



BOLSTERING GROWTH THROUGH LEADERSHIP SHIFT

Xlerate Driveline India Limited
Annual Report 2020-21

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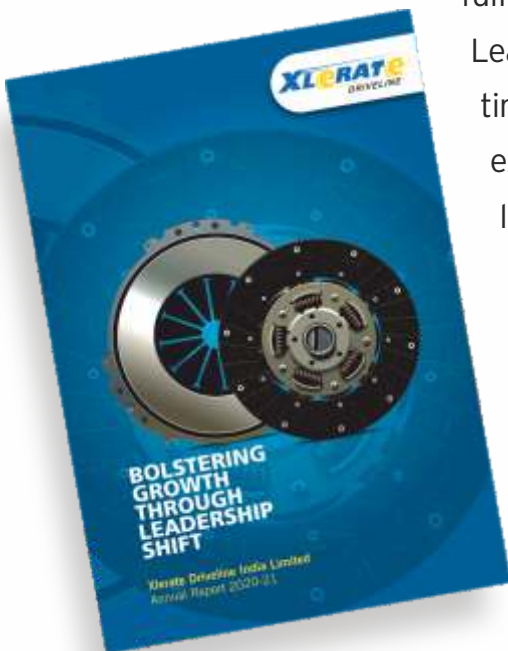
Forward Looking Statements

Certain statements in this annual report concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, our actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We, at Xlerate Driveline believe that leadership takes into account a broader scope of responsibility than meeting with numerical values. It encompasses communicating the mission and vision, building the strategic plan, and inspiring people to put forth their expertise to fulfill the goals aligned with the strategic plan.

Leaders with specific pursuit have the availability of time and resources to guide the team to attain expertise through regular improvement. A focused leadership motivated our team to work together and unleashed the existing strength within our system to propel growth during the pandemic when most of the businesses were in trouble. Imbued with new energy, we adapted quickly to the changing situation and stay on course on our growth route providing thrust on key business aspects. As we are excited on our achievement, the new leadership is determined

to keep the momentum riding on the wave of steady economic recovery and clear focus on strengthening our defined business policies. We at Xlerate Driveline, inspired by the new leadership are strongly committed to take the growth to the next level supported by sharpened focus on the core areas.



COMPANY OVERVIEW

Xlerate Driveline India Limited (XDIL) is an auto component manufacturing Company that specializes in producing clutch plates and clutch cover assemblies. The manufacturing plant was commissioned in FY 2013, and the Company is located at Faridabad, Haryana. It was a 100% subsidiary of Raunaq EPC International Limited, a renowned name in engineering contracting services till September 2020. Mr. Sachit Kanwar, the Managing Director of the Company bought 75% stake from Raunaq EPC International Limited in November 2020 to become the major stakeholder of the Company.

PRODUCTS

XDIL manufactures clutch plates and dry-friction clutch cover assemblies mainly of the single-plate, push-type variety. Our product offerings range a wide spectrum from 180 to 430 mm diameter serving various customer needs within the commercial vehicle segment.

MANUFACTURING PLANT

Our manufacturing plant located in Delhi NCR region has state-of-the-art machinery to provide high quality products. Equipped with highly sophisticated production equipment, testing facilities and tool room technology, along with a metallurgical laboratory, we have gained manufacturing excellence.



MISSION AND VISION

To be a frontrunner in the Indian clutch industry through best-in-class product quality, innovation in value engineering and outstanding after-sales support.

MAJOR HIGHLIGHTS FY 21

₹59.4 Cr
Total Revenue

₹1.6 Cr
PBT

₹17.3 Cr
Investment in
Fixed Assets

76
Distribution
Network





EXHIBITING RESILIENCE IN AFTERMARKET

We have been resilient in the aftermarket segment through intensified focus and concrete steps taken when the aftermarket in India has been on a decline due to the lockdown and economic slowdown. Our supply chain system has been elemental to our growth from the beginning. The new leadership envisioned opportunity in the crisis situation and pursued to strengthen the supply chain to be well positioned in the changing environment. The effort to strengthen the supply chain has been helpful during the lockdown, thus managing the sourcing and logistic aspects better than our competitors.

As we were able to run our business smoothly on the back of a robust supply chain, our leadership took a step forward to expand the product line to stay relevant to our customer aspiration. We launched a new clutch range for the heavy commercial vehicle segment. We also sharpened our focus on high value product categories such as 352 mm, 382 mm and 395 mm diameter clutches, helping us to build resilience in aftermarket segment.

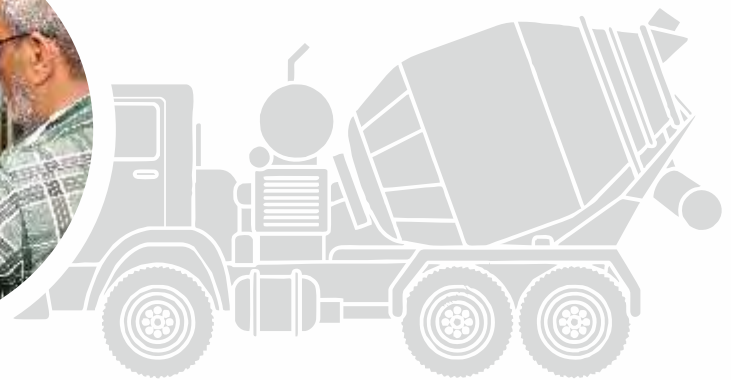




REINFORCING OUR PRESENCE IN OES SEGMENT

As we have embarked on the growth trajectory guided by a new leadership, we focused on OES segment with a fresh vision and higher energy. Our swift action to harness the opportunity from the changing environment helped us to gain market share from our competitors. Infused with new energy and augmented capability to act, we posted a robust performance in the OES segment during FY21. Supported by our strong delivery performance and cost competitiveness without any compromise on quality, we have grown higher in the OES segment compared to the aftermarket segment.

We have strengthened our relationship with a major CV player in India through uninterrupted supply of high quality products. We are also seeking to expand our network through building relationships with new export customers. Our engagement in building higher customer reach is aligned with the objective to reinforce our presence in OES segment propelling higher growth.

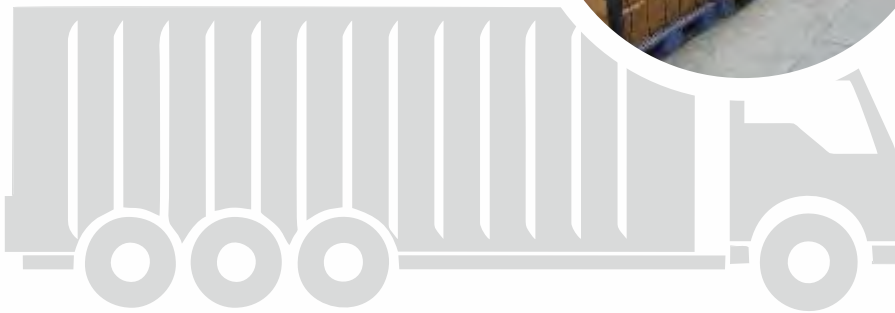
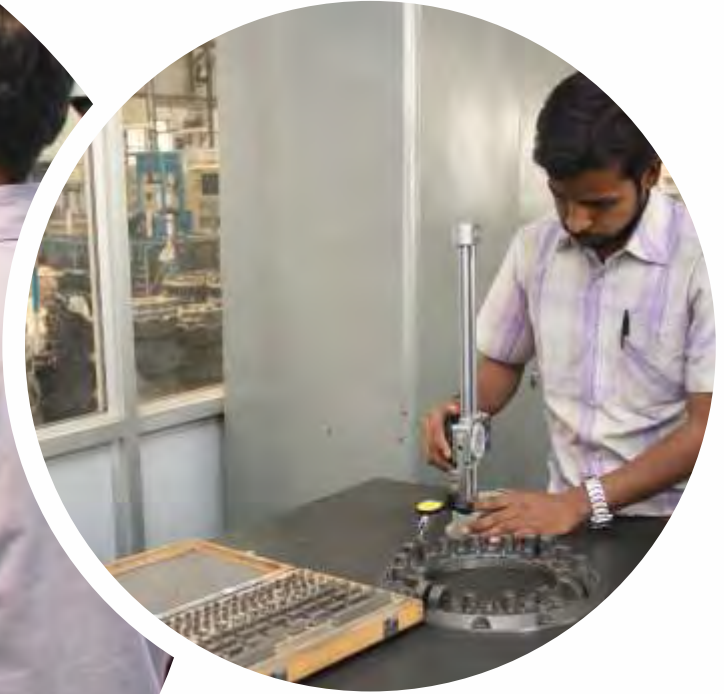




EXPANDING OUR DISTRIBUTION NETWORK

We have a large dealers/distributors network totaling 76 across the Country. A strong network provides improved reach across the nation allowing us to gain from the growth prospects of a specific region. Our improved outreach in the market provided us with enhanced accessibility to a strong customer base during the change in business environment due to lockdown.

The new leadership is inspiring us to strengthen the existing dealer network sensing its importance to bolster our growth. As the Company is unleashing change in leadership in FY21, we are working to expand our reach across the nation to harness the untapped opportunity.





MESSAGE FROM IVD

Dear Shareholders,

My sincere greetings to all of you on behalf of Xlerate Driveline India Limited. I hope you and your family are in good health and staying safe.

It's an honour and privilege to share the Company's performance highlights for the year.

COVID-19 has led to economic contraction globally due to plant closures, job losses, and consequent downside in demand. The Indian economy contracted due to the curbs and lockdowns that the Government of India implemented in March 2020 to control the spread of the pandemic.

The automobile industry which was in downside for a long time was brought to standstill with the national lockdown. While the industry was fully impacted during the first half of the year, strong revival of demand was visible across most segments in the auto industry. The rapid recovery path however was affected by the onset of second wave of COVID-19 in April 2021.

As per Automotive Component Manufacturers Association of India (ACMA), the auto component industry was down by 3% to ₹3.4 lakh Cr in FY21 from previous year. Supplies to OEM declined by 3% to ₹2.3 lakh Cr in FY21 from ₹2.9 lakh Cr in FY20. The aftermarket sales declined after many years of steady demand, reducing 7% to ₹6.5 lakh Cr in FY21 compared to FY20. Subdued demand in FY21 impacted the commercial vehicle segment where our products are used due to closure of non-essential economic activities including infrastructure development and construction to control the spread of pandemic.

In this bleak environment, we saw an opportunity to infuse new energy across the organisation by ushering a change in leadership. We geared up to harness the opportunity of slowdown with resolute focus on evolving our existing business policies including strengthening of the supply chain, increased product offering and higher customer reach. Stimulated by our efforts, our Company posted strong performance recording revenue of ₹59.4 Cr in FY21 higher from ₹43.3 Cr in FY20. The aftermarket segment was resilient to the market decline supported by a strong back end. It recorded revenue of ₹23.5 Cr in FY21 from ₹25.8 Cr in FY20. The OES segment posted robust performance due to increasing OES share, recording revenue of ₹35.0 Cr in FY21 from ₹17.4 Cr in FY20. Expansion of product line by launching a new clutch range for the heavy commercial vehicle segment and price competitiveness also helped us to post higher revenue during the year.

Our aim towards augmenting the product offering at a competitive price to adapt to the changing customer needs was intensified during the year. During the year, we have initiated development for a new product range for an established OEM commercial manufacturers namely the 380 coil type cover assembly and entire ceramic clutch range. Within a short span of 3 months, we have increased the vendor base and production capacity to meet up the demand of new products. Duplicate production facility and tooling were developed to meet increased demand. We have also remained dedicatedly focused on maintaining high quality and price competitiveness of our product line to stay competitive in the market.

Higher prices of key commodities have affected the auto industry. We expect a delayed quarterly settlement once the commodity prices stabilize. One of the various support measures taken by the Government to help the businesses after the lockdown was the launch of emergency credit line guarantee scheme (ECLGS). It provides 100% guarantee coverage to banks and NBFCs to help them to extend emergency credit to MSMEs to meet their working capital requirements. We have received emergency credit once the production started after the relaxation of lockdown improving our cash flow position. We have also reduced our debt by ₹1.5 Cr during the year.

We remain optimistic on our prospect as an empowered organisation infused with new energy. We are well-positioned to harness the market opportunity as we keep going with our growth momentum. We are committed to seize the opportunity arising from economic recovery based on our strong supply chain, expanded product line spanning various customer needs and higher customer reach.

I would like to spread out my sincerest gratitude to our customers, partners, business associates and our stakeholder Company for their faith and support. I am thankful to the employees who have been pivotal to bolster our growth during the slowdown.

I look forward to your continued support to maintain our growth momentum.

Sachit Kanwar
Managing Director

NOTICE

TO THE MEMBERS OF THE COMPANY

NOTICE is hereby given that the **26th Annual General Meeting** of the Members of Xlerate Driveline India Limited will be held as under:

Day	:	Tuesday
Date	:	31 August, 2021
Time	:	10:00 A.M.
Venue	:	Shed No. 1, Gurukul Industrial Estate Sarai Khwaja, P.O. Amar Nagar, Faridabad-121003, Haryana

to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31 March, 2021 together with Reports of the Directors and Auditors thereon.
2. To consider the re-appointment of Mr. Surinder Paul Kanwar, who retires by rotation and is eligible for re-appointment.

SPECIAL BUSINESS:

3. To consider the re-appointment of Dr. Sanjeev Kumar as a Non-Executive Independent Director on the Board of the Company and if thought fit, pass the following resolution as a **Special Resolution**, with or without modification(s):

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, Dr. Sanjeev Kumar (holding DIN 00364416), whose term expires at the Annual General Meeting (AGM) and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying their intention to propose Dr. Sanjeev Kumar as a candidate for the office of Non-Executive Independent Director of the Company, be and is hereby re-appointed as a Non-Executive Independent Director to hold office for a further period of 5 (Five) consecutive years upto the conclusion of the 31st Annual General Meeting (AGM) of the Company in the Calendar year 2026.

RESOLVED FURTHER THAT the Board of Directors of the Company (which includes a Committee, constituted for the time being in force) be and is hereby authorized to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interest of the Company, as it may deem fit."

By Order of the Board



Kapil Sharma

Company Secretary

Dated: 22 June, 2021

NOTES:

1. **A member entitled to attend and vote at the Annual General Meeting (the Meeting) is entitled to appoint one or more proxies to attend and vote instead of himself/herself and such proxy(ies) need not be a Member of the Company. A person can act as proxy on behalf of members not exceeding Fifty (50) and holding in the aggregate not more than Ten (10) percent of the total share capital of the Company. The instrument appointing proxy(ies) must, however, be deposited at the Registered office of the Company, duly completed and signed, not less than Forty Eight hours before commencement of the Meeting.**

During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members entitled to vote would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than three days' notice in writing is given to the Company.

2. NO GIFTS OR COUPONS SHALL BE DISTRIBUTED AT THE MEETING.

3. Corporate Members may authorise their representative(s) to attend the Meeting and send to the Company a certified true copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) so authorised to attend and vote at the Meeting on their behalf.
4. Brief profile & other details of the Directors proposed to be appointed, as required under the Secretarial Standard (SS-2) issued by the Institute of Company Secretaries of India is annexed to this Notice.
5. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 ("the Act"), Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Act and any other documents required by the Act and any other law, will be made available for inspection by the members of the Company at the venue of the Meeting.
6. The relevant Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 in respect of the resolution set out in this Notice is appended hereinafter.
7. Members seeking any further clarification/information(s) relating to the Annual Financial Statements are requested to write at the Registered Office of the Company.
8. Members are requested to promptly notify change in their address, if any, at the Registered Office of the Company.

By Order of the Board



Kapil Sharma
Company Secretary

Dated: 22 June, 2021

EXPLANATORY STATEMENT

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

ITEM NO. 03

Dr. Sanjeev Kumar, aged 62 years is a Non-Executive Independent Director of the Company since 23 January, 2013. Dr. Sanjeev Kumar is a Post Graduate in Commerce, Ph.D., LL.B. and PGDIPRL. He is also the fellow member of "Institute of Company Secretaries of India" and "Institute of Cost and Works Accountants of India". He has over 36 years of experience in corporate and economic laws, corporate finance, accounts, costing, budgeting, MIS, systems, corporate affairs, merchant banking, mutual funds etc.

The members of the Company in their Annual General Meeting held on 03 August, 2016 approved the appointment of Dr. Sanjeev Kumar as a Non-Executive Independent Director of the Company for a period of 5 (Five) Years upto the conclusion of the 26th Annual General Meeting (AGM) of the Company in the Calendar Year 2021 in terms of the provisions of Section 149 of the Companies Act, 2013 read with the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force).

In terms of the above, the present tenure of Dr. Sanjeev Kumar as a Non-Executive Independent Director of the Company expires at this Annual General Meeting (AGM).

In terms of the provisions of Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term of up to 5 (Five) consecutive years on the Board of the Company, but such Independent Director shall be eligible for re-appointment for another term of up to 5 (Five) consecutive years with the approval of members by way of a Special resolution.

The Board of Directors of the Company in its meeting held on 22 June, 2021 based on the outcome of performance evaluation process and in terms of recommendation of the Nomination and Remuneration Committee in its meeting held on 22 June, 2021 considered and approved the re-appointment of Dr. Sanjeev Kumar as a Non-Executive Independent Director of the Company in terms of provisions of Section 149 of the Companies Act, 2013 for a second term of 5 (Five) consecutive years upto the conclusion of the 31st Annual General Meeting (AGM) of the Company in the Calendar year 2026, subject to the approval of members by way of Special resolution.

The necessary information/disclosure in compliance with Secretarial Standard (SS-2) issued by the Institute of Company Secretaries of India relating to Dr. Sanjeev Kumar has been provided in a separate section of this Notice.

In terms of the provisions of the Companies Act, 2013, Dr. Sanjeev Kumar has filed requisite consent(s)/disclosures before the Board.

The Company has also received an intimation from Dr. Sanjeev Kumar in Form DIR-8 to the effect that he is not disqualified and further confirmed that he is not debarred by Ministry of Corporate Affairs or any such other Statutory Authority to be appointed as a Director in any Company.

A notice has been received from a member under Section 160 of the Companies Act, 2013 signifying their intention to propose Dr. Sanjeev Kumar as a candidate for the office of Non-Executive Independent Director of the Company.

The Company has received a declaration from Dr. Sanjeev Kumar confirming that he meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, Dr. Sanjeev Kumar fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his re-appointment as a Non-Executive Independent Director of the Company and is independent of the management.

Accordingly, the Board recommends the resolution in relation to re-appointment of Dr. Sanjeev Kumar as a Non-Executive Independent Director of the Company, for the approval by the members of the Company, by way of a Special resolution.

Except Dr. Sanjeev Kumar, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 03 of the Notice.

INSPECTION OF DOCUMENTS

All resolutions passed in this regard are available for inspection by the Members of the Company at its Registered Office during the office hours between 11:00 A.M. to 01:00 P.M. on all working days except Sundays upto the date of Annual General Meeting and shall also be available at the venue of the meeting.

Dated: 22 June, 2021

By Order of the Board



Kapil Sharma
Company Secretary

Details required under Section 102 of the Companies Act, 2013 in respect of the Directors proposed to be appointed at the ensuing Annual General Meeting (AGM) and their brief Resume have been provided under the Explanatory Statement annexed to this Notice. The other Information/Disclosure in compliance with the Secretarial Standard (SS-2) issued by the Institute of Company Secretaries of India has been provided herein below:

Particulars	Item No. 02	Item No. 03
Name of Director	Mr. Surinder Paul Kanwar	Dr. Sanjeev Kumar
DIN	00033524	00364416
Brief Resume	Mr. Surinder Paul Kanwar is a Commerce Graduate from University of Delhi. Mr. Surinder Paul Kanwar is also the Chairman and Managing Director of Bharat Gears Limited (BGL) and Raunaq EPC International Limited, Companies within the group. He has a vast experience of 46 years.	As detailed in Explanatory Statement above for Item 03 of the Notice
Category of Director	Chairman and Non-Executive Director	Non-Executive Independent Director
Date of Birth (Age in Years)	28 July, 1952 (69)	05 January, 1959 (62)
Date of Appointment on the Board	25 October, 1995	23 January, 2013
Qualification	Commerce Graduate	Post Graduate in Commerce, Ph.D., LL.B., and PGDIPRL. Fellow member of "Institute of Company Secretaries of India" and "Institute of Cost and Works Accountants of India".
No. of years of Experience	46 Years	36 Years
Expertise in specific functional areas	Knowledge of Core Business i.e. Automotive Clutches, Plant Management, Strategic Planning, Product Development and Marketing, Knowledge of Macro Environment vis-à-vis Industry, Financial Literacy, Ability to read Financial Statements	Strategic Planning, Knowledge of Macro Environment vis-à-vis Industry, Financial Literacy, Ability to read Financial Statements
Terms and conditions of appointment /re-appointment	Liable to retire by rotation	As detailed in Explanatory Statement above for Item 03 of the Notice
Chairmanship/Membership of Committees of the Company	Member - Nomination and Remuneration Committee	Chairman - Audit Committee Chairman - Finance Committee Chairman - Nomination and Remuneration Committee
Directorships held in other Companies	<ul style="list-style-type: none"> • Bharat Gears Limited# • Raunaq EPC International Limited# • Ultra Consultants Private Limited • Vibrant Reality Infra Private Limited • Clip-Lok Simpak (India) Private Limited 	<ul style="list-style-type: none"> • Raunaq EPC International Limited# • BPA Advisory Limited • BPA Estates Private Limited • Nitshu Solutions Private Limited • Bolster Juris IBP Private Limited • India Netbooks Private Limited
Chairmanship/Membership of committees of other Companies	Bharat Gears Limited#: <ul style="list-style-type: none"> • Member - Nomination and Remuneration Committee • Member - Finance Committee • Chairman - Corporate Social Responsibility Committee 	Raunaq EPC International Limited#: <ul style="list-style-type: none"> • Chairman - Audit Committee • Chairman - Nomination and Remuneration Committee • Member - Finance Committee

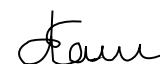
	<ul style="list-style-type: none"> • Member - Stakeholders' Relationship Committee 	
	Raunaq EPC International Limited#:	
	<ul style="list-style-type: none"> • Member - Nomination and Remuneration Committee 	
	<ul style="list-style-type: none"> • Member - Stakeholders' Relationship Committee 	
	<ul style="list-style-type: none"> • Member - Finance Committee 	
	<ul style="list-style-type: none"> • Chairman - Corporate Social Responsibility Committee 	
	<ul style="list-style-type: none"> • Member - Business Strategy Committee 	
	<ul style="list-style-type: none"> • Member - Share Issue Committee 	
Number of Board Meetings attended during the year	5	5
Relationships between Directors inter-se	Father of Mr. Sachit Kanwar, Managing Director of the Company	None
Relationships with Manager and other Key Managerial Personnel of the Company	None	None
Remuneration details (Including Sitting Fees & Commission) and last remuneration drawn	Please refer to the Annual Return for the Financial Year 2020-21 on the website of the Company www.xleratedriveline.com	Please refer to the Annual Return for the Financial Year 2020-21 on the website of the Company www.xleratedriveline.com
Number of Shares held in the Company as on 31 March, 2021	1*	NIL

Indicates Listed Company.

* Held as nominee of Raunaq EPC International Limited.

Dated: 22 June, 2021

By Order of the Board



Kapil Sharma
Company Secretary

BOARD'S REPORT

(SECTION 134 OF THE COMPANIES ACT, 2013)

To The Members

Xlerate Driveline India Limited

Your Directors have pleasure in presenting the 26th Annual Report together with the Audited Financial Statements of your Company for the Financial Year ended 31 March, 2021.

FINANCIAL RESULTS:

(₹ In Lakhs)

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
Revenue from Operations and other income	5936.82	4331.89
Profit before Finance Cost and Depreciation	389.94	210.41
Finance Cost	129.15	131.84
Depreciation	96.31	97.58
Profit Before Tax	164.48	(19.01)
Less: Tax Expense	51.67	1.67
Profit/(Loss) for the year	112.81	(20.68)
Other Comprehensive Income		
Items that will not be reclassified to Profit and Loss (net of tax)	(0.90)	0.10
Total Comprehensive Income for the year	111.91	(20.58)

(₹ In Lakhs)

Surplus in Statement of Profit and Loss	Year ended 31 March, 2021	Year ended 31 March, 2020
Opening balance	(610.75)	(590.17)
Add: Profit/(Loss) for the year	112.81	(20.68)
Other Comprehensive Income for the year	(0.90)	0.10
Less:		
Dividend paid-Equity	0.00	0.00
Tax on distributed profits	0.00	0.00
Transferred to General Reserve	0.00	0.00
Closing Balance	(498.84)	(610.75)

DIVIDEND:

In view of the financial performance of your Company, your Directors have not recommended any dividend for the Financial Year 2020-21.

PERFORMANCE OVERVIEW:

In FY 2020-21, the COVID-19 pandemic has had a swift and severe impact on the automotive industry. Symptoms include Complete Lockdown for 1st Qtr, disruption in import export, manufacturing interruptions throughout the year, and the closure of plants. This placed intense pressure on an Automobile industry already coping with a downshift in Demand for new Vehicles.

Your Company could not only manage to retain the last year revenues but has a growth of 36% in Sales despite such adverse conditions. This is mainly due to increasing OES share and New Clutch Range for Heavy Commercial Segment. Further, we have also maintained the existing levels in the After Market segment.

In FY 2020-21, Company has registered revenue of Rs. 5936.82 Lakhs against the previous year's revenue of Rs. 4331.89 Lakhs in FY 2019-20.

During the last year, the Company has initiated development for new product range for established OEM commercial manufacturers namely 380 Coil Type Cover Assly and Entire Ceramic Clutch Range. Within a Short Span of 3 months, the Company increased its Vendor Base and manufacturing production capacity to meet up the demand of new products. Duplicate production facility and tooling were developed to meet customer's increased demand.

OUTLOOK:

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

New Developments are happening at OEM's and are at commercial stages. Recently received RFQ from TATA Motors and Blue Energy (New Entrant in Commercial Segment) for LCV/HCV Segment. This year the Company will start the development for BSVI Clutch and Clutch Range for an MNC Tractor player.

INDIAN ACCOUNTING STANDARDS ("IND AS"):

The financial statements for the year ended 31 March, 2021 have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as required under Section 133 of the Companies Act, 2013 read with rules made there under, as amended.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March, 2021 and of the profit and loss of the Company for the period ended on that date;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

RELATED PARTY CONTRACTS AND ARRANGEMENTS:

The contracts or arrangements of the Company with related parties during the period under review referred to in Section 188(1) of the Companies Act, 2013 were in ordinary course of business and on arm's length basis. During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material. Thus, there are no transactions which are required to be reported in the prescribed Form AOC-2 of the Companies (Accounts) Rules, 2014.

Further, during the Financial Year 2020-21, there were no materially significant related party transactions entered into by your Company with the Promoters, Directors, Key Managerial Personnel or other designated persons, which might have potential conflict with the interest of the Company at large.

As all the related party transactions are at arm's length price and in the ordinary course of business, the same are placed before the Audit Committee for its approval. There was no related party transaction which requires approval of the Board. During the Financial Year under review, the Audit Committee has approved the related party transactions through the omnibus mode in accordance with the provisions of the Companies Act, 2013. Related party transactions were disclosed to the Board on regular basis as per Ind AS-24. Details of related party transactions as per Ind AS-24 may be referred to in the Notes forming part of the Financial Statements.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT:

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

DIRECTORS:

During the financial year 2020-21, the members of the Company at their Annual General Meeting held on 31 August, 2020 approved:

- Re-appointment of Mr. Prabhat Chand Kothari, Director of the Company, liable to retire by rotation in terms of the provisions of Section 152 of the Companies Act, 2013.

In terms of the provisions of Section 149 of the Companies Act, 2013, Dr. Sanjeev Kumar had been appointed as a Non-Executive Independent Director at the Annual General Meeting (AGM) of the Company held on 03 August, 2016 for a Period of 5 (Five) Years upto the conclusion of the 26th AGM of the Company in the Calendar year 2021.

In terms of the above, the present tenure of Dr. Sanjeev Kumar as a Non-Executive Independent Director of the Company expires at ensuing Annual General Meeting (AGM).

In terms of the provisions of Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term of up to 5 (Five) consecutive years on the Board of the Company, but such Independent Director shall be eligible for re-appointment for another term of up to 5 (Five) consecutive years with the approval of members by way of a special resolution.

Therefore, in terms of the provisions of Section 149 of the Companies Act, 2013, the Board recommends the re-appointment of Dr. Sanjeev Kumar as a Non-Executive Independent Director at the ensuing AGM of the Company for a period of 5 (Five) Years upto the conclusion of the 31st Annual General Meeting (AGM) of the Company in the Calendar year 2026 by way of special resolution pursuant to the applicable provisions of the Companies Act, 2013.

A notice has been received from a member under Section 160 of the Companies Act, 2013 signifying their intention to propose Dr. Sanjeev Kumar as candidate for the office of Non-Executive Independent Director of the Company.

Further, in accordance with the provisions of the Companies Act, 2013 and the Articles of Association (AOA) of your Company, Mr. Surinder Paul Kanwar, Director retires by rotation at the ensuing Annual General Meeting.

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

Therefore, in terms of the provisions of Section 152 of the Companies Act, 2013, it has been proposed to re-appoint Mr. Surinder Paul Kanwar as a Non-Executive rotational Director at the ensuing Annual General Meeting (AGM) of the Company, liable to retire by rotation.

BOARD'S OPINION REGARDING INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR:

The Board is of the opinion that the Independent Directors appointed/re-appointed during the year under review are person(s) of integrity and possess core skills/expertise/competencies (including the proficiency) as identified by the Board of Directors as required in the context of Company's business(es) and sector(s) for Company to function effectively.

NUMBER OF MEETINGS OF THE BOARD:

During the Financial Year 2020-21, 5 (Five) Board Meetings were held on the following dates:-

- 30 June, 2020;
- 14 August, 2020;
- 28 September, 2020;
- 06 November, 2020; and
- 08 February, 2021

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

However, the gap between the Board Meeting held on 30 June, 2020 was more than 120 (one hundred and twenty) days from the Board Meeting held on 30 January, 2020 in the Financial Year 2019-20 pursuant to the relaxations provided by the Ministry of Corporate Affairs for Board, Committee Meetings held/proposed to be held till 30 September, 2020 vide its General Circular No. 11/2020 dated 24 March, 2020 during the outbreak of Covid-19 pandemic in the Country.

INDEPENDENT DIRECTORS:

In terms of the provisions of Section 149(7) of the Companies Act, 2013, all the Independent Directors of the Company have furnished a declaration to the Company at the meeting of the Board of Directors held on 22 June, 2021 stating that they fulfill the criteria of Independent Director as prescribed under Section 149(6) of the Companies Act, 2013 and are not being disqualified to act as an Independent Director.

In the opinion of the Board, all the Independent Directors fulfill the conditions specified in the Companies Act, 2013 read with the Rules made thereunder, and are independent of the management.

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL (KMP) AND SENIOR MANAGEMENT PERSONNEL:

In terms of the provisions of Section 178 of the Companies Act, 2013, Nomination and Remuneration Committee ('NRC') has formulated a policy relating to appointment and determination of the remuneration for the Directors, Key Managerial Personnel and Senior Management Personnel which has been adopted by the Board of Directors of the Company. The NRC has also developed the criteria for determining the qualifications, positive attributes and independence of Directors and for making payments to the Executive and Non-Executive Directors of the Company.

Your Directors affirm that the remuneration paid to the Directors, Key Managerial Personnel, Senior Management and other employees is as per the Nomination and Remuneration Policy of your Company.

The salient features of the Nomination and Remuneration Policy are as under:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director.
- Identification of persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in the Nomination and Remuneration policy.
- Recommendation to the Board for appointment and removal of Director, KMP and Senior Management Personnel.

The said policy is available on the official website of the Company i.e. www.xleratedriveline.com under the link: <https://www.xleratedriveline.com/pdf/nomination-and-remuneration-policy.pdf>

EVALUATION PROCESS:

The Nomination and Remuneration Committee has established a framework for the evaluation process of performance of the Board, its Committees and Individual Directors and the same was adopted by the Board.

During the year under review, the Board of Directors at its meeting held on 08 February, 2021 have carried out the evaluation of the performance of Independent Directors and their independence criteria and the Independent Directors in their meeting held on even date have evaluated the performance of the Chairman and Non-Independent Directors and the Board as a whole and also assessed the quality, quantity and timeliness of flow of information between the Board and Company management.

KEY MANAGERIAL PERSONNEL:

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

- | | | |
|----|--------------------|-------------------------|
| 1. | Mr. Sachit Kanwar | Managing Director |
| 2. | Mr. Himanshu Goyal | Chief Financial Officer |
| 3. | Mr. Kapil Sharma | Company Secretary |

During the period under review, Ms. Vartika Malhotra has resigned from the post of Company Secretary of the Company with effect from 03 July, 2020 and Mr. Kapil Sharma has been appointed as the Company Secretary of the Company with effect from 03 December, 2020.

PARTICULARS OF EMPLOYEES:

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

RISK MANAGEMENT:

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

A risk management policy under the above said enterprise risk management framework as approved by the Board has been adopted by the Company.

AUDIT COMMITTEE:

The Audit Committee comprises of Dr. Sanjeev Kumar, Mr. Rajiv Chandra Rastogi and Mr. P.C. Kothari.

During the year under review, all recommendations of the Audit Committee were accepted by the Board of Directors of the Company unanimously.

INTERNAL COMPLAINTS COMMITTEE FOR PREVENTION OF SEXUAL HARASSMENT:

Pursuant to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, as the Company doesn't have adequate women employees, the women employees of the Bharat Gears Limited, a Company within the Group have been nominated as members of the Internal Complaints Committee (ICC) of the Company to deal with the complaints related to the sexual harassment, where any grievances of sexual harassment at workplace can be reported.

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

During the year ended 31 March, 2021, no complaints pertaining to sexual harassment was received by ICC.

SUBSIDIARIES/JOINT VENTURES/ASSOCIATE COMPANIES:

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

As on 31 March, 2020, your Company was a 100% wholly owned subsidiary of Raunaq EPC International Limited (REIL) as REIL held 100% paid up equity capital of the Company as an investment directly/through its nominees.

During the year under review, since REIL has disposed off a significant portion of its aforesaid investment in the Company to Mr. Sachit Kanwar, Managing Director of the Company equivalent to 75.09% paid up equity capital of the Company, the Company ceased to be the subsidiary of REIL.

Subsequently, REIL now holds 24.91% paid up equity capital of the Company as an investment directly/through its nominees. Therefore, the Company continues to remain an associate of REIL as on date.

FIXED DEPOSITS:

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

AUDITORS:

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

REPORT ON FINANCIAL STATEMENTS:

The report of M/s Gupta & Dua Chartered Accountants, (ICAI Registration No. 003849N), the Statutory Auditors of the Company on the financial statements of the Company for the year ended 31 March, 2021 is annexed to the financial statements in terms of the provisions of Section 134(2) of the Companies Act, 2013. The observations of the Auditors in their report are self-explanatory and/or explained suitably in the Notes forming part of the Financial Statements. The report of the Statutory Auditors does not contain any qualification, reservation or adverse remark which needs any explanation or comment of the Board.

SECRETARIAL AUDIT:

M/s Etika Aggarwal and Associates, Practicing Company Secretaries, Delhi had conducted the Secretarial Audit of the Company for the Financial Year 2019-20 in terms of the provisions of Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the year under review, the Company ceased to be a subsidiary of Raunaq EPC International Limited (REIL), therefore the provisions of Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable.

INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY:

Xlerate Driveline India Limited has a proper and adequate system of internal financial controls which includes the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information. During the year, such controls were tested and no material weaknesses in the design or operations were observed.

MAINTENANCE OF COST RECORDS:

During the year under review, the Company had not been mandatorily required to maintain Cost Records in terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014.

DISCLOSURES UNDER SECTION 134 OF THE COMPANIES ACT, 2013:

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

EFFECTS AND UNCERTAINTIES RELATING TO THE GLOBAL HEALTH PANDEMIC COVID-19:

The extent to which the COVID 19 pandemic, including the current “second wave” will impact the Company’s future results will depend on economic situation, which is highly unpredictable. The Company will continue to closely monitor any material changes to future economic conditions.

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 31 March, 2021.

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

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

EXTRACT OF ANNUAL RETURN:

In terms of the provisions of Section 134(3)(a) read with 92(3) of the Companies Act, 2013 and the relevant rules made thereunder, a copy of the Annual return as prescribed under Section 92 of the Companies Act, 2013, as amended shall be made available on the official website of the Company i.e. www.xleratedriveline.com under the link: <https://www.xleratedriveline.com/pdf/annual-return-for-2020-21.pdf>.

COMPLIANCE OF SECRETARIAL STANDARDS:

During the period under review, the Company has duly complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

COURT/TRIBUNAL ORDERS:

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

DETAILS OF APPLICATION/PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016:

Neither any application has been made nor any proceeding is pending against the Company under the Insolvency and Bankruptcy Code, 2016 during the year under review.

INSTANCES OF DIFFERENCE IN VALUATION:

There is no such instance where there is difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions.

INDUSTRIAL RELATIONS:

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

ACKNOWLEDGEMENTS:

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

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

For and on behalf of the Board of Directors



Surinder Paul Kanwar
Chairman and Director
DIN: 00033524

Dated: 22 June, 2021

Information Pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 Forming Part of the Board's Report for the year ended 31 March, 2021

S. No.	Name	Age in Years	Qualification	Designation	Date of Commencement of Employment	Years of Experience	Remuneration (Rs. in Lakhs)	Particulars of Last Employment	Percentage of Shareholding in the Company
A. Top Ten Employees of the Company in terms of remuneration drawn for the year ended 31 March, 2021.									
1.	Mr. Sachit Kanwar	38	B.A. (ECO)	MD	26.09.2012	17	77.15	Lease Portfolio Manager- Airport Kia Toronto Ltd.	75.09
2.	Mr. Alok Sood	51	B.E.	Sr. Process Head	10.03.2014	29	29.47	Clutch Auto Ltd.	0.00
3.	Mr. Narinder Kumar	46	DME & ITI	Sr. Group Head	12.02.2013	28	12.87	Sabharwal Auto	0.00
4.	Mr. Manish Jain	38	B. Com, MBA	Group Leader	01.04.2018	17	8.01	Raunaq EPC International Ltd.	0.00
5.	Mr. Vipin Mandyal	35	B.Tech	Group Leader	18.04.2016	14	7.21	Borgwarner Emission (USA based)	0.00
6.	Mr. Amit Tiwari	38	B.Tech(ME)-08	Group Leader	01.10.2020	13	6.82	Bharat Gears Ltd.	0.00
7.	Mr. Himanshu Goyal	24	B. Com, CA-19	Leader	26.09.2019	2	5.99	-	0.00
8.	Mr. Satish Chand	40	B.Com & M.Com	Group Leader	01.10.2020	14	5.59	Bharat Gears Ltd.	0.00
9.	Mr. Amandeep Singh	37	B.E.	Section Leader	23.02.2015	13	5.52	Argentum Auto Pvt Ltd.	0.00
10.	Mr. Vipin Dua	40	B.Com & MBA	Leader	10.12.2012	13	5.21	Subros Ltd.	0.00

B. Employed throughout the year ended 31 March, 2021 & were in receipt of Remuneration aggregating not less than Rs. 1,02,00,000/- per annum.

NIL

C. Employed for the part of the year ended 31 March, 2021 & were in receipt of Remuneration aggregating not less than Rs. 8,50,000/- per month

NIL

D. If employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

NIL

NOTES :

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

For and on behalf of the Board of Directors



**Surinder Paul Kanwar
Chairman and Director
DIN: 00033524**

Dated: 22 June, 2021

Report on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo and forming part of Board's Report for the year ended 31 March, 2021

A. Conservation of energy:**(i) Steps taken or impact on conservation of energy:-**

- Following steps were taken for Energy saving:
 - LED Light of 70 Watt replaced by 400 Watt flood light.
 - Double reflector light (80 Watts) on machines replaced with 40 Watt Led Lights.

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

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

(iii) Capital investment on energy conservation equipments:- NIL**B. Technology Absorption:**

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

C. Foreign Exchange Earnings and Outgo:

Particulars	₹ In Lakhs)	
	2020-2021	2019-2020
Foreign Exchange earned	13.36	47.23
Foreign Exchange used	237.27	213.57
Net Foreign Exchange earnings	(223.91)	(166.34)

For and on behalf of the Board of Directors



Surinder Paul Kanwar
Chairman and Director
DIN: 00033524

Dated: 22 June, 2021

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 31 March, 2021, 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 31 March, 2021, and its profit, 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

- (i) in 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 31 March, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021 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



Mukesh Dua
Partner
Membership No.085323

UDIN: 21085323AAAAABY8812

Place: New Delhi
Date: 22 June, 2021

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 31 March, 2021 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 31 March, 2021 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Gupta & Dua

Chartered Accountants
Firm's Registration No. 003849N



Mukesh Dua

Partner
Membership No.085323

UDIN: 21085323AAAABY8812

Place: New Delhi

Date: 22 June, 2021

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) In our opinion and according to the information and explanations given to us, fixed assets have been physically verified by the management in a phased periodical manner which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
 - (c) 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) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act for the financial year 2020-2021, 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 guarantee 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 31 March, 2021 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.
- 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**

Partner
Membership No.085323

UDIN: 21085323AAAABY8812

Place: New Delhi
Date: 22 June, 2021

BALANCE SHEET

AS AT 31 MARCH, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	As at 31 March, 2021	As at 31 March, 2020
(I) ASSETS			
(i) Non-current assets			
Property, plant and equipment	3	1,323.73	1,361.52
Capital work in progress	3	10.30	6.62
Intangible assets	4	1.77	2.41
Deferred tax assets (Net)	5	153.91	205.27
Other non current assets	6	22.67	17.87
Total non-current assets		1,512.38	1,593.69
(ii) Current assets			
Inventories	7	836.92	506.45
Financial assets			
a. Trade receivables	8	1,138.84	1,070.19
b. Cash and cash equivalents	9	7.95	1.24
c. Bank balances other than (b) above	10	36.69	34.76
d. Loans and advances	11	21.24	23.86
Current tax assets	12	3.66	2.60
Other current assets	13	55.93	51.53
Total current assets		2,101.23	1,690.63
Total assets		3,613.61	3,284.32
(II) EQUITY AND LIABILITIES			
(i) Equity			
Equity share capital	14	1,487.70	1,487.70
Other equity	15	(498.84)	(610.75)
Total equity		988.86	876.95
Liabilities			
(ii) Non-current liabilities			
Financial liabilities			
a. Borrowings	16	764.91	811.04
Provisions	17	30.54	21.37
Total non-current liabilities		795.45	832.41
(iii) Current liabilities			
Financial liabilities			
a. Borrowings	18	91.60	349.48
b. Trade payables	19		
Total outstanding dues of micro enterprises and small enterprises		50.07	83.04
Total outstanding Dues of other than micro enterprises and small enterprises		1,406.38	840.22
c. Other financial liabilities	20	6.90	32.40
Other current liabilities	21	90.44	102.30
Provisions	22	183.91	167.52
Total current liabilities		1,829.30	1,574.96
Total liabilities		2,624.75	2,407.37
Total equity and liabilities		3,613.61	3,284.32
Significant accounting policies and notes to Financial Statements	1-46		

As per our report of even date

For Gupta & Dua

Chartered Accountants

Firm's Registration No. 003849N

For and on behalf of the Board of Directors

Mukesh Dua
Partner
Membership No. 085323

Surinder Paul Kanwar
Chairman
(DIN: 00033524)

Sachit Kanwar
Managing Director
(DIN: 02132124)

Rajiv Chandra Rastogi
(DIN: 00035460)

Prabhat Chand Kothari
(DIN: 00024492)

Jagdeep Singh
(DIN: 00024905)

Directors

Himanshu Goyal
Chief Financial Officer
(PAN: BUCPG9157M)

Kapil Sharma
Company Secretary
(PAN: FTKPS4212N)

22 June, 2021

STATEMENT OF PROFIT AND LOSS

FOR THE PERIOD ENDED 31 MARCH, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	Year ended 31 March, 2021	Year ended 31 March, 2020
(I) Revenue from operations	23	5,887.13	4,314.48
(II) Other income	24	49.69	17.41
(III) Total revenue/income (I+II)		5,936.82	4,331.89
(IV) Expenses			
a. Cost of material consumed	25	4,628.45	3,287.98
b. Changes in inventories of finished goods & work-in-progress	26	(3.80)	(45.09)
c. Employee benefits expenses	27	396.60	349.67
d. Finance cost	28	129.15	131.84
e. Depreciation and amortization expenses	29	96.31	97.58
f. Other expenses	30	525.63	528.92
Total expenses		5,772.34	4,350.90
Profit/(Loss) before exceptional items and tax		164.48	(19.01)
Exceptional items		-	-
(V) Profit/(Loss) before tax (III-IV)		164.48	(19.01)
(VI) Income tax expenses			
a. Current tax		-	-
b. Deferred tax- charge/(credit)	32	51.67	1.67
Total tax expense		51.67	1.67
(VII) Profit/(Loss) for the year (V-VI)		112.81	(20.68)
(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		(1.21)	0.14
- Income tax effect		0.31	(0.04)
Other comprehensive income for the Year (net of tax) (a+b)		(0.90)	0.10
(IX) Total comprehensive income for the year (VII+VIII)		111.91	(20.58)
(X) Earnings per Equity share of [Nominal value per share ₹ 10/- (31 March, 2020 : ₹ 10/-)]			
Basic earning per share	31	0.76	(0.14)
Diluted earning per share	31	0.76	(0.14)
Significant accounting policies and notes to Financial Statements	1-46		

As per our report of even date
For Gupta & Dua
 Chartered Accountants
 Firm's Registration No. 003849N

For and on behalf of the Board of Directors

Mukesh Dua
 Partner
 Membership No. 085323

Surinder Paul Kanwar
 Chairman
 (DIN: 00033524)

Sachit Kanwar
 Managing Director
 (DIN: 02132124)

Rajiv Chandra Rastogi
 (DIN: 00035460)

Prabhat Chand Kothari
 (DIN: 00024492)

Jagdeep Singh
 (DIN: 00024905)

Directors

Himanshu Goyal
 Chief Financial Officer
 (PAN: BUCPG9157M)

Kapil Sharma
 Company Secretary
 (PAN: FTKPS4212N)

22 June, 2021

STATEMENT OF CHANGES IN EQUITY

A. Equity share capital

(All amounts in ₹ Lakhs, unless otherwise stated)

	Note	No. of Shares	Amount
As at 01 April, 2020	14	1,48,77,038	1,487.70
Change in equity share capital		-	-
As at 31 March, 2021	14	1,48,77,038	1,487.70

B. Other Equity

Reserves and Surplus	Note	Retained Earnings		Total other equity
		Other Comprehensive Income	Other Retained Earnings	
Balance at 01 April, 2019	15	(2.05)	(588.12)	(590.17)
Profit/(Loss) for the year		-	(20.68)	(20.68)
Remeasurement of defined benefit plans		0.10	-	0.10
Balance at 31 March, 2020		(1.95)	(608.80)	(610.75)
Balance at 01 April, 2020	15	(1.95)	(608.80)	(610.75)
Profit/(loss) for the year		-	112.81	112.81
Remeasurement of defined benefit plans		(0.90)	-	(0.90)
Balance at 31 March, 2021		(2.85)	(496.00)	(498.84)

As per our report of even date
For Gupta & Dua
 Chartered Accountants
 Firm's Registration No. 003849N

For and on behalf of the Board of Directors

Mukesh Dua
 Partner
 Membership No. 085323

Surinder Paul Kanwar
 Chairman
 (DIN: 00033524)

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 Chief Financial Officer
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Kapil Sharma
 Company Secretary
 (PAN: FTKPS4212N)

Jagdeep Singh
 (DIN: 00024905)
Directors

22 June, 2021

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31 MARCH, 2021

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit/(Loss) before tax	164.48	(19.01)
Adjustments for:		
Depreciation and amortization expenses	96.31	97.58
Interest and other charges	103.04	124.97
Interest income	(2.21)	(2.24)
Operating profit before working capital changes	361.62	201.30
Changes in Working Capital		
Adjustments for (increase)/decrease in operating assets:		
Trade receivables	(68.65)	69.66
Inventories	(330.47)	(79.48)
Capital advances	(4.80)	(3.06)
Long term loans & advances	-	-
Short term loans & advances	2.62	(22.38)
Other current financial assets	-	-
Other current assets	(4.40)	(32.85)
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	533.19	101.19
Provisions	24.35	9.92
Other current financial liabilities	(25.50)	(5.06)
Other current liabilities	(11.86)	(51.35)
Cash generated from operations	476.10	187.89
Direct taxes paid (Net)	(1.06)	(1.41)
Net cash from operating activities	475.04	186.48
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets including capital work in progress	(61.56)	(22.45)
Interest received	2.21	2.24
Investment in deposits	(1.93)	(2.01)
Net cash from/(used) in investment activities	(61.28)	(22.22)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from long/short term borrowings (Net)	(304.01)	(38.84)
Interest and other charges paid	(103.04)	(124.97)
Net cash (used)/from financing activities	(407.05)	(163.81)
Net increase/(decrease) in cash and cash equivalents	6.71	0.45
Opening balance of cash and cash equivalents *	1.24	0.79
Closing balance of cash and cash equivalents *	7.95	1.24
* Including Interest accrued		

Reconciliation of Cash and cash equivalents as per the cash flow statements		
Particulars	As at 31 March, 2021	As at 31 March, 2020
(a) Cash and cash equivalents as per above comprise of the following		
Cash on hand	0.05	0.17
Balance with scheduled banks:		
In current accounts	7.90	1.07
Cash and cash equivalents at the end of the year	7.95	1.24
(b) The above Cash Flow statement is prepared as per "Indirect method" specified in Ind AS 7 "Statement of Cash Flows".		
Changes in liabilities arising from financing activities, including changes arising from cash flows and non cash changes as per IND AS 7 - statement of cash flows are shown below		
Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
Opening Balance of Borrowings at beginning of the year	1,160.52	743.33
Net Addition in Lease Liability during the year	-	456.03
Net Cash Flow (Used in) Financing Activities *	(304.01)	(38.84)
Closing Balance of Borrowings and Lease Liability at end of the year	856.51	1,160.52

* Excluding proceeds from issuance of equity shares, securities premium, finance costs, dividend and dividend distribution tax

As per our report of even date
For Gupta & Dua
 Chartered Accountants
 Firm's Registration No. 003849N

For and on behalf of the Board of Directors

Mukesh Dua
 Partner
 Membership No. 085323

Surinder Paul Kanwar
 Chairman
 (DIN: 00033524)

Sachit Kanwar
 Managing Director
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 Chief Financial Officer
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Kapil Sharma
 Company Secretary
 (PAN: FTKPS4212N)

Jagdeep Singh
 (DIN: 00024905)
Directors

22 June, 2021

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS

1. **COMPANY OVERVIEW**

Xlerate Driveline India Limited having registered office at Shed No. 1 & 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 22 June, 2021."

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"), 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 amounts 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 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 asset 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 asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset 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 EARNINGS 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 asset 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 PROVISIONS

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event 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 plan, 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 01 April, 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 01 April, 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 assets is recognised to the extent that it is probable that future profit will be available against which the deductible temporary differences and tax losses can be utilized. The Company off sets current tax assets and Current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it 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 asset of one entity and financial liability or equity instrument of another entity.

a. Financial Assets

Initial recognition and measurement

All financial assets 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 asset 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

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. The Company recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 "Financial Instruments" for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience. An impairment analysis is performed at each reporting date on an individual basis for each asset.

b. Financial LiabilitiesInitial 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.

Loans 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 assets 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 COSTS

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

Note 3 : Property, plant & equipment

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Land	Plant & Machinery	Tools & Dies	Electrical Installations	Air Conditioners	Furniture & Fixtures	Computers	Office Equipments	Lease Hold Improvements	Lease Hold Buildings	Total	Capital work in progress
Year ended 31 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	-
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	-
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
Year ended 31 March, 2021												
Gross carrying amount												
Opening 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
Addition	-	5.78	43.80	-	1.48	2.46	2.80	1.56	-	-	57.88	22.95
Disposals/transfers	-	-	-	-	-	-	-	-	-	-	-	19.27
Closing gross carrying amount	534.34	413.51	225.88	14.79	4.55	52.19	11.55	5.41	10.84	456.04	1,729.10	10.30
Accumulated depreciation												
Opening accumulated depreciation	-	117.78	119.26	7.69	1.91	22.89	5.30	1.62	2.33	30.92	309.70	-
Depreciation charged during the year	-	32.49	20.02	1.91	0.31	6.04	1.24	0.68	2.06	30.92	95.67	-
Disposals/transfers	-	-	-	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation	-	150.27	139.28	9.60	2.22	28.93	6.54	2.30	4.39	61.84	405.37	-
Net carrying amount	534.34	263.24	86.60	5.19	2.33	23.26	5.01	3.11	6.45	394.20	1,323.73	10.30

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 4 : Intangible assets

Particulars	Software	Total
Year ended 31 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
Year ended 31 March, 2021		
Gross carrying amount		
Opening gross carrying amount	9.15	9.15
Addition	-	-
Disposals/transfers	-	-
Closing gross carrying amount	9.15	9.15
Accumulated depreciation		
Opening accumulated depreciation	6.74	6.74
Depreciation charged during the year	0.64	0.64
Disposals/transfers	-	-
Closing accumulated depreciation	7.38	7.38
Net carrying amount	1.77	1.77

Note 5 : Deferred tax assets (Net)

Particulars	As at 31 March, 2021	Charged/(credit) during the year	As at 31 March, 2020
Deferred tax assets on account of:			
a) Business loss	142.92	-	142.92
b) Unabsorbed depreciation	19.83	(57.42)	77.24
c) Finance lease	0.35	0.04	0.31
d) Provisions for employees benefits	8.76	2.40	6.36
Total deferred tax assets	171.86	(54.98)	226.83
MAT credit entitlement			
Deferred tax liabilities on account of:			
a) Difference between WDV as per Books and Income Tax Act	(17.95)	3.62	(21.56)
Total deferred tax liabilities	(17.95)	3.62	(21.56)
Total deferred tax (Net)	153.91	(51.36)	205.27

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 6 : Other non current assets

Particulars	As at 31 March, 2021	As at 31 March, 2020
Capital advances	6.60	3.06
Advance other than capital advance		
Security Deposit - Unsecured, considered good	16.07	14.81
Total	22.67	17.87

Note 7 : Inventories

Particulars	As at 31 March, 2021	As at 31 March, 2020
- Raw material & components	606.65	291.66
- Work-in-progress	171.51	108.03
- Finished goods	26.77	86.45
- Stores consumables	31.99	20.31
Total	836.92	506.45

Note 8 : Current trade receivables

Particulars	As at 31 March, 2021	As at 31 March, 2020
Unsecured		
- Trade receivables - considered good	1,138.84	1,070.19
- Trade receivables which have significant increase in credit risk	-	-
- Trade receivables - credit impaired	-	-
Total	1,138.84	1,070.19

Note 9 : Cash and cash equivalents

Particulars	As at 31 March, 2021	As at 31 March, 2020
- Cash on hand	0.05	0.17
Balance with banks		
- In current accounts	7.90	1.07
Total	7.95	1.24

Note 10 : Bank balances other than cash & cash equivalents

Particulars	As at 31 March, 2021	As at 31 March, 2020
Other balances		
Fixed deposits with various authorities		
- Margin money against bank guarantees and others	36.69	34.76
Total	36.69	34.76

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 11 : Loans and advances

Particulars	As at 31 March, 2021	As at 31 March, 2020
Balances with government authorities :		
- Duties & taxes	19.52	22.14
- Duty drawback receivable	0.23	0.23
- Export incentive receivable	1.49	1.49
Total	21.24	23.86

Note 12: Current tax assets

Particulars	As at 31 March, 2021	As at 31 March, 2020
- Advance income tax/tds	2.44	2.60
- TCS receivable on purchase	1.22	-
Total	3.66	2.60

Note 13 : Other current assets

Particulars	As at 31 March, 2021	As at 31 March, 2020
Unsecured considered good		
Prepaid expenses	6.34	10.29
Advances recoverable in cash or in kind or for value to be received		
- Supplier advances	34.75	29.31
- Other advances	14.84	11.93
Total	55.93	51.53

Note 14 : Equity share capital

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Authorised:				
Equity shares of ₹ 10 each (31 March, 2020 ₹ 10 each)	1,55,00,000	1,550.00	1,55,00,000	1,550.00
Issued, subscribed and paid-up:				
Equity shares of ₹ 10 each (31 March, 2020 ₹ 10 each) fully paid up	1,48,77,038	1,487.70	1,48,77,038	1,487.70
Total		1,487.70		1,487.70

The Company has one class of equity shares 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.

(All amounts in ₹ Lakhs, unless otherwise stated)

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 31 March, 2021		As at 31 March, 2020	
	No. of Shares	% of holding	No. of Shares	% of holding
Unsecured considered good				
Raunaq EPC International Limited	37,06,153	25%	1,48,77,032	100%
Sachit Kanwar	1,11,70,879	75%	-	0%

Note 15 : Other equity

Particulars	Refer following item	As at 31 March, 2021	As at 31 March, 2020
Retained earnings	15(a)	(498.84)	(610.75)
Total		(498.84)	(610.75)

Particulars	As at 31 March, 2021	As at 31 March, 2020
Retained Earnings		
Balance at the beginning of the year	(610.75)	(590.17)
Profit/(Loss) for the year	112.81	(20.68)
Items of other comprehensive income recognised directly in retained earnings	(0.90)	0.10
Total	(498.84)	(610.75)

Note 16 : Non current borrowings

Particulars	As at 31 March, 2021	As at 31 March, 2020
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	115.00	130.00
- Others	70.00	100.00
Unsecured Financial Lease Obligations		
- Factory sheds	454.91	456.04
Total	764.91	811.04

(All amounts in ₹ Lakhs, unless otherwise stated)

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

Unsecured Borrowings	Terms of re-payment	EIR
- From related parties	End of 5 Years	10%
- Others	End of 5 Years	9%

Note 17 : Non-current provisions

Particulars	As at 31 March, 2021	As at 31 March, 2020
Provision for employee benefits		
- Provision for compensated absences	10.27	7.00
- Provision for gratuity	20.27	14.37
Total	30.54	21.37

Note 18 : Current borrowings

Particulars	As at 31 March, 2021	As at 31 March, 2020
Secured Borrowings		
Working capital loans repayment on demand from bank		
- CC limit from PNB* [refer footnote (i)]	65.46	204.48
- NSIC RMA Account [refer footnote (ii)]	0.46	95.00
- COVID-19 loan from PNB* [refer footnote (iii)]	2.68	-
- Secured working capital-19 Loan [refer footnote (ii)]	23.00	-
Unsecured Borrowings		
- Loan from director	-	50.00
Total	91.60	349.48

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).
- (iii) Extension of charge on entire present and future current assets of the Company. The facility covered under guarantee coverage from NCGTC.

* Punjab National Bank (PNB) erstwhile Oriental Bank of Commerce (OBC)

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 19 : Trade payables

Particulars	As at 31 March, 2021	As at 31 March, 2020
- Total outstanding dues of micro enterprises and small enterprises	50.07	83.04
- Total outstanding dues of trade payable other than micro enterprises and small enterprises	1,406.38	840.22
Total	1,456.45	923.26

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 31 March, 2021	As at 31 March, 2020
- Payables on purchase of fixed assets & CWIP	2.88	5.90
- Security deposit from customers	0.26	25.26
- Current maturities of finance lease obligations	3.76	1.24
Total	6.90	32.40

Note 21 : Other current liabilities

Particulars	As at 31 March, 2021	As at 31 March, 2020
- Statutory dues	56.90	19.83
- Customers credit balances	5.39	5.48
- Other payables	28.15	76.99
Total	90.44	102.30

Note 22 : Current provisions

Particulars	As at 31 March, 2021	As at 31 March, 2020
Provision for employee benefits		
- Provision for compensated absences	0.70	0.48
- Provision for gratuity	1.18	0.84
Provision- others		
- Provision for turnover discounts	105.91	94.65
- Other provisions	76.12	71.55
Total	183.91	167.52

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 23 : Revenue from operations

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Revenue from contracts with customers		
- Sale of products	5,754.77	4,221.53
Other operating revenue		
- Sale of scrap	122.82	79.72
- Others	9.54	13.23
Total	5,887.13	4,314.48

Note 24 : Other income

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
- Interest income	2.21	2.24
- Foreign exchange fluctuation gain	2.09	2.12
- Other non operating income	45.39	13.05
Total	49.69	17.41

Note 25 : Cost of materials consumed

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Raw material consumptions		
Opening stock	291.66	262.63
ADD:- Purchases	4,533.94	3,016.40
	4,825.60	3,279.03
LESS:- Closing stock	606.65	291.66
Sub total (a)	4,218.95	2,987.37
Direct production expenses		
Consumption of packing material	193.97	139.71
Job work expenses	215.53	160.90
Sub total (b)	409.50	300.61
Total (a+b)	4,628.45	3,287.98

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

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Inventories (at the end of the year)		
- Finished goods	26.77	86.45
- Work-in-progress	171.51	108.03
Sub total	198.28	194.48
Inventories (at the beginning of the year)		
- Finished goods	86.45	38.99
- Work-in-progress	108.03	110.40
Sub total	194.48	149.39
Total	(3.80)	(45.09)

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 27 : Employee benefits expenses

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
- Salary & wages	373.48	330.54
- Contribution to provident & other funds	13.08	9.68
- Staff welfare expenses	10.04	9.45
Total	396.60	349.67

Note 28 : Finance cost

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
- Interest expenses on:		
Borrowings	48.17	70.25
- Lease factory sheds	54.87	54.72
- Other borrowing costs		
(Bank and other financial charges)	26.11	6.87
Total	129.15	131.84

Note 29 : Depreciation and amortization expenses

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Depreciation of property, plant and equipment	95.67	95.91
Amortisation of intangible assets	0.64	1.67
Total	96.31	97.58

Note 30 : Other expenses

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Other production consumables	22.39	19.72
Power & fuel expenses	31.52	32.31
Freight, forwarding & other charges	158.89	114.57
Repair & maintenance expenses	25.59	17.82
Professional charges	20.99	14.47
Printing & stationery	4.37	3.20
Postage, telegram, telephone expenses	2.44	1.09
Insurance expenses	3.10	1.92
Marketing service fee	92.87	154.32
Other selling expense	93.87	90.31
Rent expenses	3.63	0.69
Car hire expenses	7.15	7.35
Security service charge	9.51	9.38
Travelling, conveyance, boarding & lodging expenses	1.30	7.97
Rates & taxes	0.02	0.01
Warranty claim expenses	38.75	41.55
Miscellaneous expenses	8.01	10.93
Payments to auditors (Refer Note (i) below)	1.23	1.31
Total	525.63	528.92

(All amounts in ₹ Lakhs, unless otherwise stated)

Auditors' Remuneration paid/payable for the year

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Statutory audit fee	0.60	0.60
Limited review fee	0.60	0.60
Reimbursement	0.03	0.11
Total	1.23	1.31

Note 31 : Earnings per share

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Weighted average number of equity shares outstanding	1,48,77,038	1,48,77,038
Profit after tax available for shareholders	112.81	(20.68)
Basic & diluted earning per share	0.76	(0.14)
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-assessable and not-deductible items:

Particulars	2020-21	2019-20
Income tax expenses		
Current tax	-	-
Current tax for the year	-	-
Adjustment for current tax of prior period	-	-
Total current tax expenses	-	-
Deferred tax		
Increase/(Decrease) in deferred tax assets	(55.29)	(15.63)
(Increase)/Decrease in deferred tax liability	3.62	13.96
Total deferred tax expenses	51.67	1.67
Income tax expenses	51.67	1.67

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

Particulars	2020-21	2019-20
Profit/(Loss) before income taxes	163.27	(19.01)
Enacted tax rate in India (%)	25.17%	25.17%
Computed expected tax expenses	41.09	(4.78)
Items not deductible for tax/not liable to tax (Net)	15.68	13.82
Tax reversals	(56.77)	(9.04)
Others	(51.67)	(1.67)
Income tax expenses	(51.67)	(1.67)

(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 31 March, 2021	As at 31 March, 2020
Within India	5,647.88	4,118.08
Outside India	106.89	103.45
Total	5,754.77	4,221.53

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 31 March, 2021	As at 31 March, 2020
Customer A	1,929.92	856.11
Customer B	670.02	-
Total	2,599.94	856.11

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.

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

Particulars	As at 31 March, 2021	As at 31 March, 2020
Equity share capital	1,487.70	1,487.70
Reserves and surplus	(498.84)	(610.75)
Total equity	988.86	876.95
Long term debt	764.91	811.04
Debt to Equity Ratio	0.77	0.92

(All amounts in ₹ Lakhs, unless otherwise stated)

Note 36 : Financial risk management objectives and policies

The Company's business activities are 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 on 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 are also the changes in the financial market. Company influence its operational efficiency and also factors which are influential in 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 31 March, 2021	As at 31 March, 2020
Floating rate borrowings: Working capital loan	9.19	28.31
Floating rate borrowings: Working capital loan NSIC Raw Material Assistance Scheme	9.38	10.36
Total	18.58	38.67

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

Particulars	As at 31 March, 2021	As at 31 March, 2020
50 bp increase - Decrease in profit	(0.85)	(1.54)
50 bp decrease - Increase in profit	0.85	(1.54)

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.

(All amounts in ₹ Lakhs, unless otherwise stated)

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.**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 31 March, 2021

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Interest bearing loans and borrowings (Including current maturities)	91.60	185.00	125.00	401.60
Trade payables	1,456.45	-	-	1,456.45
Other financial liabilities	6.90	-	-	6.90
Total	1,554.95	185.00	125.00	1,864.95

(All amounts in ₹ Lakhs, unless otherwise stated)

As at 31 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

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	2020-21	2019-20
Contribution to provident fund and family pension fund	12.33	8.99

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.

(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	
	2020-21	2019-20
Table Showing Changes in present value of obligations		
Present value of defined benefit obligation as at the beginning of the year	15.21	12.11
Current service cost	3.98	2.39
Past service cost	-	-
Interest cost	1.06	0.85
Actuarial losses/(gains)	1.21	(0.14)
Benefits paid	-	-
Present value of defined benefits obligation as at the end of the year	21.46	15.21
Bifurcation of total actuarial (gain)/loss on liabilities	2020-21	2019-20
Actuarial gain /losses from changes in Demographics assumptions (mortality)	NA	NA
Actuarial (gain)/losses from changes in financial assumptions	-	0.96
Experience adjustment (gain)/loss for plan liabilities	1.21	(1.10)
Total amount recognized in other comprehensive Income	1.21	(0.14)
Net assets/(liability) recognised in the balance sheet	2020-21	2019-20
Present value of the obligation at the end of the period	21.46	15.21
Fair value of plan assets at end of period	-	-
Net liability/(asset) recognized in Balance Sheet and related analysis	21.46	15.21
Funded Status - Surplus/(Deficit)	21.46	(15.21)
Expense recognized in the statement of profit and loss	2020-21	2019-20
Current service cost	3.98	2.39
Past service cost	-	-
Interest cost	1.06	0.85
Expected return on plan assets	-	-
Total expenses recognised in the Profit & Loss Statement	5.04	3.24
Other comprehensive (income)/expenses (Remeasurement)	2020-21	2019-20
Cumulative unrecognized actuarial (gain)/loss opening. B/F	4.46	4.60
Actuarial (gain)/loss - obligation	1.21	(0.14)
Actuarial (gain)/loss - plan assets	-	-
Total Actuarial (gain)/loss	1.21	(0.14)
Cumulative total actuarial (gain)/loss. C/F	5.68	4.46
Summary of membership data at the date of valuation and statistics based thereon	2020-21	2019-20
Number of employees	30	29
Total monthly salary	12.44	5.63
Average past service (years)	5.60	4.90
Average future service (years)	22.80	24.70
Average age (years)	35.20	33.30
Weighted average duration (based on discounted cash flows) in years	16.00	17.00
Average monthly salary	0.41	0.19

(All amounts in ₹ Lakhs, unless otherwise stated)

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	2020-21	2019-20
Discount rate	7.00 % per annum	7.00 % per annum
Salary growth rate	5.00 % per annum	5.00 % per annum
Mortality	IALM 2012-14	IALM 2012-14
Withdrawal rate (per annum)	5.00% p.a.	5.00% p.a.
Benefits valued	2020-21	2019-20
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

Sensitivity Analysis for significant assumptions as on **31.03.2021** 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	(1.86)	2.15	2.17	(1.91)	0.22	(0.25)

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)

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

Particulars	(₹ in Lakhs)
01 April, 2021 to 31 March, 2022	1.18
01 April, 2022 to 31 March, 2023	0.51
01 April, 2023 to 31 March, 2024	0.52
01 April, 2024 to 31 March, 2025	0.52
01 April, 2025 to 31 March, 2026	0.54
01 April, 2026 onwards	18.18

Note 38 : Related party disclosure

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

(a) Associate company

Raunaq EPC International Limited

(All amounts in ₹ Lakhs, unless otherwise stated)

(b) Entities over which key managerial personnel is able to exercise significant influence:

Bharat Gears Limited (BGL)
 Vibrant Reality Infra Private Limited (VRIPL)
 Ultra Consultants Private Limited (UCPL)
 Cliplok-Simpak (India) Private Limited (CSIPL)
 Gulab Merchandise Private Limited (GMPL)
 City Fame Engineering Private Limited (CFEPL)

(c) Key managerial personnel

Mr. Surinder Paul 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

Details of transactions with the related parties

Particulars	Associate company		Entities over which key managerial personnel is able to exercise significant influence		Key managerial personnel	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Transaction during the year						
Interest on Loan						
SPK	-	-	-	-	5.35	6.02
UCPL	-	-	1.50	1.50	-	-
CSIPL	-	-	5.00	5.01	-	-
VRIPL	-	-	6.50	6.52	-	-
Repayment of Unsecured Loan						
SPK	-	-	-	-	50.00	-
UCPL	-	-	15.00	-	-	-
Marketing Service Fee						
BGL	-	-	92.87	154.32	-	-
Rent Income						
BGL	-	-	12.20	11.75	-	-
Rent Expenses						
BGL	-	-	3.63	0.69	-	-
Other Selling Expenses						
BGL	-	-	4.61	10.46	-	-
Sale of goods						
BGL	-	-	26.88	-	-	-
Reimbursement of Expenses						
REIL	2.75	1.19	-	-	-	-
Rent Income						
REIL	0.44	-	-	-	-	-
Remuneration						
SK	-	-	-	-	61.80	30.00

(All amounts in ₹ Lakhs, unless otherwise stated)

	31 March, 2021	31 March, 2020	31 March, 2021	31 March, 2020	31 March, 2021	31 March, 2020
Personal guarantee offered to Punjab National Bank for credit limit availed						
SPK & SK each	-	-	-	-	405.00	405.00
Corporate guarantee of offered for credit limits availed by company to Punjab National Bank						
REIL	405.00	405.00	-	-	-	-
Amount Payable/(Receivable)						
SPK	-	-	-	-	-	50.00
SK	-	-	-	-	-	0.89
BGL	-	-	27.44	75.90	-	-
REIL	-	-	(9.40)	(6.13)	-	-
UCPL	-	-	-	15.00	-	-
CSIPL	-	-	50.00	50.00	-	-
VR IPL	-	-	65.00	65.00	-	-

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 31 March, 2021	For the Year Ended 31 March, 2020
Salary, wages & contribution to funds	2.27	1.37
Job-work & processing charges	22.26	-
Cost of material	19.27	14.28
Total	43.80	15.65

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

Particulars	Notes	31 March, 2021			31 March, 2020		
		FVPL	FVOCI	Amortized Cost	FVPL	FVOCI	Amortized Cost
Financial assets							
Loans	5	-	-	-	-	-	-
Trade receivables	8	-	-	1,138.84	-	-	1,070.19
Cash and bank balances	9,10	-	-	44.64	-	-	36.00
Loans and advances	11	-	-	21.24	-	-	23.86
Other financial assets		-	-	-	-	-	-
Total financial assets		-	-	1,204.72	-	-	1,130.05
Financial liabilities							
Borrowings	16,18	-	-	856.51	-	-	1,160.52
Trade payables	19	-	-	1,456.45	-	-	923.26
Other financial liabilities	20	-	-	6.90	-	-	32.40
Total financial liabilities		-	-	2,319.86	-	-	2,116.18

(All amounts in ₹ Lakhs, unless otherwise stated)

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 : Leases

The Ministry of Corporate affairs vide notification number G.S.R. 463(E) dated 24 July, 2020 has issued the Companies (Indian Accounting Standards) Amendment Rules, 2020. As per the amendment rules the Company has an option to apply practical expedients of paragraph 46A of Ind AS 116.

However, the Company has not got any rent concession during the year, therefore, the above paragraph is not applicable to the Company.

Movement of lease liability

Particulars	For the Year Ended 31 March, 2021	For the Year Ended 31 March, 2020
Lease liability as at the beginning of the year* (a)	457.28	456.04
Additions (b)	-	-
Accretion of interest (c)	54.87	54.72
Payments (d)	53.48	53.48
Modification (e)	-	-
Lease liability as at the end of the year (a+b+c-d-e)	458.67	457.28

* Lease liability as at 01 April, 2019 is on account of adoption of Ind AS 116.

Maturity analysis of minimum undiscounted lease payments after the reporting period:

Particulars	For the Year Ended 31 March, 2021	For the Year Ended 31 March, 2020
Less than one year	58.80	53.48
Later than one year but not later than five years	261.36	249.44
Later than five years	681.65	752.38
Total	1,001.82	1,055.30

Note 42 : Earnings in foreign exchange

Particulars	For the Year Ended 31 March, 2021	For the Year Ended 31 March, 2020
- Export of goods calculated on FOB basis	13.36	47.23
- Foreign exchange fluctuation gain	2.09	2.12

(All amounts in ₹ Lakhs, unless otherwise stated)

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

Note 44 : The extent to which the COVID-19 pandemic, including the current “second wave” will impact the Company’s future results will depend on economic situation, which is highly unpredictable. The Company will continue to closely monitor any material changes to future economic conditions.

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 31 March, 2021.”

Note 45 : New Accounting Pronouncements

a) Amendment to Ind AS 103 ‘Business Combinations’ - change in definition of Business

The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. The amendments also introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. This amendment does not have material impact on the Company.

b) Amendment to Ind AS 107 and Ind AS 109 - interest rate benchmark reforms

The amendments provide temporary exception from applying specific hedge accounting requirement and allows continuation of hedge accounting when a hedging relationship is directly affected by interest rate benchmark reform only. The amendment also provides for additional disclosure for hedging relationship that is subject to this exception. The Company has floating rate debt linked to LIBOR which has been designated as cash flow hedges. However there is no interest rate benchmark reform happened which affect the hedge relationship. This amendment does not have material impact on the Company.

c) Amendment to Ind AS 116 ‘Leases’ - COVID-19 related rent concessions

The amendment provides a practical expedient which permits a lease not to assess whether a COVID-19 related rent concession is a lease modification. The Company had not applied the practical expedient. This amendment does not have material impact on the Company.

d) Amendment to Ind AS 1 and Ind AS 8 - definition of ‘material’

The amendment is not intend to change the underlying ‘materiality’ concept rather it provides broader guidance and make it easy to understand the meaning of ‘material’. This amendment does not have material impact on the Company.

(All amounts in ₹ Lakhs, unless otherwise stated)

e) Amendment to Ind AS 10 and Ind AS 37 - material non adjusting event

The amendment requires an entity to disclose the nature and estimate of financial effect of a material non-adjusting event after the reporting period. Ind AS 37 specifically requires such disclosure of a non- adjusting material restructuring plan. This amendment does not have material impact on the Company.

Note 46 : Previous year figures have been regrouped and reclassified wherever necessary.

For and on behalf of the Board of Directors

For Gupta & Dua

Chartered Accountants
Firm's Registration No. 003849N

Mukesh Dua

Partner
Membership No. 085323

Surinder Paul Kanwar

Chairman
(DIN: 00033524)

Sachit Kanwar

Managing Director
(DIN: 02132124)

Rajiv Chandra Rastogi

(DIN: 00035460)

Prabhat Chand Kothari

(DIN: 00024492)

Himanshu Goyal

Chief Financial Officer
(PAN: BUCPG9157M)

Kapil Sharma

Company Secretary
(PAN: FTKPS4212N)

Jagdeep Singh

(DIN: 00024905)

Directors

22 June, 2021



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