XLERATE DRIVELINE INDIA LIMITED

Annual Report 2017-18

XLERATE DRIVELINE

NOTICE

TO THE MEMBERS OF THE COMPANY

NOTICE is hereby given that the **23rd Annual General Meeting** of the Members of Xlerate Driveline India Limited will be held as under:

Day	:	Thursday
Date	:	02 August, 2018
Time	:	09:30 A.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, 2018 together with Reports of the Board and Auditors thereon.
2. To consider re-appointment of Mr. Surinder Paul Kanwar, who retires by rotation and is eligible for re-appointment.

By Order of the Board

Sukriti Manna
Company Secretary

Place: Faridabad
Dated: July 05, 2018

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.

By Order of the Board

Sukriti Manna
Company Secretary

Place: Faridabad
Dated: July 05, 2018

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. SURINDER PAUL KANWAR

Mr. Surinder Paul Kanwar, aged 65 years has been affiliated with the Company as a member of the Board of Directors since 25th October, 1995 and is presently designated as Chairman and Director of the Company. He is a Commerce Graduate from University of Delhi. He has a vast experience of 43 years.

During the financial year 2017-18, 4(Four) meetings of the Board of Directors had been held and all the meetings were attended by Mr. Surinder Paul Kanwar. He is father of Mr. Sachit Kanwar, Managing Director of the Company.

Mr. Surinder Paul Kanwar is a Member of Nomination and Remuneration Committee of the Company.

Mr. Surinder Paul Kanwar 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
1.	Bharat Gears Limited	Chairman - Corporate Social Responsibility Member - Nomination and Remuneration Committee Member - Finance Committee
2.	RaunaqEPC International Limited	Chairman - Corporate Social Responsibility Committee Member- Nomination and Remuneration Committee Member- Stakeholder's Relationship Committee Member-Finance Committee Member- Share Issue Committee

Mr. Surinder Paul Kanwar holds Directorship in the following Private Limited Companies:

S. No.	Name of the Company/Entity in which interested
1.	Ultra Consultants Private Limited
2.	Future Consultants Private Limited
3.	Vibrant Finance and Investment Private Limited
4.	CliplokSimpak (India) Private Limited

As on 31 March, 2018, he holds 1(One) Equity Share of the Company as a nominee of "Raunaq EPC International Limited", Holding Company.

XLERATE DRIVELINE

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

The Directors have pleasure in presenting the 23rd Annual Report together with the Audited Financial Statements of your Company for the financial year ended on 31 March, 2018.

FINANCIAL RESULTS:

(₹ In Lacs)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Revenue from Operations and other income	**3345.79**	2672.61
Profit before Finance Cost and Depreciation	**108.29**	(33.64)
Finance Cost	**75.68**	68.22
Depreciation	**74.02**	70.62
Profit Before Tax	**(41.41)**	(172.48)
Less: Tax Expense	**8.03**	(34.78)
Profit for the year	**(49.44)**	(137.70)
Other Comprehensive Income		
Items that will not be reclassified to Profit and Loss (net of tax)	**(0.23)**	0.80
Total Comprehensive Income for the year	**(49.67)**	(136.90)

(₹/Lacs)

Surplus in Statement of Profit and Loss	Year ended 31 March, 2018	Year ended 31 March, 2017
Opening balance	**(603.47)**	(466.57)
Add: Profit for the year	**(49.65)**	(136.90)
Less:		
Dividend paid- Equity		0.00
Tax on distributed profits		0.00
Transferred to General Reserve		-
Closing Balance	**(653.12)**	(603.47)

DIVIDEND:

In view of the financial performance of your Company, your Directors have not recommended any dividend for the financial year 2017-18.

PERFORMANCE OVERVIEW:

In 2017-18, XDIL's revenues have achieved a significant increase of 25.17% from Rs. 26.73 cr. in FY 2016-17 to Rs. 33.46 cr. in FY 2017-18. The major reasons for the increase in sales is due to rise in the revenue share in the OEM/OES segment which has provided strength to the working capital needs of the Company and further post demonetization and settling of GST demand has been steady in the aftermarket business too. XDIL in the current FY has achieved cash profits of Rs. 32.61 lacs and lower its losses to Rs.49.67 lacs from Rs. 1.37 cr. in the last FY 2016-17. With the business volume is picking up pace now will result in reduction of the overhead costs per unit production.

During the year, the Company has increased its growth momentum with the OEM (Original Equipment Manufacturer) and OES (Original Equipment Supplier) of commercial clutches which are major commercial segment players. This had provided the Company the much needed volume growth, steady business inflow and better cash flows which in turn had reduced the per unit overhead costs and breakeven.

OUTLOOK:

The Company focuses on leveraging existing OEM credentials to expand its OEM business portfolio necessary for scaling operations and effectively sweating production lines that are currently running at one-third capacities. Further, it 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:

The Company has adopted "IND AS" w.e.f. 01 April, 2017. Accordingly, the Financial Statements for the financial year ended 31 March, 2018 have been prepared in accordance with IND AS. Explanations capturing areas of differences and reconciliations from Indian GAAP to IND AS have been provided in the notes forming part of the financial statements.

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, 2018 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 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 Companies Act, 2013 and the Articles of Association (AOA) of your Company, Mr. Surinder Paul Kanwar, Director retire by rotation at the ensuing Annual General Meeting.

Mr. Surinder Paul Kanwar, 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. Surinder Paul Kanwar as Non Executive Director at the ensuing Annual General Meeting (AGM) of the Company, liable to retire by rotation.

During the financial year 2017-18, the members of the Company at their Annual General Meeting held on 08 August, 2017 approved:

- Re-appointment of Mr. P.C Kothari 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 2017-18, 4 (Four) Board Meetings were held on the following dates:-

- 26 May, 2017;
- 08 August, 2017;
- 06 November, 2017; and
- 01 February, 2018

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 25th May, 2018 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 Independent 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, 2018 has carried out the evaluation of its own performance 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 reflect 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. Sachin Kumar Mittal	Chief Financial Officer
3.	Ms. Sukriti Manna	Company Secretary

During the period under review, Mr. Shalesh Kumar has resigned from the post of Chief Financial Officer of the Company w.e.f. 20th September, 2017 and Mr. Sachin Kumar Mittal, Manager – F & A and (CFO) of Raunaq EPC International Limited, Holding Company has been designated as Manager – F & A and (CFO) of the Company w.e.f 01st February, 2018.

Further, Ms. Chanchal Gupta has resigned from the post of Company Secretary of the Company w.e.f. 24th April, 2018 and Ms. Sukriti Manna has been appointed as the Company Secretary of the Company w.e.f. 25th May 2018.

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 and 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 Gupta & Dua, Chartered Accountants (ICAI Registration No. 003849N) had been appointed as Statutory Auditors of the Company in the 22nd Annual General Meeting held on 08th August, 2017 for a period of 5 (five) years in terms of provisions of Section 139 of the Companies Act, 2013 to hold office from the conclusion of 22nd AGM in the calender year 2017 till the conclusion of 27th Annual General Meeting in the year 2022.

REPORT ON FINANCIAL STATEMENTS:

The report of M/s Gupta & Dua (ICAI Registration No. 003849N), Chartered Accountants, the Statutory Auditors of the Company on the financial statements of the Company for the year ended 31st March, 2018 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, 2018, 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

Place: New Delhi
Dated: 25.05.2018

Surinder Paul Kanwar
Chairman and Director
DIN: 00033524

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 01 April, 2017	Transaction value not exceeding ₹ 1.00 Crore	NA	-

For and on behalf of the Board of Directors

Place: New Delhi
Dated: 25.05.2018

Surinder Paul 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 01 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 mean 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, not more than one level below the Directors who is in whole-time employment, designated as Key Managerial Personnel (KMP) by the Board; and
(vi) Such other officer as may be prescribed.

• **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

• <u>Appointment criteria and qualifications</u>:

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 Paul Kanwar
Chairman and Director

XLERATE DRIVELINE

Annexure-"C"

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, 2018

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, 2018.								
1.	Alok Sood	48	B.E.	Process Head	10.03.2014	26	31.99	Clutch Auto Ltd.	0.00
2.	Narinder Kumar	44	DME & ITI	Sr. Manager	12.02.2013	25	12.76	Sabharwal Auto	0.00
3.	Ravinder Singh Panwar	28	DME	Section Leader	22.08.2016	07	7.89	Makino Auto Industries Ltd.	0.00
4.	Vipin Mandyal	33	B.Tech	Section Leader	18.04.2016	11	5.93	Borgwarner Emission (USA based)	0.00
5.	Amandeep Singh	35	B.E.	Section Leader	23.02.2015	10	4.63	Argentum Auto Pvt Ltd	0.00
6.	Vipin Dua	43	MBA & B.Com	Leader	10.12.2012	10	4.63	Subros Ltd.	0.00
7	Pramod Kumar sharma	30	B.E.	Leader	21.01.2013	08	3.60	Venus Industrial Corporation Pvt Ltd.	0.00
8.	Chanchal Gupta	28	CS & B.Com(H)	Company Secretary	03.06.2015	03	3.52	-	0.00
9.	Suresh Chand	45	ITI	Leader	12.12.2012	21	3.34	Kangaro India Pvt Ltd.	0.00
10.	Rakesh Sharma	34	BA	Member	17.09.2013	09	3.07	Ecocat India Ltd.	0.00

B. Employed throughout the year ended 31 March, 2018 & 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, 2018 & 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 Paul Kanwar
Chairman and Director
DIN: 00033524

Place: New Delhi
Dated: 25.05.2018

Annexure-"D"

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, 2018

A. Conservation of energy:

(i) Steps taken or impact on conservation of energy:-

- Following steps were taken for Energy saving:

  - LED Light of 70 Watt replaced by 400 Watt flood light.
  - Double reflactor light (80 Watts) on machines replaced with 40 Watt Led Lights.

(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.

(iii) 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	2017-2018	2016-2017
	Foreign Exchange Earned	**115.65**	104.04
	Foreign Exchange used	**145.12**	145.18
	Net Foreign Exchange earnings	**(29.47)**	(41.14)

For and on behalf of the Board of Directors

Place: New Delhi
Dated: 25.05.2018

Surinder Paul Kanwar
Chairman and Director
DIN: 00033524

Annexure-"E"

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2018

[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 Paul Kanwar	1*	0.00	01/04/2017				
					-	No change in shareholding		
				31/03/2018			1*	0.00
2	Mr. Sachit Kanwar	1*	0.00	01/04/2017				
					-	No change in shareholding		
				31/03/2018			1*	0.00

3	Dr. Sanjeev Kumar	0	0.00	01/04/2017				
					-	Nil Holding/ movement during the year		
				31/03/2018			0	0.00
4	Mr. V.K. Pargal	0	0.00	01/04/2017				0.00
					-	Nil Holding/ movement during the year		
				31/03/2018			0	0.00
5	Mr. Rajiv Chandra Rastogi	0	0.00	01/04/2017				
					-	Nil Holding/ movement during the year		
				31/03/2018			0	0.00
6	Mr. P.C. Kothari	1*	0.00	01/04/2017				
					-	No change in shareholding		
				31/03/2018			1*	0.00
7.	Mr. Jagdeep Singh	1*	0.00	01/04/2017				
					-	No change in shareholding		
				31/03/2018			1*	0.00
B	**Key Managerial Personnel (KMP's)**							
1	Mr. Scahin Kumar Mittal Chief Financial Officer	0	0.00	01/02/2018**				
					-	Nil Holding/ movement during the year		
				31/03/2018			0	0.00
2	Ms. Chanchal Gupta Company Secretary	0	0.00	01/04/2017				
					-	Nil Holding/ movement during the year		
				31/03/2018			0	0.00

***Held as nominee of Raunaq EPC International Limited**
**** Appointed w.e.f. 01 February, 2018.**

XLERATE DRIVELINE

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	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
Change in Indebtedness during the financial year				
• Addition	-	100.00	-	100.00
• Reduction	-	-	-	-
Net Change	0.00	100.00	0.00	100.00
Indebtedness at the end of the financial year				
i) Principal Amount	400.00	280.00	-	680.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	400.00	280.00	0.00	680.00

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 Lacs
		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) per month only paid to Mr. Sachit Kanwar, Managing Director.

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	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
Change in Indebtedness during the financial year				
• Addition	-	100.00	-	100.00
• Reduction	-	-	-	-
Net Change	0.00	100.00	0.00	100.00
Indebtedness at the end of the financial year				
i) Principal Amount	400.00	280.00	-	680.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	400.00	280.00	0.00	680.00

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 Lacs
		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) per month only 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 Paul 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
		Mr. Sachin Kumar Mittal Chief Financial Officer*	Ms. Chanchal Gupta Company Secretary	(Rs. In Lacs)
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	3.35	3.35
	(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	-	0.17	0.17
	Total	-	3.52	3.52

*** Draws remuneration from the Holding Company, Raunaq EPC International Limited (Formerl 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: 25.05.2018

Surinder Paul Kanwar
Chairman and Director
DIN: 00033524

GUPTA & DUA
CHARTERED ACCOUNTANTS

4594-A / 9, Darya Ganj, New Delhi-110002 Tel. : 43525949, 45694763
E-mail : guptaanddua@yahoo.in

Independent Auditors' Report

TO THE MEMBERS OF XLERATE DRIVELINE INDIA LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Xlerate Driveline India Limited("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS)prescribed under section 133 of the Act.This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design,implementation and maintenance of adequate internal financial controls,that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS 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 Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, theaforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS,of the state of affairs (financial position) of the Company as at 31st March, 2018and its profit (financial performance including other comprehensive income), its cash flowsand the changes in equityfor theyear ended on that date.

Other Matters

The comparative financial statements of the Company for financial year ended on 31st March, 2017 included in these financial statements have been audited by predecessor auditors whose report for the year ended on 31st March, 2017 dated May 26th, 2017 expressed an unmodified opinion on those financial statements.

Our opinion on the financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. 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,the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   (e) On the basis of written representations received from the directors as on 31stMarch 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31stMarch 2018 from being appointed as a director in terms of section164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'A'.

   (g) With respect to the othermatters 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 litigation.

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.

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

For **Gupta & Dua**
Chartered Accountants
Firm's Registration No. 003849N

Gupta & Dua
New Delhi
FRN003849N
Chartered Accountants

MC

Mukesh Dua
Partner
Membership No.085323
Place: New Delhi
Date: 25th May, 2018

Annexure 'A' to the Independent Auditors' Report

(Referred to in Paragraph 1(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 31st March, 2018 in conjunction with our audit of theInd AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018 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 **Gupta & Dua**
Chartered Accountants
Firm's Registration No. 003849N

Gupta & Dua
New Delhi
FRN003849N
Chartered Accountants

Mukesh Dua
Partner
Membership No.085323
Place: New Delhi
Date: 25th May, 2018

Annexure'B' 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) According to the information and explanations given to us, 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) According to the information and explanations given to us, 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.

4) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security to the parties cover under section 185 of the Act. In respect of investments made by the Company, the provisions of section 186 of the Act have been complied with.

5) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year in terms of the provisions of section 73 to 76 of the Act or any other relevant provisions of the Companies Act, 2013 and the rules made thereunder.

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.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2018 for a period of more than six months from the date they become payable.

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) In our opinion and according to the information and explanations given to us, no fraud on or by the Company by its officers or employees 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) In our opinion, 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 where applicable and the details have been disclosed in the Ind AS Financial Statements, as required by the applicable Indian accounting standards.

14) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, therefore reporting under clause 3(xiv) of the Order are not applicable.

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, therefore reporting under clause 3(xv) of the Order are not applicable.

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 **Gupta & Dua**
Chartered Accountants
Firm's Registration No. 003849N

Gupta & Dua
New Delhi
FRN003849N
Chartered Accountants

Mukesh Dua
Partner
Membership No.085323
Place: New Delhi
Date: 25th May, 2018

XLERATE DRIVELINE

Xlerate Driveline India Limited

Balance Sheet as at 31 March, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(I) ASSETS				
(i) Non-Current assets				
Property, plant and equipment	3	981.76	1,034.89	1,051.61
Capital work in progress	3	5.18	1.06	20.59
Other intangible assets	4	3.41	5.04	6.68
Financial assets				
a. Others	5	12.70	16.80	10.75
Deferred tax assets (Net)	6	222.23	230.18	195.74
Other non current assets	7	-	-	2.00
Total non-current assets		**1,225.28**	**1,287.97**	**1,287.38**
(ii) Current Assets				
Inventories	8	379.26	237.89	232.79
Financial assets				
a. Trade receivables	9	870.47	678.67	579.05
b. Cash and cash equivalents	10	1.56	1.37	6.17
c. Bank balances other than (b) above	11	30.73	23.36	21.80
d. Loans and advances	12	9.63	13.34	29.18
e. Other Financial assets	13	-	0.63	57.64
urrent Tax Assets	14	0.18	0.17	0.17
Other current assets	15	6.01	17.56	5.84
Total current assets		**1,297.84**	**972.99**	**932.65**
Total Assets		**2,523.12**	**2,260.96**	**2,220.03**
(II) EQUITY AND LIABILITIES				
(i) Equity				
Equity Share Capital	16	1,487.70	1,487.70	1,487.70
Other equity	17	(653.12)	(603.47)	(466.57)
Total equity		**834.58**	**884.23**	**1,021.13**
Liabilities				
(ii) Non-current liabilities				
Financial Liabilities				
a. Borrowings	18	125.00	125.00	125.00
Provisions	19	9.37	6.40	6.17
Total non-current liabilities		**134.37**	**131.40**	**131.17**
(iii) Current Liabilities				
Financial Liabilities				
a. Borrowings	20	555.39	536.05	360.15
b. Trade Payables	21	650.61	443.58	348.87
c. Other Financial liabilities	22	56.56	28.20	29.93
Other Current Liabilities	23	174.98	122.48	196.55
rovisions	24	116.63	115.02	132.23
otal current liabilities		**1,554.17**	**1,245.33**	**1,067.73**
Total liabilities		**1,688.54**	**1,376.73**	**1,198.90**
Total Equity and Liabilities		**2,523.12**	**2,260.96**	**2,220.03**
Significant accounting policies and notes to financial statement	1-49			

This is the Balance Sheet referred to in our report of even date
For Gupta & Dua
Chartered Accountants
Firm's Registration No. 003849N

Gupta & Dua New Delhi FRN003849N Chartered Accountants

Mukesh Dua
Partner
Membership No. 085323
Place: New Delhi
May 25, 2018

For and on behalf of the Board of Directors

Chairman

Managing Director

Chief Financial Officer

Company Secretary

Directors

XLERATE DRIVELINE

Xlerate Driveline India Limited

Statement of Profit and Loss for the year ended 31 March, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	year ended 31st March, 2018	year Ended 31st March, 2017
(I) Revenue from Operations	25	3,324.88	2,663.51
(II) Other Income	26	20.90	9.10
(III) Total revenue/ income (I+II)		3,345.78	2,672.61
(IV) EXPENSES			
a. Cost of material consumed	27	2,482.68	1,575.61
b. Changes in Inventories of finished Goods & work-in-progress	28	(68.02)	53.73
c. Employee benefits expenses	29	230.71	196.12
d. Finance cost	30	75.68	68.22
e. Depreciation and amortization expenses	31	74.01	70.62
f. Other expenses	32	592.12	880.79
Total expenses		3,387.18	2,845.09
Profit / (loss) before exceptional items and tax		(41.40)	(172.48)
Exceptional Items			-
(V) Profit/(loss) before Tax (III-IV)		**(41.40)**	**(172.48)**
(VI) Income tax expenses			
a. Current tax		-	-
b. Deferred tax- charge/ (credit)	34	8.02	(34.78)
tal tax expense		**8.02**	**(34.78)**
(VII) Profit/(loss) for the year (V-VI)		**(49.42)**	**(137.70)**
(VIII) Other comprehensive Income			
a. Items that may be reclassified to Profit or Loss			
- Income tax effect		-	-
		-	-
b. Items that will not be reclassified to Profit or Loss			
- Re-measurement gains/ (Losses) on defined benefit plan		(0.31)	1.15
- Income tax effect		0.08	(0.35)
		(0.23)	0.79
Other comprehensive Income for the Year (net of tax) (a+b)		(0.23)	0.79
(IX) Total comprehensive Income for the year (VII+VIII)		**(49.65)**	**(136.90)**
(X) Earnings per Equity share of [Nominal value per share ₹ 10/- (31st March, 2017 : ₹10/-)]			
Basic earning per share	33	(0.33)	(0.93)
Diluted earnings per share	33	(0.33)	(0.93)
Significant accounting policies and notes to financial statement	1-49		

is is the Statement of Profit and Loss referred to in our report of even date

For Gupta & Dua
Chartered Accountants
Firm's Registration No. 003849N

Gupta & Dua Chartered Accountants New Delhi FRN003849N

Mukesh Dua
Partner
Membership No. 085323
Place: New Delhi
May 25, 2018

For and on behalf of the Board of Directors

Chairman

Managing Director

Chief Financial Officer

Company Secretary

Directors

Xlerate Driveline India Limited

Statement of Changes in Equity

A. Equity share capital

(All amounts in ₹ Lakhs, unless otherwise stated)

	Notes	Amount
As at 1st April, 2016	16	1,487.70
Change in equity share capital		-
As at 31st March, 2017	16	1,487.70
Change in equity share capital		-
As at 31st March, 2018	16	1,487.70

B. Other Equity

Reserves and Surplus	Notes	Retained Earnings	Total other equity
Balance at 1st April, 2016		(466.57)	(466.57)
Profit/(Loss) for the year	17	(137.70)	(137.70)
Other comprehensive income for the year		0.79	0.79
Total comprehensive income for the year		**(603.47)**	**(603.47)**
Transactions with owners in their capacity as owners:			
Remeasurement of defined benefit plans (net of tax)			-
Balance at 31st March, 2017		-	-
Balance at 1st April, 2017		(603.47)	(603.47)
Profit/(loss) for the year	17	(49.42)	(49.42)
Other comprehensive income for the year		(0.23)	(0.23)
Total comprehensive income for the year		**(653.12)**	**(653.12)**
Transactions with owners in their capacity as owners:			
Remeasurement of defined benefit plans (net of tax)			
Balance at 31st March, 2018		**(653.12)**	**(653.12)**

This is the Statement of Change in Equity referred to in our report of even date

For Gupta & Dua
Chartered Accountants
Firm's Registration No. 003849N

Mukesh Dua
Partner
Membership No. 085323
Place: New Delhi
May 25, 2018

For and on behalf of the Board of Directors

Chairman

Managing Director

Chief Financial Officer

Company Secretary

Directors

XLERATE DRIVELINE

Xlerate Driveline India Limited

Cash Flow Statement for the year ended 31 March, 2018

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	year ended 31st March, 2018	year ended 31st March, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit/(Loss) before tax	(41.40)	(172.48)
Adjustments for:		
Depreciation and amortization expenses	74.01	70.61
Interest and other charges	67.78	61.60
Interest Income	(1.82)	(1.73)
Operating profit before working capital changes	**98.57**	**(42.00)**
Changes in Working Capital		
Adjustments for (increase)/decrease in operating assets:		
Trade receivables	(191.80)	(99.62)
Inventories	(141.37)	(5.10)
Capital advances	-	2.00
Long Term Loans & advances	4.10	(6.05)
Short Term Loans & advances	3.71	15.84
Other current financial assets	0.63	57.01
Other current assets	11.55	(11.72)
Adjustments for increase/(decrease) in operating liabilities:		
Trade Payables	207.03	94.72
Provisions	4.27	(15.84)
Other current financial liabilities	28.36	(1.73)
Other current Liabilities	52.50	(74.07)
Cash generated from operations	**77.55**	**(86.55)**
Direct Taxes paid (Net)		
Net Cash from operating activities	**77.55**	**(86.55)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including capital work in progress	(23.37)	(32.73)
Interest Received	1.82	1.73
Investment in deposits	(7.37)	(1.56)
Net Cash from/ (used) in investment activities	**(28.92)**	**(32.56)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long / short term borrowings (Net)	19.34	175.90
Interest and other charges paid	(67.78)	(61.60)
Net Cash (used) / from financing activities	**(48.44)**	**114.30**
Net increase / (decrease) in cash and cash equivalents	0.19	(4.81)
Opening balance of Cash and cash equivalents *	1.37	6.18
Closing balance of Cash and cash equivalents *	**1.56**	**1.37**
* Including Interest accrued		

Xlerate Driveline India Limited

(All amounts in ₹ Lakhs, unless otherwise stated)

Reconciliation of Cash and cash equivalents as per the cash flow statements			
Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Cash and cash equivalents as per above comprise of the following			
Cash on hand	1.41	0.87	5.16
Balance with scheduled banks:			
in Current Accounts	0.15	0.50	1.01
Cash and cash equivalents at the end of the year			
Total	1.56	1.37	6.17

(b) The above Cash Flow statement is prepared as per "Indirect method" specified in Ind AS 7 "Statement of Cash Flows".

This is the Statement of Cashflow referred to in our report of even date

For Gupta & Dua
Chartered Accountants
Firm's Registration No. 003849N

Mukesh Dua
Partner
Membership No. 085323
Place: New Delhi
May 25, 2018

For and on behalf of the Board of Directors

Chairman

Managing Director

Chief Financial Officer

Company Secretary

Directors

Gupta & Dua Chartered Accountants New Delhi FRN003849N

Notes

Forming part of the Financial Statements

1 COMPANY OVERVIEW

Xlerate Driveline India Limited having registered office & works at Shed No. 1 & 3, Gurukul Industrial Estate, Faridabad, is a manufacturing company that specializes in producing clutch plates and clutch cover assemblies, which play a key role in the automotive sector. It is backed by the formidable lineage of Bharat Gears Limited, a giant in the gear technology industry in the country and Raunaq EPC International Limited, a renowned name in engineering contracting services.

These financial statements are approved and adopted by the board of directors of the company in their meeting held on 25th May, 2018.

2 SIGNIFICANT ACCOUNTING POLICIES

This Note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

a. The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 (the Act) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Act. These financial statements for the year ended March 31, 2018 is the first Financial Year of the company in accordance with Ind-AS.

For all periods up to and including the year ended March 31, 2017, the company prepared its financial statements in accordance with Indian GAAP, notified under companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

The company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 'First time adoption of Indian Accounting Standards'. Refer note 43 for an explanation how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

b. Theses financial statements have been prepared on a historical cost basis except for :

- Certain Financial Assets and liabilities measured at fair value
- Defined benefit plan (Unfunded)

2.2 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency and all amount are rounded to the nearest lakhs and two decimals thereof, except as stated otherwise.

2.3 USE OF ESTIMATES

The preparation of financial statements in accordance with Ind AS requires management to make judgement, estimates and assumptions that affect the application of accounting policies and the reported account of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognized in the period in which the estimates are known or materialized.

2.4 REVENUE RECOGNITION

Revenue to be recognized to the extent that it is probable that economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and inclusive of excise duty but excluding other taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognised.

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control or managerial involvement with the goods. The company provides normal warranty provisions for manufacturing defects on all its product sold, in line with industry practice. The company does not provide any extended warranty or maintenance contracts to its customers.

Revenue from rendering of services is recognised when the performance of agreed contractual task has been completed.

Revenue from operations includes sale of goods, rendering of services, and are net of taxes and trade discounts.

OTHERS ITEMS OF REVENUE

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

Other items like scrap sale, claim, insurance claims, any receipts on account of pending export benefits, income tax, sales tax, GST and excise duty assessments is recognised on realization/ receipt basis.

2.5 PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment assets are carried at cost net of tax / duty credit availed less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

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

The items of property, plant and equipment which are not yet ready for use are disclosed as Capital work-in- progress and are carried at historical cost.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its recoverable amount.

Property, Plant and Equipment are eliminated from the financial statements, either on disposal or when retired from active use.

Gain and losses on disposal or retirement of assets are determined by comparing proceeds with carrying amount. These are recognised in the Statement of Profit and Loss.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1st April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation is calculated using the straight line method to allocate their cost, net of their residual values on the basis of useful life prescribed in Schedule II to the Act.

The residual values are not more than 5% of the original cost of the asset.

The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at each financial year end and any changes there-in are considered as change in estimate and accounted prospectively.

2.6 INTANGIBLE ASSESTS (OTHER THAN GOODWILL)

Intangible assets (Computer Software) are stated at cost less accumulated amortization and impaired loss, if any. Computer Software for internal use which is primarily acquired is capitalized. Subsequently costs associated with maintaining such software are recognised as expense as incurred. Cost of software includes licenses fees, cost of implementation, system integration services etc. where applicable.

Transition to Ind AS

On transition to Ind AS, the company has elected to continue with the carrying value of all of its intangible assets (Computer Software) recognised as at 1st April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of such intangible assets.

The company amortises intangible assets (Computer Software) with a finite useful life using the straight line method over a period of 6 years.

Gain and losses on disposal or retirement of assets are determined by comparing proceeds with carrying amount. These are recognised in the Statement of Profit and Loss.

2.7 IMPAIRMENT OF ASSETS

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing of an asset is required, the Company estimates the assets recoverable amount. An asset recoverable amount is the higher of an assets or Cash-generating unit (CGU) fair value less cost of disposal and its fair value in use. Recoverable amount is determined for an individual asset, unless the assets does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an assets or CGU exceeds its recoverable amount, the assets is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. In determining the fair value less costs of disposal, recent market transactions are taken in account. If no such transactions can be identified, an appropriate valuation model is used. Impaired losses are recognised in statement of profit and loss.

2.8 INVENTORIES

Raw material, stores, work-in-progress and traded goods are stated at the lower of cost and net realisable value. 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 of inventories comprises all cost of purchase and other cost incurred in bringing them to their present location and condition. Material cost arrives on weighted average basis.

2.9 FOREIGN CURRENCY TRANSACTIONS

Transaction in foreign currencies are initially recorded by the company at rates prevailing on the date of the transaction. Subsequently monetary items are translated at closing exchange rates of balance sheet date and the resulting exchange differences are recognised in Statement of Profit and Loss. Difference arising on settlement of monetary items are also recognised in Statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2.10 EARNING PER SHARE

Basic earnings per share is calculated by dividing net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For Company's earnings per share net profit or loss for the period has been considered. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, if any, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.11 BORROWING COSTS

Borrowing cost specifically relating to the acquisition or construction of a qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset. All other borrowing costs are charged to revenue in the period in which it is incurred. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange difference to the extent regarded as an adjustment to the borrowing cost.

2.12 PROVISION

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimates of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability is not considered. However, a disclosure for contingent liabilities is made when there is a possible obligation arising from past event, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

2.13 CASH AND CASH EQUIVALENTS

For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investment with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

2.14 EMPLOYEE BENEFITS

a. Short term employee benefits are recognised as an expense in the Statement of Profit and Loss of the year in which the related service are rendered.

b. Compensated absence is accounted for using the project unit credit method, on the basis of actuarial valuation carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to Statement of Profit and Loss in the period in which they arise.

c. Contribution payable by the company to the concerned government authorities in respect of provident fund, family pension fund and employee state insurance are defined contribution plans. The contributions are recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service. The company does not have any further obligation in this respect, beyond such contribution.

d. The cost of providing gratuity, a defined benefit plans, is determined using the Projected Unit Credit Method, on the basis of actuarial valuation carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. Other costs are accounted in Statement of Profit and Loss.

2.15 LEASES

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognized as an expense on a straight line basis in the Statement of Profit and Loss over the lease term.

2.16 INCOME TAXES

Income tax expenses comprises current and deferred income tax. Income tax expenses are recognised in the Statement of Profit and Loss except that it relates to items recognised directly in equity, in those case it is recognised in 'Other Comprehensive Income'. Current Income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balances sheet date.

Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the year in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax assets is recognised to the extent that it is probable that future profit will be available against which the deductible temporary differences and tax losses can be utilized. The Company off sets current tax assets and Current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it indents either to settle on a net basis, or to realize the assets and settle the liability simultaneously. The income tax provision of the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full financial year.

2.17 FINANCIAL INSTRUMENTS

A financial instrument is any contract that give rise to a financial assets of one entity and financial liability or equity instrument of another entity.

a. Financial Assets

<u>Initial recognition and measurement</u>

All financial asset are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial assets.

<u>Subsequent measurement</u>

Financial assets are subsequently measured at amortized cost or fair value through profit or loss depending on its business model for managing those financial assets and the assets contractual cash flow characteristics.

<u>Derecognition</u>

The company derecognizes a financial asset only when the contractual rights to the cash flows from the assets expires or it transfers the financial assets and substantially all the risks and rewards of ownership of the assets to another entity

<u>Impairment of Financial Assets</u>

An impairment analysis is performed at each reporting date on an individual basis for each asset.

b. Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss, loans and borrowings or payable.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.
The financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification described below:

Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit or loss includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. All change in the fair value of such liability are recognised in the Statement of Profit and Loss.

Loan and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized costs using EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Decrecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

2.18 SEGMENT REPORTING

Operating systems are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Managing Director of the Company has been identified as CODM and he is responsible for allocating the resources, assess the financial performance and position of the Company and makes strategic decision. Refer note 36 for segment information presented.

2.19 CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgement and assumptions which affect the reported amount of assets and liabilities as at the balance sheet date, reported amount of revenue and expenses for the year and disclosure of contingent asset and liabilities as at the balance sheet date.

The areas involving critical estimates or judgement are:

i **Critical estimates**

a Measurement of defined benefit obligations – Note 39(a)

b Estimated useful life of intangible assets, property, plant and equipment – Note 2.5 and 2.6

c Estimated fair value of financial instruments – Note 42

d Recognition of revenue – Note 2.4

ii **Significant Judgements**

a Designating financial asset / liability through fair value through profit or loss so as to reduce/eliminate accounting mismatch.

b Probability of an outflow of resources to settle an obligation resulting in recognition of provision.

The estimates, judgement and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances and as at the date of financial statements. Accounting estimates could differ from period to period and accordingly appropriate changes in estimates are made as the management becomes aware of the changes. Actual results could differ from the estimates.

2.20 Finance Cost

Finance costs will normally include:

(i) Interest expense calculated using the effective interest rate method as described in Ind AS 109,

(ii) The unwinding of the effect of discounting provisions,

(iii) Dividends on preference shares that are classified as debt.

2.21 Recent Accounting Pronouncements

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying following Ind AS:

a Ind AS 115- Revenue from Contracts with Customers

b Amendments to Ind AS 21- The Effects of Changes in Foreign Exchange Rates

These Ind AS are applicable to the Company from 1st April, 2018. The Company is evaluating the effects of the new Ind AS/amendments on its Financial Statements.

Notes

Forming part of the Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 3 : Property, plant & equipment

Particulars	Land	Plant & Machinery	Tools & Dies	Electrical Installations	Air Conditioners	Furniture & Fixtures	Computers	Office Equipments	Total	Capital work in progress
Year ended 31st March, 2017										
Gross carrying amount										
Deemed cost as on April 1, 2016	534.34	351.75	96.97	14.79	1.93	46.43	4.52	0.88	**1,051.61**	20.59
Addition	-	14.42	35.19	-	-	2.10	0.54	-	**52.25**	15.66
Disposals/transfers	-	-	-	-	-	-	-	-	**-**	35.19
Closing gross carrying amount	**534.34**	**366.17**	**132.16**	**14.79**	**1.93**	**48.53**	**5.06**	**0.88**	**1,103.86**	**1.06**
Accumulated Depreciation										
Depreciation charged during the year	-	27.97	30.47	1.92	0.81	5.83	1.74	0.23	**68.97**	-
Disposals/transfers	-	-	-	-	-	-	-	-	**-**	-
Closing accumulated depreciation	**-**	**27.97**	**30.47**	**1.92**	**0.81**	**5.83**	**1.74**	**0.23**	**68.97**	**-**
Net carrying amount	**534.34**	**338.20**	**101.69**	**12.87**	**1.12**	**42.70**	**3.32**	**0.65**	**1,034.89**	**1.06**
Year ended 31st March, 2018										
Gross carrying amount										
Opening gross carrying amount	534.34	366.17	132.16	14.79	1.93	48.53	5.06	0.88	**1,103.86**	1.06
Addition	-	2.21	16.43	-	-	-	0.30	0.31	**19.25**	20.55
Disposals/transfers	-	-	-	-	-	-	-	-	**-**	16.43
Closing gross carrying amount	**534.34**	**368.38**	**148.59**	**14.79**	**1.93**	**48.53**	**5.36**	**1.19**	**1,123.11**	**5.18**
Accumulated Depreciation										
Opening accumulated depreciation	-	27.97	30.47	1.92	0.81	5.83	1.74	0.23	**68.97**	-
Depreciation charged during the year	-	28.67	33.61	1.92	0.72	5.66	1.53	0.27	**72.38**	-
Disposals/transfers	-	-	-	-	-	-	-	-	**-**	-
Closing accumulated depreciation	**-**	**56.64**	**64.08**	**3.84**	**1.53**	**11.49**	**3.27**	**0.50**	**141.35**	**-**
Net carrying amount	**534.34**	**311.74**	**84.51**	**10.95**	**0.40**	**37.04**	**2.09**	**0.69**	**981.76**	**5.18**

Notes

Forming part of the Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 4 : Other Intangible assets		
Particulars	Software	Total
Year ended 31st March, 2017		
Gross carrying amount		
Deemed cost as on April 1, 2016	6.68	6.68
Addition	-	-
Disposals/transfers	-	-
Closing gross carrying amount	**6.68**	**6.68**
Accumulated Depreciation		
Depreciation charged during the year	1.64	1.64
Disposals/transfers	-	-
Closing accumulated depreciation	**1.64**	**1.64**
Net carrying amount	**5.04**	**5.04**
Year ended 31st March, 2018		
Gross carrying amount		
Opening gross carrying amount	6.68	6.68
Addition	-	-
Disposals/transfers	-	-
Closing gross carrying amount	**6.68**	**6.68**
Accumulated Depreciation		
Opening accumulated depreciation	1.64	1.64
Depreciation charged during the year	1.63	1.63
Disposals/transfers	-	-
Closing accumulated depreciation	**3.27**	**3.27**
Net carrying amount	**3.41**	**3.41**

Notes

Forming part of the Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 5 : Financial assets - other (Non current)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Security deposit			
Unsecured, considered good	12.70	16.80	10.75
Total	**12.70**	**16.80**	**10.75**

Note 6 : Deferred tax assets (Net)

Particulars	As at 31st March, 2018	Charged/ (credit) during the year	As at 31st March, 2017	Charged/ (credit) during the year	As at 1st April, 2016
Deferred tax assets on account of:					
a) Business Loss	163.37	(19.42)	182.79	19.69	163.09
b) Unabsorbed Deperciation	87.81	(0.61)	88.42	12.23	76.19
b) Provisions for Employees Benefits	1.99	(0.02)	2.01	0.07	1.94
Total deferred tax assets	253.17	(20.05)	273.22	31.99	241.22
MAT credit entitlement					
Deferred tax liabilities on account of:					
a) Difference between WDV as per Books and Income Tax Act	(30.94)	12.10	(43.04)	2.44	(45.47)
Total deferred tax liabilities	**(30.94)**	**12.10**	**(43.04)**	**2.44**	**(45.47)**
Total deferred tax (net)	**222.23**	**(7.95)**	**230.18**	**34.43**	**195.74**

Note 7 : Other non current assets

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Capital advances	-	-	2.00
Total	-	-	**2.00**

Notes

Forming part of the Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 8 : Inventories

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
- Raw Material & Components	206.23	138.21	81.59
- Work-in-Progress	87.53	50.94	64.45
- Finished Goods	71.65	40.22	80.44
- Stores Consumables	13.85	8.52	6.32
	379.26	**237.89**	**232.79**

Note 9 : Current trade receivables

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Unsecured considered good, unless otherwise stated			
Trade receivables	870.47	678.67	579.05
Total	**870.47**	**678.67**	**579.05**

Note 10 : Cash and cash equivalents

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Balance with Banks			
-In current accounts	0.15	0.50	1.01
- Cash on hand	1.41	0.87	5.16
Total	**1.56**	**1.37**	**6.17**

Note 11 : Bank balances other than cash & cash equivalents

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Other Balances			
Fixed deposits with various authorities			
- Margin money against bank guarantees and others	30.73	23.36	21.80
Total	**30.73**	**23.36**	**21.80**

Note 12 : Loans and advances

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Balances with Government Authorities :			
- Duties & Taxes	0.28	9.73	27.12
- Duty drawback receivable	3.33	3.33	2.06
- Export incentive receivable	6.02	0.28	-
Total	**9.63**	**13.34**	**29.18**

Xlerate Driveline India Limited

Notes

Forming part of the Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 13 : Other current financial assets

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
- Interest accrued on fixed deposits with banks	-	0.63	0.64
- Insurance claim receivable	-	-	57.00
Total	-	0.63	57.64

Note 14: Current tax asset

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
- Advance Income Tax / TDS	0.18	0.17	0.17
Total	0.18	0.17	0.17

Note 15 : Other current assets

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Unsecured considered good			
Prepaid Expenses	1.14	1.57	1.53
Advances recoverable in cash or in kind or for value to be received			
- Supplier advances	2.88	14.65	2.46
- Other advances	1.99	1.34	1.84
Total	**6.01**	**17.56**	**5.84**

Notes

Forming part of the Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 16 : Equity share capital

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Authorised Equity shares of ₹ 10 each (31st March, 2017 ₹ 10 each, April 1, 2016 ₹ 10 each)	1,55,00,000	1550.00	1,55,00,000	1550.00	1,55,00,000	1550.00
Issued, Subscribed and Paid-up: Equity shares of ₹ 10 each (31st March, 2017 ₹ 10 each, April 1, 2016 ₹ 10 each) fully paid up	1,48,77,038	1487.70	1,48,77,038	1487.70	1,48,77,038	1,487.70
Total		1487.70		1487.70		1,487.70

The Company has one class of equity share having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all perferential amounts, in proportion to their shareholding.

Reconciliation of Shares Issued

As no fresh issue of shares or reduction in capital was made during the current year as well as during the previous period, hence there is no change in the opening and closing capital. Accordingly, reconciliation of share capital has not been given.

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

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	No. of Shares	**₹ in Lakhs**	**No. of Shares**	**₹ in Lakhs**	**No. of Shares**	**₹ in Lakhs**
Raunaq EPC International Limited	1,48,77,038	1487.70	1,48,77,038	1487.70	1,48,77,038	1487.70

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

The company has issued 78,50,549 fully paid up equity shares during the financial year 2012-13 and 12,26,419 fully paid up equity shares during the financial year 2013-14 of Rs 10 for consideration other than cash.

Notes

Forming part of the Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 17 : Other Equity

Particulars	Refer following items	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Retained Earnings	**17(a)**	(653.12)	(603.47)	(466.57)
Total		**(653.12)**	**(603.47)**	**(466.57)**

Particulars	As at 31st March, 2018	As at 1st April, 2017
a **Retained Earnings**		
Balance at the beginning of the year	(603.47)	(466.57)
Profit/(Loss) for the year	(49.42)	(137.70)
Items of other comprehensive income recognised directly in retained earnings	(0.23)	0.79
Total	**(653.12)**	**(603.47)**

Notes

Forming part of the Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 18 : Non current borrowings

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
1,25,000, 10% Non-Cumulative Redeemable Preference Shares of Rs. 100/- each fully paid up	125.00	125.00	125.00
Total	**125.00**	**125.00**	**125.00**

Note 19 : Non-current Provisions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provision for employee benefits			
- Provision for compensated absences	4.20	3.12	3.06
- Provision for Gratuity	5.17	3.28	3.10
Total	**9.37**	**6.40**	**6.17**

Note 20 : Current Borrowings

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Secured Borrowings			
Working capital loans repayment on demand from bank			
- CC limit from OBC Bank [refer footnote (i)]	180.75	280.04	236.87
- NSIC RMA Account [refer footnote (ii)]	94.64	76.01	73.29
Unsecured Borrowings			
- Loan from director	50.00	50.00	50.00
- Companies under joint control [refer footnote (iii)]	110.00	110.00	-
- Others	120.00	20.00	-
Total	**555.39**	**536.05**	**360.15**

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.

Notes

Forming part of the Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 21 : Trade Payables

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
- Total outstanding dues of micro enterprises and small enterprises	-	-	-
- Total outstanding dues of Trade Payable other than micro enterprises and small enterprises	650.61	443.58	348.87
Total	**650.61**	**443.58**	**348.87**

Note 22 : Other financial liabilities

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
- Payables on purchase of fixed assets & CWIP	31.30	2.94	4.67
- Security deposit from customers	25.26	25.26	25.26
Total	**56.56**	**28.20**	**29.93**

Note 23 : Other current liabilities

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
- Statutory dues	45.81	11.12	6.54
- Customers credit balances	9.61	5.78	7.10
- Other payables	119.56	105.58	182.92
Total	**174.98**	**122.48**	**196.55**

Note 24 : Current provisions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provision for employee benefits			
- Provision for compensated absences	2.62	3.65	3.84
Provision- others			
- Provision for Excise duty on Finished Goods	-	5.40	10.89
- Provision for Turnover Discounts	59.46	57.96	65.59
- Other Provisions	54.55	48.01	51.91
Total	**116.63**	**115.02**	**132.23**

Notes

Forming part of the Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 25 : Revenue from operations

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
- Sale of products	3,234.91	2,629.35
- Sale of Scrap	81.62	34.16
- Others	8.35	-
Total	**3,324.88**	**2,663.51**

Note 26 : Other income

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
- Interest income	1.82	1.73
- Foreign exchange fluctuation gain	1.83	0.85
- Other non operating income	17.25	6.52
Total	**20.90**	**9.10**

Note 27 : Cost of materials consumed

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Raw material consumptions		
Opening Stock	138.21	81.59
ADD:- Purchases	2,252.42	1,461.68
	2,390.63	**1,543.27**
LESS:- Closing stock	206.23	138.21
Sub Total (a)	**2,184.40**	**1,405.06**
Direct production expenses		
Consumption of packing material	146.56	83.14
Job work expenses	151.72	87.41
Sub Total (b)	**298.28**	**170.55**
Total (a+b)	**2,482.68**	**1,575.61**

Note 28 : Changes in inventories of finished goods & work-in-progress

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Inventories (at the end of the year)		
- Finished goods	71.65	40.22
- Work-in-progress	87.53	50.94
Sub Total	**159.18**	**91.16**
Inventories (at the beginning of the year)		
- Finished goods	40.22	80.44
- Work-in-progress	50.94	64.45
Sub Total	**91.16**	**144.89**
Total	**(68.02)**	**53.73**

Xlerate Driveline India Limited

Notes

Forming part of the Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 29 : Employee benefits expenses

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
- Salary & wages	217.71	182.97
- Contribution to provident & other funds	6.83	5.76
- Staff welfare expenses	6.17	7.39
Total	**230.71**	**196.12**

Note 30 : Finance Cost

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
- **Interest expenses on:**		
Borrowings	67.78	61.60
- **Other borrowing costs**		
(Bank and other financial charges)	7.90	6.62
Total	**75.68**	**68.22**

Note 31 : Depreciation and amortization expenses

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Depreciation of property, plant and equipment	72.38	68.98
Amortisation of intangible assets	1.63	1.64
Total	**74.01**	**70.62**

Note 32 : Other expenses

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
- Other production consumables	22.00	14.48
- Power & fuel expenses	30.24	30.26
- Freight, forwarding & other charges	80.12	101.42
- Repair & maintainance expenses	27.34	26.73
- Professional charges	20.79	17.79
- Printing & stationery	2.88	3.68
- Postage, telegram, telephone & telefax expenses	0.71	0.78
- Insurance expenses	2.79	2.81
- Advertisement, marketing, selling & distribution expenses	205.90	189.31
- Rent expenses	46.40	44.99
- Car hire expenses	4.35	3.97
- Security service charge	8.59	8.47
- Travelling, conveyance, boarding & lodging expenses	7.78	6.41
- Excise duty expenses	71.02	347.65
- Rates & taxes	0.02	1.76
- Warranty claim expenses	44.44	59.83
- Miscellaneous expenses	15.25	18.87
- Payments to auditors (Refer Note (i) below)	1.50	1.59
Total	**592.12**	**880.79**

Notes

Forming part of the Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

Auditors' Remuneration paid / payable for the year

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Statutory Audit fee	0.60	0.60
Company law matters	0.20	0.20
Limited review and other certifications	0.60	0.60
Reimbursement	0.10	0.19
Total	**1.50**	**1.59**

Note 33 : Earning per share

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Weighted average number of equity shares outstanding	14,877,038	14,877,038
Profit/(Loss) after tax available for shareholders	(49.42)	(137.70)
Basic & diluted earning per share	(0.33)	(0.93)
Nominal value per share	10.00	10.00

Note 34 : Tax Reconciliation

Reconciliation of tax expense and accounting profit as per Ind AS 12 :

Income Tax Expenses

This note provides an analysis of the Company's income tax expenses that how the tax expenses is affected by non-assessable and not-deductible items:

Particulars	2017-18	2016-17
Income Tax Expenses		
Current tax	-	-
Current tax for the year	-	-
Adjustment for current tax of prior period	-	-
Total current expenses	-	-
Deferred tax		
Increase/ (Decrease) in deferred tax assets	(20.13)	32.34
(Increase)/ Decrease in deferred tax liability	12.10	2.44
Total deferred tax expenses	**8.03**	**(34.78)**
Income tax expenses	**8.03**	**(34.78)**

Reconciliation of tax expenses and accounting profit multiplied by applicable Indian tax rate:

Particulars	2017-18	2016-17
Profit/(Loss) before income taxes	(41.72)	(171.33)
Enacted tax rate in India (%)	25.75%	30.90%
Computed expected tax expenses	-	-
Items (Net) not Deductible for Tax/not Liable to Tax	-	-
Tax reversals	-	-
Others	8.03	(34.78)
Income tax expenses	**8.03**	**(34.78)**

Notes

Forming part of the Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 35 : Disclosure required pursuant to Ind AS -36 "Impairment of assets"

The Company has carried out impairment test on its fixed assets as on the date of Balance Sheet and the Management is of the opinion that there is no asset for which provision for impairment is required to be made as per Ind AS - 36 Impairment of Assets.

Note 36 : Operating Segment information

a) The company's operations predominantly consist of manufacturing of clutches. Hence there are no reportable segments under Ind AS - 108 " Operating Segment " during the year under report.

b) The revenue of the Company from the external customers are attributed to (i) the Company's country of domicile i.e. India and (ii) all foreign countries in total from which the Company derives revenue.

Particulars	As at 31st March, 2018	As at 31st March, 2017
within India	3119.26	2525.31
Outside India	115.65	104.04
Total	3234.91	2629.35

All the non-current assets of the Company are located in India.

c) Information about major customers having revenue amounting to 10% or more of the Company's revenue.

Particulars	As at 31st March, 2018	As at 31st March, 2017
Customer A	786.51	0.23
Total	786.51	0.23

Note 37 : Capital Management

The company's Capital management objective is to maximise the total shareholder's return by optimising cost of capital through flexible capital structure that supports growth.

The Company determines the amount of capital requirement on the basis of annual operating plan and long-term strategic plans. The funding requirements are met through internal accruals and long term/ short term borrowings. The company monitors the capital structure on the basis of net debts to equity ratio and maturity profile of the overall debt portfolio of the Company.

For the purpose of Company's capital management, equity includes paid up equity share capital and reserves and surplus and debt comprises of long term borrowings including current maturities of these borrowings.

Notes

Forming part of the Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

The following table summarizes long term debt and equity of the Company:

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Equity Share Capital	1,487.70	1,487.70	1,487.70
Reserves and Surplus	(653.12)	(603.47)	(466.57)
Total Equity	834.58	884.23	1,021.14
Long Term Debt	125.00	125.00	125.00
Debt to Equity Ratio	**0.15**	**0.14**	**0.12**

Note 38 : Financial Risk Management objectives and policies

The company's business activities exposed to a variety of financial risk viz., market risk, credit risk and liquidity risk. The company's focus is to foresee the unpredictability of financial risk and to address the issue to minimize the potential adverse effects of its financial performance.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the company's management.

a) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates and other market changes.

i) Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

ii) Interest rate risk

Out of total borrowings, large portion represents short term borrowings and the interest rate primarily basing on the company's profile and also the changes in the financial market. Company influence its operational efficency and also factors which influential the determination of the interest rates by the banks to minimize the interest continuously monitoring over all factors rate risks.

Exposure to interest rate risk

Particulars	As at 31st March, 2018	As at 31st March, 2017
Floating rate borrowings: Working capital loan	30.46	35.82
Total	**30.46**	**35.82**

Notes

Forming part of the Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

A change of 50 basis points (bp) in interest rates would have following impact on profit before tax

Particulars	As at 31st March, 2018	As at 31st March, 2017
50 bp increase - Decrease in profit	(1.16)	(1.21)
50 bp decrease - Increase in profit	1.16	1.21

iii) Other market changes

The company does not have significant risk in raw material price variation. In case of any variation in price same is passed on to the customer through appropriate adjustment in selling price.

b) Credit risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, bank balances, loans, investments and other financial assets.

At each reporting date, the Company measures loss allowance for certain class of financial assets based on historical trend, industry practices and the business environment in which the Company operates.

Credit risk with respect to trade receivables are limited, due to the Company's customer profiles are well balance in original equipment manufactureres and replacement customers and diversified amongst in various geographies. All trade receivables are reviewed and assessed on a quarterly basis.

Credit risk arising from investments and balances with banks is limited because the counter parties are banks and recognised companies with high credit worthiness.

(i) Trade receivables

Customer credit risk is managed by the Company subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on payment performance over the period of time and wherever required a detailed financial analysis. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for each customers.

(ii) Credit risk from balances with banks and financial institutions is managed by the Company in accordance with the Company's policy. The credit risk is limited because counter parties are banks/institutions with high credit ratings.

Notes

Forming part of the Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

c) Liquidity risk

Liquidity risk is the risk that the company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (i.e. trade receivables, other financial assets) and projected cash flows from operations

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of working capital loans, letter of credit facility and credit purchases.

The tables below provides details regarding the contractual maturities of significant financial liabilities to the contractual maturity date:

As at 31st March, 2018

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Interest Bearing Loans and Borrowings (Including Current Maturities)	555.39	-	-	555.39
Trade Payables	650.61	-	-	650.61
Other Financial Liabilities	56.56	-	-	56.56
Total	**1,262.56**	-	-	**1,262.56**

As at 31st March, 2017

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Interest Bearing Loans and Borrowings (Including Current Maturities)	536.05	-	-	536.05
Trade Payables	443.58	-	-	443.58
Other Financial Liabilities	28.20	-	-	28.20
Total	**1,007.83**	-	-	**1,007.83**

As at 1st April, 2016

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Interest Bearing Loans and Borrowings (Including Current Maturities)	360.15	-	-	360.15
Trade Payables	348.87	-	-	348.87
Other Financial Liabilities	29.93	-	-	29.93
Total	**738.96**	-	-	738.96

Notes

Forming part of the Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

Notes 39 : Employee Benefits:

a) Defined Contribution Plans

The Company's contribution to the provident Fund and Superannuation funds are charged to the Profit and loss statement

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

Particulars	2017-18	2016-17
Contribution to Provident Fund and Family Pension Fund	5.56	5.00

b) Post Employment Defined Benefit Plans

The company provides for gratuity (Unfunded), a defined benefit retirement plan covering eligible employees and makes payment to vested employees on retirement, death, incapacitation or termination/ resignation of employment, of an amount based on the respective employee's eligible salary depending upon the tenure of service. Vesting occurs upon completion of five years of service. Liabilities with regard to the Gratuity plan are determined by actuarial valuation as set out in Note 2.14, based upon which, the actuarial gains and losses recognized immediately in the Statement of Profit and Loss as an income or expense.

c) Other long term employee benefit t plan

Leave Encashment Scheme [LES] (Unfunded)

The company provides for accumulated leave benefits for eligible employees payable at the time of retirement/ resignation from service as per the policy of the company, actual number of days outstanding based on last drawn salary. The liabilities with regard to leave encashment scheme are determined by actuarial valuation.

d) Risk Exposure

Aforesaid post employment defined benefit plans typically expose the Company to actuarial risks, most significant of which are discount rate risk, salary escalation risk and demographic risk.

Discount Risk

The company is exposed to the risk of fall in discount rate. A fall in discount rate will eventually increase the ultimate cost of providing the above benefit thereby increasing the value of liability.

Salary Escalation Risk

The present value of defined benefit plan liability is calculated by reference to the future salaries of plan participant. An increase in the salary of plan participants will increase the plan liabilities.

Demographic Risk

In the valuation of liability certain demographic (mortality and attrition rates) assumptions are made. The company is exposed to this risk to the exent of actual experience eventually being worse compared to the assumption thereby causing an increase in the plan liability.

Notes

Forming part of the Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

Details of Defined Benefits plans- as required by Ind AS- 19 Employee Benefits

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 Funded	
Components of employee expenses	**2017-18**	**2016-17**
Current service cost	1.34	1.09
Past serrvice cost	-	-
Interest cost	0.25	0.23
Expected return on Plan Assets	-	-
Total expenses recognised in the Profit & Loss Statement	1.59	0.18
Acturial (gain)/loss- Obligation	0.31	(1.15)
Acturial (gain)/loss-plan assets	-	-
Total Actuarial (gain)/loss recognised in other comprehensive (income)/expenses	0.31	(1.15)
Net assets/ (liability) recognised in the Balance Sheet	**2017-18**	**2016-17**
Present value of Defined Benefit Obligation	5.17	3.28
Fair value of Plan Assets	-	-
Funded Status [Surplus/(Deficit)]	(5.17)	(3.28)
Net assets/ (liability) recognised in the Balance Sheet	(5.17)	(3.28)
Change in Defined Benefits Obligation during the year	**2017-18**	**2016-17**
Present value of Defined Benefit Obligation as at the beginning of the year	3.28	3.10
Current service cost	1.34	1.09
Past serrvice cost	-	-
Interest Cost	0.25	0.23
Actuarial Losses/ (Gains)	0.31	(1.15)
Benefits paid	-	-
Present value of Defined Benefits Obligation as at the end of the year	5.17	3.28

The assumption of the future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion & other relevant factors

Sensitivity Analysis for significant assumptions as on 31.03.2018 are as follows:-

Assumptions	Discount rate		Future Salary		Withdrawal Rate	
Sensitivity Analysis	**1.00% Increase**	**1.00% Decrease**	**1.00% Increase**	**1.00% Decrease**	**1.00% Increase**	**1.00% Decrease**
Impact on defined benefit obligation	(4.63)	5.82	5.83	(4.61)	5.28	(5.04)

Sensitivity Analysis for significant assumptions as on 31.03.2017 are as follows:-

Assumptions	Discount rate		Future Salary		Withdrawal Rate	
Sensitivity Analysis	**1.00% Increase**	**1.00% Decrease**	**1.00% Increase**	**1.00% Decrease**	**1.00% Increase**	**1.00% Decrease**
Impact on defined benefit obligation	(2.89)	3.74	3.75	(2.88)	3.32	(3.21)

Estimate of expected benefit payments (In absolute terms i.e. undiscounted)

Particulars	(₹ in lacs)
1st Arpil, 2018 to 31st March, 2019	0.17
1st Arpil, 2019 to 31st March, 2020	0.18
1st Arpil, 2020 to 31st March, 2021	0.20
1st Arpil, 2021 to 31st March, 2022	0.23
1st Arpil, 2022 to 31st March, 2023	0.24
1st Arpil, 2023 onwards	6.45

Notes
Forming part of the Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 40 : Related Party Disclosure
Pursuant to Ind AS-24 "Related Party Disclosures", following parties are to be treated as related parties:

(a) Holding company
Raunaq EPC International Limited

(b) Entities over which key managerial personnel is able to exercise significant influence:
Bharat Gears Limited (BGL)
Vibrant Finance & Investments Pvt. Ltd. (VFIPL)
Ultra Consultants Pvt. Ltd. (UCPL)
Future Consultants Pvt. Ltd. (FCPL)
Cliplok Simpak (India) Pvt. Ltd. (CSIPL)
Gulab Merchandise Pvt. Ltd. (GMPL)

(c) Key managerial personnel
Mr. Surinder P. Kanwar (SPK)- Chairman & Director
Mr. Sachit Kanwar (SK)- Managing Director
Mr. Prabhat Chand Kothari (PCK) - Director
Mr. Jagdeep Singh (JS) - Director

XL RAT DRIVELINE

Xlerate Driveline India Limited

Notes

Forming part of the Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

Details of transactions with the related parties

Particulars	Holding Company			Entities over which key managerial personnel is able to exercise significant influence			Key managerial personnel		
Transaction during the year	2017-18	2016-17	1st April, 2016	2017-18	2016-17	1st April, 2016	2017-18	2016-17	1st April, 2016
Interest on Loan	-	-	-	-	-	-	-	-	-
GMPL	-	-	-	-	-	3.32	-	-	-
UCPL	-	-	-	1.50	1.08	2.61	-	-	-
SPK	-	-	-	-	-	-	6.00	6.00	6.00
REIL	-	-	9.28	-	-	-	-	-	-
CSIPL	-	-	-	5.00	2.52	-	-	-	-
VFIPL	-	-	-	4.50	2.45	-	-	-	-
Repayment of Unsecured Loan	-	-	-	-	-		-	-	-
GMPL	-	-	-	-	-	70.00	-	-	-
UCPL	-	-	-	-	-	55.00	-	-	-
REIL	-	-	200.00	-	-	-	-	-	-
Unsecured Loan	-	-	-	-	-	-	-	-	-
REIL	-	-	50.00	-	-	-	-	-	-
CSIPL	-	-	-	-	50.00	-	-	-	-
VFIPL	-	-	-	-	45.00	-	-	-	-
UCPL	-	-	-	-	15.00	-	-	-	-
Issue of Share Capital	-	-	-	-	-	-	-	-	-
REIL	-	-	300.00	-	-	-	-	-	-
Issue of Preference Share Capital	-	-	-	-	-	-	-	-	-
GMPL	-	-	-	-	-	70.00	-	-	-
UCPL	-	-	-	-	-	55.00	-	-	-
Marketing Service Fee	-	-	-	-	-	-	-	-	-
BGL	-	-	-	135.31	131.37	121.53	-	-	-
Reimbursement of Expenses	-			-	-	-	-	-	-
REIL	-	0.37	0.58	-	-				

Notes

Forming part of the Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

	31st March, 2018	31st March, 2017	1st April, 2016	31st March, 2018	31st March, 2017	1st April, 2016	31st March, 2018	31st March, 2017	1st April, 2016
Personal Guarantee of Offerred to Oriental Bank of Commerce for Credit Limit availed									
SPK & SK	-	-	-	-	-	-	405.00	405.00	405.00
Corporate Guarantee of offered for credit limits availed by company to Oriental Bank of Commerce								-	-
REIL	405.00	405.00	405.00	-	-	-	-	-	-
SPK	-	-	-	-	-	-	-	-	-
Amount Payable									
SPK	-	-	-	-	-	-	50.00	50.00	50.00
UCPL	-	-	-	15.00	15.00	-	-	-	-
BGL	-	-	-	83.87	42.31	28.97	-	-	-
CSIPL	-	-	-	50.00	50.00	-	-	-	-
VFIPL	-	-	-	45.00	45.00	-	-	-	-

Note 41 : 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, 2018	For the Year Ended 31st March, 2017
Salary, wages & contribution to funds	1.49	5.14
Power & fuel	-	1.06
Consumables	1.28	1.97
Job-work & processing charges	5.62	1.97
Cost of material	8.04	20.21
Total	**16.43**	**30.35**

Xlerate Driveline India Limited

Notes

Forming part of the Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 42 : Financial instruments- accounting classifications and fair value measurements

Financial instruments

Particulars	Notes	31st March, 2018			31st March, 2017			1st April, 2016		
		FVPL	FVOCI	Amortized Cost	FVPL	FVOCI	Amortized Cost	FVPL	FVOCI	Amortized Cost
Financial Assets										
Loans	5	-	-	12.70	-	-	16.80	-	-	10.75
Trade Receivables	9	-	-	870.47	-	-	678.67	-	-	579.05
Cash and Bank Balances	10,11	-	-	32.29	-	-	24.73	-	-	27.98
Loans and Advances	12	-	-	9.63	-	-	13.34	-	-	29.18
Other Financial Assets	13	-	-	-	-	-	0.63	-	-	57.64
Total Financial Assets		-	-	**925.09**	-	-	**734.17**	-	-	**704.60**
Financial Liabilities										
Borrowings	18,20	-	-	680.39	-	-	661.05	-	-	485.15
Trade Payables	21	-	-	650.61	-	-	443.58	-	-	348.87
Other Financial Assets	22	-	-	56.56	-	-	28.20	-	-	29.93
Total Financial liabilities		-	-	**1,387.56**	-	-	**1,132.83**	-	-	**863.96**

Fair Value Hierarchy

The company uses following method of hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Notes

Forming part of the Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 43 : First-time adoption of Ind AS

These are the Company's first Financial Statement prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) and the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act. The accounting policies set out in Note 2 have been applied in preparing the Financial Statements for the year ended 31st March, 2018.

The Company has prepared Financial Statements for the year ended 31st March, 2017 and in the preparation of an opening Ind AS balance sheet as at 1st April , 2016 (date of transition of the Company). In preparation its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in Financial Statements prepared in accordance with the Accounting Standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act, (hereinafter referred to as 'Previous GAAP'). An explanation of how the transition from Previous GAAP to Ind AS has affected the financial position, financial performance and cash flows of the Company is set out in the following tables and notes.

The Company has adopted Indian Accounting Standards (Ind AS) as notified under section 133 of the Companies Act, 2013 (the Act) and the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act. (Ind AS) on and from the Financial year 2017-18, with a transition date of 1st April, 2016. For all period up to and including the year ended 31st March, 2017, the company has prepared its Financial Statements in accordance with the previously applicable Indian GAAP (hereinafter referred to as 'Previous GAAP').

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time adoption of Indian Accounting Standard (Ind AS 101). Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS Financial Statements be applied retrospectively and consistently for all the financial years presented, subject to mandatory exemptions and voluntary exemptions.

Accordingly, the Company has prepared Financial Statements which comply with Ind AS for the year ended 31st March, 2018, together with the comparative information as at and for the year ended 31st March, 2017.

a) Exemptions and exemptions availed:

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Ind AS optional Exemption

i. Previous GAAP carrying values deemed cost exemption:

Ind AS 101 permits a first-time adopter to elect to previous GAAP carrying values of all its property, plant and equipment as recognised in the Financial Statements as at the date of transition as its deemed cost under Ind AS. Accordingly, the Company has elected to measure all of its property, plant and equipment as per previous GAAP carrying value on date of transition as deemed cost.

Ind AS Applicable Mandatory exceptions

i. Estimates:

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1st April, 2016 are consistent with the estimates as at the date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

Impairment of financial assets based on case to case basis.

ii. De-recognition of financial assets and liabilities:

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transaction occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information was obtained at the time of initial accounting for those transactions.

The Company has opted to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

iii. Classification and measurement of financial assets:

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exits at the date of transition to Ind AS.

Notes

Forming part of the Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

b) Reconciliation between previous GAAP and Ind AS

Reconciliation of Balance Sheet as at 31 March, 2017

	31.3.2017			31.3.2016		
	Existing IGAAP	Adjustments	IND AS	Existing IGAAP	Adjustments	IND AS
ASSETS						
Non-Current Assets						
Property, plant and equipment	1,034.89		1,034.89	1,051.61		1,051.61
Capital Work-in-Progress	1.06		1.06	20.59		20.59
Other Intangible Assets	5.05		5.05	6.69		6.69
Financial Assets			-			-
Others	16.80	-	16.80	12.75	(2.00)	10.75
Deferred Tax Assets (Net)	-	230.18	230.18	-	195.74	195.74
Other Non Current Assets			-	-	2.00	2.00
	1,057.80	-	1,287.98	1,091.64	-	1,287.38
Current Assets						
Inventories	237.89	-	237.89	232.79	-	232.79
Financial Assets			-			
Investments	-	-	-	-	-	-
Trade Receivables	678.67		678.67	579.05		579.05
Cash and Cash Equivalents	24.72	(23.36)	1.36	27.98	(21.80)	6.18
Bank balance other than (b) above		23.36	23.36		21.80	21.80
Short-Term Loans and Advances	31.07	(17.73)	13.34	35.19	(6.01)	29.18
Other Financial Assets	-	0.63	0.63	-	57.64	57.64
Current Tax assets		0.17	0.17		0.17	0.17
Other Current Assets	0.63	16.93	17.56	57.64	(51.80)	5.84
	972.98	-	972.98	932.65	-	932.65
Total	**2,030.78**	-	**2,260.96**	**2,024.29**	-	**2,220.03**
EQUITY AND LIABILITIES						
Equity						
Equity Share Capital	1,612.70	(125.00)	1,487.70	1,612.70	(125.00)	1,487.70
Other Reserves	(874.67)	271.20	(603.47)	(705.85)	239.28	(466.57)
	738.03	146.20	884.23	906.85	114.28	1,021.13
Liabilities						
Non-Current Liabilities						
Financial Liabilities						
Borrowings	-	125.00	125.00	-	125.00	125.00
Other Financial Liabilities	-		-	-		
Provisions	3.28	3.12	6.40	3.10	3.07	6.17
Deferred tax liabilities (Net)	41.03	(41.03)	-	43.54	(43.54)	-
Other Non Current Liabilities	-	-	-	-	-	-
	44.31	87.09	131.40	46.64	84.53	131.17
Current Liabilities						
Financial Liabilities						
Borrowings	536.05		536.05	360.16		360.16
Trade Payables	443.58		443.58	348.87		348.87
Other Financial Liabilities	-	28.20	28.20	-	29.93	29.93
Other Current Liabilities	150.68	(28.20)	122.48	226.48	(29.93)	196.55
Provisions	118.13	(3.12)	115.01	135.29	(3.07)	132.22
Current Tax Liabilities (net)	-			-		
	1,248.44	(3.12)	1,245.32	1,070.80	(3.07)	1,067.73
Total	**2,030.78**	**230.17**	**2,260.96**	**2,024.29**	**195.74**	**2,220.03**

Notes

Forming part of the Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

Reconciliation of Statement of Profit & Loss A/c for the year ended 31 March, 2017

Particular	Existing IGAAP	Adjustments	IND AS
REVENUE			
Revenue from Operations (Gross)	2,663.51	-	2,663.51
Less: Excise Duty	347.65	(347.65)	-
Revenue from Operations (Net)	2,315.86	347.65	2,663.51
Other Income	9.10	-	9.10
	2,324.96	347.65	2,672.61
EXPENDITURE			
Cost of Materials Consumed	1,575.61	-	1,575.61
Work-in-Progress	53.72	0.01	53.73
Employee Benefits Expense	194.97	1.15	196.12
Finance Costs	68.21	0.01	68.22
Depreciation and Amortisation Expense	70.62	-	70.62
Other Expenses	533.16	347.63	880.79
		-	
	2,496.29	348.80	2,845.09
PROFIT EXCEPTIONAL ITEMS AND TAX	(171.33)	(1.15)	(172.48)
Exceptional Items	-	-	-
PROFIT BEFORE TAX	(171.33)	(1.15)	(172.48)
Current Tax	-	-	-
Deferred Tax (Credit) / Charge	(2.51)	(32.27)	(34.78)
PROFIT FOR THE PERIOD	(168.82)	(33.42)	(137.70)
Other Comprehensive Income			
Other Comprehensive Income to be reclassified to Profit or Loss in subsequent periods			
Net gain/(loss) on FVTOCI Debt securities	-	-	-
Income tax effect	-	-	-
Net movement on cash flow Hedges	-		
Income tax effect	-	-	-
Other Comprehensive Income not to be reclassified to Profit or Loss in subsequent periods:			
Re-measurement gains/ (Losses) on defined benefit plan	-	1.15	1.15
Income tax effect	-	(0.36)	(0.36)
Other Comprehensive Income for the Year (net of tax	-	0.79	0.79
Total Comprehensive Income for the year (Net of Tax)	(168.82)	(32.63)	(136.90)
Earnings per Equity Share of Rs. 10 each (In Rs.)			
Basic	(0.99)	-	(0.99)
Diluted	(0.99)	-	(0.99)

Notes

Forming part of the Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

b) Reconciliation between previous GAAP and Ind AS

i. Reconciliation of total equity as at 31st March, 2017 and 1st April, 2016

Particulars	Note for first time adoption	As at 31st March, 2017	As at 1st April, 2016
Total equity (shareholder's funds) as per previous GAAP		738.03	906.85
Adjustment:			
Reclassification of prefrence share capital as borrowing under non current financial	43c(i)	(125.00)	(125.00)
Remeasurement of Deferred Tax Assets & Liabilties	43C(iii)	271.20	239.28
Total Adjustments		**146.20**	**114.28**
Total equity (shareholder's fund) as per Ind AS		**884.23**	**1,021.13**

ii. Reconciliation of total comprehensive income for the year ended 31st March, 2017

Particulars	Note for first time adoption	As at 31st March, 2017
Profit after tax as per previous GAAP		(168.82)
Adjustment:		
Reclassification of acturial loss/ (gain) arising in respect of employee defined benefit scheme, to other comprehensive Income (OCI)	43c(ii)	1.15
Deferred tax	43c(iii)	(32.27)
Profit after tax as per Ind AS		(137.70)
Other Comprehensive income		
Remeasurement of post-employment benefit obligations	43c(ii)	1.15
Income tax relating to item above		(0.36)
Total Adjustments		**(136.90)**
Total equity (shareholder's fund) as per Ind AS		

C. Explanatory Notes to first-time adoption

Set out below are the notes to explain various adjustments pursuant to transition from previous GAAP to Ind AS.

i) Reclassification of Prefernce Share Capital

In the financial statements prepared as per previous GAAP, Non-Cumulative preference shares were considered in Share Capital.Under IND AS Non-Cumulative prefernce shares are considered as Non-Current Financial Liabilities and are shown under borrowings.

AS a result of this change, Equity share capital has decreased by Rs 125.00 Lacs and Borrowings has been increased by the same amount.

ii. Remeasurement of Post-employment Benefit Obligations

In the financial statements prepared under previous GAAP, remeasurement benefit of defined plans, arising primarily due to change in actuarial assumptions was recognised as employee benefits expense in the statement of profit and loss. Under Ind AS, such remeasurment benefits relating to defined benefits plans is recognised in other comprehensive income as per the requirement of Ind AS 19- Employee Benefits.

As a result of this change, the profit for the year ended 31st March, 2017 decreased by ₹ 1.15 lacs and other comprehensive income has increased by the same amount. There is no impact on the total equity as on 31st March, 2017

Notes

Forming part of the Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

iii. Deferred Tax

In the financial statements prepared under previous GAAP, deferred tax was accounted as per the income statement approach which required creation of deferred tax asset/liability on timing differences between taxable profit and accounting profit. Under Ind AS, deferred tax is accounted as per the balance sheet approach which requires creation of deferred tax asset/liability on temporary differences between the carrying amount of an asset/liability in the balance sheet and its corresponding tax base.

The above changes have resulted in creation of deferred tax assets (net) amounting to ₹ 110.55 lacs as at 31st March, 2017 (1st April, 2016: ₹ 57.14 lacs). For the year ended 31st March, 2017, it has resulted in decrease in deferred tax expense and consequently deferred tax income of ₹ 54.32 lacs is booked in the statement of profit and loss for the year ended 31st March, 2016.

iv. Current Tax

As required under Ind AS, tax component on, actuarial gains/losses on remeasurements of defined benefit plans and gains/losses on foreign exchange differences arising on translation of foreign operations which are transferred to other comprehensive income under Ind AS, has been adjusted with current tax debited to profit or loss. For the year ended 31st March, 2017, it has resulted in decrease in current tax expense by ₹ 0.45 lacs in the statement of profit and loss with corresponding tax credit in other comprehensive income.

Note 44 : Lease Rental

In accordance with the IND AS 17, notified by the Companies (Accounting Standards) Rules, 2017, 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, 2018	For the Year Ended 31st March, 2017
Minimum lease payments recognised in the statement of profit and loss for the year	46.40	44.99
Future minimum lease payments:		
- Not later than one year	53.48	46.51
- Later than one year but not later than 5 years	235.29	216.90
- More than 5 years	820.00	943.01

Note 45 : Earnings in foreign exchange

Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
- Export of goods calculated on FOB basis	115.65	104.04
- Foreign exchange fluctuation gain	1.84	0.85

Note 46 : Value of Imports calculated on CIF basis

Particulars	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
- Raw material	145.12	145.18

Notes

Forming part of the Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 47 : Imported and Indigenous Raw Material, components and spare parts consumed

Particulars	For the Year Ended 31st March, 2018		For the Year Ended 31st March, 2017	
	Amount	%	Amount	%
Raw Material				
- Imported	95.62	4.38	127.02	9.04
- Indigenous	2088.78	95.62	1,278.04	90.96
Other Consumables				
- Indigenous	146.56	100	83.14	100.00

Note 48 :During the current period , Company does not have any Contingent Liabiltiy.

Note 49 : Previous year figure have been regrouped and reclassified wherever necessary.

For Gupta & Dua
Chartered Accountants
Firm's Registration No. 003849N

Gupta & Dua Chartered Accountants New Delhi FRN003849N

Mukesh Dua
Partner
Membership No. 085323
Place: New Delhi
May 25, 2018

For and on behalf of the Board of Directors

Chairman

Managing Director

Chief Financial Officer

Company Secretary

Directors