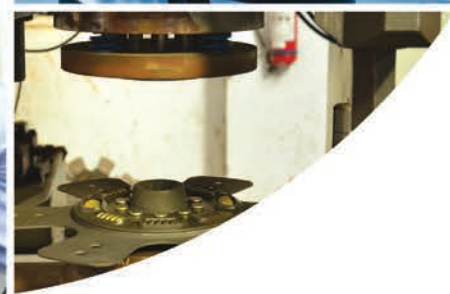
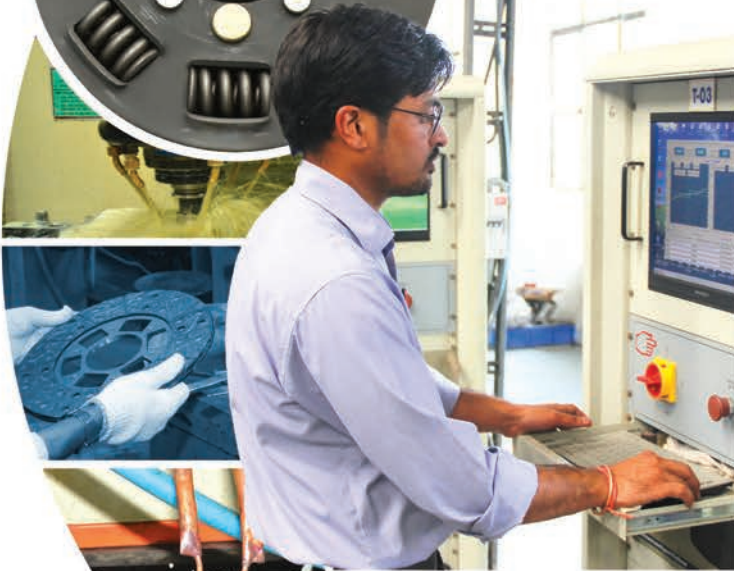


# BUILDING BUSINESS SUSTAINABILITY

Xlerate Driveline India Limited

Annual Report  
2022-23





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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 undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

# BUILDING BUSINESS SUSTAINABILITY

We, at **Xlerate Driveline India Limited (XDIL)** are in the process of building a stable business by taking a conscious step to avoid overspending and intensifying focus on expansion. We believe that building a sustainable business is key to staying in the market and also outperforming the competition. Driven by our commitment towards sustainability, we have identified the various arms as the cornerstone of establishing a long-term value-based business. Our investment towards in-house production of clutch cover has helped us to save import costs and we plan to inculcate the habit of austerity on a sustained basis. Deeper relationship with the existing customers and expansion of the customer base across geographies through augmented product offering have been our key agendas. We are steering our energy to unleash the power of the elements central to building the strong foundation of a sustainable business. The sustainability gained through a combination of prudent cost moderation, strengthening relationship with the existing customers and enhanced focus on serving higher number of customers through a mix of articulated measures will redefine our business imparting endurance and enhancing values.



# ABOUT THE COMPANY

**Xlerate Driveline India Limited (XDIL)** is an auto component manufacturing company producing clutch plates and clutch cover assemblies. XDIL is located in Faridabad, Haryana. The focus on precision and quality products has helped the company to build a client list including many reputed names such as Ashok Leyland, Eaton, Class India, Dana and Blue Energy. In addition to selling to the OEMs, it also serves the aftermarket segment. XDIL has received many quality certificates including ISO 14001:2015, IATF 16949:2016, and ISO 45001:2018.

*Mr. Sachit Kanwar* is the only shareholder of the company after the acquisition of all of its shares from the previous parent company Raunaq EPC International Limited.

## PRODUCTS

The product basket includes variety of clutches spanning from 180 mm and 240 mm to 352 mm and 430 mm. Sustained development and launching of new products by the company is centred around its commitment towards serving larger base of clients and their evolving needs.

## MANUFACTURING FACILITY

The manufacturing plant has advanced machinery, state-of-the-art testing lab and metallurgical laboratory. The plant has three operational lines including conventional cover assembly line serving the heavy commercial vehicle segment, diaphragm line for light, medium and heavy commercial vehicle segment and the disc line for all segments.





# GAINING CONTROL OVER COST

Our initiatives towards inhouse production of clutch covers by putting the necessary set-up in place to reduce the import cost of raw material has started providing the desired outcome. Our mission on steady supply of intermediate goods for clutch assembling has provided easy availability of the raw material bringing down the import cost and production cost of clutch covers. We will sharpen our focus on the cost reduction journey we have embarked on last year by constantly assessing the cost divisions and evaluate various options to minimize them. Our capacity to adapt to the production and operational changes to keep the costs down is crucial to tread on the path of sustainability enhancing our abilities to seize the market opportunities across the business cycle.







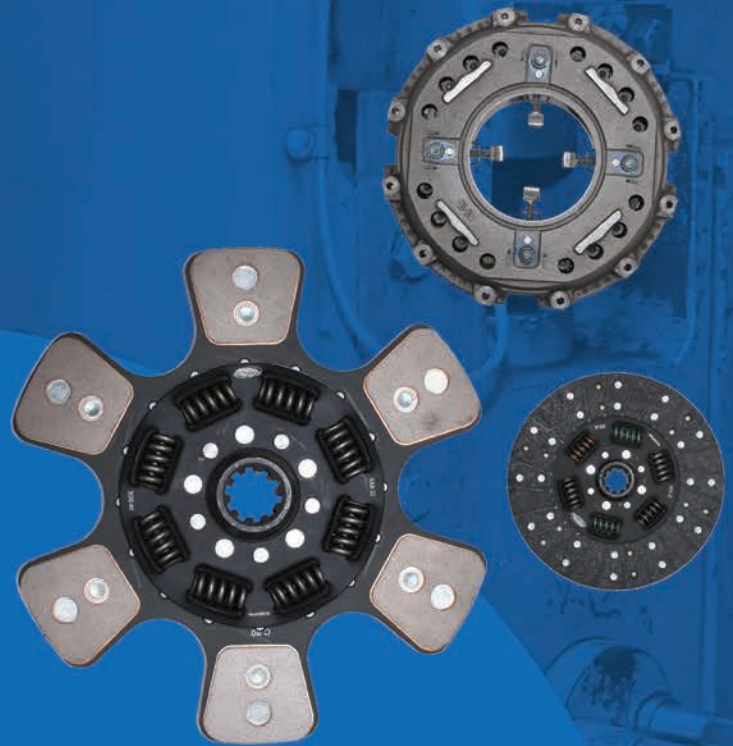
# DEEPENING EXISTING TIES, ESTABLISHING NEW RELATIONSHIPS

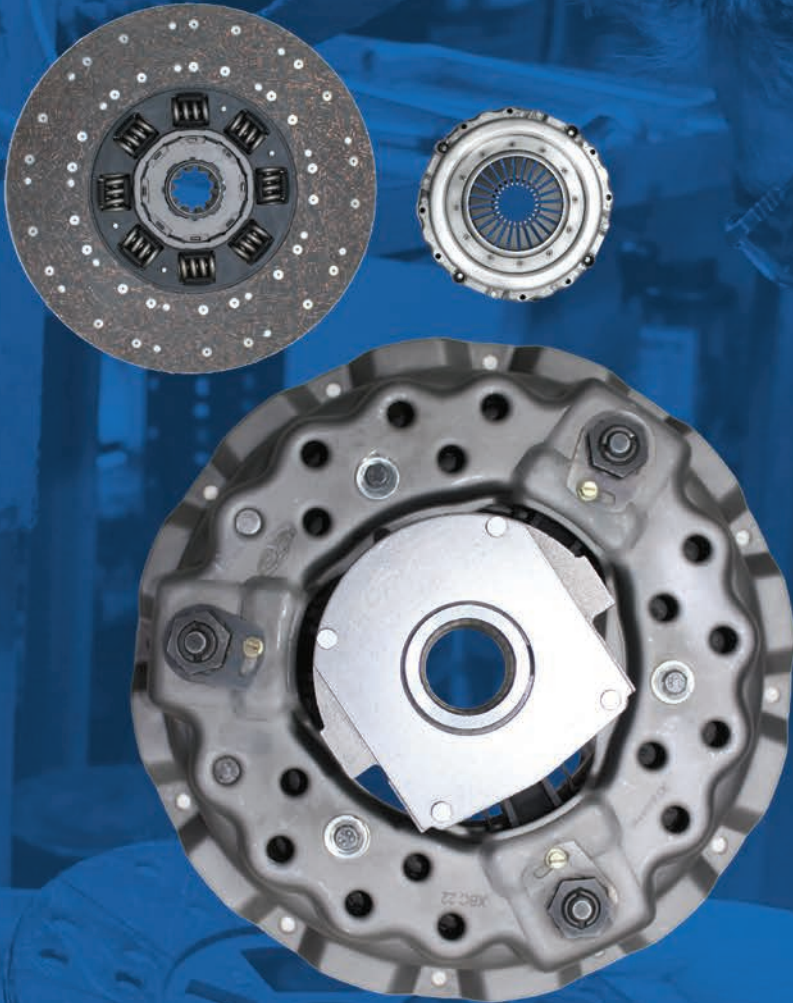
Our intent to build sustainability is driving us to look for new avenues of growth. As we are at the crossroad of shaping a redefined and stronger business model, we plan to strengthen our market presence based on our relation with existing customers. We are engaging with the pool of customers to assess their need, improve the quality of service and identify the additional area of scope to serve them. In our mission to diversify the group of buyers, we have also reached to the selected prospective customers across the globe with a plan to start exporting. Our constant drive towards building relationships with new customers has helped us to receive an initial contract from a reputed company. The state-of-the-art manufacturing plant, and a pool of talented and skilled workers provides us the competitive advantage to respond swiftly to the new opportunities unlocked from our commitment towards customer diversification. The resolute focus to expand customer base, deepening ties with the existing customers and adapt to their evolving needs is important to drive sustainable value identified by us as the hallmarks of our business.



## EXPANDED PRODUCT OFFERING

We have identified the capability of extending the product basket by launching new products to serve the larger customer base as one of the major elements in our journey of building sustainable business. Our unflinching commitment has always been on offering new range of products to address the need of diversified customer pool. The mission towards building a larger customer base and crafting of expanded product basket within the fabric of sustainability drove us to strengthen our focus towards innovation and launching of high-quality products. The prospect of serving the overseas market for the first time also lifted our spirit and excitement to an unmatched level. We have initiated development of new product ranges with clutch sizes from 362 mm to 430 mm. A total of 8 products are going through validation or have completed the validation stage. Imbued with new energy and excitement at the prospect of serving new geographies, we are geared up to line up expanded suit of products strengthening the business sustainability.





# MESSAGE FROM CHAIRMAN & MANAGING DIRECTOR



**Dear All,**

My sincere greetings to you on behalf of Xlerate Driveline India Limited.

Strong domestic demand and investment activity owing to government's thrust for infrastructure expansion and upgradation benefited the Indian economy during FY23. The growth was broad-based with easing of retail inflation, rebound in private consumption, and strong direct tax collection despite the slowdown in many advanced economies globally. The Indian economy is well positioned on the trajectory of sustained growth on account of government's focus on increasing capital expenditure, lower dependence on global demand, various plans towards improving the agricultural productivity including digital services for crop planning, and assistance for agricultural startups.

The automobile sales grew 20% during FY23 driven by increased demand in urban areas, higher demand for utility vehicles in the passenger segment and improved product availability due to ease of semiconductor chip supply. The continued focus by the government towards infrastructure spending, increased e-commerce, construction and mining activities led to the growth in commercial vehicle sales. The auto component industry recorded surge in turnover to ₹ 5.6 lakh crore during FY23, a growth of 32.8% compared to the previous year, as per Automotive Component Manufacturers Association of India (ACMA). Growth was visible across all segments including supply to OEMs, aftermarket and export. Strong domestic sales, steady export despite recessionary trends in America and Europe and moderation of supply side issues including semiconductor chip availability and raw material costs provided impetus to the auto component market.

Our performance was resilient in the wake of revival of one of the competitors leading to shifting of a customer as per its policy to maintain diverse supply sources. During the year, we have reshaped our business based on selected elements with the objective to impart higher stability by protecting it from the uncertainty arising from various sources. The investment made in the previous year in the stamping area for the production of clutch covers has been beneficial, driving us to point out cost reduction as one of the foundations for building sustainability. In house production of clutch covers started during the end of this year has led to reduction in import costs, product costs and inventory, containing the overall costs and secured supply of raw material for clutch production and we are committed to evaluate various options on a continued manner to reduce costs.

We have entered in an agreement with Schaeffler Group, to supply clutches in the European after market in line with our new initiative to increase the customer base by expanding geographically as a crucial approach in our mission on sustainability. The engagement that shaped up after 18 months of development and validation reflects our sharp focus on maintaining high-quality product standards. We expect to enter the Latin American market in the coming years for which discussion is on with the Schaeffler Group. As we plan to establish our presence in the overseas market, we have sharpened our focus on product diversification. We have started development of new range of clutches with size of 362 mm to 430 mm for overseas clients. Validation is on or is completed for a total of eight products. I believe, the combination of cost moderation, closer ties with existing customers, building new customer base and continued approach towards product innovation will usher in sustainability in the business.

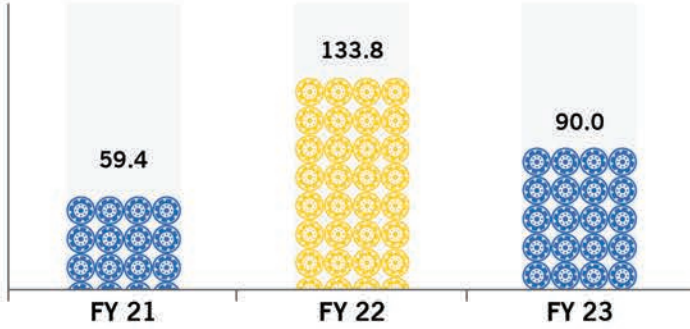
I want to express my deepest gratitude to our customers, bankers for placing their trust in our capabilities and their close association with us. I am also grateful to all the vendors and employees for their unwavering integrity as we chart our way towards building a sustainable business.

**Sachit Kanwar**

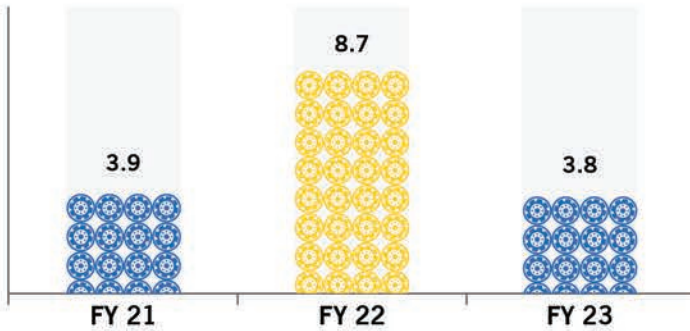
Chairman &amp; Managing Director

# FINANCIAL HIGHLIGHTS

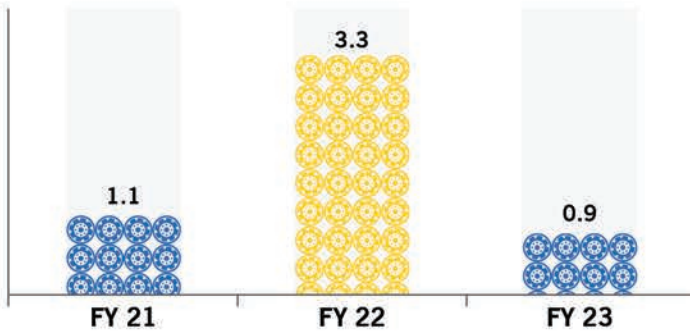
Revenue (₹ Crores)



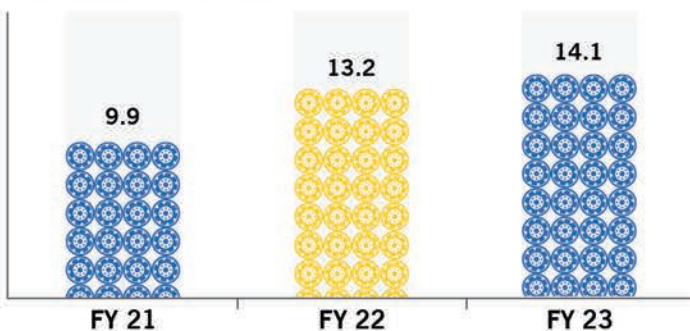
EBITDA (₹ Crores)



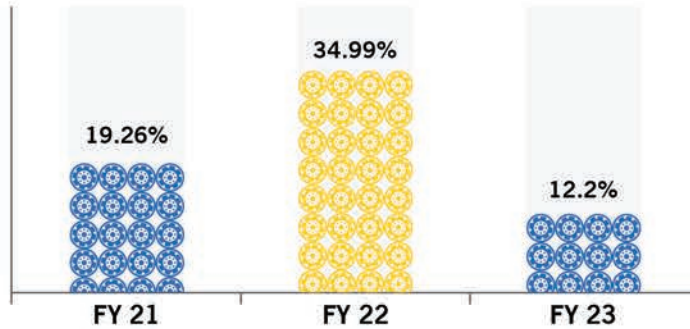
Net Profit (₹ Crores)



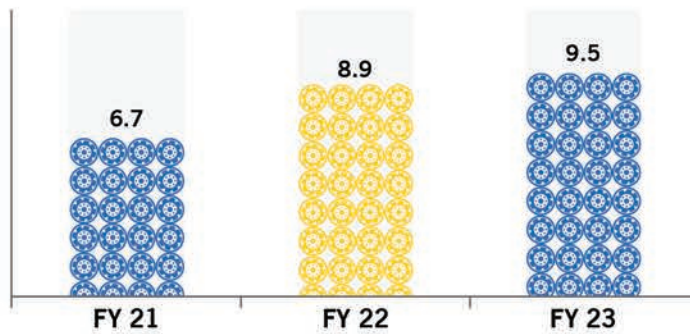
Net Worth (₹ Crores)



RoCE (%)



Book Value per Share (in ₹)



## OPERATIONAL HIGHLIGHTS

- Started development of clutches with sizes from 362 mm to 430 mm. Validation for the product range comprising of 8 various types of clutches is complete or is waiting.
- Received order for clutch export to Europe from the Schaeffler Group.

# NOTICE

## TO THE MEMBERS OF THE COMPANY

**NOTICE** is hereby given that the **28<sup>th</sup> Annual General Meeting** of the Members of Xlerate Driveline India Limited will be held as under:


Day : Thursday  
Date : 31 August, 2023  
Time : 11:00 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, 2023 together with Reports of the Directors and Auditors thereon.
2. To consider the re-appointment of Ms. Afsheen Kanwar, who retires by rotation and is eligible for re-appointment.

By Order of the Board



Ankita Jain  
Company Secretary

Dated: 30 June, 2023

Place: Faridabad

### 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/re-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 resolutions 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



Ankita Jain

Company Secretary

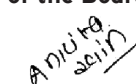
Dated: 30 June, 2023

Place: Faridabad

The Information/Disclosure in compliance with the Secretarial Standard (SS-2) issued by the Institute of Company Secretaries of India in respect of the Directors proposed to be appointed/re-appointed at the ensuing Annual General Meeting (AGM) has been provided herein below:

Particulars	Item No. 02
<b>Name of Director</b>	Ms. Afsheen Kanwar
<b>DIN</b>	09432032
<b>Brief Resume</b>	Ms. Afsheen Kanwar holds degree in Bachelor of Administrative Studies from Canada and is associated with a Non-Government Organisation working towards women empowerment.
<b>Category of Director</b>	Non-Executive Director
<b>Date of Birth</b>	22 July, 1979
<b>(Age in Years)</b>	(43)
<b>Date of Appointment on the Board</b>	20 December, 2021
<b>Qualification</b>	Degree in Bachelor of Administrative Studies from Canada
<b>No. of years of Experience</b>	4 Years
<b>Expertise in specific functional areas</b>	Strategic Planning, Knowledge of Macro Environment vis-à-vis Industry, Financial Literacy, Ability to read Financial Statements
<b>Terms and conditions of appointment/re-appointment</b>	Non-Executive Director liable to retire by rotation
<b>Chairmanship/Membership of Committees of the Company</b>	Member - Nomination and Remuneration Committee Member - Audit Committee Member - Finance Committee
<b>Directorships held in other Companies</b>	• Gulab Merchandise Private Limited
<b>Chairmanship/Membership of committees of other Companies</b>	NIL
<b>Number of Board Meetings attended during the year</b>	4
<b>Relationships between Directors inter-se</b>	Wife of Mr. Sachit Kanwar, Chairman and Managing Director of the Company
<b>Relationships with Manager and other Key Managerial Personnel of the Company</b>	None
<b>Remuneration details (Including Sitting Fees &amp; Commission) and last remuneration drawn</b>	Please refer the Annual Return for the Financial Year 2022-23 on the website of the Company <a href="http://www.xleratedriveline.com">www.xleratedriveline.com</a>
<b>Number of Shares held in the Company as on 31 March, 2023</b>	NIL

By Order of the Board



Ankita Jain

Company Secretary

Dated: 30 June, 2023

Place: Faridabad

## BOARD'S REPORT

(SECTION 134 OF THE COMPANIES ACT, 2013)

### To The Members

#### Xlerate Driveline India Limited

Your Directors have pleasure in presenting the 28<sup>th</sup> Annual Report together with the Audited Financial Statements of your Company for the Financial Year ended 31 March, 2023.

### FINANCIAL RESULTS:

Particulars	(₹ In Lakhs)	
	Year ended 31 March, 2023	Year ended 31 March, 2022
Revenue from Operations and other income	9,000.27	13,382.03
Profit before Finance Cost and Depreciation	385.75	867.70
Finance Cost	115.43	178.32
Depreciation	145.15	120.45
Profit Before Tax	125.17	568.93
Less: Tax Expense	39.82	238.29
<b>Profit/(Loss) for the year</b>	<b>85.35</b>	<b>330.64</b>
<b>Other Comprehensive Income</b>		
<b>Items that will not be reclassified to Profit and Loss (net of tax)</b>	<b>(0.36)</b>	<b>1.70</b>
<b>Total Comprehensive Income for the year</b>	<b>84.99</b>	<b>332.35</b>

Surplus in Statement of Profit and Loss	(₹ In Lakhs)	
	Year ended 31 March, 2023	Year ended 31 March, 2022
Opening balance	(166.49)	(498.84)
Add: Profit/(Loss) for the year	85.35	330.64
Other Comprehensive Income for the year	(0.36)	1.71
Less:	0.00	0.00
Dividend paid-Equity	0.00	0.00
Tax on distributed profits	0.00	0.00
Transferred to General Reserve	0.00	0.00
<b>Closing Balance</b>	<b>(81.50)</b>	<b>(166.49)</b>

### DIVIDEND:

In order to conserve the resources and make them available for growth initiatives of the Company, the directors of the Company have decided not to recommend any dividend on equity shares of the Company for the year ended 31 March, 2023.

### PERFORMANCE OVERVIEW:

In FY 2022-23, overall sales of Commercial vehicles fall short of the 2021-22 peak. Majority of the segments were expected to end lower as compared to previous year.

Though the sales were very low in the first two quarters but then it picked up a growth in demand but not to the extent of FY 2021-22. Profit margin are expected to be flat because of increase in raw material prices.

Despite of increase in the RM prices, the Company has recorded revenues of Rs. 90.00 Crores in the Financial Year 2022-23 with 30% drop as compared to previous year.

Drop in Revenue is due to flat performance in the after-market sales and revival of Major competitor has shown a drop in the OES share.

In FY 2022-23, Company has registered Total Revenue of Rs. 90.00 crores against the previous year's revenue of Rs. 133.82 crores in FY 2021-22.

During the last year, the Company initiated development for new product range for Over Seas Application with clutch sizes from 362 to 430. A total of 8 Products are either under validation stage or have completed the validation. Commercialization is expected to start from next financial year.

There is a reduction in the import cost as well as product cost and reduction in inventory due to investment in stamping Area for 350 Ton and 1200 Ton presses for cover development.

#### **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 two-third capacities.

New Developments are happening at Export Level. RFQ from Schaeffler Germany, Brazil and SEA are under negotiations for various sizes of Clutch. This year, the Company will start the commercial activities in this area.

#### **INDIAN ACCOUNTING STANDARDS ("IND AS"):**

The financial statements for the year ended 31 March, 2023 have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as required under the provisions of 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, 2023 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 2022-23, 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 the provisions of Section 186 of the Companies Act, 2013.

#### **DIRECTORS:**

During the financial year 2022-23, the members of the Company at the Annual General Meeting held on 31 August, 2022 approved the:

- Appointment of Mr. Kushagra Gupta, Additional Director of the Company as a Non-Executive Independent Director on the Board of the Company.
- Appointment of Ms. Afsheen Kanwar, Additional Director of the Company as a Non-Executive Director on the Board of the Company

Further, pursuant to the approval of the Board of Directors in its meeting held on 03 March, 2023 in terms of the recommendation of the Nomination and Remuneration Committee, the members of the Company at their Extra Ordinary General Meeting held on 10 March, 2023 approved the re-appointment of Mr. Sachit Kanwar as Chairman and Managing Director of the Company for a further period of 5 (Five) Years w.e.f. 01 February, 2023 along with remuneration for a period of 1 (One) Year w.e.f. 01 February, 2023 upto 31 January, 2024.

#### **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 2022-23, 4 (Four) Board Meetings were held on the following dates:-

- 30 May, 2022;
- 29 August, 2022;
- 09 December, 2022 and
- 03 March, 2023

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

#### **INDEPENDENT DIRECTORS:**

In terms of the provisions of Section 149(7) of the Companies Act, 2013, all the Independent Directors of the Company have furnished a declaration to the Compliance Officer of the Company at the meeting of the Board of Directors held on 30 June, 2023 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](http://www.xleratedriveline.com) under the link: [https://xleratedriveline.s3.ap-south-1.amazonaws.com/Policy/XDIL\\_nomination\\_and\\_remuneration\\_policy.pdf](https://xleratedriveline.s3.ap-south-1.amazonaws.com/Policy/XDIL_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 03 March, 2023 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 | Chairman and Managing Director |
| 2. | Mr. Manish Jain   | Chief Financial Officer        |
| 3. | Ms. Ankita Jain   | Company Secretary              |

During the period under review, pursuant to resignation of Ms. Mehak Kapoor from the post of Company Secretary and Chief Financial Officer of the Company with effect from 05 September, 2022, Ms. Ankita Jain has been appointed as the Company Secretary and Mr. Manish Jain, Group Head (Finance) has been designated as Chief Financial Officer of the Company with effect from 03 March, 2023.

## 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 Mr. Kushagra Gupta, Mr. Jagdeep Singh Sachdeva and Ms. Afsheen Kanwar.

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 Section 21 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with Rule 14 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013, the Company has constituted Internal Complaints Committee (ICC) at its Unit at Faridabad where any grievance 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, 2023, no complaint 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.

#### **FIXED DEPOSITS:**

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

#### **AUDITORS:**

The Statutory Auditors, M/s B.R. Maheswari & Co. LLP, Chartered Accountants (ICAI Registration No. 001035N) had been appointed as Statutory Auditors of the Company in the 27<sup>th</sup> Annual General Meeting (AGM) held on 31 August, 2022 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 27<sup>th</sup> AGM till the conclusion of 32<sup>nd</sup> Annual General Meeting in the year 2027.

#### **REPORT ON FINANCIAL STATEMENTS:**

The report of M/s B.R. Maheswari & Co. LLP (ICAI Registration No. 001035N), Chartered Accountants, the Statutory Auditors of the Company on the financial statements of the Company for the year ended 31 March, 2023 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.

#### **INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY:**

The Company 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.

**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](http://www.xleratedriveline.com)

**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 is any proceeding 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**



**Sachit Kanwar**  
Chairman and Managing Director  
DIN: 02132124

**Dated: 30 June, 2023**

**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, 2023**

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
<b>A. Top Ten Employees of the Company in terms of remuneration drawn for the year ended 31 March, 2023.</b>									
1.	Mr. Sachit Kanwar	40	B.A. (ECO)	Chairman and Managing Director	26.09.2012	19 yrs	92.38	Lease Portfolio Manager- Airport Kia Tornoto Ltd.	100.00
2.	Mr. Alok Sood	53	B.E.	Head Operations	10.03.2014	31 yrs	39.90	Clutch Auto Limited	0.00
3.	Mr. Narinder Kumar	48	DME & ITI	Process Head	12.02.2013	30 yrs	17.99	Sabharwal Auto	0.00
4.	Mr. Manish Jain	40	B. Com, MBA	Group Leader	01.04.2018	19 yrs	10.52	Raunaq EPC International Limited	0.00
5.	Mr. Amit Tiwari	40	B.Tech (ME)-8	Section Leader	01.10.2020	15 yrs	10.10	Bharat Gears Limited	0.00
6.	Mr. Vipin Mandyal	37	B.Tech	Group Leader	18.04.2016	16 yrs	9.78	Borgwarner Emission (USA based)	0.00
7.	Mr. Satish Chand	42	B.Com & M.Com	Section Leader	01.10.2020	16 yrs	8.50	Bharat Gears Limited	0.00
8.	Mr. Parmod Kumar Sharma	35	B.Tech	Group Leader	21.01.2013	12 yrs	7.82	Venus industries Pvt. Ltd.	0.00
9.	Mr. Vipin Dua	42	B.Com & MBA	Leader	10.12.2012	15 yrs	7.76	Subros Limited	0.00
10.	Mr. Suresh Chand	50	DIPLOMA	Leader	12.12.2012	25 yrs	5.80	Kangaro India Limited	0.00

**B. Employed throughout the year ended 31 March, 2023 & 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, 2023 & 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**

**For and on behalf of the Board of Directors**



**Sachit Kanwar  
Chairman and Managing Director  
DIN: 02132124**

**Dated: 30 June, 2023**

## Annexure- "B"

**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, 2023**

**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)	
	2022-2023	2021-2022
Foreign Exchange Earned	9.65	24.39
Foreign Exchange used	951.88	834.08
Net Foreign Exchange earnings	(942.23)	(809.69)

For and on behalf of the Board of Directors



**Sachit Kanwar**  
Chairman and Managing Director  
DIN: 02132124

Dated: 30 June, 2023

# 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, 2023, 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, 2023, 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.

## Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's Board's report but does not include the financial statements and our auditor's 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 in the 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 with those charge with the governance.

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.

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

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

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'I' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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, 2023 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2023 from being appointed as a director in terms of section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'II'.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with 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, company has paid or provided managerial remuneration in accordance with the requisite approval mandated by the provision of section 197 of the Act read with schedule V to 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 does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts including any derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv.
    - (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
  - v. No dividend has been declared or paid during the year by the Company.
  - vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Company, is applicable to the Company only with effect from financial year beginning 01 April, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

**For B R Maheswari & Co LLP**

Chartered Accountants

Firm's Registration No. 001035N/N500050



**Sanjay Nath**

Partner

Membership No: 082700

UDIN: 23082700BGWAMB6525

Place: New Delhi

Date: 30 June, 2023

## Annexure 'I' to the Independent Auditors' Report

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

- i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property plant and equipment.  
  
(B) The Company has maintained proper records showing full particulars of Intangible assets.
- (b) The Property, Plant and Equipment have been physically verified by the management during the year as per the regular programme of verification which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) There are no proceedings that have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii) (a) As per the information and explanation provided to us and to the best of our knowledge and documents available with us, the company has done physical verification of inventory items at reasonable intervals further as per our verification no material discrepancies (i.e. over and above 10%) were required to be reported during the financial year.  
  
(b) According to the information and explanations given to us and on the basis of our examination of the records, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current asset. The Company has filed the quarterly returns or statements with such banks or financial institutions are in agreement with the books of account of the Company, further as per our verification no material discrepancies were noticed on such verification.
- iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of 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 2022-23, and accordingly clause 3(iii)(a), (b), (c), (d), (e) and (f) of the order are not applicable.
- iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any loans, investments, guarantees and security which are covered under the provisions of section 185 and 186 of the Act, accordingly, reporting under paragraph 3 (iv) of the Order is not applicable.
- v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.
- vi) The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.
- vii) (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 Services Tax, 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, 2023 for a period of more than six months from the date they become payable.

- (b) According to the information and explanations given to us, there is no dues of Income Tax, Goods and Services Tax and Cess which have not been deposited with the appropriate authorities on account of any dispute.
- viii) (a) According to the information and explanations given to us, no income has been surrendered or disclosed, which is not recorded in the books of accounts, during the year found in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) Based on the information and explanations given to us, we are of the opinion that the Company has availed loan from the financial institutions, banks but the Company did not have any outstanding loans and borrowings from government & debenture holder during the year. According to the information and explanations given to us, Company has not defaulted in repayment of dues to any financial institutions, banks.
  - (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Willful Defaulter by any bank or financial institution or government or any government authority.
  - (c) According to the information and explanations given to us and on the basis of our audit procedures, the company has availed term loan during the year, and applied for the same purpose for which loan availed.
  - (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
  - (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its associates hence clause 3(ix)(e) is not applicable to the company.
  - (f) According to the information and explanations given to us and procedures performed by us, the Company does not raised loans during the year on the pledge of securities held in its associate, hence clause 3(ix)(f) is not applicable to the company.
- (x) (a) 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 and term Loans. Accordingly, the provisions of clause 3 (x) (a) of the Order are not applicable to the Company.
  - (b) Based upon the audit procedures performed and the information and explanations given by the management, the company has not allotted Preferential shares (section 62) or raised money by way of Private placement (section 42) or convertible debentures (fully, partially or optionally convertible), during the year
- (xi) (a) During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company.
  - (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
  - (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, the Company has not received whistle-blower complaints during the year, hence whether the auditors have considered the complaints does not arise.

- (xii) 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.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, 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.
- (xiv) (a) In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013.
- (b) The company did not have an internal audit system for the period under audit.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934.
- (b) The Company has not conducted non-banking financial or Housing finance activities during the year.
- (c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, hence whether the company has fulfilled the criteria of CIC does not arise.
- (d) Based on the information and explanations provided by management of the company, the group has no CICs as part of Group.
- (xvii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has not been any resignation of the statutory auditors during the year, hence para 3 clause (xviii) is not applicable.
- (xix) According to the information and explanations given to us and based on our examination of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report and the company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (xx) Clause (xx) of this report is not applicable, since section 135 of the said Act is not applicable.
- (xxi) The company does not have any associate companies, joint venture or subsidiaries at the reporting date, therefore clause (xxi) of this report is not applicable.

**For B R Maheswari & Co LLP**

Chartered Accountants

Firm's Registration No. 001035N/N500050

**Sanjay Nath**

Partner

Membership No: 082700

UDIN: 23082700BGWAMB6525

Place: New Delhi

Date: 30 June, 2023

## **Annexure 'II' to the Independent Auditors' Report**

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

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

We have audited the internal financial controls over financial reporting of Xlerate Driveline Limited ("the Company") as of 31 March, 2023 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 with reference to financial statements 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 with reference to financial statements.

### **Meaning of Internal Financial Controls with reference to the Financial statements**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that

receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls with reference to the Financial statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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, 2023 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### **For B R Maheswari & Co LLP**

Chartered Accountants

Firm's Registration No. 001035N/N500050

#### **Sanjay Nath**

Partner

Membership No: 082700

UDIN: 23082700BGWAMB6525

Place: New Delhi

Date: 30 June, 2023

# BALANCE SHEET

AS AT 31 MARCH, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	As at 31 March, 2023	As at 31 March, 2022
<b>(I) ASSETS</b>			
<b>(i) Non-current assets</b>			
Property, plant and equipment	3	1,785.92	1,467.40
Capital work in progress	3	13.43	13.78
Intangible assets	4	3.35	0.79
Deferred tax assets (Net)	5	-	12.67
Other non current assets	6	18.47	16.44
<b>Total non-current assets</b>		<b>1,821.17</b>	<b>1,511.08</b>
<b>(ii) Current assets</b>			
Inventories	7	679.68	1,227.61
Financial assets			
a. Trade receivables	8	1,441.66	1,889.85
b. Cash and cash equivalents	9	0.34	0.02
c. Bank balances other than (b) above	10	-	9.01
d. Loans and advances	11	7.53	12.73
Current tax assets	12	40.25	113.36
Other current assets	13	156.34	87.55
<b>Total current assets</b>		<b>2,325.80</b>	<b>3,340.13</b>
<b>Total assets</b>		<b>4,146.97</b>	<b>4,851.21</b>
<b>(II) EQUITY AND LIABILITIES</b>			
<b>(i) Equity</b>			
Equity share capital	14	1,487.70	1,487.70
Other equity	15	(81.50)	(166.49)
<b>Total equity</b>		<b>1,406.20</b>	<b>1,321.21</b>
<b>Liabilities</b>			
<b>(ii) Non-current liabilities</b>			
Financial liabilities			
a. Borrowings	16	290.95	270.56
b. Lease liabilities	17	478.69	447.99
Provisions	18	37.87	36.27
Deferred tax liabilities (Net)	5	3.59	-
<b>Total non-current liabilities</b>		<b>811.10</b>	<b>754.82</b>
<b>(iii) Current liabilities</b>			
Financial liabilities			
a. Borrowings	19	199.05	298.43
b. Trade payables	20		
Total outstanding dues of micro enterprises and small enterprises		289.96	204.82
Total outstanding dues of other than micro enterprises and small enterprises		985.81	1,672.20
c. Other financial liabilities	21	0.60	3.69
d. Lease liabilities	22	44.21	6.92
Other current liabilities	23	161.30	170.53
Provisions	24	207.64	320.96
Current tax liabilities	25	41.10	97.63
<b>Total current liabilities</b>		<b>1,929.67</b>	<b>2,775.18</b>
<b>Total liabilities</b>		<b>2,740.77</b>	<b>3,529.99</b>
<b>Total equity and liabilities</b>		<b>4,146.97</b>	<b>4,851.21</b>
<b>Significant accounting policies and notes to Financial Statements</b>	1-50		

As per our report of even date  
**For B R Maheswari & Co LLP**  
Chartered Accountants  
Firm's Registration No. 001035N

For and on behalf of the Board of Directors

**Sanjay Nath**  
Partner  
Membership No. 82700

**Sachit Kanwar**  
Chairman and Managing Director  
(DIN: 02132124)

**Kushagra Gupta**  
(DIN: 05201660)  
**Afsheen Kanwar**  
(DIN: 09432032)

Place: Faridabad  
30 June, 2023

**Manish Jain**  
Chief Financial Officer  
(PAN: AGFPJ6590B)

**Ankita Jain**  
Company Secretary  
(PAN: AXGPJ8187J)

**Jagdeep Singh Sachdeva**  
(DIN: 00024905)  
**Directors**

# STATEMENT OF PROFIT AND LOSS

FOR THE PERIOD ENDED 31 MARCH, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note No.	Year ended 31 March, 2023	Year ended 31 March, 2022
(I) Revenue from operations	26	8,969.32	13,362.67
(II) Other income	27	30.95	19.36
<b>(III) Total revenue/income (I+II)</b>		<b>9,000.27</b>	<b>13,382.03</b>
<b>(IV) Expenses</b>			
a. Cost of material consumed	28	7,124.60	11,009.48
b. Changes in inventories of finished goods & work-in-progress	29	36.89	(1.91)
c. Employee benefits expenses	30	569.09	671.77
d. Finance cost	31	115.43	178.32
e. Depreciation and amortization expenses	32	145.15	120.45
f. Other expenses	33	883.94	834.99
<b>Total expenses</b>		<b>8,875.10</b>	<b>12,813.10</b>
<b>Profit / (Loss) before exceptional items and tax</b>		<b>125.17</b>	<b>568.93</b>
Exceptional items		-	-
<b>(V) Profit/(Loss) before tax (III-IV)</b>		<b>125.17</b>	<b>568.93</b>
<b>(VI) Income tax expenses</b>			
a. Current tax		39.30	97.63
b. MAT credit		-	(15.86)
c. Net Current Tax (a+b)		39.30	81.77
d. Deferred tax-charge/(credit)	35	0.52	156.52
<b>Total tax expense</b>		<b>39.82</b>	<b>238.29</b>
<b>(VII) Profit/(Loss) for the year (V-VI)</b>		<b>85.35</b>	<b>330.64</b>
<b>(VIII) Other comprehensive Income</b>			
a. <b>Items that may be reclassified to profit or loss</b>			
- Income tax effect		-	-
		-	-
b. <b>Items that will not be reclassified to profit or loss</b>			
- Re-measurement gains/(losses) on defined benefit plan		(0.48)	2.29
- Income tax effect		0.12	(0.58)
		(0.36)	1.71
<b>Other comprehensive income for the Year (net of tax) (a+b)</b>		<b>(0.36)</b>	<b>1.71</b>
<b>(IX) Total comprehensive income for the year (VII+VIII)</b>		<b>84.99</b>	<b>332.35</b>
<b>(X) Earnings per Equity share of [Nominal value per share ₹ 10/- (31 March, 2023 : ₹ 10/-)]</b>			
Basic earning per share	34	0.57	2.22
Diluted earning per share	34	0.57	2.22
<b>Significant accounting policies and notes to Financial Statements</b>	1-50		

As per our report of even date  
**For B R Maheswari & Co LLP**  
 Chartered Accountants  
 Firm's Registration No. 001035N

For and on behalf of the Board of Directors

**Sanjay Nath**  
 Partner  
 Membership No. 82700

**Sachit Kanwar**  
 Chairman and Managing Director  
 (DIN: 02132124)

Place: Faridabad  
 30 June, 2023

**Manish Jain**  
 Chief Financial Officer  
 (PAN: AGFPJ6590B)

**Ankita Jain**  
 Company Secretary  
 (PAN: AXGPRJ8187J)

**Kushagra Gupta**  
 (DIN: 05201660)  
**Afshin Kanwar**  
 (DIN: 09432032)  
**Jagdeep Singh Sachdeva**  
 (DIN: 00024905)  
**Directors**

## STATEMENT OF CHANGES IN EQUITY

### A. Equity share capital

(All amounts in ₹ Lakhs, unless otherwise stated)

	Note	No. of Shares	Amount
As at 31 March, 2021	14	14,877,038	1,487.70
Change in equity share capital		-	-
As at 31 March, 2022		14,877,038	1,487.70
Change in equity share capital		-	-
As at 31 March, 2023		14,877,038	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, 2021	15	(2.85)	(495.99)	(498.84)
Profit/(loss) for the year		-	330.64	330.64
Remeasurement of defined benefit plans		1.71	-	1.71
<b>Balance at 31 March, 2022</b>		<b>(1.14)</b>	<b>(165.35)</b>	<b>(166.49)</b>
Balance at 01 April, 2022	15	(1.14)	(165.35)	(166.49)
Profit/(loss) for the year		-	85.35	85.35
Remeasurement of defined benefit plans		(0.36)	-	(0.36)
<b>Balance at 31 March, 2023</b>		<b>(1.50)</b>	<b>(80.00)</b>	<b>(81.50)</b>

This is the statement of change in equity referred to in our report of even date.

For and on behalf of the Board of Directors

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

**Sanjay Nath**  
Partner  
Membership No. 82700

**Sachit Kanwar**  
Chairman and Managing Director  
(DIN: 02132124)

**Kushagra Gupta**  
(DIN: 05201660)

**Afshen Kanwar**  
(DIN: 09432032)

**Jagdeep Singh Sachdeva**  
(DIN: 00024905)  
Directors

Place: Faridabad  
30 June, 2023

**Manish Jain**  
Chief Financial Officer  
(PAN: AGFPJ6590B)

**Ankita Jain**  
Company Secretary  
(PAN: AXGPJ8187J)

# STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31 MARCH, 2023

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Year ended 31 March, 2023	Year ended 31 March, 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Net Profit/(Loss) before tax</b>	125.17	568.93
<b>Adjustments for:</b>		
Depreciation and amortization expenses	145.15	120.45
Interest and other charges	52.31	86.52
Interest income	(0.77)	(1.40)
Sundry assets written off	2.40	6.90
Sundry balance written off	0.95	-
Deferred tax charged/(credit)	(0.52)	-
Profit on modification of shed lease	(17.59)	-
<b>Operating profit before working capital changes</b>	<b>307.10</b>	<b>781.40</b>
<b>Changes in Working Capital</b>		
<b>Adjustments for (increase)/decrease in operating assets:</b>		
Trade receivables	447.24	(742.13)
Inventories	547.93	(390.69)
Capital advances	(2.03)	6.23
Long term loans & advances	-	-
Short term loans & advances	5.20	8.51
Other current financial assets	-	-
Other current assets	(68.79)	(40.50)
Deferred tax	16.26	-
<b>Adjustments for increase/(decrease) in operating liabilities:</b>		
Trade payables	(601.25)	420.57
Provisions	(112.20)	145.07
Other current financial liabilities	64.90	3.70
Other current Liabilities	(9.23)	80.09
Cash credit limit	(109.71)	-
<b>Cash generated from operations</b>	<b>485.42</b>	<b>272.25</b>
Direct taxes paid (Net)	(22.60)	(109.70)
<b>Net cash from operating activities</b>	<b>462.82</b>	<b>162.55</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets including capital work in progress	(450.69)	(273.52)
Interest received	0.77	1.40
Investment in deposits	9.01	27.68
<b>Net cash from/(used) in investment activities</b>	<b>(440.91)</b>	<b>(244.44)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long/short term borrowings (Net)	30.72	160.48
Interest and other charges paid	(52.31)	(86.52)
<b>Net cash (used)/from financing activities</b>	<b>(21.59)</b>	<b>73.96</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>0.32</b>	<b>(7.93)</b>
<b>Opening balance of cash and cash equivalents *</b>	<b>0.02</b>	<b>7.95</b>
<b>Closing balance of cash and cash equivalents *</b>	<b>0.34</b>	<b>0.02</b>
<b>* Including Interest accrued</b>		

**Reconciliation of Cash and cash equivalents as per the cash flow statement**

<b>Particulars</b>	<b>As at 31 March, 2023</b>	<b>As at 31 March, 2022</b>
(a) Cash and cash equivalents as per above comprise of the following		
Cash on hand	0.17	0.02
Balance with scheduled banks:		
In current accounts	0.17	-
<b>Cash and cash equivalents at the end of the year</b>		
<b>Total</b>	<b>0.34</b>	<b>0.02</b>
(b) The above Cash Flow statement is prepared as per "Indirect method" specified in Ind AS 7 "Statement of Cash Flows".		

As per our report of even date  
**For B R Maheswari & Co LLP**  
Chartered Accountants  
Firm's Registration No. 001035N

**For and on behalf of the Board of Directors**

**Sanjay Nath**  
Partner  
Membership No. 82700

**Sachit Kanwar**  
Chairman and Managing Director  
(DIN: 02132124)

Place: Faridabad  
30 June, 2023

**Manish Jain**  
Chief Financial Officer  
(PAN: AGFPJ6590B)

**Ankita jain**  
Company Secretary  
(PAN: AXGPJ8187J)

**Kushagra Gupta**  
(DIN: 05201660)  
**Afsoon Kanwar**  
(DIN: 09432032)  
**Jagdeep Singh Sachdeva**  
(DIN: 00024905)  
**Directors**

# 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 & 4, 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.

Xlerate Driveline India Limited. came into being with the intent to be an ace manufacturer of clutch cover assemblies and clutch plates, which involves a high-precision, technologically-driven engineering process. As part of a highly revered business conglomerate, Xlerate Driveline is poised to hold true to its lineage by emerging as a powerful name to be reckoned with as a specialist in this niche sector.

These financial statements are approved and adopted by the Board of Directors of the company in their meeting held on 30 June, 2023.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### 2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

a. Compliance with Ind AS

The financial statements of the Company have been prepared in compliance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 (the Act) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Act.

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

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

#### 2.2 FUNCTIONAL AND PRESENTATION CURRENCY

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

#### 2.3 USE OF ESTIMATES

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

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

#### 2.4 REVENUE RECOGNITION

##### Revenue from contracts with customers:

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

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

**(a) Sale of goods and rendering of services:**

Revenue from sale of goods and rendering of services 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 asset 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 assets does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an 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 events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

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

### **2.13 CASH AND CASH EQUIVALENTS**

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

### **2.14 EMPLOYEE BENEFITS**

- a. Short term employee benefits are recognised as an expense in the Statement of Profit and Loss of the year in which the related services 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 balances sheet date.

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

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

## 2.17 FINANCIAL INSTRUMENTS

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

### a. Financial 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 assets expires or it transfers the financial assets and substantially all the risks and rewards of ownership of the assets to another entity.

### Impairment of Financial Assets

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 Liabilities**

### Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

### Subsequent measurement

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

#### Financial liabilities at fair value through profit and loss

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

#### 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.

#### Derecognition

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

## **2.18 SEGMENT REPORTING**

Operating systems are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Managing Director of the Company has been identified as CODM and he is responsible for allocating the resources, assess the financial performance and position of the Company and makes strategic decision. Refer note 34 for segment information presented.

## **2.19 CRITICAL ESTIMATES AND JUDGEMENTS**

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

The areas involving critical estimates or judgement are:

**i. Critical estimates**

- a. Measurement of defined benefit obligations - Note 40
- 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 43
- 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	Right of use (Lease Holding Buildings)	Car	Total	Capital work in progress
<b>For the period ended 31 March, 2022</b>													
<b>Gross carrying amount</b>													
Opening 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
Addition	8.09	54.59	50.67	-	1.81	0.94	1713	2.70	-	-	134.12	270.05	54.15
Disposals/transfers	-	1.59	43.54	-	1.93	0.33	6.49	0.88	-	-	-	54.76	50.67
<b>Closing gross carrying amount</b>	<b>542.43</b>	<b>466.51</b>	<b>233.01</b>	<b>14.79</b>	<b>4.43</b>	<b>52.80</b>	<b>22.19</b>	<b>7.23</b>	<b>10.84</b>	<b>456.04</b>	<b>134.12</b>	<b>1,944.39</b>	<b>13.78</b>
<b>Accumulated depreciation</b>													
Opening accumulated depreciation	-	150.27	139.28	9.60	2.22	28.93	6.54	2.30	4.39	61.84	-	405.37	-
Depreciation charged during the year	-	33.08	28.88	1.92	0.53	6.80	2.37	1.18	2.06	30.92	12.30	120.04	-
Disposals/transfers	-	1.50	38.63	-	1.75	0.08	5.64	0.82	-	-	-	48.42	-
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>181.85</b>	<b>129.53</b>	<b>11.52</b>	<b>1.00</b>	<b>35.65</b>	<b>3.27</b>	<b>2.66</b>	<b>6.45</b>	<b>92.76</b>	<b>12.30</b>	<b>476.99</b>	<b>-</b>
<b>Net carrying amount</b>	<b>542.43</b>	<b>284.66</b>	<b>103.48</b>	<b>3.27</b>	<b>3.43</b>	<b>17.15</b>	<b>18.92</b>	<b>4.57</b>	<b>4.39</b>	<b>363.28</b>	<b>121.82</b>	<b>1,467.40</b>	<b>13.78</b>
<b>For the period ended 31 March, 2023</b>													
<b>Gross carrying amount</b>													
Opening gross carrying amount	542.43	466.51	233.01	14.79	4.43	52.80	22.19	7.23	10.84	456.04	134.12	1,944.39	13.78
Addition	20.49	154.12	25.64	41.86	0.28	23.64	20.01	6.04	8.00	268.37	76.11	644.56	17.84
Disposals/transfers	-	0.22	16.43	12.85	-	20.94	2.27	0.31	-	194.71	-	247.73	18.19
<b>Closing gross carrying amount</b>	<b>562.92</b>	<b>620.41</b>	<b>242.22</b>	<b>43.80</b>	<b>4.71</b>	<b>55.50</b>	<b>39.93</b>	<b>12.96</b>	<b>18.84</b>	<b>529.70</b>	<b>210.23</b>	<b>2,341.22</b>	<b>13.43</b>
<b>Accumulated depreciation</b>													
Opening accumulated depreciation	-	181.85	129.53	11.52	1.00	35.65	3.27	2.66	6.45	92.76	12.30	476.99	-
Depreciation charged during the year	-	37.72	29.02	4.74	0.90	7.96	9.23	1.99	2.43	52.55	17.00	163.54	-
Disposals/transfers	-	0.15	16.16	12.30	-	19.97	2.17	0.29	-	34.19	-	85.23	-
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>219.42</b>	<b>142.39</b>	<b>3.96</b>	<b>1.90</b>	<b>23.64</b>	<b>10.33</b>	<b>4.36</b>	<b>8.88</b>	<b>111.12</b>	<b>29.30</b>	<b>555.30</b>	<b>-</b>
<b>Net carrying amount</b>	<b>562.92</b>	<b>400.99</b>	<b>99.83</b>	<b>39.84</b>	<b>2.81</b>	<b>31.86</b>	<b>29.60</b>	<b>8.60</b>	<b>9.96</b>	<b>418.58</b>	<b>180.93</b>	<b>1,785.92</b>	<b>13.43</b>

(All amounts in ₹ Lakhs, unless otherwise stated)

**Note 3.1: Capital work-in progress (CWIP) ageing schedule**

Particulars	Amount in CWIP for a period of (As at 31 March, 2023)				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Project in Progress</b>					
Tool Room	13.43	-	-	-	13.43
Furniture, Fixtures & Fittings	-	-	-	-	-
<b>Projects temporarily suspended</b>	-	-	-	-	-

Particulars	Amount in CWIP for a period of (As at 31 March, 2022)				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Project in Progress</b>					
Tool Room	11.89	-	-	-	11.89
Furniture, Fixtures & Fittings	1.89	-	-	-	1.89
<b>Projects temporarily suspended</b>	-	-	-	-	-

**Note 3.2:** The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

**Note 3.3:** The Company do not revalued any property, plant and equipment during the year.

**Note 4 : Intangible assets**

Particulars	Software	Total
<b>For the period ended 31 March 2022</b>		
<b>Gross carrying amount</b>		
Opening gross carrying amount	9.15	9.15
Addition	-	-
Disposals/transfers	7.29	7.29
<b>Closing gross carrying amount</b>	<b>1.86</b>	<b>1.86</b>
<b>Accumulated depreciation</b>		
Opening accumulated depreciation	7.38	7.38
Depreciation charged during the year	0.43	0.43
Disposals/transfers	6.74	6.74
<b>Closing accumulated depreciation</b>	<b>1.07</b>	<b>1.07</b>
<b>Net carrying amount</b>	<b>0.79</b>	<b>0.79</b>
<b>For the period ended 31 March, 2023</b>		
Gross carrying amount		
Opening gross carrying amount	1.86	1.86
Addition	3.74	3.74
Disposals/transfers	1.86	1.86
<b>Closing gross carrying amount</b>	<b>3.74</b>	<b>3.74</b>
<b>Accumulated depreciation</b>		
Opening accumulated depreciation	1.07	1.07
Depreciation charged during the year	0.76	0.76
Disposals/transfers	1.44	1.44
<b>Closing accumulated depreciation</b>	<b>0.39</b>	<b>0.39</b>
<b>Net carrying amount</b>	<b>3.35</b>	<b>3.35</b>

(All amounts in ₹ Lakhs, unless otherwise stated)

**Note 5 : Deferred tax assets/(liabilities) (Net)**

Particulars	As at 31 March, 2023	Charged/(credit) during the year	As at 31 March, 2022
<b>Deferred tax assets on account of:</b>			
a) Provisions for employees benefits	12.79	(0.37)	13.16
<b>Total deferred tax assets</b>	<b>12.79</b>	<b>(0.37)</b>	<b>13.16</b>
<b>Deferred tax liabilities on account of:</b>			
a) Difference between WDV as per Books and Income Tax Act	(16.10)	(0.69)	(15.40)
b) Finance lease	(0.28)	(0.66)	(0.95)
<b>Total deferred tax liabilities</b>	<b>(16.38)</b>	<b>(0.03)</b>	<b>(16.35)</b>
<b>MAT credit entitlement</b>	-	(15.86)	15.86
<b>Total deferred tax (Net)</b>	<b>(3.59)</b>	<b>(16.26)</b>	<b>12.67</b>

**Note 6 : Other non current assets**

Particulars	As at 31 March, 2023	As at 31 March, 2022
Capital advances	1.65	1.63
<b>Advance other than capital advance</b>		
Security Deposit - Unsecured, considered good	16.82	14.81
<b>Total</b>	<b>18.47</b>	<b>16.44</b>

**Note 7 : Inventories**

Particulars	As at 31 March, 2023	As at 31 March, 2022
- Raw material & components (At cost)	485.30	974.27
- Work-in-progress (At cost & included cost of conversion)	100.07	171.70
- Finished goods (Cost or NRV whichever is lower)	63.23	28.49
- Stores consumables (At cost)	31.08	53.15
<b>Total</b>	<b>679.68</b>	<b>1227.61</b>

**Note 8 : Current trade receivables**

Particulars	As at 31 March, 2023	As at 31 March, 2022
<b>Unsecured</b>	1,426.26	1,872.75
- Trade receivables - considered good	10.22	10.22
- Receivables from related parties	5.18	6.88
- Trade receivables which have significant increase in credit risk	-	-
- Trade receivables - credit impaired	-	-
Less:- Impairment allowance	-	-
<b>Total</b>	<b>1,441.66</b>	<b>1,889.85</b>

(All amounts in ₹ Lakhs, unless otherwise stated)

**Note 8.1 : Trade receivables ageing**

Particulars	Outstanding for following periods from due date of payment (As at 31 March, 2023)						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables-considered good	1,189.38	234.69	1.54	0.65	-	-	1,426.26
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	1.34	2.75	6.13	10.22
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables-considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	0.58	3.37	1.23	5.18
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-

Particulars	Outstanding for following periods from due date of payment (As at 31 March, 2022)						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables-considered good	1,708.04	159.68	2.00	0.53	2.50	-	1,872.75
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	0.37	0.45	3.27	-	6.13	10.22
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables-considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	5.26	0.02	1.60	6.88
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-

**Note 8.2: No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person or debt due by firms and private companies respectively in which any director is a partner or a director or a member.**

**Note 9 : Cash and cash equivalents**

Particulars	As at 31 March, 2023	As at 31 March, 2022
- Cash on hand	0.17	0.02
<b>Balance with banks</b>		
- In current accounts	0.17	-
<b>Total</b>	<b>0.34</b>	<b>0.02</b>

(All amounts in ₹ Lakhs, unless otherwise stated)

**Note 10 : Bank balances other than cash & cash equivalents**

Particulars	As at 31 March, 2023	As at 31 March, 2022
<b>Other balances</b>		
<b>Fixed deposits with various authorities</b>		
- Margin money against foreign letter of credit	-	9.01
<b>Total</b>	<b>-</b>	<b>9.01</b>

**Note 11 : Loans and advances**

Particulars	As at 31 March, 2023	As at 31 March, 2022
<b>Balances with government authorities:</b>		
- Duties & taxes	6.86	10.57
- Duty drawback receivable	0.27	0.27
- Export incentive receivable	0.40	1.89
<b>Total</b>	<b>7.53</b>	<b>12.73</b>

**Note 12: Current tax assets**

Particulars	As at 31 March, 2023	As at 31 March, 2022
- Advance income tax/TDS	35.06	102.53
- TCS receivable on purchase	-	4.39
- TDS on Sale u/s 194Q	5.19	6.44
<b>Total</b>	<b>40.25</b>	<b>113.36</b>

**Note 13 : Other current assets**

Particulars	As at 31 March, 2023	As at 31 March, 2022
<b>Advances other than capital advances recoverable in cash or in kind or for value to be received</b>		
- Prepaid expenses	3.41	2.48
- Supplier advances	54.73	83.13
- Other advances	3.73	1.94
- Other receivables	94.47	-
<b>Total</b>	<b>156.34</b>	<b>87.55</b>

**Note 14 : Equity share capital**

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
<b>Authorised:</b>				
Equity shares of ₹ 10 each (31 March, 2022 ₹ 10 each)	1,85,00,000	1,850.00	1,85,00,000	1,850.00
<b>Issued, subscribed and paid-up:</b>				
Equity shares of ₹ 10 each (31 March, 2022 ₹ 10 each) fully paid up	1,48,77,038	1,487.70	1,48,77,038	1,487.70
<b>Total</b>		<b>1,487.70</b>		<b>1,487.70</b>

(All amounts in ₹ Lakhs, unless otherwise stated)

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

**14.1 Reconciliation of shares issued**

Reconciliation of number of shares outstanding and the amount of share capital at the beginning and end of the year:

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	No. of shares	(₹ in Lakhs)	No. of shares	(₹ in Lakhs)
At the beginning of the year	1,48,77,038	1,487.70	1,48,77,038	1,487.70
Add: Share allotted during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>1,48,77,038</b>	<b>1,487.70</b>	<b>1,48,77,038</b>	<b>1,487.70</b>

**Note 14.2: Details of Equity shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Particulars	As at 31 March, 2023		As at 31 March, 2022	
	No. of Shares	% of holding	No. of Shares	% of holding
Raunaq EPC International Limited	-	0%	-	0%
Sachit Kanwar	1,48,76,537	99.99%	1,48,76,537	99.99%

**Note 14.3: Detail of equity shareholding of Promoter**

Particulars	As at 31 March, 2023			As at 31 March, 2022		
	No. of shares	% of total shares	% Change during the year	No. of shares	% of total shares	% Change during the year
Sachit Kanwar	1,48,76,537	99.99%	-	1,48,76,537	99.99%	33.17

**Note 15 : Other equity**

Particulars	Refer following item	As at	As at
		31 March, 2023	31 March, 2022
Retained earnings	15(a)	(81.50)	(166.49)
<b>Total</b>		<b>(81.50)</b>	<b>(166.49)</b>

Particulars	As at 31 March, 2023	As at 31 March, 2022
<b>Retained Earnings</b>		
Balance at the beginning of the year	(166.49)	(498.84)
Profit/(Loss) for the year	85.35	330.64
Items of other comprehensive income recognised directly in retained earnings	(0.36)	1.71
<b>Total</b>	<b>(81.50)</b>	<b>(166.49)</b>

(All amounts in ₹ Lakhs, unless otherwise stated)

**Note 16 : Non current borrowings**

Particulars	As at 31 March, 2023	As at 31 March, 2022
<b>Unsecured</b>		
1,25,000, 10% Non-cumulative redeemable preference shares of ₹ 100/- each fully paid up [refer footnote (a)]	125.00	125.00
<b>Unsecured Borrowings</b>		
- From related parties [refer footnote (b)]	65.00	65.00
<b>Secured Borrowings</b>		
- GECL loan - PNB [refer footnote (c)]	-	11.00
- Car loan from PNB bank [refer footnote (d)]	49.31	-
- Loan from BMW Financial Services [refer footnote (e)]	51.64	69.56
<b>Total</b>	<b>290.95</b>	<b>270.56</b>

**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%

c) Extension of charge on entire present and future current assets of the company. The facility covered under guarantee coverage from NCGTC.

d) Jeep Wrangler financed under vehicle loan agreement and hypothecated on registration certificate in the name of "Punjab National Bank."

e) BMW car financed under Retail Finance (Auto-loan) agreement and hypothecated on registration certificate in the name of "BMW India Financial Services Private Limited."

**Note 17 : Lease liabilities**

Particulars	As at 31 March, 2023	As at 31 March, 2022
<b>Unsecured Financial Lease Obligations</b>		
- Factory sheds	478.69	447.99
<b>Total</b>	<b>478.69</b>	<b>447.99</b>

**Note 18 : Non-current provisions**

Particulars	As at 31 March, 2023	As at 31 March, 2022
<b>Provision for employee benefits</b>		
- Provision for compensated absences	8.10	13.03
- Provision for gratuity	29.77	23.24
<b>Total</b>	<b>37.87</b>	<b>36.27</b>

(All amounts in ₹ Lakhs, unless otherwise stated)

**Note 19 : Current borrowings**

Particulars	As at 31 March, 2023	As at 31 March, 2022
<b>Secured Borrowings</b>		
<b>Working capital loans repayment on demand from bank</b>		
- CC limit from PNB Bank [refer footnote (i)]	170.79	280.50
- Current maturities of car Loan from PNB Bank [refer footnote (ii)]	10.33	-
- Current maturities of Loan from BMW Financial Services [refer footnote (iii)]	17.93	17.93
<b>Total</b>	<b>199.05</b>	<b>298.43</b>

**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) Jeep Wrangler financed under vehicle loan agreement and hypothecated on registration certificate in the name of "Punjab National Bank".
- (iii) BMW car financed under Retail Finance (Auto-loan) agreement and hypothecated on registration certificate in the name of "BMW India Financial Services Private Limited."

**Note 20 : Trade payables**

Particulars	As at 31 March, 2023	As at 31 March, 2022
- Total outstanding dues of micro enterprises and small enterprises	289.96	204.82
- Total outstanding dues of trade payable other than micro enterprises and small enterprises	985.81	1,672.20
<b>Total</b>	<b>1,275.77</b>	<b>1,877.02</b>

**Note 20.1 : Trade payables ageing**

Particulars	(As at 31 March, 2023) (₹ in Lakhs)					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	289.96	-	-	-	-	289.96
(ii) Others	825.13	160.34	0.34	-	-	985.81
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
(v) Unbilled	-	-	-	-	-	-

Particulars	(As at 31 March, 2022) (₹ in Lakhs)					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	204.82	-	-	-	204.82
(ii) Others	1,375.10	296.85	0.25	-	-	1,672.20
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
(v) Unbilled	-	-	-	-	-	-

(All amounts in ₹ Lakhs, unless otherwise stated)

**Note: 20.2** The details of amounts outstanding to Micro, Small and Medium Enterprises, as identified by the management, under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are as under:

Particulars		As at 31 March, 2023	As at 31 March, 2022
1.	Principal amount due and remaining unpaid	-	204.82
2.	Interest due on (1) above and the unpaid interest	-	-
3.	Interest paid on all delayed payment under the MSMED Act	-	-
4.	Payment made beyond the appointed day during the year	-	-
5.	Interest due and payable for the period of delay other than (3) above	-	-
6.	Interest accrued and remaining unpaid	-	-
7.	Amount of further interest remaining due and payable in succeeding years	-	-
<b>Total</b>		<b>-</b>	<b>204.82</b>

**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 21 : Other financial liabilities**

Particulars	As at 31 March, 2023	As at 31 March, 2022
- Payables on purchase of fixed assets & CWIP	0.60	3.43
- Security deposit from customers	-	0.26
<b>Total</b>	<b>0.60</b>	<b>3.69</b>

**Note 22 : Lease liabilities**

Particulars	As at 31 March, 2023	As at 31 March, 2022
- Current maturities of finance lease obligations	44.21	6.92
<b>Total</b>	<b>44.21</b>	<b>6.92</b>

**Note 23 : Other current liabilities**

Particulars	As at 31 March, 2023	As at 31 March, 2022
- Statutory dues	100.76	113.55
- Customers credit balances	6.01	10.02
- Other payables	54.53	46.96
<b>Total</b>	<b>161.30</b>	<b>170.53</b>

(All amounts in ₹ Lakhs, unless otherwise stated)

**Note 24 : Current provisions**

Particulars	As at 31 March, 2023	As at 31 March, 2022
<b>Provision for employee benefits</b>		
- Provision for compensated absences	0.57	0.91
- Provision for gratuity	1.59	1.30
<b>Provision-others</b>		
- Provision for turnover discounts	140.66	234.77
- Other provisions	64.82	83.98
<b>Total</b>	<b>207.64</b>	<b>320.96</b>

**Note 25 : Current tax liabilities**

Particulars	As at 31 March, 2023	As at 31 March, 2022
Provision for current tax	41.10	97.63
<b>Total</b>	<b>41.10</b>	<b>97.63</b>

**Note 26 : Revenue from operations**

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
<b>Revenue from contracts with customers</b>		
- Sale of products	8,680.70	12,985.13
<b>Other operating revenue</b>		
- Sale of scrap	205.39	332.78
- Others	83.23	44.76
<b>Total</b>	<b>8,969.32</b>	<b>13,362.67</b>

**Note 27 : Other income**

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
- Interest income	0.77	1.40
- Foreign exchange fluctuation gain	10.99	2.81
- Other non operating income	1.60	15.15
- Profit on modification of shed lease	17.59	-
<b>Total</b>	<b>30.95</b>	<b>19.36</b>

**Note 28 : Cost of materials consumed**

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
<b>Raw material consumptions</b>		
Opening stock	974.26	606.65
ADD:- Purchases	6,002.66	10,381.49
	<b>6,976.92</b>	<b>10,988.14</b>
LESS:- Closing stock	485.30	974.26
<b>Sub total (a)</b>	<b>6,491.62</b>	<b>10,013.88</b>

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
<b>Direct production expenses</b>		
Consumption of packing material	348.73	502.42
Job work expenses	284.25	493.18
<b>Sub total (b)</b>	<b>632.98</b>	<b>995.60</b>
<b>Total (a+b)</b>	<b>7,124.60</b>	<b>11,009.48</b>

**Note 29 : Changes in inventories of finished goods & work-in-progress**

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
<b>Inventories (at the end of the year)</b>		
- Finished goods	63.23	28.49
- Work-in-progress	100.07	171.70
<b>Sub total</b>	<b>163.30</b>	<b>200.19</b>
<b>Inventories (at the beginning of the year)</b>		
- Finished goods	28.49	26.77
- Work-in-progress	171.70	171.51
<b>Sub total</b>	<b>200.19</b>	<b>198.28</b>
<b>Total</b>	<b>36.89</b>	<b>(1.91)</b>

**Note 30 : Employee benefits expenses**

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
- Salary & wages	533.63	636.02
- Contribution to provident & other funds	20.06	19.09
- Staff welfare expenses	15.40	16.66
<b>Total</b>	<b>569.09</b>	<b>671.77</b>

**Note 31 : Finance costs**

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
<b>- Interest expenses on:</b>		
Borrowings	42.78	37.16
- Lease factory sheds	63.12	55.04
<b>- Other borrowing costs</b>		
(Bank and other financial charges)	9.53	86.12
<b>Total</b>	<b>115.43</b>	<b>178.32</b>

(All amounts in ₹ Lakhs, unless otherwise stated)

**Note 32 : Depreciation and amortization expenses**

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Depreciation of property, plant and equipment	144.39	120.02
Amortisation of intangible assets	0.76	0.43
<b>Total</b>	<b>145.15</b>	<b>120.45</b>

**Note 33 : Other expenses**

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
- Other production consumables	40.68	45.07
- Power & fuel expenses	60.71	53.53
- Freight, forwarding & other charges	153.32	293.18
- Repair & maintenance expenses	44.89	53.18
- Professional charges	10.11	10.34
- Printing & stationery	8.54	8.13
- Postage, telegram, telephone expenses	2.96	1.24
- Insurance expenses	5.77	4.88
- Marketing service fee	197.78	146.34
- Other selling expense	182.00	118.62
- Rent expenses	30.45	14.76
- Car hire expenses	14.89	10.44
- Security service charge	14.62	11.93
- Travelling, conveyance, boarding & lodging expenses	34.14	4.19
- Rates & taxes	0.05	0.04
- Warranty claim expenses	44.74	39.73
- Sundry assets balance written off	2.40	6.90
- Miscellaneous expenses	33.12	11.01
- Payments to auditors (Refer Note (i) below)	2.77	1.48
<b>Total</b>	<b>883.94</b>	<b>834.99</b>

**Auditors' Remuneration paid/payable for the year**

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Statutory audit fee	1.00	0.60
Limited review fee	1.06	0.65
Tax audit fee	0.35	0.20
Reimbursement	0.36	0.03
<b>Total</b>	<b>2.77</b>	<b>1.48</b>

**Note 34 : Earnings per share**

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Weighted average number of equity shares outstanding	1,48,77,038	1,48,77,038
Profit after tax available for shareholders	85.35	330.64
Basic & diluted earning per share	0.57	2.22
Nominal value per share	10.00	10.00

(All amounts in ₹ Lakhs, unless otherwise stated)

**Note 35 : 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	2022-23	2021-22
<b>Income tax expenses</b>		
Current tax	39.30	97.63
Current tax for the year	-	-
Adjustment for current tax of prior period	-	-
<b>Total current expenses</b>	-	-
<b>Deferred tax</b>		
Increase/(Decrease) in deferred tax assets	(0.49)	(158.12)
(Increase)/Decrease in deferred tax liability	(0.03)	1.60
<b>Total deferred tax expenses</b>	<b>0.52</b>	<b>156.52</b>
<b>Income tax expenses</b>	<b>0.52</b>	<b>156.52</b>

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

Particulars	2022-23	2021-22
Profit/(Loss) before income taxes	124.69	571.21
Enacted tax rate in India (%)	25.17%	25.17%
Computed expected tax expenses	31.38	143.77
Items not deductible for tax/not liable to tax (Net)	30.06	23.70
Tax reversals	(61.44)	(167.47)
Others	(0.52)	(156.52)
<b>Income tax expenses</b>	<b>(0.52)</b>	<b>(156.52)</b>

**Note 36 : 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 37 : Operating segment information**

- 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.
- 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, 2023	As at 31 March, 2022
Within India	8,671.05	12,960.74
Outside India	9.65	24.39
<b>Total</b>	<b>8,680.70</b>	<b>12,985.13</b>

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

(All amounts in ₹ Lakhs, unless otherwise stated)

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

Particulars	As at 31 March, 2023	As at 31 March, 2022
Customer A	3,403.00	6,046.50
Customer B	1,176.45	1,912.75
<b>Total</b>	<b>4,579.45</b>	<b>7,959.25</b>

**Note 38 : 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, 2023	As at 31 March, 2022
Equity share capital	1,487.70	1,487.70
Reserves and surplus	(81.50)	(166.49)
Total equity	1,406.20	1,321.21
Long term debt	290.95	270.56
<b>Debt to Equity Ratio</b>	<b>0.21</b>	<b>0.20</b>

**Note 39 : 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 of its financial performance.

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

**a) Market risk:**

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

**i) Currency risk**

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

(All amounts in ₹ Lakhs, unless otherwise stated)

**ii) Interest rate risk**

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

**Exposure to interest rate risk**

Particulars	As at 31 March, 2023	As at 31 March, 2022
Floating rate borrowings: Working capital loan	29.33	11.80
Floating rate borrowings: Working capital loan NSIC Raw Material Assistance Scheme	-	-
<b>Total</b>	<b>29.33</b>	<b>11.80</b>

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

Particulars	As at 31 March, 2023	As at 31 March, 2022
50 bp increase - Decrease in profit	(1.81)	(0.73)
50 bp decrease - Increase in profit	1.81	0.73

**iii) Other market changes**

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

**b) Credit risk**

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

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

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

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

**(i) Trade receivables**

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

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

**(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.**

(All amounts in ₹ Lakhs, unless otherwise stated)

**c) Liquidity risk**

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

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

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

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

**As at 31 March, 2023**

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Interest bearing loans and borrowings (Including current maturities)	199.05	65.00	125.00	<b>389.05</b>
Trade payables	1,275.77	-	-	<b>1,275.77</b>
Other financial liabilities	0.60	-	-	<b>0.60</b>
<b>Total</b>	<b>1,475.42</b>	<b>65.00</b>	<b>125.00</b>	<b>1,665.42</b>

**As at 31 March, 2022**

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
Interest bearing loans and borrowings (Including current maturities)	298.43	65.00	125.00	<b>488.43</b>
Trade payables	1,877.02	-	-	<b>1,877.02</b>
Other financial liabilities	3.69	-	-	<b>3.69</b>
<b>Total</b>	<b>2,179.14</b>	<b>65.00</b>	<b>125.00</b>	<b>2,369.14</b>

**Notes 40 : 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	2022-23	2021-22
Contribution to provident fund and family pension fund	19.57	18.56

**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.

(All amounts in ₹ Lakhs, unless otherwise stated)

#### 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.

#### 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	
	2022-23	2021-22
<b>Table Showing Changes in present value of obligations</b>		
Present value of defined benefit obligation as at the beginning of the year	24.55	21.46
Current service cost	5.20	4.95
Past service cost	-	-
Interest cost	1.78	1.56
Actuarial losses/(gains)	0.48	(2.29)
Benefits paid	0.65	(1.13)
Present value of defined benefits obligation as at the end of the year	31.36	24.55
<b>Bifurcation of total actuarial (gain)/loss on liabilities</b>	<b>2022-23</b>	<b>2021-22</b>
Actuarial gain/losses from changes in Demographics assumptions (mortality)	NA	NA
Actuarial (gain)/losses from changes in financial assumptions	(0.56)	(0.49)
Experience adjustment (gain)/loss for plan liabilities	1.04	(1.79)
Total amount recognized in other comprehensive Income	0.48	(2.29)
<b>Net assets/(liability) recognised in the balance sheet</b>	<b>2022-23</b>	<b>2021-22</b>
Present value of the obligation at the end of the period	31.36	24.55
Fair value of plan assets at end of period	-	-
Net liability/(asset) recognized in Balance Sheet and related analysis	31.36	24.55
Funded Status - Surplus/(Deficit)	(31.36)	(24.55)
<b>Expense recognized in the statement of profit and loss</b>	<b>2022-23</b>	<b>2021-22</b>
Current service cost	5.20	4.95
Past service cost	-	-
Interest cost	1.78	1.56
Expected return on plan assets	-	-
Total expenses recognised in the Profit & Loss Statement	6.98	6.51
<b>Other comprehensive (income)/expenses (Remeasurement)</b>	<b>2022-23</b>	<b>2021-22</b>
Cumulative unrecognized actuarial (gain)/loss opening. B/F	3.39	5.68
Actuarial (gain)/loss - obligation	0.48	(2.29)

(All amounts in ₹ Lakhs, unless otherwise stated)

Actuarial (gain)/loss - plan assets	-	-
Total Actuarial (gain)/loss	0.48	(2.29)
Cumulative total actuarial (gain)/loss. C/F	3.87	3.39
<b>Summary of membership data at the date of valuation and statistics based thereon</b>	<b>2022-23</b>	<b>2021-22</b>
Number of employees	30	30
Total monthly salary	13.17	12.27
Average past service (years)	6.20	5.70
Average future service (years)	21.30	23.00
Average age (years)	36.70	35.00
Weighted average duration (based on discounted cash flows) in years	14.00	16.00
Average monthly salary	0.44	0.41

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	2022-23	2021-22
Discount rate	7.25 % 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.
<b>Benefits valued</b>	<b>2022-23</b>	<b>2021-22</b>
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	20,00,000	20,00,000

Sensitivity Analysis for significant assumptions as on **31.03.2023** 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 **31.03.2022** 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)

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

Particulars	(₹ in Lakhs)
01 April, 2023 to 31 March, 2024	1.59
01 April, 2024 to 31 March, 2025	0.73
01 April, 2025 to 31 March, 2026	0.86
01 April, 2026 to 31 March, 2027	0.86
01 April, 2027 to 31 March, 2028	0.86
01 April, 2028 onwards	26.45

(All amounts in ₹ Lakhs, unless otherwise stated)

**Note 41 : 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 (REIL)\*

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

Bharat Gears Limited (BGL)

Vibrant Reality Infra Private Limited (VRIPL)

Clip-lok Simpak (India) Private Limited (CSIPL)

Gulab Merchandise Private Limited (GMPL)

**(c) Key managerial personnel:**

Mr. Surinder Paul Kanwar (SPK)- Chairman & Director

Mr. Sachit Kanwar (SK)- Chairman and Managing Director

Mrs. Afsheen Kanwar - Director

Mr. Jagdeep Singh Sachdeva (JS) - Director

Mr. Kushagra Gupta (KG) - 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	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
<b>Transaction during the year</b>						
<b>Interest on Loan</b>						
CSIPL	-	-	-	2.43	-	-
VRIPL	-	-	6.50	6.54	-	-
<b>Repayment of Unsecured Loan</b>						
CSIPL	-	-	-	50.00	-	-
<b>Marketing Service Fee</b>						
BGL	-	-	197.78	146.34	-	-
<b>Rent Income</b>						
BGL	-	-	-	13.48	-	-
<b>Rent Expenses</b>						
BGL	-	-	-	5.31	-	-
VRIPL	-	-	7.05	-	-	-
SK	-	-	-	-	16.20	9.45
<b>Other Selling Expenses</b>						
BGL	-	-	20.98	18.36	-	-
<b>Rent Income</b>						
REIL	-	0.69	-	-	-	-
<b>Remuneration</b>						
SK	-	-	-	-	92.38	92.40
<b>Director sitting fees</b>						
JS	-	-	-	-	0.90	0.70
KG	-	-	-	-	0.90	0.20

(All amounts in ₹ Lakhs, unless otherwise stated)

	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022
<b>Personal guarantee offered to Punjab National Bank for credit limit availed</b>						
SK	-	-	-	-	911.00	911.00
<b>Corporate guarantee of offered for credit limits availed by company to Punjab National Bank</b>						
<b>Amount Payable / (Receivable)</b>						
BGL	-	-	54.32	45.87	-	-
REIL	-	-	(10.22)	(10.22)	-	-
CSIPL	-	-	-	-	-	-
VR IPL	-	-	65.00	65.00	-	-

\*w.e.f. 16 September, 2021 REIL ceased to be Associate company of XDIL.

#### Note 42 : 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, 2023	For the Year Ended 31 March, 2022
Salary, wages & contribution to funds	-	2.73
Job-work & processing charges	9.34	17.69
Cost of material	16.30	30.25
<b>Total</b>	<b>25.64</b>	<b>50.67</b>

#### Note 43 : Financial instruments - accounting classifications and fair value measurements

##### Financial instruments

Particulars	Notes	31 March, 2023			31 March, 2022		
		FVPL	FVOCI	Amortized Cost	FVPL	FVOCI	Amortized Cost
<b>Financial assets</b>							
Loans	5	-	-	-	-	-	-
Trade receivables	8	-	-	1,441.66	-	-	1,889.85
Cash and bank balances	9,10	-	-	0.34	-	-	9.03
Loans and advances	11	-	-	7.53	-	-	12.73
Other financial assets		-	-	-	-	-	-
<b>Total financial assets</b>		-	-	<b>1,449.53</b>			<b>1,911.61</b>
<b>Financial liabilities</b>							
Borrowings	16,19	-	-	490.00	-	-	568.99
Trade payables	20	-	-	1,275.77	-	-	1,877.02
Other financial liabilities	21	-	-	0.60	-	-	3.69
<b>Total financial liabilities</b>		-	-	<b>1,766.37</b>			<b>2,449.70</b>

##### Fair value hierarchy

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

(All amounts in ₹ Lakhs, unless otherwise stated)

**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 44 : Leases**

The Ministry of Corporate affairs vide notification number G.S.R. 463(E) dated July 24, 2020 has issued 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, 2023	For the Year Ended 31 March, 2022
Lease liability as at the beginning of the year* (a)	454.91	458.67
Additions (b)	271.62	-
Accretion of interest (c)	63.12	55.04
Payments (d)	66.25	58.80
Modification (e)	200.50	-
<b>Lease liability as at the end of the year (a+b+c-d-e)</b>	<b>522.90</b>	<b>454.91</b>

\* 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, 2023	For the Year Ended 31 March, 2022
Less than one year	61.50	61.50
Later than one year but not later than five years	270.59	270.59
Later than five years	610.92	610.92
<b>Total</b>	<b>943.01</b>	<b>943.01</b>

**Note 45 : Earnings in foreign exchange**

Particulars	For the Year Ended 31 March, 2023	For the Year Ended 31 March, 2022
- Export of goods calculated on FOB basis	9.65	24.39
- Foreign exchange fluctuation gain	10.99	2.81

**Note 46** : During the current period , Company does not have any Contingent Liability.

**Note 47 : 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

(All amounts in ₹ Lakhs, unless otherwise stated)

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.

**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 48 : Key Financial Ratios**

Particulars		As at 31 March, 2023	As at 31 March, 2022
1.	Current ratio	1.21	1.20
2.	Debt Equity ratio	0.35	0.43
3.	Debt service coverage ratio	1.89	5.98
4.	Return on Equity (%)	5.74	22.23
5.	Inventory Turnover ratio	9.41	12.94
6.	Trade Receivables Turnover ratio	3.44	6.39
7.	Trade Payables Turnover ratio	4.21	6.83
8.	Net Capital Turnover Ratio	22.64	23.65
9.	Net profit margin (%)	0.95	2.47
10.	Return on Capital Employed (%)	12.21	34.99
11.	Return on Investment	NA	NA

## Detailed explanation of ratios

Particulars	
1.	<b>Current Ratio</b>
	The Current Ratio is a liquidity ratio that measures a Company's ability to pay short-term obligations or those due within one year. It is calculated by dividing the current assets by current liabilities.
2.	<b>Debt Equity Ratio</b>
	The ratio is used to evaluate a Company's financial leverage. It is a measure of the degree to which a Company is financing its operations through debt versus wholly owned funds. It is calculated by dividing a Company's total debt by its shareholder's equity.
3.	<b>Debt service coverage ratio</b>
	The Debt Service Coverage Ratio (DSCR) measures the ability of a company to use its operating income to repay all its debt obligations, including repayment of principal and interest on both short-term and long-term debt. It is calculated by dividing the earnings before interest, non-cash operating expenditure and tax by finance cost plus principal repayment of debt.
4.	<b>Return on Equity</b>
	Return on Equity (RoE) is a measure of profitability of a Company expressed in percentage. It is calculated by dividing profit/loss after tax for the period by average Equity funds employed during the period.
5.	<b>Inventory Turnover ratio</b>
	Inventory Turnover is the number of times a Company sells and replaces its inventory during a period. It is calculated by dividing turnover by average inventory.
6.	<b>Trade Receivables Turnover ratio</b>
	The above ratio is used to quantify a Company's effectiveness in collecting its receivables or money owed by customers. The ratio shows how well a Company uses and manages the credit it extends to customers and how quickly that short-term debt is collected or is paid. It is calculated by dividing Net Credit sales by average trade receivables.
7.	<b>Trade Payables Turnover ratio</b>
	The accounts payable turnover ratio shows investors how many times per period a company pays its accounts payable. In other words, the ratio measures the speed at which a company pays its suppliers. It is calculated by dividing net credit purchases by average trade payables.
8.	<b>Net Capital Turnover ratio</b>
	It measures the entity's ability to generate sales per rupee of long-term investment. A higher ratio indicates better utilization of long-term funds of owners and the lenders. It is calculated by dividing turnover by Working capital.
9.	<b>Net Profit Margin (%)</b>
	The net profit margin is equal to how much net income or profit is generated as a percentage of total income / net sale. It is calculated by dividing the profit for the year by total income/net sale.
10.	<b>Return on Capital Employed</b>
	Return on Capital Employed (RoCE) is a financial ratio that measures a Company's profitability and the efficiency with which its capital is used. In other words, the ratio measures how well a Company is generating profits from its capital. It is calculated by dividing profit before exceptional items, Finance cost and tax by capital employed during the period.
11.	<b>Return on Investment</b>
	Return on investment (ROI) is a financial ratio used to calculate the benefit an investor will receive in relation to their investment cost. It is most commonly measured as net income divided by the original capital cost of the investment. The higher the ratio, the greater the benefit earned.

### Note 49 : Other disclosures

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company has not been declared willful defaulter by any Banks/Financial Institutions.

- (iii) The Company do not have any transactions with companies struck off.
- (iv) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (v) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (vi) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vii) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (viii) The Company do have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

**Note 50:** Previous year figures have been regrouped and reclassified wherever necessary.

**For and on behalf of the Board of Directors**

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

**Sanjay Nath**  
Partner  
Membership No. 82700

Place: Faridabad  
30 June, 2023

**Sachit Kanwar**  
Chairman and Managing Director  
(DIN: 02132124)

**Manish Jain**  
Chief Financial Officer  
(PAN: AGFPJ6590B)

**Ankita jain**  
Company Secretary  
(PAN: AXGPJ8187J)

**Kushagra Gupta**  
(DIN: 05201660)  
**Afshen Kanwar**  
(DIN: 09432032)  
**Jagdeep Singh Sachdeva**  
(DIN: 00024905)  
**Directors**







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