

Independent Auditors' Report

To the Members of
Xlerate Driveline India Limited

Report on the audit of the Financial Statements

We have audited the financial statements of Xlerate Driveline India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in equity and the statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in

- (i) planning the scope of our audit work and in evaluating the results of our work; and
- (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, based on our audit 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 (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of written representations received from the directors as on March 31, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'A'.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

- (h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of

the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company 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 sub-section (11) of section 143 of the Act, we give in the Annexure 'B' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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DUA
Date: 2020.06.30 16:33:41
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Mukesh Dua
Partner
Membership No.085323
UDIN: 20085323AAAABZ9651

Place: New Delhi
Date: June 30, 2020

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 March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020 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

MUKESH DUA

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Mukesh Dua
Partner
Membership No.085323

UDIN: 20085323AAAABZ9651

Place: New Delhi
Date: June 30, 2020

Annexure 'B' to the Independent Auditors' Report

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

- 1) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) As informed, fixed assets have been physically verified by the management in a phased periodical manner which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
 - (c) According to the records of the Company, we report that the title deeds of all the immovable properties are held in the name of the Company.

- 2) In respect of its inventories:
 - (a) The management has physically verified the inventories. In our opinion, the frequency of verification is reasonable.
 - (b) The discrepancies noticed on verification between the physical stocks and the book records were not material and such discrepancies have been properly dealt with in the books of accounts.

- 3) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act for the financial year 2019-2020, and accordingly clauses (a), (b) and (c) of para (iii) of the order are not applicable.

- 4) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, investments, or provided any guaranty or security to the parties covered under section 185 of the Act.

- 5) In our opinion and 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 section 148(1) of the Act, 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, Goods and Service Tax, Custom Duty, Cess and other material statutory dues applicable to it.
According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2020 for a period of more than six months from the date they become payable.

(b) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of income tax, goods and service tax, customs duty, cess and any other statutory dues which have not been deposited on account of any dispute.
- 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) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments. In our opinion, the term loans have been applied for the purpose for which they were obtained.
- 10) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.
- 11) In our opinion, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the 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.

GUPTA & DUA
CHARTERED ACCOUNTANTS

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Website: - www.guptaanddua.com

- 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 financial statements, as required by the applicable 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.
- 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

MUKESH DUA

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Mukesh Dua

Partner

Membership No.085323

UDIN: 20085323AAAAB29651

Place: New Delhi

Date: June 30, 2020

Balance Sheet as at 31st March, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
(I) ASSETS			
(i) Non-Current assets			
Property, plant and equipment	3	1,361.52	949.08
Capital work in progress	3	6.62	38.18
Intangible assets	4	2.41	2.38
Deferred tax assets (Net)	5	205.27	206.99
Other non current assets	6	17.87	14.81
Total non-current assets		1,593.69	1,211.44
(ii) Current Assets			
Inventories	7	506.45	426.97
Financial assets			
a. Trade receivables	8	1,070.19	1,139.85
b. Cash and cash equivalents	9	1.24	0.79
c. Bank balances other than (b) above	10	34.76	32.75
d. Loans and advances	11	23.86	1.48
Current Tax Assets	12	2.60	1.19
Other current assets	13	51.53	18.68
Total current assets		1,690.63	1,621.71
Total Assets		3,284.32	2,833.15
(II) EQUITY AND LIABILITIES			
(i) Equity			
Equity share capital	14	1,487.70	1,487.70
Other equity	15	(610.75)	(590.17)
Total equity		876.95	897.53
Liabilities			
(ii) Non-current liabilities			
Financial Liabilities			
a. Borrowings	16	811.04	355.00
Provisions	17	22.21	18.42
Total non-current liabilities		833.25	373.42
(iii) Current Liabilities			
Financial Liabilities			
a. Borrowings	18	349.48	388.33
b. Trade payables	19		
Total outstanding Dues of Micro Enterprises and Small Enterprises		83.04	113.99
Total outstanding Dues of other than Micro Enterprises and Small Enterprises		840.22	708.08
c. Other financial liabilities	20	32.40	37.46
Other Current Liabilities	21	102.30	153.65
Provisions	22	166.68	160.69
Total current liabilities		1,574.12	1,562.20
Total liabilities		2,407.37	1,935.62
Total Equity and Liabilities		3,284.32	2,833.15
Significant accounting policies and notes to financial statement	1-45		

This is the Balance Sheet referred to in our report of even date

 For Gupta & Dua
Chartered Accountants

Firm's Registration No. 003849N

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Date: 2020.06.30 15:49:20
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Mukesh Dua

Partner

Membership No. 085323

June 30, 2020

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Chief Financial Officer

 SURINDER PAUL KANWAR Digitally signed by SURINDER PAUL KANWAR
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Chairman

 VARTIKA MALHOTRA Digitally signed by VARTIKA MALHOTRA
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Company Secretary

 JAGDEEP SINGH Digitally signed by JAGDEEP SINGH
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Directors

 SACHIT KANWAR Digitally signed by SACHIT KANWAR
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Managing Director

 SANJEEV KUMAR Digitally signed by SANJEEV KUMAR
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 RAJIV CHANDRA RASTOGI Digitally signed by RAJIV CHANDRA RASTOGI
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Directors

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For and on behalf of the Board of Directors

Statement of Profit and Loss for the period ended 31st March, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	Year ended 31st March, 2020	Year ended 31st March, 2019
(I) Revenue from operations	23	4,314.48	4,654.11
(II) Other Income	24	17.41	24.35
(III) Total revenue/ income (I+II)		4,331.89	4,678.46
(IV) EXPENSES			
a. Cost of material consumed	25	3,287.98	3,496.55
b. Changes in Inventories of finished goods & work-in-progress	26	(45.09)	9.79
c. Employee benefits expenses	27	349.67	307.85
d. Finance cost	28	131.84	70.49
e. Depreciation and amortization expenses	29	97.58	74.22
f. Other expenses	30	528.92	637.07
Total expenses		4,350.90	4,595.97
Profit / (loss) before exceptional items and tax		(19.01)	82.49
Exceptional Items			
(V) Profit/(loss) before Tax (III-IV)		(19.01)	82.49
(VI) Income tax expenses			
a. Current tax		-	-
b. Deferred tax- charge/ (credit)	32	1.67	16.36
Total tax expense		1.67	16.36
(VII) Profit/(loss) for the year (V-VI)		(20.68)	66.13
(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		0.14	(4.30)
- Income tax effect		(0.04)	1.12
		0.10	(3.18)
Other comprehensive Income for the Year (net of tax) (a+b)		0.10	(3.18)
(IX) Total comprehensive Income for the year (VII+VIII)		(20.58)	62.95
(X) Earnings per Equity share of [Nominal value per share ₹ 10/- (31st March, 2019 : ₹10/-)]			
Basic earning per share	31	(0.14)	0.44
Diluted earnings per share	31	(0.14)	0.44
Significant accounting policies and notes to financial statement	1-45		

This 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

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Date: 2020.06.30 15:55:51 +05'30'
Mukesh Dua

Partner

Membership No. 085323

June 30, 2020

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Chief Financial Officer

 SURINDER
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Date: 2020.06.30 13:58:06
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Chairman

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Managing Director
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Company Secretary

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Date: 2020.06.30
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Directors
PRABHAT CHAND
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Statement of Changes in Equity
A. Equity share capital

(All amounts in ₹ Lakhs, unless otherwise stated)

	Notes	No. of Shares	Amount
As at 1st April, 2019	14	1,48,77,038	1,487.70
Change in equity share capital		-	-
As at 31st March, 2020	14	1,48,77,038	1,487.70

B. Other Equity

Reserves and Surplus	Notes	Retained Earnings	Total other equity
Balance at 1st April, 2018		(653.12)	(653.12)
Profit/(Loss) for the year	15	66.13	66.13
Other comprehensive income for the year		(3.18)	(3.18)
Total comprehensive income		(590.17)	(590.17)
Transactions with owners in their capacity as owners:			
Remeasurement of defined benefit plans (net of tax)		-	-
Balance at 31st March, 2019		(590.17)	(590.17)
Balance at 1st April, 2019		(590.17)	(590.17)
Profit/(loss) for the year	15	(20.68)	(20.68)
Other comprehensive income for the year		0.10	0.10
Total comprehensive income		(610.75)	(610.75)
Transactions with owners in their capacity as owners:			
Remeasurement of defined benefit plans (net of tax)		-	-
Balance at 31st March, 2020		(610.75)	(610.75)

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

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Date: 2020.06.30 16:19:43 +05'30'

Mukesh Dua

Partner

Membership No. 085323

June 30, 2020

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Date: 2020.06.30 14:49:30 +05'30'
Chief Financial Officer
SURINDER PAUL KANWAR Digitally signed by SURINDER PAUL KANWAR
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Chairman
VARTIKA MALHOTRA Digitally signed by VARTIKA MALHOTRA
Date: 2020.06.30 15:10:11 +05'30'
Company Secretary
For and on behalf of the Board of Directors
SACHIT KANWAR Digitally signed by SACHIT KANWAR
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Managing Director
PRABHAT CHAND KOTHARI Digitally signed by PRABHAT CHAND KOTHARI
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Date: 2020.06.30 14:15:12 +05'30'

Directors
JAGDEEP SINGH P SINGH Digitally signed by JAGDEEP SINGH
Date: 2020.06.30 14:34:41 +05'30'

Statement of Cash Flow for the year ended 31st March, 2020

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit/(Loss) before tax	(19.01)	82.49
Adjustments for:		
Depreciation and amortization expenses	97.58	74.22
Interest and other charges	124.97	66.49
Interest Income	(2.24)	(2.25)
Operating profit before working capital changes	201.30	220.95
Changes in Working Capital		
Adjustments for (increase)/decrease in operating assets:		
Trade receivables	69.66	(269.38)
Inventories	(79.48)	(47.71)
Capital advances	(3.06)	(2.11)
Long Term Loans & advances	-	-
Short Term Loans & advances	(22.38)	8.15
Other current financial assets	-	-
Other current assets	(32.85)	(12.67)
Adjustments for increase/(decrease) in operating liabilities:		
Trade Payables	101.19	171.46
Provisions	9.92	48.81
Other current financial liabilities	(5.06)	(19.10)
Other current Liabilities	(51.35)	(21.33)
Cash generated from operations	187.89	77.07
Direct Taxes paid (Net)	(1.41)	(1.01)
Net Cash from operating activities	186.48	76.06
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including capital work in progress	(22.45)	(73.51)
Interest Received	2.24	2.25
Investment in deposits	(2.01)	(2.02)
Net Cash from/ (used) in investment activities	(22.22)	(73.28)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long / short term borrowings (Net)	(38.84)	62.94
Interest and other charges paid	(124.97)	(66.49)
Net Cash (used) / from financing activities	(163.81)	(3.55)
Net increase / (decrease) in cash and cash equivalents	0.45	(0.77)
Opening balance of Cash and cash equivalents *	0.79	1.56
Closing balance of Cash and cash equivalents *	1.24	0.79
* Including Interest accrued		

Reconciliation of Cash and cash equivalents as per the cash flow statements

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Cash and cash equivalents as per above comprise of the following		
Cash on hand	0.17	0.17
Balance with scheduled banks:		
in Current Accounts	1.07	0.62
Cash and cash equivalents at the end of the year		
Total	1.24	0.79

(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 Cash flow referred to in our report of even date

For Gupta & Dua

Chartered Accountants

Firm's Registration No. 003849N

MUKESH DUA Digitally signed by MUKESH DUA
Date: 2020.06.30 16:13:41 +05'30'

Mukesh Dua

Partner

Membership No. 085323

June 30, 2020

For and on behalf of the Board of Directors

SURINDER PAUL KANWAR Digitally signed by SURINDER PAUL KANWAR
Date: 2020.06.30 13:59:50 +05'30'

Chairman

SACHIT KANWAR Digitally signed by SACHIT KANWAR
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Managing Director

PRABHAT CHAND KOTHARI Digitally signed by PRABHAT CHAND KOTHARI
Date: 2020.06.30 14:26:50 +05'30'

SANJEEV KUMAR Digitally signed by SANJEEV KUMAR
Date: 2020.06.30 14:33:29 +05'30'

HIMANSHU GOYAL Digitally signed by HIMANSHU GOYAL
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Chief Financial Officer

VARTIKA MALHOTRA Digitally signed by VARTIKA MALHOTRA
Date: 2020.06.30 15:15:24 +05'30'

Company Secretary

RAJIV CHANDRA RASTOGI Digitally signed by RAJIV CHANDRA RASTOGI
Date: 2020.06.30 14:16:10 +05'30'

Directors

JAGDEEP SINGH Digitally signed by JAGDEEP SINGH
Date: 2020.06.30 14:36:36 +05'30'

Notes**Forming part of the Financial Statements****1 COMPANY OVERVIEW**

Xlerate Driveline India Limited having registered office & works at Shed No. 1,2 & 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 30th June, 2020.

2 SUMMARY OF 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. Compliance with Ind AS**

The financial statements of the Company have been prepared in compliance 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.

b. These 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 from contracts with customers :

The Company derives revenues primarily from sale of clutch plates and clutch cover assemblies.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

(a) Sale of goods and rendering of services:

Revenue from sale of goods and rendering of services including export benefits thereon are recognised at the point in time when control of the goods or services are transferred to the customer, generally on delivery of goods or rendering of services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any.

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.

OTHERS ITEMS OF REVENUE

Interest income is recorded on time proportion basis using the effective interest rate (EIR).

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.

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 ASSETS (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.

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.

While 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

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. The Company's lease asset classes primarily consist of leases for land and buildings. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after April 1, 2019.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.

The Company has not considered extension-options under the commercial contract for determining the lease-term which forms the basis for the measurement of right-of-use asset and the corresponding lease-liability.

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 balance 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 asset 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 offsets current tax assets and Current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends 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 AssetsInitial recognition and measurement

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.

Subsequent measurement



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.

Derecognition

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

Impairment of Financial Assets

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 34 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 37
- 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 40
- 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.
- (iv) Interest expense on leases

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	Lease Hold Improvements	ROU (Lease Hold Buildings)	Total	Capital work in progress
Year ended 31st March, 2019												
Gross carrying amount												
Opening gross carrying amount	534.34	368.38	148.59	14.79	1.93	48.53	5.36	1.19	-	-	1,123.11	5.18
Addition	-	10.62	17.77	-	-	0.20	1.12	1.81	8.23	-	39.75	41.05
Disposals/transfers	-	-	-	-	-	-	-	-	-	-	-	8.05
Closing gross carrying amount	534.34	379.00	166.36	14.79	1.93	48.73	6.48	3.00	8.23	-	1,162.86	38.18
Accumulated Depreciation												
Opening accumulated depreciation	-	56.64	64.08	3.84	1.53	11.49	3.27	0.50	-	-	141.35	-
Depreciation charged during the year	-	29.08	33.48	1.92	0.09	5.67	1.31	0.57	0.31	-	72.43	-
Disposals/transfers	-	-	-	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation	-	85.72	97.56	5.76	1.62	17.16	4.58	1.07	0.31	-	213.78	-
Net carrying amount	534.34	293.28	68.80	9.03	0.31	31.57	1.90	1.93	7.92	-	949.08	38.18
Year ended 31st March, 2020												
Gross carrying amount												
Opening gross carrying amount	534.34	379.00	166.36	14.79	1.93	48.73	6.48	3.00	8.23	-	1,162.86	38.18
Addition	-	28.73	15.72	-	1.14	1.00	2.27	0.85	2.61	456.04	508.36	11.71
Disposals/transfers	-	-	-	-	-	-	-	-	-	-	-	43.27
Closing gross carrying amount	534.34	407.73	182.08	14.79	3.07	49.73	8.75	3.85	10.84	456.04	1,671.22	6.62
Accumulated Depreciation												
Opening accumulated depreciation	-	85.72	97.56	5.76	1.62	17.16	4.58	1.07	0.31	-	213.78	6.62
Depreciation charged during the year	-	32.06	21.70	1.93	0.29	5.73	0.72	0.55	2.02	30.92	95.92	-
Disposals/transfers	-	-	-	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation	-	117.78	119.26	7.69	1.91	22.89	5.30	1.62	2.33	30.92	309.70	6.62
Net carrying amount	534.34	289.95	62.82	7.10	1.16	26.84	3.45	2.23	8.51	425.12	1,361.52	6.62

Notes

Forming part of the Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 4 : Intangible assets

Particulars	Software	Total
Year ended 31st March, 2019		
Gross carrying amount		
Opening gross carrying amount	6.68	6.68
Addition	0.77	0.77
Disposals/transfers	-	-
Closing gross carrying amount	7.45	7.45
Accumulated Depreciation		
Opening accumulated depreciation	3.27	3.27
Depreciation charged during the year	1.80	1.80
Disposals/transfers	-	-
Closing accumulated depreciation	5.07	5.07
Net carrying amount	2.38	2.38
Year ended 31st March, 2020		
Gross carrying amount		
Opening gross carrying amount	7.45	7.45
Addition	1.70	1.70
Disposals/transfers	-	-
Closing gross carrying amount	9.15	9.15
Accumulated Depreciation		
Opening accumulated depreciation	5.07	5.07
Depreciation charged during the year	1.67	1.67
Disposals/transfers	-	-
Closing accumulated depreciation	6.74	6.74
Net carrying amount	2.41	2.41

Notes

Forming part of the Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 5 : Deferred tax assets (Net)

Particulars	As at 31st March, 2020	Charged/ (credit) during the year	As at 31st March, 2019
Deferred tax assets on account of:			
a) Business Loss	142.92	(5.44)	148.36
b) Unabsorbed Depreciation	77.24	(11.42)	88.67
c) Finance lease	0.31	0.31	-
d) Provisions for Employees Benefits	6.36	0.89	5.48
Total deferred tax assets	226.83	(15.66)	242.51
MAT credit entitlement			
Deferred tax liabilities on account of:			
a) Difference between WDV as per Books and Income Tax Act	(21.56)	13.96	(35.52)
Total deferred tax liabilities	(21.56)	13.96	(35.52)
Total deferred tax (net)	205.27	(1.70)	206.99

Note 6 : Other non current assets

Particulars	As at 31st March, 2020	As at 31st March, 2019
Capital advances	3.06	-
Advance other than capital advance		
Security Deposit - Unsecured, Considered Good	14.81	14.81
Total	17.87	14.81

Notes

Forming part of the Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 7 : Inventories

Particulars	As at 31st March, 2020	As at 31st March, 2019
- Raw Material & Components	291.66	262.63
- Work-in-Progress	108.03	110.40
- Finished Goods	86.45	38.99
- Stores Consumables	20.31	14.95
Total	506.45	426.97

Note 8 : Current trade receivables

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unsecured		
- Trade receivables - considered good	1,070.19	1,139.85
- Trade receivables which have significant increase in credit risk	-	-
- Trade receivables - credit impaired	-	-
Total	1,070.19	1,139.85

Note 9 : Cash and cash equivalents

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balance with Banks		
- Cash on hand	0.17	0.17
- In current accounts	1.07	0.62
Total	1.24	0.79

Note 10 : Bank balances other than cash & cash equivalents

Particulars	As at 31st March, 2020	As at 31st March, 2019
Other Balances		
Fixed deposits with various authorities		
- Margin money against bank guarantees and others	34.76	32.75
Total	34.76	32.75

Note 11 : Loans and advances

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balances with Government Authorities :		
- Duties & Taxes	22.14	0.23
- Duty drawback receivable	0.23	0.48
- Export incentive receivable	1.49	0.77
Total	23.86	1.48

Notes

Forming part of the Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 12: Current tax assets

Particulars	As at 31st March, 2020	As at 31st March, 2019
- Advance Income Tax / TDS	2.60	1.19
Total	2.60	1.19

Note 13 : Other current assets

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unsecured considered good		
Prepaid Expenses	10.29	4.25
Advances recoverable in cash or in kind or for value to be received		
- Supplier advances	29.31	7.24
- Other advances	11.93	7.19
Total	51.53	18.68

Notes
Forming part of the Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 14 : Equity share capital

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Authorised Equity shares of ₹ 10 each (31st March, 2019 ₹ 10 each)	1,55,00,000	1550.00	1,55,00,000	1550.00
Issued, Subscribed and Paid-up: Equity shares of ₹ 10 each (31st March, 2019 ₹ 10 each) fully paid up	1,48,77,038	1487.70	1,48,77,038	1487.70
Total		1487.70		1487.70

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 preferential 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, 2020		As at 31st March, 2019	
	No. of Shares	% of holding	No. of Shares	% of holding
Raunaq EPC International Limited (Holding Company)	1,48,77,038	100%	1,48,77,038	100%

Notes

Forming part of the Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 15 : Other equity

Particulars	Refer following items	As at 31st March, 2020	As at 31st March, 2019
Retained Earnings	15(a)	(610.75)	(590.17)
Total		(610.75)	(590.17)

Particulars	As at 31st March, 2020	As at 31st March, 2019
a Retained Earnings		
Balance at the beginning of the year	(590.17)	(653.12)
Profit/(Loss) for the year	(20.68)	66.13
Items of other comprehensive income recognised directly in retained earnings	0.10	(3.18)
Total	(610.75)	(590.17)

Notes
Forming part of the Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 16 : Non current borrowings

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unsecured 1,25,000, 10% Non-Cumulative Redeemable Preference Shares of Rs. 100/- each fully paid up	125.00	125.00
Unsecured Borrowings		
- From Related Parties	130.00	130.00
- Others	100.00	100.00
Unsecured Financial Lease Obligations		
- Factory Sheds	456.04	-
Total	811.04	355.00

Note:

- a.) The preference shares are redeemable at par at any time before twenty years from the date of the allotment (i.e. 21-Sep-2015) in one or more tranches in accordance with Section 55 of the Companies Act, 2013.
- b.) Repayment Terms

<u>Unsecured Borrowings</u>	Terms of re-payment	EIR
- From Related Parties	At the end of 5 Years	10%
- Others	At the end of 5 Years	9%

Note 17 : Non-current provisions

Particulars	As at 31st March, 2020	As at 31st March, 2019
Provision for employee benefits		
- Provision for compensated absences	7.00	6.31
- Provision for Gratuity	15.21	12.11
Total	22.21	18.42

Note 18 : Current borrowings

Particulars	As at 31st March, 2020	As at 31st March, 2019
Secured Borrowings		
Working capital loans repayment on demand from bank		
- CC limit from OBC Bank [refer footnote (i)]	204.48	243.65
- NSIC RMA Account [refer footnote (ii)]	95.00	94.68
Unsecured Borrowings		
- Loan from director	50.00	50.00
Total	349.48	388.33

Note:

- (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 Punjab National Bank (erstwhile Oriental Bank of Commerce).

Notes
Forming part of the Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 19 : Trade payables

Particulars	As at 31st March, 2020	As at 31st March, 2019
- Total outstanding dues of micro enterprises and small enterprises	83.04	113.99
- Total outstanding dues of Trade Payable other than micro enterprises and small enterprises	840.22	708.08
Total	923.26	822.07

Note:

- (i) There were no amounts outstanding to be paid to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) except as disclosed above.
- (ii) No interest is paid/payable during the year to any micro or small enterprise registered under the MSMED.
- (iii) No amount of interest accrued and remaining unpaid at the end of the year and no amount of further interest remaining due and payable in succeeding years.
- (iv) The above information takes into account only those suppliers who have responded to the enquiries made by the company for this purpose.

Note 20 : Other financial liabilities

Particulars	As at 31st March, 2020	As at 31st March, 2019
- Payables on purchase of fixed assets & CWIP	5.90	12.20
- Security deposit from customers	25.26	25.26
- Current Maturities of finance lease obligations	1.24	-
Total	32.40	37.46

Note 21 : Other current liabilities

Particulars	As at 31st March, 2020	As at 31st March, 2019
- Statutory dues	19.83	53.29
- Customers credit balances	5.48	8.96
- Other payables	76.99	91.40
Total	102.30	153.65

Note 22 : Current provisions

Particulars	As at 31st March, 2020	As at 31st March, 2019
Provision for employee benefits		
- Provision for compensated absences	0.48	0.47
Provision- others		
- Provision for Turnover Discounts	94.65	106.25
- Other Provisions	71.55	53.97
Total	166.68	160.69



Notes

Forming part of the Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 23 : Revenue from operations

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Revenue from contracts with customers		
- Sale of products	4,221.53	4,544.51
Other Operating Revenue		
- Sale of Scrap	79.72	94.88
- Others	13.23	14.72
Total	4,314.48	4,654.11

Note 24 : Other income

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
- Interest income	2.24	2.25
- Foreign exchange fluctuation gain	2.12	1.53
- Other non operating income	13.05	20.57
Total	17.41	24.35

Note 25 : Cost of materials consumed

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Raw material consumptions		
Opening Stock	262.63	206.23
ADD:- Purchases	3,016.40	3,228.25
	3,279.03	3,434.48
LESS:- Closing stock	291.66	262.63
Sub Total (a)	2,987.37	3,171.85
Direct production expenses		
Consumption of packing material	139.71	148.75
Job work expenses	160.90	175.95
Sub Total (b)	300.61	324.70
Total (a+b)	3,287.98	3,496.55

Note 26 : Changes in inventories of finished goods & work-in-progress

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Inventories (at the end of the year)		
- Finished goods	86.45	38.99
- Work-in-progress	108.03	110.40
Sub Total	194.48	149.39
Inventories (at the beginning of the year)		
- Finished goods	38.99	71.65
- Work-in-progress	110.40	87.53
Sub Total	149.39	159.18
Total	(45.09)	9.79

**Notes**

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(All amounts in ₹ Lakhs, unless otherwise stated)

Note 27 : Employee benefits expenses

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
- Salary & wages	330.54	290.50
- Contribution to provident & other funds	9.68	8.80
- Staff welfare expenses	9.45	8.55
Total	349.67	307.85

Note 28 : Finance cost

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
- Interest expenses on:		
Borrowings	70.25	66.49
- Lease factory sheds	54.72	
- Other borrowing costs (Bank and other financial charges)	6.87	4.00
Total	131.84	70.49

Note 29 : Depreciation and amortization expenses

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Depreciation of property, plant and equipment	95.91	72.42
Amortisation of intangible assets	1.67	1.80
Total	97.58	74.22

Note 30 : Other expenses

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
- Other production consumables	19.72	21.00
- Power & fuel expenses	32.31	38.81
- Freight, forwarding & other charges	114.57	120.77
- Repair & maintenance expenses	17.82	15.97
- Professional charges	14.47	22.24
- Printing & stationery	3.20	3.78
- Postage, telegram, telephone expenses	1.09	1.06
- Insurance expenses	1.92	2.43
- Marketing Service Fee	154.32	171.63
- Other Marketing and Selling Expense	90.31	81.46
- Rent expenses	0.69	51.13
- Car hire expenses	7.35	5.91
- Security service charge	9.38	9.05
- Travelling, conveyance, boarding & lodging expenses	7.97	12.45
- Rates & taxes	0.01	0.01
- Warranty claim expenses	41.55	66.50
- Miscellaneous expenses	10.93	11.53
- Payments to auditors (Refer Note (i) below)	1.31	1.34
Total	528.92	637.07



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, 2020	For the year ended 31st March, 2019
Statutory Audit fee	0.60	0.60
Limited review fee	0.60	0.60
Reimbursement	0.11	0.14
Total	1.31	1.34

Note 31 : Earning per share

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Weighted average number of equity shares outstanding	1,48,77,038	1,48,77,038
Profit after tax available for shareholders	(20.68)	66.13
Basic & diluted earning per share	(0.14)	0.44
Nominal value per share	10.00	10.00

Note 32 : 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-

Particulars	2019-20	2018-19
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	(15.63)	(11.78)
(Increase)/ Decrease in deferred tax liability	13.96	(4.58)
Total deferred tax expenses	1.67	16.36
Income tax expenses	1.67	16.36

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

Particulars	2019-20	2018-19
Profit/(Loss) before income taxes	(19.01)	82.49
Enacted tax rate in India (%)	25.17%	26.00%
Computed expected tax expenses	(4.78)	21.45
Items not Deductible for Tax/not Liable to Tax (Net)	13.82	7.93
Tax reversals	(9.04)	(29.38)
Others	(1.67)	(16.36)
Income tax expenses	(1.67)	(16.36)

Notes
Forming part of the Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 33 : 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 34 : 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, 2020	As at 31st March, 2019
within India	4118.08	4418.39
Outside India	103.45	126.12
Total	4221.53	4544.51

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, 2020	As at 31st March, 2019
Customer A	856.11	664.56
Customer B	-	644.52
Total	856.11	1309.08

Note 35 : 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, 2020	As at 31st March, 2019
Equity Share Capital	1,487.70	1,487.70
Reserves and Surplus	(610.75)	(590.17)
Total Equity	876.95	897.53
Long Term Debt	811.04	355.00
Debt to Equity Ratio	0.92	0.40

Note 36 : 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 efficiency 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, 2020	As at 31st March, 2019
Floating rate borrowings: Working capital loan	28.31	24.98
Total	28.31	24.98

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, 2020	As at 31st March, 2019
50 bp increase - Decrease in profit	(1.07)	(0.95)
50 bp decrease - Increase in profit	1.07	0.95

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 balanced in original equipment manufacturers 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, 2020

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Interest Bearing Loans and Borrowings (Including Current Maturities)	349.48	230.00	125.00	704.48
Trade Payables	923.26	-	-	923.26
Other Financial Liabilities	32.40	-	-	32.40
Total	1,305.14	230.00	125.00	1,660.14

As at 31st March, 2019

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Interest Bearing Loans and Borrowings (Including Current Maturities)	388.33	230.00	125.00	743.33
Trade Payables	822.07	-	-	822.07
Other Financial Liabilities	37.46	-	-	37.46
Total	1,247.86	230.00	125.00	1,602.86

Notes**Forming part of the Financial Statements**

(All amounts in ₹ Lakhs, unless otherwise stated)

Notes 37 : 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	2019-20	2018-19
Contribution to Provident Fund and Family Pension Fund	8.99	7.86

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 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 extent 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	
	2019-20	2018-19
Table Showing Changes in Present Value of Obligations		
Present value of Defined Benefit Obligation as at the beginning of the year	12.11	5.17
Current service cost	2.39	2.23
Past service cost	-	-
Interest Cost	0.85	0.40
Actuarial Losses/ (Gains)	(0.14)	4.30
Benefits paid	-	-
Present value of Defined Benefits Obligation as at the end of the year	15.21	12.11
Bifurcation of total Actuarial (gain) / loss on liabilities	2019-20	2018-19
Actuarial gain / losses from changes in Demographics assumptions (mortality)	NA	NA
Actuarial (gain)/ losses from changes in financial assumptions	0.96	0.57
Experience Adjustment (gain)/ loss for Plan liabilities	(1.10)	3.73
Total amount recognized in other comprehensive Income	(0.14)	4.30
Net assets/ (liability) recognised in the Balance Sheet	2019-20	2018-19
Present value of the obligation at the end of the period	15.21	12.11
Fair value of plan assets at end of period	-	-
Net liability/(asset) recognized in Balance Sheet and related analysis	15.21	12.11
Funded Status - Surplus/ (Deficit)	(15.21)	(12.11)
Expense recognized in the statement of Profit and Loss	2019-20	2018-19
Current service cost	2.39	2.23
Past service cost	-	-
Interest cost	0.85	0.40
Expected return on Plan Assets	-	-
Total expenses recognised in the Profit & Loss Statement	3.24	2.64
Other comprehensive (income) / expenses (Remeasurement)	2019-20	2018-19
Cumulative unrecognized actuarial (gain)/loss opening. B/F	4.60	0.31
Actuarial (gain)/loss - obligation	(0.14)	4.30
Actuarial (gain)/loss - plan assets	-	-
Total Actuarial (gain)/loss	(0.14)	4.30
Cumulative total actuarial (gain)/loss. C/F	4.46	4.60
Summary of membership data at the date of valuation and statistics based thereon	2019-20	2018-19
Number of employees	29	30
Total monthly salary	5.63	6.02
Average Past Service(Years)	4.90	4.10
Average Future Service (yr)	24.70	24.80
Average Age(Years)	33.30	33.20
Weighted average duration (based on discounted cash flows) in years	17.00	18.00
Average monthly salary	0.19	0.20
The assumption of the future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion & other relevant factors		
The assumptions employed for the calculations are tabulated	2019-20	2018-19
Discount rate	7.00 % per annum	7.75 % per annum
Salary Growth Rate	5.00 % per annum	5.00 % per annum
Mortality	IALM 2012-14	IALM 2006-08 Ultimate
Withdrawal rate (Per Annum)	5.00% p.a.	5.00% p.a. (16 to 30 Years) 3.00% p.a. (30 to 44 Years) 2.00% p.a. (44 to 58 Years)
Benefits valued	2019-20	2018-19
Normal Retirement Age	58 Years	58 Years
Salary	Last drawn qualifying salary	Last drawn qualifying salary
Vesting Period	5 Years of service	5 Years of service
Benefits on Normal Retirement	15/26 * Salary * Past Service (yr)	15/26 * Salary * Past Service (yr)
Benefit on early exit due to death and disability	As above except that no vesting conditions apply	As above except that no vesting conditions apply
Limit	2000000	2000000

Notes
Forming part of the Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

 Sensitivity Analysis for significant assumptions as on **31.03.2020** are as follows:-

Assumptions	Discount rate		Future Salary		Withdrawal Rate	
	1.00% Increase	1.00% Decrease	1.00% Increase	1.00% Decrease	1.00% Increase	1.00% Decrease
Impact on defined benefit obligation	(1.36)	1.57	1.59	(1.39)	0.19	(0.22)

 Sensitivity Analysis for significant assumptions as on **31.03.2019** are as follows:-

Assumptions	Discount rate		Future Salary		Withdrawal Rate	
	1.00% Increase	1.00% Decrease	1.00% Increase	1.00% Decrease	1.00% Increase	1.00% Decrease
Impact on defined benefit obligation	(1.07)	1.24	1.27	(1.11)	0.22	(0.25)

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

Particulars	(₹ in lacs)
1st Arpil, 2020 to 31st March, 2021	0.84
1st Arpil, 2021 to 31st March, 2022	0.36
1st Arpil, 2022 to 31st March, 2023	0.37
1st Arpil, 2023 to 31st March, 2024	0.37
1st Arpil, 2024 to 31st March, 2025	0.37
1st Arpil, 2025 onwards	12.90



Xlerate Driveline India Limited

Notes

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(All amounts in ₹ Lakhs, unless otherwise stated)

Note 38 : 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 Reality Infra Pvt. Ltd. (VRIPL)

Ultra Consultants Pvt. Ltd. (UCPL)

Future Consultants Pvt. Ltd. (FCPL)

Cliplok Simpak (India) Pvt. Ltd. (CSIPL)

Gulab Merchandise Pvt. Ltd. (GMPL)

City Fame Engineering Private Limited (CFEPL)

(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

Mr. Rajiv Chandra Rastogi (RCR) - Director



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	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Transaction during the year						
Interest on Loan						
UCPL	-	-	1.50	1.50	-	-
SPK	-	-	-	-	6.02	6.00
CSIPL	-	-	5.01	5.00	-	-
VRIPL	-	-	6.52	4.60	-	-
CFEPL	-	-	-	1.91	-	-
Repayment of Unsecured Loan						
CFEPL	-	-	-	20.00	-	-
Unsecured Loan Taken						
VRIPL	-	-	-	20.00	-	-
Marketing Service Fee						
BGL	-	-	154.32	171.63	-	-
Rent Income						
BGL	-	-	11.75	11.75	-	-
Rent Expenses						
BGL	-	-	0.69	-	-	-
Other Selling Expenses						
BGL	-	-	10.46	5.73	-	-
Reimbursement of Expenses						
REIL	1.19	0.45	-	-	-	-
Remuneration						
SK	-	-	-	-	30.00	-
Other Income						
REIL	-	7.06	-	-	-	-



Xlerate Driveline India Limited

Notes

Forming part of the Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
Personal Guarantee Offered to Oriental Bank of Commerce for Credit Limit availed						
SPK & SK each	-	-	-	-	405.00	405.00
Corporate Guarantee of offered for credit limits availed by company to Oriental Bank of Commerce						
REIL	405.00	405.00	-	-	-	-
Amount Payable / (Receivable)						
SPK	-	-	-	-	50.00	50.00
SK	-	-	-	-	0.89	-
BGL	-	-	75.90	90.26	-	-
REIL	-	-	(6.13)	(7.06)	-	-
UCPL	-	-	15.00	15.00	-	-
CSIPL	-	-	50.00	50.00	-	-
VR IPL	-	-	65.00	65.00	-	-
CFEPL	-	-	-	-	-	-
Note 39 : Capitalization of expenditure	Note 39 : 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		For the Year Ended		For the Year Ended	
	31st March, 2020		31st March, 2020		31st March, 2019	
Salary, wages & contribution to funds		1.37		1.37		1.49
Job-work & processing charges		-		-		8.22
Cost of material		14.28		14.28		8.05
Total		15.65		15.65		17.76

Notes

Forming part of the Financial Statements

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 40 : Financial instruments- accounting classifications and fair value measurements
Financial instruments

Particulars	Notes	31st March, 2020			31st March, 2019		
		FVPL	FVOCI	Amortized Cost	FVPL	FVOCI	Amortized Cost
Financial Assets							
Loans	5	-	-	-	-	-	-
Trade Receivables	8	-	-	1,070.19	-	-	1,139.85
Cash and Bank Balances	9,10	-	-	36.00	-	-	33.54
Loans and Advances	11	-	-	23.86	-	-	1.48
Other Financial Assets		-	-	-	-	-	-
Total Financial Assets		-	-	1,130.05	-	-	1,174.87
Financial Liabilities							
Borrowings	16,18	-	-	1,160.52	-	-	743.33
Trade Payables	19	-	-	923.26	-	-	822.07
Other Financial Assets	20	-	-	32.40	-	-	37.46
Total Financial liabilities		-	-	2,116.18	-	-	1,602.86

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).

Note 41 : Disclosure pursuant to Ind AS 116 "Leases" :

Effective April 01, 2019, the Company adopted Ind AS 116 "Leases" as notified by the Ministry of Corporate Affairs (MCA) and applied the standard to all lease contracts existing on April 01, 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability and right of use assets at the present value of the lease payments discounted at the incremental borrowing as on date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in the recognition of 'Leasehold buildings' and lease liability of Rs 456.04 lacs. Due to adoption of Ind AS 116, the profit for the current year is reduced by Rs. 32.16 lacs. Ind AS 116, Leases resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

Note 42 : Earnings in foreign exchange

Particulars	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
- Export of goods calculated on FOB basis	47.23	53.96
- Foreign exchange fluctuation gain	2.12	1.54

Note 43 : During the current period , Company does not have any Contingent Liability.

Note 44 : The Company has incurred losses during the current year amounting to Rs.20.57 lacs, primarily owing to the lower volumes due to continuing slowdown in the automotive industry. The Company's operations have also been impacted by the unprecedented COVID-19 pandemic which resulted in an interruption of production due to the shutdown of its plant facility and office owing to the nation wide lockdown. The Company has since obtained requisite permissions and restarted its manufacturing plant and its office partially, due to constraints in availability of manpower etc.

The company has made an assessment of the impact of the pandemic on its operations and the carrying value of plant and machinery, inventory, receivables and other financial assets, by relying on the internal and external sources of information and indicators of economic forecasts. Based on such assessment, the Company is confident of recovering the carrying value of these assets as at March 31, 2020.

Management believes that it has taken into account all the possible impact of known events arising from COVID 19 pandemic in the preparation of the financial statements. However, the impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

Note 45 : Previous year figure have been regrouped and reclassified wherever necessary.

For Gupta & Dua
Chartered Accountants
Firm's Registration No. 003849N
MUKESH DUA
Digitally signed by MUKESH DUA
Date: 2020.06.30 16:03:31 +05'30'
Mukesh Dua
Partner
Membership No. 085323

June 30, 2020

For and on behalf of the Board of Directors

SURINDER PAUL KANWAR
Digitally signed by SURINDER PAUL KANWAR
Date: 2020.06.30 14:01:13 +05'30'
Chairman
HIMANSHU GOYAL
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Date: 2020.06.30 14:56:05 +05'30'
Chief Financial Officer

VARTIKA MALHOTRA
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Company Secretary
PRABHAT CHAND KOTHARI
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SACHIT KANWAR
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Managing Director
SANJEEV KUMAR
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Directors
RAJIV CHANDRA RASTOGI
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JAGDEEP SINGH P SINGH
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