



RACL Geartech 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@raclgeartech.com

Thursday, 11 October, 2018

REF. NO. RACL/ BSE/ 2018-19

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

Scrip Code No. 520073

SUB : 35th Annual Report of the Company for the financial year ended on 31st March, 2018

Dear Sir,

Pursuant to Regulation 34 (1) and other applicable regulation(s) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Please find enclosed herewith the 35th Annual Report of the company for the Financial Year 2017 - 18, contains the Financial Statements of the Company for the financial year ended 31st March, 2018, including the Audited Balance Sheet as at 31st March, 2018, the respective Statements of Profit & Loss and Cash Flow for the year ended as on that date and the accompanying Notes thereto, along with the reports of the Board of Directors and Auditors thereon.

This is for your information and records.

Thanking you,

For RACL Geartech Limited


HITESH KUMAR
COMPANY SECRETARY &
COMPLIANCE OFFICER



Encl.: As above

Registered Office

15th Floor, Eros Corporate Tower, Nehru Place, New Delhi-110019, INDIA

Phone: +91-11-66155129

CIN: L34300DL1983PLC016136

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





35th
ANNUAL
REPORT
2017 - 2018

RACL Geartech Limited

WORLD CLASS TECHNOLOGY



Company Installed
Gear Generating Grinding Technology

Imported From
“Kapp Niles”, Berlin

CHAIRMAN'S MESSAGE



Dear Shareholders,

I am pleased to welcome you to the 35th Annual General Meeting of RACL Geartech Limited.

Economic Overview:

My fellow shareholders, I find it most heartening that the Government has taken the decisions of implementation of GST, demonetization, the promulgation of the new Insolvency and Bankruptcy Code, functioning of National Company Law tribunals all across the country. Focus on NPA's in Banks, Real Estate (Regulation and Development) Act and crackdown on Black money, among other steps, will push the economy to act in much more transparent

and organized manner. At the same time, various initiatives such as affordable housing, digitization of economy, Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) Scheme, the Urban Development strategy for the next 20 years, aimed at development of rural and urban areas, with housing for the poor as an objective, development of 100 smart cities, Atal Mission for Rejuvenation and Urban Transformation (AMRUT) for 500 cities etc. will provide enormous opportunities to those who are able to conduct their business in a sound and fair manner. I consider this as an opportunity for the youth with varying degree of skills to gainfully associate with the economic progress of the country in collaboration with organizations and processes that are enduring in the long run.

Performance Highlights:

Your Company has reported a Total Income of Rs. 140.11 crores for the financial year ended March 31st, 2018 as compared to Rs. 124.32 crores during the same period in the previous year, representing a growth of 12.70 %. Profit before Tax at Rs. 8.64 crores increased by 33.12 % from Rs. 6.49 crores, while Net Profit grew by 59.38 % to Rs. 7.22 crores from Rs. 4.53 crores in FY 2016-17.

Striding towards our Growth Plan:

Strategic charter of RACL Geartech has been conceived with an action plan called "GEAR". The four pillars that support the "GEAR" framework are Growth, Excellence, Accomplishment & Relationships. Growth being a focus area for the company, RACL has conceived a detailed action plan for achieving inclusive Growth in Revenue, Profitability, Return on Capital Employed, Shareholder Value, Capacity Utilization, productivity and the top & foremost is our vision for creating employees' happiness & prosperity.

RACL is able to maintain its leadership steadily & consistently in the field of high performance product Portfolio, duly supported with significant investments in technological and engineering skills, digital technologies, brand building, as well as, resource creation activities.

Building Sustainable work culture:

Our strong corporate culture is fundamental to our business success. Board of Directors of the company is playing very constructive & pivotal role in defining the work environment of the Company by promoting values-based code of conduct. The company's work culture is being transformed with six core values: Authenticity, Excellence, Learning, Caring for our people, & performance with code of ethics. It has created a work place, where our people have a strong sense of integrity and ownership.

CSR focus

RACL Geartech Limited has always believed in sustainable and responsible growth led by its values. The Company's CSR efforts endeavour to support the less privileged, rural and urban communities in the country at large, with a focus on sections of the vulnerable and marginalized local communities that live in close proximity to its manufacturing facilities in semi-rural locations.

In Conclusion

I offer my heartfelt gratitude to all our employees and business associates for their dedicated contribution to the Company's performance and growth over the years. We truly value the continued patronage of our esteemed customers. Bankers, Central & State Govt. organizations, our supply chain partners & topmost & foremost our employees whose dedication & commitment has taken the company forward to achieve our goals of success. I convey my sincere thanks to my colleagues on the Board of Directors for their active guidance and support. And finally, I thank you, our deeply valued shareholders, personally and on behalf of the Board, for your continuing confidence in RACL.

A handwritten signature in black ink, appearing to read "Gursharan Singh".

GURSHARAN SINGH
CHAIRMAN & MANAGING DIRECTOR

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Gursharan Singh Chairman & Managing Director	Mr. Raj Kumar Kapoor Independent Director
Mr. Dev Raj Arya Whole Time Director & CFO	Mr. Rakesh Kapoor Independent Director
Mrs. Narinder Paul Kaur Non - Executive Non - Independent Director	Mr. Shashank Ramesh Anikhind Independent Director
Mr. Anil Sharma Independent Director	

Company Secretary & Compliance Officer
Mr. Hitesh Kumar

Corporate Identity Number
CIN: L34300DL1983PLC016136

Statutory Auditors

Gianender & Associates, Chartered Accountants
Plot No.6, SiteNo. 21, Geeta Mandir Marg, New Rajinder
Nagar, New Delhi-11006

Internal Auditors

Protiviti India Member Private Limited
15th Floor, Tower A, DLF Building No. 5,
DLF Phase III, DLF Cyber City,
Gurgaon-122002, Haryana, India

Secretarial Auditors

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

Bankers

Bank of India
RBL Bank Limited
IndusInd Bank Limited

Registered Office

15th Floor, Eros Corporate Tower,
Nehru Place, New Delhi-110019, India
Phones: 91-11-66155129
Fax No.: 91-11-66155221

Corporate Office

B-9, Sector-3, Noida, Uttar Pradesh-201301, India
Tel: 0120-4588500, Fax: 0120-4588513
e-Mail: Info@raclgeartech.com, Web: www.raclgeartech.com

Plants

Unit No. 1

A-3, Industrial Area, Gajraula,
District Amroha, Uttar Pradesh-244223, India

Unit No. 2

H-201, Sector-63, Noida
District Gautam Budh Nagar,
Uttar Pradesh-201307, India

Registrar & Share Transfer Agents

MAS Services Limited
T-34, 2nd Floor, Okhla Industrial Area,
Phase-II, New Delhi-110020
Tel: 011-26387281 / 82 / 83
e-Mail: info@masserv.com, Web: www.masserv.com

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Notice:

Notice is hereby given that the 35th Annual General Meeting (AGM) of the members of **RACL Geartech Limited** will be held on Tuesday, the 25th September, 2018, at 11.00 A.M. at The Executive Club, Dolly Farms & Resorts Pvt. Ltd., 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi - 110074, India to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company for the financial year ended 31st March, 2018, including the Audited Balance Sheet as at 31st March, 2018, the respective Statements of Profit & Loss and Cash Flow for the year ended as on that date and the accompanying Notes thereto, along with 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 31st March, 2018, including the Audited Balance Sheet as at 31st March, 2018, the respective Statements of Profit & Loss and Cash Flow for the year ended as on that date, and the accompanying Notes thereto, along with the reports of the Board of Directors and Auditors 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 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), if any, of the Companies Act, 2013 and any other act(s) or Regulation(s), if any, Mrs. Narinder Paul Kaur (DIN: 02435942), Director, who retires by rotation at the 35th Annual General Meeting, be and is hereby re-appointed as Director of the Company, liable to retire by rotation.

3. To ratify the appointment of Gianender & Associates, Chartered Accountants [Firm Registration No. 004661N], Statutory 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 and 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 28th, 2017, the appointment of Gianender & Associates, Chartered Accountants [Firm Registration No. 004661N], as the Statutory Auditors of the Company to hold office until the conclusion of 37th AGM, be and is hereby ratified from 35th AGM to 36th AGM, on such remuneration as may be mutually determined between the said Auditors and the Board of Directors of the Company."

SPECIAL BUSINESS:

4. **Renewal of the borrowing limits from Rs. 75,00,00,000/- (Rupees Seventy Five Crores) to Rs. 100,00,00,000/- (Rupees one hundred 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 33rd Annual General Meeting held on 28th September, 2016, and pursuant to the provisions of Section 180 (1) (c) of the Companies Act, 2013, read with the applicable rules made there under and other applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all 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, and as approved and recommended by Audit Committee and Board of Directors of the company, 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 or other(s), 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. 100,00,00,000/- (Rupees one hundred 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. Renewal of the limits of Creation of charges /mortgages/ hypothecation or otherwise on the movable or immovable properties of the Company in respect of borrowings, in terms of the provisions of section 180 (1) (a) of the Companies Act, 2013.

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 33rd Annual General Meeting held on 28th September, 2016 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all 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, and as approved and recommended by Audit Committee and Board of Directors of the company, 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, hypothecations or otherwise in addition to the existing charges, mortgages, hypothecations or otherwise 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 or other investing agencies or 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 or any other borrowings (hereinafter collectively referred to as "Loans") provided that the total amount of Loans together with interest thereon or all other monies payable by the Company in respect of the said Loans for which the charges, mortgages, hypothecations or otherwise is to be created, shall not, at any time exceed **Rs. 100,00,00,000/- (Rupees one hundred 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."

**By order of the Board
For RACL Geartech Limited**

**Place: Noida
Date: 11th August, 2018**

**Regd. Office: 15th Floor, Eros Corporate Tower,
Nehru Place, New Delhi-110019, INDIA
Ph. : +91-11-66155129
e-Mail - investor@raclegeartech.com**

**Sd/-
Hitesh Kumar
Company Secretary & Compliance Officer**

ANNEXURE TO THE NOTICE

Statement/ Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

ITEM NO. 4

The members of the Company at the 33rd Annual General Meeting held on 28th September, 2016, 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. 75,00,00,000/- (Rupees Seventy Five crores only).

Since, the level of business of the company is growing day by day and In order to meet the existing and future financial requirements, on account of the expansion plan/program of the company, long term working capital requirements and capital expenditure, the company needs to raise additional loans/ borrowings from one or more of the financial Institutions, Banks, NBFCs or other(s). Accordingly, it is proposed to enhance/renew the present limits of borrowings from Rs. 75,00,00,000/- (Rupees Seventy Five Crores only) to **Rs. 100,00,00,000/- (Rupees one hundred Crore) or the aggregate of the paid up share capital and free reserves of the Company as per the latest annual audited financial statements, whichever is higher.**

Accordingly, Item No. 4 is proposed to obtain necessary approval of the members of the company in terms of the provisions of Section 180 (1)(c) of the Companies Act, 2013.

None of the director or key managerial personnel of the Company or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board commends approval of the resolution set out in Item No. 4 of the Notice of 35th AGM as a Special Resolution by the members/ shareholders of the company.

ITEM NO. 5

The members of the Company at the 33rd Annual General Meeting held on 28th September, 2016, had accorded their consent to the Board of Directors for creation of charges/mortgages/hypothecations or otherwise in favour of Bank of India and / or RBL Bank Limited and / or IndusInd Bank Limited and / or other Bank / Financial Institution / NBFC and/ or other(s).

In order to facilitate securing the borrowing made by the Company, it may be necessary to create charge/ mortgages/hypothecations or otherwise on the assets or whole of the undertaking of the Company in favour of the lenders or others, as mentioned in the resolution at Item No. 5. Section 180(1)(a) of the Companies Act, 2013 provides for the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company subject to the approval of members in the general meeting.

Accordingly, Item No. 5 is proposed to obtain necessary approval of the members of the company in terms of the provisions of Section 180 (1)(a) of the Companies Act, 2013, for creation of charges/mortgages/hypothecations or otherwise in favour of the lenders or others, for an amount not exceeding **Rs. 100,00,00,000/- (Rupees one hundred Crore) or the aggregate of the paid up share capital and free reserves of the Company as per the latest annual audited financial statements, whichever is higher.**

None of the director or key managerial personnel of the Company or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

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

**By order of the Board
For RACL Geartech Limited**

Sd/-

Hitesh Kumar

Company Secretary & Compliance Officer

Place: Noida

Date: 11th August, 2018

**Regd. Office: 15th Floor, Eros Corporate Tower,
Nehru Place, New Delhi-110019, INDIA**

Ph. : +91-11-66155129

e-Mail - investor@raclegeartech.com

Details of Directors Seeking Appointment/Re-Appointment at the 35th Annual General Meeting

(Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Mrs. Narinder Paul Kaur (DIN: 02435942), was appointed as Non - executive Director on the Board of Directors of the Company, liable to retire by rotation in the Annual General Meeting held on 30th September, 2015.

Pursuant to regulation 26(4) and 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by ICSI, A brief resume of Mrs. Narinder Paul Kaur (DIN: 02435942) and other details or information about the Director proposed to be re-appointed at the forthcoming Annual General Meeting is furnished below and forms part of the Notice:

Name of the Director	Mr. Narinder Paul Kaur
Director Identification Number (DIN)	02435942
Nationality	Indian
Date of Birth and Age	15/06/1963, 55 years
Date of first appointment	30/09/2015
Qualifications	Bachelor's Degree in Science, Masters of Arts (English)
Expertise/ Experience in specific functional areas	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.
Terms and conditions of appointment / re-appointment	Refer Item No. 2 of the Notice Re-appointment as Non-Executive Non-Independent Director, liable to retire by rotation.
Details of remuneration last drawn (Financial Year 2017-18) and sought to be paid, if applicable	No remuneration was paid apart from sitting fees for attending Board and/ or Committee meetings, if any and retainer ship fee, as mentioned in Corporate Governance Report Section.
No. of Board Meetings attended during the Financial Year 2017- 18	4 (four)
Relationships with other Directors, Managers and other key managerial personnel	Spouse of Mr. Gursharan Singh, Chairman & Managing Director
List of Companies in which Directorships held as on 31 March, 2018 (excluding foreign directorship, private limited companies and Section 8 Companies)	1.RACL Geartech Limited
Chairmanship / Membership of specified Committees* of the Boards of above Companies as on 31 March, 2018	None
No. of shares held in the Company	
(a) Own	14,884
(b) For other persons on a beneficial basis	Nil

* Membership/ Chairmanship in Audit Committee and Stakeholders relationship Committee

Mrs. Narinder Paul Kaur, aged 55 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 7 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.

The Board considers that continued association of Mrs. Narinder Paul Kaur would be of immense benefit to the Company and it is desirable to continue to avail services from her.

Mrs. Narinder Paul Kaur fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for her re-appointment as Director of the Company. Her re-appointment would be within the limits prescribed under law/ regulations to act as Director in any listed Company including the RACL.

The Board, based on the recommendation of the Nomination and Remuneration Committee, recommends the re-appointment of Mrs. Narinder Paul Kaur, as Non executive Director of the Company, liable to retire by rotation.

Accordingly, Item No. 2 is proposed to obtain necessary approval of the members of the company in terms of the provisions of Section 152 of the Companies Act, 2013, for re-appointment of Mrs. Narinder Paul Kaur, as Non-executive Non-Independent Director of the Company, liable to retire by rotation.

Except Mrs. Narinder Paul Kaur herself and Mr. Gursharan Singh, Chairman & Managing Director and Mr. Prabh Mehar Singh, Manager - BA, none of the director or key managerial personnel of the Company or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 2 of the Notice.

The Board commends approval of the resolution set out in Item No. 2 of the Notice of 35th AGM as an Ordinary Resolution by the members/ shareholders of the company.

**By order of the Board
For RACL Geartech Limited**

**Sd/-
Hitesh Kumar
Company Secretary & Compliance Officer**

**Place: Noida
Date: 11th August, 2018**

**Regd. Office: 15th Floor, Eros Corporate Tower,
Nehru Place, New Delhi-110019, INDIA
Ph. : +91-11-66155129
e-Mail - investor@raclgeartech.com**

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 Businesses set out in Item Nos. 4 to 5 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, are available with the notice of 35th 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 Wednesday, 19th September, 2018 to Tuesday, 25th September, 2018 (Both days inclusive) for the purpose of the 35th 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 Participants 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 2017-18, Notice of 35th Annual general Meeting (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
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. Pursuant to SEBI Notification dated 8th June, 2018, we hereby apprise you that w.e.f. 04.12.2018, transfer of securities shall not be processed unless securities are held in dematerialized form with a depository. In other words, request for transfer of shares held in physical form will not be processed w.e.f. 04.12.2018 and it shall be mandatory to Demat the securities for getting the shares transferred.
Accordingly, all members holding shares in physical form are further advised to convert their shareholding from physical form to Demat with a depository participant of their choice.
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 Investors section of the Company on 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 35th 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 Annual General Meeting (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 22nd September, 2018 (09.00 A.M.) and ends on 24th September, 2018 (5.00 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 18th September, 2018, 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)):
 - a. 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.
 - b. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>.
 - c. Click on Shareholder-Login.
 - d. Put user ID and password as initial password noted in step (i) above. Click Login.
 - e. 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.
 - f. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - g. Select "EVEN – 109078" of "RACL Geartech Limited".
 - h. Now you are ready for remote e-voting as Cast Vote page opens.
 - i. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - j. Upon confirmation, the message "Vote cast successfully" will be displayed.
 - k. Once you have voted on the resolution, you will not be allowed to modify your vote.
 - l. 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 with a copy marked to evoting@nsdl.co.in.
 - B. In case of Members receiving Physical copy of Notice of 35th Annual General Meeting (for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy)
 - a. Initial password is provided with the Attendance Slip for the 35th AGM.
 - b. 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 <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. 18th September, 2018.
- 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 alone 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. 18th September, 2018, may also obtain the login ID and password by sending a request at evoting@nsdl.co.in or to Mr. Shrawan Mangla, MAS Services Limited (RTA), Tel: (011) 26387281 - 82 - 83 e-Mail : 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 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. 18th September, 2018 only shall be entitled to avail the facility of remote e-voting as well as voting at the venue of AGM through ballot paper.
- XV. Mr. K. K. Malhotra, Company Secretary in Whole time Practice (Membership No. FCS-1410 & CP No. 446), Partner, K. K. Malhotra & Company, 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 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**

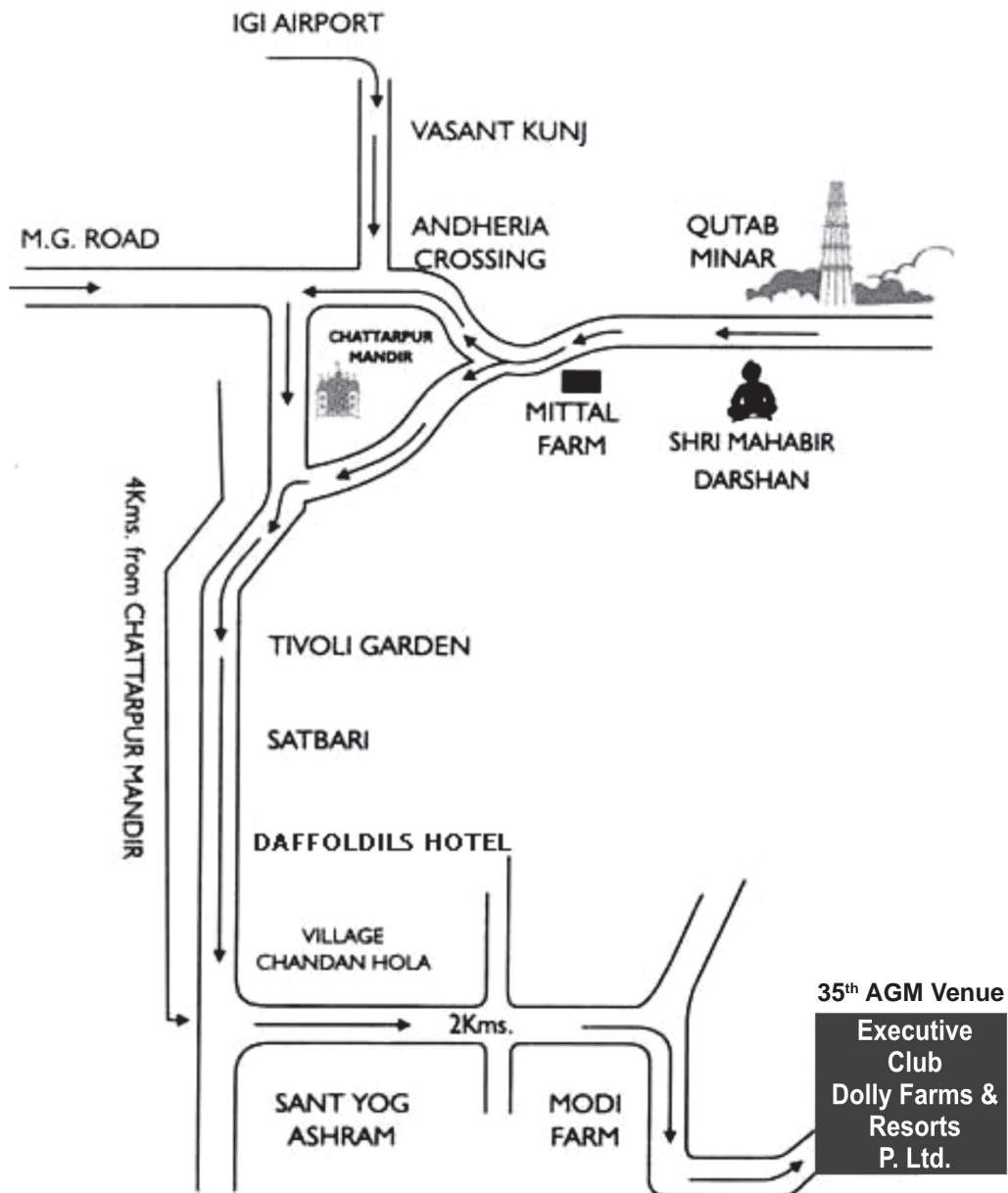
**Place: Noida
Date: 11th August, 2018**

**Regd. Office: 15th Floor, Eros Corporate Tower,
Nehru Place, New Delhi-110019, INDIA
Ph. : +91-11-66155129
e-Mail - investor@raclegeartech.com**

**Sd/-
Hitesh Kumar
Company Secretary & Compliance Officer**

ROUTE MAP TO 35th ANNUAL GENERAL MEETING

RACL Geartech Limited
The Executive Club, Dolly Farms & Resorts Pvt. Ltd.
439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-110074
Date: 25th September, 2018 (Tuesday) & Time: 11:00 A.M.



ADDENDUM OF NOTICE OF THE 35TH ANNUAL GENERAL MEETING (AGM) OF RACL GEARTECH LIMITED:

This Addendum of the Notice is hereby given that w.r.t. the Notice of 35th Annual General Meeting (AGM) of the members of RACL Geartech Limited will be held on Tuesday, the 25th September, 2018, at 11.00 A.M. at The Executive Club, Dolly Farms & Resorts Pvt. Ltd., 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi - 110074, India to transact the following additional business:

SPECIAL BUSINESS:

Item No. 6- Issue and allotment of equity shares of the Company on a preferential allotment basis through private placement:

To consider and if thought fit, to pass the following resolutions as a **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Sections 42 and 62 of the Companies Act, 2013, as amended from time to time (“Act”), and all other applicable provisions, if any, of the Act, and in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended from time to time (“Allotment Rules”), all other applicable provisions, if any, of the Allotment Rules, and in accordance with the Companies (Share Capital and Debentures) Rules, 2014, as amended from time to time (“Capital Rules”), all other applicable provisions, if any, of the Capital Rules, subject to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time (“ICDR Regulations”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“SEBI Listing Regulations”), any other rules / regulations/ guidelines, if any, prescribed by the Securities and Exchange Board of India, the Reserve Bank of India and other competent authorities, institutions bodies and/ or any other regulatory and statutory authorities, institutions or bodies (hereinafter collectively referred to as the “Competent Authorities”) enabling provisions of the Memorandum and Articles of Association of the Company and the listing agreement entered into between the Company with BSE Limited (“BSE”), where the equity shares of the Company are listed (“Listing Agreement”), subject to required approvals, consents, permissions and/or sanctions of the Competent Authorities and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall deem to include any committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred on the Board by this resolution) the consent of the members of the Company be and is hereby accorded to issue, offer and allot 3,50,000 (Three Lakhs Fifty Thousands) equity shares of the Company of the face value of Rs. 10/- (Rupees Ten Only) each (“Equity Shares”) on preferential allotment basis through private placement, at a price of Rs. 67.50/- (Sixty-Seven Rupees Fifty Paise Only) (including a premium of Rs. 57.50/- (Fifty-Seven Rupees Fifty Paise Only) per Equity Share aggregating to Rs. 2,36,25,000/- (Rupees Two Crores Thirty-Six Lakhs Twenty-Five Thousands Only), which is higher than the price arrived at in accordance with the ICDR Regulations or such other issue price as may be determined as per the provisions of ICDR Regulations or other applicable acts(s)/ Regulation(s), to the following subscriber:

Sr. No.	Details of Subscriber	Number of Equity Shares (Face value of Rs. 10/- per share)	Consideration (including premium) (In Rs.)
1.	Mr. Gursharan Singh, Promoter / Chairman & Managing Director Address: D-98, Sector-36, Noida, Gautam Budh Nagar, Uttar Pradesh - 201301, India	3,50,000	2,36,25,000

RESOLVED FURTHER THAT in accordance with the provisions of ICDR Regulations, the “Relevant Date” for the purpose of determination of the price of the Equity Shares to be issued and allotted as above shall be 26th August, 2018, being the date falling 30 (thirty) days prior to the date of 35th Annual General Meeting to be held on 25th September, 2018.

RESOLVED FURTHER THAT the aforementioned issue and allotment shall be made on following terms and conditions:

- a) The said Equity Shares shall be listed on the BSE Limited on which the existing equity shares of the Company are listed.
- b) The Equity Shares shall only be allotted in dematerialized form to the Subscriber, within a period of 15 (Fifteen) days from the date of passing of this Special Resolution,
provided that where any application for any approval or permission by any Competent Authority is pending, the period of 15 (Fifteen) days shall be counted from the date of receiving such approval or permission, as the case may be or such other extended period as may be permitted under ICDR Regulations or other applicable acts(s)/ Regulation(s).
- c) The said Equity Shares to be allotted to the Subscriber shall be freely transferable from the date of allotment, subject to applicable lock-in requirements as prescribed by the ICDR Regulations and other applicable laws, as applicable from time to time.
- d) The monies received by the company from the Subscriber for application of the Equity Shares pursuant to this private placement shall be kept by the company in a separate bank account and shall be utilized by the Company in accordance with the provisions of Section 42 of the Companies Act, 2013 or other applicable provisions of other acts(s)/ Regulation(s).

RESOLVED FURTHER THAT the Board be and is hereby entitled to vary, modify or alter any of the foregoing terms and conditions to conform to those as may be prescribed by the Competent Authorities or otherwise as the Board may, in its absolute discretion, deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of Equity Shares, on preferential allotment basis, as may be required to be issued and allotted to the Subscriber and that the said Equity Shares shall rank, in all respects, pari-passu with the existing equity shares of the Company including but not limited to, dividend and other corporate benefits.

RESOLVED FURTHER THAT the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may at its discretion deem necessary, proper, desirable or expedient for such purpose, including issue and finalization of the private placement offer letter in the prescribed format of the Form PAS-4, finalizing the form of application, entering into arrangements for listing, trading, depository services and such other arrangements and agreements, as may be required, and also to seek listing of the said Equity Shares on BSE, with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of the said Equity Shares and in complying with any regulations, as it may in its absolute discretion deem fit and for matters connected therewith or incidental thereto, without being required to seek any further consent or approval of the members and the members shall be deemed to have given their approval thereto expressly by the authority of this resolution and any such documents so executed and delivered or acts and things done or caused to be done shall be conclusive evidence of the authority of the Company in so doing.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any committee of Directors and / or to one or more Directors and / or officer(s) of the Company."

**By order of the Board
For RACL Geartech Limited
Sd/-**

**Place: Noida
Date: 30th August, 2018**

**Hitesh Kumar
Company Secretary & Compliance Officer**

**Regd. Office: 15th Floor, Eros Corporate Tower,
Nehru Place, New Delhi-110019, INDIA
Ph. : +91-11-66155129
e-Mail - investor@raclgeartech.com**

ANNEXURE TO THE ADDENDUM OF THE NOTICE OF 35TH ANNUAL GENERAL MEETING OF RACL GEARTECH LIMITED

Statement/ Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

Item No. 06. Issue and allotment of equity shares of the Company on a preferential allotment basis through private placement:

Details required under Section 102 of the Companies Act, 2013, and Regulation 73 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

The Company has achieved substantial growth in business specifically in export business in last few years by virtue of long term business tie up with select global automotive manufacturers in Europe and Japan. The Company had to carry out substantial investments towards creating desired infrastructure and manufacturing capabilities to cater to delivery and quality requirements of global customers. Export business required latest technologies and equipments. Moreover, export business has very high receivables time. Company has already approached to the bankers for additional funds for procurement of Plant & Machinery and other latest Technology, Equipments. Bankers of the company keep on advising to raise the equity capital which is a permanent source of funds to come over this situation.

With a view to raise permanent funds in the company, the Board of Directors of the company contemplates to raise additional equity capital to meet the needs of the business for operational and general corporate requirements, the Board has approved, subject to the approval of the members/shareholders, the allotment and issue of up to allot 3,50,000 (Three Lakhs Fifty Thousands) equity shares of the Company of the face value of Rs. 10/- (Rupees Ten only) each ("Equity Shares") on preferential allotment basis through private placement, at a price of Rs. 67.50/- (Sixty-Seven Rupees Fifty Paise Only) (including a premium of Rs. 57.50/- (Fifty-Seven Rupees Fifty Paise Only) per Equity Share aggregating to Rs. 2,36,25,000/- (Rupees Two Crores Thirty-Six Lakhs Twenty-Five Thousands Only), which is higher than the price arrived at in accordance with the ICDR Regulations or such other issue price as may be determined as per the provisions of ICDR Regulations, as amended from time to time, or other applicable acts(s)/ Regulation(s) and on such terms and conditions and at such time as mentioned in the resolution at Item No. 06 of this Notice.

Under Section 42 and Section 62 of the Companies Act, 2013 ("Companies Act"), read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 ("Allotment Rules"), and the Companies (Share Capital and Debentures) Rules, 2014 ("Capital Rules"), a company may, by Special Resolution, authorize the issue of shares on a private placement and preferential basis, subject to the conditions prescribed thereunder. The Board has accordingly decided to seek the approval of the members of the Company by Special Resolution for the issue of the aforesaid Equity Shares to the following Subscriber:

Sr. No.	Details of Subscriber	Number of Equity Shares (Face value of Rs. 10/- per share)	Consideration (including premium) (In Rs.)
1.	Mr. Gursharan Singh, Promoter/Chairman & Managing Director Address: D-98, Sector - 36, Noida, Gautam Budh Nagar, Uttar Pradesh - 201301, India	3,50,000	2,36,25,000

Details as required under the provisions of the Companies Act, 2013, ICDR Regulations or other applicable acts(s)/ Regulation(s), are furnished as under:

Details as required under Rule 13 of the Capital Rules and Rule 14 of the Allotment Rules of the Companies Act, 2013 are stated below:

Sr. No.	Particulars	Details
1.	The objects of the issue	Raising of additional funds for the business, operational and general corporate requirements of the Company, including for funding working capital of the Company.
2.	The total number of securities to be issued	3,50,000 Equity Shares
3.	The price or price band at/within which the allotment is proposed	Rs. 67.50/- (Sixty-Seven Rupees Fifty Paise Only) (including a premium of Rs. 57.50/- (Fifty-Seven Rupees Fifty Paise Only)
4.	Basis or justification on which the price has been arrived at	As per ICDR Regulations
5.	Relevant date with reference to which the price has been arrived at	26 th August, 2018
6.	The class or classes of persons to whom the allotment is proposed to be made	Promoter/ Director/ Key Managerial Personnel
7.	Intention of promoters, directors or key managerial personnel to subscribe to the offer	Mr. Gursharan Singh, Promoter/ director/ key Managerial Personnel of the company is subscribing to the said offer.
8.	The proposed time within which the allotment shall be completed	Within 15 days from the date of the approvals and permissions from the Competent Authorities
9.	The names of the proposed allottees and the percentage of post preferential offer capital that may be held by them	Mr. Gursharan Singh, Promoter/ Chairman & Managing Director 33,85,689 (Thirty-Three Lakhs Eighty-Five thousands Six Hundreds Eighty-Nine) Equity Shares 32.92% of Total Issue Capital.
10.	The change in control, if any, in the company that would occur consequent to the preferential offer	No change in control
11.	The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price	NA
12.	The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer.	NA

Details as required under Companies Act, 2013 and ICDR Regulations are set out below:

Shareholding Pattern of the issuer (Company) before (pre-issue) and after (post-issue) the preferential issue of equity shares involved in the present resolution are stated below:

S.No.	Category	Pre Issue Shareholding (as on 30.06.2018)		Post Issue Shareholding	
		No. of Shares Held	% of Total share-holding	No. of Shares Held	% of Total Share-holding
(A)	Promoter's Holding				
(1)	Indian:				
(a)	Individuals	3273169	32.96	3623169	35.24
(b)	Body Corporate and Financial Institution	1540437	15.51	1540437	14.98
	Sub-Total (A)(1)	4813606	48.47	5163606	50.22
(2)	Foreign Promoters	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-
	Total Promoter's Holding (A)=(A)(1)+(A)(2)	4813606	48.47	5163606	50.22
(B)	Non-Promoter's Shareholding:				
(1)	Institutional Investors				
(a)	Mutual Fund / UTI / Insurance Co's/ Foreign Institutional Investors (FII)	-	-	-	-
(b)	Financial Institutions/ Banks	500	0.01	500	0.01
	Sub-Total (B)(1)	500	0.01	500	0.01
(2)	Non-Institution:				
(a)	Private Corporate Bodies	226327	2.28	226327	2.20
(b)	Directors including KMP and their relatives	-	-	-	-
(c)	Indian Public (Individuals)	3748297	37.74	3748297	36.45
(d)	Others (including NRIs)	1142870	11.50	1142870	11.12
	Sub-Total (B)(2)	5117494	51.52	5117494	49.77
	Total Non-Promoter's Shareholding (B) = (B)(1)+(B)(2)	5117994	51.53	5117994	49.78
	GRAND TOTAL (A+B)	9931600	100	10281600	100

Details as required under the ICDR Regulations are set out below:

a) Object of the preferential issue:

The proceeds of the preferential offer are proposed to be used for the business, operational and general corporate requirements of the Company, including for funding working capital of the Company.

b) Proposal/Intention of the promoters, Directors or Key Managerial Personnel of the Issuer (Company) to subscribe to the offer:

Mr. Gursharan Singh, Promoter/ director/ key Managerial Personnel of the company is subscribing to the offer.

c) Shareholding Pattern before and after issue of the Subscription Shares:

Shareholding Pattern before and after issue of the Subscription Shares is stated above and the part of this explanatory statement.

d) Proposed time limit within which Preferential issue/allotment will be completed:

The proposed allotment of the Equity Shares will be completed within 15 days period from the later of:

- (i) Date of passing of the Special Resolution; and (ii) the receipt of approval / permission from any regulatory authority(ies) / competent authority(ies) (If required).

e) Identity of [the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and / or who ultimately control] the proposed allottee, the percentage of post preferential issue capital that may be held by him and change in control, if any, in the issuer (Company) consequent to the preferential issue:

Sr. No.	Particulars	Subscriber
1	Details of the Subscriber	Mr. Gursharan Singh, Promoter / Chairman & Managing Director Address: D-98, Sector - 36, Noida, Gautam Budh Nagar, Uttar Pradesh - 201301, India
2.	Category / Class of Subscriber	Promoter/ Director/ Key Managerial Personnel
3	Number of Equity shares and percentage (%) of total shareholding held by the proposed allottee (Investor) prior to preferential issue.	30,35,689 (Thirty Lakhs Thirty-Five Thousands Six Hundreds Eighty-Nine) Equity Shares, 30.57% of Total Issue Capital.
4	Number of Equity shares and percentage (%) of post preferential issue capital that may be held by the proposed Allottee (Investor)	33,85,689 (Thirty-Three Lakhs Eighty-Five Thousands Six Hundreds Eighty-Nine) Equity Shares 32.92% of Total Issue Capital.
5.	Change in Control	There will be no change in the control or Composition of the Board of Directors of the company consequent to the said issuances.

f) Undertaking that the Issuer (Company) shall re-compute the price of the specified securities (equity shares) in terms of the provision of these regulations where it is required to do so:

The issuer (Company) hereby undertakes that it shall re-compute the price of the specified securities (equity shares) in terms of the provisions of the ICDR Regulations, in case it is required to do so.

g) Undertaking that if the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities (equity shares) shall continue to be locked-in till the time such amount is paid by the proposed allottee (Investor).

The company undertakes that if the amount payable on re-computation of the price is not paid within the time stipulated in the ICDR Regulations, the specified securities (equity shares) shall continue to be locked-in till the time such amount is paid by the proposed allottee (Investor).

h) Pricing of the Issue:

The Equity Shares will be issued at a price of Rs. 67.50/- (Sixty-Seven Rupees Fifty Paise Only) (including a premium of Rs. 57.50/- (Fifty-Seven Rupees Fifty Paise Only) being a price arrived at as per the provisions stipulated in the ICDR Regulations. Since, the Equity Shares have been listed on a recognized stock exchange for more than 26 weeks and accordingly, the Company shall not be required to recompute the price per Equity Share.

The "Relevant Date" for the purpose of calculating the price of the Equity Shares shall be 26th August, 2018, being the date 30 (Thirty) days prior to the date of 35th Annual General Meeting for passing of this Special Resolution, being 25th September, 2018.

"Stock Exchange" shall mean BSE Limited.

i) LOCK-IN

The equity shares to be allotted on preferential basis shall be subject to lock-in period as provided in the ICDR Regulations and other applicable provisions of any other act(s) or regulation(s), for the time being in force.

j) Other disclosures

- i. Neither the Company, nor the Promoters or the Directors are categorized as willful defaulters by any bank or financial institution or consortium thereof or others, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India or others.
- ii. The Subscriber has not sold Equity Shares of the Company in the six months preceding the Relevant Date.
- iii. No equity shares shall be issued to promoter on preferential basis, for consideration other than cash.

k) Approvals

The company is taking necessary steps to obtain all the requisite approvals from all the appropriate authorities including stock exchange, SEBI, ROC or any other regulatory authorities as may be applicable, for the proposed preferential issue of equity shares of the company.

l) Certificate from Statutory Auditors:

A copy of the certificate from the Gianender & Associates, Statutory Auditors of the Company, certifying that the present preferential allotment of equity shares being made in accordance with the requirements contained in the SEBI (Issue of Capital & Disclosure Requirements), Regulations 2009, the SEBI (Substantial Acquisition of shares and Takeovers) Regulations, 2011 and other applicable provisions of any other act(s) or regulation(s), as amended up to date, shall be available for inspection by the members at the registered office of the Company on any working day till the date of the 35th Annual General Meeting, i.e., 25th September, 2018, during business hours between 10.00 A.M. to 12.00 A.M. and also available at the place of 35th AGM of the company at the scheduled time.

Accordingly, Item No. 6 is proposed to obtain necessary approval of the members of the company in terms of the provisions of the Companies Act, 2013 and SEBI (ICDR) Regulations, 2009 or other applicable acts(s)/ Regulation(s).

The Board believes that the preferential offer to aforesaid subscriber will be in the best interest of the company and its members.

Except Mr. Gursharan Singh himself, Mrs. Narinder Paul Kaur, Non-executive Director and Mr. Prabh Mehar Singh, Manager - BA, none of the director or key managerial personnel of the Company or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the addendum of Notice of 35th AGM.

The Board commends approval of the resolution set out in Item No. 6 of addendum of the Notice of 35th AGM as a Special Resolution by the members/ shareholders of the company.

**By order of the Board
For RACL Geartech Limited**

Sd/-

Hitesh Kumar

Company Secretary & Compliance Officer

Place: Noida

Date: 30th August, 2018

**Regd. Office: 15th Floor, Eros Corporate Tower,
Nehru Place, New Delhi-110019, INDIA
Ph. : +91-11-66155129
e-Mail - investor@raclgeartech.com**

NOTES AND OTHER NECESSARY INFORMATIONs FOR THE MEMBERS OF THE COMPANY w.r.t. this
Addendum of notice are mentioned in the Notice of 35th Annual General Meeting (AGM) of the members of RACL Geartech Limited.

**By order of the Board
For RACL Geartech Limited**

Sd/-

Hitesh Kumar

Company Secretary & Compliance Officer

Place: Noida

Date: 30th August, 2018

**Regd. Office: 15th Floor, Eros Corporate Tower,
Nehru Place, New Delhi-110019, INDIA
Ph. : +91-11-66155129
e-Mail - investor@raclgeartech.com**

DIRECTORS REPORT

TO

THE MEMBERS,

Your Directors take pleasure in presenting the 35th Annual Report together with the Audited financial statements of the Company for the financial year ended 31st March, 2018.

FINANCIAL HIGHLIGHTS:

	(Rs. in Lakhs)	
Particulars	2017-18	2016-17
Sales and Other Income	14011	12432
Operational Expenses	12145	10929
Depreciation	496	400
Financial Charges	571	515
Profit before Tax	864	649
Provision for Taxes/ Def.Tax Liab/ including earlier years	77	135
Net Profit	722	453
Reserves from last year	3752	3299
Reserves brought forward to Balance Sheet	4474	3752

TRANSFER TO RESERVES

An amount of Rs. 722 lakhs has been transferred to General Reserve for the Financial Year ended 31st March 2018.

DIVIDEND

Operations of the company are growing fast and the company is in expansion mode. 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.

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(5) of the Companies Act, 2013, the Directors of your Company confirm:

- that the applicable Accounting Standards (i.e. Indian Accounting Standards) have been followed in the preparation of annual accounts and the corresponding figures for the previous years have been regrouped/ rearranged accordingly 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 31st March, 2018 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 Non-Independent Director (DIN: 02435942), of the Company retires by rotation at the ensuing Annual General Meeting (AGM) 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 and Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI) are provided in the Notice of 35th Annual General Meeting of the Company. The Board recommends that Mrs. Narinder Paul Kaur, Non- Executive Non-Independent Director (DIN: 02435942), may be re-appointed at the ensuing AGM.

Necessary resolutions in respect of re-appointment of Mrs. Narinder Paul Kaur, Non- Executive Non-Independent Director (DIN: 02435942), have been included in the notice convening the ensuing annual general meeting. Your directors commend his re-appointment.

During the year under review, Mr. Madan Lal (DIN: 00272672), ceased to be a Non-Executive Independent Director of the company w.e.f. 28th September, 2017, as his term of appointment has been completed.

During the year under review, Mr. Shashank Ramesh Anikhindi (DIN 07787889) has been appointed as an additional director of the Company in Independent category with effect from 27th May, 2017 and appointed (regularized) as Independent Directors on the Board of the Company in the Annual General Meeting held on 28th September, 2017 to hold office for a for a term of 3 (Three) consecutive years with effect from 29th September, 2017 up to 28th September, 2020.

During the year under review, following directors of the company has been reappointed on the Board in the Annual General Meeting held on 28th September, 2017:

- Mr. Raj Kumar Kapoor (DIN: 00110338), as an Independent Director of the Company for a second term of 3 (Three) consecutive years with effect from 29th September, 2017 up to 28th September, 2020,
- Mr. Rakesh Kapoor (DIN: 00015358), as an Independent Director of the Company for a second term of 4 (four) consecutive years with effect from 29th September, 2017 up to 28th September, 2021, and
- Mr. Anil Sharma (DIN: 00157911), as an Independent Director of the Company for a second term of 2 (Two) consecutive years with effect from 29th September, 2017 up to 28th September, 2019.
- Mr. Gursharan Singh (DIN: 00057602), as Chairman & Managing Director of the company for a period of 5 years w.e.f. 23rd August 2017 up to 22nd August, 2022.
- Mr. Dev Raj Arya (DIN: 00057582), as Whole time Director & Chief Financial Officer of the company for a period of 2 years w.e.f. 22nd October, 2017 up to 21st October, 2019.

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 Interse

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

Familiarisation Programme for Independent Directors

Your Company has adopted 'Familiarisation Programmes 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_8march2018.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, 2 (two) familiarization programs were conducted in the financial year 2017-18, which were attended by all the Independent Directors. Total number of hours spent by each Independent Director in these programs were 4 (four) hours.

DISCLOSURES

ADOPTION OF INDIAN ACCOUNTING STANDARDS (“IND AS”)

The Company has adopted Indian Accounting Standards (“Ind AS”) and accordingly these financial statements have been prepared in accordance with the same as required under section 133 of the Companies Act, 2013 read with rules made there under. The date of transition to Ind AS is 01st April, 2016. These financial statements for the year ended 31st March, 2018 are the Company’s first Ind AS financial statements. The impact of transition has been accounted for in the financial statement of the company and the comparative period figures have been reinstated accordingly.

COMMITTEES OF BOARD

Pursuant to requirement under Companies Act, 2013 and Securities & Exchange of Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has constituted various Committees of Board such as Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee and Financial Affairs Committee. The details of composition of these Committees are as follows:

Audit Committee

The previous Audit Committee of the company comprises of Mr. Raj Kumar Kapoor, Independent Director as the Chairman and Mr. Anil Sharma, Independent Director and Mr. Rakesh Kapoor, Independent Director as members.

During the year under review Audit committee was reconstituted and as on date it comprises of Mr. Rakesh Kapoor, Independent Director as the Chairman and Mr. Anil Sharma, Independent Director and Mr. Shashank Ramesh Anikhindi, Independent Director as members. Details in respect of the Audit Committee are provided in Corporate Governance Report, forming part of the Directors’ Report. During the year, there was no recommendation of the Audit Committee which was not accepted by the Board of Directors of the company.

Stakeholder Relationship Committee

The previous Stakeholder Relationship Committee of the company comprises of Mr. Madan Lal, Independent Director as the Chairman and Mr. Gursharan Singh, Chairman & Managing Director and Mr. Dev Raj Arya, Director & CFO as members.

During the year under review Stakeholder Relationship Committee was reconstituted and as on date it comprises of Mr. Rakesh Kapoor, Independent Director as the Chairman and Mr. Gursharan Singh, Chairman & Managing Director and Mr. Dev Raj Arya, Director & CFO as members. Details in respect of the Stakeholder Relationship Committee are provided in Corporate Governance Report, forming part of the Directors’ Report.

Nomination and Remuneration Committee

The previous Nomination and Remuneration Committee of the company comprises of Mr. Rakesh Kapoor, Independent Director as the Chairman and Mr. Anil Sharma, Independent Director, Mr. Madan Lal, Independent Director and Mr. Gursharan Singh, Chairman & Managing Director as other members.

During the year under review Nomination and Remuneration Committee was reconstituted and as on date it comprises of Mr. Rakesh Kapoor, Independent Director as the Chairman and Mr. Anil Sharma, Independent Director, Mr. Shashank Ramesh Anikhindi, Independent Director and Mr. Gursharan Singh, Chairman & Managing Director as other members. Details in respect of the Nomination and Remuneration Committee are provided in Corporate Governance Report, forming part of the Directors’ Report.

Corporate Social Committee

The previous Corporate Social Responsibility Committee of the company comprises of Mr. Anil Sharma, Independent Director as the Chairman and Mrs. Narinder Paul Kaur, Non-executive Non-Independent Director and Mr. Dev Raj Arya, Whole - time Director & CFO as other members.

During the year under review Corporate Social Responsibility Committee was reconstituted and as on date it comprises of Mr. Raj Kumar Kapoor, Independent Director as the Chairman and Mrs. Narinder Paul Kaur, Non-executive Director and Mr. Dev Raj Arya, Whole - time Director & CFO as other members. Details in respect of the Corporate Social Committee are provided in Corporate Governance Report, forming part of the Directors' Report.

Financial Affairs Committee

The previous Financial Affairs Committee of the company comprises of Mr. Raj Kumar Kapoor, Independent Director as the Chairman and Mr. Gursharan Singh, Chairman & Managing Director and Mr. Dev Raj Arya, Director & CFO as members.

During the year under review Financial Affairs Committee was reconstituted and as on date it comprises of Mr. Rakesh Kapoor, Independent Director as the Chairman and Mr. Gursharan Singh, Chairman & Managing Director and Mr. Dev Raj Arya, Director & CFO as members. Details in respect of the Financial Affairs Committee are provided in Corporate Governance Report, forming part of the Directors' Report.

Number of Meetings of the Board

During the year under review, 5 (five) 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 it has not provided any loan under section 186 of the Companies Act, 2013.

During the year under review, company has given guarantee/securities under section 186 or other applicable provisions of the Companies Act, 2013, of following amounts for the suppliers of the company to TATA Capital Financial Services Limited and these suppliers are associated with the company for last so many years and they have undertaken to establish additional Job working facility fully dedicated to RACL Geartech Limited:

- For Global Engineering Works Limited for an amount of Rs. 114,00,000/- (Rupees One Crore Fourteen Lakhs).
- For Hariom Engineering Private Limited for an amount of Rs. 29,00,000/- (Rupees Twenty Nine Lakhs).
- Diamento Precision Parts Private Limited for an amount of Rs. 40,00,000/- (Rupees Forty Seven Lakhs).

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 committee 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 Board of Directors expressed their satisfaction with the evaluation process.

Whistle Blower Policy/ Vigil Mechanism

An “Alert Procedure” has already been functioning 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

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**”. The salient points of said policy is stated in the Corporate Governance report forming part of the Directors’ Report.

Particulars of Employees and Related Disclosures

Details as required under section 197(12) of the 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 is annexed as “**Annexure - B**”.

A statement showing the names of employees drawing remuneration in excess of the limits as set out in section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of Companies (Appointment and Qualifications of Directors) 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 POLICY

The Board of Directors of your company has laid down and implemented a Policy on Corporate Social Responsibility, which may be accessed on the Company’s website at the link http://raclgeartech.com/pdfs/Corporate_Social_Responsibility_Policy_july2016.pdf

As required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 or other applicable provisions of the Companies Act, 2013, details of CSR Committee and initiatives/activities taken by the company during the year are provided in the Annual Report on CSR as annexed “**Annexure - F**”, and forms integral part of this Report.

AUDITORS AND AUDITORS’ REPORT

Statutory Auditors

At the 34th Annual General Meeting of the Company held on 28th September, 2017, pursuant to the provisions of the Companies Act, 2013 and rules made there under, Gianender & Associates, Chartered Accountants [Firm Registration No. 004661N] was appointed as Statutory Auditors of the Company, to hold office for a period of 3 years, from the conclusion of this 34th Annual General Meeting (AGM) until the conclusion of the 37th AGM to be held in the year 2020, subject to ratification of their appointment by the members of the company at every AGM, at such remuneration and out of pocket expenses, as may be decided by the Board of Directors of the Company.

The Statutory Auditors’ Report of Gianender & Associates, Chartered Accountants on the Financial Statements of the company for the Financial Year 2017-18 is a part of the Annual Report. The Report does not contain any qualification, reservation, adverse remark or disclaimer. The Notes on financial statement referred to in the Auditors’ Report are self-explanatory and do not call for any further comments.

Secretarial Auditors

As per section 204 and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company appointed K. K. Malhotra & Company, Company Secretaries, as Secretarial Auditor of the Company for the financial year 2017-18.

The Secretarial Audit Report for the financial year 2017-18 is annexed as “**Annexure - G**” and the Report does not contain any qualification, reservation, adverse remark or disclaimer.

INTERNAL AUDITOR

Pursuant to provisions of Section 138 of the Companies Act, 2013, the Board of Directors of your company appointed Protiviti India Member Private Limited [CIN: U93000HR2009PTC057389] as Internal Auditors of the Company, for a period of 2 (Two) financial years i.e. 2017-18 & 2018-19.

The Internal Auditors of the company provided their reports to the Audit Committee and Board of Directors on quarterly basis.

Cost Auditors

Pursuant to Companies (Cost Records and Audit) Amendment Rules, 2014 notified by the Ministry of Corporate Affairs (MCA) on 31st December, 2014, the Company was not mandatorily required to get its Cost Records for the financial year 2017 - 18 audited in terms of provisions of Section 148 of the Companies Act, 2013 and maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, was also not required to be maintained by the Company.

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

All related party transactions as per the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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.

Suitable disclosures as required by the accounting standards has been made in the notes to accounts of Financial Statements for financial year 2017-18. Particulars of contracts or arrangements with related party referred to in section 188 or other applicable provisions of the Companies Act, 2013 is annexed as “**Annexure - H**”.

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 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 w.r.t. financial statement or others. 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

Mr. K. K. Malhotra, Practicing Company Secretary (Proprietor, K. K. Malhotra & Company, Company Secretaries), regarding compliance of conditions of Corporate Governance as stipulated in regulation 34 read with Schedule V or other applicable provisions 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

The absolute respect of Environment, Health and Safety (EHS) is on the top priority of RACL Geartech Limited.

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. 31st March, 2018 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) and Internal Complaints Committee (ICC)/ Internal Committee in line with the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Internal Complaints Committee (ICC)/ Internal Committee has been set up to redress complaints received regarding sexual harassment. All employees (Permanent, contractual, temporary and trainees) are covered under the aforesaid policy. The company has not received any complaint about sexual harassment during the year 2017-18.

GENERAL

During the year under review your Directors state that the disclosure or reporting is required in respect of the following items:

1. Company has not accepted any deposits during the year covered under Chapter V of the Companies Act, 2013.
2. There is no change in the nature of business of the Company.
3. Company has not issue equity shares with differential rights as to dividend, voting or otherwise.
4. Company has not issue of shares (including sweat equity shares, ESOS etc.) to employees of the Company or to others 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 or others which impact the going concern status and Company's operations in future.
7. During the financial year, company has borrowed an additional unsecured loan of Rs. 1 crore from its director i.e. from Mr. Gursharan Singh, Chairman & Managing Director of the Company as an exempted deposits and the aggregated amount borrowed by the company from its directors as on 31.03.2018 is Rs. 1.50 crore, i.e. Rs. 1.42 crore from Mr. Gursharan Singh, Chairman & Managing Director and Rs. 8 lakhs from Mrs. Narinder Paul Kaur, Non-executive Non-independent director of the company.
8. Unclaimed Shares: As on 31st March, 2018, the Company does not have any unclaimed shares.

9. The annual listing fee for the year under review has been paid to stock exchange i.e. 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>
10. During the year there was no fraud in the company which was reportable to the Central Government and there was no fraud reported by the Auditors to the company under sub-section (12) of section 143 or other applicable provisions of the Companies Act, 2013.

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**

**Place: Noida
Date: 11th August, 2018**

**Sd/-
Gursharan Singh
Chairman and Managing Director
DIN: 00057602**

**Regd. Office: 15th Floor, Eros Corporate Tower,
Nehru Place, New Delhi-110019, INDIA
Ph.: +91-11-66155129
e-Mail - 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 1st 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 31st 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 Managing Director or Executive Director (whole time 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**

Sd/-

**Gursharan Singh
Chairman and Managing Director
DIN: 00057602**

**Place: Noida
Date: 11th August, 2018**

**Regd. Office: 15th Floor, Eros Corporate Tower,
Nehru Place, New Delhi-110019, INDIA
Ph.: +91-11-66155129
e-Mail - investor@raclegeartech.com**

“ANNEXURE B” TO THE DIRECTORS’ REPORT

Details as required under section 197(12) of the 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 31st March, 2018:

(Amount in Rs.)

S. No.	Name of Director and KMP	Remuneration of Directors and KMP for the financial year ended 31 st March, 2018	Ratio of remuneration of each director to median remuneration of employees	% increase in remuneration for the financial year ended 31 st March, 2018
1.	Mr. Gursharan Singh Chairman & Managing Director	97,81,000	38.78	20.27 (10.13% Annualized)
2.	Mr. Dev Raj Arya Whole-time Director & CFO	48,79,000	19.34	18.87 (9.43% Annualized)
3.	Mr. Raj Kumar Kapoor Independent Director ¹	2,35,000	0.93	11.90
4.	Mr. Anil Sharma Independent Director ¹	2,10,000	0.83	7.69
5.	Mr. Madan Lal ² Independent Director ¹	1,14,000	0.45	(32.14)
6.	Mr. Rakesh Kapoor Independent Director ¹	2,65,000	1.05	47.22
7.	Mr. Shashank Ramesh Anikhindi ³ Independent Director ¹	1,35,000	0.53	N.A.
8.	Mrs. Narinder Paul Kaur Non-Executive Director ¹	13,95,000	5.53	19.23
9.	Mr. Hitesh Kumar Company Secretary	5,74,000	N.A.	N.A.

- In case of Independent 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 sitting fee and retainerhip fees, if any.
- Mr. Madan Lal, ceased to be an Independent Director of the company w.e.f. 28th September, 2017, as his term of appointment has been completed.
- Since the financial year 2017-18 is the first year of appointment of Mr. Shashank Ramesh Anikhindi, Independent Director, hence % increase in remuneration for the financial year ended 31st March, 2018 is not applicable in his case.
- In the financial year, there was an increase of 0.93 % in the median remuneration of employees.
- There were 477 permanent employees on the rolls of Company as on 31st March, 2018;
- The average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year 2017-18 was 10.24%, whereas percentile increase in the managerial remuneration for the same financial year was 19.57% (9.78% Annualized), since this increase in the managerial remuneration is as per Nomination and Remuneration policy of the company, hence there were no exceptional circumstances for the said increase.
- 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**

Sd/-

**Gursharan Singh
Chairman and Managing Director
DIN: 00057602**

**Place: Noida
Date: 11th August, 2018**

**Regd. Office: 15th Floor, Eros Corporate Tower,
Nehru Place, New Delhi-110019, INDIA
Ph.: +91-11-66155129
e-Mail - investor@raclegeartech.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 Limited (in years)	Date of Commencement of employment	Age (in years)	Previous employment and Designation
1.	Gursharan Singh	Chairman & Managing Director	9781000	Diploma in Mechanical Engineering, PGDM Export Management	30 YRS	15/10/1987	55 YRS	Escort Tractors Ltd. (Ford) Prodt. Engg II
2.	Dev Raj Arya	Whole-time Director & CFO	4879000	LL.B, Company Secretary, M.A. in Economics, Cost Accountant	20 YRS	18/08/1997	67 YRS	Vishal Iakto (I) Ltd. Company Secretary (G.M.)
3.	Rajiv Kumar Goel	Associate Vice President	2501592	B.TECH (Mechanical)	27 YRS	01/10/1990	50 YRS	NA
4.	Deepak Saxena	Associate Vice President	2009592	B.E.	22 YRS	01/09/1995	52 YRS	Clutch Auto Ltd., Faridabad, Engineer
5.	Yogesh Baweja	General Manager	1819608	M.B.A.(Operations Research), B.E. (Mechanical), 4-year Diploma Tool & Die Making and Certificate course Import & Export Management	5 YRS	01/04/2013	50 YRS	Samtel Group, DGM
6.	Girish Kapoor	General Manager	1774596	Diploma in Mechanical Engineering	27 YRS	01/06/1990	52 YRS	Tirupati Udyog Ltd., Trainee Supervisor Q/C
7.	Hemant Kumar	Joint General Manager	1604592	AME, Mechanical Engineering, Diploma In Mechanical Engineering	9 YRS	18/08/2008	49 YRS	Lumax Industries, Sr. Manager
8.	Naveen Chandra Agarwal	Joint General Manager	1424604	B.TECH (Production)	26 YRS	09/08/1991	51 YRS	Vxl India Ltd., Universal Engg., Faridabad, Engineer (Prod.)
9.	Syed Mustahsan Jalil	Deputy General Manager	1239600	Diploma In Electrical Engineering	10 YRS	08/01/2008	50 YRS	Getrag HI-TECH Gears (India) Pvt. Ltd., Manager (Maintenance)
10.	Anil Kumar Saini	Assistant General Manager	1244607	ITI Draughtsman, Mechanical	25 YRS	28/04/1992	54 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 and father of Mr. Prabh Mehar Singh, Manager-BA of the company, none of the above employee is related to any of the Director(s) or employee(s) of the Company.

4. Except Mr. Gursharan Singh and Mr. Dev Raj Arya, 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 31st March, 2018 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 31st March, 2018 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 two (2) percent of the equity shares of the Company.
- **NIL**

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

**Place: Noida
Date: 11th August, 2018**

**Sd/-
Gursharan Singh
Chairman and Managing Director
DIN: 00057602**

**Regd. Office: 15th Floor, Eros Corporate Tower,
Nehru Place, New Delhi-110019, INDIA
Ph.: +91-11-66155129
e-Mail - investor@raclgeartech.com**

“ANNEXURE D” TO THE DIRECTORS’ REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2018

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

I. REGISTRATION AND OTHER DETAILS:

i) CIN	:	L34300DL1983PLC016136
ii) Registration Date	:	July 14, 1983
iii) Name of the Company	:	RACL Geartech 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 th Floor, Eros Corporate Tower, Nehru Place, New Delhi – 110 019, India Phone: +91-11-66155129
vi) Whether listed company Yes / No	:	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	:	MAS Services Limited T-34, 2 nd Floor, Okhla Industrial Area – II, New Delhi -110020 Phone: +91-11-26387281-82-83 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)

ii) Category-wise Share Holding

Category of Shareholders	No. of Shares Held at the beginning of the year (April 1, 2017)			No. of Shares held at the end of the year (March 31, 2018)			% Change during the year *Note1		
	Demat	Physical	Total	% of Total shares	Demat	Physical		Total	% of Total shares
A. Promoters									
(1) Indian									
a. Individual/ HUF	148322	-	148322	1.49	157533	-	157533	1.59	0.10
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt.(s)	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	37137	-	37137	0.37	37137	-	37137	0.37	-
e. Banks/FI	1503300	-	1503300	15.14	1503300	-	1503300	15.14	-
f. Any Other(Trust)	3398687	-	3398687	34.22	3117396	281291	3398687	34.22	-
Sub Total A(1):-	5087446	-	5087446	51.22	4815366	281291*	5096657	51.32	0.10
(2) Foreign									
a. NRIs-Individuals	-	-	-	-	-	-	-	-	-
b. Other-Individuals	-	-	-	-	-	-	-	-	-
c. Bodies Corporate	-	-	-	-	-	-	-	-	-
d. Banks/FI	-	-	-	-	-	-	-	-	-
e. Any other	-	-	-	-	-	-	-	-	-
Sub Total A(2):-	-	-	-	-	-	-	-	-	-
Total shareholding of promoter (A)= (A)(1)+ (A)(2)	5087446	-	5087446	51.22	4815366	281291*	5096657	51.32	0.10
B. Public Shareholding									
1. Institutions									
a. Mutual funds	-	-	-	-	-	-	-	-	-
b. Banks/FI	500	-	500	0.01	500	-	500	0.01	-
c. Central Govt	-	-	-	-	-	-	-	-	-
d. State Govt(s)	-	-	-	-	-	-	-	-	-
e. Venture Capital Funds	-	-	-	-	-	-	-	-	-
f. Insurance Companies	-	-	-	-	-	-	-	-	-
g. FIs	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares Held at the beginning of the year (April 1, 2017)				No. of Shares held at the end of the year (March 31, 2018)				% Change during the year *Note1
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
h. UTI	-	-	-	-	-	-	-	-	-
i. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
j. Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B) (1)	500	-	500	0.01	500	-	500	0.01	-
2. Non-institutions									
a. Bodies Corporate									
i. Indian	424194	7701	431895	4.35	169239	7701	176940	1.78	-2.57
ii. Overseas	-	1000000	1000000	10.07	-	1000000	1000000	10.07	-
b. Individuals									
i. Individual shareholders holding nominal share capital upto Rs.1 lakh	1793516	663843	2457359	24.75	2297443	652343	2949786	29.70	4.95
ii. Individual shareholders holding nominal share capital in excess of Rs.1 lakh	699206	86200	785406	7.91	463289	67400	530689	5.34	-2.57
c. Any other (specify) NRI	24810	22300	47110	0.47	70109	22300	92409	0.93	0.46
d. Any other (specify) Clearing Member	110734	-	110734	1.11	67519	-	67519	0.68	-0.43
e. Any other (specify) NBFCs registered with RBI	10850	-	10850	0.11	16800	-	16800	0.17	0.06
f. Any other (specify) Trust	300	-	300	0.01	300	-	300	0.01	-
Subtotal (B)(2)	3063610	1780044	4843654	48.77	3084699	1749744	4834443	48.68	-0.10
Total Public Shareholding (B)= (B)(1) + (B)(2)	3064110	1780044	4844154	48.78	3085199	1749744	4834943	48.68	-0.10
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	8151556	1780044	9931600	100	7900565	2031035	9931600	100	-

* The trustees of RACL Employees Welfare Trust ("trust") have decided to disband the trust and the same is in under process. Shares held by trust as a promoter in RACL Geartech Limited ("Company") are being transferred to the beneficiaries of the trust and the adequate disclosures as per SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011 have been made to the BSE Limited.

The trust has rematerialized 281291 equity shares of the company to transfer the same to its beneficiaries, resulting that the entire shareholding of trust as a promoter was not in Demat form as on 31.03.2018. Further, the trust has transferred the aforesaid shares on 11.04.2018 to its beneficiaries.

(ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year (April 1, 2017)			Shareholding at the end of the year (March 31, 2018)			% 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.	RACL EMPLOYEES WELFARE TRUST	3398687	34.22	15.10	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	92402	0.93	-	124202	1.25	-	0.32
4.	DEV RAJ ARYA	-	-	-	-	-	-	-
5.	AADHAR INFOSYSTEMS PRIVATE LIMITED	37137	0.37	-	37137	0.37	-	-
6.	NARINDER PAUL KAUR	7084	0.07	-	14884	0.15	-	0.08
7.	RAJ ARYA	48836	0.49	-	14827	0.15	-	-0.34
8.	Prabh Mehar Singh	-	-	-	3620	0.04	-	0.04
Total	5087446	51.22	15.10	5096657	51.32		0.10	

((iii) Change in Promoters' Shareholding

Sl. No.	Name	No. of Shares at the Beginning (April 1, 2017)	% 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	
								No. of Shares	% of total Shares of the Company
1.	GURSHARAN SINGH	92402	0.93	February 09, 2018	3000	3.24	Transfer	92402	0.93
				March 16, 2018	18800	19.70	Transfer	95402	0.96
				March 30, 2018	10000	8.75	Transfer	114202	1.14
				March 31, 2018				124202	1.25
		At the end of the year						124202	1.25
2.	NARINDER PAUL KAUR	7084	0.07	-	-	-	-	7084	0.07
				January 19, 2018	3000	42.34	Transfer	10084	0.10
				March 30, 2018	4800	47.60	Transfer	14884	0.14
		At the end of the year						14884	0.14
3.	RAJ ARYA	48836	0.49	April 14, 2017	-2000	-4.09	Transfer	46836	0.47
				April 21, 2017	-2100	-4.48	Transfer	44736	0.45
				April 28, 2017	-2000	-4.47	Transfer	42736	0.43
				June 02, 2017	-2000	-4.67	Transfer	40736	0.41
				June 09, 2017	-2000	-4.90	Transfer	38736	0.39
				June 16, 2017	-2200	-5.67	Transfer	36536	0.36
				June 23, 2017	-3500	-9.57	Transfer	33036	0.33
				December 22, 2017	-18083	-54.73	Transfer	14953	0.15
				January 05, 2018	18083	120.93	Transfer	33036	0.33
				February 09, 2018	-15839	-4794	Transfer	17197	0.17
				February 16, 2018	-356	-2.07	Transfer	16841	0.16
				February 23, 2018	-2014	-11.95	Transfer	14827	0.14
		At the end of the year		March 31, 2018				14827	0.14
4.	Prabh Mehar Singh	-	-	-	-	-	-	-	-
				December 29, 2017	2700	100	Transfer	2700	0.02
				March 30, 2018	920	34.07	Transfer	3620	0.03
				March 31, 2018				3620	0.03

* Except the above mentioned changes, there is no change in shareholding of promoters during the financial year ended 31st March, 2018 and other details of shareholding of promoters provided in the above mentioned point no. (ii).

* Mr. Dev Raj Arya is joint holder in demat account with Mrs. Raj Arya.

(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 (April 1, 2017)	% 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	
								No. of Shares	% of total Shares of the Company
1.	Middleware Development Limited	1000000	10.07				No change	1000000	10.07
		At the end of the year		March 31, 2018				1000000	10.07
2.	RAJ KUMAR LOHIA	161529	1.63				No change	161529	1.63
		At the end of the year		March 31, 2018			No change	161529	1.63
3.	J P S Kanwar	67600	0.68				No change	67600	0.68
		At the end of the year		March 31, 2018					
4.	MANOJ DUA	45968	0.46					45968	0.46
				April 21, 2017	-6405	-13.93	Transfer	39563	0.39
				May 12, 2017	-10000	-25.27	Transfer	29563	0.29
				June 09, 2017	-50	-0.16	Transfer	29513	0.29
				August 25, 2017	-21389	-72.47	Transfer	8124	0.08
				September 01, 2017	-3124	-38.45	Transfer	5000	0.05
				September 29, 2017	-5000	-100	Transfer	0	-
		At the end of the year		March 31, 2018				-	-
5.	O P Chugh	45841	0.46				No change	45841	0.46
6.	Om Prakash Chugh	45841	0.46				No change	45841	0.46
		At the end of the year		March 31, 2018				45841	0.46
7.	Trupti Uday Merchant	40000	0.40					40000	0.40
				September 01, 2017	-10000	-25	Transfer	30000	0.30
		At the end of the year		March 31, 2018				30000	0.30
8.	INTEGRATED FINANCIAL SERVICES LTD.	36000	0.36					36000	0.36
				October 27, 2017	-500	-1.38	Transfer	35500	0.35
				January 05, 2018	-500	-1.40	Transfer	35000	0.35
		At the end of the year		March 31, 2018			No change	35000	0.35
9.	RAJ KUMAR LOHIA	24678	0.24					24678	0.24
		At the end of the year		March 31, 2018				24678	0.24

(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 (April 1, 2017)	% 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	
								No. of Shares	% of total Shares of the Company
10.	Manishkumar M Suhagiya	15650	0.15					15650	0.15
				June 23, 2017	6000	38.33	Transfer	21650	0.21
				September 08, 2017	800	3.69	Transfer	22450	0.22
				March 31, 2018				22450	0.22
11.	RESHMA VIPUL SHAH	At the end of the year	0.09					9500	0.09
				June 23, 2017	-4746	-49.95	Transfer	4754	0.04
				June 30, 2017	-254	-5.34	Transfer	4500	0.04
				August 25, 2017	-2100	-46.66	Transfer	2400	0.02
				September 01, 2017	2100	87.50	Transfer	4500	0.04
				November 24, 2017	7500	166.66	Transfer	12000	0.12
				December 29, 2017	-9000	-75	Transfer	3000	0.03
				February 23, 2018	17000	566.67	Transfer	20000	0.20
				March 23, 2018	4400	22	Transfer	24400	0.24
				March 30, 2018	100	0.40	Transfer	24500	0.24
		At the end of the year		March 31, 2018				24500	0.24

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	No. of Shares at the beginning (April 1, 2017)	% 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	92402	0.93	-	-	-	-	92402	0.93
				February 09, 2018	3000	3.24	Transfer	95402	0.96
				March 16, 2018	18800	19.70	Transfer	114202	1.14
				March 30, 2018	10000	8.75	Transfer	124202	1.25
		At the end of the year		March 31, 2018				124202	1.25
2.	Mrs. Narinder Paul Kaur	7084	0.07	-	-	-	-	7084	0.07
				January 19, 2018	3000	42.34	Transfer	10084	0.10
				March 30, 2018	4800	47.60	Transfer	14884	0.14
		At the end of the year		March 31, 2018				14884	0.14

* Except the above mentioned Shareholding, there is no shareholding of Directors and Key Managerial Personnel.

* Mr. Dev Raj Arya is joint holder in demat account with Mrs. Raj Arya.

V. INDEBTEDNESS
Indebtedness of the Company including interest outstanding/accrued but not due for payment
(Rs. in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year on 01.04.2017				
i. Principal Amount	1150	220	-	1370
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	11	-	-	11
Total (i+ii+iii)	1161	220	-	1381
Change in Indebtness during the financial year				
• Addition	1023	613	-	1636
• Reduction	837	291	-	1128
Net Change	186	322	-	508
Indebtedness at the end of the financial year on 31.03.2018				
i. Principal Amount	1343	542	-	1885
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	4	1	-	5
Total (i+ii+iii)	1347	543	-	1890

*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 Lakhs)

S. No.	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount
		Mr. Gursharan Singh Chairman & Managing Director	Mr. Dev Raj Arya 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	81.81 2.00 2.00 -	46.29 1.25 1.25 -	128.10 3.25 3.25 -
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission* -as % of profit -others, specify	12.00	-	12.00
5.	Others, (Retiral Benefits)	-	-	-
6.	Total(A)	97.81	48.79	146.60

B. Remuneration to Other Directors:

S. No.	Particulars of Remuneration	Name of the Director					Total amount
(1) Independent Directors		Mr. Anil Sharma	Mr. Raj Kumar Kapoor	Mr. Madan Lal	Mr. Rakesh Kapoor	Mr. Shashank Ramesh Anikhindi	
	Fee for attending Board/commit-tee meetings	2.10	2.35	1.14	2.65	1.35	9.59
	Commission	-	-	-	-	-	-
	Others, please	-	-	-	-	-	-
	Total(1)	2.10	2.35	1.14	2.65	1.35	9.59
(2) Other Non-Executive Directors							
		Mrs. Narinder Paul Kaur *					Total amount
	Fee for attending Board/committee meetings	0.75					0.75
	Commission	-					-
	Others, please specify retainership fees)	13.20					13.20
	Total (2)	13.95					13.95
	Total (B)=(1+2)						23.54
	Total Managerial Remuneration (A+B)						170.14

*Overall ceiling as per Act is not applicable.

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

(Rs. in Lakhs)

S.No.	Particulars of Remuneration	Key Managerial Personnel	Total amount
		Mr. Hitesh Kumar	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5.44	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961:		
	Medical	0.15	
	LTA	0.15	5.74
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
	-as % of profit		
	-others, specify		
5.	Others, please specify	-	-
Total		5.74	5.74

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**
**Place: Noida
Date: 11th August, 2018**
**Sd/-
Gursharan Singh
Chairman and Managing Director
DIN: 00057602**
**Regd. Office: 15th Floor, Eros Corporate Tower,
Nehru Place, New Delhi-110019, INDIA
Ph.: +91-11-66155129
e-Mail - investor@raclegeartech.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:

- Compressed air leakages were very high at different locations of the plant. Hence energy efficient aluminum pipe lines were replaced in MAIN BLOCK in financial year 2017-2018 with regulators and less no. Of Bends against old Mild Steel lines with many bends and no regulators. This has resulted in energy cost saving of over Rs.10 lakhs.
- New machines are being procured with energy efficient motors and old machines are being replaced accordingly.

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

- Old conventional lights have been replaced in MAIN BLOCK (machine shop) of the company by LED lights in financial year 2017-18, which finally resulted into a saving of over Rs. 4 lakhs per year.

(iii) The capital investment on energy conservation equipment:

Rs. 18,00,000/- (Rupees Eighteen Lakhs)

(B) TECHNOLOGY ABSORPTION

(i) Efforts made towards technology absorption & development

- Additional dry cutting hobbing machines are being procured to reduce cutting oil consumption in plant.
- Laser welding Technology has been commissioned, thus enabling the company towards providing advance manufacturing solution to customers.

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

- Self aligning hobbing fixtures are being deployed for set up reduction on Gear Hobbing Machines.
- Robotic automation is being deployed where ever possible for improving the productivity of critical processes & reducing human fatigue.

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

High speed dry cutting hobbing machines, high speed wet cutting hobbing machines, Laser welding and power honing machine have been imported as a technology up-gradation initiative for achieving higher production with better quality.

- The details of technology imported :- As stated above
- Year of import : 2017-18, 2018-19
- Whether the technology been fully absorbed:- YES
- If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: N.A.

(iv) The expenditure incurred on Research and Development: - NIL

(C) FOREIGN EXCHANGE EARNINGS

- | | | | |
|---|-------|---------|-------|
| Foreign Exchange earned (in terms of actual inflow) | : Rs. | 7130.63 | lakhs |
| Foreign Exchange outgo (in terms of actual outflow) | : Rs. | 978.01 | lakhs |

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

Sd/-

**Gursharan Singh
Chairman and Managing Director**

**Place: Noida
Date: 11th August, 2018**

**Regd. Office: 15th Floor, Eros Corporate Tower,
Nehru Place, New Delhi-110019, INDIA
Ph.: +91-11-66155129
e-Mail - investor@raclgeartech.com**

“ANNEXURE F” TO THE DIRECTORS’ REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2017-18

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 the weblink for the same is http://raclegeartech.com/pdfs/Corporate_Social_Responsibility_Policy_july2016.pdf
2.	Composition of the CSR Committee	Mr. Raj Kumar Kapoor - Independent Director - Chairman Mrs. Narinder Paul Kaur -Non-Executive Director-Member Mr. Dev Raj Arya -Whole-time Director & CFO - Member
3.	Average net profit of the Company for last three financial years	Rs. 526.69 Lakhs
4.	Prescribed CSR expenditure (2% of the amount as in item 3 above)	Rs. 10.53 Lakhs
5.	Details of CSR spent during the financial year	
	(a) Total amount to be spent for the financial year	Rs. 15.15 lakhs (Rs. 10.53 lakhs for current financial year 2017-18 and Rs. 4.62 lakhs unspent amount of last financial year 2016-17)
	(b) Amount unspent, if any	Rs. 9.15 Lakhs
	(c) Manner in which the amount was spent during the financial year	The manner in which the amount was spent is detailed in the Annexure - 1.
6.	Reasons for not spending the prescribed amount	The projects undertaken under Annexure-1 could not be implemented fully as these were under the infancy stage and have been partially implemented and may be completed in the current financial year. The unspent amount of Rs 9.15 Lakhs of last financial year will be incurred in the current financial year 2018-19.
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.	The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company. The CSR Committee has taken all initiatives to ensure that all the identified projects are in line with the Companies Act, 2013 or CSR Policy of the company. Proper monitoring and review mechanism is in place and is led by the Chairman of the CSR Committee, who is an Independent Director.

Annexure: 1
Manner in which the amount was spent during the financial year 2017 - 18

Rs. in Lakhs								
Sl. No	CSR Activity or activity identified	Sector in which the project is covered	Project or Program (1) Local area or other; (2) Specify the State and district where projects or program was undertaken	Amount outlay or (Budget) Project or program wise	Amount spent on the projects or programs Sub-heads:		Cumulative Expenditure upto the reporting period	Amount spent direct or through implementing agency
					Direct Expenditure on projects or programmes	Over heads		
1.	Promoting Education	Clause(ii) promoting education	Noida, U.P and Gajraula, U.P	-	3.17	-	-	Direct
2.	Promoting sports	Clause(vii) Promote sports including rural, nationally recognized etc.	Delhi	-	0.64	-	-	Direct and Through PHD Rural Development Foundation
3.	Eradicating poverty	Clause(i) Eradicating poverty	Noida, U.P and Gajraula, U.P	-	0.85	-	-	Direct
4.	Sanitation	Clause(i) Sanitation	Gajraula, U.P		0.59			Direct
5.	Promoting Health care	Clause(i) Promoting Health care	Noida, U.P	-	0.75			Direct
Total Expenditure					6.00			

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

Place: Noida
Date: 11th August, 2018

**Sd/-
Gursharan Singh
Chairman and Managing Director
DIN: 00057602**

**Sd/-
Raj Kumar Kapoor
Chairman of CSR Committee
DIN : 00110338**

**Regd. Office: 15th Floor, Eros Corporate Tower,
 Nehru Place, New Delhi-110019, INDIA
 Ph.: +91-11-66155129
 e-Mail - investor@raclegeartech.com**

“ANNEXURE G” TO THE DIRECTORS’ REPORT

Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST March, 2018
[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 31ST March, 2018

To,
The Members,
RACL Geartech Limited
(Formerly Raunag Automotive Components Limited)
15th Floor, Eros Corporate Tower, 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 31st March, 2018, 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 31st March, 2018 according to the provisions of:

- I. The Companies Act, 2013 (**the Act**) and the Rules made there under;
- II. The Securities Contracts (Regulation) Act, 1956 (**‘SCRA’**) and the Rules made there under;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under.
- 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, 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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

We further report that with respect to the compliance of the below mentioned laws, we have relied on the compliance system prevailing in the company and on the basis of representation received from the management:

-

- I. The Employees State Insurance Act, 1948
- II. Employees Provident Fund and Miscellaneous Provisions Act, 1952.
- III. Environment Protection Act, 1986 and other environmental Laws.
- IV. Air (Prevention and Control of Pollution) Act, 1981.
- V. Factories Act, 1948.
- VI. Industrial Dispute Act, 1947.
- VII. Payment of Wages Act, 1936 and other applicable labour laws.
- VIII. 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 have been followed by the Company.
- ii. SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the applicable Acts, Rules, Regulations, Guidelines, Standards, SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 etc..

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 applicable Act(s) or Regulation(s).

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 in pursuance to section 12 of companies Act , 2013 and any other applicable provision, if any, the registered office of the company was shifted within the same city/ state from 15th Floor, Chiranjiv Tower, 43, Nehru Place, Delhi - 110019 to **15th Floor, Eros Corporate Tower, Nehru Place, New Delhi -110019.**

Place: New Delhi
Date: 01.08.2018

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
15th Floor, Eros Corporate Tower, 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: New Delhi
Date: 01.08.2018**

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

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

ANNEXURE – H TO THE DIRECTOR’S REPORT

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm’s length basis (as on March 31, 2018)

Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering in to such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
Not Applicable							

2. Details of contracts or arrangements or transactions at arm’s length basis (as on March 31, 2018)

Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
Not Applicable					

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

**Place: Noida
Date: 11th August, 2018**

**Sd/-
Gursharan Singh
Chairman and Managing Director
DIN: 00057602**

**Regd. Office: 15th Floor, Eros Corporate Tower,
Nehru Place, New Delhi-110019, INDIA
Ph.: +91-11-66155129,
e-Mail - investor@raclegeartech.com**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

RACL Geartech Limited having a fully integrated manufacturing set up, offers complex engineering solutions in the field of Transmission Gears & Shafts, Sub-assemblies, Precision Machined Parts and Industrial Components to domestic as well as global markets. RACL provides unique and innovative automotive products and services that deliver superior measurable values to all stakeholders.

RACL has a clear vision for the future and we are working with passion to achieve it, keeping in mind the following parameters:

- How are the Industry and the market evolving.
- What are the future challenges and opportunities.
- How can OEMs benefit from these new challenges and opportunities.
- What are the implications for different market segment.

With the above things in place as well as our customer centric approach, we are successfully supplying to top overseas OEM's like BMW Motorrad – Germany, Kubota Corporation (Japan, Thailand & USA), I.T. Switzerland (SAME Group Company), Piaggio – Italy, Vietnam, KTM AG – Austria, Schneider Electric – Germany, Dana – Italy & China and BRP Rotax – Austria amongst others and in the domestic market we are supplying to Yamaha India, Piaggio Vehicles & SML Isuzu etc.

a) The Global Economy 2017-18 in the field of Automotive Industry:

Overall, the global automotive industry is in better shape than it was five years ago, especially in the US, where profits and sales have recovered following the recent economic crisis, and in China, where growth remains strong. This progress will likely continue. By 2020, global profits for automotive OEMs are expected to rise by almost 50 percent. The new profits will come mainly from growth in emerging markets and, to a lesser extent, the US, Europe, Japan and South Korea will be stagnant in terms of profit growth.

There are four key challenges that OEMs need to address to get a piece of future profitability. The analysis of the report projects to 2020, but these challenges will shape the industry until at least 2025.

- Complexity and cost pressure: There will be more platform sharing and more modular systems. At the same time, regulatory pressures will tighten, and prices in established markets are likely to be flat.
- Diverging markets: OEMs need to adapt to changing regional and segment patterns of supply and demand with respect to their production and supply base foot-prints, supply chains and product portfolios, and the emerging Chinese after sales market offers new growth opportunities.
- Digital Demands: Consumers want more connectivity are focus on active safety and ease of use and are increasingly using digital sources in making their purchase decisions.
- Shifting Industry landscape: Suppliers will add more value in alternative power train technologies and in innovative solutions for active safety; Europe needs to restructure and adjust its capacity to better match demand, and competition is emerging from china.

To capture future growth and find profit from these challenges – and to mitigate their risks – OEMs cannot simply turn to their traditional toolbox. They need to review and adjust their strategic priorities, deploy the appropriate investments and resources, and develop new skills to execute these strategic objectives.

Indian Automotive Sector/ Environment

Some of the highlights of the Automotive Industry in India are as follows:

- i. The Automobile Industry contributes around 7.1% to India's GDP by volume.
- ii. India poised to be third largest automotive market in the world by 2020.
- iii. India is home to four large auto manufacturing hubs: Delhi-Gurgaon-Faridabad in the North, Mumbai-Pune-Nashik-Aurangabad in the west, Chennai-Bengaluru-Hosur in the south and Jamshedpur-Kolkata in the east.
- iv. Six million-plus hybrid and electric vehicles to be sold annually, by 2020.

There are the following Key factors about the Indian Automotive Industry and major initiatives taken by the Government of India are as follows:

- a) By 2020, India is expected to be the third largest automotive market by volume in the world, after China and USA.

- b) Global car majors have been ramping up investments in India to cater to growing domestic demand. These manufacturers plan to leverage India's competitive advantage to set up export-oriented production hubs.
- c) India offers a comparative cost advantage of roughly 10-25 percent in comparison to that in Europe and Latin America.
- d) Increasing disposable incomes in the rural agri-sector.
- e) Successful government policies such as Automotive Mission Plan (2006-16) and further rollout of Automotive Mission Plan (2016-26) providing the much required thrust to the sector.
- f) A greater push has been given by government schemes such as FAME and NEMMP 2020 to promote Electric cars.
- g) Charging of uniform tax rate on complete vehicles and inputs to further boost domestic production using local supplies.
- h) Research & Development (R&D) hub, strong support from the government in the setting up of National Automotive Testing and R&D Infrastructure Project (NATRIP) Centres, Private players such as Hyundai, Suzuki, GM are keen to set up an R&D base in India.
- i) The interest of foreign manufacturers setting up their facilities is further supported by the presence of a large pool of skilled and semi-skilled workers and a strong educational system.

FDI Policy of the Government of India encourages foreign investment in the automobile sector and 100% Foreign Direct Investment (FDI) is allowed under the automatic route in the auto sector, subject to all the applicable regulations and laws.

b) OPPORTUNITIES & THREATS :

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

- a) Higher frequency of introducing of newer models by automakers.
- b) Global market opportunity itself is the ultimate opportunity provided by auto industry.
- c) Leverage on product engineering expertise to improve the worthiness and exports of auto components.
- d) The growing need to outsource and growth shifting to Asian Markets, Although American & European market is the pulse of this Industry, but the focus is shifting to developing markets like China, India and other Asian nations because of the rise in disposable income, changing lifestyle & stable economic conditions.
- e) Increasing demand for VFM (Value for Money) Vehicles means more demand of automotive components. The reason of increased demand is basically VFM products would be fuel efficient & high mileage vehicles.
- f) Continuous pressure on global OEMs to reduce cost and source from low cost countries, In order to control cost to manage shrinking margins, big international brand automobile companies are building their manufacturing facilities in developing nations like India, China because these nations have cheap workforce, are high in resources & are nearer to developed economies.

Some of the major threats/weaknesses in the automobile sector are as follows:

- a) Low investment in Research and Development.
- b) Limited knowledge of product liability and offshore warranty handling.
- c) Comparatively poor infrastructure for supply chain and exports.
- d) Large number of OEMs entering in Indian market may result into migration of talents from supplier to OEMs.
- e) Bargaining power of consumers: Over the last 3-4 decades the automobile market has shifted from demand to supply market. Availability of large number of variants, stiff competition between them, and long list of alternatives to choose from has given power to customers to choose whatever they like.
- f) Growth rate of Automobile industry is in the hands of the government due to regulations on taxation front, no entry of outside vehicles in the state, decreasing number of validity of registration period & volatility in the fuel prices. These factors always affect the growth of the industry.

All these factors leads to lesser demand of automotive components.

c) Segment-wise or Product-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

Domestic demand in India has mostly been positive with light vehicle sales in the country rising. In addition to domestic sales, exports have also been in focus on the higher side, leading to further growth in production.

India's economy is expected to grow at a robust pace in the coming years, as most economic indicators predict a positive outlook driven by strong consumer demand and supported by a large pipeline of economic reforms by the Indian Government, including the introduction of the common nation-wide Goods and Service Tax (GST).

e) Risks & Concerns

The company is exposed to external and internal risks associated with the business. The operations of the company are directly dependent on the Automotive manufacturer's (OEMs) growth and business plans. General economic conditions impact the automotive industry and in turn, the operations as well. To counter these risks, company continues to broaden the product portfolio, increase customer base and geographic reach. The company is exposed to strong competitive pressures from both domestic and overseas. RACL established reputation, close customer relationships, ability to provide higher level of engineering, design support and relentless drive for improvement gives it a competitive edge. The company is also exposed to financial risk from changes in interest rates and foreign exchange rates etc.

In order to address the aforesaid risks the company has implemented adequate risk management approach. The Audit Committee of the Company periodically reviews the risk assessment and risk management process. A periodical audit is conducted by the Internal Auditors in all the areas to ensure that the company's control mechanism is properly followed and all statutory requirements are duly complied.

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 (a software based compliance 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 2017-18, the company achieved an overall income of Rs. 140.11 crores from operations as compared to Rs. 124.32 crores in 2016-17. The company achieved an operating profit of Rs. 8.64 crores (PBT) as compared to Rs. 6.49 crores (PBT) in last year. The company has made a provision of Rs. 0.77 crores on account of Income Tax / Deferred Tax Liabilities.

The company has MAT credit of Rs. 1.04 crore which shall be utilized/ adjusted for payment of Income Tax in future. Company has a Reserve & Surplus of Rs. 44.74 crores as on 31.03.2018 as compared to Rs. 37.52 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 MAN Trucks Private Limited, Sansera Engineering Private Limited and Schaeffler AG in terms of new customers in the financial year 2017-18. 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 economic trend seen in last year, Export sales of the company leading to rise by approximately 28.28 % from 55.58 crores in financial year 2016-17 to Rs. 71.30 crores in financial year 2017-18.

The global markets are under stress, RACL has miniscule share of the global pie and there is ample scope and opportunities to grow exports aggressively.

h) HUMAN RESOURCES EFFICIENCY

During the year, the company delivered value to its customers and investors. This was made possible by the relentless efforts of each and every employee. The company has developed a robust and diverse talent pipeline which enhances RACL Geartech Limited organizational capabilities for future readiness, further driving greater employee engagement. Our human resource program is focused on attracting the right talent, providing excellent on the job training opportunities, and finally giving them the growth opportunities consistent with their aspirations.

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 and bring in knowledge and skills to RACL for mutual benefits.

RACL Geartech Limited has always enjoyed strong industrial relations. The company has a systematic grievance redressal system to further strengthen these relationships. This system encourages employees to share their views and opinion with the management. The company reflects on this feedback and incorporates relevant changes into the existing policies, systems and processes.

The permanent employees strength on pay rolls of your Company as on the end of financial year 31st March, 2018 was 477.

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 company does not assume any responsibility to any change(s) in forward looking statements on the basis of subsequent developments, information or events etc., Important developments that could affect the company's operations include a downward trend in the domestic automotive industry, competition, rise in input costs, exchange rate fluctuations and significant changes in the political and economic environment in India, environmental standards, tax laws, litigation and labour relations.

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**

Sd/-

Gursharan Singh

Chairman and Managing Director

DIN: 00057602

Place: Noida

Date: 11th August, 2018

**Regd. Office: 15th Floor, Eros Corporate Tower,
Nehru Place, New Delhi-110019, INDIA**

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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 chapter on Management Discussion and Analysis reports on Company's (RACL Geartech Limited, hereinafter also referred to as the 'Company' or 'RACL') compliance on Corporate Governance provisions applicable to listed companies in India.

Company's philosophy on Corporate Governance / Code of 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 and Category of Directors

The strength of the Board of Directors as on 31.03.2018 was 7 (seven), of which are 2 (Two) Directors are Promoters & Executive Directors (ED) and 5 (five) Directors are Non-Executive Directors (NED), out of 5 (five) NED 4 (four) are independent directors and 1 (one) is Woman Director/ Non-Executive Non-Independent Director.

During the year under review, Mr. Madan Lal, ceased to be a Non-Executive Independent Director of the company w.e.f. 28th September, 2017, as his term of appointment has been completed.

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

1. Mrs. Narinder Paul Kaur, Non- Executive Non-Independent Director (DIN: 02435942),

[Reappointment of Mrs. Narinder Paul Kaur as the director retire by rotation]

Mrs. Narinder Paul Kaur, aged 55 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 7 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 14884 equity shares in the Company as on 31st March, 2018.

Mrs. Narinder Paul Kaur is wife of Mr. Gursharan Singh, Chairman & Managing Director, accordingly Mr. Gursharan Singh and Mr. Prabh Mehar Singh, Manager-BA S/o Mr. Gursharan Singh, employee of the company, both are considered as an interested Director and interested relatives/ employee of director, respectively.

Except Mr. Gursharan Singh and Mr. Prabh Mehar Singh, none of the directors and key managerial personnel of the Company and their relatives is concerned or interested, financially or otherwise, in this reappointment (retire by rotation).

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 Meetings		Attendance at the last AGM held on 28.09.2017	Number of outside Directorships of public companies ¹ (As on March 31, 2018)	Number of Outside Board-level Committees ² where chairperson or member (As on March 31, 2018)	
			Held during tenure	Attended			Member	Chairman
1.	Mr. Gursharan Singh (DIN: 00057602)	Promoter & Executive Director (Chairman & Managing Director)	5	5	yes	-	-	-
2.	Mr. Dev Raj Arya (DIN: 00057582)	Promoter & Executive Director (Whole time Director & CFO)	5	5	yes	-	-	-
3.	Mr. Anil Sharma (DIN: 00157911)	Non-Executive Independent Director	5	5	yes	-	-	-
4.	Mr. Madan Lal (DIN: 00272672)	Non-Executive Independent Director	2	2	yes	-	-	-
5.	Mr. Raj Kumar Kapoor (DIN: 00110338)	Non-Executive Independent Director	5	5	yes	-	-	-
6.	Mr. Rakesh Kapoor (DIN: 00015358)	Non-Executive Independent Director	5	5	yes	1	1	1
7.	Mr. Shashank Ramesh Anikhindi (DIN: 07787889)	Non-Executive Independent Director	5	5	yes	-	-	-
8.	Mrs. Narinder Paul Kaur (DIN: 02435942)	Non-Executive Director/Woman Director	5	4	yes	-	-	-

1 Excluding directorships in private companies, foreign companies and companies incorporated under section 8 of the Companies Act, 2013.

2 Only covers Membership / Chairmanship of Audit Committee and Stakeholders Relationship Committee.

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.

D. Number of Board Meetings

5 (five) meetings of the Board of Directors of the company were held during the financial year ended 31st March, 2018.

Dates of the meetings and number of directors attended are as follows:

Date of Meeting	Number of Directors Attended
27 th May, 2017	8
14 th August, 2017	8
14 th November, 2017	7
8 th January, 2018	7
14 th February, 2018	6

E. Board Procedure

The Board Meetings of the company are convened by the Company Secretary on the directions of the Chairman & Managing Director (CMD) 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, Companies Act, 2013, Secretarial Standards or other applicable act(s) or regulation(s). The important decisions taken at the Board / Committee(s) of Directors meetings are communicated to the concerned Departments / Divisions duly an timely.

G. 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.

H. Details of Shareholding/ other convertible instruments of Non-Executive Directors of the Company as on 31st March, 2018

[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	14,884	Nil
02.	Mr. Anil Sharma	Non-Executive Independent Director	Nil	Nil
03.	Mr. Raj Kumar Kapoor	Non-Executive Independent Director	Nil	Nil
04.	Mr. Rakesh Kapoor	Non-Executive Independent Director	Nil	Nil
05.	Mr. Shashank Ramesh Anikhindi	Non-Executive Independent Director	Nil	Nil

I. 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://raclegeartech.com/pdfs/Familiarisation_Programme_for_Independent_Directors_8march2018.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 2017-18, which were attended by all the Independent Directors. Total number of hours spent by each Independent Director in these programs was four hours.

J. 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 of Directors at their respective meetings.

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 - http://raclegeartech.com/pdfs/Code_of_Conduct_of_Board_of%20Directors_and_Senior_Management_Personnel_july2016.pdf

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.

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.

Declaration

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 31st March, 2018.

RACL Vigil Mechanism / Whistle Blower Policy

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://raclegeartech.com/pdfs/Vigil_Mechanism_Whistle_Blower_Policy_dec2017.pdf

Policy for Determination of Materiality of Event or Information

RACL Geartech Limited in compliance to Regulation 30 of Listing Regulations, has a "Policy for Determination of Materiality of Event or Information" and Board has also 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 & Compliance Officer of the company for making disclosure for 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_Information18jan2018.pdf

Document Preservation and Archival Policy

The Board of RACL Geartech Limited in compliance to Regulation 9 of Listing Regulations, has a “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_dec2017.pdf

Remuneration to Directors

Details of remuneration to Directors, both executive and non-executive, during the financial year ended 31st March, 2018 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	2.10	Nil	2.10
2	Mr. Madan Lal*	Independent Director	1.14	Nil	1.14
3	Mr. Raj Kumar Kapoor	Independent Director	2.35	Nil	2.35
4	Mr. Rakesh Kapoor	Independent Director	2.65	Nil	2.65
5	Mr. Shashank Ramesh Anikhindi	Independent Director	1.35	Nil	1.35
6.	Mrs. Narinder Paul Kaur	Non-Executive/Woman Directors	0.75	13.20	13.95

* During the year under review, Mr. Madan Lal, ceased to be a Non-Executive Independent Director of the company w.e.f. 28th September, 2017, as his term of appointment has been completed.

Notes:

- In addition to the sitting fees, for attending the Board and/ or Committee(s) of Directors 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 of Directors (including Nomination & Remuneration Committee).

B. Executive Directors

(Amount in Lakhs)

Sl. No.	Name of the Director	Designation	Salary	Perquisites & Allowances	Bonus/Commission	Total
1	Mr. Gursharan Singh	Chairman & Managing Director	51.00	34.81	12.00	97.81
2	Mr. Dev Raj Arya	Whole-time Director & CFO	28.80	19.99	Nil	48.79

Notes:

- 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.
- The other terms and conditions of the payment of remunerations and provisions of other facilities as set out in the statement annexed to the Notice of convening 34th Annual General Meeting held on 28th September, 2017. Since there is no performance linked incentives provided by the company, hence the disclosure of performance criteria is not required.

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 31.03.2018	As on 01.04.2017
1.	Mr. Gursharan Singh	124202	92402
2.	Mr. Dev Raj Arya*	Nil	Nil
3.	Mrs. Narinder Paul Kaur	14884	7084

* Mr. Dev Raj Arya is the joint holder in a demat account with Mrs. Raj Arya.

Committees of the Board of Directors

A. Audit Committee

The Company has an adequately qualified and independent Audit Committee. The previous Audit Committee of the company comprises of Mr. Raj Kumar Kapoor, Independent Director as the Chairman and Mr. Anil Sharma, Independent Director and Mr. Rakesh Kapoor, Independent Director as members.

During the year under review Audit Committee of the company was reconstituted and as on 31 March, 2018 the composition of the Audit Committee is as under:

Sl. No.	Name of Director	Category
1	Mr. Rakesh Kapoor	Independent Director - Chairman
2	Mr. Anil Sharma	Independent Director - Member
3	Mr. Shashank Ramesh Anikhindi	Independent Director - Member

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

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

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 of the company, external and internal Auditors and the Board of Directors.

5 (five) meetings of the Audit Committee of the company were held during the financial year ended 31st March, 2018.

Dates of the meetings and number of members attended are as follows:

Date of Meeting	Number of Members Attended
27 th May, 2017	3
14 th August, 2017	3
14 th November, 2017	3
8 th January, 2018	3
14 th February, 2018	3

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*	3	3
2	Mr. Rakesh Kapoor	5	5
3	Mr. Anil Sharma	5	5
4	Mr. Shashank Ramesh Anikhindi*	2	2

* During the year under review Audit Committee of the company was reconstituted and Mr. Shashank Ramesh Anikhindi was adopted as a member of the committee in place of Mr. Raj Kumar Kapoor.

Mr. Rakesh Kapoor (Chairman), Mr. Anil Sharma (Member), Mr. Shashank Ramesh Anikhindi (Member) and Mr. Raj Kumar Kapoor (former Chairman) of the 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, company has an adequately qualified Nomination and Remuneration Committee. The previous Nomination and Remuneration Committee of the company comprises of Mr. Rakesh Kapoor, Independent Director as the Chairman and Mr. Anil Sharma, Independent Director, Mr. Madan Lal, Independent Director and Mr. Gursharan Singh, Executive Director as members.

During the year under review Nomination and Remuneration Committee of the company was reconstituted and as on 31st March, 2018 the composition of the Nomination and Remuneration Committee is as under:

Sl. No.	Name of Director	Category
1	Mr. Rakesh Kapoor	Independent Director- Chairman
2	Mr. Anil Sharma	Independent Director- Member
3	Mr. Shashank Ramesh Anikhindi	Independent Director- Member
4.	Mr. Gursharan Singh	Executive Director- 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.

2 (Two) meetings of the Nomination and Remuneration Committee of the company were held during the financial year ended 31st March, 2018.

Dates of the meetings and number of members attended are as follows:

Date of Meeting	Number of Members Attended
27 th May, 2017	4
14 th August, 2017	4

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
5.	Mr. Shashank Ramesh Anikhindi*	Nil	Nil

* During the year under review Nomination and Remuneration Committee of the company was reconstituted and Mr. Shashank Ramesh Anikhindi was adopted as a member of the committee in place of Mr. Madan Lal.

Performance Evaluation Criteria for Independent Directors

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

C. Stakeholders Relationship Committee

In terms of provisions of the Companies Act, 2013, read with the rules framed thereunder and Listing Regulations, company has an adequately qualified "Stakeholders Relationship Committee". The previous Stakeholders Relationship Committee of the company comprises of Mr. Madan Lal, Independent Director as the Chairman, Mr. Gursharan Singh, Executive Director and Mr. Dev Raj Arya, Executive Director as members.

During the year under review "Stakeholders Relationship Committee" of the company was reconstituted and as on 31st March, 2018 the composition of the Stakeholders Relationship Committee is as under:

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

17 (Seventeen) meetings of the Stakeholders Relationship Committee of the company were held during the financial year ended 31st March, 2018.

Dates of the meetings and number of members attended are as follows:

Date of Meeting	Number of Members Attended	Date of Meeting	Number of Members Attended
10 th April, 2017	3	06 November, 2017	3
15 th May, 2017	3	20 November, 2017	3
22 nd May, 2017	3	01 January, 2018	3
29 th May, 2017	3	15 January, 2018	3
05 th June, 2017	3	26 February, 2018	2
28 th August, 2017	3	05 March, 2018	2
11 th September, 2017	3	12 March, 2018	2
20 th September, 2017	3	19 March, 2018	2
		26 March, 2018	2

The attendance of the Stakeholders Relationship 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*	9	9
2.	Mr. Madan Lal*	8	8
3.	Mr. Gursharan Singh	17	14
4.	Mr. Dev Raj Arya	17	15

*During the year under review Stakeholders Relationship Committee of the company was reconstituted and Mr. Rakesh Kapoor was adopted as a member of the committee in place of Mr. Madan Lal.

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' of the company. Mr. Hitesh Kumar and MAS Services Limited, Registrars and Share Transfer Agents of the company may also be contacted for any matter of share transfers/ transmissions, non-receipt of Annual Reports and other related matters.

There was no complaint pending for resolution as at April 01, 2017. During the financial year ended 31st March, 2018, the Company received 1 (one) 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 Limited 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 31st March, 2018.

D. Corporate Social Responsibility (CSR) Committee

In terms of section 135 of the Companies Act, 2013, read with the and Companies (Corporate Social Responsibility Policy) Rules, 2014 and other applicable rules framed thereunder and Listing Regulations, company has an adequately qualified Corporate Social Responsibility Committee (CSR Committee). The previous CSR Committee of the company comprises of Mr. Anil Sharma, Independent Director as the Chairman, Mrs. Narinder Paul Kaur, Non-Executive Director and Mr. Dev Raj Arya, Executive Director as members.

During the year under review CSR Committee of the company was reconstituted and as on 31 March, 2018 the composition of the CSR Committee is as under:

Sl. No.	Names of Director	Category
1.	Mr. Anil Sharma	Independent Director- Chairman
2.	Mrs. Narinder Paul Kaur	Member
3.	Mr. Dev Raj Arya	Member

1 (One) meetings of the Corporate Social Responsibility Committee of the company were held during the financial year ended 31st March, 2018.

Dates of the meetings and number of members attended are as follows:

Date of Meeting	Number of Members Attended
14 th August, 2017	3

The attendance of the CSR Committee members at the said meeting is detailed below:

Sl. No.	Name of Director	Number of Meetings held during their tenure	Number of Meetings attended
1.	Mr. Anil Sharma*	1	1
2.	Mrs. Narinder Paul Kaur	1	1
3.	Mr. Dev Raj Arya	1	1
4.	Mr. Raj Kumar Kapoor *	Nil	Nil

*During the year under review CSR Committee of the company was reconstituted and Mr. Raj Kumar Kapoor was adopted as a member of the committee in place of Mr. Anil Sharma.

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. It's mandate include recommending to the Board of Directors a CSR Policy, expenditure to be incurred on CSR and monitor CSR activities & Any other matter that may be referred by the Board from time to time or as may be necessary for compliance with the Companies Act, 2013 or Rules made there under or any other statutory laws of India.

E. Financial Affairs Committee

The Company has an adequately qualified "Financial Affairs Committee". The previous Financial Affairs Committee of the company comprises of Mr. Raj Kumar Kapoor, Independent Director as the Chairman and Mr. Gursharan Singh, Executive Director and Mr. Dev Raj Arya, Executive Director as members.

During the year under review Financial Affairs Committee of the company was reconstituted and as on 31st March, 2018 the composition of the Financial Affairs Committee is as under:

Sl. No.	Names of Director	Category
1.	Mr. Rakesh Kapoor	Independent Director- Chairman
2.	Mr. Gursharan Singh	Member
3.	Mr. Dev Raj Arya	Member

7(Seven) meetings of the Financial Affairs Committee of the company were held during the financial year ended 31st March, 2018.

Dates of the meetings and number of members attended are as follows:

Date of Meeting	Number of Members Attended
05 th May, 2017,	3
15 th June, 2017,	3
28 th June, 2017,	2
19 th July, 2017,	3

31 st July, 2017,	3
02 nd November, 2017	3
22 nd March, 2018	3

The attendance of the Financial Affairs Committee Members at the said meetings is as under:

Sl. No.	Name of Director	Number of Meetings held during their tenure	Number of Meetings attended
1.	Mr. Raj Kumar Kapoor*	6	6
2.	Mr. Gursharan Singh	7	6
3.	Mr. Dev Raj Arya	7	7
4.	Mr. Rakesh Kapoor*	1	1

*During the year under review Financial Affairs Committee of the company was reconstituted and Mr. Rakesh Kapoor was adopted as a member of the committee in place of Mr. Raj Kumar Kapoor.

The Committee is responsible for all the matters related to arrangement of funds including borrowing from banks or financial institutions or others, for working capital or other requirements of the company. The terms of reference of the Committee, which are entrusted by the Board of Directors or amended from time to time.

F. Separate Meeting of Independent Directors

In compliance with Regulation 25 of Listing Regulations and schedule IV of the Companies Act, 2013, a separate meeting of the independent directors of the company was held on 14th February, 2018, without the attendance of non-independent directors and members of management. Mr. Raj Kumar Kapoor unanimously elected as chairman of the meeting and 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.

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, 2015	11.00 AM	Shivam Garden, Bawana Road, Narela, Delhi – 110 040
2	September 28, 2016	11.00 AM	Shivam Garden, Bawana Road, Narela, Delhi – 110 040
3	September 28, 2017	11.00 AM	ROSE Garden, NH-10, Main Rohtak Road, Ghevra More, Delhi – 110041

Special resolutions passed in General Meetings during last three years

Annual General Meetings (AGM)

30th September, 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.

28th September, 2016

- Approval for 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.
- Approval for Creation of Charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings.
- Approval for To keep Register and Index of Members at other place instead of Registered office of the company.

28th September, 2017

- Approval for the Appointment of Mr. Shashank Ramesh Anikhindi (DIN 07787889) as an Independent Director.
- Approval for the Re-appointment of Mr. Raj Kumar Kapoor (DIN 00110338), as an Independent Director of the Company for a Second Term.
- Approval for the Re-appointment of Mr. Rakesh Kapoor (DIN 00015358), as an Independent Director of the Company for a Second Term.
- Approval for the Re-appointment of Mr. Anil Sharma (DIN 00157911), as an Independent Director of the Company for a Second Term.
- Approval for the Re-appointment of Mr. Gursharan Singh (DIN 00057602), as Chairman and Managing Director of the company and payment of remuneration to him.
- Approval for the Re-appointment of Mr. Dev Raj Arya (DIN 00057582) as Whole-time Director & Chief Financial officer (CFO) of the company and payment of remuneration to him.

Resolutions by Postal Ballot

Whether Special Resolutions were put through Postal ballot last year: No

Details of voting pattern	Not Applicable
Persons who conducted the postal ballot exercise	Not Applicable
Whether Special resolutions are proposed to be conducted through postal ballot	Not Applicable

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 the 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, 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.

Details of Non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any other Statutory Authority on any matter related to capital market during the last 3 years.

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.

The status on compliance with discretionary / non-mandatory requirements as specified in Part - E of Schedule - II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as below:-

A. Shareholders rights

Quarterly/ Half yearly / Annually financial results are published in leading newspapers and uploaded on company's website www.raclgeartech.com

B. Audit Qualification

The Auditors report on the company's financial statements does not contain any qualification.

C. Reporting of Internal Auditor

The Internal Auditors directly report to the Audit Committee and Board of Directors of the company.

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://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 that may have any potential conflict with the interest 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 by the company.

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 applicable Accounting Standards (Indian 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) in all editions and Jansatta (Hindi). The financial results are also displayed on the Company's website www.raclgeartech.com and during the year no official news released by the company.

During the year no presentation made by the company to the Institutional Investors or to the Analysts.

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 or others are filed electronically on the Listing Centre.

Financial Period: 1st April, 2017 to 31st March, 2018

For the Financial Year 1st April, 2017 to 31st March, 2018 Quarterly results were announced on:

- August 14, 2017.
- November 14, 2017.
- February 14, 2018.

For the Financial Year 1st April, 2017 to 31st March, 2018 Audited results were announced on:

- May 21, 2018.

News Release etc.

The official news releases etc. are displayed on the Company's website www.raclgeartech.com

Website

The website 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 or other applicable provisions of any other act or 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 or others are also available in their respective sections on the said website.

CEO/ 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 K.K. Malhotra, Practicing Company Secretary (Proprietor, K.K. Malhotra & Company, Company Secretaries) is annexed herewith the Report on Corporate Governance.

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 11th August, 2018 and the same was approved.

GENERAL SHAREHOLDER INFORMATION

A Annual General Meeting (AGM)

Date Tuesday, the 25th day of September, 2018
 Time 11:00 A.M.
 Venue The Executive Club, Dolly Farms & Resorts Pvt. Ltd., 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi - 110074, India

B Financial Calendar : April 1 to following March 31 period

Announcement of financial results for April 1, 2018 to March 31, 2019

- Quarter ending June 30, 2018 : Upto August 14, 2018
- Quarter ending September 30, 2018 : Upto November 14, 2018
- Quarter ending December 31, 2018 : Upto February 14, 2019
- Financial year ending on March 31, 2019 : Upto May 30, 2019
and for the fourth quarter ending on that date

C Dates of Book Closure : From Wednesday, September 19, 2018 to Tuesday, September 25, 2018 (both days inclusive).

D Dividend Payment date : Since the company has not declared any dividend for the financial year 2017-18, hence dividend payment date is not applicable.

E Listing on Stock Exchanges : BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001, India

F Listing Fee : Annual Listing Fee for the year 2017-18 and 2018-19, 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

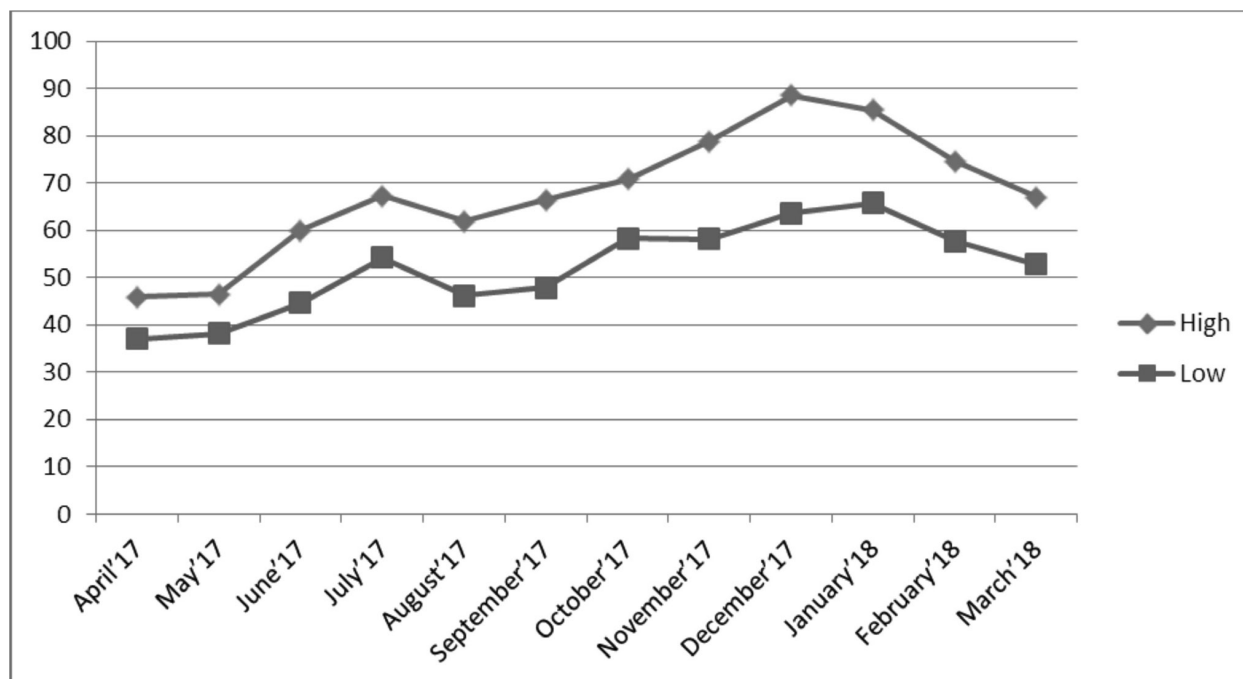
ISIN Number for NSDL and CDSL : INE704B01017

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
Apr-17	45.95	37.10	30184.22	29241.48
May-17	46.50	38.20	31255.28	29804.12
Jun-17	59.95	44.60	31522.87	30680.66
Jul-17	67.35	54.20	32672.66	31017.11
Aug-17	62.00	46.15	32686.48	31128.02
Sep-17	66.50	47.90	32524.11	31081.83
Oct-17	70.90	58.35	33340.17	31440.48
Nov-17	78.90	58.15	33865.95	32683.59
Dec-17	88.50	63.60	34137.97	32565.16
Jan-18	85.50	65.80	36443.98	33703.37
Feb-18	74.65	57.70	36,256.83	33,482.81
Mar-18	67.00	52.80	34,278.63	32,483.84

(Source www.bseindia.com)

RACL Geartech Limited, High and Low Share prices on BSE

Performance in comparison to broad based indices such as BSE Sensex.

The shares of the company are not considered by the Stock Exchange in their index fluctuations.

J Shareholding pattern as on March 31, 2018

Sl. No.	Category	Number of Equity Shares held	Percentage(%)
1	Promoters Shareholding-		
	RACL Employees Welfare Trust	3398687	34.22
	The Pradeshia Industrial And Investment Corporation Of U.P. Ltd.	1503300	15.14
	Individuals/other Bodies Corporate (Including Person acting in concert)	194670	1.96
	Total Promoter's Holding (A)	5096657	51.32
2	Mutual Funds/ Venture Capital Funds etc.	-	-
3	Financial Institutions/ Banks	500	0.01
4	Foreign Institutional Investors / FPI	-	-
5	Individuals	3480475	35.04
6	NBFC Registered with RBI	16800	0.17
7	Bodies Corporate	176940	1.78
8	Non-resident Indians, Overseas Corporate Bodies and Foreign Nationals	1092409	10.99
9	Others - Clearing Member	67519	0.68
10	Others - Trust	300	0.01
	Total Public Shareholding (B)	4834943	48.68
	Grand Total (A+B)	9931600	100

K Distribution of Holdings as on 31st March, 2018

Category	Number of Shareholders	(%) Percentage of Shareholders	Number of Shares	(%) Percentage of Shareholding
1-500	7621	87.04	1242182	12.51
501-1000	627	7.16	535628	5.39
1001-2000	238	2.72	379232	3.82
2001-3000	92	1.05	237435	2.39
3001-4000	45	0.51	161873	1.63
4001-5000	36	0.41	169728	1.71
5001-10000	64	0.73	459344	4.63
10001 and above	33	0.38	6746178	67.93
TOTAL	8756	100	9931600	100

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 or others to the Committee of Directors i.e. Stakeholders Relationship Committee and to MAS Services Limited [Share Transfer Agents (RTA)] and to Company Secretary. Which conduct the above activities and their reports is submitted to the Board of Directors on regular interval.

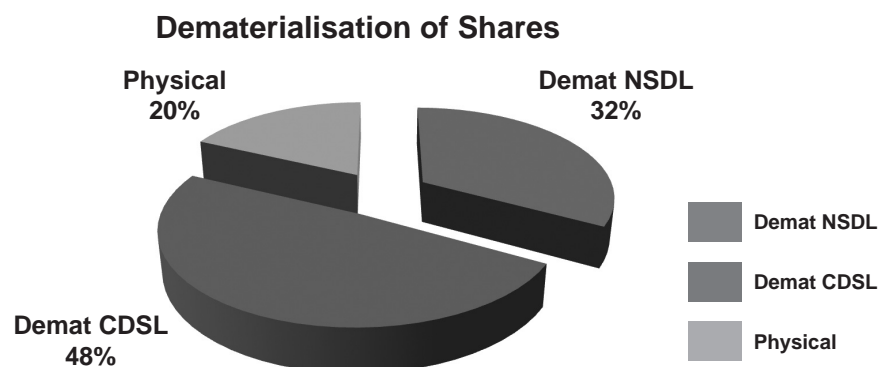
The Company has appointed MAS Services Limited as its Registrars and Share Transfer Agents. All share transfers and related operations/ matters or other matters related to shareholders are conducted and monitored by MAS Services Limited, which is registered with the SEBI.

The Company's Registrars, MAS Services Limited have adequate infrastructure to serve the shareholders and process the share transfers. In compliance with the Listing Regulations, every six months the share processing system is audited by a practicing Company Secretary (PCS) and a Certificate to that effect is issued by the said PCS 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 on Corporate Governance.

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, 2018, a total of 7900565 equity shares of the Company, constituting 80% of the paid-up share capital, stand dematerialized and the remaining 20% in physical form.


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 Limited and is also placed before the Board of Directors. The Report inter-alia confirms the total listed and paid up share capital of the Company is in agreement with the aggregate of the total dematerialised shares and those in the physical mode.

UNCLAIMED SHARES

As on 31st March, 2018, the company does not have any unclaimed shares, hence the requirement of Demat Suspense Account / Unclaimed Suspense Account not applicable on the company.

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

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 Limited, 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.

Q Plant Locations

The Company has plants/ manufacturing locations listed hereunder:

UNIT-I	:	A-3, Industrial Area, Gajraula, District Amroha, Uttar Pradesh - 244223, India
UNIT-II	:	H-201, Sector-63, Noida District Gautam Budh Nagar, Uttar Pradesh -201307, India

R Address for Correspondence/ Investor Complaints

Registrar to an issue and Share Transfer Agents
MAS Services Limited
T-34, 2nd 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)
15th Floor, Eros Corporate Tower, Nehru Place
New Delhi - 110 019
Tel. No.: (011) 66155129
Website: www.raclgeartech.com

Contact Person:

Mr. Hitesh Kumar
Company Secretary & Compliance Officer

Tel. No. : (011) 4588500
Fax No. : (011) 4588513
E-mail : investors@raclegeartech.com

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

Place: Noida

Date: 11th August, 2018

**Sd/-
Gursharan Singh
Chairman and Managing Director
DIN: 00057602**

**Regd. Office: 15th Floor, Eros Corporate Tower,
Nehru Place, New Delhi-110019, INDIA
Ph.: +91-11-66155129
e-Mail - investor@raclegeartech.com**

CEO & CFO CERTIFICATE

The Board of Directors,

RACL Geartech 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, 2018 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, 2018 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, 2018;
 - ii. There has not been any significant change in accounting policies during the financial year ended on March 31, 2018, 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, 2018 with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Sd/-
Gursharan Singh
Chairman & Managing Director
DIN: 00057602

for RACL Geartech Limited
Sd/-
Dev Raj Arya
Whole-time Director & Chief Financial Officer
DIN: 00057582

Place: Noida

Date: 21st May, 2018

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, 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 31st March, 2018.

For and on behalf of the Board
For RACL Geartech Limited
Sd/-
Gursharan Singh
Chairman and Managing Director
DIN: 00057602

Place: Noida

Date: 11th August, 2018

Regd. Office: 15th Floor, Eros Corporate Tower,
Nehru Place, New Delhi-110019, INDIA
Ph.: +91-11-66155129
e-Mail - investor@raclegeartech.com

PRACTICING COMPANY SECRETARY CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To

The Members of RACL Geartech Limited

We have examined the compliance of conditions of Corporate Governance by RACL Geartech Limited ("the Company"), for the year ended March 31, 2018, as stipulated 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 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligation and Disclosure requirements) Regulations, 2015 ('Listing Regulations).

The compliance of conditions of corporate governance is the responsibility of the Company's Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for the ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

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 stipulated in above mentioned Listing 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 K.K. Malhotra & Co.
Company Secretaries

Sd/-

K.K. Malhotra
(Proprietor)

FCS No. 1410, C.P No. 446

Place: Delhi

Date: 11th August, 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RACL Geartech Limited (Formerly Raunaq Automotive Components Limited)

Report on the Financial Statements

We have audited the accompanying financial statements of **RACL GEARTECH LIMITED** ('the Company'), which comprise the balance sheet as at 31 March 2018, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity 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 Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 standalone financial statements based on our audit. In conducting 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 and the Order issued under section 143(11) of the Act.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 standalone financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 March 31, 2018, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.;
- (d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- (e) on the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The company has no pending litigation which would impact its financial position except those disclosed in financial statements;
 - 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 amounts which were required by the company to be transferred to the Investor Education and Protection Fund, and;

2. As required by Section 143(3) of the Act, based on our audit we report that:

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

For Gianender & Associates
Chartered Accountants
(Firm's Registration No. 004661N)

Sd/-
Manju Agrawal
Partner
(M. No. 083878)

Place: New Delhi
Date : 21st MAY, 2018

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of **RACL GEARTECH LIMITED** of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **RACL GEARTECH LIMITED** (“the Company”) as of March 31, 2018 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for 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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Gianender & Associates
Chartered Accountants
(Firm's Registration No. 004661N)**

**Sd/-
Manju Agrawal
Partner
(M. No. 083878)**

**Place: New Delhi
Date : 21st MAY, 2018**

Annexure 'B' to the Independent Auditor's Report of RACL GEARTECH LIMITED for the Year ended as on 31st March 2018**Annexure referred to in paragraph 2 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 regular intervals 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 suits against Mr. JPS Kanwar for the recovery of Rs.488.88 lakhs 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. It has been represented by the management that for the activities carried on by the company, the Central Government has not specified 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 31st March 2018, there are no undisputed statutory dues payables for period exceeding 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. During the year the company has not defaulted in repayment of loans or borrowings to the banks. The company has not taken any loan or borrowings from any financial institution or Government. The company has not issued debentures.
- 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 is 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. In our opinion and according to the information provided to us, the company had not made any preferential allotment or private placement of shares or fully or partly convertible 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 Gianender & Associates
Chartered Accountants
(Firm's Registration No. 004661N)

Manju Agrawal
Partner
(M. No. 083878)

Place: New Delhi
Date : 21st MAY, 2018

BALANCE SHEET as at March 31, 2018
(Rs.in Lakhs)

Particulars	Notes	Ind AS as on March 31, 2018	Ind AS as on March 31, 2017	Ind AS as on April 01, 2016
ASSETS				
Non-current Assets				
(a) Property, plant and equipment	2	7,158.41	6,346.61	6,182.03
(b) Intangible Asset	3	8.73	3.84	-
(c) Capital work-in-progress	4	27.15	7.27	-
(d) Long Term Loans and Advance		-	-	-
(e) Financial assets	5	52.20	31.75	31.60
(f) Other non-current assets	6	76.07	76.07	62.08
(g) Misc Expenditure to the extent not written off	7	-	-	-
Total Non-current Assets		7,322.56	6,465.54	6,275.71
Current Assets				
(a) Inventories	8	3,302.43	2,661.55	2,657.25
(b) Financial assets				
i. Trade receivables	9	4,055.09	3,105.49	2,879.25
ii. Cash and cash equivalents	10	110.78	252.55	274.58
iii. Other Financial asset	11	179.22	140.52	89.44
Short term loans and Advance				
(c) Other current assets	12	750.18	477.66	365.57
Total Current Assets		8,397.70	6,637.77	6,266.09
Total Assets		15,720.26	13,103.31	12,541.80
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	13.a.	993.16	993.16	993.16
(b) Other Equity	13.b	4,474.19	3,752.06	3,298.80
Total Equity		5,467.35	4,745.22	4,291.96
LIABILITIES				
Non-current Liabilities				
(a) Financial Liabilities				
Borrowings	14	1,890.15	953.66	765.01
(b) Provisions	15	569.75	500.05	402.39
(c) Deferred tax liabilities (Net)	16	291.70	425.21	352.55
Total Non-current Liabilities		2,751.60	1,878.92	1,519.95
Current Liabilities				
(a) Financial liabilities				
i. Borrowings	17	4,754.55	4,427.36	4,496.73
ii. Trade payables	18	2,081.69	1,565.95	1,405.59
iii. Other financial liabilities	19	519.40	338.87	663.84
(c) Other current liabilities	20	34.57	29.89	26.72
(d) Provisions	21	82.66	88.94	76.05
(b) Current tax Liabilities (Net)	22	28.44	28.16	60.96
Total Current Liabilities		7,501.31	6,479.17	6,729.89
Total Liabilities		10,252.91	8,358.09	8,249.84
Total Equity and Liabilities		15,720.26	13,103.31	12,541.80

Notes 1 to 41 forms part of the Financial Statements

For Gianender & Associates
Chartered Accountants
FRN 004661N

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

Sd/-
Manju Agarwal
(Partner) M.No :083878

Sd/-
GURSHARAN SINGH
(Chairman & M.D.)

Sd/-
SHASHANK RAMESH ANIKHINDI
(Director)

Sd/-
D.R. ARYA
(Director & CFO)

Sd/-
RAJ KUMAR KAPOOR
(Director)

Sd/-
RAKESH KAPOOR
(Director)

Place: Noida
Date : 21st May, 2018
Sd/-
NARINDER PAUL KAUR
(Director)

Sd/-
HITESH KUMAR
(Company Secretary)

STATEMENT OF PROFIT AND LOSS for the year ended 31st March 2018
(Rs.in Lakhs)

Particulars	Notes	Ind AS as on March 31, 2018	Ind AS as on March 31, 2017
Revenue from operations	23	13,948.72	12,361.33
Other income	24	62.70	70.55
Total Income		14,011.42	12,431.88
Expenses			
Cost of Material Consumed	25	5,198.64	4,036.72
Changes in inventories of finished goods WIP and Stock in Trade	26	(143.28)	179.92
Excise Duty on Sale of Goods		264.47	762.80
Employee benefits expenses	27	2,040.76	1,837.53
Finance Costs	28	571.31	515.07
Depreciation and Amortisation Expenses	29	496.00	400.19
Other Expenses	30	4,719.13	4,050.70
Total expenses		13,147.03	11,782.93
Profit before exceptional items and tax		864.39	648.96
Add: Exceptional items			
Profit before tax			
Less: Tax expense			
(1) Current tax			
Previous Year tax Paid		(32.25)	16.53
Tax Payable		(160.00)	(160.32)
Less : MAT credit entitlement		104.20	40.78
		(88.05)	(103.01)
(2) Deferred tax		10.50	(32.19)
		(77.55)	(135.20)
Profit for the period from continuing operations		786.84	513.76
Other Comprehensive Income			
Remeasurements of the defined benefit plans		(64.71)	(60.50)
Total other comprehensive income		(64.71)	(60.50)
Total comprehensive income for the period		722.13	453.26
Earnings per share (Face Value Rs.10/- per share) Not annualised :			
(1) Basic (in Rs.)	31	7.27	4.56
(2) Diluted (in Rs.)		7.27	4.56

Notes 1 to 41 forms part of the Financial Statements

For Gianender & Associates
Chartered Accountants
FRN 004661N

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

Sd/-
Manju Agarwal
(Partner) M.No :083878

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(Director & CFO)

Sd/-
RAJ KUMAR KAPOOR
(Director)

Sd/-
RAKESH KAPOOR
(Director)

Place: Noida
Date : 21st May, 2018

Sd/-
NARINDER PAUL KAUR
(Director)

Sd/-
HITESH KUMAR
(Company Secretary)

CASH FLOW STATEMENT for the year ended March 31, 2018
(Rs.in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A.CASH FLOW FROM OPERATING ACTIVITIES		
Profit /(Loss) after tax	722.13	453.26
Adjustment for:		
Depreciation / Amortization	496.00	400.19
Interest charges	571.31	515.07
Profit on sale of asset	(41.40)	(35.40)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	1,748.04	1,333.13
Increase/(Decrease) in other Financial Liabilities - Non Current	-	-
Increase/(Decrease) in other Liabilities - Non Current	(133.51)	72.66
Increase/(Decrease) in other Financial Liabilities - Current	180.53	(324.99)
(Increase)/Decrease in Trade Payable - Current	515.74	160.36
Increase/(Decrease) in long-term provisions - Non current	69.70	97.66
Increase/(Decrease) in long-term provisions - current	(6.28)	12.89
Increase/(Decrease) in other current liabilities	4.96	(29.63)
(Increase)/Decrease in inventories	(640.88)	(4.30)
(Increase)/Decrease in trade Receivable	(949.60)	(226.24)
(Increase)/Decrease in other non current financial assets	(20.44)	(0.15)
(Increase)/Decrease in other non current assets	-	(13.99)
(Increase)/Decrease in current assets	(272.52)	(112.08)
(Increase)/Decrease in other Non Current financial Asset	-	-
(Increase)/Decrease in other Current financial Asset	(38.72)	(51.08)
CASH GENERATED FROM OPERATIONS	457.01	914.25
Direct taxes paid		
NET CASH GENERATED FROM OPERATIONS	457.01	914.25
B.CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(1,449.93)	(638.93)
Proceeds from Sale of PPE	158.76	98.44
NET CASH GENERATED (USED IN) INVESTING ACTIVITIES	(1,291.17)	(540.49)
C.CASHFLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	1,263.70	119.29
Proceeds from share capital	-	-
Proceeds from share premium	-	-
Proceeds from unsecured loan	-	-
Proceeds from Compusorily convertible debentures(CCD's)	-	-
Proceeds from loans & advances from related parties	-	-
Interest and finance charges paid	(571.31)	(515.07)
NET CASH FROM FINANCING ACTIVITIES	692.40	(395.78)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE YEAR	(141.77)	(22.03)
Cash and cash equivalents as at March 31,2017	252.55	274.58
Cash and cash equivalents as at March 31, 2018	110.78	252.55
Net Cash Flow	(141.77)	(22.03)

Notes 1 to 41 forms part of the Financial Statements

For Gianender & Associates
Chartered Accountants
FRN 004661N

By Order of the Board
For RACL Geartech Ltd (formerly Raunaq Automotive Components Ltd.)
Sd/-
Manju Agarwal
(Partner) M.No :083878

Sd/-
GURSHARAN SINGH
(Chairman & M.D.)

Sd/-
SHASHANK RAMESH ANIKHINDI
(Director)

Sd/-
D.R. ARYA
(Director & CFO)

Sd/-
RAJ KUMAR KAPOOR
(Director)

Sd/-
RAKESH KAPOOR
(Director)

Place: Noida
Date : 21st May, 2018
Sd/-
NARINDER PAUL KAUR
(Director)

Sd/-
HITESH KUMAR
(Company Secretary)

NOTES TO ACCOUNTS

Note No 1.

GENERAL INFORMATION

RACL Geartech Ltd (referred to as 'RACL' or 'Company') was established in the year 1989 for producing automotive components in the field of Motorcycles & Scooters, 3&4 Wheeler Passenger & Cargo Vehicles, Agricultural Machinery, Tractors, ATV, Light & Heavy Commercial Vehicles, etc. The company has also expanded into sub-assemblies, industrial Gears for electrical switch Gears and Circuit Breakers, Winches and Cranes.

It is a customer centric Organisation obsessed with world class benchmarking and are supplying to top Global OEM's like BMW Mottarad, Germany, Kubota Corporation (Japan, Thailand and USA) , IT Switzerland (Same Group Company), KTM AG (Austria) Schneider Electric (Germany) , Dana (Italy and China) amongst others .

A BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

(a) Statement of Compliance

The shares of the company are listed on Bombay Stock Exchange(BSE).

The Company's financial statements complies in all material aspects with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Companies Act, 2013 (the Act).

The financial statements up to the year ended 31 March 2017 were prepared in accordance with the Accounting Standards notified under the Companies (Accounting Standard) Rules, 2006 as amended and other relevant provisions of the Act (Previous GAAP).

These financial statements are the first financial statements of the Company under Ind AS. Refer Note no 41 for an explanation on how the transition from previous GAAP to IndAS has affected the Company's financial position, financial performance and cash flows.

Dates for Ind As conversion:

Opening Balance sheet as on	01.04.2016
Previous year	2016-17
Full Ind AS Financials	2017-18

(b) Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following items :

Item	Measurement
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/liability	Present value of defined benefit obligations

(c) Use of estimates and judgments

Preparation of these financial statements is in conformity with IndAS. It requires the management to make estimates and assumptions considered in the reported amounts of assets, liabilities (including contingent liabilities), income and expenses. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize. Estimates include the useful lives of property plant and equipment and intangible fixed assets, allowance for expected credit loss, future obligations in respect of retirement benefit plans, fair value measurement etc.

(d) Measurement of fair values

Accounting Policies and disclosures requires measurement of fair values for both financial and non-financial assets and liabilities. Fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the

fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that entity can access at measurement date.
- Level 2 inputs other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(e) Operating Cycle

Based on the nature of products/ activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current

Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in Schedule III to the Companies Act, 2013 modified in accordance with the requirements of Ind AS. The Cash Flow Statement has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards.

Amounts in the financial statements are presented in Indian Rupees, rounded off to Rupees in Lakhs in line with the requirements of schedule III.

B SIGNIFICANT ACCOUNTING POLICIES

B1 REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognized when the goods are dispatched and titles have passed, at which time all the following conditions are satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognized by reference to the stage of completion of the contract. Servicing fees included in the price of products sold are recognized by reference to the proportion of the total cost of providing the servicing for the product sold.

Dividend and interest income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

B2 PROPERTY, PLANT AND EQUIPMENT (PPE)

Property, plant and equipment (including furniture, fixtures, vehicles, etc.) held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes items directly attributable to the construction or acquisition of the item of property, plant and equipment, and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. Depreciation is charged on a pro-rata basis at the straight line method over estimated economic useful lives of its property, plant and equipment generally in accordance with that provided in the Schedule II to the Act.

Depreciation of an asset begins when it is available for use. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that it is classified as held for sale) in accordance with Ind AS 105 and the date that the asset is de-recognized. Therefore depreciation does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated.

However under usage methods of depreciation the depreciation charge can be zero while there is no production.

Depreciation on additions/ deductions is calculated pro-rata from/ to the month of additions/ deductions.

An item of property, plant and equipment is derecognized upon disposal. Any gain or loss arising on the disposal of an item of property plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis

B3 INTANGIBLE ASSETS

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

B4 IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

The carrying amount of assets are reviewed at each Balance Sheet date, to assess, 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. Recoverable amount is the higher of fair value less costs of disposal and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

B5 INVENTORIES :

Inventories are valued at the lower of cost, determined on the weighted average basis and Net Realisable Value (NRV).

The cost of Finished Goods and Work in Progress comprises raw material, direct labour, other direct cost and appropriate proportion of variable and fixed over head expenditure, the latter being allocated on the basis of normal operating capacity. Costs of Inventories also include all the cost incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. NRV is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated cost necessary to make the sale.

B6 FOREIGN CURRENCY TRANSACTIONS :

In preparing the financial statements of the Company, transactions in currencies other than the company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognized in profit or loss in the period in which they arise.

Foreign currency derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

B7 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 benefits 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 losses arising from such valuation are charged to Other Comprehensive Income in the year in which they arise.

B8 RESEARCH & DEVELOPMENT EXPENDITURE

Expenditure on research activities is recognized as an expense in the period in which it is incurred where no internally generated asset can be recognized.

B9 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial Assets

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets

Investments in debt instruments that meet the following conditions are subsequently measured at amortized cost (unless the same are designated as fair value through profit or loss (FVTPL)):

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (unless the same are designated as fair value through profit or loss)

- The asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments at FVTPL are a residual category for debt instruments and all changes are recognized in profit or loss.

Investments in equity instruments are classified as FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in Other Comprehensive Income (OCI) for equity instruments which are not held for trading.

Interest income, dividend income and exchange difference (on debt instrument) on Fair Value Through Other Comprehensive Income (FVTOCI) debt instruments is recognized in profit or loss and other changes in fair value are recognized in OCI and accumulated in other equity. On disposal of debt instruments FVTOCI the cumulative gain or loss previously accumulated in other equity is reclassified to profit & loss. However in case of equity instruments at FVTOCI cumulative gain or loss is not reclassified to profit & loss on disposal of investments.

Financial Liabilities and Equity Instruments

Classification as debt or equity

Debt and equity instruments issued by Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Financial liabilities

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance Costs' Line item.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability.

- Loans and borrowings are subsequently measured at amortized costs using Effective Interest Rate method.
- Financial liabilities at fair value through profit or loss (FVTPL) are subsequently measured at fair value.
- Financial guarantee contracts are subsequently measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.
- Financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

B10 Impairment of financial assets (Expected Credit Loss Model)

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset and financial guarantees not designated at FVTPL

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract/agreement and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate. The Company estimates cash flows by considering all contractual terms of the financial instrument, through the expected life of the financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the life-time expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk has not increased significantly, the Company measures the loss allowance at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the life-time cash shortfalls that will result if the default occurs within 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of a change in the amount of the expected credit loss. To achieve that, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

B11 PROVISIONS

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

B12 Warranties

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise- being typically six months to one year.

B13 CURRENT AND NON CURRENT CLASSIFICATION**Current Asset:**

An asset shall be classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded.

- (c) It is expected to be realized within twelve months after the reporting date, or
- (d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets shall be classified as non-current.

Current Liabilities:

A liability shall be classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within twelve months after the reporting date: or
- (d) the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. All other liabilities shall be classified as non-current.

B14 DEFERRED TAX & CURRENT TAX**Deferred tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

The income tax expense or credit for the year is the tax payable on current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

B15 EARNINGS PER SHARE (EPS)

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating Diluted Earnings 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.

C Cash flow statement

Cash flow statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the net profit/(loss) is adjusted for the effects of:

- (a) transactions of a non-cash nature;
- (b) any deferrals or accruals of past or future operating cash receipts or payments and,
- (c) All other items of income or expense associated with investing or financing cash flows.

The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. Cash and cash equivalents (including bank balances) are reflected as such in the Cash Flow Statement. Those cash and cash equivalents which are not available for general use as on the date of Balance Sheet are also included under this category with a specific disclosure.

D FIRST TIME ADOPTION

The Company has prepared opening balance sheet as per Ind AS of April 1, 2016 (transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS required under IndAS and applying IndAS in measurement of recognized assets and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed by the Company as detailed below:

- a) The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 01 April 2016 (transition date).
- b) The Company has determined the classification of debt instruments in terms of whether they meet the amortized cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.
- c) The Company has opted to continue with the carrying value for all of its PPE as recognized in its previous GAAP financial as deemed cost at the transition date.

STATEMENT OF CHANGES IN EQUITY for the year ended 31st March 2018

A. Equity Share Capital

(Rs.in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Equity			
Authorised (Equity Shares of Rs.10/- each)	2,000.00	2,000.00	2,000.00
Issued & Subscribed (Equity Shares of Rs.10/- each)	1,094.00	1,094.00	1,094.00
Paid up Share Capital	993.16	993.16	993.16
Total Paid Up Share Capital	993.16	993.16	993.16

B. Other Equity

Movement in Other Equity

Particulars	Reserves and Surplus			Total
	Share Forfeiture Account	Securities Premium Reserve	Retained Earnings	
Balance at the beginning of the reporting period i.e. 01.04.2016	41.95	181.50	3,075.35	3,298.80
Changes in accounting policy or prior period errors		-	-	-
Restated balance at the beginning of the reporting period	41.95	181.50	3,075.35	3,298.80
Total Comprehensive Income for the year			453.26	453.26
Transfer to retained earnings			-	-
Balance at the end of the reporting period i.e. 31.03.2017	41.95	181.50	3,528.61	3,752.06

Previous Year

Particulars	Reserves and Surplus			Total
	Capital Reserve	Securities Premium Reserve	Retained Earnings	
Balance at the beginning of the reporting period i.e. 01.04.2017	41.95	181.50	3,528.61	3,752.06
Changes in accounting policy or prior period errors		-	-	-
Restated balance at the beginning of the reporting period	41.95	181.50	3,528.61	3,752.06
Total Comprehensive Income for the year	-	-	722.13	722.13
Transfer to retained earnings	-	-	-	-
Balance at the end of the reporting period i.e. 31.03.2018	41.95	181.50	4,250.74	4,474.19

Notes to Financial Statements for the Year ended March 2018

Property, plant and equipment		Note No	Cost or Deemed cost				Accumulated depreciation and impairment				(Rs.in Lakhs)	
Particulars			Balance as at April 1, 2017	Additions	Disposals	Balance at March 31, 2018	Balance as at April 1, 2017	Depreciation expense	Disposals	Balance at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Building			739.47	58.29		797.76	31.19	29.95		61.15	736.61	708.28
Plant & Equipment			4,299.23	1,294.44	190.29	5,403.38	36.20	439.37	92.15	383.42	5,019.96	4,263.03
Furniture & Fixtures			3.56			3.56		0.75		0.75	2.81	3.56
Vehicles			70.73	32.68	22.48	80.93	8.06	10.33	17.49	0.89	80.04	62.67
Office Equipments		2	62.89	12.39	0.61	74.67	0.88	9.23	0.61	9.50	65.18	62.01
Electrical Installation			108.45	20.09	11.87	116.67	5.76	6.37	4.90	7.23	109.44	102.69
Leasehold Property			1,144.37	-		1,144.37	-			-	1,144.37	1,144.37
Plant												
Equipment - Land												
Total			6,428.70	1,417.89	225.25	7,621.34	82.09	496.00	115.16	462.93	7,158.41	6,346.61

Intangible Assets

Particulars	Note No	Cost or Deemed cost			Balance at March 31, 2018	Balance as at April 1, 2017	Depreciation expense	Disposals	Balance at March 31, 2018	Carrying Amount As at March 31, 2018	Carrying Amount As at March 31, 2017
Intangible Asset	3		3.84	4.89	8.73	-	-		-	8.73	3.84
Capital Work In Progress	4		7.27	27.15	27.15	-	-		-	27.15	7.27
Total			11.11	32.04	35.88	-	-	-	-	35.88	11.11

Property, plant and equipment

Particulars	Note No	Cost or Deemed cost				Balance at March 31, 2017	Balance as at April 1, 2016	Depreciation expense	Disposals	Balance at March 31, 2017	Carrying Amount As at March 31, 2017	Carrying Amount As at April 01, 2016
Building			695.09	44.37	-	739.47	-	31.19	-	31.19	708.27	695.09
Plant & Equipment			4,113.45	559.81	374.03	4,299.23	-	347.18	310.99	36.20	4,263.03	4,113.45
Furniture & Fixtures			3.56			3.56	-	-		-	3.56	3.56
Vehicles			61.41	9.32		70.73	-	8.06		8.06	62.67	61.41
Office Equipments		2	55.69	14.31	7.11	62.89	-	8.00	7.11	0.88	62.01	55.69
Electrical Installation			108.45			108.45	-	5.76		5.76	102.69	108.45
Leasehold Property			1,144.37			1,144.37	-				1,144.37	1,144.37
Plant							-			-		
Equipment - Land							-			-		
Total			6,182.03	627.81	381.14	6,428.70	-	400.19	318.10	82.09	6,346.61	6,182.03

Intangible Assets

Particulars	Note No	Cost or Deemed cost			Balance at March 31, 2017	Balance as at April 1, 2016	Depreciation expense	Disposals	Balance at March 31, 2017	Carrying Amount As at March 31, 2017	Carrying Amount As at April 01, 2016
Intangible Asset	3		-	3.84	3.84	-	-		-	3.84	-
Capital Work In Progress	4		-	7.27	7.27	-	-		-	7.27	-
Total			-	11.11	11.11	-	-	-	-	11.11	-

Assets notes for the year ended 31st March 2018
(Rs.in Lakhs)

Particulars	Note No.	Ind AS as on March 31, 2018	Ind AS as on March 31, 2017	Ind AS as on April 01, 2016
Non Current Assets				
(d) Long Term Loans and Advances				
Security Deposits with landlord against rented premises		-	-	-
Total		-	-	-
(e) Financial Asset	5			
Security Deposits with landlord against rented premises		52.20	31.75	31.60
Total		52.20	31.75	31.60
(f) Other Non Current Assets	6			
Security Deposits with UPPCL		76.07	76.07	62.08
Total		76.07	76.07	62.08
(g) Misc Exp.to the extent not written off	7			
Misc Exp.to the extent not written off		-	-	-
Total		-	-	-
Current Assets				
(a) Inventories (Lower of Cost or Net Relisable Value)	8			
Raw Materials and components (Valued at Cost)		416.75	255.43	215.48
Work-in-progress (Valued at Factory Cost)		602.13	462.39	645.23
Finished goods (Valued at cost or net realizable value whichever is lower)		111.63	94.57	98.33
Stores and spares (Valued at cost or net realizable value whichever is lower)		430.38	341.37	335.28
Loose Tools (Valued at cost or net realizable value whichever is lower)		1,425.13	1,180.58	1,027.89
Scrap		-	0.35	0.52
Jigs & fixtures		316.41	326.86	334.52
Total		3,302.43	2,661.55	2,657.25
(b) Financial Assets				
i . Trade Recieveable	9			
Unsecured, considered good		4,055.09	3,105.49	2,879.25
Total		4,055.09	3,105.49	2,879.25
The concentration of credit risk is limited due to the fact that customer base is large and unrelated				
Particlars				
Age of Receivables				
Outstanding for a period less than six months		4,055.09	3,105.49	2,879.25
Total		4,055.09	3,105.49	2,879.25

<p>"The Company has taken an advance of Rs 22.11 Crores from RBL Ltd against Trade Receivables. The above figures are inclusive of RBL Ltd advances which are secured in following manner:</p> <ul style="list-style-type: none"> - Second charge on the entire current movable & Fixed Assets of the company - Personal Guarantee of Mr Gursharan Singh & Mr D.R Arya" <p>ii. Cash and Cash Equivalents</p> <p>Balances with banks</p> <p>Cash on hand</p> <p>Margin money</p> <p>Fixed Deposits</p> <p>Total</p> <p>iii. Other Financial Asset</p> <p>Insurance Claims</p> <p>Interest Receivable</p> <p>Interest Receivable on Account of Electricity Deposit</p> <p>Other Claims</p> <p>Margin money</p> <p>Total</p> <p>The Margin money on Letter of Credit is secured by Pledging of Term Deposit Receipts to the Schdule Bank</p> <p>Short Term Loans and Advance</p> <p>a. Others</p> <p>b. Balance with excise authorities & other authorities (Secured, considered good)</p> <p>c. Balance with Income Tax Authorities</p> <p>Total</p> <p>(c) Other Current Assets (Secured, considered good)</p> <p>Deposit with authorities</p> <p>Prepaid Expenses</p> <p>Advance From Suppliers</p> <p>Other Advances</p> <p>Advance recoverable in cash or in kind or to the value to be received</p> <p>Total</p>	10			
		97.32	2.28	38.83
		13.46	5.27	5.75
		-	-	-
		-	245.00	230.00
		110.78	252.55	274.58
	11	-	-	1.38
		10.00	4.19	3.65
		28.76	22.29	-
		0.80	0.80	-
		139.66	113.23	84.41
		179.22	140.52	89.44
	12	-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		42.53	123.89	313.14
		20.66	23.52	26.97
		278.49	53.55	25.46
		0.34	3.69	-
		408.16	273.01	-
Total		750.18	477.66	365.57

Note No 13
Equity Share Capital
(Rs. In Lakhs)

Particulars	Note No	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Equity	13.a.			
Authorised (Equity Shares of Rs.10/- each)		2,000.00	2,000.00	2,000.00
Issued & Subscribed (Equity Shares of Rs.10/- each)		1,094.00	1,094.00	1,094.00
Paid up Share Capital		993.16	993.16	993.16
Total Paid Up Share Capital		993.16	993.16	993.16

i. Terms and rights attached to equity shares

The Company has only one class of equity shares having a face value of Rs10 per share. Each holder of the equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend, if any proposed, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March' 2018, no dividend is declared by Board of Directors. (Previous year : NIL)

In the event of liquidation of the company the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in the proportion to number of equity shares held by the shareholders.

ii. Shares held by holding/Ultimate holding company and/or their subsidiaries/associates : Nil
iii. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of reporting Year
(Rs. In Lakhs)

Particulars	As at 31.03.2018		As at 31.03.2017	
	No of Equity Shares	INR	No of Equity Shares	INR
Share Outstanding at the beginning of the year	9931600	993.16	9,931,600	993.16
Share issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Share Outstanding at the end of the year	9931600	993.16	9,931,600	993.16

iv. List of Shareholders having more than 5% equity shares

Particulars	As at 31.03.2018		As at 31.03.2017	
	No of Shares Held	% of Holding	No of Shares Held	% of Holding
RACL Employee Welfare Trust	3398687	34.22	3,398,687	34.22
PICUP	1503300	15.14	1,503,300	15.14
Middle ware Development Limited	1000000	10.07	1,000,000	10.07
Mr Arender Kumar	-	-	1,000,000	10.07

Other Equity
(Rs. In Lakhs)

Particulars	Note No	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Retained Earning	13.b.	4,250.74	3,528.61	3,075.35
Securities Premium Reserve		181.50	181.50	181.50
Share Forfeiture Account		41.95	41.95	41.95
Total		4,474.19	3,752.06	3,298.80

a. The Company has forfeited 1008400 equity share of Rs 10/- each (on 21.4.2003) and 1900000 convertible share warrants having paid up value of Re 1/- each (on 19.4.2010)

Movement in Other Equity
(Rs. In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Retained Earning		
Opening Balance	3,528.61	3,075.35
Add: Comprehensive Income for the year	722.13	453.26
Closing Balance	4,250.74	3,528.61
Securities Premium Reserve		
Opening Balance	181.50	181.50
Add: Comprehensive Income for the year	-	-
Closing Balance	181.50	181.50
Share Forfeiture Account		
Opening Balance	41.95	41.95
Add: Comprehensive Income for the year	-	-
Closing Balance	41.95	41.95

For Gianender & Associates
Chartered Accountants
FRN 004661N

By Order of the Board
For RACL Geartech Ltd

Sd/-
Manju Agarwal
(Partner) M.No :083878

Sd/-
GURSHARAN SINGH
(Chairman & M.D.)

Sd/-
SHASHANK RAMESH ANIKHINDI
(Director)

Sd/-
D.R. ARYA
(Director & CFO)

Sd/-
RAJ KUMAR KAPOOR
(Director)

Sd/-
RAKESH KAPOOR
(Director)

Place: Noida
Date : 21st May, 2018

Sd/-
NARINDER PAUL KAUR
(Director)

Sd/-
HITESH KUMAR
(Company Secretary)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 2018
(Rs.in Lakhs)

Particulars	Note No	Ind AS as on March 31, 2018	Ind AS as on March 31, 2017	Ind AS as on April 01, 2016																									
Non Current Liabilities																													
(a) Financial Liabilities																													
Borrowings	14																												
Secured Loans	14.a.																												
Term Loan from Bank		1,810.20	1,133.66	1,060.54																									
Less: Current Maturities of Term Loan		479.90	315.83	534.57																									
	(i)	1,330.30	817.83	525.97																									
Car Loan		22.08	27.76	8.35																									
Less: Current Maturities of car Loan		5.69	5.24	8.35																									
	(ii)	16.39	22.52	-																									
	1((i)+(ii))	1,346.69	840.35	525.97																									
Unsecured	14.b.																												
Term Loan from Financial Institutions/ Banks		572.53	219.44	353.41																									
Less: Current Maturities of loan from FI		180.42	106.13	114.37																									
	(i)	392.11	113.31	239.04																									
Car Loan		-	-	-																									
Less: Current Maturities of car Loan		-	-	-																									
	(ii)	-	-	-																									
Term Loan from Related Parties		151.35	-	-																									
	(iii)	151.35	-	-																									
	2((i)+(ii)+(iii))	543.46	113.31	239.04																									
Total (1+2)		1,890.15	953.66	765.01																									
<p>"1. There has been no default in repayment of Bank Loans and Interest</p> <p>2. Secured Term Loans from banks have been guaranteed by Whole Time Directors.</p> <p>3. Maturity Profile of term Loans and Other Loans are as under :</p> <table border="0"> <tr> <td>-</td> <td>FY</td> <td>18-19</td> <td>6.66</td> <td>Crores</td> </tr> <tr> <td>-</td> <td>FY</td> <td>19-20</td> <td>6.34</td> <td>Crores</td> </tr> <tr> <td>-</td> <td>FY</td> <td>20-21</td> <td>5.32</td> <td>Crores</td> </tr> <tr> <td>-</td> <td>FY</td> <td>21-22</td> <td>3.61</td> <td>Crores</td> </tr> <tr> <td>-</td> <td>FY</td> <td>22-23</td> <td>1.65</td> <td>Crores</td> </tr> </table> <p>3. Loans from bank of India, Noida Branch, Indusind Bank Ltd and RBL Bank are secured on PariPassu Basis in the following Manner:</p> <ul style="list-style-type: none"> - First charge by way of Hypothecation on entire stock and Book Debt of the Company - First Charge over entire Fixed Assets of the company excluding Land and Building & vehicle (Both Present & Future) - Extension of EQM of Company's Land and Building at Gajraula U.P. <p>The above Loans are also secured by personal guarantee (Joint and Several) of Shri Gursharan Singh and Shri D.R. Arya</p> <p>The Current Maturities of Long Term Debt have been shown as Current Liabilities under Note No. 17"</p>					-	FY	18-19	6.66	Crores	-	FY	19-20	6.34	Crores	-	FY	20-21	5.32	Crores	-	FY	21-22	3.61	Crores	-	FY	22-23	1.65	Crores
-	FY	18-19	6.66	Crores																									
-	FY	19-20	6.34	Crores																									
-	FY	20-21	5.32	Crores																									
-	FY	21-22	3.61	Crores																									
-	FY	22-23	1.65	Crores																									
<p>4. Unsecured Loans from Financial Institutions and Banks include Loan from Foreign Bank UBS(AG) in CHF currency. Balance as on 31.8.2018 is Rs 4,40,41,450 (P.Y Rs. 1,95,56,753)</p>																													

(b) Long Term Provisions	15			
Gratuity		462.12	378.62	293.54
Leave Encashment		107.63	121.43	108.85
Total		569.75	500.05	402.39
(c) Deferred tax liabilities (Net)	16			
Deferred tax liabilities		692.64	703.14	637.42
Less: Deferred tax assets		(179.58)	(179.58)	(146.04)
Less Mat Credit Entitlement		(221.36)	(98.35)	(138.82)
Total		291.70	425.21	352.55
Current Liabilities				
(a) Financial Liabilities	17			
ia. Secured Borrowings				
a. Loans repayable on demand from banks		1,876.90	1,977.20	1,815.17
Total a.		1,876.90	1,977.20	1,815.17
b. Bill Discounting Facility		2,211.64	2,022.96	2,024.26
Total b.		2,211.64	2,022.96	2,024.26
c. Current maturities of Long-term debt				
Current Maturities of Term Loan		479.90	315.83	534.57
Current Maturities of Car Loan		5.69	5.24	8.35
Total c.		485.59	321.07	542.92
Total (ia) {a.+b.+c.}		4,574.13	4,321.23	4,382.36
ib. Unsecured Borrowings				
a. Current maturities of Long-term debt				
Current Maturities of Loan from Financial Institution		180.42	106.13	114.37
Total (ib)		180.42	106.13	114.37
Total (ic) {(ia)+(ib)}		4,754.55	4,427.36	4,496.73
"1. Loans from Bank of India, Noida Branch, Indusind Bank Ltd and RBL Bank are secured on PariPassu Basis in the following Manner: - First charge by way of Hypothecation on entire stock and Book Debt of the Company - First Charge over entire Fixed Assets of the company excluding Land and Building & vehicle (Both Present & Future) - Extension of EQM of Company's Land and Building at Gajraula U.P. The above Loans are also secured by personal guarantee (Joint and Several) of Shri Gursharan Singh and Shri D.R. Arya"				

ii. Trade payables	18			
Due to other than SSIs/MSME		1,930.69	1,250.47	700.27
Add: Cheques issued but not present in the bank		151.00	315.48	705.33
Total		2,081.69	1,565.95	1,405.59
<p>"1. According to records available by the company dues payable to entities that are classified as Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 during the year is ` Nil (previous year ` Nil). Further no interest has been paid or was payable to such parties under the said Act during the year.</p> <p>2. Due to Micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Company. This has been relied upon by the auditors."</p>				
iii. Other Financial liabilities - Current	19			
Payable to Staff		1.53	0.90	1.33
Salary & Wages		82.92	140.20	112.36
Other payables		434.95	197.77	550.15
		519.40	338.87	663.84
(b) Other Current liabilities	20			
i. Statutory Dues				
Excise Duty Payable		-	6.85	0.60
Tax Collection At Source		-	0.07	0.06
TDS Payable		31.53	11.95	12.38
VAT Payable		-	3.53	2.18
CST Payable		-	4.24	1.40
Service Tax Payable		-	0.80	3.99
Current maturities of Long Term Debt		-	-	-
ii. Advance received from Customers		3.04	2.45	6.12
Other payables		-	-	-
Total		34.57	29.89	26.72
(c) Short Term Provisions	21			
Salary and Reimbursements		-		
Gratuity Short term		49.89	42.45	33.93
Leave Encashment Short Term		24.90	38.68	36.32
ESI & PF Payable		7.87	7.81	5.80
Total		82.66	88.94	76.05
(d) Current Tax Liabilities (Net)	22			
Income Tax Payable		29.93	28.16	61.44
Less : Advance Taxes		(1.49)	-	(0.48)
		28.44	28.16	60.96

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 2018

Revenue From Operations
(Rs.in Lakhs)

Particulars	Note No	Ind AS as on March 31, 2018	Ind AS as on March 31, 2017
Sale of Products - Domestic	23	6,161.73	6,336.84
Sale of Products - Export		7,130.63	5,558.19
Other Operating Revenue		656.35	466.30
Less :Excise Duty		-	-
Revenue from Operations		13,948.72	12,361.33

Other Income

Particulars	Note No	Ind AS as on March 31, 2018	Ind AS as on March 31, 2017
Interest on Deposits	24	2.03	7.16
Other Non Operating Income		60.67	63.39
Total		62.70	70.55

Cost of Raw Material & packaging Material Consumed

Particulars	Note No	Ind AS as on March 31, 2018	Ind AS as on March 31, 2017
Opening Stock	25	255.48	215.48
Add: Purchases		5,359.91	4,076.67
Less: Closing Stock		(416.75)	(255.43)
Total		5,198.64	4,036.72

Change in Inventories

Particulars	Note No	Ind AS as on March 31, 2018	Ind AS as on March 31, 2017
Closing Stock	26		
Finished Goods -CS		98.46	94.57
Material in Transit -CS		-	-
Work in Progress -CS		602.13	462.39
Scrap -CS		-	0.35
		700.59	557.31
Less:			
Opening Stock			

Finished Goods- OS		94.57	98.33
Material in Transit- OS		-	-
Work in Progress- OS		462.39	645.23
Excise duty			(6.85)
Scrap- OS		0.35	0.52
		557.31	737.23
(Inc)/dec in stock		(143.28)	179.92

Employee Benefits Expenses

Particulars	Note No	Ind AS as on March 31, 2018	Ind AS as on March 31, 2017
Salary & Incentives	27	1,709.72	1,512.35
Contribution to Provident Fund		29.05	28.32
Gratuity Fund Contribution		80.26	51.54
Leave Encashment		(2.89)	27.70
Directors Remuneration		148.72	112.85
Staff Welfare Expenses		75.91	104.77
Total		2,040.76	1,837.53

Finance Cost

Particulars	Note No	Ind AS as on March 31, 2018	Ind AS as on March 31, 2017
Interest Expense	28	471.72	331.75
Other Borrowing Cost		99.59	183.32
Total		571.31	515.07

Depreciation and Amortisation

Particulars	Note No	Ind AS as on March 31, 2018	Ind AS as on March 31, 2017
Depreciation	29	496.00	400.19
Amortisation - Intangible assets		-	-
Total		496.00	400.19

Other Expenses

Particulars	Note No	Ind AS as on March 31, 2018	Ind AS as on March 31, 2017
Stores & Spares Consumed	30	388.34	397.68
Loose Tools Consumed		590.38	463.99
Power, Oil & Lubricants & LPG for furnance		1,170.79	1,077.09
Repairs & Maintainance (Plant & Machinery)		165.60	140.48
Outside Vending		1,411.78	1,102.06
Others		221.19	219.05
		3,948.07	3,400.35
Less : Transferred to Development Expense		(38.43)	-
Total		3,909.64	3,400.35
Travelling & Conveyance		62.55	58.84
Vehicle Running and Maintenance Costs		56.94	55.54
Telephone, Telex & Communication		20.80	22.63
Repairs & Maintainence -Buildings		40.30	3.86
Repairs & Maintainence -Others		0.10	0.12
Freight & Forwarding		174.16	83.34
Rent		75.18	80.38
Printing & Stationary		4.72	7.84
Discount on Sales/Warranty claims		-	-
Electricity & Water		11.65	10.65
Auditors Remuneration		2.00	1.50
Bad debts W/off		36.89	-
Misc Expenses		324.18	325.64
Misc Expenses W/off		-	-
Total		809.49	650.36
Total		4,719.13	4,050.70

Payments to Auditor

Particulars	Note No	Ind AS as on March 31, 2018	Ind AS as on March 31, 2017
(a) Statutory Audit Fee		2.00	1.50
(b) Other Services (Opinion / Certification Fees)			
(c) Tax Audit Fee			
Total		2.00	1.50

31 Disclosure pursuant to Ind AS 33 "Earnings per share"

Basic and Diluted Earnings per share (EPS) computed in accordance with Ind AS 33 "Earnings per share".

Particulars	Unit	As at Mar 31, 2018	As at Mar 31, 2017
Earnings Per Equity Share:			
Profit for the year attributable to owners of the Company	Rupees	722.13	453.26
Weighted average number of equity shares outstanding for calculating basic earnings per share	Numbers	99.32	99.32
Basic Earnings per Share	Rupees	7.27	4.56

32 Disclosure pursuant to Ind AS 19 "Employee Benefit"

The details of various employee benefit provided to employee areas under:

Defined Benefit Plans

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, as defined benefit plan. The gratuity plan provides for a lump sum payment to the employees at the time of separation from the service on completion of vested year of employment i.e. five years. The liability of gratuity plan is provided based on actuarial valuation as at the end of each financial year based on which the Company contributes the ascertained liability to Life Insurance Corporation of India with whom the plan assets are maintained. These plans typically expose the Company to actuarial risks such as: investment risk, inherent interest rate risk, longevity risk and salary risk, Investment Risk.

Interest Rate Risk The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase Longevity Risk.

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk Higher than expected increases in salary will increase the defined benefit obligation.

The most recent actuarial valuation for determining present value of the defined benefit obligation were carried out as at March 31, 2018 by Mr. I Sambasavi Rao (Membership no. 158), Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost, were measured using the projected unit credit method. The principal assumption used for the purpose of the actuarial valuations were as follows:-

Particulars	Gratuity	
	As at Mar 31, 2018	As at Mar 31, 2017
Reconciliation of opening & closing balances of PV of defined benefit obligation		
Opening defined benefit obligation	421.07	327.46
Current service Cost	26.23	21.75
Interest Cost on Benefit Obligation	32.24	28.07
Prior service cost-Vested benefit		
Net Actuarial gain/loss recognized during the year	42.72	62.19
Benefits paid	(10.25)	(18.40)
Closing defined benefit obligation	512.01	421.07
Current Liabilities	49.89	42.45
Non Current Liabilities	462.12	378.62
Expenses recognized in the statement of P&L Account		
Current Service Cost	26.23	21.75
Interest Cost on Benefit Obligation	32.24	28.07
Defined Benefit Cost included in P&L	58.46	49.82

Total Remeasurement in OCI	42.73	62.18
Total Defined Benefit Cost recognised in P&L and OCI	101.19	112.00
Summary of Actuarial Assumptions		
Retirement Age		
Discount Rate	7.75%	7.50%
Salary Escalation	6%	6%
Attrition Rate	58 Years	58 Years
Average Future Service	13.99	13.99
Mortality Table	IALM(2006-08) Table	IALM(2006-08) Table

B. Defined Benefit Plans

Particulars	Gratuity	
	As at Mar 31, 2018	As at Mar 31, 2017
Reconciliation of opening & closing balances of PV of defined benefit obligation	160.11	145.17
Opening defined benefit obligation		
Current service Cost	8.17	9.42
Interest Cost on Benefit Obligation	9.79	11.45
Prior service cost-Vested benefit		
Net Actuarial gain/loss recognized during the year	21.99	(1.68)
Benefits paid	(67.53)	(4.25)
Closing defined benefit obligation	132.53	160.11
Current Liability	24.90	36.32
Non Current Liability	107.63	108.85
Expenses recognized in the statement of P&L Account		
Current Service Cost	8.17	9.42
Interest Cost on Benefit Obligation	9.79	11.45
Defined Benefit Cost included in P&L Account	17.96	20.87
Total Remeasurement in OCI	21.99	(1.68)
Total Defined Benefit Cost recognised in P&L and OCI	39.95	19.19
Summary of Actuarial Assumptions		
Retirement Age		
Discount Rate	7.75%	7.50%
Salary Escalation	6%	6%
Retirement Age	58 Years	58 Years
Average Future Service	19.62	19.62
Mortality Table	IALM(2006-08) Table	IALM(2006-08) Table

33 Disclosure of Segmental reporting pursuant to Ind AS 108 "Segmental Reporting"

Ind AS 108 that relates to segmental reporting is not applicable as the company does not have any identifiable segment. The Company deals only in Automotive Components meant for two wheeled, three wheeled and four wheeled Vehicles.

34 Disclosure of Related parties / Related party transactions pursuant to Ind AS 24 “Related Party Disclosures”
A. List of Related Parties

Name of the Key Management Personnel	Designation
Mr Gursharan Singh	Chairman and Managing Director
Mr Dev Raj Arya	Director & CFO
Mr Hitesh Kumar	Company Secretary

Name of Relatives	Relations
Mrs Narinder Paul Kaur	Wife of Mr.Gursharan Singh
Ms Ravnita Singh	Daughter of Mr.Gursharan Singh
Mr Prabh Mehar Singh	Son of Mr.Gursharan Singh

B. Transactions with related parties:

Particulars	Current Year Amount	Previous Year Amount
Remuneration and Perks - Key Managerial Personnel	152.07	120.67
Remuneration and Perks - Relatives of Key Managerial Personnel	23.31	19.80
Total	175.38	140.47
Directors Sitting Fees	0.75	0.90

Remuneration & Perks include payment to Mr. Gursharan Singh, Chairman & Managing Director Rs. 97.60 Lakhs(Prev Year Rs 76.45Lakhs), Mr. Dev Raj Arya, Director & CFO Rs. 48.58 Lakhs(Prev Year Rs. 39.65Lakhs) Mr. Hitesh Kumar, Company Secretary Rs. 5.89 Lakhs (Prev Year Rs 4.57 Lakhs), KMP's of the company.

Remuneration & Perks paid to Mrs. Narinder Paul Kaur (as retainership fees), Rs 13.20 Lakhs(Prev Year Rs. 10.80 Lakhs), Ms Ranvita Singh Rs. Nil (Prev Year 1.91Lakhs) and Mr. Prabh Mehar Singh Rs 10.11 Lakhs (Prev year Rs 7.09Lakhs) , Relatives of Key Managerial Person.

Director Sitting Fees is paid to Mrs. Narinder Paul Kaur, Non executive Director Rs. 0.75 Lakhs (Prev. Year Rs 0.90 Lakhs).

Financial Instruments
35 Capital Managment

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through efficient allocation of capital towards expansion of business, opitimisation of working capital requirements and deployment of surplus funds into various investment options. For the purpose of the company's capital management, capital includes issued equity capital, share premium , term loans from banks and financial institutions and all other equity reserves attributable to the equity holders.

36. Categories of financial instruments

(Rs.In Lakhs)

Financial instruments by categories	Note no.	31.03.2018			31.03.2017			01.04.2016		
		FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
Financial asset										
Non-Current Financial Asset										
Security Deposit	5			52.20			31.75			31.60
Current Financial Asset										
i. Trade receivables	9			4,055.09			3,105.49			2,879.25
ii. Cash and cash equivalents	10			110.78			252.55			274.58
iii. Other Financial asset	11			179.22			140.52			89.44
Total Financial Asset		-	-	4,397.28	-	-	3,530.30	-	-	3,274.86
Financial liability										
Non-Current Financial Liabilities										
Borrowings	14			1,890.15			953.67			765.01
Current Financial Liabilities										
i. Borrowings	17			4,754.55			4,427.36			4,496.73
ii. Trade payables	18			2,081.69			1,565.95			1,405.59
iii. Other financial liabilities	19			519.40			338.87			663.84
Total Financial Liabilities		-	-	9,245.79	-	-	7,285.85	-	-	7,331.17

37 Fair value of Financial Assets and Liabilities at amortized cost

Financial instruments by categories	Note no.	31.03.2018		31.03.2017		01.04.2016	
		Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial asset							
Current Financial Asset					-		
i. Trade receivables	9	4,055.09	4,055.09	3,105.49	3,105.49	2,879.25	2,879.25
ii. Other Financial asset	11	179.22	179.22	140.52	140.52		
Total Financial Asset		4,234.31	4,234.31	3,246.00	3,246.00	2,879.25	2,879.25
Financial liability					-		
Current Financial Liabilities				-	-		
i. Borrowings	17	4,754.55	4,754.55	4,427.36	4,427.36	4,496.73	4,496.73
ii. Trade payables	18	2,081.69	2,081.69	1,565.95	1,565.95	1,405.59	1,405.59
iii. Other financial liabilities	19	519.40	519.40	338.87	338.87	663.84	663.84
Total Financial Liabilities		7,355.64	7,355.64	6,332.18	6,332.18	6,566.17	6,566.17

The carrying amount of financial assets/liabilities including trade receivables and payables and others; measured at amortised cost are considered to be the same as their fair values, due to their short term nature.

The carrying value of Rupee Term Loan approximate fair value as the instruments are at prevailing market rate.

The Fair values are all measured at Level 3.

38 Fair Value Measurement

Valuation technique and inputs used to determine fair value

Financial assets and liabilities	Valuation method	Inputs
Financial liabilities		
Term Loan from Banks	Income	Effective rate of borrowing
Car Loan	Income	Effective rate of borrowing
Other Current Financial Liabilities	Income	Effective rate of borrowing

39 Financial Risk Management Objectives

The company's activities expose it to variety of financial risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. market risk, credit risk and liquidity risk. The company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established a risk management policy to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management systems are reviewed annually to reflect changes in market conditions and the Company's activities. The Board of Directors oversee compliance with the Company's risk management policies and procedures, and reviews the risk management framework.

A) Market risk

The market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

i Foreign Currency Risk

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate.

The company has incurred expenditure in Foreign Currency

	2017-18	2016-17
Raw Material/Tools/Machines	946.40	406.37
Foreign Travelling	31.61	24.30

The company has Earnings in Foreign Currency

	2017-18	2016-17
Export of Goods on CIF Basis	7,130.63	5558.19

The Company's exposure to Foreign Currency:

Particulars	31.03.2018	31.03.2017	01.04.2016
Borrowings in Foreign Currency (INR)	440.41	195.57	300.87

Sensitivity analysis based on average outstanding Foreign currency loan

	Impact on profit/ loss after tax	
	FY 2017-18	FY 2016-17
Increase or decrease in exchange rate by Rs.1	644,918.00	301,527.50

Note: Profit will increase in case of decrease in foreign currency rate and vice versa

ii Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Interest risk arises to the company mainly from Long term borrowings with variable rates. The company measures risk through sensitivity analysis.

Currently, Lending by Commercial Banks is at variable rate, which is an inherent business risk.

The company's exposure to interest rate risk due to variable interest rate borrowings is as follows:

Particulars	31.03.2018	31.03.2017	01.04.2016
Debt from Banks/FIs - Variable rate borrowings	6,644.69	5,381.02	5,261.73

Sensitivity analysis based on average outstanding Debt

Interest Rate Risk Analysis	Impact on profit/ loss after tax	
	FY 2017-18	FY 2016-17
Increase or decrease in interest rate by 25 basis points	15.03	13.30

Note: Profit will increase in case of decrease in interest rate and vice versa

B) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets.

The company is exposed to liquidity risk due to bank borrowings and trade and other payables.

The company measures risk by forecasting cash flows.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Company's reputation. The Company ensures that it has sufficient fund to meet expected operational expenses, servicing of financial obligations.

The following are the contractual maturities of financial liabilities

As at March 31, 2018	Carrying Amount	upto 1 year
Non Derivative Financial Liability		
Term Loan from Banks	1,810.20	479.90
Term Loan from Financial Institutions	572.53	180.42
Loan Repayable on Demand	1,876.90	1,876.90
Bill Discounting	2,211.64	2,211.64
Car Loan	22.08	5.69
Trade Payables	2,081.69	2,081.69
Derivative Financial Liability	NIL	NIL

As at March 31, 2017	Carrying Amount	upto 1 year
Non Derivative Financial Liability		
Term Loan from Banks	1,133.66	315.83
Term Loan from Financial Institutions	219.44	106.13
Loan Repayable on Demand	1,977.20	1,977.20
Bill Discounting	2,022.96	2,022.96
Car Loan	27.76	27.76
Trade Payables	1,565.95	1,565.95
Derivative Financial Liability	NIL	NIL

40. Expenditure on Corporate Social Responsibility (CSR)

Particulars	As at March '18	As at March '17
a) Gross amount required to be pent	15.15	9.13
b) Amount actually spent	6.00	4.51

41.1 Effect of Ind AS adoption on the Balance Sheet as at April 01, 2016
(Rs.In Lakhs)

Particulars	Notes	IGAAP As at April 1, 2016	Ind AS Adjustments	Correction of errors in application of previous IGAAP	Ind AS as on April 01, 2016
ASSETS					
Non-current Assets					
(a) Property, plant and equipment		6,182.03	-	-	6,182.03
(b) Intangible Asset		-	-	-	-
(c) Capital work-in-progress		-	-	-	-
(d) Long Term Loans and Advance		31.60	(31.60)	-	-
(e) Financial assets		-	31.60	-	31.60
(f) Other non-current assets		-	-	62.08	62.08
(g) Misc Expenditure to the extent not written off	a	262.62	-	(262.62)	-
Total Non-current Assets		6,476.25	-	(200.54)	6,275.71
Current Assets					
(a) Inventories		2,657.25	-	-	2,657.25
(b) Financial assets					
i. Trade receivables	b	854.99	2,024.26	-	2,879.25
ii. Cash and cash equivalents	c,d	128.90	(84.41)	230.08	274.58
iii. Other Financial asset		-	89.44	-	89.44
Short term loans and Advance		375.86	(315.11)	(60.75)	-
(c) Other current assets		194.80	170.78	-	365.58
Total Current Assets		4,211.80	1,884.95	169.33	6,266.09
Total Assets		10,688.05	1,884.95	(31.21)	12,541.80
EQUITY AND LIABILITIES					
Equity					
(a) Equity share capital		993.16	-	-	993.16
(b) Other Equity (Including Retained Earnings)	e,f,g	3,482.28	79.06	(262.54)	3,298.80
Total Equity		4,475.44	79.06	(262.54)	4,291.96
LIABILITIES					
Non-current Liabilities					
(a) Financial Liabilities					
i. Secured Borrowings		765.01	-	-	765.01
(b) Provisions		402.39	-	-	402.39
(c) Deferred tax liabilities (Net)		570.44	(217.89)	-	352.55
Total Non-current Liabilities		1,737.83	(217.89)	-	1,519.95
				-	

Current liabilities					
(a) Financial liabilities					
i. Borrowings		1,585.17	2,681.55	230.00	4,496.73
ii. Trade payables		1,405.59	-	-	1,405.59
iii. Other financial liabilities		-	662.51	1.33	663.84
(b) Other current liabilities		1,295.60	(1,268.88)	-	26.72
(c) Provisions		188.41	(112.36)	-	76.05
(d) Current tax Liabilities (Net)		-	60.96	-	60.96
Total Current Liabilities		4,474.78	2,023.78	231.33	6,729.89
Total Liabilities		6,212.61	1,805.89	231.33	8,249.84
Total Equity and Liabilities		10,688.05	1,884.95	(31.21)	12,541.80

Details of Ind AS Adjustments:-

- a) Miscellaneous Expenditure not written off transferred to Retained Earnings. - **Rs.262.62 Lakhs**
- b) Bill Discounting recognised by stating Trade Receivables at gross value and recognising amount received from RBL Ltd- **Rs.2024.26 Lakhs**
- c) Rectification of error -Amount transferred from Cash Credit Account to FD account -**Rs.230.00 Lakhs**
- d) Foreign Currency in hand restated at 31-03-2016. Rectification of error -**Rs.0.08 Lakhs**
- e) Subsidy from UPSIDC transferred to Retained Earnings- **Rs.2.00 Lakhs**
- f) Revaluation Reserve on 31-03-2016 transferred to Retained Earnings - **Rs.1102.69 Lakhs**
- g) Acturial Losses on 01-04-2016 recognised in Other Comprehensive Income - **Rs.57.01 Lakhs**

General: The other changes are reclassifications from one head of IGAAP to applicable head under Ind AS.

41.2 Effect of Ind AS adoption on the Balance Sheet as at March 31,2017
(Rs.In Lakhs)

	Notes	IGAAP As at March 31, 2017	Opening Ind AS Adjustment	Ind AS Adjustment	Correction of errors in application of previous IGAAP	Ind AS as on March 31, 2017
ASSETS						
Non-current Assets						
(a) Property, plant and equipment		7,001.24	-	(654.63)	-	6,346.61
(b) Intangible Asset		3.84	-	-	-	3.84
(c) Capital work-in-progress		7.27	-	-	-	7.27
(d) Long Term Loans and Advance		31.75	-	(31.75)	-	-
(e) Financial assets		-	-	31.75	-	31.75
(f) Other non-current assets		-	62.08	-	13.99	76.07
(g) Misc Expenditure to the extent not written off		264.55	(262.62)	(1.93)	-	-
Total Non-current Assets		7,308.65	(200.54)	(656.56)	13.99	6,465.54
Current Assets						
(a) Inventories		2,661.56	-	-	-	2,661.56
(b) Financial assets		-	-	-	-	-
i. Trade receivables		1,082.53	2,024.26	(1.30)	-	3,105.49
ii. Cash and cash equivalents		120.65	230.08	(113.18)	15.00	252.55
iii. Other Financial asset		-	-	140.52	-	140.52
Short term loans and Advance		405.45	(60.75)	(330.28)	(14.42)	-
(c) Other current assets		273.01	-	204.65	-	477.66
Total Current Assets		4,543.19	2,193.59	(99.60)	0.58	6,637.77
Total Assets		11,851.85	1,993.05	(756.16)	14.57	13,103.31
EQUITY AND LIABILITIES						
Equity						
(a) Equity share capital		993.16	-	-	-	993.16
(b) Other Equity		4,583.45	(183.47)	(647.92)	-	3,752.06
Total Equity		5,576.61	(183.47)	(647.92)	-	4,745.22
LIABILITIES						
Non-current Liabilities						
(a) Financial Liabilities						
Borrowings		953.67	-	-	-	953.67
(b) Provisions		500.05	-	-	-	500.05
(c) Deferred tax liabilities (Net)		611.22	(79.06)	(106.94)	-	425.21
Total Non-current Liabilities		2,064.93	(79.06)	(106.94)	-	1,878.92
(a) Financial liabilities						
i. Borrowings		1,732.20	2,254.26	425.90	15.00	4,427.36
ii. Trade payables		1,565.95	-	-	-	1,565.95
iii. Other financial liabilities		-	1.33	337.96	(0.43)	338.86
(c) Other current liabilities		683.02	-	(653.13)	-	29.89
(d) Provisions		229.13	-	(140.19)	-	88.94
(b) Current tax Liabilities (Net)		-	-	28.16	-	28.16
Total Current Liabilities		4,210.30	2,255.59	(1.30)	14.57	6,479.16
Total Liabilities		6,275.24	2,176.53	(108.25)	14.57	8,358.08
Total Equity and Liabilities		11,851.85	1,993.05	(756.16)	14.57	13,103.31

41.3 Reconciliation of total equity as at March 31, 2017 and April 1, 2016

(Rs. in Lakhs)

Particulars	Entry Reference No	As at March 31, 2017	As at April 1, 2016
Equity as reported under previous GAAP		5,576.61	4,475.44
Less: Revaluation Reserve transferred to Other Equity because of adoption of Deemed Cost Model	2		(1,102.69)
Less: Revaluation Reserve derecognised which is created during 2016-17 because of adoption of Deemed Cost Model.	2	(654.63)	
Less: Capital Reserve transferred to Other Equity	1	-	(2.00)
Add :Gain on Foreign Exchange Fluctuation on Currency in hand	4	0.05	0.08
Less: Expenditure on Development and others transferred to Retained Earnings	5	(1.93)	(262.62)
Add: Reserves in other Equity	1,2		1,104.69
Add: Deferred tax as per Ind AS	24	8.60	79.06
Change in total equity during the year		4,928.70	4,291.96
Add : Opening Ind AS Adjustment Impact		(183.47)	-
Total equity as reported under Ind AS		4,745.22	4,291.96

41.4 Effect of Ind AS Adoption on the statement of profit and loss for the year ended March 31, 2017

Particulars	Notes	As at March 31, 2017	During The Year		Ind AS as on March 31, 2017
			Reclassification	Remeasurement	
Revenue from operations	23	11,607.39	753.94	-	12,361.33
Other income	24	70.50	-	0.05	70.55
Total Income		11,677.90	753.94	0.05	12,431.88
Expenses					
Cost of Material Consumed	25	4,032.17	-	4.55	4,036.72
Changes in inventories of finished goods WIP and Stock in Trade	26	186.77	(6.85)	-	179.92
Excise Duty on Sale of Goods		-	762.80	-	762.80
Employee benefits expenses	27	1,898.03	(60.50)	-	1,837.53
Finance Costs	28	507.07	-	8.00	515.07
Depreciation and Amortisation Expenses	29	400.19	-	-	400.19
Other Expenses	30	4,063.33	(2.01)	(10.62)	4,050.70
Total expenses		11,087.57	693.43	1.93	11,782.93
Profit before exceptional items and tax		590.33	60.50	(1.88)	648.95
Add: Exceptional items		-	-	-	-
Profit before tax		-	-	-	-
Less: Tax expense		-	-	-	-
(1) Current tax		-	-	-	-
Previous Year tax Paid		(16.54)	-	-	(16.54)

Tax Payable		160.32	-	-	160.32
Less : MAT credit entitlement		40.78	-	-	40.78
		(103.00)			(103.00)
(2) Deferred tax		(40.78)	-	8.60	(32.18)
Total Tax Expense		(143.78)	-	8.60	(135.19)
Profit for the period from continuing operations		446.54	60.50	6.72	513.76
Other Comprehensive Income					-
Remeasurements of the defined benefit plans		-	(60.50)	-	(60.50)
Total other comprehensive income		-	(60.50)	-	(60.50)
Total comprehensive income for the period		446.54	-	6.72	453.26



RACL Geartech Limited

Registered Office: 15th Floor, Eros Corporate Tower, Nehru Place, New Delhi – 110019, India

Tel: (011) 66155129

e-Mail: Info@raclgeartech.com Website: www.raclgeartech.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, 2nd 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

RACL Geartech limited

Investor Relations,

Secretarial Department,

15th Floor, Eros Corporate Tower,

Nehru Place, New Delhi – 110019, India

E-mail : investors@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

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 & COMPLIANCE OFFICER)

COMMUNICATION W.R.T. UPDATION OF PAN AND BANK ACCOUNT DETAILS IN COMPANY RECORDS**Ref.: SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 Dated 20.04. 2018****Subject: - Updation of PAN and Bank Account details in company records**

Dear Sir/Madam,

With reference to the SEBI circular dated 20/04/2018, every listed company has to update bank account details and PAN number of all shareholders holding shares in physical form. In view of above, kindly send the following documents to us within 21 days from date of this letter, for necessary updation of records:

1. Duly filled and signed Request form (enclosed)
2. Copy of PAN card, including that of joint shareholders
3. An original cancelled cheque of 1st shareholder only (Name of 1st shareholder should be printed on cheque). In case name of shareholder is not printed on cheque leaf, kindly send photocopy of passbook or bank statement attested by banker alongwith cancelled cheque.
4. Copy of Share certificate (any one, both front and back side)

Your immediate action in this regard is highly solicited.

Thanking you,

For Mas services Limited**Sd/-
Authorised Signatory****For RACL Geartech Limited****Sd/-
Hitesh Kumar
(Company Secretary & Compliance Officer)****Note: 1. Photo copy of cheque will not be accepted.**

2. In case your registered address has changed, kindly send self attested photo-ID address proof of new address.

IMPORTANT TO BE NOTED:

Pursuant to **SEBI Notification dated 08th June, 2018**, we hereby apprise you that w.e.f. 04.12.2018, transfer of securities shall not be processed unless securities are held in dematerialized form with a depository. In other words, request for transfer of shares held in physical form will not be processed w.e.f. 04.12.2018 and it shall be mandatory to demat the securities for getting the shares transferred.

Accordingly, all members holding shares in physical form are further advised to convert their shareholding from Physical form to Demat form with a Depository Participant of their choice. Holding share(s) in Demat form has following advantages:

1. Freedom from physical storage
2. Elimination of chances of theft, mutilation, defacement etc.
3. Easy to sell and realize sale proceeds and/or dividend in the bank account linked with the Depository.
4. Contribution to the 'Green Initiative'
5. To make any change in your particulars, you can make single request with your DP, which will be applicable to all companies in your demat account.
6. Demat account can be operated from anywhere in the world

REQUEST FORM

Date:

To,
 MAS SERVICES LIMITED
 T-34, 2nd Floor
 Okhla Industrial Area, Phase II
 New Delhi - 110020

SUB: - UPDATION OF BANK DETAIL AND PAN DETAIL

UNIT:

FOLIO NO:

Dear Sir,

With reference to your letter regarding the captioned subject, please find below our bank and PAN detail for updating the same in company records:

A	PAN of 1st shareholder	<table border="1" style="width: 100%; height: 15px;"></table>
	PAN of 2nd shareholder	<table border="1" style="width: 100%; height: 15px;"></table>
	PAN of 3rd shareholder	<table border="1" style="width: 100%; height: 15px;"></table>
B	Bank Details of 1st Shareholder:	
	Name of bank:	<div style="border-bottom: 1px solid black; width: 100%;"></div>
	Branch address :	<div style="border-bottom: 1px solid black; width: 100%;"></div>
	9 Digit MICR Code	<table border="1" style="width: 100%; height: 15px;"></table>
	Bank Account Number	<table border="1" style="width: 100%; height: 15px;"></table>
	11 Digit IFSC Code	<table border="1" style="width: 100%; height: 15px;"></table>
	Account type:(Please tick)	<input type="checkbox"/> Saving / <input type="checkbox"/> Current account / <input type="checkbox"/> cash credit
C	Other details:	
	EMAIL -ID:	
	(In block letters)	
	MOBILE No. /PHONE NO.:	
D	Please tick any one of the below:	
	• No change in our address:	
	• My new address as follows. Please change/update my address in your records. I am enclosing any two proofs: Driving license /Passport/Aadhar card/Voter Id card	

New Address: (FILL IN BLOCK LETTERS)

Thanking you,

Yours truly,

<Signature of 1st Shareholder>	<Signature of 2nd Shareholder>	<Signature of 3rd Shareholder>
NAME	NAME	NAME

Enclosures:

1. Self attested Copy of PAN card, including that of joint shareholder(s)
2. Original cancelled cheque of 1st shareholder (with name printed on it)
3. Self attested Copy of photo-ID address proof (in case of change of address)


RACL Geartech Limited

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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 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,or failing him/her.

as my/our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 35th Annual General Meeting of members of the Company, to be held on Tuesday, the 25th September, 2018 at 11:00 A.M. at The Executive Club, Dolly Farms & Resorts Pvt. Ltd., 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi - 110074, India and/ or at any adjournment thereof in respect of such resolutions as are indicated below:

Resolu- tion No.	Resolution	Vote*	
		For	Against
Ordinary Business			
1.	To receive, consider and adopt the Financial Statements of the Company for the financial year ended 31 March, 2018, including the Audited Balance Sheet as at 31 March, 2018, the respective Statements of Profit & Loss and Cash Flow for the year ended as on that date and the accompanying Notes thereto, along with the reports of the Board of Directors and Auditors thereon.		
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.		
3.	To ratify the appointment of Gianender & Associates, Chartered Accountants [Firm Registration No. 004661N], Statutory Auditors of the Company, and to fix their remuneration.		

Special Business			
4.	Renewal of the borrowing limits from Rs. 75,00,00,000/- (Rupees Seventy Five Crores) to Rs. 100,00,00,000/- (Rupees one hundred Crores) or the aggregate of the paid up share capital and free reserves of the Company, whichever is higher.		
5.	Renewal of the limits of Creation of charges /mortgages/ hypothecation or otherwise on the movable or immovable properties of the Company in respect of borrowings, in terms of the provisions of section 180 (1) (a) of the Companies Act, 2013.		

** 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 2018.

Signature of shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp
here

Notes:

1. 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.
2. The proxy form should be signed across the revenue stamp as per specimen signature(s) registered with the Company/Depository Participant.

Addendum of the Proxy Form of 35th Annual General Meeting of RACL Geartech Limited

Resolu- tion No.	Resolution	Vote*	
		For	Against
Special Business			
6.	Issue and allotment of equity shares of the Company on a preferential allotment basis through private placement.		

WINNING MOMENTS



RACL Geartech grabs 47th Export Award of Northern Region from EEPC India, Mr. Gursharan Singh, Chairman & Managing Director receiving award in an event held on 24th January, 2018, at Lucknow (U.P.).

WOMEN EMPOWERMENT



A CSR Initiative by RACL Geartech providing free self defense training to underprivileged girls.

A GLIMPSE OF OUR PRODUCT PORTFOLIO



Transmission Gears



Transmission Sub assemblies



Engine Timing Gears



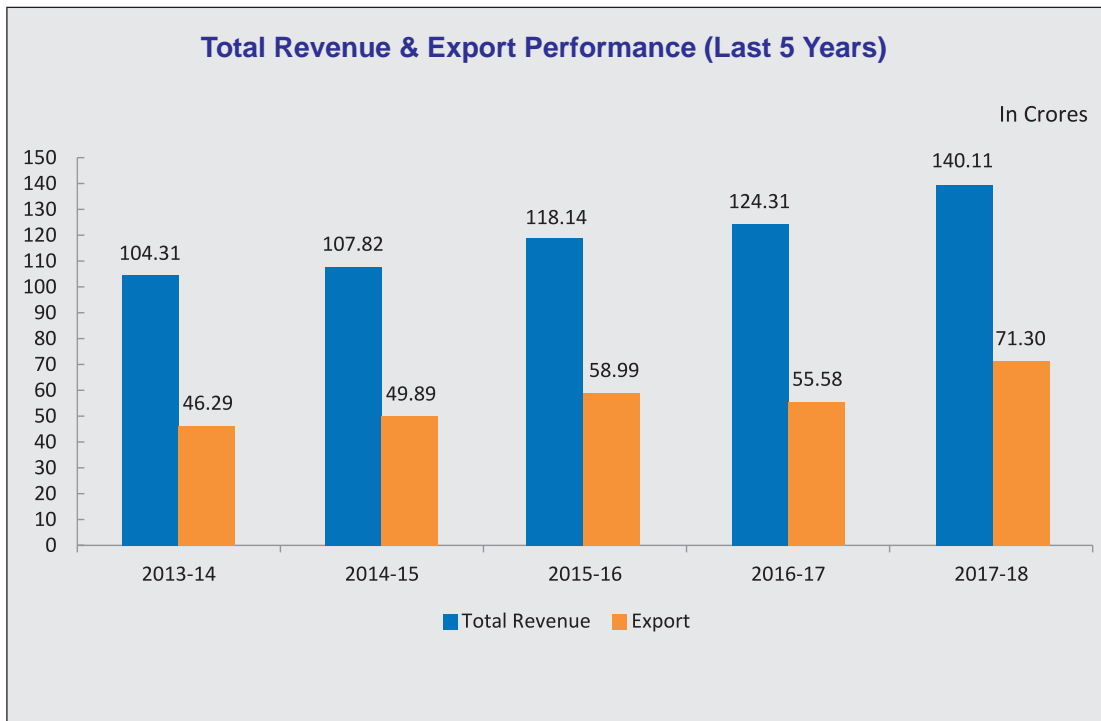
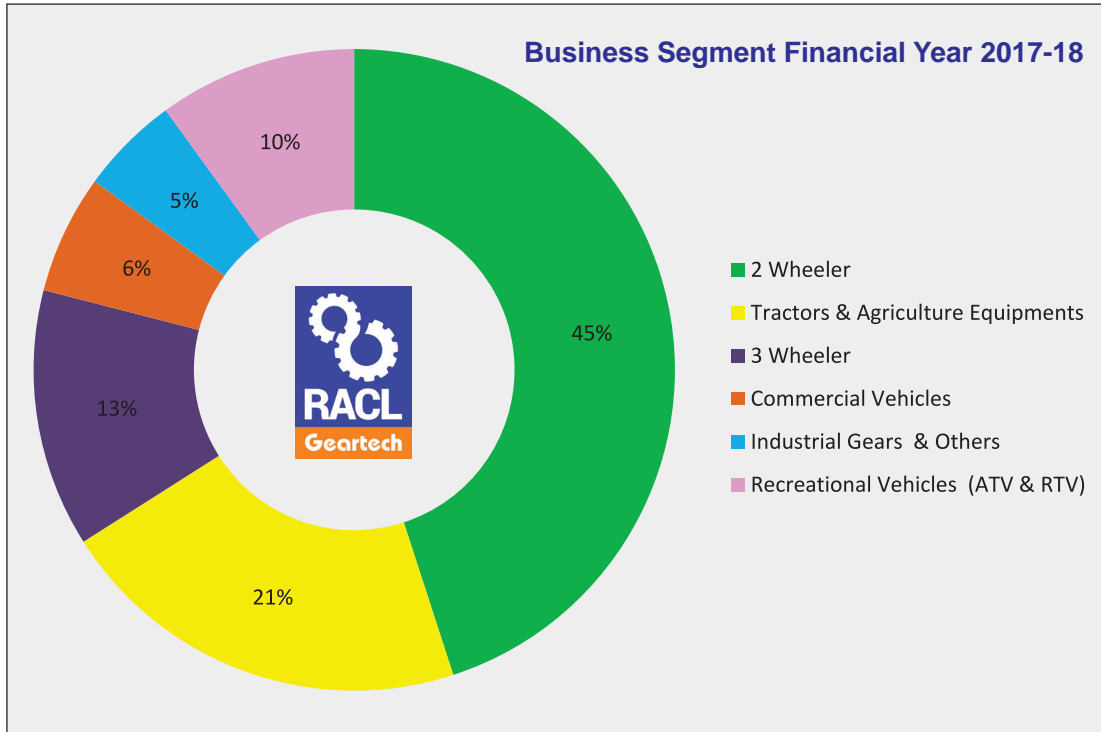
Reduction Gears



Sprockets & Ratchets



Industrial Gears



Learning Today For A Bright Tomorrow



A CSR Initiative Programme by RACL Geartech Limited for Promoting Education
“BRIGHT TOMORROW” & “AKSHAR GYAN”

Registered Office: 15th Floor, Eros Corporate Tower, Nehru Place, New Delhi - 11009, India