



## RACL Geartech Ltd.

Formerly Raunaq Automotive Components Ltd.

Corporate Office

B-9, Sector-3, Noida, Uttar Pradesh-201301, INDIA

Phone: +91-120-4588500 Fax: +91-120-4588513

Web: www.raclgeartech.com E-mail: info@raclegeartech.com

Saturday, October 08, 2016

REF. NO. RACL/ BSE/ 2016-17

The Manager - Listing  
BSE Limited  
25<sup>th</sup> Floor, P. J. Towers,  
Dalal Street,  
Mumbai - 400 001

Scrip Code No. 520073

SUB : 33<sup>rd</sup> Annual Report of the Company for the financial year ended on March 31, 2016

Dear Sir,

Pursuant to Regulation 34 (1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Please find enclosed herewith the 33<sup>rd</sup> Annual Report of the company for the Financial Year 2015-16, along with Director's Report and Financial Statement of the company including Balance Sheet and Profit & Loss Accounts of the Company for the financial year ended March 31, 2016.

This is for your information and records.

Thanking you,

**For RACL Geartech Limited**

(Formerly Raunaq Automotive Components Limited)



**HITESH KUMAR**  
**COMPANY SECRETARY &**  
**COMPLIANCE OFFICER**

Encl.: As above

Registered Office

15th Floor, Chiranjiv Tower, 43, Nehru Place, New Delhi-110019, INDIA

Phone: +91-11-26418622-33-55 Fax: +91-11-26448962

CIN: L34300DL1983PLC016136

D-U-N-S Number: 65-013-7086



TS 16949 : 2009  
TS 518901 - 000

# 33<sup>rd</sup> Annual Report 2015-16



**RACL Geartech Ltd.**  
(Formerly Raunaq Automotive Components Ltd.)

# WORLD CLASS TECHNOLOGY





## Board of Directors

Mr. Gursharan Singh	Chairman & Managing Director
Mrs. Narinder Paul Kaur	Non – Executive Director
Mr. Anil Sharma	Non - Executive Independent Director
Mr. Raj Kumar Kapoor	Non - Executive Independent Director
Mr. Madan Lal	Non - Executive Independent Director
Mr. Rakesh Kapoor	Non - Executive Independent Director
Mr. Dev Raj Arya	Whole-time Director & CFO

## Company Secretary & Compliance Officer

Mr. Hitesh Kumar

## Statutory Auditors

A. Sachdev & Co., Chartered Accountants,  
105, Chowdhary Complex,  
9, Madhuvan Road, Delhi -110092

## Internal Auditors

Gianender & Associates, Chartered Accountants,  
Geeta Mandir Marg, Delhi - 110060

## Secretarial Auditors

M/s. K. K. Malhotra & Co., Company Secretaries,  
C-2/4, Pragati Market, Ashok Vihar,  
Phase-II, Delhi-110052.

## Bankers

Bank of India  
RBL Bank Limited  
IndusInd Bank Limited

## Corporate Identity Number

CIN: L34300DL1983PLC016136

## Registered Office

15<sup>th</sup> Floor, Chiranjiv Tower, 43,  
Nehru Place, New Delhi-110019, INDIA  
Phones: +91-11-26418622-33-55  
Fax: +91-11-26448962

## Corporate Office

B-9, Ground Floor, Pinnacle Business Park,  
Sector-3, Noida, Uttar Pradesh – 201301, INDIA  
Phones: +91-120-4588500, Fax: +91-120-4588513  
e-Mail: Info@raclegeartech.com.  
Website: www.raclegeartech.com

## Works

### Unit No. 1

A-3, Industrial Area, Gajraula,  
Dist. Amroha – 244223, U.P.-244223, INDIA

### Unit No. 2

H-201, Sector-63, Noida,  
Distt. Gautam Budh Nagar, U.P.-201307, INDIA

## Registrar & Share Transfer Agents

MAS Services Ltd.  
T-34, 2<sup>nd</sup> Floor, Okhla Industrial Area,  
Phase-II, New Delhi - 110020  
Tel: (011) 26387281 / 82 / 83  
e-Mail: info@masserv.com  
Website: www.masserv.com

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## BOARD OF DIRECTOR'S



**From Left to Right (Standing)**

**Mr. Dev Raj Arya**  
Whole-time Director & CFO

**Mr. Madan Lal**  
Non - Executive  
Independent Director

**Mr. Rakesh Kapoor**  
Non - Executive  
Independent Director

**From Left to Right (Sitting)**

**Mr. Raj Kumar Kapoor**  
Non - Executive  
Independent Director

**Mrs. Narinder Paul Kaur**  
Non - Executive Director

**Mr. Gursharan Singh**  
Chairman & Managing Director

**Mr. Anil Sharma**  
Non - Executive  
Independent Director

## CHAIRMAN's MESSAGE



Dear Shareholders,

Global economy recovery is continuing, but at a slowing and increasingly fragile pace. The slow pace of recovery is coupled with global market volatility, upliftment of growth momentum in the advanced economies, and continuing headwinds for emerging market economies and lower-income countries. Therefore, as per IMF, global growth is projected to remain strong in 2016, at 3.2%, while in advanced and emerging market and developed economies at 1.9% and 4.1% respectively.

Notwithstanding this cloudier picture of economic fundamentals across the world economies, softening of oil prices, lower capital outflows from China, and decisions by major central banks have all contributed to improved sentiment. These developments points to the projection that growth in the world economies will still be slightly higher from 3.1% in 2015 to 3.2% in 2016.

### **Improvement of Domestic Economic Performance:**

The Indian economy has performed exceptionally well and grown at a rate of 7.9% in Q4 of 2015-16 reflecting the efforts of the Government to boost the economy. Impressive growth in manufacturing sector at 9.3 percent and industry at 7.4 percent for the year 2015-16 was registered mainly on account of initiatives of the Government such as "Make in India" program and improvement in ease of doing business environment to make India a global manufacturing hub. Further, India is on the path of becoming the hub for hi-tech manufacturing as global giants have already set up and are in the process of setting up more plants in India.

India's external position appears robust as the current account deficit has declined and is at comfortable levels; foreign exchange reserves have risen and FDI inflows have grown with the radical reform measures in FDI regime, that is easing of FDI rules in various sectors viz. Animal Husbandry, Broadcasting, Civil Aviation, Defence, Pharmaceutical and Single Brand Retail Trading, the economy is expected to become the most open economy in the world for FDI inflows. As a result of prudent fiscal policies and the government's commitment to fiscal consolidation, India is in a comfortable fiscal position as the government has been able to contain its fiscal deficit at 3.99% of GDP.

Going ahead, India's economic growth is expected to enter high growth trajectory and will continue to be driven by domestic consumption. With the revival of sentiment and pickup in industrial activity, a recovery of private investment is expected to further strengthen growth in the coming times.

### **Company Performance and Strategy:**

I am pleased to inform you that the financial year 2015-16 was an encouraging year for your company and your over all income has risen to Rs.118.15 crores in 2015-16 as compared to Rs.107.72 Crores in the previous year (net of excise duty). The PBT and PAT was Rs.5.69 Crores and Rs. 3.70 Crores respectively as compared to Rs. 4.98 crores and Rs.3.59 Crores in the previous year.



Your company will continue to explore opportunities for growth in the years ahead. Though there will be challenges on many fronts, but I am confident that we will be successful in our endeavour to scale up operations, so as to achieve long term sustenance and growth.

We have a strong technical expertise as manufacturer of transmission gears, shafts and precision components. We are proud to share with you that we have established ourselves in the field of sub assemblies and have been exporting critical sub assemblies like torque limiter, balancer shaft assemblies & drive axle sub assemblies to Two wheeler manufacturer across the globe.

The advantage of being sub assemblies supplier shall continue in the coming years as value added products line which shall ensure the growth of business at further higher level in the segment. Strategically, your company is focusing on leveraging on our strong technical core strength & bringing in continual improvement in operational efficiency, quality and customer focused approach. RACL Geartech is fully geared up to tap burgeoning opportunities in newer field of electric mobility, Aerospace, defence sector requiring high quality product line up.

In our journey towards achieving excellence, I take the opportunity to express my sincere gratitude to the members of the Board and financial institutions which were a great source of strength, enhancement & support.

The growth and success of a company depends primarily on its people. I thank the respective teams across the company for their diligence and dedication and look forward to a continued commitment and greater levels of achievement.

I thank you dear shareholders, for your continued support and confidence in the company.

**Gursharan Singh**  
**Chairman & Managing Director**



**Notice:**

Notice is hereby given that the 33<sup>rd</sup> Annual General Meeting (AGM) of the members of **RACL Geartech Limited** (Formerly Raunaq Automotive Components Limited) will be held on Wednesday, the September 28<sup>th</sup>, 2016 at 11.00 A.M., at Shivam Garden, Bawana Road, Narela, New Delhi – 110040, to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the financial statements of the Company for the financial year ended March 31, 2016, including the Audited Balance Sheet as at March 31, 2016, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon and if deemed fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution** :

RESOLVED that the Audited Financial Statements of the Company for the Financial Year ended March 31, 2016, the Report of the Board of the Director's and the Auditor's Report thereon be and are hereby received and adopted.

2. To consider and appoint a Director in place of Mrs. Narinder Paul Kaur (DIN 02435942), Non-executive Director, who retires by rotation and being eligible, offers herself for re-appointment and if deemed fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution** :

RESOLVED that pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, read with applicable rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), Mrs. Narinder Paul Kaur (DIN 02435942), Non-executive Director, who retires by rotation at the 33<sup>rd</sup> Annual General Meeting, be and is hereby re-appointed as Non Executive Director / Professional Director of the Company.

3. To ratify the appointment of Auditors of the Company, and to fix their remuneration and for that purpose, to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution** :

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, pursuant to the recommendations of the audit committee of the board of directors of the company and pursuant to the resolution passed by the members at the Annual General Meeting (AGM) held on September 30<sup>th</sup>, 2014, the appointment of M/s. A. Sachdev & Co., Chartered Accountants (Firm Registration No. 001307C), as the auditors of the Company to hold office until the conclusion of 34<sup>th</sup> AGM, be and is hereby ratified on such remuneration as may be mutually determined between the said Auditors and the Board of Directors of the Company."

**SPECIAL BUSINESS:**

4. **Increase in borrowing limits from Rs. 50 Crores (Rupees Fifty Crores) to Rs. 75 Crores (Rupees Seventy Five Crores) or the aggregate of the paid up share capital and free reserves of the Company, whichever is higher.**

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution**:



“RESOLVED THAT in supersession of the Special Resolution passed at the 31<sup>st</sup> Annual General Meeting held on 30<sup>th</sup> September, 2014, and pursuant to the provisions of Section 180 (1) (c) and all other applicable provisions of the Companies Act, 2013, read with applicable rules made there under and other applicable provision (including any statutory modification(s) or re-enactment thereof for the time being in force), if any, of the Companies Act, 2013 and any other act, if any, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee thereof) for borrowing, from time to time, any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business) from any one or more of the financial Institutions, Banks, NBFCs etc., may exceed the aggregate of the paid up share capital of the Company and its free reserves, provided that the total amount so borrowed by the Board and outstanding at any point of time shall not exceed Rs. 75 crores (Rupees Seventy Five crores) or the aggregate of the paid up share capital and free reserves of the Company, whichever is higher.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this Resolution.”

**5. Creation of Charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings.**

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution**:

“RESOLVED THAT in supersession of the Special Resolution passed at the 29<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> September, 2012, and pursuant to the provisions of Section 180 (1) (a) and all other applicable provisions of the Companies Act, 2013, read with applicable rules made there under and other applicable provisions (including any statutory modification(s) or re-enactment thereof for the time being in force), if any, of the Companies Act, 2013 and any other act, if any, consent of the members of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee thereof) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the substantial assets of the Company in certain events in favour of Bank of India and / or RBL Bank Limited and / or IndusInd Bank Limited and / or other Bank / Financial Institution / NBFC and other investing agencies and trustees for the holders of debentures/bonds/other instruments to secure rupee/foreign currency loans and/or the issue of debentures whether partly/fully convertible or non-convertible and/or rupee/foreign currency convertible bonds and/or foreign currency bonds and/or bonds with share warrants attached (hereinafter collectively referred to as “Loans”) provided that the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premium on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans for which the charge is to be created, shall not, at any time exceed Rs. 75 crores (Rupees Seventy Five crores) or the aggregate of the paid up share capital and free reserves of the Company, whichever is higher.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to finalise, settle and execute such documents/deeds/ writings/papers/agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion thinks necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages/charges as aforesaid.”



6. To keep Register and Index of Members at other place instead of Registered office of the company and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 94 read with Section 88 and all other applicable provisions of the Companies Act, 2013, read with applicable rules made there under and other applicable provisions (including any statutory modification(s) or re-enactment thereof for the time being in force), if any, of the Companies Act, 2013 and any other act or regulations, if any, consent of the members of the Company be and is hereby accorded to keep, maintain and preserve the Register of Members and Index of Members of the Company, at the Office of M/s. **Mas Services Limited**, the Registrar and Share Transfer Agent of the Company, situated at T-34, 2<sup>nd</sup> Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020, instead of keeping and maintaining the same at Registered Office of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**By order of the Board**  
**For RACL Geartech Limited**  
(Formerly Raunaq Automotive Components Limited)

**Place: Noida**  
**Date: August 6, 2016**

**Sd/-**  
**Hitesh Kumar**  
**Company Secretary**

**Regd. Office: 15<sup>TH</sup> Floor, Chiranjiv Tower, 43,**  
**Nehru Place, New Delhi-110019, INDIA**  
**Ph. : +91-11-26418622, Fax : +91-11-26448962**  
**e-Mail - investor@raclgeartech.com**



**ANNEXURE TO THE NOTICE**  
**Statement Pursuant to Section 102 of the Companies Act, 2013**

**ITEM NO. 4**

The members of the Company at the 31<sup>st</sup> Annual General Meeting held on 30<sup>th</sup> September, 2014 approved by way of a Special Resolution under section 180 (1) (c) of the Companies Act, 2013 borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) shall not be in excess of Rs. 50 Crores (Rupees Fifty crores only).

As the level of business of the company is growing day by day, so company needs more funds to fulfill the requirements of the same. The board of Directors of the company recommended to increase the limit of borrowing from Rs. 50 crores (Rupees Fifty Crores only) to Rs. 75 crores (Rupees Seventy Five Crores only).

The Board commends adoption of the resolution set out in Item No. 4 of the accompanying Notice as a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company nor their relatives are concerned or interested financially or otherwise in the resolutions at Item No. 4 of the accompanying notice.

**ITEM NO. 5**

Under the erstwhile Section 293 (1) (a) of the Companies Act, 1956, the Board of Directors of a Company could, with the consent of the shareholders obtained by an Ordinary Resolution, create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the lenders/ trustees for the holders of debentures/ bonds, to secure the repayment of monies borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business).

The members of the Company at the 29<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> September, 2012, had accorded their consent to the Board of Directors for creation of charges/mortgages/hypothecations in favour of Bank of India and The Ratnakar Bank Limited (Now RBL Bank Limited).

Under the provisions of Section 180 (1) (a) of the Companies Act, 2013 (hereinafter referred to as the "Act"), which were made effective from September 12, 2013, the above powers can be exercised by the Board only with the consent of the shareholders obtained by a Special Resolution. As such, it is necessary to obtain fresh approval of the shareholders by means of a Special Resolution, to enable the Board of Directors of the Company to create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the lenders/ trustees for the holders of debentures/ bonds, to secure the repayment of monies borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business). Standard market terms of long term debt finance include conditions whereby lenders/ trustees in certain circumstances (such as non-payment or other events of default) can take over the management of the Company, to recover their dues. It is therefore, necessary to obtain members' approval by way of a Special Resolution under Section 180 (1) (a) of the Act for creation of charges/mortgages/hypothecations for an amount not exceeding Rs. 75 crores or the aggregate of the paid up share capital and free reserves of the Company, whichever is higher.

The proposed borrowings of the Company may, if necessary, be secured by way of charge/ mortgage/ hypothecation on the Company's assets in favour of the lenders/ holders of securities / trustees for the holders of the said securities as mentioned in the Resolution at Item No. 5. As the documents to be executed between the lenders/ security holders/ trustees for the holders of the said securities and the Company may contain provisions to take over substantial assets of the Company in certain events, it is necessary to pass a special resolution under Section 180 (1) (a) of the Act, for creation of charges/mortgages/hypothecations for an amount not exceeding



Rs. 75 Crores (Rupees Seventy Five Crores) or the aggregate of the paid up capital and free reserves of the Company, whichever is higher.

The Board commends adoption of the resolution set out in Item No. 5 of the accompanying Notice as a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company nor their relatives are concerned or interested financially or otherwise in the resolutions at Item No. 5 of the accompanying notice.

**ITEM NO. 6**

Pursuant to the provisions of Section 94 of the Companies Act, 2013 and Rules made thereunder, the Register of Members and Index of Members is required to be kept and maintained by the company under Section 88 at the registered office of the company:

Provided that such registers may also be kept at any other place in India in which more than one-tenth of the total number of members entered in the register of members reside, if approved by a special resolution passed at a general meeting of the company and the Registrar has been given a copy of the proposed special resolution in advance.

In view of the above, it is proposed to authorize M/s. **Mas Services Limited**, the Registrar and Share Transfer Agent of the Company, to maintain, preserve and authenticate Register of Members and Index of Members of the Company, at its office situated at T-34, 2<sup>nd</sup> Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020 instead of maintaining the same at Registered Office of the Company i.e. 15<sup>TH</sup> Floor, Chiranjiv Tower, 43, Nehru Place, New Delhi-110019, INDIA.

The Board commends adoption of the resolution set out in Item No. 6 of the accompanying Notice as a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company nor their relatives are concerned or interested financially or otherwise in the resolutions at Item No. 6 of the accompanying notice.

**By order of the Board**  
**For RACL Geartech Limited**  
(Formerly Raunaq Automotive Components Limited)

**Sd/-**  
**Hitesh Kumar**  
**Company Secretary**

**Place: Noida**  
**Date: August 6, 2016**

**Regd. Office: 15<sup>TH</sup> Floor, Chiranjiv Tower, 43,**  
**Nehru Place, New Delhi-110019, INDIA**  
**Ph. : +91-11-26418622, Fax : +91-11-26448962**  
**e-Mail - investor@raclegeartech.com**



**Details of Directors Seeking Appointment/Re-Appointment at the 33<sup>rd</sup> Annual General Meeting**  
(Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

<b>Name of the Director</b>	Mrs. Narinder Paul Kaur
<b>Director Identification Number (DIN)</b>	02435942
<b>Date of Birth</b>	15/06/1963
<b>Nationality</b>	Indian
<b>Date of first Appointment on Board</b>	31/01/2015
<b>Qualification</b>	Bachelor's Degree in Science, Masters of Arts (English).
<b>Experience in specific Functional areas</b>	She has been looking the functioning of Noida plant of the company since 2011. She has a deep knowledge about the business and good administrative skills.
<b>Relationship with other Directors/KMP</b>	Wife of Mr. Gursharan Singh, Chairman & Managing Director
<b>List of Directorships held in other Listed Companies</b>	NIL
<b>Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees in other Public Companies</b>	NIL

**Details of Shareholding/other convertible instruments of Non-Executive Directors of the Company as on 31.03.2016**  
[Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Sl. No.	Name of Director	Category/Designation	No. of Equity Shares	Other convertible Instruments
01.	Mrs. Narinder Paul Kaur	Non-Executive Director	5,967	Nil
02.	Mr. Anil Sharma	Non-Executive Independent Director	Nil	Nil
03.	Mr. Madan Lal	Non-Executive Independent Director	Nil	Nil
04.	Mr. Raj Kumar Kapoor	Non-Executive Independent Director	Nil	Nil
05.	Mr. Rakesh Kapoor	Non-Executive Independent Director	Nil	Nil





## NOTES:

1. A member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the company. A person can act as proxy on behalf of members not exceeding 50 (Fifty) and holding in the aggregate not more than 10 (ten) percent of the total share capital of the Company. However, a member holding more than 10 (ten) percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member.

The instrument of proxy in order to be effective must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.

2. The relevant Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business set out in Item Nos. 4 to 6 of the accompanying Notice is annexed hereto.
3. The particulars in respect of Directors seeking appointment/ re-appointment in the forthcoming Annual General Meeting as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are available with the annexure of notice of 33<sup>rd</sup> AGM. The directors have furnished the requisite consent/declaration for their appointment/ re-appointment.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, September 22, 2016 to Wednesday, September 28, 2016 (Both days inclusive) for the purpose of the 33<sup>rd</sup> AGM.
5. Members are requested to be in their seats at the meeting hall before the scheduled time for commencement of the meeting.
6. Corporate Members intending to send their authorized representative(s) to attend the meeting are requested to send a certified copy of the Board Resolution/Authority letter authorizing their representative to attend and vote on their behalf at the meeting.
7. Members holding more than one share certificate in the same name or joint names in same order but under different Ledger Folios, are requested to apply for consolidation of such Folios and send the relevant share certificates to the Registrars and Share Transfer Agents to enable them to consolidate all such holdings into one single Account.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form can submit their PAN to their Depository Participant(s) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/RTA.
9. In case the mailing address mentioned on this Annual Report is without Pin-code, Members are requested to kindly notify their Pin-codes immediately to the Company/RTA.
10. This notice is being issued having regard to provisions of Section 108 of the Companies Act, 2013, and the rules made thereunder and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
11. The Annual Report for the Financial year 2015-16, Notice of 33<sup>rd</sup> AGM and instructions for remote e-voting, along with Attendance Slip and Proxy Form, is being sent by electronic mode to all the members whose email IDs are registered with the Company/depository participant(s) for communication purposes, unless



any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of these documents is being sent in the permitted mode. Members may also note that these documents will be available on the Company's website, [www.raclgeartech.com](http://www.raclgeartech.com)

12. Members are requested to register/ update their e-mail IDs with their respective Depository Participant(s)/ or with Company for shares in electronic form (Demat) or in physical form, respectively.
13. Members holding shares in the physical form can avail of the nomination facility by filing Form No. SH.13 (in duplicate) with the Company or its Registrars and Share Transfer Agents M/s. MAS Services Limited Where the nomination is made in respect of the securities held by more than one person jointly, all the joint holders together nominate in Form No. SH.13 any person as nominee. Blank Forms will be supplied on request.
14. Members are requested to bring their duly filled in attendance slips sent herewith while attending the Annual General Meeting.
15. The relevant documents will also be displayed on the Investor Relation section of the Company on [www.raclgeartech.com](http://www.raclgeartech.com) and copies of the said documents will also be available for inspection by the members at the Registered Office of the Company during normal business hours on working days up to the date of the meeting.

#### **16. Voting through Electronic means**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 33<sup>rd</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The Facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commencing on September 25, 2016 (09.00 A.M.) and ends on September 27, 2016 (05.00 P.M.). During this period member of the company, holding shares either in physical form or in dematerialized form, as on the cut of date of September 21, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by the NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change subsequently.



- V. **The process and manner for remote e-voting are as under:**
- A. **In case of Members receiving e-mail from NSDL (For those members whose e-mail addresses are registered with Company/ Depository Participants(s)):**
- Open e-mail and open PDF file viz."RACL-remote e-Voting.pdf" with your client ID or Folio No. as password containing your user ID and password for remote e-voting. Please note that the password is an initial password.
  - Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>.
  - Click on Shareholder-Login.
  - Put user ID and password as initial password noted in step (i) above. Click Login.
  - Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
  - Select "EVEN – 104618" of "RACL Geartech Limited".
  - Now you are ready for remote e-voting as Cast Vote page opens.
  - Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - Upon confirmation, the message "Vote cast successfully" will be displayed.
  - Once you have voted on the resolution, you will not be allowed to modify your vote.
  - Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [kk.malhotra2003@gmail.com](mailto:kk.malhotra2003@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- B. **In case of Members receiving Physical copy of Notice of 33<sup>rd</sup> Annual General Meeting (for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy)**
- Initial password is provided with the Attendance Slip for the 33<sup>rd</sup> AGM.
  - Please follow all steps from Sl. No. (b) to Sl. No. (l) above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. September 21, 2016.
- X. Member(s) can opt for only one mode of voting i.e. either physical voting through ballot or e-voting. In case a member has used both means then vote cast by e-voting will along be treated as valid.
- XI. Any person, who acquires shares and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. September 21, 2016, may also obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or to Mr. Shrawan Mangla, M/s. MAS Services Limited (RTA), Tel: (011) 26387281 - 82 - 83 e-Mail: [info@masserv.com](mailto:info@masserv.com)



- XII. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- XIII. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XIV. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. September 21, 2016 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XV. Mr. K. K. Malhotra, Company Secretary in Whole time Practice (Membership No. FCS-1410 & CP No. 446), Partner, M/s. K. K. Malhotra & Co., Company Secretaries has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XVI. The Chairman shall, at the AGM at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, through Ballot Paper, as will be provided by the Company, for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XVII. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVIII. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company i.e. [www.raclgeartech.com](http://www.raclgeartech.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the stock exchange i.e. BSE Limited.

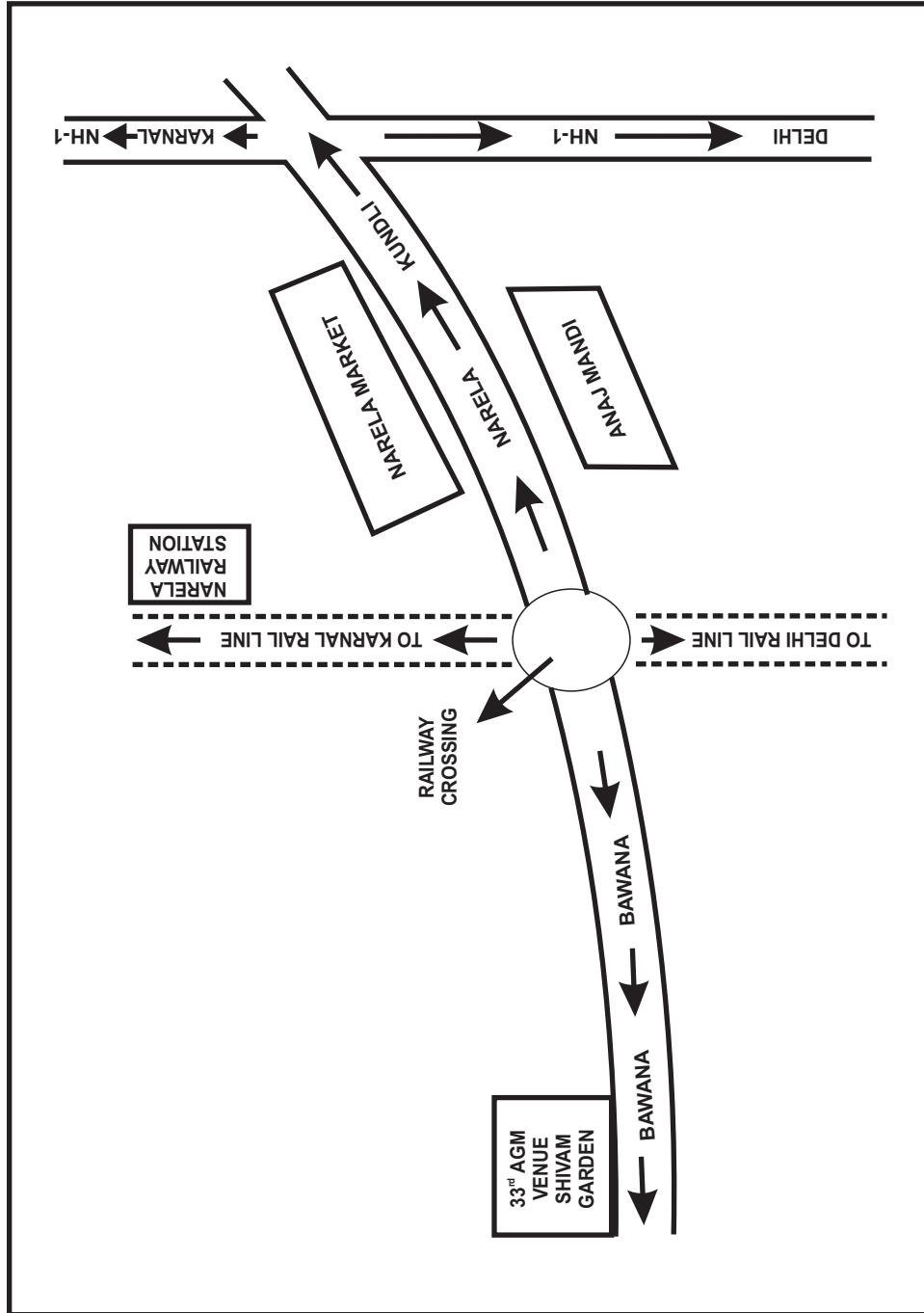
**By order of the Board**  
**For RACL Geartech Limited**  
(Formerly Raunaq Automotive Components Limited)

**Sd/-**  
**Hitesh Kumar**  
**Company Secretary**

**Place: Noida**  
**Date: August 6, 2016**

**Regd. Office: 15<sup>TH</sup> Floor, Chiranjiv Tower, 43,**  
**Nehru Place, New Delhi-110019, INDIA**  
**Ph. : +91-11-26418622, Fax : +91-11-26448962**  
**e-Mail - [investor@raclegeartech.com](mailto:investor@raclegeartech.com)**

ROUTE MAP TO 33<sup>rd</sup> ANNUAL GENERAL MEETING VENUE  
LOCATION - SHIVAM GARDEN, BAWANA ROAD, NARELA, NEW DELHI - 110040  
LAND MARK - NEAR VISHAL ENCLAVE, BAWANA ROAD







## DIRECTORS REPORT

TO

THE MEMBERS,

Your Directors take pleasure in presenting the 33<sup>rd</sup> Annual Report together with the Audited financial statements of the Company for the financial year ended March 31, 2016.

### NEW NAME

With an emphasis on change, the company decided to rebrand its identity from Raunaq Automotive Components Limited to **RACL Greatech Limited**. The new name is contemporary & aligning perfectly to our core business area.

## FINANCIAL RESULTS

(Rs. in Lacs)

Particulars	2015-16	2014-15
Sales and Other Income	12581	11547
Operational Expenses	10294	9947
Depreciation	396	427
Financial Charges	556	675
Gross Profit/(Loss)	569	498
Provision for Taxes/ Def.Tax Liab/ including earlier years	199	139
Net Profit	370	359
Profit b/f from last year (Reserves)	1784	1434
Profit carried to Balance Sheet	2154	1784

### DIVIDEND

The company is on the path of growth and considering the fund requirements for our future plans for up-gradation of plant & machinery and technology up-gradation, the Board of Directors considered it appropriate not to declare any dividend for the current year.

### TRANSFER TO RESERVES

An amount of Rs. 350 lakhs has been transferred to General Reserve for the Financial Year ended March 31, 2016.

### MANAGEMENT DISCUSSION AND ANALYSIS

A detailed analysis of the Company's operations in terms of performance in markets, business outlook, opportunities and threats, risks and concerns forms part of the Management Discussion and Analysis is incorporated in a separate section of this report.

### DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with section 134 of the Companies Act, 2013, the Directors of your Company confirm:

- that the applicable Accounting Standards have been followed in the preparation of annual accounts and that there are no material departures;
- that such accounting policies have been selected and applied consistently and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at March 31, 2016 and of the profit of your Company for the year ended on that date;



- that proper and sufficient care has been taken for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- that the annual accounts have been prepared on a going concern basis;
- that the internal financial controls to be followed by the Company have been laid down and such internal financial controls are adequate and were operating effectively; and
- that proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems were adequate and operating effectively.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

In accordance with the provisions of the Companies Act, 2013, Mrs. Narinder Paul Kaur, Non-executive Director (DIN 02435942), of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for reappointment. The brief resume and other details as required under Securities & Exchange of Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 are provided in the Notice (including Annexure to Notice) of 33<sup>rd</sup> Annual General Meeting of the Company. The Board recommends that Mrs. Narinder Paul Kaur may be re-appointed at the ensuing AGM.

During the year under review, Mr. Devender Singh, Nominee Director (PICUP) (DIN 00115257) has retired from the services of PICUP w.e.f. December 31, 2015 and accordingly he ceased to be a director of the company (i.e. RACL Geartech Limited) w.e.f. December 31, 2015. Further, pursuant to the provisions of Section 167(1) (b) of the Companies Act, 2013, Mr. Ashok Misra Nominee Director (PICUP) (DIN No. 05236190), has vacated his office of Director w.e.f. 31.03.2015.

Necessary resolutions for the re-appointment of Mrs. Narender Paul Kaur, Non-Executive Director of the Company have been included in the notice convening the ensuing annual general meeting. Your directors commend her re-appointment.

#### **Declaration by Independent Directors**

All the Independent Directors of your Company have made declaration to the Company that they meet all the criteria of independence laid down under section 149(6) of Companies Act, 2013 and regulation 16(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **Relationship between Directors Inter-se**

Except Mr. Gursharan Singh, Chairman & Managing Director and Mrs. Narinder Paul Kaur, Non-executive Director (Wife of Mr. Gursharan Singh), none of the Directors of the company is related to the other Director of the Company.

#### **Familiarisation Programme for Independent Directors**

Your Company has adopted a 'Familiarisation Programme for Independent Directors' to familiarise them with the Company, their roles, rights, responsibilities in the company, nature of the industry in which the Company operates, business model of the Company, etc. Your company aims to provide its independent directors, insight into the Company enabling them to contribute effectively.

The details of familiarisation programmes may be accessed under the Corporate Governance section of the website [http://raclegeartech.com/pdfs/Familiarisation\\_Programme\\_for\\_Independent\\_Directors.pdf](http://raclegeartech.com/pdfs/Familiarisation_Programme_for_Independent_Directors.pdf) During the year under review, Independent Directors were apprised on an ongoing basis in the various Board/Committee meetings on macro-economic environment, information on business performance, operations, financial parameters, working capital management, fund flows, update on statutory compliances for Board members, etc. Apart from this, two familiarization programs were conducted in the financial year 2015-16, which were attended by all the Independent Directors. Total number of hours spent by each Independent Director in these programs was four hours.



## **NOMINATION AND REMUNERATION POLICY**

In terms of the section 178 of the Companies Act, 2013 and Part D of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has a Nomination and Remuneration Policy. The aforesaid policy of the Company on director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of directors and other matters is annexed as "**Annexure - A**".

## **PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND DIRECTORS**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of the Independent Directors and various committees of directors on parameters such as skills, knowledge, participation in meetings and contribution in field of Management / Finance / Operation / Strategy etc.

Independent Directors in terms of Companies Act, 2013 and Regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, carried out performance evaluation of non-independent directors, Chairman of the Board and Board as a whole with respect to skills, knowledge, participation in meetings and Strong outlook towards compliance with Regulations / financial reporting standards etc.

Pursuant to the provisions of the Companies Act, 2013, the nomination and remuneration committee has carried out the performance evaluation of every Director's (including Executive Directors, Non-Executive Directors and Independent Directors etc.) on parameters such as skills, knowledge, participation in meetings and contribution in field of Management / Finance / Operation / Strategy etc.

The Directors expressed their satisfaction with the evaluation process.

## **DISCLOSURES**

### **Audit Committee**

The audit committee of your Company comprises of Mr. Raj Kumar Kapoor as the Chairman and Mr. Anil Sharma and Mr. Rakesh Kapoor as members. Details in respect of the audit committee is provided in Corporate Governance Report forming part of the Directors' Report.

### **Whistle Blower Policy/ Vigil Mechanism**

Your Company has formulated an "Alert Procedure" to ensure the establishment of vigil mechanism, to provide an avenue to all stakeholders (including employees and directors) to report concerns about unethical behaviour, actual or suspected fraud or violation of the RACL's Code of Conduct for Directors and Senior Management Personnel. The said policy is also posted on the website of the Company, which may be accessed at the web-link [http://raclgeartech.com/pdfs/Vigil\\_Mechanism\\_Whistle\\_Blower\\_Policy\\_july2016.pdf](http://raclgeartech.com/pdfs/Vigil_Mechanism_Whistle_Blower_Policy_july2016.pdf)

### **Number of Meetings of the Board**

During the year under review, 4 (four) meetings of the Board of Directors were held, details of which are provided in Corporate Governance Report forming part of the Directors' Report.

### **Particulars of Loans, Guarantees or Investments**

There is no investment made by the company and has not provided any loan, guarantee or securities under section 186 of the Companies Act, 2013.



### **Particulars of Employees and Related Disclosures**

Details as required under section 197(12) read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2016 is annexed as **"Annexure - B"**.

A statement showing the names of employees as per section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2016 is annexed as **"Annexure- C"**.

### **Extract of Annual Return**

The extract of the Annual Return is detailed in **Form MGT.9**, annexed as **"Annexure - D"**.

### **Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

The particulars, as prescribed under sub-section 3(m) of section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are provided in **"Annexure - E"**, which forms part of this report.

### **CORPORATE SOCIAL RESPONSIBILITY**

In accordance with the requirements of Section 135 of Companies Act, 2013, Your Directors have constituted the Corporate Social Responsibility Committee (CSR Committee) at its meeting held on February 11, 2016, comprising of Mr. Anil Sharma as the Chairman and Mrs. Narinder Paul Kaur and Mr. Dev Raj Arya as other members.

The said Committee recommends to the Board, the CSR projects/activities to be undertaken by the Company, monitors the implementation of the CSR Policy and reports to the Board of Directors. On recommendation of CSR committee, the Board of Directors of your Company approved Corporate Social Responsibility Policy which may be accessed at the following web-link:

[http://raclegeartech.com/pdfs/Corporate\\_Social\\_Responsibility\\_Policy\\_july2016.pdf](http://raclegeartech.com/pdfs/Corporate_Social_Responsibility_Policy_july2016.pdf)

Annual report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been appended as **"Annexure - F"**, and forms integral part of this Report.

### **AUDITORS AND AUDITORS' REPORT**

#### **Statutory Auditors**

M/s. A. Sachdev & Co., Chartered Accountants, were appointed as statutory Auditors at 31<sup>st</sup> Annual General Meeting to hold office till the conclusion of 34<sup>th</sup> AGM subject to ratification of the appointment by the members at every AGM. In terms of Section 139 of the Companies Act, 2013, appointment of M/s. A. Sachdev & Co. as Auditors of the Company is recommended for ratification at ensuing Annual General Meeting.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

#### **Secretarial Auditors**

As per section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company appointed M/s. K. K. Malhotra & Co., Company Secretaries, as Secretarial Auditor of the Company for the financial year ended March 31, 2016.

The Secretarial Audit Report for the financial year ended March 31, 2016 is annexed as **"Annexure - G"**. The Auditors' Report does not contain any qualification, reservation or adverse remark.



### **Cost Auditors**

Pursuant to Companies (Cost Records and Audit) Amendment Rules, 2014 notified by the Ministry of Corporate Affairs (MCA) on December 31, 2014, the Company shall not be mandatorily required to get its Cost Records for the financial year 2015-16 audited in terms of provisions of Section 148 of the Companies Act, 2013.

### **RELATED PARTY TRANSACTIONS**

In terms of Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Board of Directors of your Company has approved Related Party Transactions Policy on dealing with Related Party Transactions. The policy may be accessed at the web-link [http://raclegeartech.com/pdfs/Related\\_Party\\_Transaction\\_Policy\\_july2016.pdf](http://raclegeartech.com/pdfs/Related_Party_Transaction_Policy_july2016.pdf)

All related party transactions during the financial year were on arm's length basis and were in the ordinary course of business. During the year, there were no material related party transactions made by the Company which could be considered material in accordance with Related Party Transactions Policy of the Company.

### **RISK MANAGEMENT**

The Board of Directors of your Company has laid down a Risk Management Policy for the Company, which provides a risk and controls matrix with identification of risks inherent to the business, corporate governance, functions and sources of these risks, their possible consequences and control measures to help manage them. Every unit and function is required to deploy the control measures and ensure timely reporting.

In the opinion of the Board, none of the above mentioned risks threaten the existence of the Company.

### **INTERNAL FINANCIAL CONTROL**

The Board of Directors of your Company is satisfied with the Internal Financial Control process. Internal control environment of the Company is reliable with well documented framework to mitigate risks. A detailed analysis is provided in the Management Discussion and Analysis Report.

### **CORPORATE GOVERNANCE**

The Company is committed to maintain and adhere to the highest standards of Corporate Governance practices.

Pursuant to regulation 34 read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Reports on Management Discussion and Analysis and on Corporate Governance have been included elsewhere in this Report as separate sections. A certificate from M/s. A. Sachdev & Co., Chartered Accountants, regarding compliance of conditions of Corporate Governance as stipulated in regulation 34 read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 has also been included in the Annual Report.

### **ENVIRONMENT, HEALTH AND SAFETY**

For your Company, the absolute respect of Environment, Health and Safety (EHS) is a priority.

RACL Geartech Limited gives importance to safety, health and well-being of its employees and all the people working for the Company. Your Company is working hard to reduce the number of accidents to Zero. The Company encourages and ensures not only its employees but also its subcontractors working on Company's plants as well as its customers for complying with occupational health and safety measures.

### **PERSONNEL**

Personnel relations with all employees remained cordial and harmonious throughout the year. Your Directors wish to place on record their sincere appreciations for the continued, sincere and devoted services rendered by all the employees of the Company.





**MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

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 i.e. March 31, 2016 and the date of this report.

**Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has in place an anti-sexual harassment policy (i.e. Prevention of Sexual Harassment at Workplace) in line with the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Compliance Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (Permanent, contractual, temporary and trainees) are covered under this policy. The company has not received any complaint about sexual harassment during the year 2015-16.

**GENERAL**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. There is no change in the nature of business of the Company.
3. Issue of equity shares with differential rights as to dividend, voting or otherwise.
4. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
5. Company has no subsidiaries, joint ventures or associate companies which have become or ceased during the year.
6. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
7. The annual listing fee for the year under review has been paid to BSE Limited, Mumbai, where your company's shares are listed. The Financial Results of the company can be accessed at the company's website <http://raclgeartech.com/financials.html>

**ACKNOWLEDGEMENT**

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the banks, Government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

**For and on behalf of the Board**  
**For RACL Geartech Limited**  
(Formerly Raunaq Automotive Components Limited)

**Place: Noida**  
**Date: August 6, 2016**

**Sd/-**  
**Gursharan Singh**  
**Chairman and Managing Director**

**Regd. Office: 15<sup>TH</sup> Floor, Chiranjiv Tower, 43,**  
**Nehru Place, New Delhi-110019, INDIA**  
**Ph. : +91-11-26418622, Fax : +91-11-26448962**  
**Email : investor@raclgeartech.com**



## ANNEXURE “A” TO THE DIRECTORS’ REPORT NOMINATION AND REMUNERATION POLICY

### Introduction:

In pursuance of the Company’s policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors.

### Objective and purpose of the Policy:

The objective and purpose of this policy are:

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

### Effective Date:

This policy shall be effective with retrospective effect from 1<sup>st</sup> April, 2014.

### Constitution of the Nomination and Remuneration Committee:

As per the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing agreement [now it’s, required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015] The Board has changed the nomenclature of Remuneration Committee by renaming it as Nomination and Remuneration Committee on 31<sup>st</sup> July, 2014. The Nomination and Remuneration Committee comprises of following Directors:

Sr. No.	Committee Chairman & Members
1.	Mr. Rakesh Kapoor, Chairman (Independent Director).
2.	Mr. Anil Sharma, Member (Independent Director).
3.	Mr. Madan Lal, Member (Independent Director).
4.	Mr. Gursharan Singh, Special invitee Member (Chairman and Managing Director).

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



## **Definitions**

- **Board** means Board of Directors of the Company.
- **Directors** means Directors of the Company.
- **Committee** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- **Company** means RACL Geartech Limited.
- **Independent Director** means a director referred to in Section 149 (6) of the Companies Act, 2013.
- **Key Managerial Personnel (KMP)**, in relation to a company, means—
  - (i) the Chief Executive Officer or the Managing Director or the Manager;
  - (ii) the Company Secretary;
  - (iii) the Whole-Time Director;
  - (iv) the Chief Financial Officer; and
  - (v) Such other officer as may be prescribed under the applicable statutory provisions / regulations.
- **Senior Management** means who are members of its core management team excluding Board of Directors and all members of the management one level below the Executive Director, including the functional Heads. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

## **Applicability**

- The Policy is applicable to;
- Directors (Executive and Non Executive).
- Key Managerial Personnel.
- Senior Management Personnel.

## **General**

- This Policy is divided in three parts:

**Part - A** covers the matters to be dealt with and recommended by the Committee to the Board,

**Part - B** covers the appointment and nomination and;

**Part - C** covers remuneration and perquisites etc.

- The key features of this Company's policy shall be included in the Board's Report.

## **PART - A**

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

The Committee shall:

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



## **PART – B**

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

- **Appointment criteria and qualifications:**

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
3. The Company shall not appoint or continue the employment of any person as Whole time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

- **Term / Tenure:**

1. **Managing Director/Whole-time Director:**

- The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five (5) years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

2. **Independent Director:**

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 (five) years or more in a company as on October 1, 2014 shall be eligible for appointment, on completion of his/her present term, for one more term of upto 5 (five) years only or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director Serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

- **Senior Management Appointment**

In order to carry out day-to-day recruitments/appointments of the Senior Management Personnel the power is delegated to the Chairman & Managing Director, who shall shortlist, finalize, appoint the suitable person and fix the remuneration subject to review, endorsement and approval of the Nomination & Remuneration Committee.



- **Evaluation**

The Committee shall carry out evaluation of performance of every Director at regular interval (yearly).

- **Mechanism/Criteria for evaluating the performance of every Director (Including Independent Directors) and Board:**

The evaluation of performance of every Director (Including Independent Directors ) and Board shall be carried out annually based on the criteria of attendance and contributions at Board/Committee Meetings as also for the role played other than at Meetings and other criteria as may deemed fit by the committee time to time.

- **Removal:**

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

- **Retirement:**

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

## **PART - C**

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

- **General:**

1. The remuneration to be paid to the Chairman and Managing Director or Whole Time Director, if any shall be in accordance with the provisions of the Companies Act, 2013, and the rules made thereunder.
2. The remuneration to the KMP (other than Managing Director or Whole Time Director) and Senior Management Personnel will be determined by the Committee (as may be recommended by the Chairman & Managing Director) and subject to the Board approval, if required.
3. Increments to the existing remuneration structure may be recommended by the Committee to the Board which shall be in accordance with the provisions of the Companies Act, 2013, and the rules made thereunder.
4. Where any insurance is taken by the Company on behalf of its Chairman and Managing Director, Joint Managing Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.



- **Remuneration to Managing Director, KMP and Senior Management Personnel:**
  - 1. **Remuneration and Perquisites:**

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

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

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director or Whole time Director in accordance with the provisions of Schedule V of the Companies Act, 2013.
- **Remuneration to Non- Executive / Independent Director:**
  - Sitting Fees:**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof or fee/compensation etc. for any other purpose whatsoever as may be decided by the Board. Provided that the amount of such fees shall not exceed such amount as may be prescribed by the Central Government from time to time.
- **Other employees Remuneration**

The Managing Director and other senior executives (as relevant) will review the remuneration of all other employees not otherwise specified in this policy.

**For and on behalf of the Board**  
**For RACL Geartech Limited**  
(Formerly Raunaq Automotive Components Limited)

**Sd/-**  
**Gursharan Singh**  
**Chairman and Managing Director**

**Place: Noida**  
**Date: August 6, 2016**

**Regd. Office: 15<sup>TH</sup> Floor, Chiranjiv Tower, 43,**  
**Nehru Place, New Delhi-110019, INDIA**  
**Ph. : +91-11-26418622, Fax : +91-11-26448962**  
**Email : investor@raclgeartech.com**



## “ANNEXURE B” TO THE DIRECTORS’ REPORT

Details as required under Section 197(12) of Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2016:

- Ratio of remuneration of each director to median remuneration of employees and percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year ended March 31, 2016:

S. No.	Name of Director and KMP	Remuneration of Directors and KMP for the financial year ended March 31, 2016 (in Rs.)	Ratio of remuneration of each director to median remuneration of employees	% increase in remuneration for the financial year ended March 31, 2016
1.	Mr. Gursharan Singh – Chairman & Managing Director	79,35,000	34.71	7% (Annualised)
2.	Mr. Dev Raj Arya – Whole-time Director & CFO	41,05,000	17.95	7% (Annualised)
3.	Mr. Raj Kumar Kapoor – Non-Executive Independent Director <sup>1</sup>	1,55,000	0.68	72.22
4.	Mr. Anil Sharma– Non-Executive Independent Director <sup>1</sup>	1,75,000	0.77	45.83
5.	Mr. Madan Lal – Non-Executive Independent Director <sup>1</sup>	1,47,000	0.64	22.50
6.	Mr. Rakesh Kapoor – Non-Executive Independent Director <sup>1</sup>	1,35,000	0.59	92.86
7.	Mr. Devender Singh – Nominee Director <sup>2</sup>	20,000	0.09	-50.00
8.	Mrs. Narinder Paul Kaur – Non-Executive Director <sup>1</sup>	805000	3.52	103.28
9.	Mr. Hitesh Kumar - Company Secretary	3,20,861	N.A.	N.A.

<sup>1</sup> In case of Independent director and nominee Director, remuneration includes sitting fee for attended the meetings of the Board of Directors and committees thereof and in case of Non - Executive Director, remuneration includes retainership fees and sitting fee.

<sup>2</sup> Ceased to be director w.e.f. 31.12.2015



2. In the financial year, there was an increase of 5% in the median remuneration of employees.
3. There were 504 permanent employees on the rolls of Company as on March 31, 2016.
4. The average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year 2015-16 was 12.05%, whereas percentile increase in the managerial remuneration was 7% (Annualised) for the same financial year.
5. It is hereby affirmed that the remuneration paid is as per the Nomination and Remuneration policy of the Company.

**For and on behalf of the Board**  
**For RACL Geartech Limited**  
(Formerly Raunaq Automotive Components Limited)

**Sd/-**  
**Gursharan Singh**  
**Chairman and Managing Director**

**Place: Noida**  
**Date: August 6, 2016**

**Regd. Office: 15<sup>TH</sup> Floor, Chiranjiv Tower, 43,**  
**Nehru Place, New Delhi-110019, INDIA**  
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**Email : investor@raclgeartech.com**



## “ANNEXURE C” TO THE DIRECTORS’ REPORT

**Statement pursuant to Section 197(12) of the Companies Act, 2013, read with rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2016:**

A. Particulars of top ten employees in terms of remuneration drawn:

Sl. No.	Name	Designation	Remuneration (in Rs.)	Qualification	Experience in RACL Geartech Ltd. (in years)	Date of Commencement of employment	Age (in years)	Previous employment and Designation
1.	Gursharan Singh	Chairman & Managing Director	7935000/-	Diploma in Mech. Engg., PGDM Export Management	28 YRS	15/10/1987	53 YRS	Escorts Tractors Ltd (Ford), Prod. Engg II
2.	Dev Raj Arya	Whole-time Director & CFO	4105000/-	LLB, Company Secretary, M.A. in Economics, Cost Accountant	18 YRS	18/08/1997	65 YRS	Vishal Lakto (I) Ltd, Com. Sect. (GM)
3.	Rajiv Kumar Goel	Associate Vice President	2081600/-	B. Tech (Mech)	25 YRS	01/10/1990	48 YRS	NA
4.	Deepak Saxena	Associate Vice President	1661600/-	B.E. (Metallurgy)	20 YRS	01/09/1995	50 YRS	Clutch Auto Ltd, Faridabad, Engineer
5.	Girish Kapoor	General Manager	1498600/-	Diploma in Mech. Engg.	25 YRS	01/06/1990	50 YRS	Tirupati Udyog Ltd., Trainee Supervisor Q/C
6.	Yogesh Baweja	General Manager	1414600/-	M.B.A. (Operations Research), B.E. (Mechanical), 4-Year Diploma Tool & Die Making and Certificate Course Import & Export Management	3 YRS	01/04/2013	48 YRS	Samtel Group, DGM
7.	Hemant Kumar	Joint General Manager	1352600/-	AMJE, Mech Engg Diploma in Mech Engg.	7 YRS	18/08/2008	47 YRS	Lumax Industries, Sr. MGR
8.	Naveen Chandra Agarwal	Joint General Manager	1244600/-	B. Tech. (Prod)	24 YRS	09/08/1991	49 YRS	VXL India Ltd., Universal Engg. Faridabad, Engineer (Prod)
9.	Syed Mustahsan Jalil	Assistant General Manager	1079600/-	Diploma in Elect. Engineering, B.A.	8 YRS	08/01/2008	48 YRS	Getrag HI-Tech Gears (India) Pvt. Ltd., Manager (Maintenance)
10.	Anil Kumar Saini	Assistant General Manager	1031600/-	ITI Draughtsman, Mechanical	23 YRS	28/04/1992	52 YRS	KM Enterprises Delhi, Design Consultant



**Notes:**

1. Remuneration includes salary and the value of perquisites on the basis of income Tax Rules, wherever applicable.
  2. The above named employees are in permanent employment.
  3. Except Mr. Gursharan Singh, Chairman & Managing Director (Husband of Mrs. Narinder Paul Kaur, Non-Executive Director) of the company, None of the above employee is related to any of the Directors of the Company.
  4. None of the employees by himself or along with his spouse and dependent children holds 2% or more of the equity shares of the Company.
- B. Particulars of employees employed throughout the financial year ended March 31, 2016 and were in receipt of Remuneration aggregating not less than Rs. 1,02,00,000/- per annum and Employed for the part of the financial year ended March 31, 2016 and were in receipt of Remuneration aggregating not less than Rs. 8,50,000/- per month.
- **NIL**
- C. 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 2 (two) percent of the equity shares of the Company.
- **NIL**

**For and on behalf of the Board**  
**For RACL Geartech Limited**  
(Formerly Raunaq Automotive Components Limited)

**Sd/-**  
**Gursharan Singh**  
**Chairman and Managing Director**

**Place: Noida**  
**Date: August 6, 2016**

**Regd. Office: 15<sup>TH</sup> Floor, Chiranjiv Tower, 43,**  
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**Email : investor@raclgeartech.com**



**“ANNEXURE D” TO THE DIRECTORS’ REPORT**

**Form No. MGT-9  
EXTRACT OF ANNUAL RETURN  
as on the financial year ended on March 31, 2016**

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

**I. REGISTRATION AND OTHER DETAILS:**

i) CIN	:	L34300DL1983PLC016136
ii) Registration Date	:	July 14, 1983
iii) Name of the Company	:	RACL Geartech Limited (Formerly Raunaq Automotive Components Limited)
iv) Category / Sub-Category of the Company	:	Public Company Limited by Shares/Indian Non-Government Company
v) Address of the Registered office and contact details	:	15 <sup>th</sup> Floor, Chiranjiv Tower, 43, Nehru Place, New Delhi – 110 019, INDIA Phone: +91-11-26418622-33-35 Fax: +91-11-26448962
vi) Whether listed company Yes / No	:	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	:	MAS Services Ltd. T-34, 2 <sup>nd</sup> Floor, Okhla Industrial Area – II, New Delhi -110020 Phone: 91 11 26387281-82 Fax: 91 11 26387384

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

S. No.	Name and Description of main products / services	NIC Code of the Product	% to total turnover of the Company
1.	Automotive Gears and Components	Group 293-Manufacture of parts and accessories for motor vehicles	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –**

The company has no holding, subsidiary and associate company.

**IV. SHARE HOLDING PATTERN (equity share capital breakup as percentage of total equity)**  
**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares Held at the beginning of the year (April 1, 2015)			No. of Shares held at the end of the year (March 31, 2016)			% Change during the year	
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares
A. Promoters								
(1) Indian								
a. Individual/ HUF	132706	-	132706	1.34	131626	-	131626	1.33
b. Central Govt.	-	-	-	-	-	-	-	-
c. State Govt.(s)	-	-	-	-	-	-	-	-
d. Bodies Corp.	37137	-	37137	0.37	37137	-	37137	0.37
e. Banks/Fl	1503300	-	1503300	15.14	1503300	-	1503300	15.14
f. Any Other (Trust)	3398687	-	3398687	34.22	3398687	-	3398687	34.22
Sub Total A(1):-	5071830	-	5071830	51.07	5070750	-	5070750	51.06
(2) Foreign								
a. NRIs-Individuals	-	-	-	-	-	-	-	-
b. Other-Individuals	-	-	-	-	-	-	-	-
c. Bodies Corporate	-	-	-	-	-	-	-	-
d. Banks/Fl	-	-	-	-	-	-	-	-
e. Any other	-	-	-	-	-	-	-	-
Sub Total A(2):-	-	-	-	-	-	-	-	-
Total shareholding of promoter (A)= (A)(1)+ (A)(2)	5071830	-	5071830	51.07	5070750	-	5070750	51.06
B. Public Shareholding								
1. Institutions								
a. Mutual funds	-	-	-	-	-	-	-	-
b. Banks/Fl	500	-	500	0.01	500	-	500	0.01
c. Central Govt	-	-	-	-	-	-	-	-
d. State Govt(s)	-	-	-	-	-	-	-	-
e. Venture Capital Funds	-	-	-	-	-	-	-	-



f. Insurance Companies	-	-	-	-	-	-	-	-	-	-	-	-
g. FIs	-	-	-	-	-	-	-	-	-	-	-	-
h. UTI	-	-	-	-	-	-	-	-	-	-	-	-
i. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-
j. Others (specify)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B) (1)</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>0.01</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>0.01</b>	<b>500</b>	<b>0.01</b>
<b>2.Non-institutions</b>												
a. Bodies Corporate	236042	7701	243743	166010	2.45	173711	7701	166010	173711	1.75		-0.7
b. Individuals												
i. Individual shareholders holding nominal share capital upto Rs.1 lakh	1123058	682755	1805813	1338719	18.18	2010874	672155	1338719	2010874	20.25		2.07
ii. Individual shareholders holding nominal share capital in excess of Rs.1 lakh	634340	101550	735890	486924	7.41	588474	101550	486924	588474	5.92		-1.49
c. Any other (specify) NR/OCB	1039441	1023100	2062541	1032159	20.76	2054759	1022600	1032159	2054759	20.68		-0.08
d. Any other (specify) Clearing Member	10983	-	10983	32232	0.11	32232	-	32232	32232	0.32		0.21
e. Any other (specify) Trust	300	-	300	300	0.01	300	-	300	300	0.01		-
<b>Sub total (B)(2)</b>	<b>3044164</b>	<b>1815106</b>	<b>4859270</b>	<b>3056344</b>	<b>48.92</b>	<b>4860350</b>	<b>1804006</b>	<b>3056344</b>	<b>4860350</b>	<b>48.93</b>		<b>0.01</b>
<b>Total Public Shareholding (B)= (B)(1) + (B)(2)</b>	<b>3044664</b>	<b>1815106</b>	<b>4859770</b>	<b>3056844</b>	<b>48.93</b>	<b>4860850</b>	<b>1804006</b>	<b>3056844</b>	<b>4860850</b>	<b>48.94</b>		<b>0.01</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-	-		-
<b>Grand Total (A+B+C)</b>	<b>8116494</b>	<b>1815106</b>	<b>9931600</b>	<b>8127594</b>	<b>100</b>	<b>9931600</b>	<b>1804006</b>	<b>8127594</b>	<b>9931600</b>	<b>100</b>		<b>-</b>

(ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year (April 1, 2015)				Shareholding at the end of the year (March 31, 2016)			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / Encumbered to total shares		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	RACLEMPLOYEES WELFARE TRUST	3398687	34.22	22.15		3398687	34.22	15.10	-
2.	THE PRADESHIYA INDUSTRIAL AND INVESTMENT CORPORATION OF U.P.LTD	1503300	15.14	-		1503300	15.14	-	-
3.	GURSHARAN SINGH	67052	0.67	-		68052	0.68	-	0.01
4.	DEV RAJ ARYA	31834	0.32	-		-	-	-	-0.32
5.	AADHAR INFOSYSTEMS PRIVATE LIMITED	37137	0.37	-		37137	0.37	-	-
6.	NARINDER PAUL KAUR	5667	0.06	-		5967	0.07	-	0.01
7.	RAJ ARYA	28041	0.28	-		57607	0.58	-	0.30
8.	PANKAJ	112	0.01	-		-	-	-	-0.01
	<b>Total</b>	<b>5071830</b>	<b>51.07</b>	<b>22.15</b>		<b>5070750</b>	<b>51.06</b>	<b>15.10</b>	<b>-0.01</b>

(iii) Change in Promoters' Shareholding

Sl. No.	Name	No. of Shares at the beginning	% of total shares of the Company	Date of increase/decrease in shareholding (as per weekly benpos)	Increase/Decrease in shareholding	% change	Reason	Cumulative shareholding during the year	% of total Shares of the Company
1.	GURSHARAN SINGH	67052	0.67	September 4, 2015	2000	2.98	Transfer	67052	0.67
				December 31, 2015	-1000	-1.44	Transfer	69052	0.69
				March 31, 2016				68052	0.68
2.	DEV RAJ ARYA*	At the end of the year		-	-	-	-	68052	0.68
		31834	0.32	June 26, 2015	-31834	-100	Transfer	31834	0.32
		At the end of the year		March 31, 2016				0	0
3.	NARINDER PAUL KAUR	5667	0.06	-	-	-	-	5667	0.06
				December 31, 2015	-4800	-84.70	Transfer	867	0.70
				January 8, 2016	100	11.53	Transfer	967	0.01
				January 22, 2016	5000	517.06	Transfer	5967	0.06
		At the end of the year		March 31, 2016				5967	0.06
4.	RAJ ARYA	28041	0.28	-	-	-	-	28041	0.28
				June 26, 2015	31834	113.52	Transfer	59875	0.60
				July 31, 2015	112	0.18	Transfer	59987	0.60
				December 31, 2015	-1000	-1.66	Transfer	58987	0.59
				January 1, 2016	-880	-1.49	Transfer	58107	0.58
				January 22, 2016	-500	-0.86	Transfer	57607	0.58
		At the end of the year		March 31, 2016				57607	0.58
5.	PANKAJ	112	0.01					112	0.01
				July 31, 2015	112	100	Transfer	0	0
		At the end of the year		March 31, 2016				0	0

\* Except the abovementioned changes, there is no change in shareholding of promoters during the financial year ended March 31, 2016 and other details of shareholding of promoters provided in the aforesaid point no. (ii).

\* Shares transferred in the account of Mrs. Raj Arya, W/o Mr. Dev Raj Arya (as joint holder).

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

Sl. No.	Name	No. of Shares at the beginning	% of total shares of the Company	Date of increase/decrease in shareholding (as per weekly benpos)	Increase/Decrease in shareholding	% change	Reason	Cumulative shareholding during the year
1.	ARENDRA KUMAR	1000000	10.07	-	-	-	No change	1000000
		At the end of the year		March 31, 2016				1000000
2.	Middleware Development Limited	1000000	10.07				No change	1000000
		At the end of the year		March 31, 2016				1000000
3.	RAJ KUMAR LOHIA	161529	1.63				No change	161529
		At the end of the year		March 31, 2016				161529
4.	J P S Kanwar	67600	0.68					67600
				April 24, 2015	1208	1.79	Transfer	68808
				July 17, 2015	-300	-0.43	Transfer	68508
				July 31, 2015	-200	-0.29	Transfer	68308
				October 30, 2015	-321	-0.47	Transfer	67987
				November 27, 2015	-387	-0.57	Transfer	67600
		At the end of the year		March 31, 2016				67600
5.	MANISH VINOD MEHTA	50000	0.50		-	-	No Change	50000
		At the end of the year		March 31, 2016				50000
6.	MANOJ DUA	-	-		-	-	-	-
		At the end of the year		September 4, 2015	33617	100	Transfer	33617
				September 11, 2015	3150	9.37	Transfer	36767
				September 18, 2015	300	0.81	Transfer	37067
				September 30, 2015	5551	14.97	Transfer	42618
				October 9, 2015	1350	3.16	Transfer	43968
				March 31, 2016				43968



**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Name	No. of Shares at the beginning	% of total shares of the Company	Date of increase/decrease in shareholding	Increase/Decrease in shareholding	% change	Reason	Cumulative shareholding during the year	
								No. of Shares	% of total Shares of the Company
1.	Mr. Gursharan Singh	67052	0.67	-	-	-	-	67052	0.67
				September 4, 2015	2000	2.98	Transfer	69052	0.69
				December 31, 2015	-1000	-1.44	Transfer	68052	0.68
				<b>March 31, 2016</b>				<b>68052</b>	<b>0.68</b>
2.	Mr. Dev Raj Arya*	31834	0.32	-	-	-	-	31834	0.32
				June 26, 2015	-31834	-100	Transfer	0	0
				<b>March 31, 2016</b>				<b>0</b>	<b>0</b>
3.	Mrs. Narinder Paul Kaur	5667	0.06	-	-	-	-	5667	0.06
				December 31, 2015	-4800	-84.70	Transfer	867	0.70
				January 8, 2016	100	11.53	Transfer	967	0.01
				January 22, 2016	5000	517.06	Transfer	5967	0.06
				<b>March 31, 2016</b>				<b>5967</b>	<b>0.06</b>

\* Shares transferred in the account of Mrs. Raj Arya, W/o Mr. Dev Raj Arya (as joint holder).



## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. in lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year on 01.04.2015				
i. Principal Amount	1238	525	-	1763
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1238</b>	<b>525</b>	<b>-</b>	<b>1763</b>
Change in Indebtness during the financial year				
• Addition	505	-	-	505
• Reduction	682	163	-	845
<b>Net Change</b>	<b>(177)</b>	<b>(163)</b>	<b>-</b>	<b>(340)</b>
Indebtedness at the end of the financial year on 31.03.2016				
i. Principal Amount	1061	362	-	1423
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1061</b>	<b>362</b>	<b>-</b>	<b>1423</b>

\*Excluding working capital limits.

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director (MD), Whole-Time Directors (WTD) and/or Manager:

(Rs. in Lacs)

S. No.	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount
		<b>Mr. Gursharan Singh</b> Chairman & Managing Director	<b>Mr. Dev Raj Arya</b> Whole-Time Director & CFO	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961: Medical LTA (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	67,35,000  2,00,000 2,00,000  -	38,55,000  1,25,000 1,25,000  -	1,05,90,000  3,25,000 3,25,000  -





2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission -as % of profit -others, specify	8,00,000 -	- -	- -
5.	Others, (Retiral Benefits)			
6.	<b>Total(A)</b>	<b>79,35,000</b>	<b>41,05,000</b>	<b>1,20,40,000</b>

\* Ceiling as per the Act Rs. 84 lakhs per annum for each director (as per Schedule-V).

**B. Remuneration to Other Directors:**

(Rs. in Lacs)

S. No.	Particulars of Remuneration	Name of the Director				Total Amount
(1)	<b>Independent Directors</b>	<b>Mr. Anil Sharma</b>	<b>Mr. Raj Kumar Kapoor</b>	<b>Mr. Madan Lal</b>	<b>Mr. Rakesh Kapoor</b>	
	Fee for attending Board/Committee meetings	1,75,000	1,55,000	1,47,000	1,35,000	6,12,000
	Commission	-	-	-	-	-
	Others, please	-	-	-	-	-
	<b>Total(1)</b>	1,75,000	1,55,000	1,47,000	1,35,000	6,12,000

**(2) Other Non-Executive Directors**

		<b>Mr. Devender Singh</b>	<b>Mrs. Narinder Paul Kaur *</b>	<b>Total amount (Rs. in Lacs)</b>
	Fee for attending Board/committee meetings	20,000	85,000	1,05,000
	Commission	-	-	-
	Others, please specify (retainership fees)	-	7,20,000	7,20,000
	<b>Total (2)</b>	20,000	8,05,000	8,25,000
	<b>Total (B)=(1+2)</b>			<b>14,37,000</b>
	<b>Total Managerial Remuneration (A+B)</b>			<b>1,34,77,000</b>

\*Overall ceiling as per Act is not applicable.



**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

(Rs. in Lacs)

S. No.	Particulars of Remuneration	Key Managerial Personnel	Total amount
		<b>Mr. Hitesh Kumar</b>	
1.	Gross salary(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961: Medical LTA (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	2,95,861  12,500 12,500	   3,20,861
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission-as % of profit-others, specify	-	-
5.	Others, please specify	-	-
	<b>Total</b>	<b>3,20,861</b>	<b>3,20,861</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There have been no penalties/ punishments/ compounding of offences under Companies Act, 2013.

**For and on behalf of the Board**  
**For RACL Geartech Limited**  
(Formerly Raunaq Automotive Components Limited)

**Place: Noida**  
**Date: August 6, 2016**

**Sd/-**  
**Gursharan Singh**  
**Chairman and Managing Director**

**Regd. Office: 15<sup>TH</sup> Floor, Chiranjiv Tower, 43,  
Nehru Place, New Delhi-110019, INDIA  
Ph. : +91-11-26418622, Fax : +91-11-26448962  
Email : investor@raclgeartech.com**



## **“ANNEXURE E” TO THE DIRECTORS’ REPORT**

**Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**  
(Particulars under section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014)

### **(A) CONSERVATION OF ENERGY**

#### **(i) The steps taken or impact on conservation of energy:**

- HPMV bulbs are being replaced with LED lightening in the shop floor.
- Thyristor control heating systems are being implemented in normalising & pit furnaces to conserve the electricity.
- Use of compressed air is being optimised by replacing pneumatic cylinders with hydraulic cylinders, wherever possible.
- Energy efficient - Compressed Air pipe lines with modular construction are being deployed for reducing pressure loss in air handling from compressors to usage point.
- Effluent treatment plant has been made operational. 100% industrial effluent is being recycled and used for gardening.

#### **(ii) The steps taken by the company for utilising alternate sources of energy:**

- The company is exploring the possibility of utilization of solar power generation.
- Plants are equipped with transparent sheets to use natural day light. No lights are used in day time.

#### **(iii) The capital investment on energy conservation equipments:**

- Rs.65.22 lakhs

### **(B) TECHNOLOGY ABSORPTION**

#### **(i) Efforts made towards technology absorption & development**

- Dry cut hobbing process has been commissioned, thus eliminating the use of cutting oils and improving the product quality.
- High technology soluble cutting oils are being used for achieving higher tool life and longer replacement time of cutting oils.
- Internal honing process commissioned successfully for better product quality & improved process capability
- Transmission sub assembly deployed successfully for high performance racing motorcycles for European OEM's.
- New product torque limiting device productionized successfully by implementing digital torque testing.



**(ii) Benefits derived like product improvement, cost reduction, product development or import substitution etc.**

- Increased customer confidence & increased business opportunities.
- Reduction in manufacturing costs.
- Reduction in level of rejection.
- Continuous thrust on reducing the cost of quality by focusing on eliminating external failure cost and controlling appraisal cost.

**(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)**

- |   |   |                         |
|---|---|-------------------------|
| <ul style="list-style-type: none"> <li>• The details of technology imported</li> <li>• Year of import</li> <li>• Whether the technology been fully absorbed</li> <li>• if not fully absorbed, areas where absorption has not taken place, and the reasons thereof.</li> </ul> | <div style="border-left: 1px solid black; border-right: 1px solid black; height: 80px; margin: 0 auto; width: 40px;"></div> | <p>— NOT APPLICABLE</p> |
|---|---|-------------------------|

**(iv) The expenditure incurred on Research and Development**

- NIL.

**(C) FOREIGN EXCHANGE EARNINGS**

- |   |               |       |
|---|---------------|-------|
| • Foreign Exchange earned (in terms of actual inflow) | : Rs. 5899.40 | lakhs |
| • Foreign Exchange outgo (in terms of actual outflow) | : Rs. 281.69  | lakhs |

**For and on behalf of the Board**  
**For RACL Geartech Limited**  
(Formerly Raunaq Automotive Components Limited)

**Place: Noida**  
**Date: August 6, 2016**

**Sd/-**  
**Gursharan Singh**  
**Chairman and Managing Director**

**Regd. Office: 15<sup>TH</sup> Floor, Chiranjiv Tower, 43,  
Nehru Place, New Delhi-110019, INDIA  
Ph. : +91-11-26418622, Fax : +91-11-26448962  
Email : investor@raclgeartech.com**

## “ANNEXURE F” TO THE DIRECTORS’ REPORT

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2015-16

1	A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR Policy and projects or programs	The Company has framed a CSR Policy in compliance with section 135 of the Companies Act, 2013 and “Promoting education” as CSR project/ CSR activity or program to be undertaken by the company under Corporate Social Responsibility and the weblink for the CSR Policy is <a href="http://raclgeartech.com/pdfs/Corporate_Social_Responsibility_Policy_july2016.pdf">http://raclgeartech.com/pdfs/Corporate_Social_Responsibility_Policy_july2016.pdf</a>
2	Composition of the CSR Committee (constituted on February 11, 2016)	<i>Mr. Anil Sharma - Independent Director - Chairman</i> <i>Mrs. Narinder Paul Kaur - Non-Executive Director - Member</i> <i>Mr. Dev Raj Arya - Whole-time Director &amp; CFO - Member</i>
3	Average net profit of the Company for last three financial years	During the Financial Year 2015-16, the provisions of Section 135 of the Companies Act, 2013 were not applicable, since the Company did not fall under the conditions necessary for complying with the CSR provisions.
4	Prescribed CSR expenditure (2% of the amount as in item 3 above)	During the Financial Year 2015-16, the provisions of Section 135 of the Companies Act, 2013 were not applicable. Hence, Nil amount required to be spent during the year.
5	Details of CSR spent during the financial year(a) Total amount to be spent for the financial year(b) Amount unspent, if any(c) Manner in which the amount was spent during the financial year	Not Applicable in the financial year 2015-16
6	Reasons for not spending the prescribed amount	Not Applicable in the financial year 2015-16
7	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.	During the Financial Year 2015-16, the provisions of Section 135 of the Companies Act, 2013 were not applicable, since the Company does not fall under the conditions necessary for complying with the CSR provisions.

Place : Noida Date : August 6, 2016	Sd/- Gursharan Singh Chairman & Managing Director	Sd/- Anil Sharma Chairman of CSR Committee
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**“ANNEXURE G” TO THE DIRECTORS’ REPORT**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> March, 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the  
Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> March, 2016

To,

The Members,

**RACL Geartech Limited**  
**(Formerly Raunaq Automotive Components Limited)**  
**15<sup>th</sup> Floor, Chiranjiv Tower, 43,**  
**Nehru Place, New Delhi-110019**  
**CIN L34300DL1983PLC016136**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **RACL Geartech Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period ended on 31<sup>st</sup> March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by RACL Geartech Limited for the period ended on 31<sup>st</sup> March, 2016 according to the provisions of:

- I. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 (**‘SCRA’**) and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**‘SEBI Act’**) to the extent applicable to the Company:-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;



- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Employee Stock option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **(Not applicable to the company during the Audit Period);**
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the company during the Audit Period);**
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the company during the Audit Period);**
- VI. The Employees State Insurance Act, 1948
  - VII. Employees Provident Fund and Miscellaneous Provisions Act, 1952.
  - VIII. Employers Liability Act, 1938.
  - IX. Environment Protection Act, 1986 and other environmental Laws.
  - X. Air (Prevention and Control of Pollution) Act, 1981.
  - XI. Factories Act, 1948.
  - XII. Industrial Dispute Act, 1947.
  - XIII. Payment of Wages Act, 1936 and other applicable labour laws.
  - XIV. Other laws as applicable to the Company other than taxation laws.

We have also examined compliance with the applicable clauses/provisions of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreement entered into by the Company with the stock exchange i.e. BSE Limited and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 etc. mentioned as above.

#### **We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.





**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period the Company has adopted new Articles of Association of the Company containing clauses in conformity with the Companies Act, 2013.

**We further report that** the name of the company has been changed from RAUNAQ AUTOMOTIVE COMPONENTS LIMITED to **RACL Geartech Limited** w.e.f. 20<sup>th</sup> October, 2015 in accordance with applicable provisions of Companies Act, 2013.

**We further report that** during the audit period the company has altered the Capital Clause (Clause V) of the Memorandum of Association of the company in accordance with applicable provisions of Companies Act, 2013. The Authorised Share Capital of the Company is Rs. 20,00,00,000 (Rupees Twenty Crores only) divided into 2,00,00,000 (Two Crores Only) equity shares of Rs. 10/- each (Rupees Ten Only).

**We further report that** during the audit period the company has altered Main Object Clause (Clause III) and Liability Clause (Clause IV) in the Memorandum of Association of the Company through Postal Ballot and in accordance with applicable provisions of Companies Act, 2013.

**Place :** Delhi  
**Date :** 15.07.2016

**For K.K. Malhotra & Co.**  
**Company Secretaries**

**Sd/-**  
**K.K. Malhotra (Proprietor)**  
**FCS No. 1410, C.P No. 446**

Note: This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.



Annexure A

To,  
The Members,

**RACL Geartech Limited**  
**(Formerly Raunaq Automotive Components Limited)**  
**15<sup>th</sup> Floor, Chiranjiv Tower, 43,**  
**Nehru Place, New Delhi-110019**  
**CIN L34300DL1983PLC016136**

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy of effectiveness with which the management has conducted the affairs of the Company.

**Place :** Delhi  
**Date :** 15.07.2016

**For K.K. Malhotra & Co.**  
**Company Secretaries**

**Sd/-**  
**K.K. Malhotra (Proprietor)**  
**FCS No. 1410, C.P No. 446li**



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

RACL Geartech Limited (referred to as 'RACL' or 'the Company') is an auto component manufacturer supplying engine and transmission components to diverse clients across the globe. RACL manufactures drive train parts for Tractors, Two Wheelers, Electric Car, Three Wheelers, Cargo Vehicles, Light and Heavy commercial vehicles etc. Our products include Transmission Gears, Shafts, Engine Timing Gears, Sprockets, Switchgears, Ratchets, Precision turned, machined, heat treated and ground components majorly for the automotive industry.

We are a customer centric organization obsessed with world class benchmarking and are supplying to top global OEM's like BMW Motorrad, Germany, Kubota Corporation (Japan, Thailand & USA), I.T. Switzerland (SAME Group Company), KTM AG (Austria), Schneider Electric (Germany), Dana (Italy & China) amongst others. We take immense pride in highlighting the fact that RACL is a single source supplier for majority of these clients. RACL is a strong link in the global supply chain of these companies for automotive components.

RACL is a completely professionally run organization that employs over 500 people. Our modern manufacturing certified facilities located at Gajraula (100 kms from New Delhi) and Noida (DELHI NCR) are collectively manufacturing more than 5 million Gears a year. Our company has witnessed exponential growth over the last decade and is fast-moving towards reaching the vision laid out by its promoters. For the year ended Financial Year 2015-16 RACL did a business for INR 118 crores (1.18 billion) in automotive industry, out of which around 50 percent of business was through export market.

Being a quality driven company, RACL has stringent quality testing procedures which are in line with global quality standards. The company has employed state-of-the-art machines and highly skilled workforce working around the clock to manufacture high quality components. Further, there is a dedicated quality control department staffed with highly experienced quality controllers.

### **a) The Global Economy 2015-16**

In financial year 2015-16, global economic activity remained subdued. Growth in emerging market and developing economies, while still accounting for over 70 percent of global growth declined for the fifth consecutive year, while a modest recovery continued in advanced economies. Three key transitions continue to influence the global outlook: (1) the gradual slowdown and rebalancing of economic activity in China away from investment and manufacturing toward consumption and services, (2) lower prices for energy and other commodities, and (3) a gradual tightening in monetary policy in the United States in the context of a resilient U.S. recovery as several other major advanced economy central banks continue to ease monetary policy.

For the auto industry, F.Y. 2015-16 was a mixed bag by any measure. The auto industry has enormous growth within the last few years predominantly in the BRIC economies. Oil prices tumbled with a new low and commodities prices remained subdued.

However, with the global automotive market still far away from being saturated, a new wave of growth will take place in new emerging countries in the coming years. Automakers have made massive investments in emerging market countries and must be extremely nimble if they are to successfully navigate the next few years.

### **Indian Automotive Sector/Environment**

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF). The improvement in India's economic fundamentals has accelerated in the year 2015-16 with the combined impact of strong government reforms, RBI's inflation focus supported by benign global commodity prices.



The Indian auto industry is one of the largest in the world. India is also a prominent auto exporter and has strong export growth expectations for the near future. For the second year in row, the Indian automobile industry witnessed growth in sales in F.Y. 2015-16. The growth was visible across all the segments on account of improved macroeconomic environment (faster GDP growth, easing financing cost, fuel cost).

The Government of India encourages foreign investment in the automobile sector and allows 100 % FDI under the automatic route. Government of India aims to make automobiles manufacturing the main driver of 'Make in India' initiative. The Automobile Mission Plan (AMP) for the period 2006–2016, designed by the government is aimed at accelerating and sustaining growth in this sector. Also, the well-established Regulatory Framework under the Ministry of Shipping, Road Transport and Highways, plays a part in providing a boost to this sector.

The economy would also reap benefits from implementation of the salary and pension revisions recommended by the One Rank One Pension Scheme and the Seventh Pay Commission cheered by normal monsoon forecast by India Meteorological Department (IMD) in 2016.

## **b) Opportunities**

Having proven ourselves in the automotive industry, RACL have initiated its process to diversify into the field of Aerospace & Defence segment. With trust and confidence on our present manufacturing capabilities, the company finds itself in a strong position to invest in setting up a dedicated workforce and area for this new venture. Further, we are contemplating to apply for defence manufacturing license for certain items required by the Indian Armed Forces, civil aviation ministry & railways.

Some of other major opportunities in the automobile sector for RACL are as follows:

- Increased affordability, heightened demand and rising incomes of the Indian population due to the Seventh Pay Commission shall drive demand for auto ancillaries.
- increased outsourcing demand as India is being seen as a low cost centre.
- Softness in steel and rubber prices implies higher margins.
- Oil prices tumbled with a new low and commodities prices remained subdued.
- Greater thrust of auto OEMs' on localisation and increased replacement market demand shall increase demand for auto components.

## **Threats**

- Macroeconomic uncertainty, Recession, un-employment etc. are the economic factors which will daunt the automobile industry for a long period of time.
- Emergence of spurious spare parts.
- Presence of such a large number of players in the Automobile industry results into extensive competition, every company eating into others share. With this Competition from imports from China, Taiwan and other ASEAN countries is also a major threat for RACL.
- High fixed cost and investment in R & D: Due to the fact that mature markets are already overcrowded, industry is shifting towards emerging markets by building facilities, R & D centers in these markets. But the ROI out of these decisions is yet to be capitalized.
- Continued volatility of Raw Material prices.
- Scarcity of skilled knowledgeable manpower at competitive price.



### c) Segment-wise performance

The Company has one line of business, namely, manufacturing of gears, shafts and other automotive component parts. The Company has no unit (plant) of production outside India; therefore, there is no geographical segment and no production segment wise information is required.

### d) Outlook

The Indian automobile industry has a prominent future in India. Apart from meeting the advancing domestic demands, it is penetrating the international market too. Favoured with various benefits such as globally competitive auto-ancillary industry; production of steel at lowest cost; inexpensive and high skill manpower. Global economy is set to pick up with advanced economies showing signs of growth and major emerging economies are stabilizing.

The automotive components industry would boost from 'Make in India', rural growth focused union budget 2015-16 and positive monsoon forecast. The Long term outlook is positive. The government at the centre is making efforts to drive the economic growth at 8% to 9% rate. The focus on automotive sector is high. The issues are to accelerate the key reforms on bank financing driving growth, simplifying of taxation by way of implementation of GST and improving the ease of doing business. 'MAKE IN INDIA' initiatives need to be participated by both Central and State government.

With the various reforms initiated by the government at the Centre, the company is optimistic that actions will quickly result into reviving the economy through increase in capital expenditure in utilities, industry and infrastructure. Your Company is fully ready to address such growth opportunities in the near future.

Notwithstanding, the Company's management team remains holistically focused and committed to deliver increased value for its stakeholders. RACL has been strategically placed itself to sustain its growth trajectory by rapidly growing its export footprint while optimizing its capacity to serve the domestic market.

### e) Risks & Concerns

At the operational level there are several risks that are inherent to the business. These are typically transactional in nature. These risks are managed through internal processes and controls. In addition, the Company has to deal certain major micro risks that affect the Company's strategy implementation.

- 1) **Business Risks:** Since the company is a component manufacturing entity, it is dependent on the demand of the Automobile Industry. Variance in the demand and supply of the product in various areas is a major risk.

Based on experience gained from the past and by following the market dynamics as they evolve, the Company is able to predict the demand during a particular period and accordingly supply is planned and adjusted.

- 2) **Operational Risks:** These risks relate broadly to the company's organization and management, such as planning, monitoring and reporting systems in the day to day management process namely:
  - Organization and management risks,
  - Production, process and productivity risks,
  - Quality Management and product liability/recall risks in overseas business,
  - Profitability,

**Risk mitigation measures:**

- The Company functions under a well-defined organization structure.
- Flow of information is well defined to avoid any conflict or communication gap between two or more Departments.
- Second level positions are created in each Department to continue the work without any interruption in case of non-availability of functional heads.
- Proper policies are followed in relation to maintenance of inventories of raw materials, consumables, key spares and tools to ensure their availability for planned production programmes.
- Effective steps are being taken to reduce cost of production on a continuing basis taking various changing scenarios in the market.
- Effective controls & measures are adopted to ensure defect free product to customers.
- Suitable product liability/recall Insurance policies have been undertaken to mitigate export business quality risks.

**3) Financial/Market Risks:**

- Financial solvency and liquidity risks,
- Borrowing limits,
- Cash management risks,

**Risk Mitigation Measures:**

- Proper financial planning is put in place with detailed Annual Business Plans discussed at appropriate levels within the organization.
- Annual and quarterly budgets are prepared and put up to management for detailed discussion and an analysis of the nature and quality of the assumptions, parameters etc.
- These budgets with Variance Analysis are prepared to have better financial planning and study of factors giving rise to variances.
- Daily and monthly cash flows are prepared, followed and monitored at senior levels to prevent undue loss of interest and utilize cash in an effective manner.

**4) Credit Risks:**

- Risks in settlement of dues by dealers/customers,
- Bad and doubtful debts,
- Foreign Exchange and Interest Rate Risks,

**Risk Mitigation Measures:**

- Systems put in place for assessment of creditworthiness of dealers/customers.
- Provision for bad and doubtful debts made to arrive at correct financial position of the Company.
- Appropriate recovery management and follow up.
- Hedging, forward contracts and Bill Discounting etc. are used.

**5) Market Risks / Industry Risks:**

- Demand and Supply Risks,
- Quantities, Qualities, Suppliers, lead time, interest rate risks,
- Raw material rates,
- Interruption in the supply of raw material,

**Risk Mitigation Measures:**

- Raw materials are procured from different sources at competitive prices.
- Alternative sources are developed for uninterrupted supply of raw materials.
- Demand and supply are external factors on which company has no control, but however the Company plans its production and sales from the experience gained in the past and an on-going study and appraisal of the market dynamics, movement by competition, economic policies and growth patterns of different segments of users of company's products.
- The Company takes specific steps to reduce the gap between demand and supply by expanding its customer base, improvement in its product profile, delivery mechanisms, technical inputs and advice on various aspects of de-bottlenecking procedures, enhancement of capacity utilization in customer-plants etc.
- Proper inventory control systems have been put in place.

**6) Legal Risks:**

- Contract Risks,
- Contractual Liability,
- Frauds,
- Judicial Risks,
- Insurance Risks,

**Risk Mitigation Measures:**

- A study of contracts with focus on contractual liabilities, deductions, penalties and interest conditions is undertaken on a regular basis.
- The Authorized persons vet legal and contractual documents with legal advice, if required, from Legal retainers for different branches of legislation.
- Contracts are finalized as per the advice from legal professionals and Advocates.
- Insurance policies are audited to avoid any later disputes.
- Timely payment of insurance and full coverage of properties of the Company under insurance.
- Internal control systems for proper control on the operations of the Company and to detect any frauds.

**7) Human Resource Risks:**

- Labour Turnover Risks, involving replacement risks, training risks, skill risks, etc.
- Unrest Risks due to Strikes and Lockouts.

**Risk Mitigation Measures:**

- Company has proper recruitment policy for recruitment of personnel at various levels in the organization.
- Proper appraisal system for revision of compensation on a periodical basis has been evolved and followed regularly.
- Employees are trained at regular intervals to upgrade their skills.
- Labour problems are obviated by negotiations and conciliation.
- Activities relating to the Welfare of employees are undertaken.
- Workmen of the company are covered under ESI, EPF, etc., to serve the welfare of the workmen.
- Employees are encouraged to make suggestions and discuss any problems with their Superiors.
- Employees at a level are covered under insurance covers to mitigate any occupational hazards.





#### **f) Internal Control Systems and their adequacy**

The Company has an Internal Control process which aims at providing reasonable assurance on reliability of financial information, compliances with laws and regulations in force and realisation and optimisation of operations. It ensures documentation and evaluation of unit and entity level controls through existing policies and procedures, primarily to identify any significant gaps and define key actions for improvement. Installation of Compliance Mantra system to doubly ensure the enforcement of compliances and various laws on the company.

The Company's internal controls are supplemented by an extensive programme of internal audits, review by management and documented policies, guidelines and procedures. Internal Auditors reports its findings to the Audit Committee and to the Board of Directors. The internal controls are designed to ensure that financial and other records are reliable for preparing financial information and other data, and for maintaining accountability of assets.

The Audit Committee and the Board of Directors review internal controls and the progress of implementation of the recommendations of internal audits. The management actively implements the recommendations of such reviews.

#### **g) Performance of the Company**

In the Financial Year 2015-16, the company achieved an overall income of Rs. 118.15 crores from operations as compared to Rs. 107.72 crores in 2014-15, thus achieving a growth of 9.69 %. The company achieved an operating profit of Rs. 5.69 crores (PBT) as compared to Rs. 4.98 crores (PBT) in last year. The company has made a provision of Rs. 1.99 crores on account of Income Tax / Deferred Tax Liabilities.

The company has MAT credit of Rs. 1.39 crores which shall be utilized/ adjusted for payment of Income Tax in future. Company has a Reserve & Surplus of Rs. 34.82 crores as on 31.03.2016 as compared to Rs. 31.12 crores in last year.

The Company continues to make concerted efforts at leveraging relationships with existing customers as well as widening the customer base by adding new customers. The company added Winch House India Private Limited and New Tractors Parts Private Limited in terms of new customers in the financial year 2015-16. However, there were significant requirements for new product development of existing clients. The wider product portfolio was important to build the export business.

RACL Geartech Limited (RACL) continues to service a strong customer base, many of these customers are global players with a domestic presence in India. The Company continues with its effort to strengthen and cement relationships with these customers in the domestic market and explore opportunities to service their global needs. RACL remains positioned globally as a cost competitive manufacturer with focus on quality. Continuous efforts are being undertaken to maintain the highest delivery standards in terms of 'on time' and 'in full'. The larger customer base with wider product portfolio, which is fast emerging as the need of the markets today, increases the challenges on this front. It has introduced a degree of flexibility in its production equipment and is continuously working on improving its planning systems.

#### **EXPORT**

In line with the trend seen in last few years, the conscious effort to export and penetrate global markets is starting to bear fruit. Export sales increased by 18.24 % from 49.89 crore in financial Year 2014-15 to 58.99 crores in financial Year 2015-16. Consequently over the last 5 years, the share of exports in sale of automotive gears and components has increased gradually from 18.78% in financial Year 2011-12 to 52 % in financial Year 2015-16.



This growth is a testimony to the good delivery record in the initial phase with global customers who have now extended orders and also started developing new products. While the global markets are under stress, RACL has a miniscule share of the global pie and there is ample scope and opportunities to grow exports aggressively.

#### **h) HUMAN RESOURCES EFFICIENCY**

The Company believes in the philosophy of that employees are its real strength and contribution of the participative management is the real force for growth and development of any organization.

Company has taken sufficient steps to impart practical training to its work force at all levels. A separate cell in HR function has already been created for imparting such training in the plant itself. In order to encourage the senior staff, they are being deputed to attend Conferences, Seminars, In-house Workshops, so that they are satisfied & bring in knowledge & skills to RACL for mutual benefits.

The permanent employees strength on pay rolls of your Company as on the end of financial year March 31, 2016 was 504.

#### **i) Cautionary Note**

This Management Discussion and Analysis statement contains, what could be regarded as forward-looking statements and information. These statements include forecasts and estimates as well as the assumptions on which they are based, statements related to projects, objectives and expectations concerning future operations, products and services or future performance. The readers are hereby cautioned and advised that these forward-looking statements are subject to numerous risks and uncertainties that are difficult to foresee and actual outcomes might differ.

**For and on behalf of the Board**  
**For RACL Geartech Limited**  
(Formerly Raunaq Automotive Components Limited)

**Place: Noida**  
**Date: August 6, 2016**

**Sd/-**  
**Gursharan Singh**  
**Chairman and Managing Director**

**Regd. Office: 15<sup>TH</sup> Floor, Chiranjiv Tower, 43,  
Nehru Place, New Delhi-110019, INDIA**  
**Ph. : +91-11-26418622, Fax : +91-11-26448962**  
**Email : investor@raclgeartech.com**



## REPORT ON CORPORATE GOVERNANCE

In terms of Regulation 34 (3) read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter also referred to as "Listing Regulations"], this Report along with the Management Discussion and Analysis reports on Company's (RACL Geartech Limited, hereinafter also referred to as the 'Company' or 'RACL Geartech') compliance on Corporate Governance provisions applicable to listed companies in India.

### Company's philosophy on Corporate Governance

In rapidly changing business and technological environment, your Company regularly reviews its strategic direction; operational efficiency and effectiveness; reliable reporting and compliances and such measures so as to meet various stakeholders' expectations and long term sustainability.

The Company's philosophy on Corporate Governance revolves around principles of ethical governance and is aimed at conducting of business in an efficient and transparent manner and in meeting its obligations to shareholders and other stakeholders. This objective is achieved by adopting corporate practices based on principles of transparency, accountability, fairness and integrity to create long term sustainable value for all its stakeholders.

### Board of Directors

For RACL Geartech Limited corporate governance begins at the top of its Governance structure, its Board of Directors, which comprises of experts who are committed to the key underlying principles and values that constitute the best standards of corporate governance.

#### A. Composition of the Board

The strength of the Board of Directors as on 31.03.2016 was 7 (seven), of the total 7 (seven) Directors, 2 (Two) Directors are Executive Directors, 5 (five) Directors are non-executive, including 4 (four) independent directors and 1(one) (woman director).

#### B. Brief particulars of the Directors seeking appointment or reappointment in the forthcoming AGM

##### Mrs. Narinder Paul Kaur - Non-executive Director

Mrs. Narinder Paul Kaur, aged 53 years is professionally qualified and has been looking and supervising the functioning of Noida plant of the company since 2011.

She has a deep knowledge about the business and good administrative skills and has improved the operations of the Noida unit during last 5 years. She has been instrumental in successfully working of the Noida plant. Under her able guidance, the company has successfully increased the Noida Plant operations.

At present, she is also on the Board of Aadhar Infosystems Private Limited and Joy River Enterprises Private Limited.

She holds 5,967 equity shares in the Company as on March 31, 2016.

Mrs. Narinder Paul Kaur is wife of Mr. Gursharan Singh, Chairman & Managing Director, accordingly Mr. Gursharan Singh and Mr. Prabh Mehar Singh son of Mr. Gursharan Singh, both are considered as an interested Director and interested relatives of director respectively.

Except Mr. Gursharan Singh and Mr. Prabh Mehar Singh son of Mr. Gursharan Singh, none of the directors and key managerial personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the appointment.

**C. Attendance of Directors at Board Meetings, last Annual General Meeting and their directorships and committee positions**

Details of attendance of the Directors at Board Meetings, last Annual General Meeting and their directorships and committee positions during the financial year under report is as under:

Sl. No.	Name of Director	Category/Designation	Number of Board Meeting		Attendance the last AGM held on 30.09.2015	Number of outside Director-ships of public companies <sup>1</sup> (As on March 31, 2016)	Number of Outside Board-level Committees <sup>2</sup> where chairperson or member (A on March 31, 2016)	
			Held during tenure	Attended			Member	Chairman
1.	Mr. Gursharan Singh	Promoter & Executive Director (Chairman & Managing Director)	4	4	yes	1	-	-
2.	Mr. Dev Raj Arya	Promoter & Executive Director (Whole-time Director & CFO)	4	4	yes	-	-	-
3.	Mr. Anil Sharma	Non-Executive Independent Director	4	4	yes	-	-	-
4.	Mr. Madan Lal	Non-Executive Independent Director	4	4	No	3	3	1
5.	Mr. Raj Kumar Kapoor	Non-Executive Independent Director	4	4	yes	1	-	-
6.	Mr. Rakesh Kapoor	Non-Executive Independent Director	4	4	yes	2	1	1
7.	Mrs. Narinder Paul Kaur	Non-Executive Director/ Professional Director	4	4	yes	-	-	-
8.	Mr. Devender Singh <sup>3</sup>	Non-Executive Nominee Director	3	1	No	3	-	-

<sup>1</sup> Excludes foreign directorships and private limited companies

<sup>2</sup> Audit Committee and the Stakeholders Relationship Committee.

<sup>3</sup> Mr. Devender Singh, Nominee Director (PICUP) has retired from the services of PICUP w.e.f. 31.12.2015 and he has been ceased to be director of the company (i.e. RACL Geartech Limited) w.e.f. 31.12.2015.

As mandated by Regulation 26(1) of Listing Regulations, none of the Directors is a member of more than 10 (ten) Board-level committees of public limited Indian companies; nor are they Chairperson of more than 5 (five) committees in which they are directors.



#### **Disclosure of relationships between directors inter-se;**

Except Mr. Gursharan Singh, Chairman & Managing Director and Mrs. Narinder Paul Kaur, Non-Executive Director (wife of Mr. Gursharan Singh) none of the Directors of the Company is related to the other Director.

#### **D. Number of Board Meetings**

During the financial year ended March 31, 2016, the Company held 4 (Four) Board meetings on –May 20, 2015, August 06, 2015, November 4, 2015 and February 11, 2016.

#### **E. Board Procedure**

The Board Meetings of the Company are convened by the Company Secretary on the direction of the Chairman of the company. Sufficient notice in writing is given to all Directors for the Board Meetings and/or other Committee Meetings. All important matters concerning the working of the Company alongwith requisite details are placed before the Board.

#### **F. Information supplied to the Board**

The Board has complete access to all information of the Company, including *inter-alia*, the information to be placed before the Board of Directors as required under the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015. The important decisions taken at the Board / Board Committee meetings are communicated to the concerned Departments / Divisions.

#### **G. Compliance reports of all laws applicable to the Company**

The periodical reports submitted by the Internal Auditors and by the concerned executives of the Company with regard to compliance of all laws applicable to the Company including steps taken by the Company to rectify instances of non-compliances, if any, are being reviewed by the Audit Committee and the Board.

#### **H. Code of Conduct and Ethics**

In accordance with Regulation 17(5) of Listing Regulations, the Company's Board of Directors have laid down a 'Code of Conduct for Directors and Senior Management Personnel' of the Company. Duties of independent directors as laid down in the Companies Act, 2013 have been incorporated in the code. The Code is posted on the Company's website - [www.raclgeartech.com](http://www.raclgeartech.com)

The purpose of this 'Code of Conduct' is to promote conduct of business ethically in an efficient and transparent manner and to meet its obligations to shareholders and all other stakeholders.

The Chairman & Managing Director, Mr. Gursharan Singh has made a declaration that members of the Board and Senior Management Executives have affirmed compliance with the Companies 'Code of Conduct for Directors and Senior Management Personnel' for the financial year ended March 31, 2016.

Your Company understands reputation and integrity can only be built by continuously reinforcing ethical rules and procedures.

The development of the integrity culture is a key priority for the Company.



## **RACL Vigil Mechanism**

In accordance with Section 177 of the Companies Act, 2013 and Regulation 22 of Listing Regulations, your Company has a “Vigil Mechanism / Whistle Blower Policy”, which encourages its stakeholders (including employees and directors) who have concerns about any actual or potential violation of the legal and regulatory requirements, unethical process, incorrect or misrepresentation of any financial statements and reports, any claim of theft or fraud, and any claim of retaliation, to come forward and express his/ her concerns without fear of punishment or unfair treatment.

Through this procedure employees are encouraged to raise integrity concerns and feel confident that they can do so without any fear of retaliation. It is affirmed that, during the year under review no personnel has been denied access to the audit committee.

Alert Procedure available on the Company’s website and the weblink for the same is [http://raclgeartech.com/pdfs/Vigil\\_Mechanism\\_Whistle\\_Blower\\_Policy\\_july2016.pdf](http://raclgeartech.com/pdfs/Vigil_Mechanism_Whistle_Blower_Policy_july2016.pdf)

## **Policy for Determination of Materiality of Event or Information**

During the year, the Board of RACL Geartech Limited in compliance to Regulation 30 of Listing Regulations, has approved and adopted “Policy for Determination of Materiality of Event or Information” and authorized key managerial personnels - Mr. Gursharan Singh, Chairman & Managing Director and Mr. Dev Raj Arya, Director & CFO of the company for determining materiality of an event or information and authorized Mr. Gursharan Singh, Chairman & Managing Director, Mr. Dev Raj Arya, Director & CFO and Mr. Hitesh Kumar Company Secretary of the company for making disclosure of the same to the Stock Exchange.

The policy aims to ensure compliance with corporate governance principles by promoting disclosure and transparency. During the year, the Company has made disclosures to Stock Exchange at the time of occurrence of the event/information and where applicable, made periodic disclosures on the associated material developments.

Policy for Determination of Materiality of Event or Information is available under corporate governance section on the website [http://raclgeartech.com/pdfs/Policy\\_for\\_Determination\\_of\\_Materiality\\_of\\_Event\\_or\\_Information.pdf](http://raclgeartech.com/pdfs/Policy_for_Determination_of_Materiality_of_Event_or_Information.pdf)

## **Document Preservation and Archival Policy**

During the year, the Board of RACL Geartech Limited in compliance to Regulation 9 of Listing Regulations, has approved and adopted “Document Preservation and Archival Policy” The policy establishes guidelines for management, for preservation, archival and destruction of Documents by the Company. This policy sets out Data Retention Schedule for Company Documents and the related procedures to be followed to ensure compliance with this Policy. Retention periods are based on legal, tax, audit and defined business needs.

Document Preservation and Archival Policy is available under corporate governance section on the website [http://raclgeartech.com/pdfs/Document\\_Preservation\\_and\\_Archival\\_Policy.pdf](http://raclgeartech.com/pdfs/Document_Preservation_and_Archival_Policy.pdf)

## **I. Remuneration to Directors**

Details of remuneration to Directors, both executive and non-executive, during the financial year ended March 31, 2016 are as under:



**A. Non-Executive Directors**

(Amount in Rs.)

Sl. No.	Name of the Director	Position	Sitting Fee	Commission/ Retainership fees	Total
1	Mr. Anil Sharma	Independent Director	175,000	Nil	175,000
2	Mr. Madan Lal	Independent Director	147,000	Nil	147,000
3	Mr. Raj Kumar Kapoor	Independent Director	1,55,000	Nil	1,55,000
4	Mr. Rakesh Kapoor	Independent Director	1,35,000	Nil	1,35,000
5	Mr. Devender Singh	Nominee Director	20,000	Nil	20,000
6	Mrs. Narinder Paul Kaur <sup>1</sup>	Non-Executive/Woman Directors	85,000	7,20,000	8,05,000

<sup>1</sup> She is working with the company as a professional director on retainership basis.

**Notes:**

- In addition to the sitting fees, for attending the Board and/ or Committee meetings, in terms of the approval of Shareholders by way of Special Resolution was passed by the shareholders at their meeting held on September 30, 2015. Such of the non-executive Directors resident in India are entitled to remuneration by way of fees (including retainership fees) or commission of such amount, proportion and manner, as may be determined by the Board (including Nomination & Remuneration Committee) not exceeding in the aggregate 1% (one percent) of the net profits of the Company in a financial year computed in the manner laid down in Section 197 of the Companies Act, 2013 (in the case, if services rendered by Non executive Directors are of a professional nature then one percent limit shall not apply).
- The criteria for payments, including the extent, amount, proportion and manner of payment, to non-executive Directors, resident in India, is determined by the Board (including Nomination & Remuneration Committee).

**B. Executive Directors**

(Rs. in Lacs)

Sl. No.	Name of the Director	Designation	Salary	Perquisites & Allowances	Bonus/ Commission	Total
1	Mr. Gursharan Singh	Chairman & Managing Director	42.00	29.35	8.00	79.35
2	Mr. Dev Raj Arya	Whole-time Director & CFO	24.00	17.05	Nil	41.05

**Notes:**

- At the Annual General Meeting held on September 30, 2015, the remunerations of Mr. Gursharan Singh, Chairman & Managing Director and Mr. Dev Raj Arya, Director & CFO of the company has been increased by 7% (annualised basis) and approved by the Shareholders for a period of two years.
- Notice period and severance fees: Six months' notice or Six months' salary in lieu of notice may be given by the Company; and Six months' notice may be given by the Executive Directors (or such shorter notice as may be agreed) subject to terms of their employment.



- (iii) The other terms and conditions of the payment of remunerations and provisions of other facilities as specified by AGM resolution dated 30<sup>th</sup> September, 2011.

### Shareholding of Directors

None of the Directors and Key Managerial Personnel of the Company was holding shares in the Company as at the beginning of the year, during the year and at the end of the year, except the following:

Sr. No.	Name of the Directors	As on 31.03.2016	As on 31.03.2015
1.	Mr. Gursharan Singh	68052	67052
2.	Mr. Dev Raj Arya*	Nil	31834
3.	Mrs. Narinder Paul Kaur	5967	5667

\* Shares transferred in the account of Mrs. Raj Arya, W/o Mr. Dev Raj Arya (as joint holder).

### Committees of the Board of Directors

#### A. Audit Committee

The Company has an adequately qualified and independent Audit Committee. As on March 31, 2016, the composition of the Committee is as under:

Sl. No.	Name of Director	Category
1	Mr. Raj Kumar Kapoor	Independent Director - Chairman
2	Mr. Anil Sharma	Independent Director - Member
3	Mr. Rakesh Kapoor <sup>1</sup>	Independent Director - Member

<sup>1</sup> Mr. Rakesh Kapoor Appointed as member of audit committee w.e.f. November 4, 2015.

The above composition duly meets the requirement under Regulation 18 of Listing Regulations.

The Whole-time Director (F) & Chief Financial Officer, Internal Auditors and the representatives of Statutory Auditors are invitees to the relevant meetings of the Audit Committee.

During the year under review, the terms of reference of the Audit Committee were in accordance with Section 177 of the Companies Act, 2013 read with the rules framed thereunder and Regulation 18 read with Part C of Schedule II of Listing Regulations.

The Audit Committee acts as a link between the management, external and internal Auditors and the Board of Directors.

During the financial year ended March 31, 2016, the Company held 4 (four) Audit Committee meetings on – May 20, 2015, August 06, 2015, November 4, 2015 and February 11, 2016. The attendance of the Audit Committee Members at the said meetings is detailed below:





Sl.No.	Names of Director	Number of Meetings held during their tenure	Number of Meetings attended
1	Mr. Raj Kumar Kapoor	4	4
2	Mr. Anil Sharma	4	4
3	Mr. Rakesh Kapoor	1	1
4	Mr. Devender Singh*	3	1

\*Mr. Devender Singh, Nominee Director (PICUP) has retired from the services of PICUP w.e.f. 31.12.2015 and he has been ceased to be director of the company and ceased to be a member of Audit committee w.e.f. 31.12.2015.

Mr. Raj Kumar Kapoor, Chairman, Mr. Anil Sharma and Mr. Rakesh Kapoor, member of Audit Committee attended the last Annual General Meeting of the Company.

## B. Nomination and Remuneration Committee

In terms of section 178 of the Companies Act, 2013 read with the rules framed thereunder, the Board of Directors of the Company have constituted Nomination and Remuneration Committee. The composition of the Nomination and Remuneration Committee is as under:

Sl. No.	Name of Director	Category
1	Mr. Rakesh Kapoor	Independent Director- Chairman of the Committee
2	Mr. Anil Sharma	Independent Director- Member
3	Mr. Madan Lal	Independent Director- Member
4.	Mr. Gursharan Singh	Member

Your Company also has a Nomination and Remuneration Policy annexed with the Directors report as “Annexure – A”.

The terms of reference of Nomination and Remuneration Committee are in accordance with Regulation 19 read with Part D of Schedule II of Listing Regulations.

The duties and responsibilities of the Nomination and Remuneration Committee include:

- Formulating criteria for determining qualifications, positive attributes and independence of a director.
- Identifying potential persons for appointment as Directors, Key Managerial Personnel (KMP) and other Senior Management positions.
- Recommending to the Board a policy, relating to the remuneration of the Directors, Senior Management, KMP and other employees, as may be applicable
- Formulating criteria for evaluation of Independent Directors and the Board and carry out evaluation of every Director's performance.
- Devising a policy on Board diversity.
- Ensuring that level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully.
- Ensuring the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and remuneration payable to Directors, Senior Management, Key Managerial Person involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.



During the financial year ended March 31, 2016, the Company held 2 Nomination and Remuneration Committee meetings on July 18, 2015 and February 11, 2016. The attendance of the Nomination and Remuneration Committee Members at the said meetings is detailed below:

Sl. No.	Names of Director	Number of Meetings held during their tenure	Number of Meetings attended
1.	Mr. Rakesh Kapoor	2	2
2.	Mr. Anil Sharma	2	2
3.	Mr. Madan Lal	2	2
4.	Mr. Gursharan Singh	2	2

### C. Stakeholders Relationship Committee

The Board of Directors have constituted a "Stakeholders Relationship Committee" in terms of the Companies Act, 2013 and Listing Regulations.

The present composition of the Committee is as under:

Sl. No.	Name of Director	Category
1	Mr. Madan Lal	Independent Director- Chairman
2	Mr. Gursharan Singh	Member
3	Mr. Dev Raj Arya	Member

During the financial year ended March 31, 2016, the Company held 14 Stakeholders Relationship Committee meetings on - June 29, 2015, July 6, 2015, August 10, 2015, August 24, 2015, August 31, 2015, September 14, 2015, September 23, 2015, October 05, 2015, October 12, 2015, October 19, 2015, February 1, 2016, February 22, 2016, February 29, 2016 and March 14, 2016.

The Committee is responsible for all matters concerning the share transfers, transmissions, issue of duplicate share certificates and attending to the grievances of the shareholders. The terms of reference of the Committee, in addition to those which are already entrusted by the Board, also includes terms of reference, as per section 178 of the Companies Act, 2013, Regulation 20 read with Part D of Schedule II of Listing Regulations or any other laws/rules, as applicable or amended from time to time.

In terms of Regulation 6 of Listing Regulations, Mr. Hitesh Kumar, Company Secretary is the 'Compliance Officer', who may also be contacted for any matter relating to share transfers/transmissions, non-receipt of Annual Reports, etc.

There was no complaint pending for resolution as at April 01, 2015. During the financial year ended March 31, 2016, the Company received 2 complaints from shareholders and the same was resolved at that time to the satisfaction of the shareholders. The Company through its Registrars and Share Transfer Agents, MAS Services Ltd. is extending full support to the investors of the company. There were no shares pending for transfer and no complaints of shareholders pending as at March 31, 2016.

### D. Corporate Social Responsibility (CSR) Committee

In terms of section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has Corporate Social Responsibility Committee (CSR Committee).



The composition of the committee is as under:-

Sl. No.	Names of Director	Category	Number of Meetings held during their tenure	Number of Meetings attended
1.	Mr. Anil Sharma	Chairman	-	-
2.	Mrs. Narinder Paul Kaur	Member	-	-
3.	Mr. Dev Raj Arya	Member	-	-

\* Board of Directors of the company have constituted the Corporate Social Responsibility Committee (CSR Committee) at its meeting held on February 11, 2016.

The terms of reference of the Corporate Social Responsibility Committee are in accordance with section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014. Its mandate include recommending to the Board of Directors a CSR Policy, expenditure to be incurred on CSR and monitor CSR activities.

#### **E. Independent Directors meeting**

In compliance with Regulation 25(3) of Listing Regulations, a meeting of independent directors was held on March 30, 2016, without the attendance of non-independent directors and members of management. All the independent directors were present in the meeting. The independent directors in that meeting reviewed/ assessed:

- performance of non-independent directors and the Board as a whole;
- performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

#### **Familiarisation programme for Independent Director**

Your Company has adopted a 'Familiarisation Programme for Independent Directors' to familiarise them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. Your Company aims to provide its Independent Directors, insight into the Company enabling them to contribute effectively.

The details of familiarisation programmes may be accessed under the Corporate Governance section of the website [http://raclgeartech.com/pdfs/Familiarisation\\_Programme\\_for\\_Independent\\_Directors.pdf](http://raclgeartech.com/pdfs/Familiarisation_Programme_for_Independent_Directors.pdf) During the year under review, Independent Directors were apprised on an ongoing basis in the various Board/Committee meetings on macro-economic environment, information on business performance, operations, financial parameters, working capital management, fund flows, update on statutory compliances for Board members, etc. Apart from this, two familiarization programs were conducted in the financial year 2015-16, which were attended by all the Independent Directors. Total number of hours spent by each Independent Director in these programs was four hours.



## General Body Meetings

The details of Annual General Meetings held during the last three years are given below:

### Annual General Meetings

S.No.	Date	Time	Venue/Location
1	September 30, 2013	11.00 AM	Shivam Garden, Bawana Road, Narela, Delhi – 110 040
2	September 30, 2014	11.00 AM	Shivam Garden, Bawana Road, Narela, Delhi – 110 040
3	September 30, 2015	11.00 AM	Shivam Garden, Bawana Road, Narela, Delhi – 110 040

### Special resolutions passed in General Meetings during last three years Annual General Meetings (AGM)

#### September 30, 2013

- Re-appointment of Mr. Gursharan Singh, as Chairman & Managing Director of the company.
- Re-appointment of Mr. Dev Raj Arya, as Whole Time Director of the company.

#### September 30, 2014

- Approval for issue of equity shares on preferential basis.
- Approval for borrowing money in excess of the aggregate of the paid up share capital and free reserves of the Company.

#### September 30, 2015

- Approval for adoption new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013.
- Approval for the change of name of the company.
- Approval for the payment of remuneration to Non-executive Directors.
- Approval for the payment of remuneration to Mr. Gursharan Singh, Chairman & Managing Director.
- Approval for the payment of remuneration to Mr. Dev Raj Arya, Whole time Director & CFO.
- Approval for the Alteration to the Capital Clause (Clause V) of the Memorandum of Association of the Company.

### Resolutions by Postal Ballot

During the year, the following Special resolutions were passed through postal ballot on October 3, 2015:

S. No.	Particulars of Resolution	Type of Resolution	% of votes in favor of the resolution on votes polled
1	Alteration to the Object clause (Main Object clause) of the Memorandum of Association of the Company.	Special Resolution	100%
2.	Alteration to the liability clause of the Memorandum of Association of the Company.	Special Resolution	100%

Mr. K. K. Malhotra, Company Secretary in Whole-time Practice, was appointed as the scrutinizer to scrutinize the e-voting process and to conduct the postal ballot process. The above resolutions have been passed with the



requisite majority. The Company has complied with the procedures for the postal ballot in terms of section 110 of Companies Act, 2013 and rules made there under and Secretarial Standards on General Meeting (SS - 2) and clause 35B of the listing agreement with stock exchange.

**None of the Special Resolutions is proposed to be conduct through postal Ballot. Therefore Procedure for postal ballot shall not be applicable.**

## **DISCLOSURES**

The Company is in compliance with all applicable mandatory requirements of Listing Regulations and/or any other regulations and guidelines of SEBI. The Company has adopted non mandatory requirements wherever necessary. Also the Company's financial statements are free from any qualifications by the Auditors.

Further, the Company has complied with the corporate governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. And there is no non-compliance of any requirement of corporate governance report as specified in Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

No material financial and commercial transactions were reported by the management to the Board, in which the management had any personal interest that either had or could have had a conflict with the interest of the Company at large.

No penalties or strictures have been imposed by SEBI, Stock Exchanges or any other statutory authority on matters relating to capital markets during the last three years.

## **Materially significant related party transactions**

In terms of Regulation 23 of Listing Regulations, your Company has Related Party Transaction Policy on dealing with Related Party Transactions. The policy may be accessed at the web-link [http://raclgeartech.com/pdfs/Related\\_Party\\_Transaction\\_Policy\\_july2016.pdf](http://raclgeartech.com/pdfs/Related_Party_Transaction_Policy_july2016.pdf)

All related party transactions during the financial year were on arm's length basis and were in the ordinary course of business. During the year, there were no material related party transactions made by the Company which could be considered material in accordance with Related Party Transactions Policy of the Company.

## **Code of Conduct for Prevention of Insider Trading**

In view of Regulation 9 of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, a Code of Conduct to Regulate, Monitor and Report Trading by Insiders was adopted on May 20, 2015. This Code replaces Code of Conduct for Prohibition of Insider Trading as framed under the SEBI (Prohibition of Insider Trading) Regulations, 1992 w.e.f. May 15, 2015.

The Code lays down guidelines which advise management and staff on procedures to be followed and disclosures to be made while dealing with Securities of the Company, and cautions them of the consequences of violations.

## **Disclosure of Accounting Treatment**

In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.



## Disclosures of Risk Management

The Company has laid down procedures to inform the members of the Board about the risk assessment and minimization procedures. The Company has framed the risk assessment and minimization procedure, which is periodically reviewed by the Board.

## Proceeds from public issue, rights issue, preferential issue, FCCB issue

During the year, the Company has not raised any funds from public issue, rights issue, preferential issue and FCCB issue.

## Management Discussion and Analysis

Management Discussion and Analysis report forms part of the Directors' Report has been stated elsewhere in the report.

## Means of Communication

### Financial Results:

The Company intimates un-audited as well as audited financial results to the Stock Exchange i.e. BSE Limited, immediately after the Board meetings at which they are approved. The results of the Company are also published in at least one prominent national and one regional newspaper having wide circulation. Normally the results are published in The Financial Express (English) and Jansatta (Hindi). The financial results are also displayed on the Company's website [www.raclgeartech.com](http://www.raclgeartech.com)

### - BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):

BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, among others are filed electronically on the Listing Centre.

### Financial Period: 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016

For the Financial Year 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016 Quarterly results were announced on:

- August 06, 2015.
- November 04, 2015.
- February 11, 2016.
- 

For the Financial Year 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016 Audited results were announced on:

- May 28, 2016.

### News Release etc.

The official news releases etc. are displayed on the Company's website [www.raclgeartech.com](http://www.raclgeartech.com)

### Website

The website [www.raclgeartech.com](http://www.raclgeartech.com) contains basic information about the company and contains a separate dedicated section 'INVESTORS' where Company's shareholders' information is available. Information required to be disseminated on the website as per Regulation 46 of Listing Regulations are available in their respective sections on the website of the Company. The full Annual Report, shareholding pattern and Corporate Governance Report and various policies etc. are also available in their respective sections on the said website.



## CMD/ CFO Certification

In terms of Regulation 17(8) read with Part B of Schedule II of Listing Regulations, Mr. Gursharan Singh, Chairman & Managing Director and Mr. Dev Raj Arya, Whole-time Director & Chief Financial Officer have given annual certification on financial reporting and internal controls to the Board. The said annual certificate given by them is published in this report.

## Compliance Certificate

Compliance Certificate for Corporate Governance from Statutory Auditors of the Company is annexed herewith.

The Board's Report (including Corporate Governance Report and Management Discussion and Analysis Report) has been placed before the Board at its meeting held on August 06, 2016 and the same was approved.

## General Shareholder Information

### A Annual General Meeting (AGM)

Date	: Wednesday, the 28 <sup>th</sup> day of September, 2016
Time	: 11:00 A.M.
Venue	: Shivam Garden, Bawana Road, Narela, Delhi – 110 040

### B Financial Calendar : April 1 to following March 31 period

Announcement of financial results for April 1, 2016 to March 31, 2017

• Quarter ending June 30, 2016	: Upto August 14, 2016
• Quarter ending September 30, 2016	: Upto November 14, 2016
• Quarter ending December 31, 2016	: Upto February 14, 2017
• Financial year ending on March 31, 2017 and for the fourth quarter ending on that date	: Upto May 30, 2017

### C Dates of Book Closure : From Thursday, September 22, 2016 to Wednesday, September 28, 2016 (both days inclusive).

### D Dividend Payment date : The Company is on the path of growth and considering the fund requirements for our future plans for up-gradation of plant & machinery / technology up-gradation, the Board of Directors considered it appropriate not to declare any dividend for the current year.

### E Listing on Stock Exchanges : BSE Limited PhirozeJeejeebhoy Towers, Dalal Street, Mumbai-400 001.

### F Listing Fee : Annual Listing Fee for the year 2015-16 and 2016-17, as applicable has been paid to the Stock Exchange.

### G Company Identification Number : L34300DL1983PLC016136



**H Stock Code/ Symbol**

BSE Limited : 20073 for physical and 520073 for demat scrips  
ISIN Number for NSDL and CDSL: INE704B01017

**I Market Price Data**

(a) Monthly High-Low price of Equity Shares at BSE and comparison with BSE Sensex :

Month	RACL Geartech Limited Share prices on BSE		S&P BSE SENSEX	
	High (Rs.)	Low (Rs.)	High	Low
April'15	23.35	20	29094.61	26897.54
May'15	23.45	18.8	28071.16	26423.99
June'15	22.35	17.5	27968.75	26307.07
July'15	34.9	19.5	28578.33	27416.39
August'15	34	22.1	28417.59	25298.42
September'15	24	19.9	26471.82	24833.54
October'15	29.95	22.3	27618.14	26168.71
November'15	38.75	26.2	26824.30	25451.42
December'15	45	30.1	26256.42	24867.73
January'16	47	32.25	26197.27	23839.76
February'16	41.7	26.05	25002.32	22494.61
March'16	33.2	25.05	25479.62	23133.18

(Source www.bseindia.com)

**J Shareholding pattern as on March 31, 2016**

Sl. No.	Category	Number of Equity Shares held	Percentage(%)
1	Promoters Shareholding- REWT PICUP Individuals/other Bodies corporate (Including Person acting in concert)	3398637 1503300 168763	34.22 15.14 1.70
	<b>Total Promoter's Holding (A)</b>	<b>5070750</b>	<b>51.06</b>
2	Insurance Companies	-	-
3	Financial Institutions and Banks	500	0.01
4	UTI and other Mutual Funds	-	-
5	Foreign Institutional Investors	-	-
6	Corporate Bodies	173711	1.75
7	Non-resident Indians, Overseas Corporate Bodies and Foreign Nationals	2054759	20.68
8	General Public	2599348	26.17
9	Others - Clearing Member	32232	0.32
10	Others - Trust	300	0.01
	<b>Total Public Shareholding (B)</b>	<b>4860850</b>	<b>48.94</b>
	<b>Grand Total (A+B)</b>	<b>9931600</b>	<b>100</b>





## K Distribution of Holdings as on March 31, 2016

Category (No. of Shares)	Number of Shareholders	(%) Percentage of Shareholders	Number of Shares	(%) Percentage of Shareholding
1-500	6316	90.177	1007944	10.149
501-1000	361	5.154	306372	3.085
1001-2000	146	2.085	224887	2.264
2001-3000	60	0.857	155982	1.571
3001-4000	22	0.314	81621	0.822
4001-5000	33	0.471	155018	1.561
5001-10000	36	0.514	257412	2.592
10001 and above	30	0.428	7742364	77.957
<b>TOTAL</b>	<b>7004</b>	<b>100</b>	<b>9931600</b>	<b>100</b>

## L Share Transfer System

To expedite the process of share transfer, The Board of the Directors has delegated the powers for transfer/ Transmission/Dematerialization/ Rematerialisation to the Committee of Directors - Stakeholders Relationship Committee/ MAS Services Limited [Share Transfer Agents (RTA)]/Company Secretary. Which conduct the above activities and their reports is submitted to the Board of Directors on regular interval.

The Company has appointed MAS Services Limited as its Registrars and Share Transfer Agents. All share transfers and related operations are conducted by MAS Services Limited, which is registered with the SEBI.

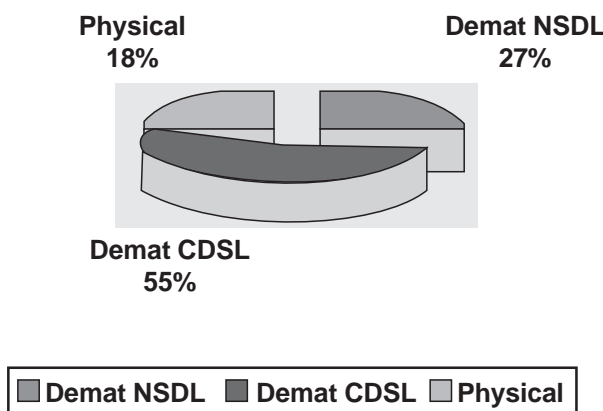
The Company's Registrars, MAS Services Limited have adequate infrastructure to serve the shareholders and process the share transfers. In compliance with the Listing Agreement/ Listing Regulations, every six months the share processing system is audited by a practicing Company Secretary and a Certificate to that effect is issued file with the Stock Exchange. The Company's scrip forms part of the SEBI's compulsory demat segment.

Investor correspondence should be addressed to the Registrars and Share Transfer Agents or the Company, as per contact details as given at the end of the Report.

## M Dematerialisation of shares and liquidity

The Company's scrip forms part of the compulsory demat segment for all investors. To facilitate the investors in having an easy access to the Demat System, the Company has signed up with both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The connectivity has been established through the Company's Registrars and Share Transfer Agents i.e. MAS Services Limited. As at March 31, 2016, a total of 8127594 equity shares of the Company, constituting 81.83% of the paid-up share capital, stand dematerialized and the remaining 18.17% in physical form.

## Dematerialisation of Shares



### N Share Capital Reconciliation Report

As stipulated by the SEBI, a qualified Practicing Company Secretary carries out the Share Capital Audit to reconcile the total admitted Capital with NSDL and CDSL and the total issued and listed capital. The Audit is carried out every quarter and the Report thereon is submitted to the Stock Exchange i.e. BSE Ltd. and is also placed before the Board of Directors. The Report inter-alia confirms the total listed share capital of the Company, with the aggregate of the total dematerialised shares and those in the physical mode.

### O Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, Conversion date and likely impact on Equity

The Company does not have any outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments.

### P Commodity Price Risk/foreign exchange risk and hedging activities

Despite Company being a Net Foreign Exchange earner, it does not absolve the Company from Foreign Exchange Risk due to time difference of Inflows and Outflows.

Though the company has been in export business (sale of gears) but it always realizes the invoice value of its goods by way of bill discounting from RBL Bank and IFCI Factors, has a natural hedging against Foreign Exchange Exposure. The Company does not over expose itself against foreign currency; however there is natural risk of minor exchange fluctuation and company keeps a close watch on the exchange rate movement.



**RACL Geartech Ltd.**  
(Formerly Raunaq Automotive Components Ltd.)



## **Q Plant Locations**

The Company has works/ manufacturing locations listed hereunder:

- UNIT-I** : RACL Geartech Limited  
(Formerly Raunaq Automotive Components Limited)  
A-3, Industrial Area, Gajraula,  
Dist. Amroha – 244223, U.P.-244223, INDIA
- UNIT-II** : RACL Geartech Limited  
(Formerly Raunaq Automotive Components Limited)  
H-201, Sector-63, Noida  
Distt. Gautam Budh Nagar, U.P.-201307, INDIA

## **R Address for Correspondence/ Investor Complaints**

Registrars and Share Transfer Agents

### **MAS Services Limited**

T-34, 2<sup>nd</sup> Floor, Okhla Indl. Area, Phase-II,  
New Delhi - 110 020

Tel: (011) 26387281 / 82 / 83

Fax: (011) 26387384 E-mail : info@masserv.com

Website: www.masserv.com

### **Company**

#### **Registered Office:**

RACL Geartech Limited  
(Formerly Raunaq Automotive Components Limited)  
15<sup>th</sup> Floor, Chiranjiv Tower, 43, Nehru Place  
New Delhi - 110 019

Tel. No.: +91-11-26418622

Fax No.: +91-11-26448962

Website: www.raclgeartech.com

#### **Contact Person:**

Mr. Hitesh Kumar  
Company Secretary & Compliance Officer

Tel. No. : +91-11-26418633

Fax No. : +91-11-26448962

E-mail : investors@raclegeartech.com

**For and on behalf of the Board  
For RACL Geartech Limited**

(Formerly Raunaq Automotive Components Limited)

**Place: Noida**

**Date: August 6, 2016**

**Sd/-**

**Gursharan Singh  
Chairman and Managing Director**

**Regd. Office: 15<sup>TH</sup> Floor, Chiranjiv Tower, 43,  
Nehru Place, New Delhi-110019, INDIA  
Ph. : +91-11-26418622, Fax : +91-11-26448962  
Email : investor@raclegeartech.com**



## **CMD & CFO CERTIFICATE**

The Board of Directors,  
**RACL Geartech Limited**  
(Formerly Raunaq Automotive Components Limited)

We, Gursharan Singh, Chairman & Managing Director and Dev Raj Arya, Whole-time Director & Chief Financial Officer, certify that:

- a) We have reviewed the financial statements and cash flow statement for the financial year ended on March 31, 2016 and to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, there are no transactions entered into by the Company during the financial year ended on March 31, 2016 which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take, to rectify these deficiencies.
- d)
  - i. There has not been any significant change in internal control over financial reporting during the financial year ended on March 31, 2016;
  - ii. There has not been any significant change in accounting policies during the financial year ended on March 31, 2016, requiring disclosure in the notes to the financial statements; and
  - iii. We are not aware of any instance of significant fraud during the financial year ended on March 31, 2016 with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

**For RACL Geartech Limited**  
(Formerly Raunaq Automotive Components Limited)  
**Sd/-**  
**Gursharan Singh**  
**Chairman & Managing Director**

**Sd/-**  
**Dev Raj Arya**  
**Whole-time Director & Chief Financial Officer**

**Place: Noida**  
**Date: August 6, 2016**

**Regd. Office: 15<sup>TH</sup> Floor, Chiranjiv Tower, 43,**  
**Nehru Place, New Delhi-110019, INDIA**  
**Ph. : +91-11-26418622, Fax : +91-11-26448962**  
**Email : investor@raclgeartech.com**



**RACL Geartech Ltd.**  
(Formerly Raunaq Automotive Components Ltd.)



**DECLARATION BY THE MANAGING DIRECTOR**

(Under regulation 34(3) read with schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015)

I, Gursharan Singh, Chairman & Managing Director of RACL Geartech Limited (Formerly Raunaq Automotive Components Limited) , hereby declare that all the members of the Board of Directors and the senior management personnel have affirmed compliance with the Company's "Code of Conduct for Directors and Senior Management Personnel " for the financial year ended on March 31, 2016.

**For and on behalf of the Board**  
**For RACL Geartech Limited**  
(Formerly Raunaq Automotive Components Limited)

**Place: Noida**  
**Date: August 6, 2016**

**Sd/-**  
**Gursharan Singh**  
**Chairman and Managing Director**

**Regd. Office: 15<sup>TH</sup> Floor, Chiranjiv Tower, 43,**  
**Nehru Place, New Delhi-110019, INDIA**  
**Ph. : +91-11-26418622, Fax : +91-11-26448962**  
**Email : investor@raclgeartech.com**



## **AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

**To the Members of RACL Geartech Limited** (Formerly Raunaq Automotive Components Limited)

We have examined the compliance of conditions of Corporate Governance by RACL Geartech Limited ("the Company"), for the year ended March 31, 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the stock exchanges for the period from April 01, 2015 to November 30, 2015 and relevant provisions as specified in regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligation and Disclosure requirements) Regulations, 2015 ('the Regulations') for the period December 1, 2015 to March 31, 2016.

### **Management's responsibility**

The Company's management also takes full responsibility of the compliance of conditions of Corporate Governance as stipulated in the Regulations.

### **Auditors' responsibility**

Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the Compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We conducted our engagement in accordance with the 'Guidance Note on Audit Reports and Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India. Our responsibility is to certify bases on the work done.

### **Conclusion**

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of the aforementioned Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of  
**A.Sachdev & Co.,**  
Chartered Accountants  
Firm Regn.No.001307C

**Sd/-**  
**B.K.AGARWAL**  
Partner  
Membership No.90771

**Place: Noida**  
**Date: August 6, 2016**



## **INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF RACL Geartech Limited**  
(Formerly Raunaq Automotive Components Limited)

### **Report on the (Standalone) Financial Statements**

We have audited the accompanying financial statements of RACL Geartech Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Management and Board of Directors of the Company is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.

### **Auditor's Responsibility**

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

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

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

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its loss and its cash flows for the year ended on that date.



### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we enclosed in the annexure statement on the matters specified in paragraph 3 and 4 of the said Order to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. There are no observations or comments on the financial transactions or matters which have any adverse effect on the functioning of the company.
  - f. On the basis of the written representations received from the directors as on 31st March, 2016 taken on record, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-A".
  - 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, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The company has no pending litigation which would impact its financial position;
    - ii. The company did not have any long-term contract including derivative contract for which there were any material foreseeable losses;
    - iii. There were no amount which were required by the company to be transferred to the Investor Education and Protection Fund.

**For A SACHDEV & CO.**  
**Chartered Accountants**  
**FRN 001307C**

**Sd/-**  
**B.K. AGARWAL**  
**Partner**  
**M. No. 090771**

Place: GAJRAULA  
Date : 28<sup>TH</sup> MAY, 2016





**Annexure to the Independent Auditor's Report of RACL Geartech Limited for the Year ended as on 31<sup>st</sup> March, 2016**

**Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report on even date:-**

- i.
  - a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
  - b) According to the information and explanations given to us, the Fixed Assets have been physically verified by the management at the end of the financial year and no material discrepancies were noticed on such verification
  - c) The title deeds of immovable properties are held in the name of the company.
- ii. The inventories, except for stocks lying with third parties where certificates confirming stocks have been received in respect of most of the stocks hold, have been physically verified by the management during the year at reasonable interval. According to information & explanations given to us, the discrepancies noticed on verification between the physical stock and books record, have been properly dealt with in the Books of Accounts.
- iii. According to information & explanations given to us, The Company has not granted any loans, secured or unsecured to companies, firms, limited liabilities partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, reporting under clause (a) to (c) of Para 3(iii) are not applicable. The Company has been pursuing civil suit against Mr. JPS Kanwar for the recovery of Rs. 488.88 lacs outstanding against him and the same shall be deemed as income of the company as and when received.
- iv. The Company has not entered into any transaction in respect of loans, investments, guarantee and securities, which attracts compliance to the provisions of the sections 185 and 186 of the Companies Act, 2013. Therefore the paragraph 3(iv) of the Order is not applicable to the company.
- v. In our opinion and according to information and explanations given to us the Company has not accepted deposits in terms of the provisions of section 73 to 76 of the Companies Act, 2013 and rules framed there under. Therefore the paragraph 3(v) of the Order is not applicable to the company.
- vi. As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013.
- vii.
  - a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company has been generally regular in depositing undisputed statutory dues including provident fund, employee state insurance, income tax, service tax, value added tax, cess and other statutory dues during the year with the appropriate authorities. As on 31<sup>st</sup> March 2016, there are no undisputed statutory dues payables for period exceeding for a period more than six month from the date they become payable.
  - b) According to the information and explanations given to us, there were no statutory dues pending in respect of income tax, sales tax, VAT, custom duty and cess etc. on account of any dispute.
- viii. In our opinion and according to information and explanations given to us the Company has not defaulted repayment of loans or borrowing to the banks, financial institutions and Government. Company has not raised any money by issue of debentures and has not borrowed any money from Financial Institution or Government.
- ix. Money raised by way of term loan were applied for the purpose for which it was raised. The Company has not raised money by way of initial public offer or further public offer.
- x. According to the information and explanation given to us by the management which have been relied by us, there were no frauds on or by the company noticed or reported during the period under audit.
- xi. In our opinion, the managerial remuneration paid or provided by the company are in accordance with the provision of section 197 read with Schedule V of the Companies Act 2013.
- xii. The company is not a Nidhi Company, therefore para 3(xii) of the Order is not applicable.



- xiii. In our opinion and according to the information provided to use, the transaction entered with the related parties are in compliance with section 177 and 188 of the Act and are disclosed in the financial statements as required by the applicable accounting standards.
- xiv. Company has not made any preferential allotment of shares or debentures during the year.
- xv. According to the information provided to us, the company has not entered into any non-cash transaction with directors or the persons connected with him covered under section 192 of the Companies Act 2013. Therefore, paragraph 3(xv) of the Order is not applicable to the company.
- xvi. According to the information provided to us, the company is not required to be registered under section 45IA of the Reserve Bank of India Act, 1934. Therefore, paragraph 3(xvi) of the Order is not applicable to the company.

**For A SACHDEV & CO.**  
**Chartered Accountants**  
**FRN 001307C**

**Sd/-**  
**B.K. AGARWAL**  
**Partner**  
**M. No. 090771**

Place: GAJRAULA  
Date : 28<sup>TH</sup> MAY, 2016



## **Annexure-A**

**Annexure referred to in paragraph 2 under the heading “Report on Other Legal and Regulatory Requirements” of our report on 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 RACL Geartech Limited (“the Company”) as of March 31, 2016 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s 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 my /our audit opinion on the Company’s internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

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



company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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 A SACHDEV & CO.**  
**Chartered Accountants**  
**FRN 001307C**

**Sd/-**  
**B.K. AGARWAL**  
**Partner**  
**M. No. 090771**

Place: GAJRAULA  
Date : 28<sup>TH</sup> MAY, 2016



**BALANCE SHEET AS ON March 31, 2016**

(Rs.in Lacs)

	Note No.	As at 31st March, 2016	As at 31st March, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	1	993.16	993.16
Reserves and surplus	2	3,482.28	3,112.13
<b>Non-current liabilities</b>			
Long-term borrowings	3	765.01	935.12
Deferred tax liabilities (Net)	4	570.44	536.83
Other long terms liabilities	5	-	-
Long-term provisions	6	402.39	319.73
<b>Current liabilities</b>			
Short-term borrowings	7	1,585.17	1,916.34
Trade payables	8	1,405.59	1,750.11
Other current liabilities	9	1,295.58	1,420.90
Short-term provisions	10	188.40	151.73
<b>TOTAL</b>		<b>10,688.02</b>	<b>11,136.05</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	11	6182.02	5,995.77
Intangible assets		-	-
Capital work-in-progress	11	-	3.96
Intangible assets under development		-	-
Non-current investments		-	-
Deferred tax assets (net)		-	-
Long-term loans and advances	12	31.61	6.19
Other non-current assets		-	-
Misc expenditure	13	262.62	220.64
<b>Current assets</b>			
Current investments			
Inventories	14	2,657.25	2,519.77
Trade receivables	15	854.96	1,694.93
Cash and cash equivalents	16	128.89	98.36
Short-term loans and advances	17	375.86	452.82
Other current assets	18	194.81	143.61
<b>TOTAL</b>		<b>10,688.02</b>	<b>11,136.05</b>

Significant Accounting Policies & notes to accounts are forming integral part of Balance sheet. As per our separate report of even date.

**For A.Sachdev & Co.**  
Chartered Accountants

**By Order of the Board**  
**For RACL Geartech Ltd.**  
(formerly Raunaq Automotive Components Ltd.)

FRN 001307C  
Sd/-  
**B.K AGARWAL**  
(Partner)  
M.No :90771

Sd/-  
**GURSHARAN SINGH**  
(Chairman & Managing Director)

Sd/-  
**MADAN LAL**  
(Non-Executive  
Independent Director)

Sd/-  
**ANIL SHARMA**  
(Non-Executive  
Independent Director)

Sd/-  
**DEV RAJ ARYA**  
(Whole-time Director & CFO)

Sd/-  
**RAJ KUMAR KAPOOR**  
(Non-Executive  
Independent Director)

Sd/-  
**RAKESH KAPOOR**  
(Non-Executive  
Independent Director)

Place: Gajraula  
Date : May 28, 2016

Sd/-  
**NARINDER PAUL KAUR**  
(Non-Executive Director)

Sd/-  
**HITESH KUMAR**  
(Company Secretary)



**RACL Geartech Ltd.**  
(Formerly Raunaq Automotive Components Ltd.)



**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON March 31, 2016**

(Rs.in Lacs)

	Particulars	Note No.	2015-16	2014-15
I.	Revenue from operations	20	11,774.15	10,750.47
II.	Other income	21	40.49	21.26
III.	<b>Total Revenue (I + II)</b>		<b>11,814.64</b>	<b>10,771.73</b>
IV.	<b>Expenses:</b>			
	Cost of materials consumed	22	4,462.98	4,170.09
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	23	(28.26)	(172.40)
	Employee benefits expense	24	1,755.77	1,545.30
	Finance costs	25	555.81	675.06
	Depreciation and amortization expense	26	395.85	426.67
	Other expenses	27	4,103.67	3,629.46
	<b>Total expenses</b>		<b>11,245.82</b>	<b>10,274.18</b>
V.	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>568.82</b>	<b>497.55</b>
VI.	Exceptional items		-	-
VII.	<b>Profit before extraordinary items and tax (V - VI)</b>		<b>568.82</b>	<b>497.55</b>
VIII.	Extraordinary Items		-	-
IX.	<b>Profit before tax (VII- VIII)</b>		<b>568.82</b>	<b>497.55</b>
X.	<b>Tax expense:</b>			
	(1) Current Tax		-	5.14
	Previous year Tax paid		-	148.33
	Tax payable		165.06	-
	Less: Mat credit entitlement		-	-
			(165.06)	(153.47)
	(2) Deferred tax Assets/(Liabilities)	4	(33.61)	14.76
XI.	<b>Profit (Loss) for the period from continuing operations (IX-X)</b>		<b>370.15</b>	<b>358.84</b>
XII.	Profit/(loss) from discontinuing operations		-	-
XIII.	Tax expense of discontinuing operations		-	-
XIV.	<b>Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>		<b>-</b>	<b>-</b>
XV.	<b>Profit (Loss) for the period (XI + XIV)</b>		<b>370.15</b>	<b>358.84</b>
XVI.	Earnings per equity share:			
	(1) Basic	28	3.73	3.82
	(2) Diluted		3.73	3.82

Significant Accounting Policies & notes to accounts are forming integral part of Profit & Loss Account.  
As per our separate report of even date

**For A.Sachdev & Co.**  
Chartered Accountants

**By Order of the Board**  
**For RACL Geartech Ltd.**  
(formerly Raunaq Automotive Components Ltd.)

FRN 001307C  
Sd/-  
**B.K AGARWAL**  
(Partner)  
M.No :90771

Sd/-  
**GURSHARAN SINGH**  
(Chairman & Managing Director)

Sd/-  
**MADAN LAL**  
(Non-Executive  
Independent Director)

Sd/-  
**ANIL SHARMA**  
(Non-Executive  
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**DEV RAJ ARYA**  
(Whole-time Director & CFO)

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**RAJ KUMAR KAPOOR**  
(Non-Executive  
Independent Director)

Sd/-  
**RAKESH KAPOOR**  
(Non-Executive  
Independent Director)

Place: Gajraula  
Date : May 28, 2016

Sd/-  
**NARINDER PAUL KAUR**  
(Non-Executive Director)

Sd/-  
**HITESH KUMAR**  
(Company Secretary)



## **SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS**

### **A BASIS FOR PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared under the historical cost convention in accordance with the applicable Accounting Standards and the provisions of the Companies Act, 1956, as adopted consistently by the Company. All income and expenditure having a material bearing on the financial statements is recognized on accrual basis except otherwise stated hereunder.

### **B GOING CONCERN DISCLOSURE**

The accounts under consideration have been drawn up on going concern basis.

### **C REVENUE RECOGNITION**

Revenue from sale of goods/services is recognized when the sale/services have been completed, with the passing of the title. Return of goods if any are recognized in the year of return. Turnover represents invoiced amount of goods sold and services including excise duty but excluding sales tax.

### **D FIXED ASSETS AND DEPRECIATION**

a) Fixed Assets are stated at cost less accumulated depreciation and impairment losses if any, except land which has been revalued during the year.

b) Consequent to implementation of Companies Act, 2013 the Company has adopted the useful life of Assets specified in Schedule II of the said Act except Plant & machinery for which the useful life has been ascertained by a Technical Team of the company & the same has also been verified by the management of the company. Depreciation has been provided on Straight line method.

### **E INVENTORIES :**

Valuation of Inventories are made as under :-

- i. Raw Material at cost
- ii. Work in progress is valued at factory cost.
- iii. Scrap materials are valued at net realizable value.
- iv. All other inventories are valued at cost or net realizable value whichever is lower.
- v. The cost formulae used is weighted average cost formulae & applicable excise has been added in the stock of Finished goods .

### **F FOREIGN CURRENCY TRANSACTIONS :**

In respect of Export Sales in foreign currency, the sales are accounted for at the exchange rate prevailing as on the date of transaction. The receivables as on the Balance Sheet date are accounted for at the closing rate. Any difference arising due to exchange rate fluctuation is treated as revenue income /expense at the time the remittances are received. The accounting is in line with the AS- 11.

### **G EXCISE DUTY :**

Excise duty is accounted for at the time of despatches. Excise duty realizable from customers is credited to Sales Account. Unutilized amount of Excise Duty Deposit is shown under Loans & Advances.

The provision for excise duty on the finished goods as on 31.03.2016 has been included in the closing stock of finished goods and the same amount of excise has been included in excise duty payable in current liabilities.



## **H EMPLOYEES BENEFITS :**

Company's contributions paid/ payable during the year to Provident Fund and Employees' State Insurance Corporation (ESIC) are recognized in the Profit & Loss Account, Provident Fund contributions are made to a Trust administered by the company. The interest rate payable to the members of this trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the company. The remaining contributions are made to a Government Administered Employee Pension Fund towards which the company has no further obligations beyond its monthly contributions.

Defined benefit contributions and other long term employee benefits are provided on the basis of actuarial valuation made at the end of each financial year. Actuarial gain or loss arising from such valuation are charged to revenue in the year in which they arise.

## **I DEVELOPMENT EXPENDITURE**

The development expenditure includes the amount spent on development of prototype of samples in terms of the raw material consumed, consumption of major tools, loose tools and the amount spent in terms of machine hour rate multiplied by development time spent on individual machine.

## **J PROVISION FOR CURRENT AND DEFERRED TAX**

- i. Provision for Current tax is made with reference to taxable income computed for the accounting period for which the financial statements are prepared by applying the tax rates relevant to the respective "Previous Year". Minimum Alternate Tax (MAT) eligible for set-off in subsequent years (as per tax laws), is recognized as an asset by way of credit to the Profit and Loss Account only if there is convincing evidence of its realization. At each Balance Sheet date, the carrying amount of MAT Credit Entitlement receivable is reviewed to reassure realization.
- ii. Deferred Tax resulting from "timing difference" between book and taxable profit for the year is accounted for using the current tax rates. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be adjusted in future. However, in case of deferred tax assets (representing unabsorbed depreciation or carry forward losses) are recognized, if and only if there is a virtual certainty that there would be adequate future taxable income against which such deferred tax assets can be realized.

## **K IMPAIRMENT OF ASSETS**

The carrying amount of assets are reviewed at each Balance Sheet date, if there is any indication of impairment based on internal/external factors. An asset is impaired when the carrying amount of the assets exceeds the recoverable amount. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

## **L EARNINGS PER SHARE (EPS)**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. For the purpose of calculating Diluted Earning per Share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential Equity Shares.



## Notes on financial statements for the year ended 31st March, 2016

The previous year figures have been regrouped/reclassified, wherever necessary to conform to the current year presentation.

(Rs.in Lacs)

1	<b><u>Share Capital</u></b>	<b>As at 31<sup>st</sup> March, 2016</b>		<b>As at 31<sup>st</sup> March, 2015</b>	
		<b>Number</b>	<b>Rs in lacs</b>	<b>Number</b>	<b>Rs in lacs</b>
	<b><u>Authorised</u></b>				
	<b>Preference shares</b>	-	-	-	-
	<b>Equity Shares of ₹ 10/- each</b>	<b>2,00,00,000</b>	<b>2,000.00</b>	2,00,00,000	2,000.00
	<b><u>Issued &amp; Subscribed</u></b>				
	<b>preference shares</b>	-	-	-	-
	<b>Equity Shares of ₹ 10/- each</b>	<b>1,09,40,000</b>	<b>1,094.00</b>	1,09,40,000	1,094.00
	<b><u>Paid up</u></b>				
	<b>preference shares</b>	-	-	-	-
	<b>Equity Shares of ₹ 10/- each</b>	<b>99,31,600</b>	<b>993.16</b>	99,31,600	993.16
	<b><u>Subscribed but not fully Paid up</u></b>				
	<b>preference shares</b>	-	-	-	-
	<b>Equity Shares of ₹ 10/-each, not fully paid up</b>				
	<b>Total</b>	99,31,600	993.16	99,31,600	993.16

1.2	<b>Particulars</b>	<b>Number Equity Shares</b>	
		<b>31.03.2016</b>	<b>31.03.2015</b>
	Shares outstanding at the beginning of the year	99,31,600	89,31,600
	Shares Issued during the year	-	10,00,000
	Shares bought back during the year	-	-
	Shares outstanding at the end of the year	<b>99,31,600</b>	99,31,600



### 1.3 List of shareholders having more than 5% of equity shares

Name of Shareholder	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
RACL Employee Welfare Trust	33,98,687	34.22	33,98,687	34.22
PICUP	15,03,300	15.14	15,03,300	15.14
Middle Ware Development Limited	10,00,000	10.07	10,00,000	10.07
Mr. Arender Kumar	10,00,000	10.07	10,00,000	10.07

1.4 Their is no buyback of shares undertaken during the year. NIL

### 1.5 Unpaid Calls

By Directors	NIL	NIL	NIL	NIL
By Officers	NIL	NIL	NIL	NIL

1.6 There is only one class of shares of company (i.e Equity shares)

1.7 The company does not have any Holding ,Subsidiary or Associates of holding company.

1.8 Company has foreited 1008400 equity shares of Rs. 10/- each (on 21.04.2003) and 1900000 convertible share warrants having paid up value of Rs. 1/- each (on 19.04.2010).

(Rs. in Lacs)

2 <u>Reserves &amp; Surplus</u>	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>a. Capital Reserves</b>		
Opening Balance	2.00	2.00
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
<b>Closing Balance</b>	<b>2.00</b>	<b>2.00</b>
<b>b. Capital Redemption Reserve</b>		
Opening Balance	-	-
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
<b>Closing Balance</b>	<b>-</b>	<b>-</b>
<b>c. Securities Premium Account</b>		
Opening Balance	181.50	81.50
Add : Securities premium credited on Share issue	-	100.00

<u>Less : Premium Utilised for various reasons</u>	-	-
Premium on Redemption of Debentures	-	-
For Issuing Bonus Shares	-	-
<b>Closing Balance</b>	<b>181.50</b>	181.50
<b>d. Debenture Redemption Reserve</b>		
Opening Balance	-	-
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
<b>Closing Balance</b>	-	-
<b>e. Revaluation Reserve</b>		
Opening Balance	<b>1,102.69</b>	1,102.69
(+) Current Year Transfer (on land)	-	-
(-) Written Back in Current Year	-	-
<b>Closing Balance</b>	<b>1,102.69</b>	1,102.69
<b>f. Share Options Outstanding Account</b>		
Opening Balance	-	-
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
<b>Closing Balance</b>	-	-
<b>g. Share Forfeiture Account</b>		
Opening Balance	<b>41.95</b>	41.95
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
<b>Closing Balance</b>	<b>41.95</b>	41.95
<b>h. Surplus</b>		
Opening balance	<b>1,783.99</b>	1,433.89
(+) Net Profit/(Net Loss) For the current year	<b>370.15</b>	358.84
(+) Transfer from Reserves	-	-
(-) Proposed Dividends	-	-
(-) Interim Dividends	-	-
(-) Transfer to Reserves	-	-
(-) Depreciation	-	8.74
<b>Closing Balance</b>	<b>2,154.14</b>	1,783.99
<b>Total</b>	<b>3,482.28</b>	3,112.13

(Rs.in Lacs)

3	<b><u>Long Term Borrowings</u></b>	<b>As at 31<sup>st</sup> March, 2016</b>	<b>As at 31<sup>st</sup> March, 2015</b>
	<b><u>Secured</u></b>		
	(a) Bonds/debentures	-	
	(b) Term loans		
	from banks	525.97	594.95
	(c) Deferred payment liabilities		
	Interest free sales tax loan from PICUP	-	
	(d) Deposits	-	
	(e) Loans and advances from related parties	-	
	(f) Long term maturities of finance lease obligations	-	
	<b>Sub Total (A)</b>	<b>525.97</b>	<b>594.95</b>
	<b>In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to (b) (e) &amp; (g)</b>		
	1. Period of default	-	
	2. Amount	-	
	<b><u>Unsecured</u></b>		
	(a) Bonds/debentures	-	
	(b) Term loans	-	
	(c) Deferred payment liabilities	-	
	(d) Deposits	-	
	(e) Loans and advances from related parties	-	
	(f) Long term maturities of finance lease obligations	-	
	<b>(g) Other loans and advances (specify nature)</b>	<b>239.04</b>	<b>340.17</b>
	<b>Sub Total (B)</b>	<b>239.04</b>	<b>340.17</b>
	<b>Total (A+B)</b>	<b>765.01</b>	<b>935.12</b>

3.1 There has been no default in repayment of Bank loans and interest.

3.2 Secured term loans from Banks have been guaranteed by whole time directors.

3.3 Maturity Profile of term loans & other loans are as set out below:

(Rs.in Lacs)

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Term loans from bank & others (Secured)	284.94	193.82	146.80	139.45

**3.4** Loans from Bank of India, Noida Branch is secured in the following manners:

- First charge by way of hypothecation on entire Stocks and Book Debts of the company.
- First charge over entire Fixed Assets of the company excluding Land and Building & Vehicles (both present & future).
- Extension of EQM of company's land and building at Gajraula U.P.

The advance is also secured by the personal guarantee (joint & several) of Shri Gursharan Singh and Shri D.R.Arya.

**3.5** The company has taken a corporate loan of Rs. 600.00 lacs from RBL Bank Limited (formerly The Ratnakar Bank Limited). The said loan is secured by way of second charge on entire current assets & fixed assets of the company (existing & future).

**3.6** Interest free deferred sales tax loan availed in previous years from Pradeshia Industrial & Investment Corporation of UP Ltd (PICUP) is secured by way of second charge on all asset, whether immovable or movable of the company along with extension of mortgage on immovable assets of the company.

(Rs.in Lacs)

4	Deferred Tax liability (Net)	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
	Deferred tax liabilities on		
	Accumulated depreciation	635.34	584.34
	Bank & other charges	-	-
	Development Expenses	81.14	68.18
		716.48	652.52
	Less :		
	<b>Deferred Tax assets on</b>		
	Provision for gratuity & leave encashment	146.04	115.69
	Provision for Doubtful debts and advances	-	-
	Provision on Profit & loss on sale of Fixed Assets	-	-
	<b>Net deferred tax liabilities</b>	<b>570.44</b>	<b>536.83</b>

Provision of deferred tax liability shall be made at the closing of the year

(Rs.in Lacs)

5	<b><u>Other Long Term Liabilities</u></b>	<b>As at 31<sup>st</sup> March, 2016</b>	<b>As at 31<sup>st</sup> March, 2015</b>
	(a) Trade Payables	-	-
	(b) Others	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>

(Rs.in Lacs)

6	<b><u>Long Term Provisions</u></b>	<b>As at 31<sup>st</sup> March, 2016</b>	<b>As at 31<sup>st</sup> March, 2015</b>
	<b>(a) Provision for employee benefits (Refer note no 24.1)</b>		
	Superannuation (unfunded)		
	Gratuity (unfunded)	<b>293.54</b>	246.92
	Leave Encashment (unfunded)	<b>108.85</b>	72.81
	ESOP / ESOS	-	-
	<b>(b) Others (Specify nature)</b>	-	-
	<b>Total</b>	<b>402.39</b>	319.73

(Rs.in Lacs)

7	<b><u>Short Term Borrowings</u></b>	<b>As at 31<sup>st</sup> March, 2016</b>	<b>As at 31<sup>st</sup> March, 2015</b>
	<b><u>Secured</u></b>		
	<b>(a) Loans repayable on demand</b>		
	from banks	<b>1815.17</b>	1916.34
	:Less amount transferred from Cash Credit account to Fixed Deposit account	<b>(230.00)</b>	-
	<b>(b) Loans and advances from related parties</b>	-	
	<b>(c) Deposits</b>	-	
	<b>(d) Other loans and advances (specify nature)</b>	-	
	<b>Total</b>	<b>1,585.17</b>	1,916.34

<b>In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to (a) (b) &amp; (d)</b>		
1. Period of default	NIL	NIL
2. Amount	NIL	NIL
<b>Unsecured</b>		
<b>(a) Loans repayable on demand</b>	-	-
<b>(b) Loans and advances from related parties</b>	-	-
<b>(c) Deposits</b>	-	-
<b>(d) Other loans and advances (specify nature)</b>	-	-
<b>Total</b>		
<b>In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to (a) (b) &amp; (d)</b>		
1. Period of default	-	-
2. Amount	-	-
<b>Total</b>	<b>1,585.17</b>	<b>1,916.34</b>

**7.1** Loans from Bank of India, Noida Branch is secured in the following manners:

- First charge by way of hypothecation on entire Stocks and Book Debts of the company.
- First charge over entire Fixed Assets of the company excluding Land and Building & Vehicles (both present & future).
- Extension of EQM of company's land and building at Gajraula U.P.

The advance is also secured by the personal guarantee (joint & several) of Shri Gursharan Singh and Shri D.R.Arya.

**(Rs.in Lacs)**

<b>8 Trade Payables</b>	<b>As at 31<sup>st</sup> March, 2016</b>	<b>As at 31<sup>st</sup> March, 2015</b>
Due to SSIs	-	-
Due to MSME	-	-
Due to other than SSIs/MSME	<b>700.26</b>	1041.13
Add: Cheques issued but not present in the bank	<b>705.33</b>	708.98
<b>Total</b>	<b>1405.59</b>	1750.11



(Rs.in Lacs)

9	<b>Other Current Liabilities *</b>	<b>As at 31<sup>st</sup> March, 2016</b>	<b>As at 31<sup>st</sup> March, 2015</b>
	(a) Current maturities of long-term debt	<b>657.29</b>	827.79
	(b) Current maturities of finance lease obligations	-	-
	(c) Interest accrued but not due on borrowings	-	-
	(d) Interest accrued and due on borrowings	-	-
	(e) Advance received from customers	<b>6.12</b>	12.56
	(f) Unpaid dividends	-	-
	(g) Application money received for allotment of securities and due for refund #	-	-
	(h) Unpaid matured deposits and interest accrued thereon	-	-
	(i) Unpaid matured debentures and interest accrued thereon	-	-
	(j) Other payables	<b>632.17</b>	580.55
	<b>Total</b>	<b>1,295.58</b>	1,420.90

(Rs.in Lacs)

10	<b>Short Term Provisions</b>	<b>As at 31<sup>st</sup> March, 2016</b>	<b>As at 31<sup>st</sup> March, 2015</b>
	<b>(a) Provision for employee benefits</b>		
	Salary & Reimbursements	118.16	97.05
	Contribution to PF		
	Gratuity (Funded)	33.92	32.81
	Leave Encashment (funded)	36.32	21.87
	Superannuation (funded)	-	-
	ESOP /ESOS	-	-
	<b>(b) Others (Taxes payable)</b>	-	-
	<b>Total</b>	<b>188.40</b>	151.73



(Rs.in lacs)											
	Gross Block				Accumulated Depreciation					Net Block	
	Balance as at 1 April 2015	Additions	Disposal	Revaluations/ (Impairments)	Balance as at 31st March 2016	Balance as at 1 April 2015	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31st March 2016	Balance as at 1 April 2015
<b>Fixed Assets</b>											
<b>Tangible Assets</b>											
Land	1,144.37	-	-	-	1,144.37	-	-	-	-	1,144.37	1,144.37
Buildings	947.83	35.34	-	-	983.17	256.88	31.19	-	-	695.10	690.95
Plant and Equipment	6,876.31	475.55	170.38	-	7,181.48	2,882.85	344.63	-	159.45	4,113.45	3,993.46
Furniture and Fixtures	35.26	-	1.28	-	33.98	30.61	1.08	-	1.28	30.41	4.65
Vehicles	94.69	32.32	41.90	-	85.11	47.96	5.60	-	29.86	23.70	46.73
Office equipment	194.14	23.92	5.85	-	212.21	153.26	9.10	-	5.85	156.51	40.88
Electrical Installation	151.68	37.94	5.08	-	184.54	76.95	4.25	-	5.08	76.12	74.73
<b>Total</b>	<b>9,444.28</b>	<b>605.07</b>	<b>224.49</b>	<b>-</b>	<b>9,824.86</b>	<b>3,448.51</b>	<b>395.85</b>	<b>-</b>	<b>201.52</b>	<b>3,642.84</b>	<b>5,995.77</b>
<b>Intangible Assets</b>											
Capital Work In Progress	3.96	-	3.96	-	-	-	-	-	-	-	3.96
<b>Total</b>	<b>3.96</b>	<b>-</b>	<b>3.96</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.96</b>
<b>Intangible assets under Development</b>											
<b>Total</b>	<b>9,448.24</b>	<b>605.07</b>	<b>228.45</b>	<b>-</b>	<b>9,824.86</b>	<b>3,448.51</b>	<b>395.85</b>	<b>-</b>	<b>201.52</b>	<b>3,642.84</b>	<b>5,999.73</b>

(Rs.in Lacs)

12	Long Term Loans and Advances	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
	<b>a. Capital Advances</b>	-	-
		-	-
	<b>b. Security Deposits</b>	31.61	6.19
	Secured, considered good		
	Unsecured, considered good		
	Doubtful		
	Less: Provision for doubtful deposits	-	-
	<b>c. Loans and advances to related parties (refer Note 2)</b>	-	-
	<b>Total</b>	31.61	6.19

(Rs.in Lacs)

	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Directors *	-	-
Other officers of the Company *	-	-
Firm in which director is a partner *	-	-
Private Company in which director is a member	-	-
	-	-

13	Misc Exp.to the extent not written off	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
	<b>Total</b>	262.62	220.64

(Rs.in Lacs)

14	Inventories	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
	<b>a. Raw Materials and components (Valued at Cost)</b>	215.48	237.98
	Goods-in transit	-	-
		215.48	237.98
	<b>b. Work-in-progress (Valued at Factory Cost)</b>	645.23	514.60
	Goods-in transit	-	-
		645.23	514.60

c. Finished goods (Valued at cost or net realizable value whichever lower)	<b>98.33</b>	197.43
Goods-in transit	-	3.31
	<b>98.33</b>	200.74
d. Stock-in-trade	-	-
Goods-in transit	-	-
e. Stores and spares (Valued at cost or net realizable value whichever is lower)	<b>335.28</b>	319.72
Goods-in transit	<b>335.28</b>	319.72
f. Loose Tools (Valued at cost or net realizable value whichever is lower)	<b>1027.89</b>	959.72
Goods-in transit	<b>1,027.89</b>	959.72
g. Scrap	<b>0.52</b>	0.48
h. Jigs & fixtures	<b>334.52</b>	286.53
	<b>335.04</b>	287.01
<b>Total</b>	<b>2,657.25</b>	2,519.77

(Rs.in Lacs)

15 <u>Trade Receivables</u>	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Trade receivables outstanding for a period less than six months from the date they are due for payment.	-	-
Secured, considered good	-	-
Unsecured, considered good	<b>854.96</b>	1686.16
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	-	-
<b>Total</b>	<b>854.96</b>	1,686.16
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	-	-
Secured, considered good	-	-
Unsecured, considered good	-	8.77
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	-	-
<b>Total</b>	-	8.77
<b>Total</b>	<b>854.96</b>	1,694.93



The company has taken an advance of Rs1427.46 lacs(unsecured) Rs.596.80 lacs from IFCI Factors Ltd & RBL Ltd against trade receivable. The above figures are exclusive of IFCI Factors Ltd advances & RBL Ltd advances

Trade Receivable stated above include debts due by: **(Rs.in Lacs)**

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Directors *	-	-
Other officers of the Company *	-	-
Firm in which director is a partner *	-	-
Private Company in which director is a member	-	-
<b>Total</b>	-	-

\*Either severally or jointly

**(Rs.in Lacs)**

16 <u>Cash and cash equivalents</u>	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
a. Balances with banks*	<b>38.73</b>	6.92
This includes:		
Earmarked Balances (eg/- unpaid dividend accounts)	-	-
Margin money	<b>84.41</b>	87.50
Security against borrowings	-	-
Guarantees	-	-
Other Commitments	-	-
Bank deposits with more than 12 months maturity	-	-
b. Cheques, drafts on hand	-	-
c. Cash on hand*	<b>5.75</b>	3.94
d. Others (specify nature)	-	-
<b>Total</b>	<b>128.89</b>	98.36

**16.1** The margin money on Letter of Credit is secured by pledging of Term Deposit Receipts to the schedule Bank.

(Rs.in Lacs)

17	<b>Short-term loans and advances</b>	<b>As at 31<sup>st</sup> March, 2016</b>	<b>As at 31<sup>st</sup> March, 2015</b>
	<b>a. Loans and advances to related parties</b>	-	-
	<b>b. Others (specify nature)</b>	<b>157.07</b>	190.35
	<b>Capital Advances</b>	-	-
	<b>Balances with excise authorities &amp; other authorities</b>	-	-
	Secured, considered good	<b>79.97</b>	76.79
	Unsecured, considered good	-	-
	Balance with income tax Authorities(MAT)	<b>138.82</b>	185.68
	Unsecured, considered good	-	-
	<b>Total</b>	<b>375.86</b>	452.82

(Rs.in Lacs)

	<b>Short-term loans and advances</b>	<b>As at 31<sup>st</sup> March, 2016</b>	<b>As at 31<sup>st</sup> March, 2015</b>
	Directors *	-	-
	Other officers of the Company *	-	-
	Firm in which director is a partner	-	-
	Private Company in which director is a member	-	-
	<b>Total</b>	-	-

\*Either severally or jointly

18	<b>Other current assets (specify nature)</b>	<b>As at 31<sup>st</sup> March, 2016</b>	<b>As at 31<sup>st</sup> March, 2015</b>
	Advance recoverable in cash or kind or value to be received	<b>194.81</b>	143.61
	<b>Total</b>	<b>194.81</b>	143.61

19 <b>Contingent liabilities and commitments (to the extent not provided for)</b>	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>(i) Contingent Liabilities</b>		
(a) Claims against the company not acknowledged as debt	-	-
(b) Guarantees	-	-
(c) Outstanding amount of letter of Credit	-	-
<b>Total</b>	-	-
<b>(ii) Commitments</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
(b) Uncalled liability on shares and other investments partly paid	-	-
(c) Other commitments (specify nature)	-	-
<b>Total</b>	-	-
<b>Total</b>	-	-

**20 Revenue from operations** (Rs.in Lacs)

Particulars	2015-16	2014-15
Sale of products-Domestic	6191.88	6,228.07
Sale of products-Export	5899.40	4,988.77
Sale of services	-	-
Other operating revenues	441.48	309.88
<u>Less:</u>		
Excise duty	(758.61)	(776.25)
<b>Total</b>	<b>11,774.15</b>	<b>10,750.47</b>

**21 Other income**

Particulars	2015-16	2014-15
Interest on deposits	4.46	8.25
Dividend Income	-	-
Net gain/loss on sale of investments	-	-
Other non-operating income (net of expenses directly attributable to such income)	36.03	13.01
<b>Total</b>	<b>40.49</b>	<b>21.26</b>



**22 Cost of Raw Material & Packing Material consumed**

Particulars	2015-16	2014-15
Opening stock	237.98	193.25
Add:Purchases	4440.48	4,214.82
Less: Closing stock	(215.48)	(237.98)
<b>Total</b>	<b>4,462.98</b>	<b>4,170.09</b>

**23 Change in inventories**

Particulars	2015-16	2014-15
Closing Stock		
Finished goods	98.33	197.43
Material in transit	-	3.31
Work in progress	645.23	514.60
Scrap	0.52	0.48
	<b>744.08</b>	<b>715.82</b>
Less:		
Opening Stock		
Finished goods	197.43	145.50
Material in transit	3.31	-
Work in progress	514.60	397.19
Scrap	0.48	0.73
	<b>715.82</b>	<b>543.42</b>
<b>(Inc)/dec in stock</b>	<b>(28.26)</b>	<b>(172.40)</b>

**(Rs.in Lacs)**

24 Employee Benefits Expense	2015-16	2014-15
(a) Salaries and incentives	1427.98	1,297.56
(b) Contributions to Provident Fund	24.75	33.94
(c) Gratuity fund contributions	118.43	60.62
Directors Remuneration	113.60	79.76
(e) Social security and other benefit plans for overseas employees	-	-
(f) expense on Employee Stock Option Scheme (ESOP) and Employee Stock Purchase Plan (ESPP),	-	-
(g) Staff welfare expenses	71.01	73.42
<b>Total</b>	<b>1,755.77</b>	<b>1,545.30</b>



24.1 The Company has adopted Accounting Standard 15 on employees benefits w.e.f. April 1, 2009 relevant disclosure are as under :

Details in respect of Gratuity and Leave Encashment are as under :

(Rs.in Lacs)

<b>Liability to be recognized in Balance Sheet as at 31.03.2016</b>	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Fair Value of Plan Assets	327.46	<b>145.17</b>	279.73	94.68
Net Assets / (Liability)	<b>(327.46)</b>	<b>(145.17)</b>	(279.73)	(94.68)

**Reconciliation of Opening and Closing Balances of obligation  
Change in defined Benefit Obligation**

Obligation as at 01.04.2015	<b>279.73</b>	<b>94.68</b>	240.12	85.11
Current Service Cost	<b>16.82</b>	<b>10.77</b>	14.71	3.42
Interest Cost	<b>24.35</b>	<b>9.62</b>	20.79	7.19
Actuarial Losses / (Gain)	<b>17.94</b>	<b>39.06</b>	12.93	3.67
Benefit Paid	<b>(11.38)</b>	<b>(8.96)</b>	(8.82)	(4.71)
Obligation as at 31.3.2016	<b>327.46</b>	<b>145.17</b>	279.73	94.68

**Expenditure to be recognized during the year**

Current Service Cost	<b>16.82</b>	<b>10.77</b>	14.71	3.42
Interest Cost	<b>24.35</b>	<b>9.62</b>	20.79	7.19
Expected Return on Plan Assets	<b>17.94</b>	<b>39.06</b>	12.93	3.67
Net Actuarial Losses/(Gain) Recognized during the year	<b>59.11</b>	<b>59.45</b>	48.43	14.28

Total expenditure included in  
"Employees Emoluments"

<b>Assumptions</b>				
Discount Rate (per annum)	<b>8.00%</b>	8.00%	8.00%	8.00%
Expected Rate of Return on Assets (per annum)	<b>5.00%</b>	5.00%	5.00%	5.00%
Salary Escalation Rate	<b>0.00%</b>	0.00%	0.00%	0.00%





**25 Finance cost**

**(Rs.in Lacs)**

Particulars	2015-16	2014-15
Interest expense	271.29	288.52
Other borrowing costs	284.52	386.54
<b>Total</b>	<b>555.81</b>	<b>675.06</b>

**26 Depreciation and Amortisation**

Particulars	2015-16	2014-15
Depreciation As per Note 11	395.85	435.41
Less: Adjusted from Reserve & Surplus	-	8.74
<b>Total</b>	<b>395.85</b>	<b>426.67</b>

**27 Other Expenses**

Particulars	2015-16	2014-15
Stores & Spares consumed	377.55	230.26
Loose Tools consumed	444.93	385.70
Power,Oil & Lubricants & LPG for furnance	1,145.19	1191.39
Repairs & Maint.(Plant & Machinery)	127.97	129.88
Outside vendoring	1,086.26	944.41
Others	174.41	145.64
	<b>3,356.31</b>	<b>3,027.28</b>
Less : Transferred to Development Expenses	<b>(28.67)</b>	<b>(32.38)</b>
<b>Sub Total (A)</b>	<b>3,327.64</b>	<b>2,994.90</b>

(Rs.in Lacs)

<b>ADMINISTRATIVE, SELLING &amp; OTHER EXPENSES</b>	<b>2015-16</b>	<b>2014-15</b>
Travelling & Conveyance	58.24	41.25
Vehicle Running & Maintenance	75.83	71.05
Telephone, Telex & Communication	22.11	17.95
Repairs & Maintenance :		
- Building	6.64	10.59
- Others	2.14	-
Freight & Forwarding	108.18	121.41
Rent	51.74	39.10
Printing & Stationery	7.25	5.85
Discount on sales/Warranty claims	26.49	12.63
Electricity & Water	7.15	7.39
Auditors Remuneration	1.25	1.25
Bad Debts W/off	5.01	7.05
Misc. Expenses	359.87	256.35
Misc.Expenses written off	44.13	42.69
<b>Sub Total (B)</b>	<b>776.03</b>	<b>634.56</b>
<b>Total (A+B)</b>	<b>4,103.67</b>	<b>3,629.46</b>

(Rs.in Lacs)

<b>28</b>	<b>Earning Per Share</b>	<b>2015-16</b>	<b>2014-15</b>
	Net profit after tax as per statement of Profit & Loss attributable to Equity Shareholder	370.15	358.84
	Weighted average no of shares	9931600	9389933
	Nominal Value of Shares	10	10
	Basic Earning Per Share	3.73	3.82

<b>29</b>	<b>Expenditure in Foreign currency</b>	<b>2015-16</b>	<b>2014-15</b>
	Raw Material /Tools	63.25	85.99
	foreign Travelling	31.23	17.42

### 30 Payment to Statutory Auditors

Payments to the auditor as	2015-16	2014-15
a. auditor	1.25	1.25
b. for taxation matters	-	
c. for company law matters	-	
d. for management services	-	
e. for other services	-	
f. for reimbursement of expenses	-	
<b>Total</b>	<b>1.25</b>	<b>1.25</b>

31 Earnings in Foreign currency	2015-16	2014-15
Export of goods on CIF basis	5899.40	4988.76

- 32 Where in respect of an issue of securities made for a specific purpose, the whole or part of the amount has not been used for the specific purpose at the balance sheet date, Indicate below how such unutilized amounts have been used or invested.

NIL

- 33 Major expenditure on development of new components, where the benefit of such work is expected to accrue over an extended period and is not exhausted during the period covered by the Profit & Loss Account is treated as deferred revenue expenditure and written off over a period of five years. Accordingly 20% of such expenditure has been charged to revenue account and balance carried over to be charged in the subsequent years.
- 34 The company has been pursuing the civil suit against Mr. JPS Kanwar for the recovery of Rs.488.88 lacs & the same shall be deemed to be income of the company as & when received.
- 35 The Company has initiated the process of obtaining confirmation from suppliers who have registered themselves under the Micro Small Medium Enterprises Development Act, 2006 (MSMED Act, 2006). Further no interest during the year has been paid or payable under the terms of the MSMED Act, 2006.
- 36 The company had sent balance confirmation letters to the customers. The company has received balance confirmations from some of the parties.



**37 Consumption of Raw Material**

(Rs.in lacs)

	<b>As at 31<sup>st</sup> March,2016</b>		<b>As at 31<sup>st</sup> March, 2015</b>	
	<b>Numbers</b>	<b>Value</b>	Numbers	Value
Forging (Bought Out)	<b>43,83,627</b>	<b>3,869.08</b>	44,08,400	3,933.46
Steel (Bought Out)( In Kgs)	<b>6,93,211.36</b>	<b>389.92</b>	6,95,371.06	210.13

<b>38</b>	CIF Value of Imported Machines/Spares	<b>As at 31<sup>st</sup> March 2016</b>	<b>As at 31<sup>st</sup> March 2015</b>
	Machine/Spare Part	<b>187.21</b>	46.69

**39** In the opinion of the Board of Directors, Current Assets Loans and Advances shall have a value on realization,value on realization, in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet.

**40** Accounting Standard 17 that relates to segmental reporting is not applicable as the company does not have any identifiable segment as defined in Accounting Standards. Moreover, the company deals only in the automotive components meant for two wheeled, three wheeled and four wheeled vehicles.

**41** Accounting Standard 19 for lease accounting is not applicable as there were no lease transaction.

**42** Previous year figures has been regrouped/rearranged.

**43 RELATED PARTY DISCLOSURE**

**(i) As per Annexure**

**(ii) As per Annexure**

**Annexure - 43 (i)**

**Details of KMP**

	<b>Name of KMP</b>	<b>Designation</b>
1	Mr. Gursharan Singh,	Chairman & Managing Director
2	Mr. Dev Raj Arya,	Director & CFO
3	Mr. Hitesh Kumar,	Company Secretary
<b>Details of relatives of KMP</b>		
	<b>Name of Relatives</b>	<b>Relations</b>
1	Mrs. Narinder Paul Kaur	Wife of Mr. Gursharan Singh,
2	Ms. Ravnita Singh	Daughter of Mr. Gursharan Singh,
3	Mr. Prabh Mehar Singh	Son of Mr. Gursharan Singh,

Annexure - 43 (ii)  
Transaction carried out with related parties referred in 43 (i), in ordinary course of Business:

(Rs.in Lacs)

Particulars	Subsidiary Companies		Joint Venture		Associates		Key Managerial Personnel (KMP)		Relatives of KMP		Enterprises over which KMP & their relatives have significant influence		Grand Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Remuneration & Perks							123.61	92.86	13.33	5.68	-	-	136.94	98.54
Directors Sitting Fees							-	-	0.85	-	-	-	0.85	0.00
Investment in Share Capital/Share application money														
Purchase of Goods/Services														
Sale of Goods/Services	N.A	N.A	N.A	N.A	N.A	N.A								
Rent received														
Advance received for sale of investment														
<b>OUTSTANDINGS</b>														
Receivables														
Payable														

**Disclosure in respect of Material Related Party transactions during the year:**

1. Remuneration & Perks include payment to Mr. Gursharan Singh, Chairman & Managing Director Rs.79.35 Lac (Prev. Year Rs.59.73 Lac), Mr. Dev Raj Arya, Director & CFO Rs.41.05 lac( Prev. Year Rs.30.87 Lacs), Ms.Kamna Tiwari Company Secretary Rs. Nil (Prev. Year Rs.1.64 Lac Date of Joining 01.09.2014, Date of Cessation. 06.01.2015) and Mr. Hitesh Kumar, Company Secretary Rs. 3.21 lac (Prev. Year Rs.0.62 lac), KMP's of the Company.
2. Remuneration & Perks paid to Mrs. Narinder Paul Kaur (as retainership fees ), Rs. 7.20 Lacs ( Prev. Year Rs.3.96 Lacs), Ms. Ravnita Singh Rs. 5.49 lac (Prev. Year Rs. 1.72 Lac, Date of joining 12.11.2014) and Mr. Prabh Mehar Singh Rs. 0.64 lacs Date of Joining 15 February, 2016 (Prev. Year Rs.Nil), Relatives of KMP.
3. Director Sitting Fees is Paid to Mrs. Narinder Paul Kaur, Non executive Director Rs. 0.85 lac (Prev. Year Rs.NIL)



**RACL Geartech Ltd. (Formerly Raunaq Automotive Components Ltd)**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED March 31, 2016**

(Rs.in Lacs)

	Year ended 31 <sup>st</sup> Mar, 2016	Year ended 31 <sup>st</sup> Mar, 2015
<b>A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS</b>	<b>568.82</b>	497.55
Adjustments for:		
Depreciation	<b>395.85</b>	426.67
Miscellaneous expenses written off	<b>44.13</b>	42.69
Interest	<b>555.81</b>	675.06
<b>Operating Profit before Working Capital Changes</b>	<b>1,564.61</b>	1,641.97
Changes in Working Capital		
Decrease/(Increase) in Inventories	<b>(137.48)</b>	(418.16)
Decrease/(Increase) in Sundry Debtors	<b>839.97</b>	(129.98)
Decrease/(Increase) in Loan & Advances	<b>(51.20)</b>	134.15
(Decrease)/Increase in Current Liabilities	<b>(433.17)</b>	0.06
<b>Cash Generated From Operations</b>	<b>1,782.73</b>	1,228.04
Interest paid	<b>(555.81)</b>	(675.06)
Cash Flow before Extraordinary Items	<b>1,226.92</b>	552.98
Extraordinary Items(Prior Year Income/(Expenditure)		
Tax paid during the Year	<b>(198.67)</b>	(133.57)
Tax paid (previous year)		(5.14)
<b>Net Cash Flow from Operating Activities</b>	<b>1,028.25</b>	414.27
<b>B) CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Inflow/(Out flow)		
Purchase of Fixed Assets(Net)	<b>(578.14)</b>	(162.03)
Development Expenses	<b>(86.11)</b>	(49.88)
<b>Net Cash Flow from investing Activities</b>	<b>(664.25)</b>	(211.91)
<b>C CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Inflow/(Outflow)		
Repayment of Long Term Borrowings	-	
(Decrease)/Increase in Non-current liabilities	<b>(53.84)</b>	(546.28)



**RACL Geartech Ltd.**  
(Formerly Raunaq Automotive Components Ltd.)



(Increase)/Decrease fresh share issued	-	200.00
Increase/(Decrease) in Cash Credit Utilisation	<b>(331.17)</b>	72.31
(Increase)/Decrease loan for short term & long term advances	<b>51.54</b>	73.14
Increase/(Decrease) in long term liabilities		
Loan from Car finance Co		
Interest Free Sales Tax Loan		
<b>Net cash flow from financing activities</b>	<b>(333.47)</b>	<b>(200.83)</b>
<b>D. NET (INC.)/DEC. IN CASH AND CASH EQUIVALENT:(A+B+C)</b>	<b>30.53</b>	1.53
Opening Balance of Cash and Cash Equivalents	<b>98.36</b>	96.83
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>128.89</b>	98.36

We have verified the above cash flow statement of **RACL Geartech Ltd.** (Formerly Raunaq Automotive Components Ltd). Audited Financial Statements for the year ended 31st March, 2016 and found the same in accordance therewith and also with the requirement of clause 32 of the listing agreement with Stock Exchanges.

**For A.Sachdev & Co.**  
Chartered Accountants

**By Order of the Board**  
**For RACL Geartech Ltd.**  
(formerly Raunaq Automotive Components Ltd.)

FRN 001307C  
Sd/-  
**B.K AGARWAL**  
(Partner)  
M.No :90771

Sd/-  
**GURSHARAN SINGH**  
(Chairman & Managing Director)

Sd/-  
**MADAN LAL**  
(Non-Executive  
Independent Director)

Sd/-  
**ANIL SHARMA**  
(Non-Executive  
Independent Director)

Sd/-  
**DEV RAJ ARYA**  
(Whole-time Director & CFO)

Sd/-  
**RAJ KUMAR KAPOOR**  
(Non-Executive  
Independent Director)

Sd/-  
**RAKESH KAPOOR**  
(Non-Executive  
Independent Director)

Place: Gajraula  
Date : May 28, 2016

Sd/-  
**NARINDER PAUL KAUR**  
(Non-Executive Director)

Sd/-  
**HITESH KUMAR**  
(Company Secretary)



**RACL Geartech Ltd.**  
(Formerly Raunaq Automotive Components Ltd.)



**RACL Geartech limited** (Formerly Raunaq Automotive Components Limited)  
Registered Office: 15<sup>TH</sup> FLOOR, Chiranjiv Tower, 43, Nehru Place, New Delhi – 110019, INDIA  
Phones: 91-11-26418622 - 33 - 55 FAX : 91-11-26448962  
e-Mail: Info@raclgeartech.com, Website: www.raclegeartech.com  
CIN: L34300DL1983PLC016136

### PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of member(s)		e-mail Id	
Registered address		Member's Folio No/DP ID-Client ID	

I/We, being the member(s) of .....shares of RACL Geartech Limited (Formerly Raunaq Automotive Components Limited), hereby appoint:

- 1) Name.....e-mail Id.....  
Address.....Signature.....or failing him/her.
- 2) Name.....e-mail Id.....  
Address.....Signature.....or failing him/her.
- 3) Name.....e-mail Id.....  
Address.....Signature.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/ our behalf at the 33<sup>rd</sup> Annual General Meeting of members of the Company, to be held on Wednesday, the 28<sup>th</sup> September, 2016 at 11:00 A.M. at Shivam Garden, Bawana Road, Narela, New Delhi – 110040, and/or at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote*	
		For	Against
Ordinary Business			
1.	Adoption of the financial statements of the Company for the year ended March 31, 2016, including the audited Balance Sheet, the Statement of Profit and Loss and the reports of the Board of Directors and Auditors thereon.		





2.	Appointment of Director in place of Mrs. Narinder Paul Kaur (DIN 02435942), Non-executive Director of the company, who retires by rotation and being eligible, offers herself for re-appointment.		
3.	Ratification of appointment of M/s. A. Sachdev & Co., Chartered Accountants, as Statutory Auditors of the Company and to authorising the Board of Directors to fix their remuneration.		
<b>Special Business</b>			
4.	Approval for Increase in borrowing limits from Rs. 50 crores (Rupees Fifty crores only) to Rs. 75 crores (Rupees Seventy Five crores only) or the aggregate of the paid up share capital and free reserves of the Company, whichever is higher.		
5.	Approval for Creation of Charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings.		
6.	Approval for keep Register and Index of Members at other place instead of Registered office of the company.		

*\* It is optional to indicate your preference. If you leave the 'for or against' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/ she may deem appropriate.*

As witness my/our hand(s), this ..... day of ..... 2016.

Signature of shareholder .....

Signature of Proxy holder(s) .....

Affix  
Revenue  
Stamp  
here

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.**



**RACL Geartech Ltd.**  
(Formerly Raunaq Automotive Components Ltd.)



**RACL Geartech limited** (Formerly Raunaq Automotive Components Limited)  
**Registered Office: 15<sup>TH</sup> FLOOR, Chiranjiv Tower, 43, Nehru Place, New Delhi – 110019, INDIA**  
**Phones: 91-11-26418622 - 33 - 55 FAX : 91-11-26448962**  
**e-Mail: Info@raclgeartech.com, Website: www.racngeartech.com**  
**CIN: L34300DL1983PLC016136**

**Dear Shareholder,**

**SUB: Registration / Updation of e-Mail address for receipt of communication / documents through electronic mode**

We draw your attention to our earlier communications requesting you to register your email address with the Company / Depository Participant(s) so that the Annual Reports, Financial Statements, Notices and any communication can be sent to you through electronic mode. We notice from our records that you are yet to register your email address with the company.

We once again request you to register / update your email address in the manner explained below and support the 'Green Initiative' launched by the Ministry of Corporate Affairs, The same will be deemed to be your registered email address for serving Notices/Financial Statements / Annual Reports / documents and any other correspondence including those covered under Sections 134 and 136 of the Companies Act, 2013.

If you hold shares in:

- a) Electronic form – Please intimate / update your email address to your Depository Participant (s).
- b) Physical form – Please intimate / update your email address by sending a duly signed letter quoting the name of first / sole holder and folio no.(s) to the Registrars and Share Transfer Agents of the Company or to the Company's Investor Relations Department, at the address given hereunder:

Registrars and Share Transfer Agents  
**MAS Services Limited**  
T-34, 2<sup>nd</sup> Floor, Okhla Indl. Area, Phase-II,  
New Delhi - 110 020  
Tel: (011) 26387281 - 82 - 83  
Fax: (011) 26387384  
e-Mail : info@masserv.com  
Website: www.masserv.com



**RACL Geartech Ltd.**  
(Formerly Raunaq Automotive Components Ltd.)



**RACL Geartech limited**  
(Formerly Raunaq Automotive Components Limited)  
Investor Relations,  
Secretarial Department,  
15<sup>th</sup> Floor, Chiranjiv Tower, 43,  
Nehru Place, New Delhi – 110019, INDIA  
e-Mail : [info@raclgeartech.com](mailto:info@raclgeartech.com)  
website [www.raclgeartech.com](http://www.raclgeartech.com)

We would like to clarify that even after registering your email address as above, you may still request for a physical copy of above referred communication and the same will be sent to you free of cost. Also, all such documents will also be available on the Company's website [www.raclgeartech.com](http://www.raclgeartech.com)

In view of the many benefits of holding securities in electronic form, we urge you to dematerialize your shares, in case you hold the same in physical form, by approaching the Depository Participant(s) of your choice.

Yours sincerely,

**Hitesh Kumar**  
(Company Secretary)



**RACL Geartech Ltd.**  
(Formerly Raunaq Automotive Components Ltd.)



## EXCELLENCE IN QUALITY



**Mr. Gursharan Singh, Chairman & Managing Director with Noida Plant team who were awarded with the best vendor award for the year 2015-16, by Yamaha India.**







**RACL Geartech Ltd.**  
(Formerly Raunaq Automotive Components Ltd.)



## ENVIRONMENT FIRST

**RACL's 0% WATER DISCHARGE**



**EFFLUENT TREATMENT PLANT INSTALLED AT GAJRAULA UNIT**

## SAFETY AS A WAY OF LIFE



**MOCK FIRE DRILL IN PROGRESS AT GAJRAULA UNIT**





**RACL Geartech Ltd.**  
(Formerly Raunaq Automotive Components Ltd.)



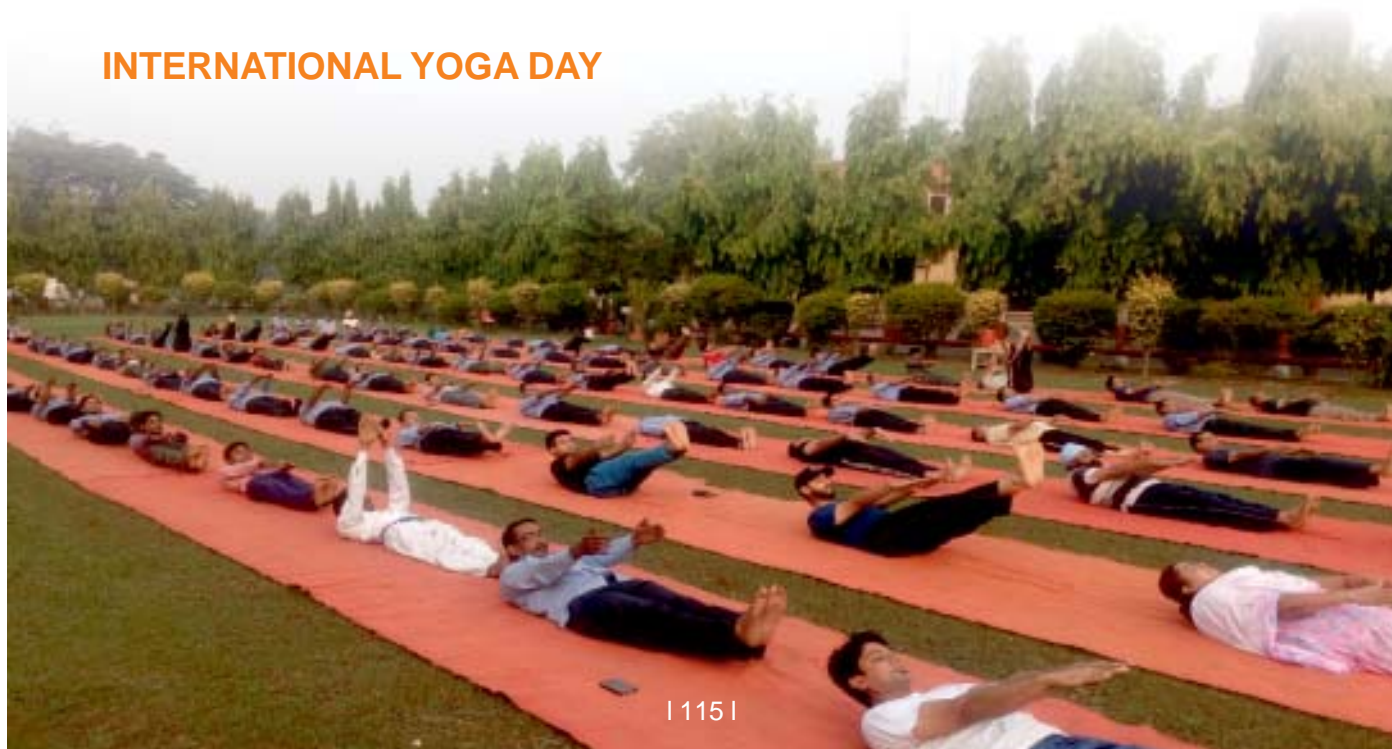
## RECREATIONAL ACTIVITIES AT RACL GEARTECH

### RACL VOLLEYBALL TOURNAMENT



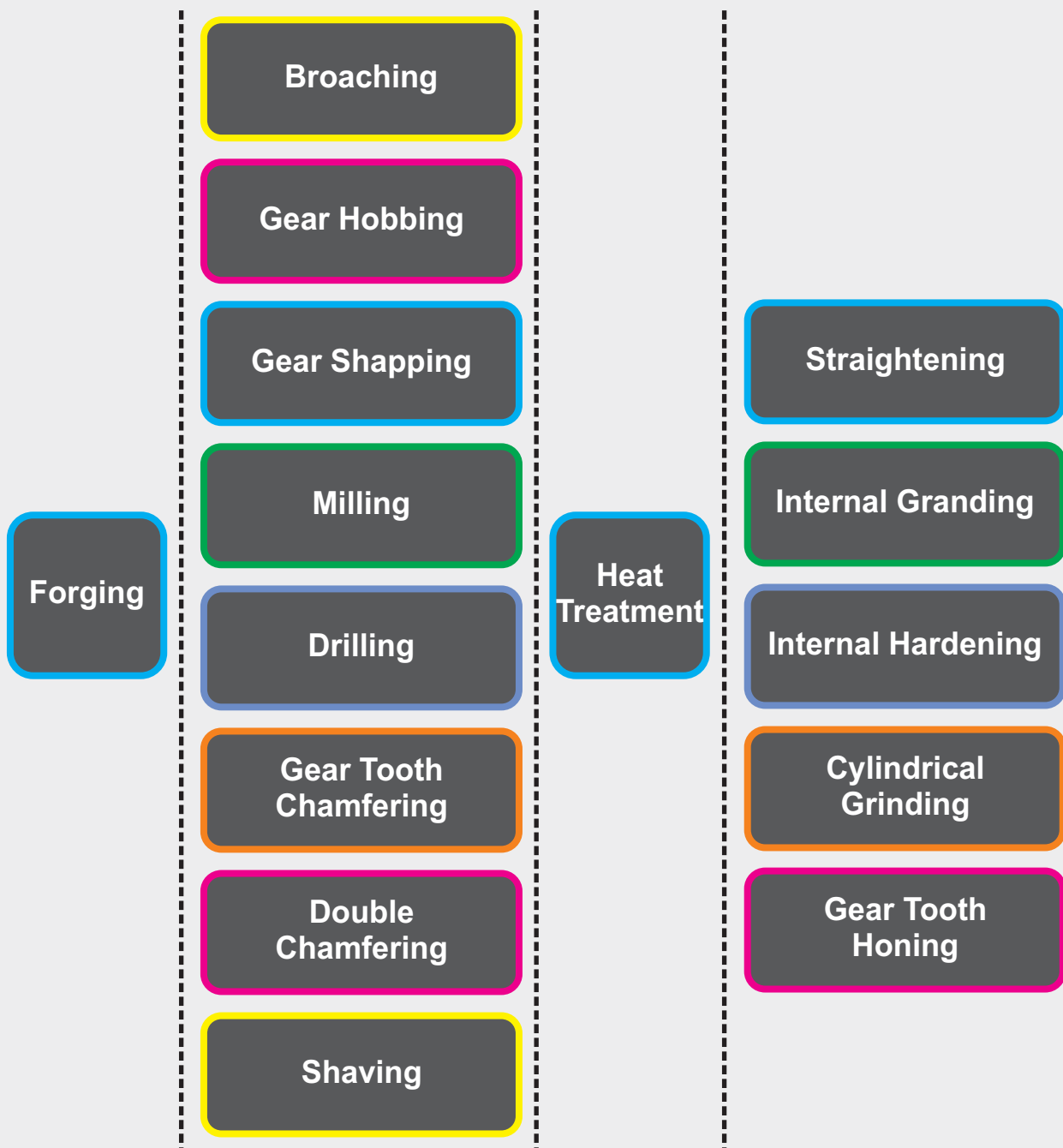
Players in Action

### INTERNATIONAL YOGA DAY

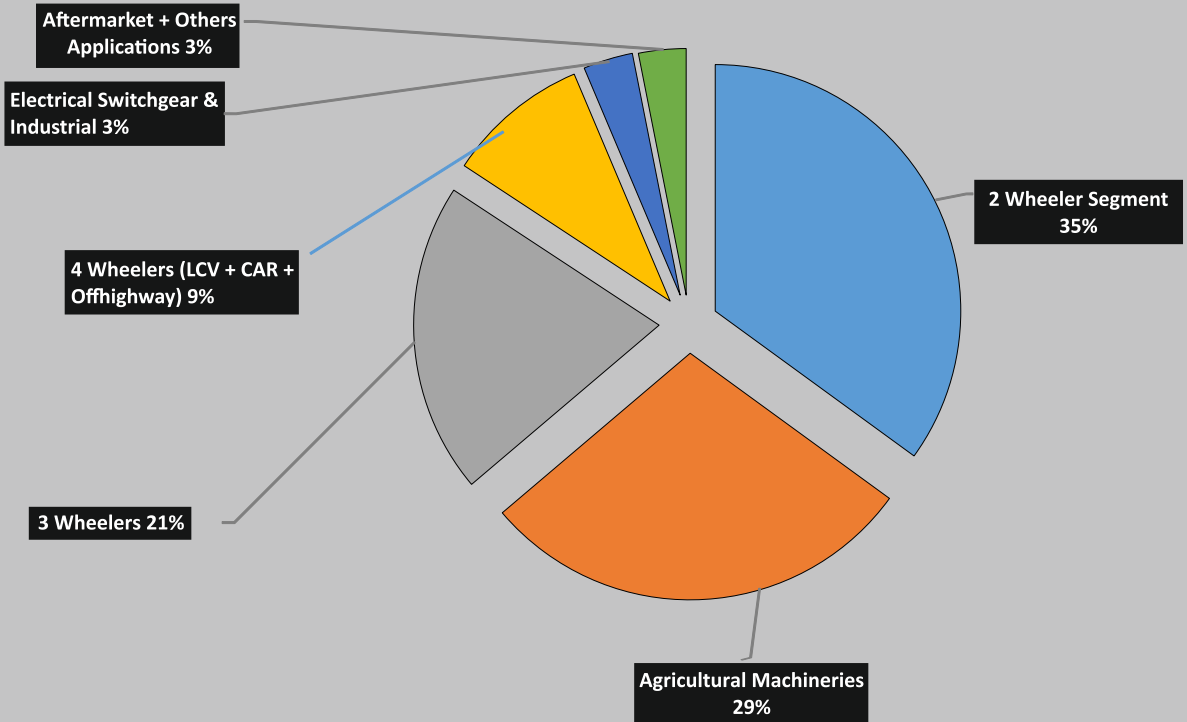




## RACL's FULLY INTEGRATED MANUFACTURING CAPABILITIES



## BUSINESS SEGMENT FINANCIAL YEAR 2015-16



## TOTAL REVENUE & EXPORT PERFORMANCE (LAST 5 YEARS)

In Crores





**A NEW NAME, A NEW LOOK AND A NEW BEGINNING**



The company has a new logo which contains an "infinity" sign symbolising the infinite possibilities of growth for the company.

**Registered Office :** 15<sup>th</sup> Floor, Chiranjiv Tower, 43, Nehru Place, New Delhi-110019, INDIA