section 152 of the Companies Act, 2013 at the ensuing Annual General Meeting of the Company.

Therefore, in terms of Section 152 of the Companies Act, 2013, it has been proposed to appoint Mr. P.C. Kothari as Non Executive Director at the ensuing Annual General Meeting (AGM) of the Company, liable to retire by rotation.

During the financial year 2016-17, the members of the Company at their Annual General Meeting held on 03 August, 2016 approved:

- Appointment of Dr. Sanjeev Kumar as Independent Director of the Company in terms of provisions of Section 149 of the Companies Act, 2013 for a period of 5 (Five) Years upto the conclusion of the 26th Annual General Meeting (AGM) of the Company in the Calendar Year 2021;
- Re-appointment of Mr. Jagdeep Singh as Non Executive Director of the Company, liable to retire by rotation in terms of the provisions of Section 152 of the Companies Act, 2013.

NUMBER OF MEETINGS OF THE BOARD

During the financial year 2016-17, 4 (Four) Board Meetings were held on the following dates:-

- 27 May, 2016;
- 03 August, 2016;
- 26 October, 2016; and
- 01 February, 2017

The gap between any two meetings was not more than one hundred twenty days as mandated under the provisions of Section 173 of the Companies Act, 2013.

INDEPENDENT DIRECTORS

In terms of provisions of Section 149(7) of the Companies Act, 2013, all the Independent Directors of the Company have furnished a declaration to the Company at the meeting of the Board of Directors held on 26 May, 2017 stating that they fulfill the criteria of Independent Director as prescribed under Section 149(6) of the Companies Act, 2013 and are not being disqualified to act as an Independent Director.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

In terms of provisions of Section 178 of the Companies Act, 2013, a policy relating to remuneration for the Directors, Key Managerial Personnel and other employees has been adopted by the Board of Directors of the Company in pursuance of its formulation and recommendation by the Nomination and Remuneration Committee thereby analyzing the criteria for determining qualifications, positive attributes and independence of a Director.

The said policy is annexed as **Annexure -"B"** to this report.

EVALUATION PROCESS

The Board of Directors of the Company has established a framework for the evaluation of its own performance and that of its committees and individual Directors of the Company and fixed certain parameters covering the evaluation of the Chairman, Executive Directors and Independent Directors on the basis of which the evaluation is being carried on annual basis in terms of provisions of the Companies Act, 2013.

During the year under review, the Board of Directors, at its meeting held on 01 February, 2017 has carried out the evaluation of its own performance and that of its committees and Independent Directors of the Company and the Independent Directors in their separate meeting held on even date have evaluated the performance of the Chairman and Non-Independent Directors of the Company respectively in accordance with the framework approved by the Board.

The evaluation results reflects that the Company is well equipped as far as the management as well as governance aspects are concerned.

KEY MANAGERIAL PERSONNEL

The following Directors/Officials of the Company have been designated as Key Managerial Personnel (KMP) of the Company by the Board of Directors in terms of provisions of Section 203 of the Companies Act, 2013:

- | | |
|-----------------------|-------------------------|
| 1. Mr. Sachit Kanwar | Managing Director |
| 2. Mr. Shalesh Kumar | Chief Financial Officer |
| 3. Ms. Chanchal Gupta | Company Secretary |

No Key Managerial Personnel (KMP) of the Company has resigned during the financial year ended 31 March, 2017.

PARTICULARS OF EMPLOYEES

Information regarding employees in accordance with the provisions of Rule 5(2) and Rule 5(3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is given in **Annexure- "C"** to the Board's Report.

AUDIT COMMITTEE

The Audit Committee comprises of Dr. Sanjeev Kumar, Mr. V.K. Pargal, Mr. Rajiv Chandra Rastogi, Mr. P.C. Kothari. There is no change in the composition of the Audit Committee during the year.

SUBSIDIARIES/JOINT VENTURES/ASSOCIATE COMPANIES

During the year under review, no Company has become or ceased to be subsidiary, joint venture or associate of the Company.

FIXED DEPOSITS

During the financial year under review, your Company has not accepted any deposits from the public.

AUDITORS

The Statutory Auditors M/s B.R. Maheswari & Co. LLP, Chartered Accountants (ICAI Registration No. 001035N) had been appointed as Statutory Auditors of the Company in the 19th Annual General Meeting held on 31st July, 2014 for a period of 3 (Three) years in terms of provisions of Section 139 of the Companies Act, 2013 to hold office from the 19th AGM to the 22nd AGM in the Calendar Year 2017 (subject to ratification by the members at every Annual General Meeting). Subsequently, the tenure of M/s B.R. Maheswari & Co. LLP, Chartered Accountants as Statutory Auditors of the Company upto financial year 2016-17 shall conclude in the ensuing Annual General Meeting.

The Board of Directors places on record its appreciation for the services rendered by M/s B.R. Maheswari & Co. LLP, Chartered Accountants during their tenure as Statutory Auditors of the Company.

Further, the Board recommends for appointment of M/s Gupta & Dua, Chartered Accountants (ICAI Registration No. 003849N) as the Statutory Auditors of the Company in terms of provisions of Section 139 of the Companies Act, 2013 for the approval of members in the ensuing Annual General Meeting, to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the fifth consecutive Annual General Meeting in the year 2022 (subject to the ratification by members at every Annual General Meeting). Certificate from the Auditors has been received to the effect that their appointment, if made, would be within the limits prescribed under Section 139 of the Companies Act, 2013.

REPORT ON FINANCIAL STATEMENTS

The report of M/s B.R. Maheswari & Co. (ICAI Registration No. 001035N), Chartered Accountants, the Statutory Auditors of the Company on the financial statements of the Company for the year ended 31 March, 2017 is annexed to the financial statements in terms of provisions of Section 134(2) of the Companies Act, 2013. The observations of the Auditors in their report are self-explanatory and/or explained suitably in the Notes forming part of the Financial Statements. The report of the Statutory Auditors does not contain any qualification, reservation or adverse remark which needs any explanation or comment of the Board.

INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

Xlerate Driveline India Limited has a proper and adequate system of internal financial controls which includes the policies and procedures 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. During the year, such controls were tested and no material weaknesses in the design or operations were observed.

RISK MANAGEMENT

A robust and integrated enterprise risk management framework is in existence under which the common prevailing risks in the Company are identified, the risks so identified are reviewed on periodic basis by the Audit Committee and the management's actions to mitigate the risk exposure in a timely manner are assessed.

A risk management policy under the above said enterprise risk management framework as approved by the Board has been adopted by the Company and being reviewed on yearly basis.

INTERNAL COMPLAINTS COMMITTEE FOR PREVENTION OF SEXUAL HARASSMENT

Pursuant to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, as the Company don't have adequate women employee at the senior level, the women employees of the Raunaq EPC International Limited, Holding Company (Formerly Known as Raunaq International Limited) have been nominated as members of the Internal Complaints Committee (ICC) of the Company to deal with the complaints related to the sexual harassment.

Your Company has always believed in providing a safe and harassment free workplace for every individual working in the Company through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

During the year ended 31 March, 2017, no complaints pertaining to sexual harassment was received by ICC.

DISCLOSURES UNDER SECTION 134 OF THE COMPANIES ACT, 2013

Except as disclosed elsewhere in the Annual Report, there have been no material changes and commitments, which can affect the financial position of the Company between the end of financial year and the date of this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

The information in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8 of the Companies (Accounts) Rules, 2014 is given in **Annexure- "D"** to the Board's Report.

EXTRACT OF ANNUAL RETURN

In terms of provisions of Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return of the Company in Form MGT-9 of the Companies (Management and Administration) Rules, 2014 is enclosed as **Annexure-"E"** to this report.

COURT/TRIBUNAL ORDERS

There were no instances of any significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

INDUSTRIAL RELATIONS

During the year under review, industrial relations in the Company continued to be cordial and peaceful.

ACKNOWLEDGEMENTS

The Board hereby places on record its sincere appreciation for the continued assistance and support extended to the Company by its Bankers, customers, vendors, Government Authorities and employees.

Your Directors appreciate and is obliged for the faith and confidence reposed by you, the shareholder in the Company.

For and on behalf of the Board of Directors



Surinder P. Kanwar
Chairman and Director
DIN: 00033524

Place: New Delhi
Dated: 26.05.2017

Annexure-"A"**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

NIL

2. Details of material contracts or arrangement or transactions at arm's length basis

S. no.	Names(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ Transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date (s) of approval by the Board, if any	Amount paid as advances, if any
1.	Raunaq EPC International Limited (REIL) (Formerly known as Raunaq International Limited), Holding Company	Agreement for: 1. Bearing administration expenses 2. Cost against utilization of any Banking facilities such as BG/LC 3. Sale/Purchase of any Raw Material/Stores/ Capital Goods	1 (One) year w.e.f 1 st April, 2016	Transaction value not exceeding ₹ 1.00 Crore	NA	-

For and on behalf of the Board of Directors



Place: New Delhi
Dated: 26.05.2017

Surinder P. Kanwar
Chairman and Director
DIN: 00033524

Annexure-"B"**POLICY ON NOMINATION AND REMUNERATION****Introduction:**

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 as amended from time to time this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors.

Objective and purpose of the Policy:

The objective and purpose of this policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the Auto Component industry.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage. In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on July 31, 2014.

Effective Date:

This policy shall be effective with retrospective effect from 1st April, 2014.

Constitution of the Nomination and Remuneration Committee:

The Board has constituted Nomination and Remuneration Committee on May 30, 2014. The Nomination and Remuneration Committee comprises of following Directors:

Sr. No. Committee Members

1. Dr. Sanjeev Kumar, Chairman (Independent Director)
2. Mr. Surinder P. Kanwar, Member (Chairman and Director)
3. Mr. R.C. Rastogi, Member (Independent Director)
4. Mr. V.K. Pargal, Member (Independent Director)

The Board has the power to reconstitute the Committee consistent with the Company's policy and applicable statutory requirement.

Definitions

- Board means Board of Directors of the Company.
- Directors means Directors of the Company.
- Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- Company means Xlerate Driveline India Limited.
- Independent Director means a director referred to in Section 149 (6) of the Companies Act, 2013.

Key Managerial Personnel (KMP) means-

- (i) Executive Chairman and / or Managing Director;
- (ii) Whole-time Director;
- (iii) Chief Financial Officer;
- (iv) Company Secretary;
- (v) Such other officer as may be prescribed under the applicable statutory provisions/ regulations.

• **Senior Management** means who are members of its core management team excluding Board of Directors and all members of the management one level below the Executive Director, including the functional Heads. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

Applicability

The Policy is applicable to;

- Directors (Executive and Non Executive)
- Key Managerial Personnel
- Senior Management Personnel

General

- This Policy is divided in three parts:
 - Part – A covers the matters to be dealt with and recommended by the Committee to the Board,
 - Part – B covers the appointment and nomination and;
 - Part – C covers remuneration and perquisites etc.
- The key features of this Company's policy shall be included in the Board's Report.

PART – A

MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.

- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

PART – B

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

- Appointment criteria and qualifications:

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/her appointment.

2. A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the concerned position.

3. The Company shall not appoint or continue the employment of any person as Whole time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

- Term/Tenure:

1. Managing Director/Whole-time Director:

- The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

2. Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

- Evaluation:

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

- **Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

- **Retirement:**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

PART – C

POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

- **General:**

1. The remuneration/compensation/commission etc. to the Chairman and Managing Director or Joint Managing Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration/compensation/commission etc. shall be subject to the approval of the shareholders of the Company and Central Government, wherever required.

2. The remuneration and commission to be paid to the Chairman and Managing Director or Joint Managing Director, if any shall be in accordance with the percentage/slabs/conditions laid down as per the provisions of the Companies Act, 2013, and the rules made thereunder.

3. Increments to the existing remuneration/compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.

4. Where any insurance is taken by the Company on behalf of its Chairman and Managing Director, Joint Managing Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

- **Remuneration to Managing Director, Joint Managing Director, KMP and Senior Management Personnel:**

1. **Fixed pay:**

The Managing Director, Joint Managing Director/KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee.

The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

2. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director, Joint Managing Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

3. Provisions for excess remuneration:

If Managing Director, Joint Managing Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

• Remuneration to Non- Executive/Independent Director:**1. Sitting Fees:**

The Non-Executive/Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

For Xlerate Driveline India Limited



Surinder P. Kanwar
Chairman and Director

**Information Pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014
Forming Part of the Board's Report for the year ended 31 March, 2017**

S. No	Name	Age in Years	Qualification	Designation	Date of Commencement of Employment	Years of Experience	Remuneration (Rs. in Lacs)	Particulars of Last Employment	Percentage of Shareholding in the Company
A. Top Ten Employees of the Company in terms of remuneration drawn for the year ended 31 March, 2017.									
1.	Alok Sood	47	B.E.	Process Head	10.03.2014	25	22.08	Clutch Auto Ltd.	0.00
2.	Ravinder Kumar	43	DME & ITI	Sr. Manager	22.02.2013	24	8.42	Saharwal Auto	0.00
3.	Ravinder Singh Panwar	37	DME	Section Leader	22.02.2016	06	6.75	Mahino Auto Industries Ltd.	0.00
4.	Vijay Mandoyal	32	B.Tech	Section Leader	18.04.2016	10	4.80	Borgwarner Emission (USA) Inc.	0.00
5.	Vijay Dua	42	MBA & B.Com	Leader	10.12.2012	09	3.62	Subros Ltd.	0.00
6.	Ananddeep Singh	34	B.E.	Leader	23.02.2013	08	3.34	Argentum Auto Pvt. Ltd.	0.00
7.	Surath Chand	44	ITI	Leader	12.12.2012	20	2.89	Kangaro India Pvt. Ltd.	0.00
8.	Chandul Gupta	27	CS & B.Com(H)	Company Secretary	03.06.2015	02	2.64	Ecocast India Ltd.	0.00
9.	Rakesh Sharma	33	BA	Member	27.05.2013	06	2.78	Versus Industrial Corporation Pvt. Ltd.	0.00
10.	Premod Kumar Sharma	29	B.E.	Leader	21.01.2013	07	2.52		0.00
B. Employed throughout the year ended 31 March, 2017 & were in receipt of Remuneration aggregating not less than Rs. 1,02,00,000/- per annum.									
									NIL
C. Employed for the part of the year ended 31 March, 2017 & were in receipt of Remuneration aggregating not less than Rs. 8,50,000/- per month									
									NIL
D. If employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.									
									NIL

NOTES :

01 Remuneration Includes Salary, Allowances, Co's Contribution to Provident Fund & Superannuation Funds, and Value of other perquisites.

For and on behalf of the Board of Directors



 Surinder Kumar
 Chairman and Director
 DIN: 00033524

 Place: New Delhi
 Dated: 26.05.2017

Report on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo and forming part of Board's Report for the year ended 31 March, 2017**A. Conservation of energy:****(i) Steps taken or impact on conservation of energy:-**

- Following steps were taken for Energy saving:
 - 11 LED Light of 70 Watt replaced by 400 Watt flood light;
 - New Machine installed for deburr removal replacing pneumatic hand grinders resulting into saving of manpower as well compressed air and consumables for grinders.
 - Double reflector light (80 Watts) on machines replaced with 40 Watt Led Lights (15 Nos).

(ii) The steps taken by the company for utilizing alternate sources of energy:-

No such implementation plan till now. The Company proposes to utilize alternate sources of energy in future.

(ii) Capital investment on energy conservation equipments:-

NIL

B. Technology Absorption:**(i) Efforts made in technology absorption:-**

1.	The efforts made towards the technology absorption	No new technology adopted in the last year
2.	The benefits derived like product improvement, cost reduction, product development, import substitution, etc.	-
3.	In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year): a) The details of technology imported b) Year of import c) Whether the technology has been fully absorbed d) If not fully absorbed, areas where this has not taken place and the reasons thereof.	Not Applicable
4.	The expenditure incurred on Research and Development (R&D)	The Company is in the business of manufacturing and supply Clutch cover assemblies to OEMs and for aftermarket sales. The nature of business activity carried on by the Company at present does not entail any Research and Development as such.

C. Foreign Exchange Earnings and Outgo:

		(₹ in Lacs)	
Particulars		2016-2017	2015-2016
	Foreign Exchange Earned	104.04	114.00
	Foreign Exchange used	145.18	59.81
	Net Foreign Exchange earnings	(41.14)	54.19

For and on behalf of the Board of Directors



Place: New Delhi
Dated: 26.05.2017

Surinder P. Kanwar
Chairman and Director
DIN: 00033524

Form No. MGT-9

EXTRACT OF ANNUAL RETURN**as on the financial year ended on 31st March, 2017**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : U35990HR1995PLC050123
- ii) Registration Date : 25th October, 1995
- iii) Name of the Company : Xlerate Driveline India Limited
- iv) Category/Sub-Category of the Company : Public Limited Company
- v) Address of the Registered office and contact details :
Shed No. 1, Gurukul
Industrial Estate, Sarai Khwaja
P.O. Amar Nagar
Faridabad-121003
Haryana
Ph: 0129-4288670
Fax: 0129-4288680
E-mail: info@xleratedriveline.com
- vi) Whether listed company Yes/No : No
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any :
RCMC Share Registry Private Limited
B-25/1, First Floor,
Okhla Industrial Area, Phase-II,
New Delhi-110020
Ph: 011-26387320,21,23
Fax: 011-26387322
E-mail: investor.services@rcmcdelhi.com
Website: www.rcmcdelhi.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Clutch and Clutch Plates	Group 293 - Manufacture of parts and accessories for motor vehicles	100.00

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1.	Raunaq EPC International Limited (Formerly Known as Raunaq International Limited)	L51909HR1965PLC034315	Holding Company	100.00	2(46)

IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	14877032	6	14877038	100.00	14877032	6	14877038	100.00	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (1):-	14877032	6	14877038	100.00	14877032	6	14877038	100.00	0.00
(2) Foreign									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2):-	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	14877032	6	14877038	100.00	14877032	6	14877038	100.00	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks/ FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt/ State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
e) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
f) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
g) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
h) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1):-	0	0	0	0.00	0	0	0	0.00	0.00
2. Non-Institutions									
a) Bodies Corp.									
I. Indian	0	0	0	0.00	0	0	0	0.00	0.00
II. Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
I. Individual shareholders holding nominal share capital upto ₹ 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
II. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
c) Others (specify)									
Sub-total (B)(2):-	0	0	0	0.00	0	0	0	0.00	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	0	0	0.00	0	0	0	0.00	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	14877032	6*	14877038	100.00	14877032	6*	14877038	100.00	0.00

***Held by Raunaq EPC International Limited (Formerly Known as Raunaq International Limited), Holding Company through its nominees holding 1 share each.**

(ii) Shareholding of Promoters:

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	% change in share holding during the year
1.	Raunaq EPC International Limited	14877038*	100.00	0.00	14877038	100.00	0.00	0.00
	Total	14877038*	100.00	0.00	14877038*	100.00	0.00	0.00

*6 shares held through its nominees.

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

S. No.		Shareholding at the beginning of the year		Date	Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the company
	At the beginning of the year	14877038	100.00					
						No change in shareholding		
	At the End of the year	14877038	100.00				14877038	100.00

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

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the company
-	-	-	-	-	-

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Name	Shareholding at the beginning of the year		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of share(s)	% of total shares of the Company				No. of share(s)	% of total shares of the Company
A	Directors							
1.	Mr. Surinder P Kanwar	1*	0.00	01/04/2016				
					-	No change in shareholding		
				31/03/2017			1*	0.00
2	Mr. Sachit Kanwar	1*	0.00	01/04/2016				
					-	No change in shareholding		
				31/03/2017			1*	0.00
3	Dr. Sanjeev Kumar	0	0.00	01/04/2016				

						Nil Holding/ movement during the year		
				31/03/2017			0	0.00
4	Mr. V.K. Pargal	0	0.00	01/04/2016				0.00
						Nil Holding/ movement during the year		
				31/03/2017			0	0.00
5	Mr. Rajiv Chandra Rastogi	0	0.00	01/04/2016				
						Nil Holding/ movement during the year		
				31/03/2017			0	0.00
6	Mr. P.C. Kothari	1*	0.00	01/04/2016				
						No change in shareholding		
				31/03/2017			1*	0.00
7.	Mr. Jagdeep Singh	1*	0.00	01/04/2016				
						No change in shareholding		
				31/03/2017			1*	0.00
B	Key Managerial Personnel (KMP's)							
1	Mr. Shalesh Kumar Chief Financial Officer	0	0.00	01/04/2016				
						Nil Holding/ movement during the year		
				31/03/2017			0	0.00
2	Ms. Chanchal Gupta Company Secretary	0	0.00	01/04/2016				
						Nil Holding/ movement during the year		
				31/03/2017			0	0.00

*Held as nominee of Raunaq EPC International Limited

V. INDEBTEDNESS

Indebtedness of the Company Including Interest outstanding/accrued but not due for payment

(₹ in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	400.00	50.00	-	450.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (I+II+III)	400.00	50.00	0.00	450.00
Change in Indebtedness during the financial year				
• Addition	-	130.00	-	130.00
• Reduction	-	-	-	-
Net Change	0.00	130.00		130.00
Indebtedness at the end of the financial year				
i) Principal Amount	400.00	180.00	-	580.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (I+II+III)	400.00	180.00	0.00	580.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager	In Lac
		Mr. Sachit Kanwar Managing Director*	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	- - -	- - -
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify...	-	-
5.	Others, Cos. Contribution to PF/SA	-	-
	Total (A)	-	-
	Ceiling as per the Act	-	-

*Token Remuneration of Re. 1.00 (Rupee One) only per month paid to Mr. Sachit Kanwar, Managing Director.

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount Rs. In Lacs
	1. Independent Directors	Mr. V.K. Pargal	Mr. Rajiv Chandra Rastogi	Dr. Sanjeev Kumar	
	• Fee for attending board / committee meetings	-	-	-	-
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
	2. Other Non-Executive Directors	Mr. Surinder P. Kanwar	Mr. Jagdeep Singh	Mr. P.C. Kothari	
	• Fee for attending board / committee meetings	-	-	-	-
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	Rs. 1.00 Lac sitting fees to a director per meeting of the Board or Committee			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

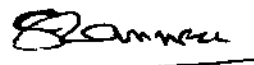
Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount (Rs. In Lacs)
		Mr. Shailesh Kumar* Chief Financial Officer	Ms. Chanchal Gupta Company Secretary	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	2.50	2.50
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others, Cos. Contribution to PF/SA	-	0.14	0.14
	Total	-	2.64	2.64

* Draws remuneration from the Holding Company, Raunaq EPC International Limited (Formerly known as Raunaq International Limited)

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board of Directors



Place: New Delhi
Dated: 26.05.2017

Surinder P. Kanwar
Chairman and Director
DIN: 00033524

Independent Auditors' Report

TO THE MEMBERS OF XLERATE DRIVELINE INDIA LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Xlerate Driveline India Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, its losses and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

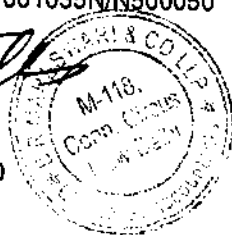
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'I' a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of written representations received from the directors as on 31st March, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of section 164 (2) of the Act.



- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'II'.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company did not have any pending litigations;
 - ii. The Company did not have any long term contracts including any derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The company had provided adequate disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th Nov, 2016 to 30th Dec, 2016 and these are in accordance with the books of accounts maintained by the company- Refer Note 14 of the financial statements

For **B R Maheswari & Co LLP**
Chartered Accountants
Firm's Registration No. 001035N/N500050


Sanjay Nath
Partner
Membership No.082700



Place: New Delhi
Date: 26/05/2017

Annexure 'I' to the Independent Auditors' Report

(Referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date)

- 1) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) As informed, fixed assets have been physically verified by the management in a phased periodical manner which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
 - (c) Based upon the audit procedure performed and according to the records of the Company, the title deeds of all the immovable properties are held in the name of the Company
- 2) As informed, physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were found.
- 3) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act for the financial year 2016-17, and accordingly clauses (a), (b) and (c) of Para (iii) of the order are not applicable.
- 4) According to the information and explanations given to us and on an overall examination of the financial statements, the Company has not given any loans, guarantees, security or made any investment, and accordingly is not required to comply with section 185 and 186 of the act.
- 5) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year, and accordingly is not required to comply with the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
- 6) As informed to us, the maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, in respect of the activities carried on by the Company.
- 7) (a) According to the information and explanations given to us, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Value Added Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it. As informed, no undisputed amounts payable in respect of the aforesaid dues were




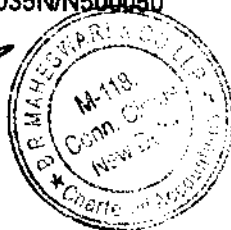
outstanding as at 31st March, 2017 for a period of more than six months from the date they become payable.

(b) There are no disputed amounts of statutory dues which have not been deposited with the concerned authorities.

- 8) Based on the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of loans and borrowings to the financial institutions, banks or debenture holders. The Company did not have any outstanding loans and borrowings from government during the year.
- 9) The company has not raised any money by way of public offer or term loans during the year.
- 10) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.
- 11) In our opinion and according to the information and explanations given to us, the company has not paid any managerial remuneration during the year, and accordingly is not required to comply with the provisions of section 197 read with Schedule V to the Act.
- 12) The Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with sections 177 and 188 of the Act wherever applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.
- 14) The Company has not made any preferential allotment of shares during the year.
- 15) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not entered into any non-cash transaction with directors or persons connected with him.
- 16) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For B. R. Maheswari & Co LLP
Chartered Accountants
Firm's Registration No: 001035N/N500050


Sanjay Nath
Partner
Membership No: 082700



Place: New Delhi
Date: 26/05/2017

Annexure 'II' to the Independent Auditors' Report

(Referred to in Paragraph 2(f) under the heading "Report on other legal and regulatory requirements" of our report of even date)

Report on the Internal Financial Controls under clause (i) of sub section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Xlerate Driveline India Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and 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.

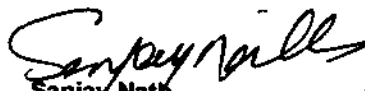
Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017 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.

For B R Maheswari & Co LLP
Chartered Accountants
Firm's Registration No: 001035N/N500050


Sanjay Nath
Partner
Membership No: 082700



Place: New Delhi
Date: 26.05.2017

XLERATE DRIVELINE INDIA LIMITED
BALANCE SHEET AS AT 31st MARCH, 2017

Particulars	Note No.	As at 31.03.2017 ₹ (In Lacs)	As at 31.03.2016 ₹ (In Lacs)
I. EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share capital	2	1,612.70	1,612.70
(b) Reserves and surplus	3	(874.67)	(705.85)
		738.03	906.85
(2) Non-current liabilities			
(a) Long-term provisions	4	3.28	3.10
(b) Deferred tax liabilities (Net)	5	41.03	43.54
		44.31	46.64
(3) Current liabilities			
(a) Short term borrowings	6	536.05	360.16
(b) Trade payables	7	443.58	348.87
(c) Other current liabilities	8	150.68	226.48
(d) Short-term provisions	9	118.13	135.29
		1,248.44	1,070.80
Total		2,030.78	2,024.29
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
- Tangible assets	10	1,034.89	1,051.62
- Intangible assets		5.05	6.68
- Capital work in progress		1.06	20.59
		1,041.00	1,078.89
(b) Long-term loans and advances	11	16.80	12.75
		16.80	12.75
(2) Current assets			
(a) Inventories	12	237.89	232.79
(b) Trade receivables	13	678.67	579.05
(c) Cash and cash equivalents	14	24.72	27.98
(d) Short-term loans and advances	15	31.07	35.19
(e) Other current assets	16	0.63	57.64
		972.98	932.65
See accompanying notes forming part of the Financial Statements	1-25		
Total		2,030.78	2,024.29

As per our report of even date attached

For B R Maheswari & Co LLP
Chartered Accountants

Sanjay Nath
Sanjay Nath
Partner

Membership No.: 082700
Firm Reg. No.: 001035N/N500098

Place: New Delhi
Dated: 26/05/2017

Surinder P. Kanwar
Surinder P. Kanwar
Chairman
DTN: 00033524

Shalesh Kumar
Shalesh Kumar
Chief Financial Officer
DTN: BOCRS4686F

Sachin Kanwar
Sachin Kanwar
Managing Director
DTN: 02132114

Chanchal Gupta
Chanchal Gupta
Company Secretary
DTN: POFPG8658F

VKP
VKP
DTN: 00076639

SK

JS

PCR

RCR

Directors

Tajinder Singh
Tajinder Singh
DTN: 00024905

Sanjay Nath
Sanjay Nath
DTN: 00024492

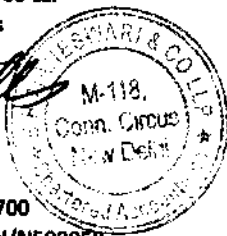
XLERATE DRIVELINE INDIA LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2017

	Particulars	Note No.	For the Year Ended 31st March, 2017 ₹ (in Lacs)	For the Year Ended 31st March, 2016 ₹ (in Lacs)
I	Income:			
	Revenue from operations (gross, net of turnover discount)	17	2,663.51	2,571.25
	Less: Excise duty		347.65	334.84
	Revenue from operations (Net)		2,315.86	2,236.41
	Other income	18	9.10	3.41
II	Total revenue		2,324.96	2,239.82
III	Expenses:			
	- Cost of material consumed	19a	1,575.61	1,615.85
	- Changes in inventories of finished goods & work-in-progress	19b	53.72	(0.90)
	- Employee benefits expense	20	194.97	179.64
	- Finance costs	21	68.21	76.67
	- Depreciation & amortization expenses	10	70.62	68.84
	- Other expenses	22	533.16	434.16
IV	Total Expenses		2,496.29	2,374.26
V	Profit / (Loss) before exceptional and extraordinary items and tax		(171.33)	(134.44)
VI	Exceptional items		-	-
VII	Profit / (Loss) before extraordinary items and tax		(171.33)	(134.44)
VIII	Extraordinary items			
	- Loss by fire		-	(57.00)
	- Insurance claim		-	57.00
IX	Profit / (Loss) before tax		(171.33)	(134.44)
X	Tax expense:			
	- Current tax		-	-
	- Deferred tax		(2.51)	(2.63)
XI	Profit / (Loss) after Tax		(168.82)	(131.81)
XII	Earnings per equity share in ₹:			
	(1) Basic		(1.13)	(0.99)
	(2) Diluted		(1.13)	(0.99)
	See accompanying notes forming part of the Financial Statements	1-25		

As per our report of even date attached

For B R Maheswari & Co LLP
Chartered Accountants

Sanjay Nath
(Sanjay Nath)
Partner
Membership No. : 082700
Firm Reg. No.: 001035N/NS00050



Surinder P. Kanwar
Surinder P. Kanwar
Chairman
DTN: 00030524

Shalesh Kumar
Shalesh Kumar
Chief Financial Officer
DTN: B01PS4686F

VKP
VKP
Managing Director
DTN: 00132124

SK
SK
Chanchal Gupta
Company Secretary
DTN: 00024905

JS
JS
Director
DTN: 00024492

PCK
PCK
RCR

Place: New Delhi
Dated: 26/05/2017

Xlerate Driveline India Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

	For the year ended on	
	March 31, 2017	March 31, 2016
	(₹ In Lacs)	(₹ In Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit after tax and extraordinary items	(168.82)	(131.81)
Adjustments for:		
Deferred tax liability/(asset)	(2.51)	(2.63)
Depreciation expense	70.61	69.55
Loss by fire	-	57.00
Insurance claim	-	(57.00)
Profit on sale of assets	-	(0.03)
Finance costs	61.60	71.20
Interest income	(1.73)	(1.69)
Operating profit before working capital changes	(40.85)	4.59
Changes in working capital		
Adjustments for (increase)/decrease in operating assets:		
Inventories	(5.09)	(8.47)
Trade receivables	(99.62)	(137.72)
Long Term Loans and advances	(4.05)	(4.60)
Short term loans and advances	4.12	22.51
Other current assets	57.00	(57.62)
Adjustments for increase/(decrease) in operating liabilities:		
Trade & other payables	94.72	77.57
Other current liabilities	(75.80)	33.55
Short term provisions	(17.16)	35.68
Long term provisions	0.18	1.09
Cash generated from operations before Extraordinary items	(86.55)	(33.42)
Extraordinary items		
- Loss by fire	-	(57.00)
- Insurance claim	-	57.00
Net Cash flow from operating activities (A)	(86.55)	(33.42)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets including intangible assets, capital work in progress and capital advances	(32.73)	(31.85)
Interest income	1.73	1.69
Proceeds from sale of fixed assets	-	17.87
Investment in deposits	(1.56)	(0.90)
Net Cash from/ (used) in Investment activities (B)	(32.56)	(13.19)
C. CASH FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	-	425.00
Finance cost	(61.60)	(71.20)
Proceeds from Short term borrowings	175.90	(306.53)
Net Cash (used) / from financing activities (C)	114.30	47.27
Net Increase / (decrease) in cash and cash equivalents	(4.81)	0.67
Opening balance of Cash and cash equivalents	6.17	5.51
Closing balance of Cash and cash equivalents	1.37	6.17
Reconciliation of Cash and cash equivalents with the balance sheet		
Cash and Cash equivalents at the end of the year comprises		
- Cash on hand	0.50	1.01
- Balances with banks:		
(i) In current accounts	0.87	5.16
	1.37	6.17

As per our report of even date attached

For B. R. Maheshwari & Co LLP
Chartered Accountants

(Sanjay Nath)

Partner

Membership No.: 082700

Firm Reg. No.: 001035N/NS00050

Place: New Delhi

Dated: 26/05/2017

Surinder P. Kanwar

Chairman

BN: 00033524

Shafesh Kumar

Chief Financial Officer

BN: BOCPS486F

Sachit Kanwar

Managing Director

BN: 00132124

Charudatta

Charudatta Gupta

Company Secretary

BN: ADFPG-8139F

VKP

SK

JS

Directors

PCK

RGR

BN: 00076639

BN: 00024905

BN: 00024902

XLERATE DRIVELINE INDIA LIMITED

Notes Forming Part of the Financial Statements for the year ended 31st MARCH, 2017

Note 1: Significant Accounting Policies

Note 1.1 Basis of Accounting & Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and as amended by notification G.S.R 364(E) dated 30.03.2016 issued by Ministry of Corporate Affairs and the relevant provisions of the Companies Act, 2013 ("the Act"). The financial statements have been prepared on an accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

Note 1.2 Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and 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 recognised in the period in which results are known / materialised.

Note 1.3 Fixed Assets

Fixed assets (property, plant, equipments and Intangible assets) are stated at cost of acquisition or construction less accumulated depreciation. Cost is inclusive of duties, taxes (non-adjustable), any directly and indirectly attributed cost of bringing the assets to its working condition for its intended use, including depreciation on the machines used for manufacturing of assets. Financing cost on borrowings for acquisition or construction of qualifying asset, for the period upto the date of acquisition of fixed assets or when the assets are ready for its intended use / the date of commencement of commercial production, is included in the cost of fixed assets.

(A) Tangible Assets (Property, plant and equipments):

Depreciation on fixed assets has been provided on Straight Line Method (SLM) at the lives prescribed in part C of Schedule II of the Companies Act, 2013.

(B) Intangible Assets:

Intangible assets are amortised over a period of six years on the basis of technical report by experts.

Note 1.4 Inventories

Inventories are valued as follows:

a) Raw Material, Store & Spare Parts and Packing Material:

Valued at lower of cost and net realisable value (NRV). However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. Cost is determined on weighted average basis.

b) Work-in-progress:

Work-in- Progress valued at weighted moving average cost. The Cost includes Direct Materials, labour and a proportion of manufacturing overheads based on normal operating capacity.

c) Finished goods and stock-in-trade:

Valued at lower of cost and NRV. Finished goods cost includes cost of conversion and other cost incurred in bringing the inventories to their present location and condition. Cost of inventories is computed on weighted moving average basis.

d) Waste / Scrap is valued at NRV:

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

Note 1.5 Revenue Recognition

Sales are accounted on the basis of actual dispatches when significant risks and rewards of ownership are passed on to the customers. Sales are net of sales tax/value added tax/trade discounts.

Interest income is recognised on time proportion basis taking into account the amount outstanding and applicable interest rate.

Duty Drawback (Export Incentive) is recognised when the goods are handed over to Customs for exports.



XLERATE DRIVELINE INDIA LIMITED

Notes Forming Part of the Financial Statements for the year ended 31st MARCH, 2017

Note 1.6 Taxation

Tax expense for the year comprising current tax and deferred tax, is made on the basis of the results of the year. In Accordance with Accounting Standard 22 Accounting for Taxes on Income, issued by the Institute of Chartered Accountants of India, the deferred tax for timing differences between the book and the tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date.

Note 1.7 Earnings Per Share

Earnings per share is calculated by dividing net profit/(loss) for the year attributable to equity shareholders by weighted average number of equity shares outstanding as at the end of financial year.

Note 1.8 Excise Duty

Excise duty is accounted on the basis of both, payments made in respect of goods cleared and also provision made for goods lying in bonded warehouses.

Note 1.9 Foreign Currency Transaction

All incomes or expenditure in foreign currency, are recorded at the rates of exchange prevailing on the dates when the relevant transaction take place. All foreign currency monetary items outstanding at the year end are translated at year end exchange rates.

All other exchange differences are recognised as income or as expenses in the period in which they arise.

Note 1.10 Employee Benefits

(A) Defined Contribution Plan:

The Company's contributions to the provident fund are charged to the statement of profit & loss.

(B) Defined Benefit Plan / Long Term Compensated Absences:

The Company's liability towards gratuity (Unfunded), terminal ex-gratia (Unfunded) and compensated absences (Unfunded) is determined on the basis of the year end actuarial valuation done by an independent actuary. The actuarial gains and losses determined by actuary are recognised immediately in the statement of profit & loss as on income or expense.

Note 1.11 Impairment of Assets

The carrying amount of assets are reviewed at each balance sheet date, if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. A previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

Note 1.12 Lease Rentals

Leases where significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases and lease rentals thereon are charged to the Statement of Profit and Loss as per the lease agreement.

Note 1.13 Borrowing Costs

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that take substantial period of time to get ready for intended use or sale. All other borrowing costs are charged to revenue.

Note 1.14 Contingent Liabilities and Provisions

The company recognizes provision when there is a present obligation of the enterprise arising from the past events, the settlement of which is expected to result in an outflow from the enterprise of resources embodying economic benefits which can be measured only by using a substantial degree of estimation.

The company recognizes contingent liabilities for disclosure in notes to accounts (if any) if the following conditions are fulfilled:

- A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company; or
- A present obligation that arises from past events but is not recognized because:
 - It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - A reliable estimate of the amount of the obligation cannot be made.



XLERATE DRIVELINE INDIA LIMITED

Note 2 : Share Capital

	Particulars	As at 31.03.2017 ₹ (in Lacs)	As at 31.03.2016 ₹ (in Lacs)
1	AUTHORIZED CAPITAL		
	1,55,00,000 Equity shares of Rs. 10/- each	1,550.00	1,550.00
	1,50,000 Preference shares of Rs. 100/- each Non-Cumulative Redeemable	150.00	150.00
		1,700.00	1,700.00
2	ISSUED, SUBSCRIBED & PAID UP CAPITAL		
	1,48,77,038 Equity shares of Rs. 10/- each fully paid up	1,487.70	1,487.70
	1,25,000, 10% Non-cumulative redeemable preference shares of Rs. 100/- each fully paid up	125.00	125.00
	Total	1,612.70	1,612.70

Note 2.1 : As the opening and closing share capital are same so no reconciliation is required.

Note 2.2 : The details of Shareholders holding more than 5% shares for each class of shares

	Name of the Shareholder	As at 31.03.2017 As at (31.03.2016)	
		No. of Shares	% held
1	Equity Shares		
a	M/s. Raunaq EPC International Limited - Holding company (previously known as Raunaq International Limited)	1,48,77,038 (1,48,77,038)	100 (100)
2	10% Non-cumulative redeemable preference shares		
a	Gulab Merchandise Private Limited	70,000 (70,000)	56 (56)
b	Ultra Consultants Private Limited	55,000 (55,000)	44 (44)

Note 2.3 : Terms / Rights attached to Each Class of Shares

Particulars
Equity Shares The Company has only one class of Equity Shares having par value of Rs.10/- per share. Each holder of Equity Share is entitled to one vote per share.
10% Non-Cumulative Redeemable Preference Shares (NCRPS) The 10% NCRPS issued by the company shall be non-participating, carry a preferential right vis-a-vis the equity shares of the company, with respect to payment of dividend and repayment in case of a winding up or repayment of capital and shall be redeemable in tranches over a period of 20 years.

Note 2.4 : Aggregate no. of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

Particulars
The Company has issued 78,50,549 fully paid up equity shares during the Financial Year 2012-13, 12,26,419 fully paid up equity shares during the Financial Year 2013-14 of Rs 10 each for a consideration other than cash.

Note 3 : Reserves & Surplus

Particulars	As at 31.03.2017 ₹ (in Lacs)	As at 31.03.2016 ₹ (in Lacs)
Surplus in statement of profit & loss		
Opening Balance	(705.85)	(574.04)
Add: Profit / (Loss) for the period	(168.82)	(131.81)
Closing Balance	(874.67)	(705.85)
Total	(874.67)	(705.85)



XLERATE DRIVELINE INDIA LIMITED

Note 4 : Long Term Provisions

	Particulars	As at 31.03.2017 ₹ (in Lacs)	As at 31.03.2016 ₹ (in Lacs)
	Provision for employee benefits -Gratuity	3.28	3.10
	Total	3.28	3.10

Note 5 : Deferred Tax Liabilities (Net)

	Particulars	As at 31.03.2017 ₹ (in Lacs)	As at 31.03.2016 ₹ (in Lacs)
	Components of Deferred Tax Balances		
	Tax effect of items constituting deferred tax liability		
	On difference between book balance & tax balance of fixed assets		
	Opening Balance	45.47	48.29
	Add: Addition during the year	-	-
	Less: Deduction during the year	45.47	48.29
	Closing Balance	2.44	2.81
		43.03	45.48
	Tax effect of items constituting deferred tax assets		
	Disallowances under section 43B of the Income Tax Act 1961		
	Opening Balance	1.94	2.12
	Add: Addition during the year	0.06	-
	Less: Deduction during the year	2.00	2.12
	Closing Balance	-	0.18
		2.00	1.94
	Total	41.03	43.54

Note 6 : Short Term Borrowings

	Particulars	As at 31.03.2017 ₹ (in Lacs)	As at 31.03.2016 ₹ (in Lacs)
	Loan repayable on demand		
	- CC limit from OBC Bank [refer footnote (i)]	280.04	236.87
	- NSIC RMA account [refer footnote (ii)]	76.01	73.29
	Unsecured Loan from Related Party		
	- Loan from director	50.00	50.00
	- Companies under joint control [refer footnote (iii)]	110.00	-
	Unsecured Loan from others	20.00	-
	Total	536.05	360.16
	Footnote:		
	(i) Secured by first charge by way of hypothecation of stocks of raw materials, stock-in-process, finished goods, stores & spares and Book-Debts/receivables and advance to suppliers.		
	(ii) Secured against bank guarantee issued by Oriental Bank of Commerce		
	(iii) From Company in which KMP / Relatives of KMP can exercise significant influence		



XLERATE DRIVELINE INDIA LIMITED

Note 7 : Trade Payables

	Particulars	As at 31.03.2017 ₹ (in Lacs)	As at 31.03.2016 ₹ (in Lacs)
	Trade Payable		
	- Payable to Micro, Small & Medium Enterprises*		
	- Others	443.58	348.87
	Total	443.58	348.87

* The Company has a system of obtaining the confirmations from its supplies/service providers to identify Micro Enterprises or Small Enterprises under the "The Micro, Small and Medium Enterprises Development Act, 2006." Based on the information so far available with Company, there are no outstanding dues to such enterprises.

Note 8 : Other Current Liabilities

	Particulars	As at 31.03.2017 ₹ (in Lacs)	As at 31.03.2016 ₹ (in Lacs)
	Other Payables		
	- Statutory dues	11.12	6.54
	- Payables on purchase of fixed assets & CWIP	2.94	4.67
	- Customers credit balances	5.78	7.10
	- Security deposit from customers	25.26	25.26
	- Other payables	105.58	182.91
	Total	150.68	226.48

Note 9 : Short-Term Provisions

	Particulars	As at 31.03.2017 ₹ (in Lacs)	As at 31.03.2016 ₹ (in Lacs)
	- Provision for employee benefits	6.76	6.90
	- Provision for excise duty on finished goods	5.40	10.89
	- Provision for turnover discounts	57.95	65.59
	- Other provisions	48.02	51.91
	Total	118.13	135.29



Xlerate Driveline India Limited

10. Fixed Assets

₹ (in Lacs)											
Sr. No	Particulars	Gross Block				Depreciation				Net Block	
		As at 01.04.2016	Additions during the year	Deduction during the year	As at 31.03.2017	As at 01.04.2016	Additions during the year	Deductions during the year	As at 31.03.2017	As at 31.03.2017	As at 31.03.2016
10a	Tangible Assets (Property, plant and equipment)										
1	Land	534.34	-	-	534.34	-	-	-	-	534.34	534.34
2	Plant & machinery	426.47	14.42	-	440.89	74.72	27.97	-	102.69	338.20	351.75
3	Tools and dies	149.61	35.19	-	184.80	52.64	30.47	-	83.11	101.69	96.97
4	Electric installation	19.20	-	-	19.20	4.41	1.92	-	6.33	12.87	14.79
5	Air conditioner	3.59	-	-	3.59	1.65	0.82	-	2.47	1.12	1.94
6	Furnitures & fixtures	59.51	2.10	-	61.61	13.08	5.84	-	18.92	42.69	46.42
7	Computer	12.67	0.55	-	13.22	8.15	1.74	-	9.89	3.33	4.52
8	Office equipment	1.20	-	-	1.20	0.32	0.23	-	0.55	0.65	0.89
	Sub Total - Tangible assets	1,206.59	52.26	-	1,258.85	154.97	68.99	-	223.96	1,034.89	1,051.62
10b	Intangible Assets										
	Softwares	10.34	-	-	10.34	3.66	1.63	-	5.29	5.05	6.68
	Sub Total - Intangible assets	10.34	-	-	10.34	3.66	1.63	-	5.29	5.05	6.68
	Total [a + b] (Current Year)	1,216.93	52.26	-	1,269.19	158.63	70.62	-	229.25	1,039.94	1,058.30
10c	Total (Current Year)	1,216.93	52.26	-	1,269.19	158.63	70.62	-	229.25	1,039.94	1,058.30
	(Previous Year)	1,207.10	30.79	20.95	1,216.94	92.18	68.84	3.11	158.64	1,058.30	1,114.92
10d	Capital work-in-progress										
	Tool room									1.06	20.59
	Sub Total - Capital work-In-progress									1.06	20.59
	Grand Total (c + d)									1,041.00	1,078.89

XLERATE DRIVELINE INDIA LIMITED

Note 11 : Long Term Loans and Advances

	Particulars	As at 31.03.2017 ₹ (in Lacs)	As at 31.03.2016 ₹ (in Lacs)
	- Security deposits	16.80	10.75
	- Capital advances	-	2.00
	Total	16.80	12.75

Note 12 : Inventories

	Particulars	As at 31.03.2017 ₹ (in Lacs)	As at 31.03.2016 ₹ (in Lacs)
	- Raw material & components	138.21	81.59
	- Work-in-progress	50.94	64.45
	- Finished goods	40.22	80.43
	- Stores consumables	8.52	6.32
	Total	237.89	232.79

Note 13 : Trade Receivables

	Particulars	As at 31.03.2017 ₹ (in Lacs)	As at 31.03.2016 ₹ (in Lacs)
	Unsecured, Considered Good :		
	- Outstanding for less than six months	657.33	571.74
	- Others	21.34	7.31
	Total	678.67	579.05

Note 14 : Cash & Cash Equivalents

	Particulars	As at 31.03.2017 ₹ (in Lacs)	As at 31.03.2016 ₹ (in Lacs)
1	Cash-in-Hand		
	- Cash balance	0.50	1.01
	Sub Total (A)	0.50	1.01
2	Balances with Banks		
	-In current accounts	0.86	5.17
3	Other bank balance		
	-In deposit accounts*	23.36	21.80
	Sub Total (B)	24.22	26.97
	Total [A + B]	24.72	27.98
	* Fixed deposit of Rs. 23.36 Lacs (Previous Year Rs. 21.80 Lacs) pledged as margin money with bank.		

The details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 as provided in the Table below:-

	Particulars	SBNs ₹	Other Denomination ₹	Total ₹
	Closing Cash in hand as on 08.11.2016	21,000	1,272	22,272
	(+) Permitted receipts	-	50,000	50,000
	(-) Permitted payments	-	43,322	43,322
	(-) Amount deposited in Banks	21,000	-	21,000
	Closing Cash in hand as on 30.12.2016	-	7,950	7,950



Note 15 : Short Term Loans and Advances

	Particulars	As at 31.03.2017 ₹ (In Lacs)	As at 31.03.2016 ₹ (In Lacs)
	- Supplier advances (Unsecured, considered good)	14.65	2.47
	- Other advances (Unsecured, considered good)	1.34	1.84
	- Prepaid expenses (Unsecured, considered good)	1.57	1.53
	- Balances with government authorities (Unsecured Considered good)		-
	(i) CENVAT credit receivable	2.74	11.51
	(ii) Service tax credit receivable	6.99	5.86
	(iii) VAT input credit receivable	-	9.75
	(iv) Duty drawback receivable	3.33	2.06
	(v) Export Incentive receivable	0.28	-
	- Advance income tax / TDS	0.17	0.17
	Total	31.07	35.19

Note 16 : Other Current Assets

	Particulars	As at 31.03.2017 ₹ (In Lacs)	As at 31.03.2016 ₹ (In Lacs)
	- Interest accrued on fixed deposits with banks	0.63	0.64
	- Insurance claim receivable	-	57.00
	Total	0.63	57.64



Xlerate Driveline India Limited

Note 17 : Revenue from Operations

Particulars	For the Year Ended 31st Mar, 2017 ₹ (in Lacs)	For the Year Ended 31st March, 2016 ₹ (in Lacs)
- Sale of products	2,629.35	2,542.24
- Other Operating revenues (Sale of Scrap)	34.16	29.01
	2,663.51	2,571.25
- Less:		
- Excise duty	347.65	334.84
Total	2,315.86	2,236.41

Note 18 : Other Income

Particulars	For the Year Ended 31st Mar, 2017 ₹ (in Lacs)	For the Year Ended 31st March, 2016 ₹ (in Lacs)
- Interest income on fixed deposits	1.73	1.68
- Interest received others	0.01	0.01
- Discount received	-	0.09
- Foreign exchange fluctuation gain	0.85	0.10
- Export incentives	5.90	1.50
- Profit on sale of assets	-	0.03
- Insurance claim	0.61	-
Total	9.10	3.41

Note 19a : Cost of Material Consumed

Particulars	For the Year Ended 31st Mar, 2017 ₹ (in Lacs)	For the Year Ended 31st March, 2016 ₹ (in Lacs)
1 RAW MATERIAL CONSUMPTIONS		
Opening Stock	81.59	77.25
ADD:- Purchases	1,461.68	1,447.64
	1,543.27	1,524.89
LESS:- Closing stock	138.21	81.59
Sub Total (a)	1,405.06	1,443.30
2 DIRECT PRODUCTION EXPENSES		
Consumption of packing material	83.14	91.91
Job work expenses	87.41	80.64
Sub Total (b)	170.55	172.55
Total (a+b)	1,575.61	1,615.85

Note 19b : Changes in Inventories of finished Goods & work-in-progress

Particulars	For the Year Ended 31st Mar, 2017 ₹ (in Lacs)	For the Year Ended 31st March, 2016 ₹ (in Lacs)
1 Inventories (at the end of the year)		
Finished goods	40.23	80.44
Work-in-progress	50.94	64.45
	91.17	144.89
2 Inventories (at the beginning of the year)		
Finished goods	80.44	97.61
Work-in-progress	64.45	46.38
	144.89	143.99
Total	53.72	[0.90]



Xlerate Driveline India Limited

Note 20 : Employee Benefits Expense

	Particulars	For the Year Ended 31st Mar, 2017 ₹ (in Lacs)	For the Year Ended 31st March, 2016 ₹ (in Lacs)
1	Salary & wages	181.82	168.14
2	Contribution to provident & other funds	5.76	5.80
3	Staff welfare expenses	7.39	5.70
	Total	194.97	179.64

Note 21 : Finance Costs

	Particulars	For the Year Ended 31st Mar, 2017 ₹ (in Lacs)	For the Year Ended 31st March, 2016 ₹ (in Lacs)
1	Interest expenses on (i) Borrowings	61.60	71.20
2	Other borrowing costs (Bank & other financing charges)	6.61	5.47
	Total	68.21	76.67

Note 22 : Other Expenses

	Particulars	For the Year Ended 31st Mar, 2017 ₹ (in Lacs)	For the Year Ended 31st March, 2016 ₹ (in Lacs)
1	Other production consumables	14.48	6.00
2	Power, fuel & electricity expenses	30.26	23.47
3	Freight & other charges	101.43	72.95
4	Repair & maintenance expenses	26.73	26.56
5	Professional charges	17.79	19.81
6	Printing & stationery	3.68	5.44
7	Postage, telegram, telephone & telefax expenses	0.78	0.82
8	Insurance expenses	2.81	2.21
9	Advertisement, marketing, selling & distribution expenses	189.31	166.15
10	Rent expenses	44.99	26.72
11	Car hire expenses	3.97	3.80
12	Security service charge	8.47	7.02
13	Travelling, conveyance, boarding & lodging expenses	6.41	5.63
15	Rates & taxes	1.76	0.07
17	Warranty claim expenses	59.83	50.21
18	Miscellaneous expenses	18.87	15.82
19	Payment to auditors (refer footnote (i) below)	1.59	1.48
	Total	533.16	434.16

Footnote (i)

	Particulars	For the Year Ended 31st Mar, 2017 ₹ (in Lacs)	For the Year Ended 31st March, 2016 ₹ (in Lacs)
	Payment to Auditors		
	- For statutory audit	0.60	0.60
	- For tax audit	0.20	0.20
	- For limited review	0.60	0.60
	- For re-imbursement of expenses	0.19	0.08
	Total	1.59	1.48



XLERATE DRIVELINE INDIA LIMITED

Note 23 : Additional Information to the Financial Statements

Note 23.1 : Earnings in foreign exchange

	Particulars	For the Year Ended 31st March, 2017 ₹ (in Lacs)	For the Year Ended 31st March, 2016 ₹ (in Lacs)
	- Export of goods calculated on FOB basis	104.04	113.96
	- Foreign exchange fluctuation gain	0.85	0.11

Note 23.2 : Value of Imports calculated on CIF basis

	Particulars	For the Year Ended 31st March, 2017 ₹ (in Lacs)	For the Year Ended 31st March, 2016 ₹ (in Lacs)
	- Raw material	145.18	59.81

Note 23.3 : Imported and Indigenous Raw Material, components and spare parts consumed

	Particulars	For the Year Ended 31st March, 2017 (31st March, 2016)	
		(in Lacs)	%
	Raw Material		
	- Imported	127.02 (77.54)	9.04 (5.37)
	- Indigenous	1,278.04 (1,365.76)	90.96 (94.63)
	Other Consumables		
	- Indigenous	83.14 (91.91)	100.00 (100.00)

Note 23.4 : Lease Rental

In accordance with the Accounting Standard on 'Leases' (AS 19), notified by the Companies (Accounting Standards) Rules, 2006, the following disclosures in respect of operating lease are made :
The Company has acquired properties under cancellable operating lease agreements for a period of 20 years. Details of total minimum lease payments for the current year (included under Rent) & the future minimum lease payments in respect of properties taken under cancellable operating lease agreements are as follows:

	Particulars	For the Year Ended 31st March, 2017 ₹ (in Lacs)	For the Year Ended 31st March, 2016 ₹ (in Lacs)
	Minimum lease payments recognised in the statement of profit and loss for the year	44.99	26.72
	<u>Future minimum lease payments:</u>		
	- Not later than one year	46.51	28.29
	- Later than one year but not later than 5 years	216.90	124.23
	- More than 5 years	943.01	516.32

Note 23.5 : Capitalization of Expenditure

During the year the Company has capitalized the following expenses of revenue nature to the cost of fixed assets. Consequently, expenses disclosed under the respective notes are net of amount capitalized by the company.

	Particulars	For the Year Ended 31st March, 2017 ₹ (in Lacs)	For the Year Ended 31st March, 2016 ₹ (in Lacs)
	Salary, wages & contribution to funds	5.14	3.75
	Power & fuel	1.06	0.87
	Rent & car hire expenses	-	0.13
	Repair & maintenance	-	1.55
	Insurance	-	0.21
	Depreciation	-	0.71
	Consumables	1.97	1.43
	Job-work & processing charges	1.97	1.22
	Cost of material	20.21	6.80

XLERATE DRIVELINE INDIA LIMITED

Note 24 : Disclosure under Accounting Standards

Note 24.1: Employee Benefits:

Defined Contribution Plan:

The Company's contributions to the provident fund are charged to the profit and loss statement.

Defined Benefit Plan / Long Term Compensated Absences:

The Company's liability towards Gratuity (Unfunded) and compensated absences is determined on the basis of the year end actuarial valuation done by an independent actuary. The actuarial gains and losses determined by the actuary are recognized immediately in the profit and loss statement as an income or expense.

Details of employees benefits as required by the Accounting Standards-15 "Employee Benefits" are as follows: -

Note 24.1a: Defined Contribution Plans:

During the year, the company has recognised the following amounts in the profit & loss statement:

	Particulars	as at 31.03.2017 ₹ (in Lacs)	as at 31.03.2016 ₹ (in Lacs)
	- Contribution to provident fund & family pension fund	5.00	5.14

Note 24.1b: Defined Benefit Plans:

Gratuity (Un-Funded)

The Company has an obligation towards gratuity, an un-funded defined benefits retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of the employment, of an amount calculated in accordance with the provisions of the payment of Gratuity Act, 1972.

	Particulars	Gratuity Un-Funded	
		as at 31.03.2017 ₹ (in Lacs)	as at 31.03.2016 ₹ (in Lacs)
	Expense recognised in the Statement of Profit & Loss		
	Current service cost	1.09	1.15
	Interest cost	0.23	0.16
	Expected return on plan assets	-	-
	Past service cost	-	-
	Actuarial losses/(gains)	(1.15)	(0.21)
	Total expenses recognised in the Statement of Profit & Loss	0.18	1.09

	Particulars	2016-17 ₹ (in Lacs)	2015-16 ₹ (in Lacs)
	Net asset/(liability) recognised in the Balance Sheet		
	Present value of defined benefits obligation	3.28	3.10
	Fair value of plan assets		
	Funded status [Surplus/(Deficit)]	(3.28)	(3.10)
	(Net asset) / Liability recognised in the Balance Sheet	3.28	3.10

	Particulars	2016-17 ₹ (in Lacs)	2015-16 ₹ (in Lacs)
	Change in Defined Benefit Obligation during the year		
	Present value of defined benefit obligation as at the beginning of the year	3.10	2.01
	Current service cost	1.09	1.15
	Interest cost	0.23	0.16
	Actuarial Losses /(Gains)	(1.15)	(0.21)
	Benefits paid	-	-
	Present value of defined benefits obligation as at the end of the year	3.28	3.10



XLERATE DRIVELINE INDIA LIMITED

	Particulars	Gratuity Un-Funded	
		2016-17	2015-16
	<u>Actuarial Assumptions</u>		
1	Economic		
	Discount rate	7.50%	8.00%
	Salary escalation rate	5.00%	5.00%
2	Demographic		
	Withdrawal rate (Per Annum)	2.00%	2.00%
	Retirement age	58 Years	58 Years
	Mortality table	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate

Note 24.1c: Earned Leave & Compensated Absences

	Particulars	Earned Leave & Compensated Absences	
		as at 31.03.2017 ₹ (in Lacs)	as at 31.03.2016 ₹ (in Lacs)
	Expense recognised in the Statement of Profit & Loss		
	Current service cost	1.19	1.32
	Interest cost	0.24	0.24
	Expected return on plan assets	-	-
	Past service cost	-	-
	Actuarial Losses/(Gains)	0.90	2.24
	Total expenses recognised in the Statement of Profit & Loss	2.33	3.80

	Particulars	2016-17 ₹ (in Lacs)	2015-16 ₹ (in Lacs)
	Net asset/(liability) recognised in the Balance Sheet		
	Present value of defined benefits obligation	3.22	3.17
	Fair value of plan assets	-	-
	Funded status (Surplus/(Deficit))	(3.22)	(3.17)
	(Net asset) / Liability recognised in the Balance Sheet	3.22	3.17

	Particulars	2016-17 ₹ (in Lacs)	2015-16 ₹ (in Lacs)
	Change in Defined Benefit Obligation during the year		
	Present value of defined benefit obligation, as at the beginning of the year	3.17	2.94
	Current service cost	1.19	1.32
	Interest cost	0.24	0.24
	Actuarial Losses / (Gains)	0.90	2.24
	Benefits paid	(2.28)	(3.58)
	Present value of defined benefits obligation as at the end of the year	3.22	3.17

	Particulars	Earned Leave & Compensated Absences	
		2016-17	2015-16
	<u>Actuarial Assumptions</u>		
1	Economic		
	Discount rate	7.50%	8.00%
	Salary escalation rate	5.00%	5.00%
2	Demographic		
	Withdrawal rate (Per Annum)	2.00%	2.00%
	Retirement Age	58 Years	58 Years
	Mortality Table	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate



XLERATE DRIVE LINE INDIA LIMITED

Note 24.2 : Segment Reporting

Particulars
Based on the guiding principles given in Accounting Standard on "Segment Reporting" (AS-17) issued by the Institute of Chartered Accountants of India, this Accounting Standard is not Applicable to the Company.

Note 24.3 : Related Party Transactions

	Particulars	
24.3a	Related Parties Disclosure in accordance with Accounting Standard (AS) 18 of the Institute of Chartered Accountants of India:	
	Name of Related Party	Relationship
(i)	Sh. Surinder P. Kanwar (SPK)	Key Management Personnel (KMP)
(ii)	Sh. Sachit Kanwar (SK)	
(iii)	Sh. Prabhat Chand Kothari (PCK)	
(iv)	Sh. Jagdeep Singh (JS)	

Particulars		
24.3b	Name of Related Party	Relationship
(i)	Raunaq EPC International Limited (REIL)	Holding Company
(ii)	Bharat Gears Limited (BGL)	Enterprises having significant influence
(iii)	Vibrant Finance & Investment Pvt. Ltd. (VFIPL)	
(iv)	Gulab Merchandise Pvt. Ltd. (GMPL)	
(v)	Future Consultants Pvt. Ltd. (FCPL)	
(vi)	Ultra Consultants Pvt. Ltd. (UCPL)	
(vii)	Clip-lok Simpak (India) Pvt. Ltd. (CSIPL)	
Note: Related parties are as identified by the Company.		

Particulars	2016-17 ₹ (in Lacs)	2015-16 ₹ (in Lacs)
24.3c Details of related party transaction during the year:		
(i) Interest on Loan (GMPL)	-	3.32
(ii) Repayment of Unsecured Loan (GMPL)	-	70.00
(iii) Interest on Loan (UCPL)	-	2.61
(iv) Repayment of Unsecured Loan (UCPL)	1.08	55.00
(v) Interest on Loan (SPK)	-	6.00
(vi) Unsecured Loan (REIL)	6.90	50.00
(vii) Interest on Loan (REIL)	-	9.28
(viii) Repayment of Unsecured Loan (REIL)	-	200.00
(ix) Personal Guarantee of (SPK and SK) offered to Oriental bank of commerce for Credit Limit availed	405.00	405.00
(x) Reimbursement of expenses to (REIL)	0.37	0.58
(xi) Corporate Guarantee of (REIL) offered for credit limits availed by company to Oriental Bank of Commerce	405.00	405.00
(xii) Issue of Share Capital (REIL)	-	300.00
(xiii) Issue of Preference Share Capital (GMPL)	-	70.00
(xiv) Issue of Preference Share Capital (UCPL)	-	55.00
(xv) Marketing Services Fee (BGL)	-	121.53
(xvi) Unsecured Loan (CSIPL)	131.37	-
(xvii) Interest on Loan (CSIPL)	50.00	-
(xviii) Unsecured Loan (VFIPL)	2.52	-
(xix) Interest on Loan (VFIPL)	45.00	-
(xx) Unsecured Loan (UCPL)	2.45	-
	15.00	-
24.3d Balance outstanding as at the end of the year in respect of the transactions entered into during the Year with the related parties.		
Particulars	as at 31.03.2017 ₹ (in Lacs)	as at 31.03.2016 ₹ (in Lacs)
Amounts payable to:		
- Mr. SPK	-	-
- M/s. Ultra Consultants Pvt. Ltd.	50.00	50.00
- M/s. Bharat Gears Ltd.	15.00	-
- M/s. Clip-Lok Simpak (India) Pvt. Ltd.	42.31	28.97
- M/s. Vibrant Finance & Investment Pvt. Ltd.	50.00	-
	45.00	-

XLERATE DRIVELINE INDIA LIMITED

	Particulars
24.3e	No amounts have been written off/provided for or written back during the year in respect of amount receivable from or payable to the related parties.

Note 24.4 : Earnings Per Share

	Particulars	For the Year Ended 31st March, 2017	For the Year Ended 31st March, 2016
(a)	<u>Basic and Diluted</u> Net Profit / (Loss) for the year attributable to the equity Shareholders (₹ In Lacs)	(168.82)	(131.81)
(b)	Weighted average number of equity shares (Nos.)		
	- Number of Equity Shares at the beginning of the year	1,48,77,038	1,18,77,038
	- Number of Equity Shares allotted during the year	-	30,00,000
	- Weighted average of Equity Shares allotted during the year	1,48,77,038	1,32,84,161
	- Weighted average for:		
	(i) Basic Earnings Per Share	1,48,77,038	1,32,84,161
	(ii) Diluted Earnings Per Share	1,48,77,038	1,32,84,161
(c)	Par value per share (In ₹)	10	10
(d)	Earnings Per Share (In ₹)		
	(i) Basic Earnings Per Share	(1.13)	(0.99)
	(ii) Diluted Earnings Per Share	(1.13)	(0.99)

Note 25 : Previous Year's Figures

	Particulars
	Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date attached

For B. R. Maheswari & Co LLP
Chartered Accountants

(Sanjay Nath)
Partner
Membership No. : 082700
Firm Reg. No.: 001035N/N500050

Place: New Delhi
Dated: 26/05/2017

Surinder P. Kanwar

Chairman

DIN: 00033534

Sharesh Kumar

Chief Financial Officer

DIN: 00096418F

Sachit Kanwar

Managing Director

DIN: 02130194

Chandhal Gupta

Company Secretary

DIN: 000968658F

Directors

VKP

SK

JS

PCK

RCR

DIN: 00076629

DIN: 00024905

DIN: 00024492