



## 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](http://www.raclgeartech.com) E-mail: [info@raclegeartech.com](mailto:info@raclegeartech.com)

Monday, September 02, 2019

REF. NO. RACL/ BSE/ 2019-20

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

Scrip Code No. 520073

SUB : 36<sup>th</sup> Annual Report of RACL Geartech Limited for the financial year ended on 31<sup>st</sup> March, 2019

Dear Sir,

Pursuant to Regulations 30, 34 and other applicable regulation(s) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we wish to submit a copy of the 36<sup>th</sup> Annual Report of the company for the Financial Year 2018-19, it contains the Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2019 including the Audited Balance Sheet as at 31<sup>st</sup> March, 2019, 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.

The Annual Report of the company can also be accessed from the website of the Company at [www.raclgeartech.com](http://www.raclgeartech.com).

We request you to take the aforesaid on record and oblige.

Thanking you,

Yours Sincerely,

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



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TS 518901 - 000

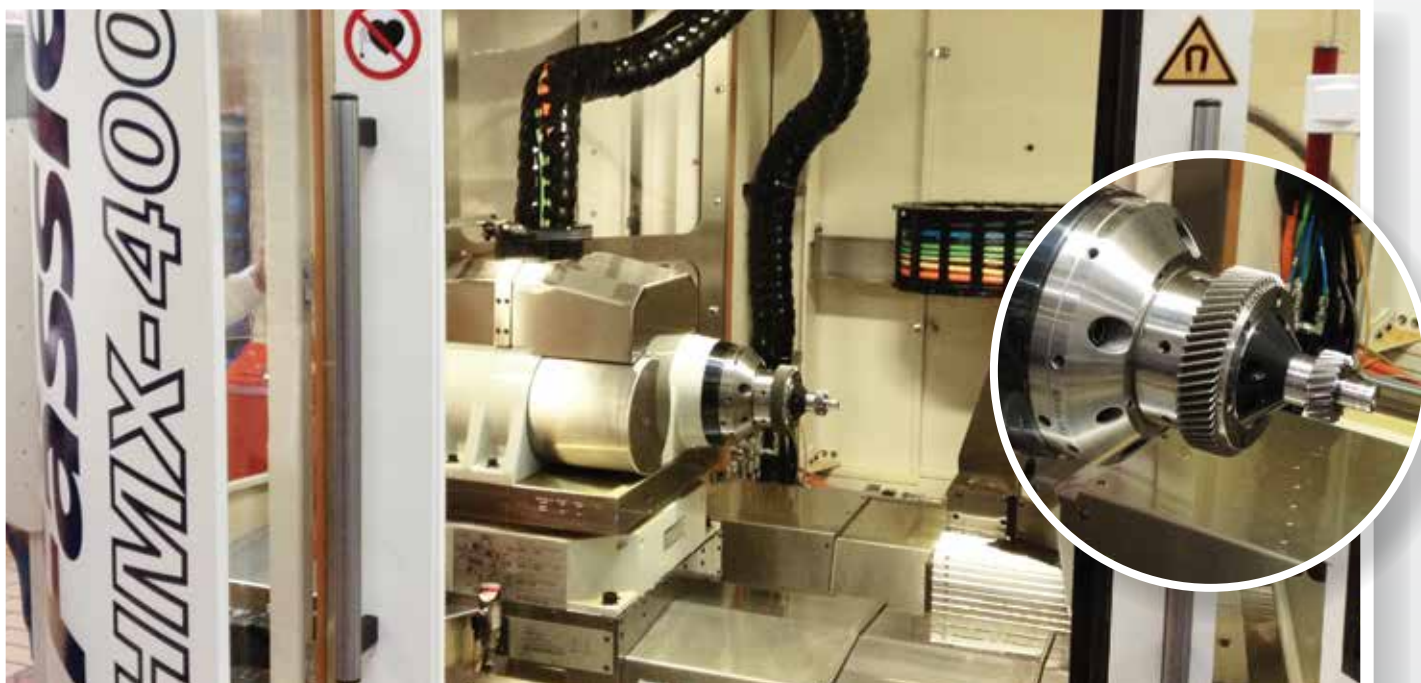


# 36<sup>th</sup> ANNUAL REPORT

2018 - 2019

**RACL Geartech Limited**

# WORLD CLASS TECHNOLOGY



## Glimpse of Gear Power Honing Technology

“Enabling RACL for drive train parts towards e-mobility solutions”



## CHAIRMAN'S MESSAGE



Dear Stakeholders,

I have great pleasure in welcoming you to the 36<sup>th</sup> Annual General Meeting of your Company. At first I would like to thank our valued shareholders, for your faith and unstinted support, as the pre-eminent position of RACL, where it stands today with glory, is an outcome of the invaluable trust and confidence of our stake holders.

### Economic Overview

My fellow shareholders, I would like to congratulate Hon'ble Prime Minister, Shri Narendra Modi, whose vision and commitment to usher in, a New and vibrating India, has reverberated in the hearts and

minds of millions of fellow citizens, who reposed their faith in his capable leadership.

Our Hon'ble Prime Minister has charted out a vision to Make India a US \$ 5 Trillion Economy by 2024. If we see the track record of Economic Growth of our country in past few years, the target set up by Hon'ble Prime Minister seems very well within capabilities of our country. Even though, there is a slowdown in certain segments of Indian Economy, but I am sure it is a temporary phase and shall go off sooner than later. I foresee that newer opportunities for economic growth are set to increase manifold in immediate future, because of various structural reforms being undertaken by the Government. India has a stable political situation as on now and Government is working very seriously on strengthening the foundations of a strong but well regulated business scenario for all times to come. Various long term measures are undertaken by the Government for improving quality of life of all our citizens and reducing the inequality of income particularly for lower strata of the society. I fully endorse the various initiatives taken by the Government and on behalf of the Board, I would like to once again re-pledge RACL's fullest contribution to the Government in its endeavours for building a strong India.

### Performance Highlights

Your Company delivered a resilient performance despite a challenging operating environment. On a comparable basis, your company has reported a Total Income of Rs. 190.96 Crores for the financial year ended March 31, 2019 as compared to Rs. 140.11 Crores during the same period in the previous year, representing a growth of 36.29%. Profit before Tax at Rs. 17.34 Crores increased by 100.69 % from Rs. 8.64 crores, while Net profit grew by 30.60% to Rs. 9.43 Crores from Rs. 7.22 Crores in FY 2017-18.

### Striding towards our Growth Plan

We will continue to invest in enhancing international competitiveness in each business segment, not only, to reinforce the pole position achieved in several segments, but also to speedily attain leadership in the new businesses. While this will undoubtedly entail upfront investments and gestation costs in the short term, it will provide a competitive advantage over a medium to long term period of time.

A multi-pronged approach is being pursued to create growing value for all stakeholders.

Let me now turn to critical growth drivers, which are poised to energise the future of your businesses, namely, the increasing role of Innovation, R&D and world class technology.

Company is gearing up for providing drive train solutions to the future of mobility i.e. Electrical vehicles (EVs). Company has already invested substantial capital expenditure in the recent past and is fully ready, as on today to cater to the high precision drive train components for E-mobility solutions.

**Building Sustainable Work Culture**

Your Company is investing in building state-of-the-art manufacturing infrastructure across the plant. Our strong corporate culture is fundamental to our business success. Board of Directors of the company is playing a very constructive and pivotal role in re-defining the work environment of the company by promoting values-based code of conduct.

Last but not the least, I would like to turn to one of the most valuable resources on which rests the foundations of all our ambitions and aspirations - your Company's dedicated pool of talent.

RACL is creating a strong work force by continually training them and nurturing their dreams towards creating a healthy and happy life style.

**Corporate Social Responsibility (CSR) Focus**

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

**In Conclusion**

The scale, scope, diversity and depth of your Company's operations have increased business over the years. I have had the privilege to participate and have a ringside view of the remarkable transformational voyage traversed across time.

It will also be your Company's untiring endeavour to lead by example as an Enterprise of Tomorrow by pursuing growth strategies that will be responsibly competitive, sustainable and inclusive.

Thank you,

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

**GURSHARAN SINGH**  
**CHAIRMAN & MANAGING DIRECTOR**

## CORPORATE INFORMATION

| BOARD OF DIRECTORS   |  |
|--|--|
| <b>Mr. Gursharan Singh</b><br>Chairman & Managing Director               | <b>Mr. Raj Kumar Kapoor</b><br>Independent Director          |
| <b>Mr. Dev Raj Arya</b><br>Whole Time Director & CFO                     | <b>Mr. Rakesh Kapoor</b><br>Independent Director             |
| <b>Mrs. Narinder Paul Kaur</b><br>Non-Executive Non-Independent Director | <b>Mr. Shashank Ramesh Anikhindi</b><br>Independent Director |
| <b>Mr. Anil Sharma</b><br>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-110060

**Internal Auditors**  
Protiviti India Member Private Limited  
15<sup>th</sup> 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**  
15<sup>th</sup> 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](mailto:Info@raclgeartech.com), Web: [www.raclgeartech.com](http://www.raclgeartech.com)

**Plants**  
**Unit No. 1**  
A-3, Industrial Area, Gajraula,  
District Amroha, Uttar Pradesh-244223, India

**Unit No. 2**  
A-62, Sector-63, Noida  
District Gautam Budh Nagar,  
Uttar Pradesh-201307, India

**Registrar & Share Transfer Agents**  
MAS Services Limited  
T-34, 2<sup>nd</sup> Floor, Okhla Industrial Area,  
Phase-II, New Delhi-110020  
Tel: 011-26387281 / 82 / 83  
e-Mail: [info@masserv.com](mailto:info@masserv.com), Web: [www.masserv.com](http://www.masserv.com)

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**Notice:**

Notice is hereby given that the 36<sup>th</sup> Annual General Meeting (AGM) of the members of **RACL Geartech Limited** will be held on Saturday, the 28<sup>th</sup> September, 2019, at 11.30 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 31<sup>st</sup> March, 2019, including the Audited Balance Sheet as at 31<sup>st</sup> March, 2019, 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 31<sup>st</sup> March, 2019, including the Audited Balance Sheet as at 31<sup>st</sup> March, 2019, 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 Mr. Dev Raj Arya (DIN: 00057582), Whole-time Director & CFO, who retires by rotation and being eligible, offers himself 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, Mr. Dev Raj Arya (DIN: 00057582), Director, who retires by rotation at the 36<sup>th</sup> 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 34<sup>th</sup> Annual General Meeting (AGM) held on September 28<sup>th</sup>, 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 37<sup>th</sup> AGM, be and is hereby ratified from 36<sup>th</sup> AGM to 37<sup>th</sup> AGM, on such remuneration as may be mutually determined between the said Auditors and the Board of Directors of the Company.”

**SPECIAL BUSINESS:**

4. **Appointment of Mr. Anil Sharma (DIN: 00157911) as Non-Executive Non-Independent Director of the company and payment of retainership fees/ remunerations to him.**

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

“RESOLVED THAT pursuant to the provisions of section 149, 152, 198, Schedule V and other applicable provisions of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions (including any statutory modification(s) or re-enactment thereof for the time being in force), if any, of the Companies Act, 2013 and any other

act(s) or Regulation(s), if any, and as recommended by Nomination & Remuneration Committee, Audit Committee and Board of Directors of the company, **Mr. Anil Sharma (DIN: 00157911)**, who meets the criteria and being eligible, offers himself for appointment and in respect of whom the Company has received a notice in writing from a member, pursuant to the provisions of Section 160 of the Companies Act, 2013 signifying the member's intention to propose the candidature of Mr. Anil Sharma (DIN 00157911) for the office of Director, be and is hereby appointed as Non-executive Non-Independent Director (in Professional Director category) of the company for a period of 2 (two) years with effect from 29<sup>th</sup> September, 2019 up to 28<sup>th</sup> September, 2021 and whose office shall be liable to retirement by rotation."

RESOLVED FURTHER THAT the approval of the Members of the company be and is hereby accorded for the payment of Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand) per month as retainership fees/ remunerations (in addition to the sitting fee for attending the meetings of the Board of Directors or Committees thereof) (including fee in the event of loss or inadequacy of profits) to him for a period of 2 (Two) years w.e.f. 29<sup>th</sup> September, 2019, for the services rendered by him in the capacity of Professional Director (Non-Executive Non-Independent Director).

RESOLVED FURTHER THAT subject to the above, the Board of Directors (on the recommendation of the Nomination and Remuneration Committee) of the Company be and is hereby authorized:

- (i) If deem appropriate may vary, alter, revise and/or increase the retainership fee and other terms & conditions of his appointment, from time to time, provided that such revision, variation or increase, as the case may be, agreed to by Mr. Anil Sharma.
- (ii) To enter into such agreement(s), deed(s) or any other documents with Mr. Anil Sharma and to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including seeking approval of the other authorities as may be applicable and to settle any question that may arise in relation thereto, in order to give effect to the above resolutions."

**5. Approval of remuneration of Mr. Gursharan Singh (DIN: 00057602), Chairman and Managing Director.**

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

"RESOLVED THAT further to the Resolution passed by the members at the 34<sup>th</sup> Annual General Meeting of the company held on 28<sup>th</sup> September, 2017 and pursuant to the provisions of sections 197, 198, Schedule V of the Companies Act, 2013, as amended from time to time ("Act") and all other applicable provisions, if any, of the Act, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable rules of the Act and in accordance with the Regulation 17(6)(e) and other applicable regulation(s) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("Listing Regulations") and other applicable provisions (including any statutory modification(s) or re-enactment thereof for the time being in force), if any, of the Companies Act, 2013 and any other act(s), Regulation(s) or Secretarial Standards and subject to approval of other authorities, if required, and as recommended by Nomination & Remuneration Committee, Audit Committee and Board of Directors of the company, approval of the Members of the Company be and is hereby accorded for payment of remuneration (including remuneration in the event of loss or inadequacy of profits) to Mr. Gursharan Singh (DIN: 00057602), Chairman & Managing Director, (notwithstanding that the remuneration payable to him in any financial year exceeds the aggregate annual remuneration of all the Executive Directors, who are promoters, as per the limits stipulated under the Listing Regulations, during the tenure of his appointment), for a period of 2 (two) years of his current tenure i.e. from 1<sup>st</sup> April, 2019 till 31<sup>st</sup> March 2021, as set out in the statement annexed to the notice of convening the 36<sup>th</sup> Annual General Meeting."

RESOLVED FURTHER THAT subject to the above, the Board of Directors (on the recommendation of the Nomination and Remuneration Committee) of the Company be and is hereby authorized:

- (i) If deem appropriate may vary, alter, revise and/or increase the remuneration (set out in statement annexed hereto) and/or other terms & conditions of his appointment, from time to time, provided that such revision, variation or increase, as the case may be, agreed to by Mr. Gursharan Singh.



- (ii) To enter into such agreement(s), deed(s) or any other documents with Mr. Gursharan Singh and to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including seeking approval of the other authorities as may be applicable and to settle any question that may arise in relation thereto, in order to give effect to the above resolutions.”
6. **Re-appointment of Mr. Dev Raj Arya (DIN: 00057582) as Whole-time Director & Chief Financial Officer and payment of remuneration to him.**

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

“RESOLVED THAT pursuant to the provisions of sections 196, 197, 203, Schedule V of the Companies Act, 2013, (“Act”), as amended from time to time (“Act”) and all other applicable provisions, if any, of the Act, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable rules of the Act and in accordance with the Regulation 17(6)(e) and other applicable regulation(s) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“Listing Regulations”) and other applicable provisions (including any statutory modification(s) or re-enactment thereof for the time being in force), if any, of the Companies Act, 2013 and any other act(s), Regulation(s) or Secretarial Standards and subject to approval of other authorities, if required, and as recommended by Nomination & Remuneration Committee, Audit Committee and Board of Directors of the company, approval of the members of the company be and is hereby accorded to the re-appointment of Mr. Dev Raj Arya (DIN: 00057582), as Whole-time Director & Chief Financial Officer (CFO) of the Company for a period of 2 (Two) years w.e.f. 22<sup>nd</sup> October, 2019 upto 21<sup>st</sup> October, 2021, as well as to continue to hold such position upon attaining age of 70 (Seventy) years during his tenure of appointment, on the terms and conditions including payment of minimum remuneration to him (*notwithstanding that the remuneration payable to him in any financial year exceeds the aggregate annual remuneration of all the Executive Directors, who are promoters, as per the limits stipulated under the Listing Regulations, during the tenure of his appointment*) w.e.f. 01.04.2019 to till the completion of his tenure mentioned above (including remuneration in the event of loss or inadequacy of profits), as set out in the statement annexed to the notice of convening the 36<sup>th</sup> Annual General Meeting.

RESOLVED FURTHER THAT subject to the above, the Board of Directors (on the recommendation of the Nomination and Remuneration Committee) of the Company be and is hereby authorized:

- (i) If deem appropriate may vary, alter, revise and/or increase the remuneration (set out in statement annexed hereto) and/or other terms & conditions of his appointment, from time to time, provided that such revision, variation or increase, as the case may be, agreed to by Mr. Dev Raj Arya.
- (ii) To enter into such agreement(s), deed(s) or any other documents with Mr. Dev Raj Arya and to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including seeking approval of the other authorities as may be applicable and to settle any question that may arise in relation thereto, in order to give effect to the above resolutions.”

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

**Place: Noida  
Date: 09<sup>th</sup> August, 2019**

**Regd. Office: 15<sup>th</sup> Floor, Eros Corporate Tower,  
Nehru Place, New Delhi-110019, INDIA  
Ph. : +91-11-66155129  
e-Mail - [investor@raclgeartech.com](mailto:investor@raclgeartech.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

Since, Mr. Anil Sharma (DIN: 00157911) was re-appointed as Independent Directors on the Board of Directors of the Company in the 34<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> September, 2017 to hold office for a period of 2 (Two) consecutive years, from 29<sup>th</sup> September, 2017 up to 28<sup>th</sup> September, 2019, hence 2<sup>nd</sup> term of Mr. Anil Sharma (DIN: 00157911) as Independent Director of the company expires on the 28<sup>th</sup> September, 2019.

In view of the above, Board of Directors of the company contemplates to appoint Mr. Anil Sharma, as a Non-executive Non-independent director of the company in the category of Professional Director for a period of 2 (two) years with effect from 29<sup>th</sup> September, 2019 up to 28<sup>th</sup> September, 2021, whose office shall be liable to retirement by rotation.

Further, Mr. Anil Sharma will provide the professional services and he will look after the matters related PICUP, UPSIDC, UPPCL and other related matters of the company and company shall pay an amount of Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand) per month as retainership fees/ remunerations to him for a period of 2 (Two) years w.e.f. 29<sup>th</sup> September, 2019, for providing the said services in the capacity of a Non-Executive Non-Independent Director/ Professional Director of the Company.

His appointment would be within the limits prescribed under law/ regulations to act as a Non-Executive Non-Independent director of the Company. He possesses expertise and experience for being appointed as Non-Executive Non-Independent director/ Professional Director of the company.

The Company has received from Mr. Anil Sharma (DIN: 00157911), the following documents:

- (i) Consent in writing to act as director in Form DIR-2 in terms of Rule 8 of Companies (Appointment and Qualification of Directors) Rules 2014,
- (ii) intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

**Pursuant to regulation 26(4) and 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by ICSI, A brief resume of Mr. Anil Sharma 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:**

|   |   |
|---|---|
| <b>Name of the Director</b>                                 | Mr. Anil Sharma   |
| <b>Director Identification Number (DIN)</b>                 | 00157911  |
| <b>Nationality</b>  | Indian  |
| <b>Date of Birth and Age</b>                                | 17 March, 1948 and Age: 71 years  |
| <b>Date of first appointment</b>                            | 30 <sup>th</sup> September, 2006  |
| <b>Qualifications</b>                                       | Engineering Graduate, BE (Electrical), from University of Roorkee, having Post Graduate Diploma in Management from All India Management Association, New Delhi  |
| <b>Expertise/ Experience in specific functional areas</b>   | He has retired as General Manager of PICUP, a state Level Industrial & Development Corporation. He has a wide experience of more than 37 years of project development, implementation and follow-up in different segments of industry particularly in Automotive Components and Tele communication sectors. |
| <b>Terms and conditions of appointment / re-appointment</b> | Refer Item No. 4 of the Notice<br>Appointment as Non-executive Non-Independent Director (in Professional Director category)   |

|   |   |
|---|---|
| <b>Details of remuneration last drawn (Financial Year 2018-19) and sought to be paid, if applicable</b>   | No remuneration was paid apart from sitting fees for attending Board and Committee meetings, if any, as mentioned in Corporate Governance Report Section. |
| <b>No. of Board Meetings attended during the Financial Year 2018-19</b>   | 4 (four)  |
| <b>Relationships with other Directors, Managers and other key managerial personnel</b>  | None  |
| <b>List of Companies in which Directorships held as on March 31, 2019 (excluding foreign directorship, private limited companies and Section 8 Companies)</b> | 1. RACL Geartech Limited  |
| <b>Chairmanship / Membership of specified Committees* of the Boards of above Companies as on March 31, 2019</b>   | Audit Committee:-<br>1. RACL Geartech limited – Member  |
| <b>No. of shares held in the Company</b>  |   |
| <b>(a) Own</b>  | 15000   |
| <b>(b) For other persons on a beneficial basis</b>  | Nil   |

\* Membership/ Chairmanship of Audit Committee and Stakeholders relationship Committee

The Board considers that continued association of Mr. Anil Sharma would be of immense benefit to the Company and it is desirable to continue to avail services from him and Mr. Anil Sharma also fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for their appointment as Non-executive Non-Independent Director (in Professional Director Category) of the Company. His appointment would be within the limits prescribed under law/ regulations to act as Director in any listed Company including the RACL.

Notice in writing under Section 160 of the Act have been received from Member indicating his intention to propose Mr. Anil Sharma, for the office of the Non-executive Non-Independent Director (in Professional Director category) of the Company at the ensuing Annual general Meeting (AGM) alongwith the requisite deposit.

Mr. Anil Sharma holdings 15000 equity shares in the company and details of the shareholding of his relatives as on 09.08.2019, are as follows:

| <b>S. No.</b> | <b>Name of the Relatives</b> | <b>Relation</b> | <b>No. of shares held</b> |
|---------------|------------------------------|-----------------|---------------------------|
| 1.            | Mridula Sharma               | Wife            | 15000                     |
| 2.            | Anshul Sharma                | Son             | 16700                     |
| 3.            | Prerna Sharma                | Son's Wife      | 15000                     |

The Company has not made any default in repayment of dues to any bank or public financial institution or any other secured creditor.

Mr. Anil Sharma is not debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI, Ministry of Corporate Affairs or any other Statutory Authority.

The Board, based on the recommendation of the Nomination and Remuneration Committee and Audit Committee recommends the appointment of Mr. Anil Sharma, as Non-executive Non-Independent Director (in Professional Director category) of the Company for a period of 2 (two) years with effect from 29<sup>th</sup> September, 2019 up to

28<sup>th</sup> September, 2021 and whose office shall be liable to retirement by rotation and payment of retainership fee/ remuneration to him (in addition to the sitting fee for attending the meetings of the Board of Directors or Committees thereof) (including fee in the event of loss or inadequacy of profits) as mentioned in the resolution set out at Item No. 4 of the Notice.

Except Mr. Anil Sharma himself, 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.

Accordingly, Item No. 4 is proposed to obtain necessary approval of the members of the company in terms of the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board commends approval of the resolution set out in Item No. 4 of the Notice of 36<sup>th</sup> Annual General Meeting (AGM) as a Special Resolution by the members/ shareholders of the company.

#### **ITEM NO. 5**

Mr. Gursharan Singh (DIN: 00057602) was Managing Director of the Company since 24 April, 2004. He was re-appointed as Chairman & Managing Director with effect from 23<sup>rd</sup> August, 2017, for a period of 5 years on the terms and conditions and remuneration as per applicable provisions of the Companies Act, 2013 ("Act"). The said re-appointment and remuneration (for a period of 2 (two) years w.e.f. 01.04.2017) of Mr. Gursharan Singh, Chairman & Managing Director was also approved by the members by way of resolution passed at the 34<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> September, 2017.

The Ministry of Corporate Affairs vide its Notification dated 12<sup>th</sup> September 2018, notified the relevant provisions of the Companies (Amendment) Act, 2017 and Schedule V thereto. The amended provisions of Section 197 (3) of the Act read with Schedule V thereto allows a Company having losses or inadequate profits or otherwise to pay such amount as remuneration to its Managerial personnel, as it may deem fit, subject to the approval of members by way of a special resolution and compliance of certain conditions and disclosures as mentioned therein. Further, Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 also requires approval of the members by Special Resolution for payment of fee or compensation to the executive directors who are promoters or members of promoter group.

Mr. Gursharan Singh, Chairman & Managing Director of the company is involved in the day to day management of the Company and takes keen interest in all the on-going projects right from conception and planning till its execution and has been guiding the activities of the Company all through. Also, under his able guidance, the Company continues to grow its business and also opened a wholly owned subsidiary company i.e. RACL Geartech GmbH, at Austria, during recent times.

Considering Mr. Gursharan Singh abilities, present and future responsibilities, his previous remuneration paid, industry norms and his role in growth of the Company, the Board of Directors in its meeting held on 09<sup>th</sup> August, 2019, upon the recommendation of the Nomination and Remuneration Committee and Audit Committee, subject to the approval of the members of the company, approved the remuneration and other terms and conditions of appointment of Mr. Gursharan Singh as the Chairman and Managing Director of the Company for a period of 2 (two) years of his current tenure i.e. from 1<sup>st</sup> April, 2019 till 31<sup>st</sup> March 2021, as detailed hereunder:

#### **PART – A**

**(Rs. In Lakh) (per Annum)**

| <b>Name and Designation</b>                          | <b>Salary (Basic)</b> | <b>Perquisites &amp; Allowances</b> | <b>Commission</b>  |
|--|-----------------------|-------------------------------------|--------------------|
| Mr. Gursharan Singh,<br>Chairman & Managing Director | 63.00                 | 42.02                               | 1.5% of net profit |

The perquisites and allowances, as aforesaid, include House Rent Allowance (HRA), LTA, Medical allowance and contribution to Provident fund only, other perquisites and facilities as per policy of the company.



**Gratuity:** 15 days salary (Basic Pay) for every completed year of service with a limit of maximum amount of Rs. 20 lakh (Rupees Twenty Lakh).

**Leave Encashment:** 15 days for every completed year of service with encashment of leave (Encashment without any limit as per salary i.e. Basic pay) at the end of the services with the company.

**Car:** Free use of Company's Car with chauffeur.

**Telephone :** Free Telephones/Fax/Internet facility at residence including mobile telephones.

## PART – B

**Personal Accident Insurance:** Premium not exceeding Rs. 5000/- p.a.

**Club Fee:** Fees of Club(s) subject to a maximum of Rs. 10 Lakh (Rupees Ten Lakh) per annum

Contribution by the company under National Pension Scheme (NPS) shall be the part of CTC of Mr. Gursharan Singh, Chairman & Managing Director.

The above perquisites shall be calculated as per Income Tax Act, 1961.

## PART - C

### Other terms:

- i) The Chairman & Managing Director is entitled to reimbursement of all actual expenses as per Rules of the Company including on entertainment/business promotion and travelling incurred in the course of the Company's business.
- ii) For all other terms and conditions such as payment of medical reimbursement/ leave travel assistance etc. if not specifically spelt out above, the rules and regulations of the company shall apply.
- iii) The Chairman & Managing Director is also entitled to the benefits under all other schemes, privileges and amenities as are granted to the Sr. Executives of the Company in accordance with the Company's practice, Rules and Regulations in force from time to time.
- iv) He is not entitled to payment of any sitting fee for attending meetings of the Board or a Committee thereof.
- v) The appointment shall be terminable by the Company by giving him six months' notice or on payment of six months' Salary (including other allowances, perquisites, & benefits) in lieu thereof and by him by giving six months notice to the Company.
- vi) The Chairman and Managing Director holds office as such, subject to the provisions of Section 167 of the Companies Act, 2013.

The above salary and perquisites be paid as minimum remunerations to Mr. Gursharan Singh, Chairman & Managing Director for a period of 2 (Two) years w.e.f. 01 April, 2019, notwithstanding that in any financial year during the tenure of his office, the company has no profits or its profits are inadequate.

Mr. Gursharan Singh holdings 3429097 equity shares in the company and details of the shareholding of his relatives as on 09.08.2019, are as follows:

| S. No. | Name of the Relatives   | Relation | No. of shares held |
|--------|-------------------------|----------|--------------------|
| 1.     | Mrs. Narinder Paul Kaur | Wife     | 19794              |
| 2.     | Mr. Prabh Mehar Singh   | Son      | 3620               |

The Company has not made any default in repayment of dues to any bank or public financial institution or any other secured creditor.

Mr. Gursharan Singh is not debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI, Ministry of Corporate Affairs or any other Statutory Authority.

He is member of the Stakeholders Relationship Committee, Nomination and Remuneration Committee and Financial Affairs Committee of RACL Geartech Limited.

This Explanatory Statement together with the accompanying Notice may be treated as an abstract and written memorandum setting out the terms of interest (remuneration) of Mr. Gursharan Singh and disclosure in compliance with the requirements of section 190 of the Companies Act, 2013.

Accordingly, and In terms of Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the Members is sought by way of special resolution as set out at item no. 5 of the notice, for the payment of remuneration and other terms and conditions of appointment of Mr. Gursharan Singh as the Chairman and Managing Director of the Company for a period of 2 (two) years of his current tenure i.e. from 1<sup>st</sup> April, 2019 till 31<sup>st</sup> March 2021 and also for payment of remuneration in the event if remuneration exceeds such prescribed threshold limits during the term of his appointment as per the said regulation.

Except Mr. Gursharan Singh himself and Mrs. Narinder Paul Kaur, Non-executive Non-Independent Director and Mr. Prabh Mehar Singh, Vice President, 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 Notice of 36<sup>th</sup> AGM as a Special Resolution by the members/ shareholders of the company.

#### ITEM NO. 6

Mr. Dev Raj Arya (DIN: 00057582) is Director of the Company since 22-10-2002. He was re-appointed by the Board of Directors of the company at its meeting held on 14<sup>th</sup> August, 2017 as Whole-time Director & CFO of the company for a period of 2 years w.e.f. 22.10.2017 and the said reappointment was also approved by the members at the 34<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> September, 2017.

In terms of section 196, 197, 198 of Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and read with Schedule V, a whole-time director shall be appointed and the terms and conditions of such appointment and remuneration payable be approved by the Board of Directors at a meeting which shall be subject to approval by a resolution at the next general meeting of the company.

The Ministry of Corporate Affairs vide its Notification dated 12<sup>th</sup> September 2018, notified the relevant provisions of the Companies (Amendment) Act, 2017 and Schedule V thereto. The amended provisions of Section 197 (3) of the Act read with Schedule V thereto allows a Company having losses or inadequate profits or otherwise to pay such amount as remuneration to its Managerial personnel, as it may deem fit, subject to the approval of members by way of a special resolution and compliance of certain conditions and disclosures as mentioned therein. Further, Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 also requires approval of the members by Special Resolution for payment of fee or compensation to the executive directors who are promoters or members of promoter group.

Mr. Dev Raj Arya, Whole-time Director & CFO of the company is a LLB, Company Secretary, M.A. in Economics, Cost Accountant. He has served in various Public Limited companies at various senior Executive levels, having an experience of 41 years in different fields and specialized knowledge in the field of Finance, Accounts, Costing and Secretarial and has undertaken various challenges and responsibilities under different capacities. He has been serving RACL since 1997 and he has successfully undertaken various assignments entrusted to him. He was appointed a member of the Executive Committee. Due to his dedicated efforts for the company, he has been elevated as a whole time Director of the company w.e.f. 22.10.2002 and was designated as a whole time Director & Chief financial Officer w.e.f. 01.09.2014 and has been serving in that capacity since then.

Considering Mr. Dev Raj Arya, abilities, present and future responsibilities, his previous remuneration paid, industry norms and his role in growth of the Company, the Board of Directors in its meeting held on 09<sup>th</sup> August, 2019, upon the recommendation of the Nomination and Remuneration Committee and Audit Committee, subject to the approval of the members of the company, approved the re-appointment of Mr. Dev Raj Arya (DIN: 00057582), as Whole-time Director & Chief Financial Officer of the Company for a period of 2 (Two) years w.e.f. 22<sup>nd</sup> October, 2019 upto 21<sup>st</sup> October, 2021, as well as to continue to hold such position upon attaining age of 70 (Seventy) years during his tenure of appointment, on the terms and conditions including payment of minimum remuneration to him (notwithstanding that the remuneration payable to him in any financial year exceeds the aggregate annual remuneration of all the Executive Directors, who are promoters, as per the limits stipulated under the Listing Regulations, during the tenure of his appointment) w.e.f. 01.04.2019 to till the completion of his tenure mentioned above (including remuneration in the event of loss or inadequacy of profits), as detailed hereunder:

### PART – A

(Rs. In Lakh) (per Annum)

| Name and Designation                            | Salary (Basic) | Perquisites & Allowances | Commission |
|---|----------------|--------------------------|------------|
| Mr. Dev Raj Arya<br>Whole time director and CFO | 34.80          | 23.60                    | Nil        |

The perquisites and allowances, as aforesaid, include House Rent Allowance (HRA), LTA, Medical allowance and contribution to Provident fund only, other perquisites and facilities as per policy of the company.

**Gratuity:** 15 days salary (Basic Pay) for every completed year of service with a limit of maximum amount of Rs. 20 lakh.

**Leave Encashment:** 15 days for every completed year of service with encashment of leave (Encashment without any limit as per salary i.e. Basic pay) at the end of the services with the company.

**Car:** Free use of company's Car with chauffeur

**Telephone:** Free Telephones/Fax/Internet facility at residence including mobile telephones.

### PART – B

**Personal Accident Insurance:** Premium not exceeding Rs. 5000/- p.a.

The above perquisites shall be calculated as per Income Tax Act, 1961.

### PART – C

#### Other terms:

- The Whole Time Director & Chief Financial Officer (CFO) is entitled to reimbursement of all actual expenses as per Rules of the Company including on entertainment/ business promotion and travelling incurred in the course of the Company's business.
- For all other terms and conditions such as reimbursement of medical expenses/ leave travel assistance etc. if not specifically spelt out above, the rules and regulations of the Company shall apply.
- The Whole Time Director & Chief Financial Officer (CFO) is also entitled to the benefits under all other schemes, privileges and amenities as are granted to the senior Executives of the Company in accordance with the Company's practice, Rules and Regulations in force from time to time.
- He is not entitled to payment of any sitting fee for attending meetings of the Board or a Committee thereof.
- The appointment shall be terminable by the Company by giving him six months' notice or on payment of six months' Salary (including other allowance, perquisites & benefits) in lieu thereof and by him by giving six months notice to the Company.
- The Whole Time Director & Chief Financial Officer (CFO) holds office as such, subject to the provisions of Section 167 of the Companies Act, 2013.

The above salary and perquisites be paid as minimum remunerations to Mr. Dev Raj Arya, as Whole Time Director & Chief Financial Officer (CFO) w.e.f. 01.04.2019 to till the completion of his tenure mentioned above, notwithstanding that in any financial year during the tenure of his office, the company has no profits or its profits are inadequate.

Mr. Dev Raj Arya holdings 225369 equity shares in the company and details of the shareholding of his relatives as on 09.08.2019, are as follows:

| S. No. | Name of the Relatives | Relation | No. of shares held |
|--------|-----------------------|----------|--------------------|
| 1.     | Mrs. Raj Arya         | Wife     | 33036              |

The Company has not made any default in repayment of dues to any bank or public financial institution or any other secured creditor.

Mr. Dev Raj Arya is not debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI, Ministry of Corporate Affairs or any other Statutory Authority.

He is member of the Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Financial Affairs Committee of RACL Geartech Limited.

This Explanatory Statement together with the accompanying Notice may be treated as an abstract and written memorandum setting out the terms of interest (remuneration) of Mr. Dev Raj Arya and disclosure in compliance with the requirements of section 190 of the Companies Act, 2013.

Accordingly, and In terms of Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the Members is sought by way of special resolution as set out at item no. 6 of the notice, for the re-appointment of Mr. Dev Raj Arya (DIN 00057582), as Whole-time Director & Chief Financial Officer of the Company for a period of 2 (Two) years w.e.f. 22<sup>nd</sup> October, 2019 upto 21<sup>st</sup> October, 2021, as well as to continue to hold such position upon attaining age of 70 (Seventy) years during his tenure of appointment, on the terms and conditions including payment of minimum remuneration to him *(notwithstanding that the remuneration payable to him in any financial year exceeds the aggregate annual remuneration of all the Executive Directors, who are promoters, as per the limits stipulated under the Listing Regulations, during the tenure of his appointment)* w.e.f. 01.04.2019 to till the completion of his tenure mentioned above (including remuneration in the event of loss or inadequacy of profits) and also for payment of remuneration in the event if remuneration exceeds such prescribed threshold limits during the term of his appointment as per the said regulation.

Except Mr. Dev Raj Arya himself, 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 Notice.

The Board commends approval of the resolution set out in Item No. 6 of the Notice of 36<sup>th</sup> AGM as a Special Resolution by the members/ shareholders of the company.

#### **FOR ITEMS 5 AND 6 OF THE NOTICE**

**Pursuant to regulation 26(4) and 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by ICSI, A brief resume of Mr. Gursharan Singh and Mr. Dev Raj Arya, respectively and other details or information about the Director(s) is furnished below and forms part of the Notice:**

| <b>Name of the Director</b>                 | <b>Mr. Gursharan Singh</b>                                | <b>Mr. Dev Raj Arya</b>                                      |
|---|---|--|
| <b>Director Identification Number (DIN)</b> | 00057602  | 00057582   |
| <b>Nationality</b>                          | Indian  | Indian   |
| <b>Date of Birth and Age</b>                | 7 September, 1962 – 57 Years                              | 31 March, 1951 – 68 years                                    |
| <b>Date of first</b>                        | 23 August, 2002   | 22 October, 2002   |
| <b>Qualifications</b>                       | Diploma in Mechanical Engineering, PGDM Export Management | LL.B., Company Secretary, M.A. in Economics, Cost Accountant |



|   |  |  |
|---|--|--|
| <b>Expertise/ Experience in specific functional areas</b>   | He has a wide experience of over 39 years in related field of auto components manufacturing, administration and business development activities. He has been serving in RACL for more than 32 years and actively involved in various stages of growth of RACL. | He has served in various Public Limited companies at various senior Executive levels, having an experience of 41 years in different fields and specialized knowledge in the field of Finance, Accounts, Costing and Secretarial and has undertaken various challenges and responsibilities under different capacities. He has been working in RACL for more than 22 years. |
| <b>Terms and conditions of appointment / re-appointment or for remunerations</b>  | Refer Item No. 5 of the Notice and Statement Pursuant to Section 102 of the Companies Act, 2013<br><br>Revision of Remuneration of Chairman & Managing Director  | Refer Item No. 9 of the Notice and Statement Pursuant to Section 102 of the Companies Act, 2013<br><br>Re-appointment as a Whole time Director & CFO   |
| <b>Details of remuneration last drawn (Financial Year 2018-19) and sought to be paid, if applicable</b>   | Rs. 110.02 lakh  | Rs. 48.79 lakh   |
| <b>No. of Board Meetings attended during the Financial Year 2018-19</b>   | 5 (Five)   | 5 (Five)   |
| <b>Relationships with other Directors, Managers and other key managerial personnel</b>  | Husband of Mrs. Narinder Paul kaur – Non-executive Non-Independent Director  | No relationship  |
| <b>List of Companies in which Directorships held as on March 31, 2019 (excluding foreign directorship, private limited companies and Section 8 Companies)</b> | 1. RACL Geartech Limited   | 1. RACL Geartech Limited   |
| <b>Chairmanship/ Membership of specified Committees* of the Boards of above Companies as on March 31, 2019</b>  | Stakeholders Relationship Committee:-<br><br>1. RACL Geartech Limited – Member   | Stakeholders Relationship Committee:-<br><br>1. RACL Geartech Limited – Member   |
| <b>No. of shares held in the Company</b><br><br><b>(a) Own</b><br><br><b>(b) For other persons on a beneficial basis</b>                                      | <br><br>(a). 3429097<br><br>-  | <br><br>(a). 225369<br><br>(b). 33036 <sup>#</sup>   |

\* Membership/Chairmanship of Audit Committee and Stakeholders relationship Committee.

# Mr. Dev Raj Arya is the joint holder in the demat account of Mrs. Raj Arya.

**DISCLOSURE AS PER SCHEDULE-V OF THE COMPANIES ACT, 2013**
**Remuneration of Mr. Gursharan Singh, Chairman & Managing Director and Re-appointment of Mr. Dev Raj Arya, Whole Time Director & CFO**
**I. GENERAL INFORMATION**

| S. No. | Particulars/Subject   | Information   |
|--------|---|---|
| 1.     | Nature of Industry  | Manufacturer of Automotive Components   |
| 2.     | Date or Expected date of commencement of commercial production.   | In the year 1989  |
| 3.     | In case of new companies, expected date of commencement of activities as per Project approved by financial institutions appearing in the prospects. | Not applicable  |
| 4.     | Financial performance based on given indicators (financial year 2018-19)  | In the Financial Year 2018-19, the Company made Total revenue of Rs. 190.96 Crore and Profit Before Tax (PBT) of Rs. 17.34 Crore. Our Company's performance in 2018-19 was credible as the Company generates Profit After Tax (PAT) Rs. 9.43 Crore and Earning Per Share (EPS) Rs. 9.34 and it's expected to gear up in the future. |
| 5.     | Export performance (financial year 2018-19)   | During the financial year ended 31 <sup>st</sup> March 2019, Export of goods on CIF basis: Rs.109.87 Crore.   |
| 6.     | Foreign Investments or collaborations, if any.  | No such investment or collaboration except shareholding of Non Resident Indians.  |

**II. INFORMATION ABOUT THE APPOINTEE OR PERSON WHOSE REMUNERATION IS REVISED**

| S. No. | Particulars/Subject | Information  |   |
|--------|---------------------|--|---|
|        |                     | Mr. Gursharan Singh  | Mr. Dev Raj Arya  |
| 1.     | Background details  | He is holding a Diploma in Mechanical Engineering, PGDM Export Management. He has a wide experience of over 39 years in related field of auto components manufacturing, administration and business development activities. Mr. Gursharan Singh has been serving in RACL for more than 32 years and actively involved in various stages of growth of RACL, including project erection, commissioning & manufacturing activities. He had been re-appointed Chairman & Managing Director w.e.f. 23.8.2017. | He is a LLB, Company Secretary, M.A. in Economics, Cost Accountant. He has served in various Public Limited companies at various senior Executive levels, having an experience of 41 years in different fields and specialized knowledge in the field of Finance, Accounts, Costing and Secretarial and has undertaken various challenges and responsibilities under different capacities. He was re-appointed as whole time Director of the company with effect from 22.10.2017 & has been holding this office since then. |
| 2.     | Past Remunerations  | During his present tenure as Chairman & Managing Director of the Company, the remuneration as paid to Mr. Gursharan Singh for the Financial Year 2018-19 is Rs. 110.02 lakh.   | During his present tenure as Whole Time Director & CFO of the Company, the remuneration as paid to Mr. Dev Raj Arya for the Financial Year 2018-19 is Rs. 48.79 lakh.   |

|    |   |  |  |
|----|---|--|--|
| 3. | Recognition or awards   | <p>He has been serving RACL since 1987, with his sincerity, dedication and hard work he was elevated to the level of Senior General Manager – Tech in 1997. Under his able guidance and technical expertise RACL has been recognized as a leading supplier of Transmission Gears to world renowned domestic OEM and export customers. RACL has been awarded Silver trophy for excellence in Exports by EEPC and Bronze Trophy, Silver Trophy and most prestigious Gold Trophy for excellence in Exports regularly for 3 years for 2010, 2011 and 2013 by ACMA. Due to his dedicated efforts the company has turned around &amp; has been earning good profits for the last 16 years. He was elevated as Whole time Director of the company on 23.8.2002 and was designated as Managing Director w.e.f. 24.4.2004 and Chairman &amp; Managing Director w.e.f. 29.01.2008.</p> | <p>He has been serving RACL since 1997 and he has successfully undertaken various assignments entrusted to him. He was appointed a member of the Executive Committee. Due to his dedicated efforts for the company, he has been elevated as a whole time Director of the company w.e.f. 22.10.2002 and was designated as a whole time Director &amp; Chief financial Officer w.e.f. 01.09.2014 and has been serving in that capacity since then.</p> |
| 4. | Job Profile and his suitability   | <p>He is the Chairman &amp; Managing Director of the Company and devoted whole time attention to the management of the affairs of the Company.</p>   | <p>He is the Whole Time Director &amp; Chief Financial Officer of the Company and devoted whole time attention to the management of the affairs of the company, specifically related to the Finance &amp; Accounts and Secretarial department.</p>   |
| 5. | Remunerations proposed  | <p>Salary, other perquisites and other terms as fully set out in the statement of item no. 5 of the Notice.</p>  | <p>Salary, other perquisites and other terms as fully set out in the statement of item no. 6 of the Notice.</p>  |
| 6. | Comparative remuneration profile with respect to industry, size of the company, profile of the position & person      | <p>Considering the responsibility shouldered by him, remuneration paid to Chairman &amp; Managing Director (Professional Director) and proposed to him is comparatively low with Industry standards and Board level positions held in similar sized and similarly positioned Organisations.</p>  | <p>Considering the responsibility shouldered by him, remuneration paid to Whole-time Director &amp; CFO (Professional Director) and proposed to him is comparatively low with Industry standards and Board level positions held in similar sized and similarly positioned Organisations.</p>   |
| 7. | Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any. | <p>Mr. Gursharan Singh does not have any pecuniary relationship directly or indirectly with the Company except remuneration drawn as Chairman &amp; Managing Director.</p> <p>Except Mrs. Narinder Paul Kaur, Non-executive Non- Independent Director and Mr. Prabh Mehar Singh, Vice President of the company, He is not related to any Director or managerial personnel or employee of the Company.</p>  | <p>Mr. Dev Raj Arya does not have any pecuniary relationship directly or indirectly with the Company except remuneration drawn as Whole time Director &amp; CFO.</p> <p>He is not related to any Director or managerial personnel or employee of the Company.</p>  |

### III. OTHER INFORMATION

|   |   |
|---|---|
| 1.Reasons for loss or inadequate profits                            | The company has earned profits, but the profits may in-adequate as per section 197 of the Companies Act, 2013, to cover up the remuneration / payable to the Chairman & Managing Director and Whole Time Director & CFO of the Company. There is no specific reason for inadequate profits. Their Remuneration has been fixed under schedule within the limit specify therein.  |
| 2. Steps taken or proposed to be taken for improvement.             | <p>The Company has adopted the following measures to improve the profitability:-</p> <ul style="list-style-type: none"> <li>• Widening of customer base and better market penetration, especially in overseas market.</li> <li>• Conscious effort to develop products/customers base in alternate market segments.</li> <li>• Technology upgradation by way of investing in state of the art machinery to meet stringent quality requirements of customers.</li> <li>• Focus on significant improvements in operating costs.</li> <li>• Cost control in all areas.</li> <li>• Improvement in OE &amp; Export Sales, Improving the quality to make products competitive in Indian &amp; Overseas markets.</li> <li>• Deeper penetration / product development in OEM market as well as replacement market in India and abroad.</li> <li>• Modernisation of existing facilities to improve overall operating efficiency and gear up for catering to higher demand from OEMs.</li> </ul> |
| 3.Expected increase in productivity and profits in measurable terms | The Company has a healthy order book, which should result in stable revenue generation and resulting profitability.   |

### DISCLOSURES

The requisite disclosures of remuneration package etc. have been mentioned in the statement appended in this Notice. At present, there is no stock option scheme available in the Company. The Disclosures are regularly provided in the Annual Report.

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

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

**Place: Noida  
Date: 09<sup>th</sup> August, 2019**

**Regd. Office: 15<sup>th</sup> Floor, Eros Corporate Tower,  
Nehru Place, New Delhi-110019, INDIA  
Ph. : +91-11-66155129  
e-Mail - [investor@raclgeartech.com](mailto: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 6 of the accompanying Notice is annexed hereto.
3. The particulars in respect of Directors seeking appointment/ re-appointment in the forthcoming Annual General Meeting as required under Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, are available with the notice of 36<sup>th</sup> AGM. The directors have furnished the requisite consent/ declaration for their appointment/ re-appointment.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from Sunday, 22<sup>nd</sup> September, 2019 to Saturday, 28<sup>th</sup> September, 2019 (Both days inclusive) for the purpose of the 36<sup>th</sup> AGM.
5. Members are requested to be in their seats at the meeting hall before the scheduled time for commencement of the meeting.
6. Corporate Members intending to send their authorized representative(s) to attend the meeting are requested to send a certified copy of the Board Resolution/ Authority letter authorizing their representative to attend and vote on their behalf at the meeting.
7. Members holding more than one share certificate in the same name or joint names in same order but under different Ledger Folios, are requested to apply for consolidation of such Folios and send the relevant share certificates to the Registrars and Share Transfer Agents to enable them to consolidate all such holdings into one single Account.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form can submit their PAN to their Depository 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 and other applicable provisions of applicable act(s) and rule(s).
11. The Annual Report for the Financial year 2018-19, Notice of 36<sup>th</sup> 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](http://www.raclgeartech.com)
12. Members are requested to register/ update their e-mail IDs with their respective Depository Participant(s)/ or with Company for shares in electronic form (Demat) or in physical form, respectively.

13. Pursuant to SEBI Notification dated 8<sup>th</sup> June, 2018 and as amended, we hereby apprise you that w.e.f. 01.04.2019, transfer of securities not processed unless securities are held in dematerialized form with a depository. In other words, request for transfer of shares held in physical form not processed w.e.f. 01.04.2019 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](http://www.raclgeartech.com) and copies of the said documents will also be available for inspection by the members at the Registered Office of the Company during normal business hours on working days up to the date of the meeting.
16. Voting through Electronic means:

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions of applicable act(s) and rule(s), the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 36<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the 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 25<sup>th</sup> September, 2019 (09.00 A.M.) and ends on 27<sup>th</sup> September, 2019 (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 21<sup>st</sup> September, 2019, 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 – 111554**” 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](mailto:kk.malhotra2003@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- B. In case of Members receiving Physical copy of Notice of 36<sup>th</sup> 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 36<sup>th</sup> 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. 21<sup>st</sup> September, 2019.
  - 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. 21<sup>st</sup> September, 2019, may also obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or to Mr. Shrawan Mangla, MAS Services Limited (RTA), Tel: (011) 26387281 - 82 - 83 e-Mail : [info@masserv.com](mailto:info@masserv.com)
  - XII. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
  - XIII. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
  - XIV. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. 21<sup>st</sup> September, 2019 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](http://www.raclgeartech.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the stock exchange i.e. BSE Limited.

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

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

**Place: Noida**

**Date: 09<sup>th</sup> August, 2019**

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

**Ph. : +91-11-66155129**

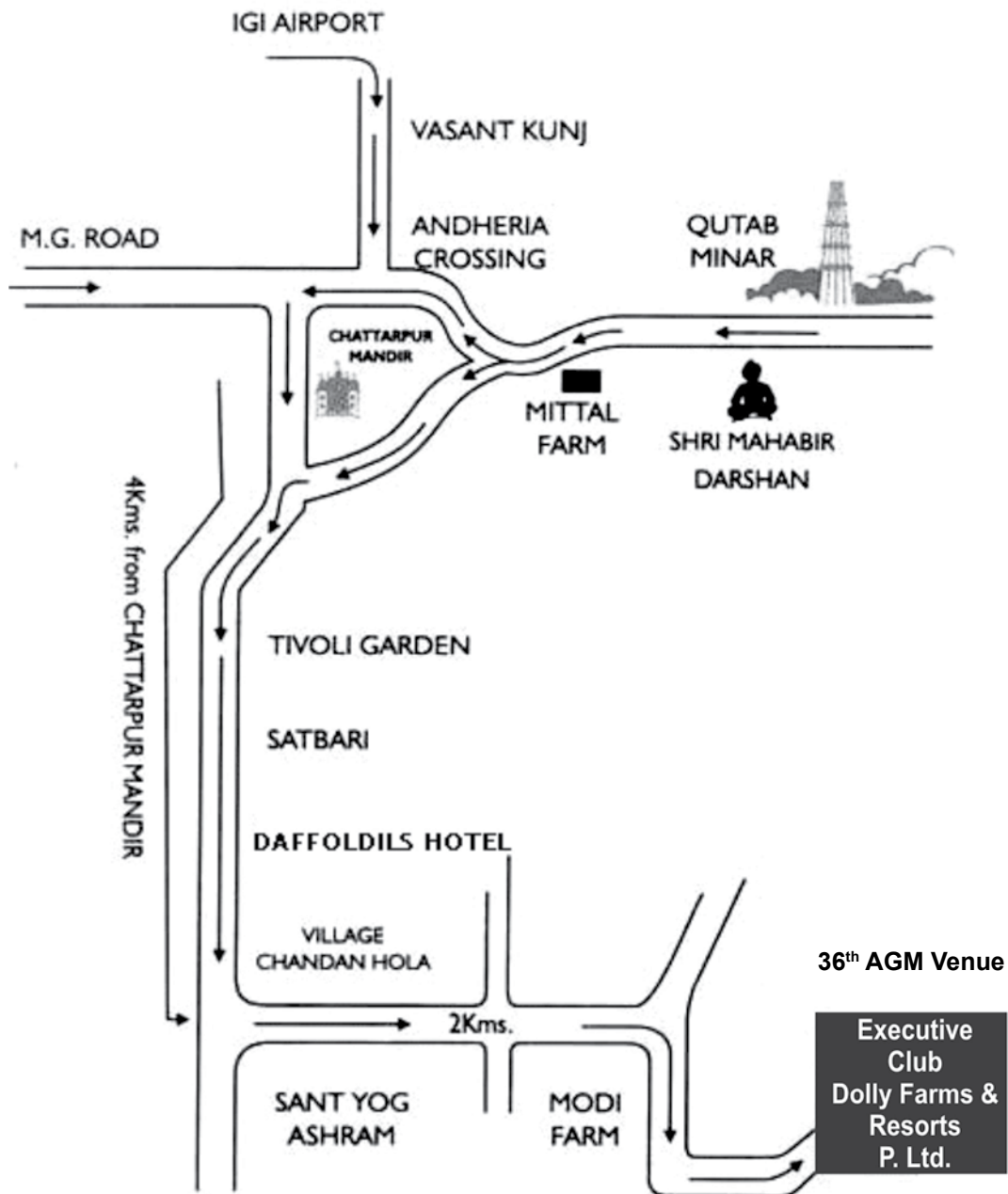
**e-Mail - [investor@raclgeartech.com](mailto:investor@raclgeartech.com)**



## ROUTE MAP TO 36<sup>th</sup> ANNUAL GENERAL MEETING

**RACL Geartech Limited**

**Venue : The Executive Club, Dolly Farms & Resorts Pvt. Ltd.**  
**439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-110074**  
**Date: 28<sup>th</sup> September, 2019 (Saturday) & Time: 11:30 A.M.**



## DIRECTORS REPORT

TO  
THE MEMBERS,

Your Directors take pleasure in presenting the 36<sup>th</sup> Annual Report together with the Audited financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2019.

### FINANCIAL RESULTS:

(Rs. in Lakh)

| Particulars  | 2018-19 | 2017-18 |
|--|---------|---------|
| Sales and Other Income                                       | 19096   | 14011   |
| Operational Expenses   | 15925   | 12145   |
| Depreciation   | 799     | 496     |
| Financial Charges  | 638     | 571     |
| Profit before Tax  | 1734    | 864     |
| Provision for Taxes/ Def. Tax Liab./ including earlier years | 757     | 77      |
| Net Profit   | 943     | 722     |
| Reserves from last year                                      | 4474    | 3752    |
| Reserves brought forward to Balance Sheet                    | 5618    | 4474    |

### TRANSFER TO RESERVES

An amount of Rs. 943 lakh has been transferred to General Reserve for the Financial Year ended 31<sup>st</sup> March 2019.

### 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 financial year 2018-19.

### 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 31<sup>st</sup> March, 2019 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, Mr. Dev Raj Arya, Whole time Director (DIN: 00057582), of the Company retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offers himself 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 36<sup>th</sup> Annual General Meeting of the Company. The Board recommends that Mr. Dev Raj Arya, Whole time Director (DIN: 00057582), may be re-appointed at the ensuing AGM.

Necessary resolutions in respect of re-appointment of Mr. Dev Raj Arya, Whole time Director (DIN: 00057582), have been included in the notice convening the ensuing AGM. Your directors commend his re-appointment.

### **Declaration by Independent Directors**

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

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

Except Mr. Gursharan Singh, Chairman & Managing Director and Mrs. Narinder Paul Kaur, Non-executive Director, 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 Familiarisation Programme for Independent Directors for the financial year 2018-19

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 2018-19, which were attended by the Independent Directors. Total number of hours spent by Independent Director in these programs was 4 (four) hours.

## **DISCLOSURES**

### **ADOPTION OF INDIAN ACCOUNTING STANDARDS ("IND AS")**

The Company has adopted Indian Accounting Standards ("Ind AS") in the last financial year ended on 31<sup>st</sup> March, 2018 and accordingly these financial statements for the year ended 31<sup>st</sup> March, 2019 have also been prepared in accordance with the Ind AS as required under section 133 of the Companies Act, 2013 read with rules made there under.

## 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 Audit committee of the company 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 Stakeholder Relationship Committee of the company 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 Nomination and Remuneration Committee of the company 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 Corporate Social Responsibility Committee of the company comprises of Mr. Raj Kumar Kapoor, 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. Details in respect of the Corporate Social Committee are provided in Corporate Governance Report, forming part of the Directors' Report.

### Financial Affairs Committee

The Financial Affairs Committee of the company 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.

The Company Secretary & compliance officer is appointed secretary for all the aforesaid committees.

### 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.

### Names of the Companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year

The company has no holding, joint ventures or associate companies.

During the year under review RACL Geartech Limited has incorporated its wholly owned subsidiary company i.e. RACL Geartech GmbH, at Austria. However, the company still does not have a trade license approval for any business activity, consequently it's not active or not carrying any business activity. Since, during the year under review the subsidiary company is not active, hence, consolidation of financials/ accounts for the financial

year ended on 31.03.2019 not made, Therefore the requirement for separate section containing a report on performance and financial position of subsidiary company is not applicable.

### Particulars of Loans, Guarantees or Investments

During the year under review, Board of Directors of the company at its meeting held on 21.05.2018 approved to provide a Loan of Rs. 1,00,00,000/- (Rupees One Crore) under section 186 of the Companies Act, 2013 to Lopan Metal Treatment Private Limited to setup a new plant at Gajraula for doing Job Work Heat treatment for RACL which would save transportation costs and reduce the lead time for the RACL.

Furthermore in the last financial year i.e. 2017-18 company has already 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, which were continued in the financial year under review i.e. 2018-19 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 Lakh).
- For Hariom Engineering Private Limited for an amount of Rs. 29,00,000/- (Rupees Twenty Nine Lakh).
- Diamanto Precision Parts Private Limited for an amount of Rs. 40,00,000/- (Rupees Forty Seven Lakh).

As per the Austrian Law for incorporation of a private limited company in Austria the minimum Authorized share capital requirement is 35,000 Euro and minimum paid-up share capital requirement is 17,500 Euro, respectively.

During the year under review, Board of Directors of the company at its meeting held on 12.11.2018 approved to make an investment of 17,500 Euro (approx. Rs. 13.48 Lakh) as paid-up share capital for incorporation of wholly owned subsidiary i.e. RACL Geartech GmbH, in Austria, under section 186 or other applicable provisions of the Companies Act, 2013.

### PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and regulation 17 and other applicable regulation(s) 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 on parameters such as skills, knowledge, participation in meetings and contribution in field of Management/ Finance / Operation / Strategy etc. and various committee of directors including Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee and Financial Affairs Committee on parameters such as Functions and Duties, Management Relations and Committee Meetings and Procedures etc.

Independent Directors in terms of Companies Act, 2013 and regulation 25 and other applicable regulation(s) 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 weblink [Vigil Mechanism / Whistle Blower Policy](#)



## NOMINATION AND REMUNERATION POLICY

In terms of the section 178 and other applicable provision(s) of the Companies Act, 2013 and Part D of Schedule II and other applicable regulation(s) 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

Pursuant to Section 134, Section 92 and other applicable provision(s) of the Companies Act, 2013 read with Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return as on 31<sup>st</sup> March, 2019 in Form No. MGT-9 is attached herewith as **"Annexure - D"** to this Report and also made available at the website of the company at [http://www.raclgeartech.com/annual\\_report.html](http://www.raclgeartech.com/annual_report.html)

### 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 [Corporate Social Responsibility Policy \('CSR Policy'\)](#)

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.

## AUDITOR'S AND AUDITOR'S REPORT

### Statutory Auditors

At the 34<sup>th</sup> Annual General Meeting of the Company held on 28<sup>th</sup> 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 (Three) years, from the conclusion of this 34<sup>th</sup> Annual General Meeting (AGM) until the conclusion of the 37<sup>th</sup> 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 2018-19 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 2018-19.

The Secretarial Audit Report for the financial year 2018-19 is annexed as “**Annexure - G**” and the Report does not contain any qualification, reservation, adverse remark or disclaimer.

## Internal Auditors

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. Furthermore, during the year under review Board of Directors of your company at its meeting held on 12<sup>th</sup> February, 2019 re-appointed Protiviti India Member Private Limited as Internal Auditors of the Company for a Period of 3 (Three) financial years commencing from 01.04.2019 to 31.03.2022.

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 31<sup>st</sup> December, 2014, the Company was not mandatorily required to get its Cost Records for the financial year 2018 - 19 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 [Related Party Transaction Policy](#)

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 applicable accounting standards has been made in the notes to accounts of Financial Statements for financial year 2018-19. 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 suppliers 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 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, 2019 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 Committee in line with the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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.

Pursuant to regulation 34 read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, required disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are provided in the Corporate Governance Report.

## GENERAL

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

1. During the year under review Company has not accepted any deposits 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 issued equity shares with differential rights as to dividend, voting or otherwise.
4. Company has not issued any shares with differential rights, sweat equity shares, ESOS etc. to employees of the Company or to others under any scheme.
5. Company has no 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. Aggregate amount borrowed (as an exempted deposits) by the company from its directors as on 31.03.2019 is Rs. 30 Lakh, i.e. Rs. 22 Lakh from Mr. Gursharan Singh, Chairman & Managing Director and Rs. 8 lakh from Mrs. Narinder Paul Kaur, Non-executive Non-independent director of the company.
8. Unclaimed Shares: As on 31<sup>st</sup> March, 2019 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 [Financial Results](#)

10. During the year under review 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: 09<sup>th</sup> August, 2019**

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

**Regd. Office: 15<sup>th</sup> Floor, Eros Corporate Tower,  
Nehru Place, New Delhi-110019, INDIA  
Ph.: +91-11-66155129  
e-Mail - [investor@raclgeartech.com](mailto: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 and amended from time to time 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 and amended from time to time by the Nomination and Remuneration Committee and adopted by the Board of Directors.

### Effective Date:

This policy was effective from 1st April, 2014.

### Constitution of the Nomination and Remuneration Committee:

As per the provisions of Section 178 of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (earlier as per Clause 49 of the Listing agreement), The Board has changed the nomenclature of Remuneration Committee by renaming it as Nomination and Remuneration Committee on 31st July, 2014. At present, 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. Shashank Ramesh Anikhindi, 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 which includes all the members of management one level below the Executive Director including the functional Heads and excluding the Board of Directors. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 or in other applicable act(s) or regulation(s) 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, as per the provisions of the Companies Act, 2013 or other applicable act(s) or regulation(s) or amended from time to time.

## 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 are 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 and as per the provisions of the Companies Act, 2013 or other applicable act(s) or regulation(s) or amended from time to time.

- **Term / Tenure:**

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

- Pursuant to the provisions of the Companies Act, 2013 or other applicable act(s) or regulation(s), Company may appoint or re-appoint any person as its Executive/ Non-Executive Chairman, Managing Director, Whole time director or Manager, provided that the Managing Director or whole time director or Manager shall not be appointed or re-appointed for a term 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 may 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.
- At the time of appointment or reappointment of Independent Director it should be ensured that number of Boards on which such Independent Director Serves and other requirements shall be as per the provisions of the Companies Act, 2013 or other applicable act(s) or regulation(s) or amended from time to time.

- **Senior Management Appointment**

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

- **Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and other applicable act(s) or regulation(s), the Committee shall carry out evaluation of performance of every Director at regular interval (i.e. 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 or 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 Managing Director, Whole Time Director or Manager, if any shall be in accordance with the provisions of the Companies Act, 2013, and the rules made thereunder and other applicable Act(s) or Regulation(s).
2. The remuneration to the KMP (other than Managing Director or Whole Time Director or Manager) and Senior Management Personnel will be determined by the Nomination & Remuneration Committee ("Committee") (as may be recommended by the 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 and other applicable Act(s) or Regulation(s).
4. Where any insurance is taken by the Company on behalf of its Chairman, Managing Director, Joint Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary and/ or any other employees/ officer 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, Whole time Director, Manager, KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board (If required) on the recommendation of the Committee.

The breakup of the pay scale and quantum of perquisites including, employer's contribution to Provident Fund (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 or Manager in accordance with the provisions of the Companies Act, 2013 and other applicable Act(s) or Regulation(s).

- **Remuneration to Non- Executive / Independent Director:**

**Sitting Fees:**

The Non - Executive Director / Independent Director may receive remuneration by way of fees for attending meetings of Board of Directors and/or Committee thereof and may also receive other fee/compensation etc. for any other purpose whatsoever as may be decided by the Board, provided that the amount of such fees/ compensation etc. shall be in accordance with the provisions of the Companies Act, 2013 and other applicable act(s) or regulation(s).

- **Other employees Remuneration**

The Managing Director and other senior executives (as applicable) will review the remuneration/ salary of all other employees of the company not otherwise specified in this policy, (as per the prevailing wage structure and other policies of the company).

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

**Place: Noida  
Date: 09<sup>th</sup> August, 2019**

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

**Regd. Office: 15<sup>th</sup> Floor, Eros Corporate Tower,  
Nehru Place, New Delhi-110019, INDIA  
Ph.: +91-11-66155129  
e-Mail - [investor@raclgeartech.com](mailto:investor@raclgeartech.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 31<sup>st</sup> March, 2019:

(Amount in Rs.)

| S. No. | Name of Director and KMP   | Remuneration of Directors and KMP for the financial year ended 31 <sup>st</sup> March, 2019 | Ratio of remuneration of each director to median remuneration of employees | % increase in remuneration for the financial year ended 31 <sup>st</sup> March, 2019 |
|--------|--|---|--|--|
| 1.     | Mr. Gursharan Singh<br>Chairman & Managing Director                            | 1,10,02,000   | 37.64  | N.A.   |
| 2.     | Mr. Dev Raj Arya<br>Whole-time Director & CFO                                  | 48,79,000   | 16.69  | N.A.   |
| 3.     | Mr. Raj Kumar Kapoor<br>Independent Director <sup>1</sup>                      | 75,000  | 0.25   | N.A.   |
| 4.     | Mr. Anil Sharma<br>Independent Director <sup>1</sup>                           | 1,65,000  | 0.56   | N.A.   |
| 5.     | Mr. Rakesh Kapoor<br>Independent Director <sup>1</sup>                         | 3,85,000  | 1.32   | 45.28  |
| 6.     | Mr. Shashank Ramesh Anikhindi<br>Independent Director <sup>1</sup>             | 1,50,000  | 0.51   | 11.11  |
| 7.     | Mrs. Narinder Paul Kaur<br>Non-Executive Non-Independent Director <sup>1</sup> | 14,10,000   | 4.82   | 1.08   |
| 8.     | Mr. Hitesh Kumar<br>Company Secretary  | 6,75,000  | N.A.   | 17.24  |

- 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 Non-Independent Director, remuneration includes sitting fee and retainership fees, if any.
- In the financial year, there was an increase of 15.93 % in the median remuneration of employees.
- There were 478 permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2019;
- The average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year 2018-19 was 11.17%, whereas there was no percentile increase in the managerial remuneration for the same financial year.
- 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: 09<sup>th</sup> August, 2019**

**Regd. Office: 15<sup>th</sup> Floor, Eros Corporate Tower,  
Nehru Place, New Delhi-110019, INDIA  
Ph.: +91-11-66155129  
e-Mail - [investor@raclgeartech.com](mailto:investor@raclgeartech.com)**



## “ANNEXURE C” TO THE DIRECTORS’ REPORT

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

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

| Sl. No. | Name                   | Designation                  | Remuneration (in Rs.) | Qualification  | Experience in RACL Geartech Limited (in years) | Date of Commencement of employment | Age (in years) | Previous employment and Designation                           |
|---------|------------------------|------------------------------|-----------------------|--|--|------------------------------------|----------------|---|
| 1.      | Gursharan Singh        | Chairman & Managing Director | 1,10,02,000           | Diploma in Mechanical Engineering, PGDM Export Management  | 31 YRS   | 15/10/1987                         | 56 YRS         | Escort Tractors Ltd. (Ford) Prodt. Engg II                    |
| 2.      | Dev Raj Arya           | Whole-time Director & CFO    | 48,79,000             | LL.B, Company Secretary, M.A. in Economics, Cost Accountant  | 21 YRS   | 18/08/1997                         | 68 YRS         | Vishal lakto (I) ltd. Company Secretary (G.M.)                |
| 3.      | Rajiv Kumar Goel       | Vice President               | 2825600               | B. TECH (Mechanical)   | 28 YRS   | 01/10/1990                         | 51 YRS         | NA  |
| 4.      | Deepak Saxena          | Associate Vice President     | 2235400               | B.E.   | 23 YRS   | 01/09/1995                         | 53 YRS         | Clutch Auto Ltd., Faridabad, Engineer                         |
| 5.      | Yogesh Baweja          | General Manager              | 2048600               | M.B.A.(Operations Research), B.E. (Mechanical), 4-year Diploma Tool & Die Making and Certificate course Import & Export Management | 6 YRS  | 01/04/2013                         | 51 YRS         | Samtel Group, DGM   |
| 6.      | Girish Kapoor          | General Manager              | 1922600               | Diploma in Mechanical Engineering  | 28 YRS   | 01/06/1990                         | 53 YRS         | Tirupati Udyog Ltd., Trainee Supervisor Q/C                   |
| 7.      | Hemant Kumar           | Joint General Manager        | 1818100               | AME, Mechanical Engineering, Diploma In Mechanical Engineering   | 10 YRS   | 18/08/2008                         | 50 YRS         | Lumax Industries, Sr. Manager                                 |
| 8.      | Naveen Chandra Agarwal | Joint General Manager        | 1569100               | B. TECH (Production)   | 27 YRS   | 09/08/1991                         | 52 YRS         | Vxl India Ltd., Universal Engg., Faridabad, Engineer (Prod.)  |
| 9.      | Anil Kumar Saini       | Assistant General Manager    | 1393600               | ITI Draughtsman, Mechanical  | 26 YRS   | 28/04/1992                         | 55 YRS         | Km Enterprises Delhi, Design Consultant                       |
| 10.     | Syed Mustahasan Jalil  | Deputy General Manager       | 1389600               | Diploma In Electrical Engineering  | 11 YRS   | 08/01/2008                         | 51 YRS         | Getrag HI-TECH Gears (India) Pvt. Ltd., Manager (Maintenance) |

### 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, Vice President 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 31<sup>st</sup> March, 2019 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 31<sup>st</sup> March, 2019 and were in receipt of Remuneration aggregating not less than Rs. 8,50,000/- per month.

Mr. Gursharan Singh, Chairman and Managing Director of the company received a Remuneration of Rs. 1,10,02,000/- per annum.

(Since this remuneration paid to Mr. Gursharan Singh is as per Nomination and Remuneration policy of the company and approved by the Nomination and Remuneration Committee, Audit Committee, Board of Directors and Members/ Shareholders of the company, hence there were no exceptional circumstances for the payment of said remunerations.)

- 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: 09<sup>th</sup> August, 2019**

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

**Regd. Office: 15<sup>th</sup> Floor, Eros Corporate Tower,  
Nehru Place, New Delhi-110019, INDIA  
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e-Mail - [investor@raclgeartech.com](mailto:investor@raclgeartech.com)**

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## “ANNEXURE D” TO THE DIRECTORS’ REPORT

Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31<sup>st</sup> 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/<br>Indian Non-Government company  |
| v) Address of the Registered office and contact details                        | : | 15 <sup>th</sup> Floor, Eros Corporate Tower, Nehru Place,<br>New Delhi – 110 019, India<br>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<br>T-34, 2 <sup>nd</sup> Floor, Okhla Industrial Area – II,<br>New Delhi -110020<br>Phone: +91-11-26387281-82-83<br>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 and associate company.

Further, during the year under review RACL Geartech Limited has incorporated its wholly owned subsidiary company i.e. RACL Geartech GmbH, at Austria. However, the company still does not have a trade license approval for any business activity, hence it's not active or not carrying any business activity.

#### IV. SHARE HOLDING PATTERN (equity share capital breakup as percentage of total equity)

##### i) Category-wise Share Holding

| Category of Shareholders                             | No. of Shares Held at the beginning of the year<br>(April 1, 2018) |          |         | No. of Shares held at the end of the year<br>(March 31, 2019) |         |          | % Change during the year<br>*Note1 |       |                   |
|--|--|----------|---------|---|---------|----------|------------------------------------|-------|-------------------|
|  | Demat  | Physical | Total   | % of Total shares   | Demat   | Physical |                                    | Total | % of Total shares |
| A. Promoters   |  |          |         |   |         |          |                                    |       |                   |
| (1) Indian   |  |          |         |   |         |          |                                    |       |                   |
| a. Individual/ HUF                                   | 157533   | -        | 157533  | 1.59  | 3710916 | -        | 3710916                            | 36.09 | 34.50             |
| b. Central Govt.                                     | -  | -        | -       | -   | -       | -        | -                                  | -     | -                 |
| c. State Govt.(s)                                    | -  | -        | -       | -   | -       | -        | -                                  | -     | -                 |
| d. Bodies Corp.                                      | 37137  | -        | 37137   | 0.37  | 37137   | -        | 37137                              | 0.36  | -0.01             |
| e. Banks/FI  | 1503300  | -        | 1503300 | 15.14   | 1503300 | -        | 1503300                            | 14.62 | -0.52             |
| f. Any Oth-er(Trust)                                 | 3117396  | 281291   | 3398687 | 34.22   | -       | -        | -                                  | -     | -34.22            |
| Sub Total A(1):-                                     | 4815366  | 281291*  | 5096657 | 51.32   | 5251353 | -        | 52513353                           | 51.07 | -0.25             |
| (2) Foreign  |  |          |         |   |         |          |                                    |       |                   |
| a. NRIs-Individuals                                  | -  | -        | -       | -   | -       | -        | -                                  | -     | -                 |
| b. Other-Individuals                                 | -  | -        | -       | -   | -       | -        | -                                  | -     | -                 |
| c. Bodies Corpo-rate                                 | -  | -        | -       | -   | -       | -        | -                                  | -     | -                 |
| d. Banks/FI  | -  | -        | -       | -   | -       | -        | -                                  | -     | -                 |
| e. Any other   | -  | -        | -       | -   | -       | -        | -                                  | -     | -                 |
| Sub Total A(2):-                                     | -  | -        | -       | -   | -       | -        | -                                  | -     | -                 |
| Total share-holding of pro-moter (A)= (A)(1)+ (A)(2) | 4815366  | 281291*  | 5096657 | 51.32   | 5251353 | -        | 5251353                            | 51.07 | -0.25             |
| 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   | -  | -        | -       | -   | -       | -        | -                                  | -     | -                 |
| h. UTI   | -  | -        | -       | -   | -       | -        | -                                  | -     | -                 |

| Category of Shareholders   | No. of Shares Held at the beginning of the year<br>(April 1, 2018) |                |                |                   | No. of Shares held at the end of the year<br>(March 31, 2019) |                |                 |                   | % Change during the year<br>*Note1 |
|--|--|----------------|----------------|-------------------|---|----------------|-----------------|-------------------|------------------------------------|
|  | Demat  | Physical       | Total          | % of Total shares | Demat   | Physical       | Total           | % of Total shares |                                    |
| i. Foreign Ven-ture Capital Funds  | -  | -              | -              | -                 | -   | -              | -               | -                 | -                                  |
| j. Others (speci-fy)   | -  | -              | -              | -                 | -   | -              | -               | -                 | -                                  |
| <b>Sub-Total (B) (1)</b>   | <b>500</b>   | <b>-</b>       | <b>500</b>     | <b>0.01</b>       | <b>500</b>  | <b>-</b>       | <b>500</b>      | <b>0.01</b>       | <b>-</b>                           |
| <b>2. Non-institutions</b>   |  |                |                |                   |   |                |                 |                   |                                    |
| <b>a. Bodies Corporate</b>   |  |                |                |                   |   |                |                 |                   |                                    |
| i. Indian  | 169239   | 7701           | 176940         | 1.78              | 206059  | 7601           | 213660          | 2.08              | 0.30                               |
| ii. Overseas   | -  | 1000000        | 1000000        | 10.07             | -   | 1000000        | 1000000         | 9.73              | -0.34                              |
| b. Individuals   |  |                |                |                   |   |                |                 |                   |                                    |
| i. Individual shareholders holding nominal share capital upto Rs.1 lakh          | 2297443  | 652343         | 2949786        | 29.70             | 2127623   | 613390         | 2741013         | 26.65             | -3.05                              |
| ii. Individual shareholders holding nominal share capital in excess of Rs.1 lakh | 463289   | 67400          | 530689         | 5.34              | 920673  | -              | 920673          | 8.95              | 3.61                               |
| c. Any other (specify) NRI   | 70109  | 22300          | 92409          | 0.93              | 75979   | 21600          | 97579           | 0.95              | 0.02                               |
| d. Any other (specify) Clearing Member   | 67519  | -              | 67519          | 0.68              | 56522   | -              | 56522           | 0.55              | -0.13                              |
| e. Any other (specify) NBFC s registered with RBI                                | 16800  | -              | 16800          | 0.17              | -   | -              | -               | -                 | -0.17                              |
| f. Any other (specify) Trust   | 300  | -              | 300            | 0.01              | 300   | -              | 300             | 0.01              | -                                  |
| <b>Subtotal (B)(2)</b>   | <b>3084699</b>   | <b>1749744</b> | <b>4834443</b> | <b>48.68</b>      | <b>3387156</b>  | <b>1642591</b> | <b>5029747</b>  | <b>48.92</b>      | <b>0.24</b>                        |
| <b>Total Public Shareholding (B)= (B)(1) + (B)(2)</b>                            | <b>3085199</b>   | <b>1749744</b> | <b>4834943</b> | <b>48.68</b>      | <b>3387656</b>  | <b>1642591</b> | <b>5030247</b>  | <b>48.93</b>      | <b>0.25</b>                        |
| C. Shares held by Custodian for GDRs & ADRs                                      | -  | -              | -              | -                 | -   | -              | -               | -                 | -                                  |
| <b>Grand Total (A+B+C)</b>   | <b>7900565</b>   | <b>2031035</b> | <b>9931600</b> | <b>100</b>        | <b>8639009</b>  | <b>1642591</b> | <b>10281600</b> | <b>100</b>        | <b>-</b>                           |



**(ii) Shareholding of Promoters**

| S. No. | Shareholder's Name   | Shareholding at the beginning of the year<br>(April 1, 2018) |  |   | Shareholding at the end of the year<br>(March 31, 2019) |  |   | % change in<br>shareholding<br>during the year |
|--------|--|--|--|---|---|--|---|--|
|        |  | No. of<br>Shares   | % of total<br>Shares of the<br>Company | % of Shares<br>Pledged /<br>encumbered<br>to total shares | No. of Shares   | % of total<br>Shares of the<br>Company | % of Shares<br>Pledged /<br>encumbered<br>to total shares |  |
| 1.     | RACL EMPLOYEES<br>WELFARE TRUST  | 3398687  | 34.22                                  | 15.10   | -   | -                                      | -   | -34.22   |
| 2.     | THE PRADESHIYA<br>INDUSTRIAL AND<br>INVESTMENT COR-<br>PORATION OF U.P.LTD | 1503300  | 15.14                                  | -   | 1503300   | 14.62                                  | -   | -0.52  |
| 3.     | GURSHARAN SINGH  | 124202   | 1.25                                   | -   | 3429097   | 33.35                                  | 14.58   | 32.10  |
| 4.     | DEV RAJ ARYA   | -  | -                                      | -   | 225369  | 2.19                                   | -   | 2.19   |
| 5.     | AADHAR INFOSYS-TEMS<br>PRIVATE LIMITED                                     | 37137  | 0.37                                   | -   | 37137   | 0.36                                   | -   | -0.01  |
| 6.     | NARINDER PAUL KAUR   | 14884  | 0.15                                   | -   | 19794   | 0.19                                   | -   | 0.04   |
| 7.     | RAJ ARYA   | 14827  | 0.15                                   | -   | 33036   | 0.32                                   | -   | 0.17   |
| 8.     | Prabh Mehar Singh  | 3620   | 0.04                                   | -   | 3620  | 0.04                                   | -   | -  |
|        | <b>Total</b>   | <b>5096657</b>   | <b>51.32</b>                           | <b>-</b>  | <b>5251353</b>  | <b>51.07</b>                           | <b>14.58</b>  | <b>-0.25</b>                                   |

\* During the year under review, the trustees of RACL Employees Welfare Trust ("trust") have disbanded the trust and Shares held by trust as a promoter in RACL Geartech Limited ("Company") 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 and other statutory authorities.

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

**(iii) Change in Promoters' Shareholding**

| Sl. No. | Name                         | No. of Shares at the Beginning (April 1, 2018) | % 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              | 124202   | 1.25                             |  |                                     |          |          | 124202                                  | 1.25                             |
|         |                              |  |                                  | April 13, 2018   | 1398200                             | 1125.75  | Transfer | 1522402                                 | 15.33                            |
|         |                              |  |                                  | June 01, 2018  | 1513287                             | 99.40    | Transfer | 3035689                                 | 30.57                            |
|         |                              |  |                                  | July 27, 2018  | 5000                                | 0.16     | Transfer | 3040689                                 | 30.62                            |
|         |                              |  |                                  | September 07, 2018   | 38408                               | 1.26     | Transfer | 3079097                                 | 31.00                            |
|         |                              |  |                                  | December 14, 2018  | 350000                              | 11.37    | Transfer | 3429097                                 | 33.35                            |
|         |                              | At the end of the year                         |                                  |  |                                     |          | 3429097  | 33.35                                   |                                  |
| 2.      | NARINDER PAUL KAUR           | 14884  | 0.14                             | -  | -                                   | -        | -        | 14884                                   | 0.14                             |
|         |                              |  |                                  | June 15, 2018  | 100                                 | 0.67     | Transfer | 14984                                   | 0.15                             |
|         |                              |  |                                  | July 27, 2018  | -10265                              | -68.51   | Transfer | 4719                                    | 0.05                             |
|         |                              |  |                                  | August 03, 2018  | 1110                                | 23.52    | Transfer | 5829                                    | 0.06                             |
|         |                              |  |                                  | August 10, 2018  | 12965                               | 222.42   | Transfer | 18794                                   | 0.19                             |
|         |                              |  |                                  | October 05, 2018   | 1000                                | 5.32     | Transfer | 19794                                   | 0.19                             |
|         |                              | At the end of the year                         |                                  |  |                                     |          | 19794    | 0.19                                    |                                  |
| 3.      | DEV RAJ ARYA                 | Nil  | Nil                              | April 13, 2018   | -                                   | -        | Transfer | 205910                                  | 2.07                             |
|         |                              |  |                                  | July 27, 2018  | 2100                                | 1.02     | Transfer | 208010                                  | 2.09                             |
|         |                              |  |                                  | August 03, 2018  | 7469                                | 3.59     | Transfer | 215479                                  | 2.17                             |
|         |                              |  |                                  | August 24, 2018  | 8092                                | 3.76     | Transfer | 223571                                  | 2.25                             |
|         |                              |  |                                  | September 14, 2018   | 30363                               | 13.58    | Transfer | 253934                                  | 2.56                             |
|         |                              |  |                                  | November 23, 2018  | -2000                               | -0.79    | Transfer | 251934                                  | 2.45                             |
|         |                              | February 01, 2019                              | -13574                           | -5.39  | Transfer                            | 238360   | 2.32     |   |                                  |
|         |                              | February 15, 2019                              | -12991                           | -5.45  | Transfer                            | 225369   | 2.19     |   |                                  |
|         |                              | At the end of the year                         |                                  |  |                                     |          | 225369   | 2.19                                    |                                  |
| 4.      | RACL Employees Welfare Trust | 3398687  | 34.22                            | -  | -                                   | -        | -        | 3398687                                 | 34.22                            |
|         |                              |  |                                  | April 11, 2018   | -281290                             | -8.27    | Transfer | 3117397                                 | 31.38                            |
|         |                              |  |                                  | April 13, 2018   | -1604110                            | -51.45   | Transfer | 1513287                                 | 15.23                            |
|         |                              |  |                                  | June 01, 2018  | -1513287                            | -100.00  | Transfer | Nil                                     | Nil                              |
|         |                              |  |                                  | March 31, 2018   |                                     |          |          | Nil                                     | Nil                              |

| Sl. No. | Name     | No. of Shares at the Beginning (April 1, 2018) | % 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 |
| 5.      | RAJ ARYA | 14827  | 0.15                             |  | -                                   | -        | -        | 14827                                   | 0.15                             |
|         |          |  |                                  | June 22, 2018  | -1861                               | -12.55   | Transfer | 12966                                   | 0.13                             |
|         |          |  |                                  | July 27, 2018  | -3929                               | -30.30   | Transfer | 9037                                    | 0.09                             |
|         |          |  |                                  | September 07, 2018   | 23999                               | 265.56   | Transfer | 33036                                   | 0.33                             |
|         |          |  |                                  | March 31, 2019   |                                     |          |          | 33036                                   | 0.33                             |
|         |          |  | At the end of the year           |  |                                     |          |          |   |                                  |

\* During the year under review, the trustees of RACL Employees Welfare Trust ("trust") have disbanded the trust and Shares held by trust as a promoter in RACL Geartech Limited ("Company") transferred to the beneficiaries of the trust and the adequate disclosures as per SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011, SEBI (Prohibition of Insider Trading) Regulations, 2015 and other applicable act(s) and regulation(s) have been made to the BSE Limited and other statutory authorities, if required.

\* Except the above mentioned changes, there is no change in shareholding of promoters during the financial year ended 31<sup>st</sup> March, 2019 and other details of shareholding of promoters provided in the above mentioned point no. (ii).

\* Mr. Dev Raj Arya is also 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, 2018) | % 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                                 | 9.73                             |
|         |                                | At the end of the year                         |                                  | March 31, 2019   |                                     |          |           | 1000000                                 | 9.73                             |
| 2.      | Raj Kumar Lohia                | 161529   | 1.63                             |  |                                     |          | No change | 161529                                  | 1.57                             |
|         |                                | At the end of the year                         |                                  | March 31, 2019   |                                     |          |           | 161529                                  | 1.57                             |
| 3.      | Satya Prakash Mittal           | Nil  | Nil                              | December 28, 2018  | -                                   | -        | Transfer  | 6279                                    | 0.06                             |
|         |                                |  |                                  | December 31, 2018  | 1654                                | 26.34    | Transfer  | 7933                                    |                                  |
|         |                                |  |                                  | January 04, 2019   | 203                                 | 2.55     | Transfer  | 8136                                    |                                  |
|         |                                |  |                                  | January 11, 2019   | 13595                               | 167.09   | Transfer  | 21731                                   |                                  |
|         |                                |  |                                  | January 18, 2019   | 5455                                | 25.10    | Transfer  | 27186                                   |                                  |
|         |                                |  |                                  | February 01, 2019  | 3266                                | 12.01    | Transfer  | 30452                                   |                                  |
|         |                                |  |                                  | February 08, 2019  | 900                                 | 2.95     | Transfer  | 31352                                   |                                  |
|         |                                |  |                                  | February 15, 2019  | 2769                                | 8.83     | Transfer  | 34121                                   |                                  |
|         |                                |  |                                  | February 22, 2019  | 13428                               | 39.35    | Transfer  | 47549                                   |                                  |
|         |                                |  |                                  | March 01, 2019   | 20095                               | 42.26    | Transfer  | 67644                                   |                                  |
|         |                                |  |                                  | March 08, 2019   | 3469                                | 5.17     | Transfer  | 71113                                   |                                  |
|         |                                |  |                                  | March 15, 2019   | 9122                                | 12.82    | Transfer  | 80235                                   |                                  |
|         |                                |  |                                  | March 22, 2019   | 8774                                | 10.93    | Transfer  | 89009                                   |                                  |
|         |                                |  |                                  | March 29, 2019   | 5860                                | 6.58     | Transfer  | 94869                                   | 0.92                             |
|         |                                |  |                                  | March 31, 2019   |                                     |          |           | 94869                                   | 0.92                             |
| 4.      | Camel foods Private Limited    | Nil  | Nil                              | May 05, 2018   | -                                   | -        | Transfer  | 644                                     | 0.006                            |
|         |                                |  |                                  | May 25, 2018   | 2390                                | 371.11   | Transfer  | 3034                                    | 0.03                             |
|         |                                |  |                                  | August 17, 2018  | 13106                               | 431.97   | Transfer  | 16140                                   | 0.16                             |
|         |                                |  |                                  | August 24, 2018  | 714                                 | 4.42     | Transfer  | 16854                                   | 0.17                             |
|         |                                |  |                                  | September 07, 2018   | 1513                                | 8.97     | Transfer  | 18367                                   | 0.18                             |
|         |                                |  |                                  | September 28, 2018   | 10121                               | 55.10    | Transfer  | 28488                                   | 0.28                             |
|         |                                |  |                                  | October 05, 2018   | 8046                                | 22.02    | Transfer  | 36534                                   | 0.37                             |

| Sl. No. | Name                          | No. of Shares at the beginning (April 1, 2018) | % 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 |
|         |                               |  |                                  | October 12, 2018   | -3597                               | -9.84    | Transfer | 32937                                   | 0.32                             |
|         |                               |  |                                  | October 19, 2018   | -3139                               | -9.53    | Transfer | 29798                                   | 0.29                             |
|         |                               |  |                                  | October 26, 2018   | 4490                                | 13.09    | Transfer | 34288                                   | 0.33                             |
|         |                               |  |                                  | November 16, 2018  | -50                                 | 0.14     | Transfer | 34238                                   | 0.33                             |
|         |                               |  |                                  | November 23, 2018  | 16982                               | 49.59    | Transfer | 51220                                   | 0.50                             |
|         |                               |  |                                  | November 30, 2018  | 2081                                | 4.62     | Transfer | 53301                                   | 0.52                             |
|         |                               |  |                                  | December 07, 2018  | 1411                                | 2.64     | Transfer | 54712                                   | 0.53                             |
|         |                               |  |                                  | January 11, 2019   | -5000                               | -9.13    | Transfer | 49712                                   | 0.48                             |
|         |                               |  |                                  | January 25, 2019   | -3378                               | -6.79    | Transfer | 46334                                   | 0.45                             |
|         |                               |  |                                  | March 01, 2019   | -5392                               | -11.63   | Transfer | 40942                                   | 0.40                             |
|         |                               |  |                                  | March 31, 2019   |                                     |          |          | 40942                                   | 0.40                             |
|         |                               | At the end of the year                         |                                  |  |                                     |          |          |   |                                  |
| 5.      | SMC Global Securities Limited | 19584  | 0.19                             |  |                                     |          |          | 19584                                   | 0.19                             |
|         |                               |  |                                  | April 06, 2018   | -50                                 | -0.26    | Transfer | 19534                                   | 0.20                             |
|         |                               |  |                                  | April 13, 2018   | 30                                  | 0.15     | Transfer | 19564                                   | 0.20                             |
|         |                               |  |                                  | April 20, 2018   | -100                                | -0.51    | Transfer | 19464                                   | 0.20                             |
|         |                               |  |                                  | April 27, 2018   | -60                                 | -0.31    | Transfer | 19404                                   | 0.20                             |
|         |                               |  |                                  | May 04, 2018   | 50                                  | 0.26     | Transfer | 19454                                   | 0.20                             |
|         |                               |  |                                  | May 11, 2018   | 1600                                | 8.22     | Transfer | 21054                                   | 0.21                             |
|         |                               |  |                                  | May 18, 2018   | -90                                 | -0.43    | Transfer | 20964                                   | 0.21                             |
|         |                               |  |                                  | May 25, 2018   | -155                                | -0.74    | Transfer | 20809                                   | 0.21                             |
|         |                               |  |                                  | June 15, 2018  | 1                                   | 0.00     | Transfer | 20810                                   | 0.21                             |
|         |                               |  |                                  | June 22, 2018  | 5699                                | 27.39    | Transfer | 26509                                   | 0.27                             |
|         |                               |  |                                  | July 06, 2018  | 200                                 | 0.75     | Transfer | 26709                                   | 0.27                             |
|         |                               |  |                                  | July 13, 2018  | 350                                 | 1.31     | Transfer | 27059                                   | 0.27                             |
|         |                               |  |                                  | July 27, 2018  | 925                                 | 3.42     | Transfer | 27984                                   | 0.28                             |
|         |                               |  |                                  | August 03, 2018  | 12419                               | 44.38    | Transfer | 40403                                   | 0.41                             |



| Sl. No. | Name | No. of Shares at the beginning (April 1, 2018) | % 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 |
|         |      |  |                                  | August 10, 2018  | -2373                               | -5.87    | Transfer | 38030                                   | 0.38                             |
|         |      |  |                                  | August 17, 2018  | 414                                 | 1.09     | Transfer | 38444                                   | 0.39                             |
|         |      |  |                                  | August 24, 2018  | -8092                               | -21.05   | Transfer | 30352                                   | 0.31                             |
|         |      |  |                                  | August 31, 2018  | 832                                 | 2.74     | Transfer | 31184                                   | 0.31                             |
|         |      |  |                                  | September 07, 2018   | -25246                              | -80.96   | Transfer | 5938                                    | 0.06                             |
|         |      |  |                                  | September 14, 2018   | -270                                | -4.55    | Transfer | 5668                                    | 0.06                             |
|         |      |  |                                  | September 18, 2018   | -815                                | -14.38   | Transfer | 4853                                    | 0.05                             |
|         |      |  |                                  | September 21, 2018   | 5                                   | 0.10     | Transfer | 4858                                    | 0.05                             |
|         |      |  |                                  | September 28, 2018   | 20                                  | 0.41     | Transfer | 4878                                    | 0.05                             |
|         |      |  |                                  | October 05, 2018   | -999                                | -20.48   | Transfer | 3879                                    | 0.04                             |
|         |      |  |                                  | October 12, 2018   | -20                                 | -0.52    | Transfer | 3859                                    | 0.04                             |
|         |      |  |                                  | November 09, 2018  | -525                                | -13.60   | Transfer | 3334                                    | 0.03                             |
|         |      |  |                                  | November 16, 2018  | -100                                | -3.00    | Transfer | 3234                                    | 0.03                             |
|         |      |  |                                  | November 23, 2018  | -5                                  | -0.15    | Transfer | 3229                                    | 0.03                             |
|         |      |  |                                  | November 30, 2018  | -660                                | -20.44   | Transfer | 2569                                    | 0.02                             |
|         |      |  |                                  | December 07, 2018  | -150                                | -5.84    | Transfer | 2419                                    | 0.02                             |
|         |      |  |                                  | December 14, 2018  | 100                                 | 4.13     | Transfer | 2519                                    | 0.02                             |
|         |      |  |                                  | December 21, 2018  | 2                                   | 0.08     | Transfer | 2521                                    | 0.02                             |
|         |      |  |                                  | December 28, 2018  | -202                                | -8.01    | Transfer | 2319                                    | 0.02                             |
|         |      |  |                                  | January 04, 2019   | -944                                | -40.71   | Transfer | 1375                                    | 0.01                             |
|         |      |  |                                  | January 11, 2019   | 119                                 | 8.65     | Transfer | 1494                                    | 0.01                             |
|         |      |  |                                  | January 25, 2019   | 90                                  | 6.02     | Transfer | 1584                                    | 0.02                             |
|         |      |  |                                  | February 01, 2019  | 31735                               | 2003.47  | Transfer | 33319                                   | 0.32                             |
|         |      |  |                                  | February 08, 2019  | 17574                               | 52.74    | Transfer | 50893                                   | 0.49                             |
|         |      |  |                                  | February 15, 2019  | 12991                               | 25.53    | Transfer | 63884                                   | 0.62                             |
|         |      |  |                                  | March 01, 2019   | -1000                               | -1.57    | Transfer | 62884                                   | 0.61                             |
|         |      |  |                                  | March 08, 2019   | -13291                              | -21.14   | Transfer | 49593                                   | 0.48                             |
|         |      |  |                                  | March 15, 2019   | 3500                                | 7.06     | Transfer | 53093                                   | 0.52                             |
|         |      |  |                                  | March 22, 2019   | -7200                               | -13.56   | Transfer | 45893                                   | 0.45                             |

| Sl. No. | Name                              | No. of Shares at the beginning (April 1, 2018) | % 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 |
|         |                                   |  |                                  | March 29, 2019   | -4612                               | -10.05   | Transfer  | 41281                                   | 0.40                             |
|         |                                   |  |                                  | March 30, 2019   | -1921                               | -4.65    | Transfer  | 39360                                   | 0.38                             |
|         |                                   | At the end of the year                         |                                  | March 31, 2019   |                                     |          |           | 39360                                   | 0.38                             |
| 6.      | Om Prakash Chugh                  | 32000  | 0.32                             |  |                                     |          |           | 32000                                   | 0.32                             |
|         |                                   |  |                                  | April 27, 2018   | 886                                 | 2.77     | Transfer  | 32886                                   | 0.33                             |
|         |                                   |  |                                  | September 07, 2018   | 4024                                | 12.24    | Transfer  | 36910                                   | 0.37                             |
|         |                                   |  |                                  | September 07, 2018   | 750                                 | 2.03     | Transfer  | 37660                                   | 0.38                             |
|         |                                   | At the end of the year                         |                                  | March 31, 2019   |                                     |          |           | 37660                                   | 0.37                             |
| 7.      | Integrated Financial              | 35000  | 0.35                             |  |                                     |          | No change | 35000                                   | 0.35                             |
|         |                                   | At the end of the year                         |                                  | March 31, 2019   |                                     |          |           | 35000                                   | 0.34                             |
|         |                                   |  |                                  |  |                                     |          |           |   |                                  |
| 8.      | Raj Kumar Lohia                   | 24678  | 0.25                             |  |                                     |          |           | 24678                                   | 0.25                             |
|         |                                   |  |                                  | October 05, 2018   | 6775                                |          | Transfer  | 31453                                   | 0.31                             |
|         |                                   | At the end of the year                         |                                  | March 31, 2019   |                                     |          |           | 31453                                   | 0.31                             |
| 9.      | Trupti Uday Merchant              | 30000  | 0.30                             |  |                                     |          | No change | 30000                                   | 0.30                             |
|         |                                   | At the end of the year                         |                                  | March 31, 2019   |                                     |          |           | 30000                                   | 0.30                             |
|         |                                   |  |                                  |  |                                     |          |           |   |                                  |
| 10.     | Rajiv Kumar Goel                  | Nil  | Nil                              | November 11, 2018  |                                     |          |           | 26488                                   | 0.27                             |
|         |                                   | At the end of the year                         |                                  | March 31, 2019   |                                     |          |           | 26488                                   | 0.27                             |
|         |                                   |  |                                  |  |                                     |          |           |   |                                  |
| 11.     | Manish Kumar Mansukhbhai Suhagiya | 23335  | 0.23                             |  |                                     |          |           | 23335                                   | 0.23                             |
|         |                                   |  |                                  | February 01, 2019  | -5                                  | -0.02    | Transfer  | 23330                                   | 0.23                             |
|         |                                   | At the end of the year                         |                                  | March 31, 2019   |                                     |          |           | 23330                                   | 0.23                             |
|         |                                   |  |                                  |  |                                     |          |           |   |                                  |

| Sl. No. | Name              | No. of Shares at the beginning (April 1, 2018) | % 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 |
| 12.     | Reshma Vipul Shah | 24500  | 0.24                             |  |                                     |          |          | 24500                                   | 0.24                             |
|         |                   |  |                                  | April 13, 2018   | -750                                | -3.06    | Transfer | 23750                                   | 0.24                             |
|         |                   |  |                                  | April 20, 2018   | -1250                               | -5.26    | Transfer | 22500                                   | 0.23                             |
|         |                   |  |                                  | April 27, 2018   | -2750                               | -12.22   | Transfer | 19750                                   | 0.20                             |
|         |                   |  |                                  | May 11, 2018   | -5250                               | -26.58   | Transfer | 14500                                   | 0.15                             |
|         |                   |  |                                  | May 25, 2018   | -3500                               | -24.14   | Transfer | 11000                                   | 0.11                             |
|         |                   |  |                                  | June 01, 2018  | -1000                               | -9.09    | Transfer | 10000                                   | 0.10                             |
|         |                   |  |                                  | June 22, 2018  | -2500                               | -25.00   | Transfer | 7500                                    | 0.08                             |
|         |                   |  |                                  | June 29, 2018  | -1500                               | -20.00   | Transfer | 6000                                    | 0.06                             |
|         |                   |  |                                  | March 15, 2019   | -4000                               | -66.67   | Transfer | 2000                                    | 0.02                             |
|         |                   |  |                                  | March 31, 2019   |                                     |          |          | 2000                                    | 0.02                             |
|         |                   | At the end of the year                         |                                  |  |                                     |          |          |   |                                  |

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

| Sl. No. | Name                                      | No. of Shares at the beginning<br>(April 1, 2018) | % 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<br>(Director and KMP) | 124202  | 1.25                             | -  | -                                   | -        | -        | 124202                                  | 1.25                             |
|         |   |   |                                  | April 13, 2018                             | 1398200                             | 1125.75  | Transfer | 1522402                                 | 15.33                            |
|         |   |   |                                  | June 01, 2018                              | 1513287                             | 99.40    | Transfer | 3035689                                 | 30.57                            |
|         |   |   |                                  | July 27, 2018                              | 5000                                | 0.16     | Transfer | 3040689                                 | 30.62                            |
|         |   |   |                                  | Sep 07, 2018                               | 38408                               | 1.26     | Transfer | 3079097                                 | 31.00                            |
|         |   |   |                                  | Dec 14, 2018                               | 350000                              | 11.37    | Transfer | 3429097                                 | 33.35                            |
|         |   | At the end of the year                            |                                  | March 31, 2019                             |                                     |          |          | 3429097                                 | 33.35                            |
|         |   |   |                                  |  |                                     |          |          |   |                                  |
| 2.      | Mrs. Narinder Paul Kaur<br>(Director)     | 14884   | 0.14                             | -  | -                                   | -        | -        | 14884                                   | 0.14                             |
|         |   |   |                                  | June 15, 2018                              | 100                                 | 0.67     | Transfer | 14984                                   | 0.15                             |
|         |   |   |                                  | July 27, 2018                              | -10265                              | -68.51   | Transfer | 4719                                    | 0.05                             |
|         |   |   |                                  | August 03, 2018                            | 1110                                | 23.52    | Transfer | 5829                                    | 0.06                             |
|         |   |   |                                  | August 10, 2018                            | 12965                               | 222.42   | Transfer | 18794                                   | 0.19                             |
|         |   |   |                                  | Oct 05, 2018                               | 1000                                | 5.32     | Transfer | 19794                                   | 0.19                             |
|         |   | At the end of the year                            |                                  | March 31, 2019                             |                                     |          |          | 19794                                   | 0.19                             |
|         |   |   |                                  |  |                                     |          |          |   |                                  |
| 3.      | Dev Raj Arya<br>(Director and KMP)        | Nil   | Nil                              | April 13, 2018                             | -                                   | -        | Transfer | 205910                                  | 2.07                             |
|         |   |   |                                  | July 27, 2018                              | 2100                                | 1.02     | Transfer | 208010                                  | 2.09                             |
|         |   |   |                                  | August 03, 2018                            | 7469                                | 3.59     | Transfer | 215479                                  | 2.17                             |
|         |   |   |                                  | August 24, 2018                            | 8092                                | 3.76     | Transfer | 223571                                  | 2.25                             |
|         |   |   |                                  | Sep 14, 2018                               | 30363                               | 13.58    | Transfer | 253934                                  | 2.56                             |
|         |   |   |                                  | Nov 23, 2018                               | -2000                               | -0.79    | Transfer | 251934                                  | 2.45                             |
|         |   |   |                                  | Feb 01, 2019                               | -13574                              | -5.39    | Transfer | 238360                                  | 2.32                             |
|         |   |   |                                  | Feb 15, 2019                               | -12991                              | -5.45    | Transfer | 225369                                  | 2.19                             |
|         |   | At the end of the year                            |                                  | March 31, 2019                             |                                     |          |          | 225369                                  | 2.19                             |
|         |   |   |                                  |  |                                     |          |          |   |                                  |
| 4.      | Mr. Anil Sharma<br>(Director)             | Nil   | Nil                              | May 11, 2018                               | -                                   | -        | -        | 15000                                   | 0.15                             |
|         |   | At the end of the year                            |                                  | March 31, 2019                             |                                     |          |          | 15000                                   | 0.15                             |

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

\* Mr. Dev Raj Arya is also joint holder in demat account with Mrs. Raj Arya, details of the same provided in the above mentioned point no. (ii) i.e. shareholding of promoters.

## V. INDEBTEDNESS

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

(Rs. in lakhs)

|   | Secured Loans<br>excluding deposits | Unsecured<br>Loans | Deposits | Total<br>Indebtedness |
|---|-------------------------------------|--------------------|----------|-----------------------|
| Indebtedness at the beginning of the financial year on 01.04.2018 |                                     |                    |          |                       |
| i. Principal Amount   | 1343                                | 542                | -        | 1885                  |
| ii. Interest due but not paid                                     | -                                   | -                  | -        | -                     |
| iii. Interest accrued but not due                                 | 4                                   | 1                  | -        | 5                     |
| <b>Total (i+ii+iii)</b>   | <b>1347</b>                         | <b>543</b>         | <b>-</b> | <b>1890</b>           |
| Change in Indebtedness during the financial year                  |                                     |                    |          |                       |
| • Addition  | 2538.34                             | 531.27             | -        | 3069.61               |
| • Reduction   | 522.10                              | 145.42             | -        | 667.52                |
| <b>Net Change</b>   | <b>2016.24</b>                      | <b>385.85</b>      | <b>-</b> | <b>2402.09</b>        |
| Indebtedness at the end of the financial year on 31.03.2019       |                                     |                    |          |                       |
| i. Principal Amount   | 3363.24                             | 928.85             | -        | 4292.09               |
| ii. Interest due but not paid                                     | -                                   | -                  | -        | -                     |
| iii. Interest accrued but not due                                 | 0.32                                | 0.31               | -        | 0.63                  |
| <b>Total (i+ii+iii)</b>   | <b>3363.56</b>                      | <b>929.16</b>      | <b>-</b> | <b>4292.72</b>        |

\*Excluding working capital limits.

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. in Lakhs)

| S. No.    | Particulars of Remuneration   | Name of the MD/WTD/Manager                             |  | Total Amount  |
|-----------|---|--|--|---------------|
|           |   | Mr. Gursharan Singh<br>Chairman & Managing<br>Director | Mr. Dev Raj Arya<br>Whole-Time Director &<br>CFO |               |
| 1         | Gross salary  |  |  |               |
|           | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 81.81  | 46.29  | 128.10        |
|           | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961: Medical                    | 2.00   | 1.25   | 3.25          |
|           | LTA   | 2.00   | 1.25   | 3.25          |
|           | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | -  | -  | -             |
| 2.        | Stock Option  | -  | -  | -             |
| 3.        | Sweat Equity  | -  | -  | -             |
| 4.        | Commission*<br>-as % of profit<br>-others, specify                                  | 24.21  | -  | 24.21         |
| 5.        | Others, (Retiral Benefits)  | -  | -  | -             |
| <b>6.</b> | <b>Total(A)</b>   | <b>110.02</b>  | <b>48.79</b>                                     | <b>158.81</b> |

**B. Remuneration to Other Directors:**

| S. No.                                   | Particulars of Remuneration                 | Name of the Director             |                             |                          |                                      | Total amount        |
|--|---|----------------------------------|-----------------------------|--------------------------|--------------------------------------|---------------------|
| <b>(1) Independent Directors</b>         |   | <b>Mr. Anil Sharma</b>           | <b>Mr. Raj Kumar Kapoor</b> | <b>Mr. Rakesh Kapoor</b> | <b>Mr. Shashank Ramesh Anikhindi</b> |                     |
|  | Fee for attending Board/commit-tee meetings | 1.65                             | 0.75                        | 3.85                     | 1.50                                 | 7.75                |
|  | Commission                                  | -                                | -                           | -                        |                                      | -                   |
|  | Others, please                              | -                                | -                           | -                        |                                      | -                   |
|  | <b>Total(1)</b>                             | <b>1.65</b>                      | <b>0.75</b>                 | <b>3.85</b>              | <b>1.50</b>                          | <b>7.75</b>         |
| <b>(2) Other Non-Executive Directors</b> |   |                                  |                             |                          |                                      |                     |
|  |   | <b>Mrs. Narinder Paul Kaur *</b> |                             |                          |                                      | <b>Total amount</b> |
|  | Fee for attending Board/committee meetings  | 0.90                             |                             |                          |                                      | 0.90                |
|  | Commission                                  | -                                |                             |                          |                                      | -                   |
|  | Others, please specify retainership fees)   | 13.20                            |                             |                          |                                      | 13.20               |
|  | <b>Total (2)</b>                            | <b>14.10</b>                     |                             |                          |                                      | <b>14.10</b>        |
|  | <b>Total (B)=(1+2)</b>                      |                                  |                             |                          |                                      | <b>21.85</b>        |
|  | <b>Total Managerial Remuneration (A+B)</b>  |                                  |                             |                          |                                      | <b>180.66</b>       |

\*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 |
|--------------|---|--------------------------|--------------|
|              |   | <b>Mr. Hitesh Kumar</b>  |              |
| 1.           | Gross salary  |                          |              |
|              | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 6.45                     |              |
|              | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961:                            |                          |              |
|              | Medical   | 0.15                     |              |
|              | LTA   | 0.15                     | 6.75         |
|              | (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  | -                        | -            |
| <b>Total</b> |   | <b>6.75</b>              | <b>6.75</b>  |



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

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

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

**Place: Noida  
Date: 09<sup>th</sup> August, 2019**

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

**Regd. Office: 15<sup>th</sup> Floor, Eros Corporate Tower,  
Nehru Place, New Delhi-110019, INDIA  
Ph.: +91-11-66155129  
e-Mail - [investor@raclgeartech.com](mailto:investor@raclgeartech.com)**

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## **“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 wastage from measuring Air Gauge units was very high. Hence, Air Gauge operation controlled in auto cycle. Thus reducing compressed air usage.

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

Old conventional (HPMV and Sodium) lights have been replaced in Heat treatment shop, Forging shop and Flood lights of the company by LED lights in financial year 2018-2019, which finally resulted into a saving of over 05 lakhs per year.

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

Rs. 8,50,000/- (Rupees Eight lakh fifty thousand)

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

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

- Gear generation grinding Technology has been commissioned, thus enabling the company towards providing advance manufacturing solution to customers.
- Conventional external recuperators burner have been replaced with upgraded technology NOXMAT self recuperator burner in Sealed Quench Furnace.

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

- Substantial saving by import substitution. A total 56 sets of hobbing fixtures manufactured in house, substitutes for Japanese make fixtures, saving around US \$ 2,50,000.
- Import substitution of Sunnen USA make bore honing sticks, with Indian make. Saved around US \$ 12500 PER ANNUM.
- Increased use of dry hobbing Process, running without cutting oil, saved on oil consumption, as well as helping towards fumeless & healthy environment.
- Ultrasonic cleaning introduced for washing of components prior to Nitriding process, thereby discontinuing use of hazardous chemical substances used earlier & improved cleaning quality.

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

- The details of technology imported :-** As stated above Gear Grinding Machine from KAPP NILES – Germany and Laser Welding Machine from TRUMPF – Germany.
- Year of import : 2018
- 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. | 10986.88 | lakh |
| • Foreign Exchange outgo (in terms of actual outflow) | : Rs. | 2765.57  | lakh |

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

**Sd/-**

**Gursharan Singh  
Chairman and Managing Director**

**Place: Noida**

**Date: 9<sup>th</sup> August, 2019**

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

**Ph.: +91-11-66155129 | e-Mail - [investor@raclegeartech.com](mailto:investor@raclegeartech.com)**

## “ANNEXURE F” TO THE DIRECTORS’ REPORT

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2018-19

|    |   |  |
|----|---|--|
| 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<br><br><u>Corporate Social Responsibility Policy (‘CSR Policy’)</u>  |
| 2. | Composition of the CSR Committee  | Mr. Raj Kumar Kapoor : Independent Director-Chairman<br>Mrs. Narinder Paul Kaur : Non-Executive Non-Independent Director-Member<br>Mr. Dev Raj Arya : Whole-time Director & CFO-Member   |
| 3. | Average net profit of the Company for last three financial years  | Rs. 594.83 Lakh  |
| 4. | Prescribed CSR expenditure (2% of the amount as in item 3 above)  | Rs. 11.90 Lakh   |
| 5. | <b>Details of CSR spent during the financial year</b>   |  |
|    | (a) Total amount to be spent for the financial year   | Rs. 21.05 lakh<br><br><i>(Rs. 11.90 lakh for current financial year 2018-19 and Rs. 9.15 lakh unspent amount of last financial year 2017-18)</i>   |
|    | (b) Amount unspent, if any  | Rs. 8.67 Lakh  |
|    | (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 were under the infancy stage and have been partially implemented in the financial year 2018-19 and these projects will be implemented on larger scale in the current financial year i.e. 2019-20.<br><br>The unspent amount of Rs 8.67 Lakh of financial year 2018-19 will be incurred in the current financial year 2019-20.   |
| 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 2018 - 19

Rs. in Lakh

| 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.  | -   | 9.21  | -          | -  | Direct   |
| 2.                       | Eradicating Hunger                  | Clause(i) Eradicating Hunger           | Gajraula, U.P.  | -   | 1.72  | -          | -  | Direct   |
| 3.                       | Empowering Women                    | Clause(iii) Empowering Women           | Noida, U.P .  | -   | 0.65  | -          | -  | Direct   |
| 4.                       | Eradicating poverty                 | Clause(i) Eradicating poverty          | Noida, U.P. and Gajraula, U.P.  | -   | 0.38  | -          | -  | Direct   |
| 5.                       | Sanitation                          | Clause(i) Sanitation                   | Gajraula, U.P.  | -   | 0.41  | -          | -  | Direct   |
| <b>Total Expenditure</b> |                                     |  |   | -   | <b>12.37</b>  | -          | -  | -  |

For and on behalf of the Board  
For RACL Geartech Limited

Place: Noida  
Date: 09<sup>th</sup> August, 2019

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

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

Regd. Office: 15<sup>th</sup> Floor, Eros Corporate Tower,  
Nehru Place, New Delhi-110019, INDIA  
Ph.: +91-11-66155129  
e-Mail - [investor@raclgeartech.com](mailto:investor@raclgeartech.com)

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

### **Form No. MR-3 SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> March, 2019

[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] and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,  
**The Members,**  
**RACL Geartech Limited**  
**15<sup>th</sup> 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 31<sup>st</sup> March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by RACL Geartech Limited for the period ended on 31<sup>st</sup> March, 2019 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, 1992;
  - 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;
  - e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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. The Micro, Small and Medium Enterprise Development Act, (MSMED) 2006
- IX. 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 and the Listing agreement entered by the Company with the Stock Exchange i.e. BSE Limited.

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), if any.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance as per the Provisions of the applicable act(s) and standard(s) 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.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were Unanimous and no dissenting views has been recorded.

**We Further Report that during the Audit Period:**

- a. The Company has issued and allotted 3,50,000 equity shares of the face value of Rs. 10/- each on preferential allotment basis through private placement, at a price of Rs. 67.50/- (including a premium of Rs. 57.50/-) per Equity Share to Mr. Gursharan Singh, Chairman & Managing Director of the Company, as per the provisions of Section 42 and 62 of the Companies Act, 2013, The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or as amended from time to time, SEBI (Listing Obligations and Disclosure Requirements) 2015 and any other applicable act(s) or regulation(s), if any, to the extent applicable on the Company.
- b. RACL Geartech Limited has recently incorporated its wholly owned subsidiary company i.e. RACL Geartech GmbH, at Austria. However, the Company still does not have a trade license approval for any business activity, hence it's not active or not carried any business activity.

**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.

**Place: New Delhi**  
**Date: 08.07.2019**

**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**  
15<sup>th</sup> 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: 08.07.2019

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, 2019)

| 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 material contracts or arrangements or transactions at arm's length basis (as on March 31, 2019)

| 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: 09<sup>th</sup> August, 2019**

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

**Regd. Office: 15<sup>th</sup> Floor, Eros Corporate Tower,  
Nehru Place, New Delhi-110019, INDIA  
Ph.: +91-11-66155129,  
e-Mail - [investor@raclgeartech.com](mailto:investor@raclgeartech.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.

In 2019 our main aim is to come up with products and solutions which help maximize the reach of India's as well as global manufacturing companies. Few of the steps are as under:

- Availability of raw material in its totality.
- Value enhancement to machines.
- Cost effectiveness to production environment.
- Unexpected failures best managed.
- Increasing customer condense.
- Delivering maximum output.

Since the introduction of the smart phone, it has become clear that customers are quick to adopt even highly complex and expensive technology if it makes their lives easier. In other word, users value convenience and ease. These core values turned the automobile into the defining technical cultural item of the 20<sup>th</sup> century. Now it is time to translate these properties into the context of today's and tomorrow's technology and society.

The automotive industry has the opportunity to shape this fundamental restructuring. When devising strategies and business models, companies should not only consider direct product purchasers but all users and groups affected by transport issues. The automobile has long since changed from a technical to a social commodity, it guarantees our personal mobility and social participation, shape our cities.

Furthermore, India's manufacturing industry has witnessed significant growth owing to multiple government policies and overall push to boost manufacturing in the country. Government of India's Make in India programme has not only given an impetus to domestic player, but also attracted a lot of foreign platform as a hub for manufacturing and this will grow significantly.

With the above 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 2018-19 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**

The Indian automotive industry is seeing significant transformation with respect to its sustainable growth and profitability. The industry is crucial for the economy as it accounts for the economy for 7.1% of the country's Gross Domestic Product (GDP) and as per Automotive Mission Plan (AMP) 2016-26, its contribution is projected to increase to 12%. India is expected to emerge as the world's third largest passenger vehicle market by 2021.

There are a number of key trends that are shaping the industry today, which are expected to have a significant bearing on its ability to realize the objectives of the AMP. In addition to automation of various processes to meet these goals, the sector is also expected to generate additional direct and indirect jobs.

Currently, India's automotive industry is at an inflexion point and is witnessing five megatrends that are expected to transform the industry in a big way:

#### **a) Rapidly evolving customer expectations.**

- Changing customer persons.
- High level of product awareness.
- Digitally savvy.
- Surge in corporate customers.

#### **b) Disruptive impact of technology.**

- Rapid adoption of technology in vehicles, industry supply chain and business models.
- Disruption through innovative products and services (e.g. shared mobility).

#### **c) Dynamic regulatory environment.**

- Regular but uncertain regulatory interventions (GST, shift from BS IV to BS VI, CAFÉ norms, ABS for two-wheelers, higher axle loads in CVs etc.)
- Increasing investments in regulatory compliance by industry players.

#### **d) Changing face of mobility infrastructure**

- Efforts to enable electric vehicle infrastructure.
- Investment in roads and highways.
- Shared mobility as an alternative
- Smart cities.

#### **e) Globally interconnect & Industry.**

- Indian companies going global
- Next wave of investments from global companies
- Shift in economic power to countries such as India.

In overall the industry has never witnessed this magnitude of multi-dimensional change till now.

**b) OPPORTUNITIES & THREATS :**

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

- a) Rise in middle class income and young population may result in strong growth.
- b) India is expected to become a leader in shared mobility by 2030, providing opportunities for electric and autonomous vehicles. Global market opportunity itself is the ultimate opportunity provided by auto industry.
- c) Shifting focus towards electric cars can also provide opportunities in the sector.
- d) India also has a significant cost advantage that attracts investment in the sector.
- e) The Government aims to develop India as a global manufacturing centre. The Government has also come up with reforms like GST and changes in FDI policies to boost the growth in the sector.
- f) Leverage on product engineering expertise to improve the worthiness and exports of auto components.
- g) 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.
- h) 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.

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

- a) Vulnerabilities introduced through lack of manufacturer attention or expertise, combined with competitive pressures and growing product and service complexity.
- b) No software code is 100% bug free – and where there are bugs there can be exploits, Further, with software being written by different developers, installed by different suppliers, and often reporting back to different management platforms, no one player will have visibility of, let alone control over, all of a vehicle's source code.
- c) Connected vehicles will generate and process ever more data – about the vehicle, but also about journeys and even personal data on the occupants – this will be of growing appeal to attackers looking to sell the data on the black market or to use it for extortion and blackmail.
- d) Further, lawmakers will come up with requirements and recommendations for making cyber security a mandatory part of all connected vehicles.
- e) Low investment in Research and Development and Limited knowledge of product liability and offshore warranty handling.
- f) Comparatively poor infrastructure for supply chain and exports.
- g) 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.
- h) Growth rate of Automobile industry is the 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 lead to lesser demand of automotive components.

**c) Segment-wise performance**

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

#### **d) Outlook**

The World Economic Forum which assesses the manufacturing capabilities of more than 100 countries, ranks India within 100 countries on the global manufacturing Index.

The Government's "Make in India" initiative has played an important role in elevating country's position. In the past three to four years, India improved on nine out of ten parameters for ease of doing business.

Although there is still a long way to go before India becomes a leader in the manufacturing arena, companies in the automotive sector are embracing this opportunity to leverage India as a hub for low-cost, high-quality products.

#### **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 on quarterly basis. 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 2018-19, the company achieved an overall income of Rs. 190.96 crore from operations as compared to Rs. 140.11 crore in 2017-18. The company achieved an operating profit of Rs. 17.34 crore (PBT) as compared to Rs. 8.64 crore (PBT) in last year. The company has made a provision of Rs. 7.57 crore on account of Income Tax / Deferred Tax Liabilities.

The company has MAT credit of Rs. 0.94 crore which shall be utilized/ adjusted for payment of Income Tax in future. Company has a Reserve & Surplus of Rs. 56.19 crore as on 31.03.2019 as compared to Rs. 44.74 crore 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 TVS Motors in terms of new customers in the financial year 2018-19. 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 54.10 % from Rs. 71.30 crore in financial year 2017-18 to Rs. 109.87 crore in financial year 2018-19.

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 31<sup>st</sup> March, 2019 was 478.

## **i) Details of Significant changes in Key financial ratios along with explanation**

In compliance with the requirement of Listing regulations, the key financial ratios along with explanation for significant changes (i.e. changes of 25% or more as compared to the immediately preceding financial year) has been provided hereunder:

| S. No. | Particulars             | Unit of Measure | 2018-19 | 2017-18 |
|--------|-------------------------|-----------------|---------|---------|
| 1.     | Debtors Turnover        | Times           | 4.15    | 3.82    |
| 2.     | Inventory Turnover      | Times           | 5.28    | 4.22    |
| 3.     | Interest Coverage Ratio | Ratio           | 5.18    | 3.14    |

|    |                                     |       |       |       |
|----|-------------------------------------|-------|-------|-------|
| 4. | Current Ratio                       | Ratio | 1.18  | 1.11  |
| 5. | Debt Equity Ratio                   | Ratio | 1.27  | 1.20  |
| 6. | Operating Profit Margin i.e. EBITDA | %     | 16.60 | 13.80 |
| 7. | Net Profit Margin                   | %     | 4.96  | 5.15  |
| 8. | Return on Net worth                 | %     | 14.19 | 13.20 |

It may be kindly observed that there is improvement in the performance of the company, which is being reflected in the above ratios except the debt equity ratio, which has been inconsistent due to increase in volume of business.

### Disclosure of Accounting Treatment

In the preparation of financial statements, the company has followed the applicable Accounting Standards i.e. Indian Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable and other applicable act(s) and regulation(s).

### 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: 09<sup>th</sup> August, 2019**

**Regd. Office: 15<sup>th</sup> Floor, Eros Corporate Tower,  
Nehru Place, New Delhi-110019, INDIA  
Ph.: +91-11-66155129  
e-Mail - [investor@raclgeartech.com](mailto:investor@raclgeartech.com)**

## REPORT ON CORPORATE GOVERNANCE

In terms of Regulation 34 (3) read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter also referred to as "Listing Regulations"], this Report along with the 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

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

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

### Board of Directors

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

#### A. Composition of the Board

The strength of the Board of Directors as on 31.03.2019 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.

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

##### 1. Mr. Dev Raj Arya, Whole time Director (DIN: 00057582),

[Reappointment of Mr. Dev Raj Arya as Whole time director & CFO and director retiring by rotation]

Mr. Dev Raj Arya aged 68 years is a professionally qualified person and he is LL.B., Company Secretary, M.A. in Economics, Cost Accountant. He has served in various Public Limited companies at various senior Executive levels, having an experience of 41 years in different fields and specialized knowledge in the field of Finance, Accounts, Costing and Secretarial and has undertaken various challenges and responsibilities under different capacities.

Mr. Dev Raj Arya is a Key Managerial person in terms of Section 203 of the Companies Act, 2013.

At present, he is only on the Board of RACL Geartech Limited and he holds 225369 equity shares in the Company as on 31<sup>st</sup> March, 2019.

Except Mr. Dev Raj Arya himself, 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 proposed re-appointment.

##### 2. Mr. Anil Sharma (DIN: 00157911) - Independent Director

Mr. Anil Sharma aged about 71 years is an Engineering Graduate, BE (Electrical), from University of Roorkee, having Post Graduate Diploma in Management from All India Management Association, New Delhi. Mr. Anil Sharma has retired as General Manager of PICUP, a state Level Industrial & Development Corporation. He has a wide experience of more than 37 years of project development, implementation and

follow-up in different segments of industry particularly in Automotive Components and Tele communication sectors. As on date he has been holding office of Independent Director on the Board of Directors of the Company and he is also a Member of Audit Committee and Nomination and Remuneration Committee of the Company.

At present, he is only on the Board of RACL Geartech Limited and he holds 15000 equity shares in the Company as on 09<sup>th</sup> August, 2019.

Except Mr. Anil Sharma himself, 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 proposed re-appointment.

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

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

| Sl. No. | Name of Director                                | Category / Designation                                       | Number of Board Meetings |          | Attendance at the last AGM held on 25.09.2018 | Number of outside Director-ships of public companies <sup>1</sup> (As on March 31, 2019) | Name(s) of the listed entities where the person is a director and the category of directorship (As on March 31, 2019) | Number of Outside Board-level Committees <sup>2</sup> where chairperson or member (As on March 31, 2019) |          |
|---------|---|--|--------------------------|----------|---|--|---|--|----------|
|         |   |  | Held during tenure       | Attended |   |  |   | Member   | Chairman |
| 1.      | Mr. Gursharan Singh<br>(DIN: 0057602)           | Promoter & Executive Director (Chairman & Managing Director) | 5                        | 5        | yes   | -  | -   | -  | -        |
| 2.      | Mr. Dev Raj Arya<br>(DIN: 0057582)              | Promoter & Executive Director (Whole time Director & CFO)    | 5                        | 5        | yes   | -  | -   | -  | -        |
| 3.      | Mr. Anil Sharma<br>(DIN: 0157911)               | Non-Executive Independent Director                           | 5                        | 4        | yes   | -  | -   | -  | -        |
| 4.      | Mr. Raj Kumar Kapoor<br>(DIN: 0110338)          | Non-Executive Independent Director                           | 5                        | 4        | yes   | -  | -   | -  | -        |
| 5.      | Mr. Rakesh Kapoor<br>(DIN: 0015358)             | Non-Executive Independent Director                           | 5                        | 5        | yes   | 1  | Ugar Sugar Works Limited (Independent Director)   | 1  | 1        |
| 6.      | Mr. Shashank Ramesh Anikhindi<br>(DIN: 7787889) | Non-Executive Independent Director                           | 5                        | 4        | yes   | -  | -   | -  | -        |
| 7.      | Mrs. Narinder Paul Kaur<br>(DIN: 2435942)       | Non-Executive Non-Independent Director/Woman Director        | 5                        | 5        | 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.

### **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 along with requisite details are placed before the Board.

### **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 and timely.

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

5 (five) meetings of the Board of Directors of the company were held during the financial year ended 31<sup>st</sup> March, 2019.

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

| <b>Date of Meeting</b>          | <b>Number of Directors Entitled to Attend</b> | <b>Number of Directors Attended</b> |
|---------------------------------|---|-------------------------------------|
| 21 <sup>st</sup> May, 2018      | 7   | 6                                   |
| 11 <sup>th</sup> August, 2018   | 7   | 6                                   |
| 30 <sup>th</sup> August, 2018   | 7   | 7                                   |
| 12 <sup>th</sup> November, 2018 | 7   | 6                                   |
| 12 <sup>th</sup> February, 2019 | 7   | 7                                   |

### **E. 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.

### **F. Details of Shareholding/ other convertible instruments of Non-Executive Directors of the Company as on 31<sup>st</sup> March, 2019**

[Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

| <b>Sl. No.</b> | <b>Name of Director</b>       | <b>Category/Designation</b>            | <b>No. of Equity Shares</b> | <b>Other convertible Instruments</b> |
|----------------|-------------------------------|--|-----------------------------|--------------------------------------|
| 1.             | Mrs. Narinder Paul Kaur       | Non-Executive Non-Independent Director | 19,794                      | Nil                                  |
| 2.             | Mr. Anil Sharma               | Non-Executive Independent Director     | 15,000                      | Nil                                  |
| 3.             | Mr. Raj Kumar Kapoor          | Non-Executive Independent Director     | Nil                         | Nil                                  |
| 4.             | Mr. Rakesh Kapoor             | Non-Executive Independent Director     | Nil                         | Nil                                  |
| 5.             | Mr. Shashank Ramesh Anikhindi | Non-Executive Independent Director     | Nil                         | Nil                                  |

## G. Familiarisation programme for Independent Director

Your Company has adopted a 'Familiarisation Programme for Independent Directors to familiarize 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 Familiarization programmes may be accessed under the Corporate Governance section of the website Familiarisation Programme for Independent Directors 2018-19 of the company.

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 2018-19, which were attended by the Independent Directors. Total number of hours spent by Independent Director in these programs was four hours.

## H. The Board of the Company is appropriately structured to ensure a high degree of diversity by qualifications, professional background, knowledge, experience, skills etc. and Board of directors has identified the following skills/expertise/ competencies fundamental for the effective functioning of the business of the Company, which are currently available with the Board of Directors of the company:

|  |  |
|--|--|
| Manufacturing & Operations                     | Experience and knowledge related to Production and Product development, Quality enhancement, Plant Management, Environment and Health & safety and Logistics and operational issues. |
| Leadership, Strategy & Planning                | Experience in Corporate Management including general management, foresightedness and Business Strategy & Planning.   |
| Compliance Management and Corporate Governance | Experience in developing governance practices, serving the best interests of all stakeholders and driving corporate ethics and values.   |
| Finance  | Experience in financial management, investment & commercial banking and Institution affairs.   |
| Marketing and Human Resource Development       | Strategic thinker to analyse and identify opportunities to stimulate business growth and Experience in marketing & sales and Human Resource Development                              |

## I. Confirmation of Board for Independent Director

In accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Board confirmed that all the Independent directors of your Company have made declaration to the Company that they meet all the criteria of independence and fulfill the conditions specified under section 149(6) of Companies Act, 2013 and regulation 16(1)(b) and other applicable regulation(s) of Listing Regulations and are independent of the management.

## J. Detailed reasons for the resignation of an independent director who resigns before the expiry of his tenure, along with a confirmation by such director that there are no other materials reasons other than those provided.

Since, during the year under review no independent director has resigned, hence the aforesaid provisions shall Not Applicable on the company.

## 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/ or the Board of Directors at their respective meetings.



## **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 31<sup>st</sup> March, 2019.

## **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:- [Code of Conduct for Directors and Senior Management Personnel](#)

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 31<sup>st</sup> March, 2019.

## **RACL Vigil Mechanism**

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

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

Alert Procedure available on the Company's website and the weblink for the same is [Vigil Mechanism / Whistle Blower Policy](#)

## **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 personnel's – 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 [Policy for Determination of Materiality of Event or Information](#)

## 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 Document Preservation and Archival Policy of the company.

## Remuneration to Directors

Details of remuneration to Directors, both executive and non-executive, during the financial year ended 31<sup>st</sup> March, 2019 are as under:

### A. Non-Executive Directors

(Amount in Lakh)

| Sl. No. | Name of the Director          | Position   | Sitting Fee | Commission/ Retainership fees | Total |
|---------|-------------------------------|--|-------------|-------------------------------|-------|
| 1       | Mr. Anil Sharma               | Independent Director                                   | 1.65        | Nil                           | 1.65  |
| 2       | Mr. Raj Kumar Kapoor          | Independent Director                                   | 0.75        | Nil                           | 0.75  |
| 3       | Mr. Rakesh Kapoor             | Independent Director                                   | 3.85        | Nil                           | 3.85  |
| 4       | Mr. Shashank Ramesh Anikhindi | Independent Director                                   | 1.50        | Nil                           | 1.50  |
| 5       | Mrs. Narinder Paul Kaur       | Non-Executive Non-Independent Director/ Woman Director | 0.90        | 13.20                         | 14.10 |

#### 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 Lakh)

| Sl. No. | Name of the Director | Designation                  | Salary | Perquisites & Allowances | Bonus/ Commission | Total  |
|---------|----------------------|------------------------------|--------|--------------------------|-------------------|--------|
| 1       | Mr. Gursharan Singh  | Chairman & Managing Director | 51.00  | 34.81                    | 24.21             | 110.02 |
| 2       | Mr. Dev Raj Arya     | Whole-time Director & CFO    | 28.80  | 19.99                    | Nil               | 48.79  |

**Notes:**

- (i) 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.
- (ii) 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 34<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> September, 2017. Since there is no performance linked incentives provided by the company, hence the disclosure of performance criteria is not required.

**Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable:** Not Applicable

**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 31.03.2019 | As on 01.04.2018 |
|---------|-------------------------|------------------|------------------|
| 1.      | Mr. Gursharan Singh     | 3429097          | 124202           |
| 2.      | Mr. Dev Raj Arya*       | 225369           | Nil              |
| 3.      | Mrs. Narinder Paul Kaur | 19794            | 14884            |
| 4.      | Mr. Anil Sharma         | 15000            | Nil              |

\* 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 and as on 31<sup>st</sup> March, 2019 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 and Vice President - Finance, 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 or any other laws/rules, as applicable or amended from time to time.

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 31<sup>st</sup> March, 2019.

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

| Date of Meeting                 | Number of Members Entitled to Attend | Number of Members Attended |
|---------------------------------|--------------------------------------|----------------------------|
| 21 <sup>st</sup> May, 2018      | 3                                    | 2                          |
| 11 <sup>th</sup> August, 2018   | 3                                    | 2                          |
| 30 <sup>th</sup> August, 2018   | 3                                    | 3                          |
| 12 <sup>th</sup> November, 2018 | 3                                    | 3                          |
| 12 <sup>th</sup> February, 2019 | 3                                    | 3                          |

The attendance of the Audit Committee Members at the aforesaid meetings is detailed below:

| Sl. No. | Names of Director             | Number of Meetings held during their | Number of Meetings attended |
|---------|-------------------------------|--------------------------------------|-----------------------------|
| 1       | Mr. Rakesh Kapoor             | 5                                    | 5                           |
| 2       | Mr. Anil Sharma               | 5                                    | 4                           |
| 3       | Mr. Shashank Ramesh Anikhindi | 5                                    | 4                           |

Mr. Rakesh Kapoor (Chairman), Mr. Anil Sharma (Member) and Mr. Shashank Ramesh Anikhindi (Member) 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 and as on 31st March, 2019 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 or any other laws/rules, as applicable or amended from time to time.

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 31<sup>st</sup> March, 2019.

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

| Date of Meeting                 | Number of Members Attended |
|---------------------------------|----------------------------|
| 11 <sup>th</sup> August, 2018   | 3                          |
| 12 <sup>th</sup> February, 2019 | 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 the year | Number of Meetings attended |
|---------|-------------------------------|---|-----------------------------|
| 1.      | Mr. Rakesh Kapoor             | 2                                       | 2                           |
| 2.      | Mr. Anil Sharma               | 2                                       | 2                           |
| 3.      | Mr. Shashank Ramesh Anikhindi | 2                                       | 1                           |
| 4.      | Mr. Gursharan Singh           | 2                                       | 2                           |

#### Performance Evaluation 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" and as on 31<sup>st</sup> March, 2019 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                         |

32 (Thirty Two) meetings of the Stakeholders Relationship Committee of the company were held during the financial year ended 31<sup>st</sup> March, 2019.

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

| S. No.                        | Date of Meeting                  | Number of Members Attended | S. No.                        | Date of Meeting                 | Number of Members Attended |
|-------------------------------|----------------------------------|----------------------------|-------------------------------|---------------------------------|----------------------------|
| <b>1<sup>st</sup> Quarter</b> |                                  |                            |                               |                                 |                            |
| 1.                            | 11 <sup>th</sup> April, 2018     | 3                          | 16.                           | 29 <sup>th</sup> October, 2018  | 3                          |
| 2.                            | 23 <sup>rd</sup> April, 2018     | 3                          | 17.                           | 05 <sup>th</sup> November, 2018 | 3                          |
| 3.                            | 05 <sup>th</sup> May, 2018       | 3                          | 18.                           | 12 <sup>th</sup> November, 2018 | 3                          |
| 4.                            | 14 <sup>th</sup> May, 2018       | 3                          | 19.                           | 19 <sup>th</sup> November, 2018 | 3                          |
| 5.                            | 04 <sup>th</sup> June, 2018      | 2                          | 20.                           | 26 <sup>th</sup> November, 2018 | 2                          |
| 6.                            | 25 <sup>th</sup> June, 2018      | 3                          | 21.                           | 10 <sup>th</sup> December, 2018 | 3                          |
| <b>2<sup>nd</sup> Quarter</b> |                                  |                            | 22.                           | 17 <sup>th</sup> December, 2018 | 3                          |
| 7.                            | 09 <sup>th</sup> July, 2018      | 2                          | 23.                           | 24 <sup>th</sup> December, 2018 | 3                          |
| 8.                            | 16 <sup>th</sup> July, 2018      | 2                          | 24.                           | 31 <sup>st</sup> December, 2018 | 3                          |
| 9.                            | 20 <sup>th</sup> August, 2018    | 3                          | <b>4<sup>th</sup> Quarter</b> |                                 |                            |
| 10.                           | 27 <sup>th</sup> August, 2018    | 3                          | 25.                           | 07 <sup>th</sup> January, 2019  | 3                          |
| 11.                           | 01 <sup>st</sup> September, 2018 | 3                          | 26.                           | 14 <sup>th</sup> January, 2019  | 3                          |
| 12.                           | 10 <sup>th</sup> September, 2018 | 2                          | 27.                           | 21 <sup>st</sup> January, 2019  | 3                          |
| <b>3<sup>rd</sup> Quarter</b> |                                  |                            | 28.                           | 28 <sup>th</sup> January, 2019  | 2                          |
| 13.                           | 01 <sup>st</sup> October, 2018   | 3                          | 29.                           | 04 <sup>th</sup> February, 2019 | 3                          |
| 14.                           | 15 <sup>th</sup> October, 2018   | 3                          | 30.                           | 18 <sup>th</sup> February, 2019 | 2                          |
| 15.                           | 22 <sup>th</sup> October, 2018   | 2                          | 31.                           | 02 <sup>nd</sup> March, 2019    | 3                          |
|                               |                                  |                            | 32.                           | 25 <sup>th</sup> March, 2019    | 3                          |

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   | 32  | 30                          |
| 2.      | Mr. Gursharan Singh | 32  | 26                          |
| 3.      | Mr. Dev Raj Arya    | 32  | 32                          |

The Committee is responsible for all matters concerning the share transfers, transmissions, issue of duplicate share certificates, attending to the grievances of the shareholders and other matters related to 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 & Compliance Officer 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, 2018. During the financial year ended 31<sup>st</sup> March, 2019, the Company received 1 (one) complaint (for non-receipt of annual report) 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 31<sup>st</sup> March, 2019.



#### **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) and as on 31st March, 2019 the composition of the CSR Committee is as under:

| <b>Sl. No.</b> | <b>Names of Director</b> | <b>Category</b>                |
|----------------|--------------------------|--------------------------------|
| 1.             | Mr. Raj Kumar Kapoor     | Independent Director- Chairman |
| 2.             | Mrs. Narinder Paul Kaur  | Member                         |
| 3.             | Mr. Dev Raj Arya         | Member                         |

3 (Three) meetings of the Corporate Social Responsibility Committee of the company were held during the financial year ended 31<sup>st</sup> March, 2019.

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

| <b>Date of Meeting</b>          | <b>Number of Members Attended</b> |
|---------------------------------|-----------------------------------|
| 21 <sup>st</sup> May, 2018      | 3                                 |
| 11 <sup>th</sup> August, 2018   | 3                                 |
| 12 <sup>th</sup> February, 2019 | 3                                 |

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

| <b>Sl. No.</b> | <b>Names of Director</b> | <b>Number of Meetings held during the year</b> | <b>Number of Meetings attended</b> |
|----------------|--------------------------|--|------------------------------------|
| 1.             | Mr. Raj Kumar Kapoor     | 3  | 3                                  |
| 2.             | Mrs. Narinder Paul Kaur  | 3  | 3                                  |
| 3.             | Mr. Dev Raj Arya         | 3  | 3                                  |

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 or any other laws/rules, as applicable or amended from time to time. It's mandate include recommending to the Board of Directors a CSR Policy, expenditure to be incurred on CSR and monitor CSR activities and 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" and as on 31<sup>st</sup> March, 2019 the composition of the Financial Affairs Committee is as under:

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

4 (Four) meetings of the Financial Affairs Committee of the company were held during the financial year ended 31<sup>st</sup> March, 2019.

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

| Date of Meeting                  | Number of Members Attended |
|----------------------------------|----------------------------|
| 19 <sup>th</sup> April, 2018     | 3                          |
| 26 <sup>th</sup> September, 2018 | 3                          |
| 07 <sup>th</sup> December, 2018  | 3                          |
| 26 <sup>th</sup> March, 2019     | 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 the year | Number of Meetings attended |
|---------|---------------------|---|-----------------------------|
| 1.      | Mr. Rakesh Kapoor   | 4                                       | 4                           |
| 2.      | Mr. Gursharan Singh | 4                                       | 4                           |
| 3.      | Mr. Dev Raj Arya    | 4                                       | 4                           |

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 12<sup>th</sup> February, 2019, 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 28, 2016 | 11.00 AM | Shivam Garden, Bawana Road, Narela, Delhi-110 040   |
| 2                       | September 28, 2017 | 11.00 AM | Rose Garden, NH-10, Main Rohtak Road, Ghevra More, Delhi-110041   |
| 3                       | September 25, 2018 | 11.00 AM | The Executive Club, Dolly Farms & Resorts Pvt. Ltd., 439, Village Shahoopur, P.O. Fatehpur Beri, New Delhi-110074 |

Special resolutions passed in General Meetings during last three years

#### **Annual General Meetings (AGM)**

##### **28<sup>th</sup> September, 2016**

- Approval for Increase in borrowing limits from Rs. 50 Crore (Rupees Fifty Crore) to Rs. 75 Crore (Rupees Seventy Five Crore) 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.

#### **28<sup>th</sup> 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.

#### **25<sup>th</sup> September, 2018**

- Approval for 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.
- Approval for 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.
- Approval for Issue and allotment of equity shares of the Company on a preferential allotment basis through private placement.

#### **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 |

During the year under review, 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, guidelines of SEBI and/ or any other applicable act(s) and regulation(s). 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 or any other laws/rules, as applicable.

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.

**a. 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.

**b. Compliance of Mandatory and Non-Mandatory Requirements**

The Company has complied with all the mandatory requirements of relevant regulations and schedules of Listing Regulations relating to Corporate Governance. In addition to the mandatory requirements, the Company has also adopted the following non-mandatory/ discretionary requirements of Regulation 27(1) read with Part E of Schedule II of the Listing Regulations 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](http://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 on quarterly basis.

**c. Compliance of Regulation 27 of the SEBI (LODR) Regulations 2015**

The Company has complied with the mandatory requirements specified in Regulation 17 to 27 & clause 'b' to 'i' of sub-regulation (2) of Regulation 46 of the SEBI (LODR) Regulations 2015. The Company has also complied with relevant para of Schedule V of Listing Regulations on Corporate Governance.

**d. Related Party Disclosures/ Materially significant related party transactions**

- (i). 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 [Related Party Transaction Policy](#)

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.

- (ii). **Loans and advances in the nature of loans to subsidiaries**

During the year under review RACL Geartech Limited has incorporated its wholly owned subsidiary company i.e. RACL Geartech GmbH, at Austria and company has provided an amount of Rs. 16.09 lakh as an advance including paid up capital of Rs. 13.48 lakh to its subsidiary.

Since, the trading license has not been issued, therefore the payment of paid up capital has been considered as an advance payment to subsidiary company, which shall be considered as an investment in due course of time.

- (iii). **Disclosures of transactions of the listed entity with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the listed entity, in the format prescribed in the relevant accounting standards for annual results**

Details of the transaction(s) entered by the company with Mr. Gursharan Singh belonging to the promoter/promoter group and holding 10% or more shareholding in the company is given in note no. 34 of Financial Statements (part of the Annual Report).

**e. Code of Conduct for Prevention of Insider Trading**

In view of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amended SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, a “Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons” was amended and 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.

**f. Disclosure of Accounting Treatment**

In the preparation of financial statements, the company has followed the applicable Accounting Standards i.e. Indian Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable and other applicable act(s) and regulation(s).

**g. 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.

**h. Details of utilization of funds raised through preferential allotment or qualified institutional placements as specified under Regulation 32 (7A) [Proceeds from public issue, rights issue, preferential issue, FCCB issue]**

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

Furthermore, During the year under review company has raised funds through preferential issue and issued and allotted 3,50,000 equity shares of the face value of Rs. 10/- each on Preferential Allotment basis through private placement, at a price of Rs. 67.50/- (including a premium of Rs. 57.50/-) per Equity Share to Mr. Gursharan Singh, Chairman & Managing Director and Promoter of the Company, as per the provisions of Section 42 and 62 of the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or as amended from time to time, SEBI (Listing Obligations and Disclosure Requirements) 2015 and any other applicable act(s) or regulation(s), if any, to the extent applicable on the Company.

In view of the Regulation 32 (7A) of Listing Regulations this is to confirm that, your Company has raised funds for its business, operational and general corporate requirements through the aforesaid preferential allotment and during the year under review fully utilized the funds for the said purposes.

**i. Certificate from Practicing Company Secretary**

Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has obtained a certificate from Mr. K. K. Malhotra, Practicing Company Secretary (Proprietor, K. K. Malhotra & Company, Company Secretaries), that none of the Directors on the board of the company have been debarred or disqualified from being appointed or continuing as Directors of companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority in accordance with Listing Regulations. The copy of the same is enclosed with this report.

**j. All the recommendations of Board Committees have been accepted by the Board of Directors during the year.****k. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.**

The total fee paid to statutory auditor is given in note no. 30 of Financial Statements (Part of the Annual Report).

**I. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

| S. No. | Particulars of Disclosures  | Remarks |
|--------|---|---------|
| a.     | number of complaints pending at the start of the financial year 2018-19 | Nil     |
| b.     | Number of complaints filed during the financial year 2018-19            | Nil     |
| c.     | Number of complaints disposed of during the financial year 2018-19      | Nil     |
| d.     | Number of complaints pending as on end of the financial year 2018-19    | Nil     |

**m. Management Discussion and Analysis**

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

**n. 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 English language national daily newspaper circulating in the whole or substantially the whole of India and in one daily newspaper published in the language of the region, where the registered office of the listed entity is situated i.e. New Delhi.

Generally the results are published in Mint (English) in all editions and Jansatta (Hindi) in New Delhi. The financial results are also displayed on the Company's website [www.raclgeartech.com](http://www.raclgeartech.com).

During the year under review no official news released by the company and no presentation made by the company to the Institutional Investors or to the Analysts.

**o. BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):**

BSE's Listing Centre is a web-based application designed for corporates. All periodical and event bases compliance(s) filings like shareholding pattern, corporate governance report, Financial Results, investor's complaints and other applicable compliances are filed electronically on the Listing Centre of BSE Limited .

**Financial Period: 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019**

For the Financial Year 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019 Quarterly results were announced on:

- August 11, 2018.
- November 12, 2018.
- February 12, 2019.

For the Financial Year 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019 Audited results were announced on:

- May 24, 2019.

**News Release etc.**

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

**Website**

The website [www.raclgeartech.com](http://www.raclgeartech.com) contains basic information about the company and contains a separate dedicated section 'INVESTORS' where Company's shareholders' information is available. Information required to be disseminated on the website as per Regulation 46 of Listing Regulations or other applicable provisions of any other act(s) or regulation(s) are available in their respective sections on the website of the Company. The Annual Report, Financial Results, Shareholding pattern, Corporate Governance Report and various codes/ policies and other statutory information's are also available in their respective sections on the website of the company.



## 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 regarding compliances of Corporate Governance received 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 09<sup>th</sup> August, 2019 and the same was approved.

## GENERAL SHAREHOLDER INFORMATION

### A Annual General Meeting (AGM)

|       |   |
|-------|---|
| Date  | Saturday, the 28 <sup>th</sup> day of September, 2019   |
| Time  | 11:30 A.M.  |
| Venue | The Executive Club, Dolly Farms & Resorts Pvt. Ltd.,<br>439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi<br>– 110074, India |

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

Announcement of financial results for April 1, 2019 to March 31, 2020

- Quarter ending June 30, 2019 : Upto August 14, 2019
- Quarter ending September 30, 2019 : Upto November 14, 2019
- Quarter ending December 31, 2019 : Upto February 14, 2020
- Financial year ending on March 31, 2020 : Upto May 30, 2020  
and for the fourth quarter ending on that date

### C Dates of Book Closure : From Sunday, September 22, 2019 to Saturday, September 28, 2019 (both days inclusive).

### D Dividend Payment date : Since the company has not declared any dividend for the financial year 2018-19, 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 2018-19 and 2019-20, 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                                   |

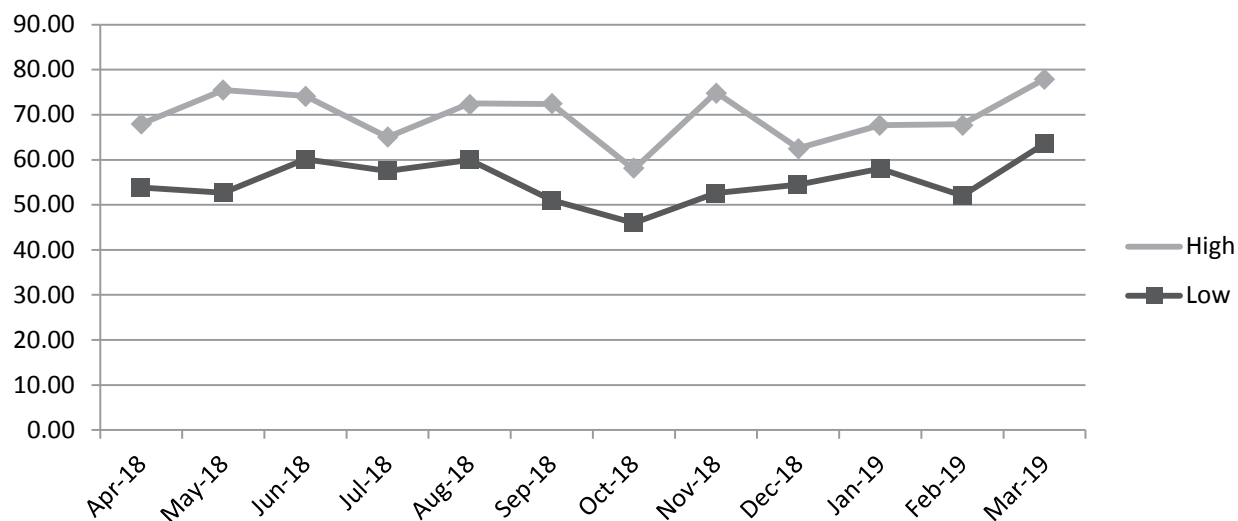
## I Market Price Data

(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-18 | 68.00                                     | 53.80     | 35213.30       | 32972.56 |
| May-18 | 75.50                                     | 52.70     | 35993.53       | 34302.89 |
| Jun-18 | 74.20                                     | 60.10     | 35877.41       | 34784.68 |
| Jul-18 | 65.00                                     | 57.50     | 37644.59       | 35106.57 |
| Aug-18 | 72.50                                     | 60.00     | 38989.65       | 37128.99 |
| Sep-18 | 72.40                                     | 51.00     | 38934.35       | 35985.63 |
| Oct-18 | 57.90                                     | 46.00     | 36616.64       | 33291.58 |
| Nov-18 | 75.00                                     | 52.60     | 36389.22       | 34303.38 |
| Dec-18 | 62.55                                     | 54.50     | 36554.99       | 34426.29 |
| Jan-19 | 67.70                                     | 58.05     | 36701.03       | 35375.51 |
| Feb-19 | 67.90                                     | 52.00     | 37172.18       | 35287.16 |
| Mar-19 | 77.90                                     | 63.55     | 38748.54       | 35926.94 |

(Source [www.bseindia.com](http://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.

**In case the securities are suspended from trading, the directors report shall explain the reason thereof:**  
 Not Applicable

**J Shareholding pattern as on March 31, 2019**

| Sl. No. | Category  | Number of Equity Shares held          | Percentage (%)                 |
|---------|---|---------------------------------------|--------------------------------|
| 1       | <b>Promoters Shareholding-</b><br>Gursharan Singh<br>Dev Raj Arya<br>The Pradeshiya Industrial And Investment Corporation of U.P Ltd.<br><b>Person acting in concert of</b><br>Gursharan Singh and Dev Raj Arya<br>(Comprising of Individuals and Body Corporate from Promoter Group) | 3429097<br>225369<br>1503300<br>93587 | 33.35<br>2.19<br>14.62<br>0.92 |
|         | <b>Total Promoter's Holding (A)</b>   | <b>5251353</b>                        | <b>51.08</b>                   |
| 2       | Mutual Funds/ Venture Capital Funds etc.  | -                                     | -                              |
| 3       | Financial Institutions/ Banks   | 500                                   | 0.01                           |
| 4       | Foreign Institutional Investors / FPI   | -                                     | -                              |
| 5       | Individuals   | 3661686                               | 35.61                          |
| 6       | NBFC Registered with RBI  | -                                     | -                              |
| 7       | Others - Bodies Corporate   | 213660                                | 2.08                           |
| 8       | Others - Non-resident Indians, Overseas Corporate Bodies and Foreign Nationals  | 1097579                               | 10.66                          |
| 9       | Others - Clearing Member  | 56522                                 | 0.55                           |
| 10      | Others - Trust  | 300                                   | 0.01                           |
|         | <b>Total Public Shareholding (B)</b>  | <b>5030247</b>                        | <b>48.92</b>                   |
|         | <b>Grand Total (A+B)</b>  | <b>10281600</b>                       | <b>100</b>                     |

**K Distribution of Holdings as on 31<sup>st</sup> March, 2019**

| Category        | Number of Shareholders | (%) Percentage of Shareholders | Number of Shares | (%) Percentage of Shareholding |
|-----------------|------------------------|--------------------------------|------------------|--------------------------------|
| 1-500           | 7349                   | 87.28                          | 1179700          | 11.47                          |
| 501-1000        | 561                    | 6.66                           | 476447           | 4.63                           |
| 1001-2000       | 247                    | 2.93                           | 384111           | 3.73                           |
| 2001-3000       | 84                     | 0.99                           | 218170           | 2.12                           |
| 3001-4000       | 38                     | 0.45                           | 134192           | 1.30                           |
| 4001-5000       | 31                     | 0.36                           | 146303           | 1.42                           |
| 5001-10000      | 57                     | 0.67                           | 407994           | 3.96                           |
| 10001 and above | 53                     | 0.62                           | 7334683          | 71.33                          |
| <b>TOTAL</b>    | <b>8420</b>            | <b>100</b>                     | <b>10281600</b>  | <b>100</b>                     |

**L Share Transfer System**

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

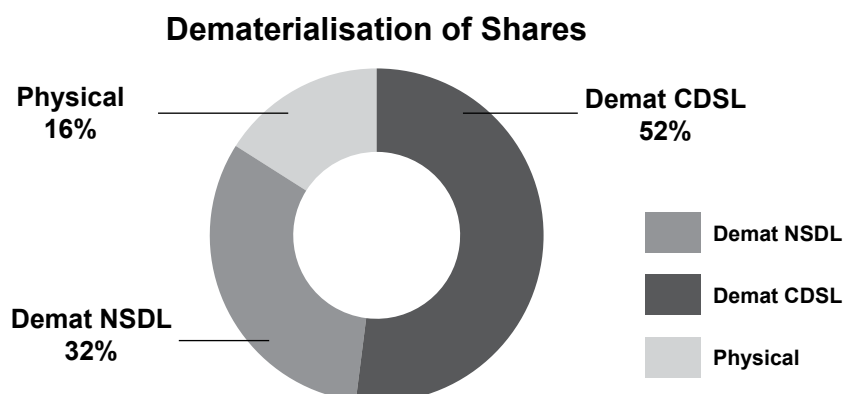
The Company has appointed MAS Services Limited as its Registrars and Share Transfer Agents. All share transfers and related operations/ matters or other matters related to shareholders are conducted and monitored by MAS Services Limited, which is registered with the SEBI.

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, 2019, a total of 8639009 equity shares of the Company, constituting 84% of the paid-up share capital, stand dematerialized and the remaining 16% in physical form.



#### **N Share Capital Reconciliation Report**

As stipulated by the SEBI, K. K. Malhotra, Practicing Company Secretary (Proprietor, K.K. Malhotra & Company, Company Secretaries) 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 31<sup>st</sup> March, 2019, 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 Credit Ratings**

During the financial year 2018-2019, CARE Ratings has assigned Credit rating of bank facilities for Rs.78.99 crore to the Company, as per the Rating Rationale given below:

| Facilities                 | Amount (Rs. crore)  | Ratings   | Rating Action |
|----------------------------|---|---|---------------|
| Long-term Bank Facilities  | 76.99 (Enhanced from 53.44)   | CARE BBB; Stable<br>[Triple B; Outlook: Stable] | Reaffirmed    |
| Short-term Bank Facilities | 2.00  | CARE A: 3 [A Three]                             | Reaffirmed    |
| <b>Total</b>               | <b>78.99</b><br><b>(Rupees Seventy Eight Crore and Ninety-Nine Lakh only)</b> |   |               |

**R 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** : A-62, Sector-63, Noida  
District Gautam Budh Nagar, Uttar Pradesh -201307, India

**S Address for Correspondence/ Investor Complaints**

Registrar to an issue and Share Transfer Agents  
MAS Services Limited  
T-34, 2<sup>nd</sup> Floor, Okhla Indl. Area, Phase-II, New Delhi - 110 020  
Tel: (011) 26387281 / 82 / 83 • Fax: (011) 26387384  
E-mail : [info@masserv.com](mailto:info@masserv.com) • Website: [www.masserv.com](http://www.masserv.com)

**COMPANY**
**Registered Office:**

RACL Geartech Limited  
15<sup>th</sup> Floor, Eros Corporate Tower  
Nehru Place, New Delhi - 110 019  
Tel. No.: (011) 66155129  
Website: [www.raclgeartech.com](http://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](mailto:investors@raclegeartech.com)

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

**Place: Noida  
Date: 09<sup>th</sup> August, 2018**

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

**Regd. Office: 15<sup>th</sup> Floor, Eros Corporate Tower,  
Nehru Place, New Delhi-110019, INDIA  
Ph.: +91-11-66155129e-Mail - [investor@raclegeartech.com](mailto:investor@raclegeartech.com)**

**PRACTICING COMPANY SECRETARY CERTIFICATE REGARDING NON-DISQUALIFICATION OF DIRECTORS**
**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To

The Members of  
RACL Geartech Limited  
15th Floor, Eros Corporate Tower,  
Nehru Place New Delhi- 110019

I/We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of RACL Geartech Limited having CIN: L34300DL1983PLC016136 and having registered office at 15th Floor, Eros Corporate Tower, Nehru Place New Delhi- 110019 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) or other applicable provisions of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other act(s) or regulation(s), if any.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Director on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2019 have been debarred or disqualified from being appointed or continuing as Director of company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| Sr. No. | Name of Director          | DIN      | Designation                  | Date of appointment |
|---------|---------------------------|----------|------------------------------|---------------------|
| 1       | Gursharan Singh           | 00057602 | Chairman & Managing Director | 23/08/2002          |
| 2       | Narinder Paul Kaur        | 02435942 | Non-executive Director       | 30/09/2015          |
| 3       | Rakesh Kapoor             | 00015358 | Independent Director         | 30/09/2014          |
| 4       | Raj Kumar Kapoor          | 00110338 | Independent Director         | 30/09/2011          |
| 5       | Anil Sharma               | 00157911 | Independent Director         | 30/09/2006          |
| 6       | Shashank Ramesh Anikhindi | 07787889 | Independent Director         | 29/09/2017          |
| 7       | Dev Raj Arya              | 00057582 | Whole-time Director & CFO    | 22/10/2002          |

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

**Sd/-**

**K.K. Malhotra  
(Proprietor)**

**FCS No. 1410, C.P No. 446**

**Place: New Delhi  
Date: 19.07.2019**



**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, 2019 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, 2019 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 valued 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, 2019;
  - ii. There has not been any significant change in accounting policies during the financial year ended on March 31, 2019, 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, 2019 with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

**for RACL Geartech Limited**

**Sd/-**

**Gursharan Singh**

**Chairman & Managing Director**

**Sd/-**

**Dev Raj Arya**

**Whole-time Director & Chief Financial Officer**

**Place: Noida**

**Date: 24<sup>th</sup> May, 2019**

**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 31<sup>st</sup> March, 2019.

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

**Sd/-**

**Gursharan Singh**

**Chairman and Managing Director**

**Place: Noida**

**Date: 09<sup>th</sup> August, 2019**

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

**Ph.: +91-11-66155129**

**e-Mail - [investor@raclgeartech.com](mailto:investor@raclgeartech.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, 2019, 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 & Company**  
**Company Secretaries**

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

**Place: Delhi**

**Date: 09<sup>th</sup> August, 2019**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF RACL Geartech Limited**

(Formerly Raunaq Automotive Components Limited)

#### **Report on the audit of the Standalone Ind AS Financial Statements**

##### **Opinion**

We have audited the Standalone Ind AS financial statements of RACL Geartech Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019 and the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 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, 2019, and its profit, changes in equity and its cash flows for the year ended on that date.

##### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended 31<sup>st</sup> March, 2019. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

##### **Information Other than the Ind AS Financial Statements and Auditor's Report Thereon**

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

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

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

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

## Responsibility of Management and Those Charged with Governance for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, 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, the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 B".
  - 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, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The company has disclosed pending litigations as mentioned in Note No. 41 to the financial statements which would impact its financial position;
    - ii. The Company does not envisage any material foreseeable losses in long-term contracts including derivative contract requiring provision;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Gianender & Associates**  
**Chartered Accountants**  
**(Firm's Registration No. 004661N)**  
**Sd/-**  
**Manju Agrawal**  
**Partner**  
**(M. No. 083878)**

**Place: New Delhi**  
**Date : 24<sup>th</sup> MAY, 2019**

## **Annexure 'A' to the Independent Auditor's Report of RACL GEARTECH LIMITED for the Year ended as on 31st March 2019**

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

- i. a. The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;  
b. 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.
- iv. In our opinion and according to the information and explanation given to us, in respect of loans, investment, guarantees and security, the provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with.
- v. The Company has not accepted deposits and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are 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, GST and other statutory dues during the year with the appropriate authorities. As on 31st March 2019, there are no undisputed statutory dues payables for period exceeding for a period more than six month from the date they become payable .  
b.) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, GST and any other statutory dues which have not been deposited on account of dispute.
- viii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not defaulted in repayment of dues to banks and financial institutions in respect of Interest and Principal during the year.
- ix. Money raised by way of term loans 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 during the year.
- 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. According to the information and explanation given to us, the Company has paid managerial remuneration as per section 197 of Companies Act, 2013 during the year.
- xii. The Company is not a Nidhi Company and hence clause 3 (xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the Standalone Ind AS financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment basis through private placement of the equity shares during the year in compliance with Section 42 and 62 of the Companies Act, 2013 and the amount raised have been used for the purpose for which the funds were raised.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

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

**Place: New Delhi**  
**Date : 24<sup>th</sup> MAY, 2019**



## ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in our Report of even date)

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

We have audited the internal financial controls over financial reporting of **RACL GEARTECH LIMITED** (“the Company”) as of March 31, 2019 in conjunction with our audit of the Standalone Ind AS 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 (the “Guidance Note”). 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 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 Standalone Ind AS financial statements, whether due to fraud or error.

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

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

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS 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 Standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding

prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Ind AS 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, 2019, 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 : 24<sup>th</sup> MAY, 2019**

**BALANCE SHEET as at 31<sup>st</sup> March, 2019**

(Rs. in Lakh)

| Particulars                          | Notes | As at March 31, 2019 | As at March 31, 2018 |
|--------------------------------------|-------|----------------------|----------------------|
| <b>ASSETS</b>                        |       |                      |                      |
| <b>Non-current Assets</b>            |       |                      |                      |
| (a) Property, plant and equipment    | 2     | 9,450.97             | 7,158.41             |
| (b) Intangible Asset                 | 3     | 12.86                | 8.73                 |
| (c) Capital work-in-progress         | 4     | 18.88                | 27.15                |
| (d) Financial assets                 | 5     | 37.27                | 52.12                |
| (e) Other non-current assets         | 6     | 126.74               | 97.69                |
| <b>Total Non-current Assets</b>      |       | <b>9,646.72</b>      | <b>7,344.10</b>      |
| <b>Current Assets</b>                |       |                      |                      |
| (a) Inventories                      | 7     | 3,600.61             | 3,302.43             |
| (b) Financial assets                 |       |                      |                      |
| i. Trade receivables                 | 8     | 5,088.64             | 4,055.09             |
| ii. Cash and cash equivalents        | 9     | 69.87                | 110.78               |
| iii. Other Financial asset           | 10    | 270.14               | 179.22               |
| (c) Other current assets             | 11    | 920.28               | 728.56               |
| <b>Total Current Assets</b>          |       | <b>9,949.54</b>      | <b>8,376.08</b>      |
| <b>Total Assets</b>                  |       | <b>19,596.26</b>     | <b>15,720.18</b>     |
| <b>EQUITY AND LIABILITIES</b>        |       |                      |                      |
| <b>Equity</b>                        |       |                      |                      |
| (a) Equity share capital             | 12.a  | 1,028.16             | 993.16               |
| (b) Other Equity                     | 12.b  | 5,618.59             | 4,474.11             |
| <b>Total Equity</b>                  |       | <b>6,646.75</b>      | <b>5,467.27</b>      |
| <b>LIABILITIES</b>                   |       |                      |                      |
| <b>Non-current Liabilities</b>       |       |                      |                      |
| (a) Financial Liabilities            |       |                      |                      |
| Borrowings                           | 13    | 3,136.31             | 1,890.15             |
| (b) Provisions                       | 14    | 643.23               | 569.75               |
| (c) Deferred tax liabilities (Net)   | 15    | 666.21               | 291.70               |
| (d) Other Non- Current Liabilities   | 16    | 135.45               |                      |
| <b>Total Non-current Liabilities</b> |       | <b>4,581.20</b>      | <b>2,751.60</b>      |
| <b>Current Liabilities</b>           |       |                      |                      |
| (a) Financial liabilities            |       |                      |                      |
| i. Borrowings                        | 17    | 4,388.95             | 4,088.54             |
| ii. Trade payables                   | 18    | 2,140.78             | 2,081.69             |
| iii. Other financial liabilities     | 19    | 1,499.91             | 1,185.41             |
| (b) Other current liabilities        | 20    | 195.14               | 34.57                |
| (c) Provisions                       | 21    | 71.03                | 82.66                |
| (d) Current tax Liabilities (Net)    | 22    | 72.50                | 28.44                |
| <b>Total Current Liabilities</b>     |       | <b>8,368.31</b>      | <b>7,501.31</b>      |
| <b>Total Liabilities</b>             |       | <b>12,949.51</b>     | <b>10,252.91</b>     |
| <b>Total Equity and Liabilities</b>  |       | <b>19,596.26</b>     | <b>15,720.18</b>     |

Notes 1 to 43 forms part of the Financial Statements

**For Gianender & Associates**  
**Chartered Accountants**  
**FRN: 004661N**
**By Order of the Board**  
**For RACL Geartech Limited**
**Sd/-**  
**MANJU AGARWAL**  
 (Partner) M.No :083878

**GURSHARAN SINGH**  
 (Chairman & M.D.)

**SHASHANK RAMESH ANIKHINDI**  
 (Director)

**RAKESH KAPOOR**  
 (Director)

**NARINDER PAUL KAUR**  
 (Director)

**RAJ KUMAR KAPOOR**  
 (Director)

**D.R. ARYA**  
 (Director & CFO)

**Place: Noida**  
**Date : 24<sup>th</sup> May, 2019**
**HITESH KUMAR**  
 (Company Secretary)

**STATEMENT OF PROFIT AND LOSS for the year ended 31<sup>st</sup> March, 2019**
**(Rs.in Lakh)**

| Particulars   | Notes | Year endend<br>March 31, 2019 | Year endend<br>March 31, 2018 |
|---|-------|-------------------------------|-------------------------------|
| Revenue from operations   | 23    | <b>18,995.12</b>              | 13,878.89                     |
| Other income  | 24    | <b>101.31</b>                 | 132.53                        |
| <b>Total Income</b>   |       | <b>19,096.43</b>              | 14,011.42                     |
| <b>Expenses</b>   |       |                               |                               |
| Cost of Material Consumed   | 25    | <b>6,858.20</b>               | 4,939.37                      |
| Changes in inventories of finished goods WIP and Stock in Trade   | 26    | <b>(483.31)</b>               | (143.28)                      |
| Excise Duty on Sale of Goods                                      |       | -                             | 264.47                        |
| Employee benefits expenses  | 27    | <b>2,211.26</b>               | 2,040.76                      |
| Finance Costs   | 28    | <b>637.59</b>                 | 571.31                        |
| Depreciation and Amortisation Expenses                            | 29    | <b>799.59</b>                 | 496.00                        |
| Other Expenses  | 30    | <b>7,338.97</b>               | 4,978.41                      |
| <b>Total expenses</b>   |       | <b>17,362.30</b>              | 13,147.04                     |
| Profit before exceptional items and tax                           |       | <b>1,734.13</b>               | 864.38                        |
| Add: Exceptional items  |       |                               |                               |
| Profit before tax   |       |                               |                               |
| Less: Tax expense   |       |                               |                               |
| (1) Current tax   |       |                               |                               |
| Previous Year tax Paid  |       | <b>(148.95)</b>               | (32.25)                       |
| Tax Payable   |       | <b>(373.28)</b>               | (160.00)                      |
| Less : MAT credit entitlement                                     |       | <b>12.34</b>                  | 104.20                        |
|   |       | <b>(509.89)</b>               | (88.05)                       |
| (2) Deferred tax  |       | <b>(247.00)</b>               | 10.50                         |
|   |       | <b>(756.89)</b>               | (77.55)                       |
| <b>Profit for the period from continuing operations</b>           |       | <b>977.24</b>                 | 786.83                        |
| <b>Other Comprehensive Income</b>                                 |       |                               |                               |
| Remeasurements of the defined benefit plans                       |       | <b>(34.01)</b>                | (64.71)                       |
| <b>Total other comprehensive income</b>                           |       | <b>(34.01)</b>                | (64.71)                       |
| <b>Total comprehensive income for the period</b>                  |       | <b>943.23</b>                 | 722.12                        |
| Earnings per share (Face Value ₹ 10/- per share) Not annualised : |       |                               |                               |
| (1) Basic (in Rs.)  | 31    | <b>9.34</b>                   | 7.27                          |
| (2) Diluted (in Rs.)  |       | <b>9.34</b>                   | 7.27                          |

Notes 1 to 43 forms part of the Financial Statements

**For Gianender & Associates**  
**Chartered Accountants**  
**FRN: 004661N**
**Sd/-**  
**MANJU AGARWAL**  
 (Partner) M.No :083878

**GURSHARAN SINGH**  
 (Chairman & M.D.)

**NARINDER PAUL KAUR**  
 (Director)

**HITESH KUMAR**  
 (Company Secretary)

**SHASHANK RAMESH ANIKHINDI**  
 (Director)

**RAJ KUMAR KAPOOR**  
 (Director)

**By Order of the Board**  
**For RACL Geartech Limited**
**RAKESH KAPOOR**  
 (Director)

**D.R. ARYA**  
 (Director & CFO)

**Place: Noida**  
**Date : 24<sup>th</sup> May, 2019**

**CASH FLOW STATEMENT for the year ended 31<sup>st</sup> March, 2019**
**(Rs.in Lakh)**

| Particulars   | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|---|--------------------------------------|--------------------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                               |                                      |                                      |
| Profit /( Loss) after tax   | <b>943.23</b>                        | 722.12                               |
| <b>Adjustment for:</b>  |                                      |                                      |
| Depreciation / Amortization   | <b>799.59</b>                        | 496.00                               |
| Interest charges  | <b>637.59</b>                        | 571.31                               |
| Profit on sale of asset   | <b>7.58</b>                          | (41.40)                              |
| <b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>                      | <b>2,387.99</b>                      | 1,748.03                             |
| Increase/(Decrease) in other Financial Liabilities - Non Current            |                                      | -                                    |
| Increase/(Decrease) in other Liabilities - Non Current                      | <b>509.96</b>                        | (133.51)                             |
| Increase/(Decrease) in other Financial Liabilities - Current                | <b>314.50</b>                        | 180.53                               |
| (Increase)/Decrease in Trade Payable - Current                              | <b>59.09</b>                         | 515.74                               |
| Increase/(Decrease) in long-term provisions - Non current                   | <b>73.48</b>                         | 69.70                                |
| Increase/(Decrease) in short-term provisions - current                      | <b>(11.63)</b>                       | (6.28)                               |
| Increase/(Decrease) in other current liabilities                            | <b>(96.15)</b>                       | 136.04                               |
| (Increase)/Decrease in inventories  | <b>(298.18)</b>                      | (640.88)                             |
| (Increase)/Decrease in trade Receivable                                     | <b>(1,033.55)</b>                    | (949.60)                             |
| (Increase)/Decrease in other non current financial assets                   | <b>14.85</b>                         | (20.44)                              |
| (Increase)/Decrease in other non current assets                             | <b>(29.05)</b>                       | -                                    |
| (Increase)/Decrease in current assets                                       | <b>(191.72)</b>                      | (272.52)                             |
| (Increase)/Decrease in other Current financial Asset                        | <b>(90.92)</b>                       | (38.72)                              |
| <b>CASH GENERATED FROM OPERATIONS</b>                                       | <b>1608.67</b>                       | 588.09                               |
| <b>Direct taxes paid</b>  | <b>(300.78)</b>                      | (131.08)                             |
| <b>NET CASH GENERATED FROM OPERATIONS</b>                                   | <b>1909.45</b>                       | 457.01                               |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                               |                                      |                                      |
| Purchase of fixed assets  | <b>(3,156.72)</b>                    | (1,449.93)                           |
| Proceeds from Sale of PPE   | <b>61.13</b>                         | 158.76                               |
| <b>NET CASH GENERATED (USED IN) INVESTING ACTIVITIES</b>                    | <b>(3,095.59)</b>                    | (1,291.17)                           |
| <b>C. CASHFLOW FROM FINANCING ACTIVITIES</b>                                |                                      |                                      |
| Proceeds from long term borrowings  | <b>1546.57</b>                       | 1,263.70                             |
| Proceeds from share capital   | <b>35.00</b>                         | -                                    |
| Proceeds from share premium   | <b>201.25</b>                        | -                                    |
| Interest and finance charges paid   | <b>(637.59)</b>                      | (571.31)                             |
| <b>NET CASH FROM FINANCING ACTIVITIES</b>                                   | <b>1145.23</b>                       | 692.39                               |
| <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE YEAR</b> | <b>(40.91)</b>                       | (141.77)                             |
| <b>Cash and cash equivalents as at March 31,2018</b>                        | <b>110.78</b>                        | 252.55                               |
| <b>Cash and cash equivalents as at March 31, 2019</b>                       | <b>69.87</b>                         | 110.78                               |
| <b>Net Cash Flow</b>  | <b>(40.91)</b>                       | (141.77)                             |

For Gianender & Associates  
Chartered Accountants  
FRN: 004661N

By Order of the Board  
For RACL Geartech Limited

Sd/-  
**MANJU AGARWAL**  
(Partner) M.No :083878

**GURSHARAN SINGH**  
(Chairman & M.D.)

**SHASHANK RAMESH ANIKHINDI**  
(Director)

**RAKESH KAPOOR**  
(Director)

**NARINDER PAUL KAUR**  
(Director)

**RAJ KUMAR KAPOOR**  
(Director)

**D.R. ARYA**  
(Director & CFO)

Place: Noida  
Date : 24<sup>th</sup> May, 2019

**HITESH KUMAR**  
(Company Secretary)

## STATEMENT OF CHANGES IN EQUITY for the year ended 31<sup>st</sup> March, 2019

### A. Equity Share Capital

(Rs. in Lakh)

| Movement during the year  | Number of shares (In Lakh) | Share Capital (Amount) |
|---|----------------------------|------------------------|
| <b>Equity</b>   |                            |                        |
| <b>Authorised ( Equity Shares of Rs.10/- each )</b>             | <b>200.00</b>              | 2,000.00               |
| <b>Issued &amp; Subscribed (Equity Shares of Rs.10/- each )</b> | <b>109.40</b>              | 1,094.00               |
| Balance at the beginning of the period as at 31.03.2018         |                            |                        |
| Change during the year  | <b>3.50</b>                | 35.00                  |
| <b>Balance at the end of the period as at 31.3.2019</b>         | <b>112.90</b>              | 1,129.00               |
| <b>Paid up Share Capital</b>                                    |                            |                        |
| Balance at the beginning of the period as at 31.03.2018         | <b>99.32</b>               | 993.16                 |
| Change during the year  | <b>3.50</b>                | 35.00                  |
| <b>Balance at the end of the period as at 31.03.2019</b>        | <b>102.82</b>              | 1,028.16               |

### B. Other Equity

#### Movement in Other Equity

(Rs. in Lakh)

|   | Reserves and Surplus     |                            |                   | Total           |
|---|--------------------------|----------------------------|-------------------|-----------------|
| Particulars   | Share Forfeiture Account | Securities Premium Reserve | Retained Earnings |                 |
| <b>Balance at the beginning of the reporting period i.e. 01.04.2018</b> | <b>41.95</b>             | 181.50                     | 4,250.66          | 4,474.11        |
| Changes in accounting policy or prior period errors                     |                          | -                          | -                 | -               |
| Restated balance at the beginning of the reporting period               | <b>41.95</b>             | 181.50                     | 4,250.66          | 4,474.11        |
| Total Comprehensive income for the year                                 |                          | 201.25                     | 943.23            | 1,144.48        |
| Transfer to retained earnings   |                          | -                          | -                 | -               |
| <b>Balance at the end of the reporting period i.e. 31.03.2019</b>       | <b>41.95</b>             | <b>382.75</b>              | <b>5,193.89</b>   | <b>5,618.59</b> |

### Previous Year

(Rs. in Lakh)

|   | Reserves and Surplus |                            |                   | Total           |
|---|----------------------|----------------------------|-------------------|-----------------|
| Particulars   | Capital Reserve      | Securities Premium Reserve | Retained Earnings |                 |
| <b>Balance at the beginning of the reporting period i.e. 01.04.2017</b> | <b>41.95</b>         | 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               | <b>41.95</b>         | 181.50                     | 3,528.61          | 3,752.06        |
| Total Comprehensive income for the year                                 | -                    | -                          | 722.12            | 722.12          |
| Transfer to retained earnings   | -                    | -                          | -                 | -               |
| <b>Balance at the end of the reporting period i.e. 31.03.2018</b>       | <b>41.95</b>         | <b>181.50</b>              | <b>4,250.73</b>   | <b>4,474.18</b> |

## Notes to Financial Statements for the Year ended 31<sup>st</sup> March, 2019

### Property, plant and equipment

| Particulars                               | Note No | Cost or Deemed cost         |                 |               |                           | Accumulated depreciation and impairment |                      |               |                           | Carrying Amount      |                      |
|---|---------|-----------------------------|-----------------|---------------|---------------------------|---|----------------------|---------------|---------------------------|----------------------|----------------------|
|   |         | Balance as at April 1, 2018 | Additions       | Disposals     | Balance at March 31, 2019 | Balance as at April 1, 2018             | Depreciation expense | Disposals     | Balance at March 31, 2019 | As at March 31, 2019 | As at March 31, 2018 |
| Building                                  |         | 797.76                      | 135.72          |               | 933.48                    | 61.15                                   | 34.11                |               | 95.26                     | 838.22               | 736.61               |
| Plant & Equipment                         |         | 5,403.38                    | 2,655.07        | 255.79        | 7,802.66                  | 383.42                                  | 719.17               | 204.54        | 898.05                    | 6,904.61             | 5,019.96             |
| Furniture & Fixtures                      |         | 3.56                        | 0.97            |               | 4.53                      | 0.75                                    | 0.14                 |               | 0.89                      | 3.64                 | 2.81                 |
| Vehicles                                  |         | 80.93                       | 33.40           | 19.89         | 94.44                     | 0.89                                    | 17.44                | 10.70         | 7.63                      | 86.81                | 80.04                |
| Office Equipments                         | 2       | 74.67                       | 6.62            |               | 81.29                     | 9.50                                    | 16.28                |               | 25.78                     | 55.52                | 65.18                |
| Electrical Installation                   |         | 116.67                      | 11.36           |               | 128.03                    | 7.23                                    | 12.45                |               | 19.68                     | 108.35               | 109.44               |
| Capital Tool Support                      |         | -                           | 309.45          |               | 309.45                    | -                                       |                      |               | -                         | 309.45               |                      |
| Leasehold Property Plant Equipment - Land |         | 1,144.37                    |                 |               | 1,144.37                  | -                                       |                      |               | -                         | 1,144.37             | 1,144.37             |
| <b>Total</b>                              |         | <b>7,621.34</b>             | <b>3,152.59</b> | <b>275.68</b> | <b>10,498.25</b>          | <b>462.93</b>                           | <b>799.59</b>        | <b>215.24</b> | <b>1,047.28</b>           | <b>9,450.97</b>      | <b>7,158.41</b>      |

### Intangible Assets

| Particulars              | Note No | Cost or Deemed cost         |             |             |                           | Accumulated depreciation and impairment |                      |           |                           | Carrying Amount      |                      |
|--------------------------|---------|-----------------------------|-------------|-------------|---------------------------|---|----------------------|-----------|---------------------------|----------------------|----------------------|
|                          |         | Balance as at April 1, 2018 | Additions   | Disposals   | Balance at March 31, 2019 | Balance as at April 1, 2018             | Depreciation expense | Disposals | Balance at March 31, 2019 | As at March 31, 2019 | As at March 31, 2018 |
| Intangible Asset         | 3       | 8.73                        | 4.13        |             | 12.86                     | -                                       | -                    |           | -                         | 12.86                | 8.73                 |
| Capital Work In Progress | 4       | 27.15                       |             | 8.27        | 18.88                     |   |                      |           |                           | 18.88                | 27.15                |
| <b>Total</b>             |         | <b>35.88</b>                | <b>4.13</b> | <b>8.27</b> | <b>31.74</b>              | <b>-</b>                                | <b>-</b>             | <b>-</b>  | <b>-</b>                  | <b>31.74</b>         | <b>35.88</b>         |



**Assets notes for the year ended 31<sup>st</sup> March, 2019**
**(Rs. in Lakh)**

| Particulars   | Note No | As at March 31, 2019 | As at March 31, 2018 |
|---|---------|----------------------|----------------------|
| <b>Non Current Assets</b>   |         |                      |                      |
| <b>(a) Financial Asset</b>  | 5       |                      |                      |
| Security Deposits with landlord against rented premises   |         | 37.27                | 52.12                |
| <b>Total</b>  |         | 37.27                | 52.12                |
| <b>(b) Other Non Current Assets</b>   | 6       |                      |                      |
| Security Deposits with UPPCL  |         | 76.07                | 76.07                |
| <b>Capital Advances</b>   |         |                      |                      |
| Advance for Machineries   |         | 50.67                | 21.62                |
| <b>Total</b>  |         | 126.74               | 97.69                |
| <b>Current Assets</b>   |         |                      |                      |
| <b>(a) Inventories (Lower of Cost or Net Relisable Value)</b>   | 7       |                      |                      |
| Raw Materials and components  |         | 494.73               | 416.75               |
| Work-in-progress  |         | 723.96               | 602.13               |
| Finished goods  |         | 123.12               | 111.63               |
| Stock-In-Transit  |         | 349.99               |                      |
| Stores and spares   |         | 315.05               | 430.38               |
| Loose Tools   |         | 1,336.26             | 1,425.13             |
| Jigs & fixtures   |         | 257.50               | 316.41               |
| <b>Total</b>  |         | 3,600.61             | 3,302.43             |
| <b>(b) Financial Assets</b>   |         |                      |                      |
| <b>i . Trade Recievable</b>   | 8       |                      |                      |
| Unsecured, considered good  |         | 5,088.64             | 4,055.09             |
| <b>Total</b>  |         | 5,088.64             | 4,055.09             |
| The concentration of credit risk is limited due to the fact that customer base is large and unrelated<br><br>The Company has taken an advance of Rs 2748.40 lakh from RBL Ltd. against Trade Receivables. The above figures are inclusive of RBL Ltd advances which are secured in following manner:<br>- Second charge on the entire current movable & Fixed Assets of the company<br>- Personal Guarantee of Mr Gursharan Singh & Mr D.R Arya |         |                      |                      |
| <b>ii. Cash and Cash Equivalents</b>  | 9       |                      |                      |
| Balances with banks   |         | 61.90                | 97.32                |
| Cash on hand  |         | 7.97                 | 13.46                |
| <b>Total</b>  |         | 69.87                | 110.78               |
| <b>iii. Other Financial Asset</b>   | 10      |                      |                      |
| Interest Receivable   |         | 5.44                 | 10.00                |
| Interest Receivable on Account of Electricity Deposit   |         | 35.23                | 28.76                |
| Other Claims  |         | 16.42                | 0.80                 |
| Margin money*   |         | 213.05               | 139.66               |
| <b>Total</b>  |         | 270.14               | 179.22               |
| *The Margin money on Letter of Credit is secured by Pledging of Term Deposit Receipts to the Schedule Bank.   |         |                      |                      |
| <b>(c) Other Current Assets (Secured, considered good)</b>  | 11      |                      |                      |
| Deposit with Government authorities   |         | 136.76               | 42.53                |
| Prepaid Expenses  |         | 70.24                | 20.66                |
| Advance to Suppliers  |         | 329.24               | 256.87               |
| Other Advances  |         | 16.55                | 0.34                 |
| Advance recoverable in cash or in kind or to the value to be received   |         | 367.49               | 408.16               |
| <b>Total</b>  |         | 920.28               | 728.56               |

**Note No 12**
**Equity Share Capital**
**(Rs. In Lakh)**

| Particulars   | Note No | As at March 31, 2019 | As at March 31, 2018 |
|---|---------|----------------------|----------------------|
| <b>Equity</b>                                       | 12.a.   |                      |                      |
| Authorised ( Equity Shares of Rs.10/- each)         |         | <b>2,000.00</b>      | 2,000.00             |
| Issued & Subscribed (Equity Shares of Rs.10/- each) |         | <b>1,129.00</b>      | 1,094.00             |
|   |         |                      |                      |
| Paid up Share Capital                               |         | <b>1,028.16</b>      | 993.16               |
| <b>Total Paid Up Share Capital</b>                  |         | <b>1,028.16</b>      | 993.16               |

During the year ended 31<sup>st</sup> March' 2019, Company had issued and allotted 3,50,000 equity shares of the face value of Rs. 10/- each on preferential allotment basis through private placement at a price of Rs. 67.50/- (including premium of Rs. 57.50/-)

**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 31<sup>st</sup> March' 2019, 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**
**(In Lakh)**

| Particulars                                     | As at 31.03.2019    |                 | As at 31.03.2018    |        |
|---|---------------------|-----------------|---------------------|--------|
|   | No of Equity Shares | INR             | No of Equity Shares | INR    |
| Share outstanding at the beginning of the year  | <b>99.32</b>        | <b>993.16</b>   | 99.32               | 993.16 |
| Share issued during the year                    | <b>3.50</b>         | <b>35.00</b>    | -                   | -      |
| Shares bought back during the year              |                     | -               | -                   | -      |
| <b>Share outstanding at the end of the year</b> | <b>102.82</b>       | <b>1,028.16</b> | 99.32               | 993.16 |

**iv. List of Shareholders having more than 5% equity shares**
**(In Lakh)**

| Particulars                     | As at 31.03.2019  |              | As at 31.03.2018  |              |
|---------------------------------|-------------------|--------------|-------------------|--------------|
|                                 | No of Shares Held | % of Holding | No of Shares Held | % of Holding |
| GURSHARAN SINGH                 | <b>34.29</b>      | <b>33.35</b> | 33.99             | 34.22        |
| PICUP                           | <b>15.03</b>      | <b>14.62</b> | 15.03             | 15.14        |
| Middle ware Development Limited | <b>10.00</b>      | <b>9.73</b>  | 10.00             | 10.07        |

**Other Equity**
**(Rs. In Lakh)**

| Particulars                | Note No | As at March 31, 2019 | As at March 31, 2018 |
|----------------------------|---------|----------------------|----------------------|
| Retained Earning           | 12.b.   | <b>5,193.89</b>      | 4,250.66             |
| Securities Premium Reserve |         | <b>382.75</b>        | 181.50               |
| Share Forfeiture Account   |         | <b>41.95</b>         | 41.95                |
| <b>Total</b>               |         | <b>5,618.59</b>      | 4,474.11             |

a. The Company has forfeited 10,08,400 equity share of Rs 10/- each (on 21.4.2003) and 19,00,000 convertible share warrants having paid up value of Re 1/- each (on 19.4.2010)

**Movement in Other Equity**
**(Rs. In Lakh)**

| Particulars                            | As at March 31,<br>2019 | As at March 31,<br>2018 |
|--|-------------------------|-------------------------|
| <b>Retained Earning</b>                |                         |                         |
| Opening Balance                        | <b>4,250.66</b>         | 3,528.53                |
| Add: Comprehensive Income for the year | <b>943.23</b>           | 722.13                  |
| <b>Closing Balance</b>                 | <b>5,193.89</b>         | 4,250.66                |
| <b>Securities Premium Reserve</b>      |                         |                         |
| Opening Balance                        | <b>181.50</b>           | 181.50                  |
| Add: Comprehensive Income for the year | <b>201.25</b>           | -                       |
| <b>Closing Balance</b>                 | <b>382.75</b>           | 181.50                  |
| <b>Share Forfeiture Account</b>        |                         |                         |
| Opening Balance                        | <b>41.95</b>            | 41.95                   |
| Add: Comprehensive Income for the year | -                       | -                       |
| <b>Closing Balance</b>                 | <b>41.95</b>            | 41.95                   |

For **Gianender & Associates**  
Chartered Accountants  
FRN: 004661N

By Order of the Board  
For RACL Geartech Limited

Sd/-  
**MANJU AGARWAL**  
(Partner) M.No :083878

**GURSHARAN SINGH**  
(Chairman & M.D.)

**SHASHANK RAMESH ANIKHINDI**  
(Director)

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(Director)

**NARINDER PAUL KAUR**  
(Director)

**RAJ KUMAR KAPOOR**  
(Director)

**D.R. ARYA**  
(Director & CFO)

Place: Noida  
Date : 24<sup>th</sup> May, 2019

**HITESH KUMAR**  
(Company Secretary)

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**
**(Rs. in Lakh)**

| Particulars  | Note No     | As at March 31, 2019 | As at March 31, 2018 |
|--|-------------|----------------------|----------------------|
| <b>Non Current Liabilities</b>   |             |                      |                      |
| <b>(a) Financial Liabilities</b>   |             |                      |                      |
| <b>Borrowings</b>  |             |                      |                      |
| <b>Secured Loans</b>   |             |                      |                      |
| Term Loan from Bank  | 13          | <b>3,308.00</b>      | 1,810.20             |
| Less: Unamortised Borrowing Cost   | 13.a.       | <b>(29.95)</b>       | -                    |
| Less: Current Maturities of Term Loan  |             | <b>(769.72)</b>      | (479.90)             |
|  | (i)         | <b>2,508.33</b>      | 1,330.30             |
| Car Loan   |             | <b>55.24</b>         | 22.08                |
| Less: Current Maturities of car Loan   |             | <b>(22.20)</b>       | (5.69)               |
|  | (ii)        | <b>33.04</b>         | 16.39                |
|  | 1((i)+(ii)) | <b>2,541.37</b>      | 1,346.69             |
| <b>Unsecured</b>   | 13.b.       |                      |                      |
| Term Loan from Financial Institutions/ Banks                                   |             | <b>727.98</b>        | 572.53               |
| Less: Current Maturities of loan from FI                                       |             | <b>(163.04)</b>      | (180.42)             |
|  | (i)         | <b>564.94</b>        | 392.11               |
| Term Loan from Related Parties   |             | <b>30.00</b>         | 151.35               |
|  | (ii)        | <b>30.00</b>         | 151.35               |
|  | 2 (i)+(ii)  | <b>594.94</b>        | 543.46               |
| <b>Total (1+2)</b>   |             | <b>3,136.31</b>      | 1,890.15             |
| 1. Secured Term Loans from banks have been guaranteed by Whole Time Directors. |             |                      |                      |
| 2. Maturity Profile of Secured Term Loans and Other Loans are as under :       |             |                      |                      |
| - FY 19-20            8.27   |             |                      |                      |

**(Rs. in Lakh)**

|   |  |  |  |
|---|--|--|--|
| 4. Unsecured Loans from Financial Institutions and Banks include Loan from Foreign Bank UBS(AG)- Switzerland & Luzerner Kantonal Bank - Switzerland in CHF currency. Maturity Profile of Unsecured term Loans and Other Loans in INR are as under : |  |  |  |
| - FY 19-20            1.63  |  |  |  |

(Rs. in Lakh)

|  |    |  |   |
|--|----|--|---|
| <b>ii. Trade payables</b><br>Due to other than SSIs/MSME<br>Add: Cheques issued but not present in the bank<br><b>Total</b>  | 18 | <b>2,140.12</b><br><b>0.66</b><br><b>2,140.78</b>  | 1,930.69<br>151.00<br>2,081.69                                  |
| 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.<br><br>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. |    |  |   |
| <b>iii. Other Financial liabilities - Current</b><br>Current maturities of Long-term debt<br>Current Maturities of Term Loan<br>Current Maturities of Car Loan<br>Current Maturities of Loan from Financial Institution<br>Payable to Staff<br>Salary & Wages<br>Other payables<br><b>Total</b>  | 19 | <b>769.72</b><br><b>22.2</b><br><b>163.04</b><br><b>0.37</b><br><b>63.73</b><br><b>480.85</b><br><b>1,499.91</b> | 479.90<br>5.69<br>180.42<br>1.53<br>82.92<br>434.95<br>1,185.41 |
| <b>(b) Other Current liabilities</b><br>i. Statutory Dues<br>Tax Collection At Source<br>TDS Payable<br>GST Payable<br>ii Advance received from Customers<br>iii Current Maturities of Long Term Advances from Customers<br><b>Total</b>   | 20 | <b>0.17</b><br><b>19.08</b><br><b>5.10</b><br><b>135.38</b><br><b>35.41</b><br><b>195.14</b>                     | -<br>31.53<br>-<br>3.04<br>-<br>34.57                           |
| <b>(c) Short Term Provisions</b><br>Gratuity Short term<br>Leave Encashment Short Term<br>ESI & PF Payable<br><b>Total</b>   | 21 | <b>51.74</b><br><b>11.51</b><br><b>7.78</b><br><b>71.03</b>  | 49.89<br>24.90<br>7.87<br>82.66                                 |
| <b>(d) Current Tax Liabilities (Net)</b><br>Income Tax Payable<br>Less : Advance Taxes<br><b>Total</b>   | 22 | <b>373.28</b><br><b>(300.78)</b><br><b>72.50</b>   | 29.93<br>(1.49)<br>28.44  |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

**Revenue From Operations**
**(Rs. in Lakh)**

| Particulars                 | Note No | Year ended March 31, 2019 | Year ended March 31, 2018 |
|-----------------------------|---------|---------------------------|---------------------------|
| Sale of Products - Domestic | 23      | <b>7129.59</b>            | 6,161.73                  |
| Sale of Products - Export   |         | <b>10986.88</b>           | 7,130.63                  |
| Other Operating Revenue     |         | <b>878.65</b>             | 586.52                    |
| <b>Total</b>                |         | <b>18,995.12</b>          | 13,878.89                 |

**Other Income**
**(Rs. in Lakh)**

| Particulars  | Note No | Year ended March 31, 2019 | Year ended March 31, 2018 |
|--|---------|---------------------------|---------------------------|
| Interest on Deposits                               | 24      | <b>17.84</b>              | 2.03                      |
| Other Non Operating Income                         |         | <b>37.54</b>              | 60.67                     |
| Foreign Exchange Rate Fluctuation Net (Loss)/ Gain |         | <b>45.93</b>              | 69.83                     |
| <b>Total</b>                                       |         | <b>101.31</b>             | 132.53                    |

**Cost of Raw Material**
**(Rs. in Lakh)**

| Particulars         | Note No | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---------------------|---------|---------------------------|---------------------------|
| Opening Stock       | 25      | <b>416.75</b>             | 255.48                    |
| Add: Purchases      |         | <b>6936.18</b>            | 5,100.64                  |
| Less: Closing Stock |         | <b>(494.73)</b>           | (416.75)                  |
| <b>Total</b>        |         | <b>6,858.20</b>           | 4,939.37                  |

**Change in Inventories**
**(Rs. in Lakh)**

| Particulars             | Note No | Year ended March 31, 2019 | Year ended March 31, 2018 |
|-------------------------|---------|---------------------------|---------------------------|
| <b>Closing Stock</b>    |         |                           |                           |
| Finished Goods -CS      |         | <b>121.25</b>             | 111.63                    |
| Material in Transit -CS |         | <b>349.99</b>             | -                         |
| Work in Progress -CS    |         | <b>725.83</b>             | 602.13                    |
| Scrap -CS               |         | <b>1,197.07</b>           | -                         |
|                         |         |                           | 713.76                    |



**(Rs. in Lakh)**

|                           |    |                 |                 |
|---------------------------|----|-----------------|-----------------|
| <b>Less:</b>              | 26 |                 |                 |
| <b>Opening Stock</b>      |    |                 |                 |
| Finished Goods- OS        |    | 111.63          | 94.57           |
| Material in Transit- OS   |    |                 | -               |
| Work in Progress- OS      |    | 602.13          | 462.39          |
| Excise duty               |    | -               |                 |
| Scrap- OS                 |    |                 | 0.35            |
|                           |    | 713.76          | 557.31          |
| <b>(Inc)/dec in stock</b> |    | <b>(483.31)</b> | <b>(143.28)</b> |

**Employee Benefits Expenses**
**(Rs. in Lakh)**

| Particulars                    | Note No | Year ended March 31, 2019 | Year ended March 31, 2018 |
|--------------------------------|---------|---------------------------|---------------------------|
| Salary & Incentives            | 27      | 1850.02                   | 1,709.72                  |
| Contribution to Provident Fund |         | 34.21                     | 29.05                     |
| Gratuity Contribution          |         | 72.64                     | 80.26                     |
| Leave Encashment               |         | 20.63                     | (2.89)                    |
| Directors Remuneration         |         | 153.44                    | 148.72                    |
| Staff Welfare Expenses         |         | 80.32                     | 75.91                     |
| <b>Total</b>                   |         | <b>2,211.26</b>           | <b>2,040.76</b>           |

**Finance Cost**
**(Rs. in Lakh)**

| Particulars          | Note No | Year ended March 31, 2019 | Year ended March 31, 2018 |
|----------------------|---------|---------------------------|---------------------------|
| Interest Expense     | 28      | 555.18                    | 471.72                    |
| Other Borrowing Cost |         | 82.41                     | 99.59                     |
| <b>Total</b>         |         | <b>637.59</b>             | <b>571.31</b>             |

**Depreciation and Amortisation**
**(Rs. in Lakh)**

| Particulars                      | Note No | Year ended March 31, 2019 | Year ended March 31, 2018 |
|----------------------------------|---------|---------------------------|---------------------------|
| Depreciation                     | 29      | 799.59                    | 496.00                    |
| Amortisation - Intangible assets |         |                           | -                         |
| <b>Total</b>                     |         | <b>799.59</b>             | <b>496.00</b>             |

**Other Expenses**
**(Rs. in Lakh)**

| Particulars                               | Note No | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---------|---------------------------|---------------------------|
| Stores & Spares Consumed                  | 30      | 725.09                    | 388.34                    |
| Packing Material Consumed                 |         | 372.68                    | 259.27                    |
| Loose Tools Consumed                      |         | 1086.31                   | 590.38                    |
| Power, Oil & Lubricants & LPG for furnace |         | 1402.54                   | 1,170.79                  |
| Repairs & Maintenance (Plant & Machinery) |         | 194.84                    | 165.60                    |
| Outside Vendoring                         |         | 2077.28                   | 1,411.78                  |
| Others                                    |         | 11.96                     | 41.46                     |
|   |         | 5,870.70                  | 4,027.61                  |
| Less : Transferred to Development Expense |         |                           | (38.43)                   |
| <b>Total</b>                              |         | <b>5,870.70</b>           | <b>3,989.18</b>           |
| Travelling & Conveyance                   |         | 90.74                     | 62.55                     |
| Vehicle Running and Maintenance Costs     |         | 62.85                     | 56.94                     |
| Telephone, Telex & Communication          |         | 21.98                     | 20.80                     |
| Repairs & Maintenance -Buildings          |         | 15.82                     | 40.30                     |
| Repairs & Maintenance -Others             |         | 0.41                      | 0.10                      |
| Freight & Forwarding                      |         | 729.70                    | 353.90                    |
| Rent                                      |         | 77.68                     | 75.18                     |
| Printing & Stationary                     |         | 23.57                     | 4.72                      |
| Electricity & Water                       |         | 12.73                     | 11.65                     |
| Legal & Professional Fees                 |         | 116.02                    | 89.14                     |
| Bad debts W/off                           |         |                           | 36.89                     |
| Misc Expenses                             |         | 316.77                    | 237.04                    |
| <b>Total</b>                              |         | <b>1,468.27</b>           | <b>989.23</b>             |
| <b>Total</b>                              |         | <b>7,338.97</b>           | <b>4,978.41</b>           |

**Payments to Statutory Auditors**
**(Rs. in Lakh)**

| Particulars             | Note No | Year ended March 31, 2019 | Year ended March 31, 2018 |
|-------------------------|---------|---------------------------|---------------------------|
| (a) Statutory Audit Fee |         | 4.15                      | 2.00                      |
| (b) Other Services      |         | 0.00                      | -                         |
| <b>Total</b>            |         | <b>4.15</b>               | <b>2.00</b>               |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

### 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, 2019 | As at Mar 31, 2018 |
|---|-----------------|--------------------|--------------------|
| <b>Earnings Per Equity Share:</b>   |                 |                    |                    |
| Profit for the year attributable to owners of the Company                                     | Rupees in Lakh  | <b>943.23</b>      | 722.13             |
| Weighted average number of equity shares outstanding for calculating basic earnings per share | Numbers in Lakh | <b>101.02</b>      | 99.32              |
| <b>Basic Earnings per Share</b>   | Rupees          | <b>9.34</b>        | 7.27               |

### 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, 2019 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:-

#### A. Gratuity

(Rs. in Lakh)

| Particulars   | Gratuity           |                    |
|---|--------------------|--------------------|
|   | As at Mar 31, 2019 | As at Mar 31, 2018 |
| <b>Reconciliation of opening &amp; closing balances of PV of defined benefit obligation</b> |                    |                    |
| Opening defined benefit obligation  | <b>512.01</b>      | 421.07             |
| Current service Cost  | <b>31.07</b>       | 26.23              |
| Interest Cost on Benefit Obligation   | <b>38.90</b>       | 32.24              |
| Prior service cost-Vested benefit   |                    |                    |
| Net Actuarial gain/loss recognized during the year  | <b>34.13</b>       | 42.72              |
| Benefits paid   | <b>(13.52)</b>     | (10.25)            |
| <b>Closing defined benefit obligation</b>   | <b>602.59</b>      | 512.01             |
|   |                    |                    |
| <b>Current Liabilities</b>  | <b>51.74</b>       | 49.89              |
| <b>Non Current Liabilities</b>  | <b>550.85</b>      | 462.12             |
|   |                    |                    |
| <b>Expenses recognized in the statement of P&amp;L Account</b>                              |                    |                    |
| Current Service Cost  | <b>31.07</b>       | 26.23              |

**(Rs. in Lakh)**

|   |                 |                     |
|---|-----------------|---------------------|
| Interest Cost on Benefit Obligation                             | <b>38.90</b>    | 32.24               |
| <b>Defined Benefit Cost included in P&amp;L</b>                 | <b>69.97</b>    | 58.46               |
| Total Remeasurement in OCI                                      | <b>34.13</b>    | 42.73               |
| <b>Total Defined Benefit Cost recognised in P&amp;L and OCI</b> | <b>104.1</b>    | 101.19              |
| <b>Summary of Actuarial Assumptions</b>                         |                 |                     |
| <b>Retirement Age</b>   |                 |                     |
| Discount Rate   | <b>7.70%</b>    | 7.75%               |
| Salary Escalation   | <b>6%</b>       | 6%                  |
| Attrition Rate  | <b>58 Years</b> | 58 Years            |
| Average Future Service  | <b>16.17</b>    | 16.03               |
| Mortality Table   |                 | IALM(2006-08) Table |

**B. LEAVE ENCASHMENT**
**(Rs. in Lakh)**

| Particulars   | Leave Encashment           |                     |
|---|----------------------------|---------------------|
|   | As at Mar 31, 2019         | As at Mar 31, 2018  |
| <b>Reconciliation of opening &amp; closing balances of PV of defined benefit obligation</b> | <b>132.53</b>              | 160.11              |
| Opening defined benefit obligation  |                            |                     |
| Current service Cost  | <b>11.60</b>               | 8.17                |
| Interest Cost on Benefit Obligation   | <b>8.34</b>                | 9.79                |
| Prior service cost-Vested benefit   |                            |                     |
| Net Actuarial gain/loss recognized during the year  | <b>(0.12)</b>              | 21.99               |
| Benefits paid   | <b>(48.46)</b>             | (67.53)             |
| <b>Closing defined benefit obligation</b>   | <b>103.89</b>              | 132.53              |
| <b>Current Liability</b>  |                            |                     |
|   | <b>11.51</b>               | 24.90               |
| <b>Non Current Liability</b>  |                            |                     |
|   | <b>92.38</b>               | 107.63              |
| <b>Expenses recognized in the statement of P&amp;L Account</b>                              |                            |                     |
| Current Service Cost  | <b>11.60</b>               | 8.17                |
| Interest Cost on Benefit Obligation   | <b>8.34</b>                | 9.79                |
| <b>Defined Benefit Cost included in P&amp;L Account</b>                                     | <b>19.94</b>               | 17.96               |
| Total Remeasurement in OCI  | <b>(0.12)</b>              | 21.99               |
| <b>Total Defined Benefit Cost recognised in P&amp;L and OCI</b>                             | <b>19.82</b>               | 39.95               |
| <b>Summary of Actuarial Assumptions</b>   |                            |                     |
| <b>Retirement Age</b>   |                            |                     |
| Discount Rate   | <b>7.70%</b>               | 7.75%               |
| Salary Escalation   | <b>6%</b>                  | 6%                  |
| Retirement Age  | <b>58 Years</b>            | 58 Years            |
| Average Future Service  | <b>18.73</b>               | 18.91               |
| Mortality Table   | <b>IALM(2006-08) Table</b> | IALM(2006-08) Table |

**C. SENSITIVITY ANALYSIS**

A quantitative sensitivity analysis for significant assumptions as 31<sup>st</sup> March 2019

| Particulars                |                       | GRATUITY PLAN                        | LEAVE ENCASHMENT                     |
|----------------------------|-----------------------|--------------------------------------|--------------------------------------|
|                            | CHANGE IN ASSUMPTIONS | IMPACT ON DEFINED BENEFIT OBLIGATION | IMPACT ON DEFINED BENEFIT OBLIGATION |
|                            | Increase/ (Decrease)  | Increase/ Decrease in Assumptions    | Increase/ Decrease in Assumptions    |
| <b>UNDER BASE SCENARIO</b> |                       | 60,259,453                           | 10,388,801                           |
|                            | %                     | Rs.                                  | Rs.                                  |
| SALARY ESCALATION          | 1.00%                 | 64,274,056                           | 11,151,345                           |
|                            | -1.00%                | 56,616,293                           | 9,708,240                            |
| WITHDRAWAL RATES           | 1.00%                 | 60,644,542                           | 10,469,358                           |
|                            | -1.00%                | 59,836,479                           | 10,298,494                           |
| DISCOUNT RATES             | 1.00%                 | 56,798,379                           | 9,756,267                            |
|                            | -1.00%                | 64,121,101                           | 11,107,398                           |

**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     |
| Mr Prabh Mehar Singh                 | Son of Mr.Gursharan Singh      |

**B. Transactions with related parties:**
**(Rs. in Lakh)**

| Particulars  | As at Mar 31, 2019 | As at Mar 31, 2018 |
|--|--------------------|--------------------|
| Remuneration and Perks - Key Managerial Personnel              | <b>163.19</b>      | 152.07             |
| Remuneration and Perks - Relatives of Key Managerial Personnel | <b>22.97</b>       | 23.31              |
| Directors Sitting Fees   | <b>0.90</b>        | 0.75               |

Remuneration & Perks include payment to Mr. Gursharan Singh, Chairman & Managing Director Rs. 109.36 Lakh (Prev. Year Rs. 97.60 Lakh), Mr. Dev Raj Arya, Director & CFO Rs. 47.33 Lakh (Prev. Year Rs. 48.58 Lakh) Mr. Hitesh Kumar, Company Secretary Rs. 6.50 Lakh (Prev. Year Rs. 5.89 Lakh), KMP's of the company.

Remuneration & Perks paid to Mrs. Narinder Paul Kaur (as retainership fees), Rs 13.20 Lakh (Prev. Year Rs. 13.20 Lakh) and Mr. Prabh Mehar Singh Rs 9.77 Lakh (Prev. year Rs 10.11 Lakh) , Relatives of Key Managerial Person.

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

## Financial Instruments

### 35 Capital Management

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, optimisation of working capital requirements and deployment of surplus funds into various investment options. The capital structure of the company consists of debt (long term borrowings, current maturity of long term borrowings and short term borrowings), capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders.

#### 35A Gearing Ratio

The gearing ratio at the end of the reporting period was as follows

(Rs. in Lakh)

| Particulars              | As at Mar 31, 2019 | As at Mar 31, 2018 |
|--------------------------|--------------------|--------------------|
| Debt                     | 8,480.22           | 6,644.70           |
| Cash and Bank Balances   | 69.87              | 110.78             |
| Net Debt (i)             | 8,410.35           | 6,533.92           |
| Equity (ii)              | 6,646.75           | 5,467.27           |
| Net Debt To Equity Ratio | 1.27               | 1.20               |

### 36. Catagories of Financial Instruments

(Rs. in Lakh)

| Financial instruments by categories      | 31.03.2019 |        |                | 31.03.2018 |        |                |
|--|------------|--------|----------------|------------|--------|----------------|
|  | FVTPL      | FVTOCI | Amortized cost | FVTPL      | FVTOCI | Amortized cost |
| Financial asset                          |            |        |                |            |        |                |
| Non-Current Financial Asset              |            |        |                |            |        |                |
| Security Deposit                         |            |        | 37.27          |            |        | 52.12          |
| Current Financial Asset                  |            |        |                |            |        |                |
| i. Trade receivables                     |            |        | 5,088.64       |            |        | 4,055.09       |
| ii. Cash and cash equivalents            |            |        | 69.87          |            |        | 110.78         |
| iii. Other Financial asset               |            |        | 270.14         |            |        | 179.22         |
| <b>Total Financial Asset</b>             | -          | -      | 5,465.92       | -          | -      | 4,397.21       |
| <b>Financial liability</b>               |            |        |                |            |        |                |
| <b>Non-Current Financial Liabilities</b> |            |        |                |            |        |                |
| Borrowings                               |            |        | 4,091.27       |            |        | 2,556.16       |
| <b>Current Financial Liabilities</b>     |            |        |                |            |        |                |
| i. Borrowings                            |            |        | 4,388.95       |            |        | 4,088.54       |
| ii. Trade payables                       |            |        | 2,140.78       |            |        | 2,081.69       |
| iii. Other financial liabilities         |            |        | 544.95         |            |        | 519.40         |
| <b>Total Financial Liabilities</b>       |            |        | 11,165.95      | -          | -      | 9,245.79       |

**37 Fair value of Financial Assets and Liabilities at amortized cost (Rs. in Lakh)**

| Financial instruments by categories      | 31.03.2019       |                  | 31.03.2018      |                 |
|--|------------------|------------------|-----------------|-----------------|
|  | Carrying amount  | Fair value       | Carrying amount | Fair value      |
| <b>Financial asset</b>                   |                  |                  |                 |                 |
| <b>Non-Current Financial Asset</b>       |                  |                  |                 |                 |
| Security Deposit                         | 37.27            | 37.27            | 52.12           | 52.12           |
| <b>Current Financial Asset</b>           |                  |                  |                 |                 |
| i. Trade receivables                     | 5,088.64         | 5,088.64         | 4,055.09        | 4,055.09        |
| ii. Cash and cash equivalents            | 69.87            | 69.87            | 110.78          | 110.78          |
| iii. Other Financial asset               | 270.14           | 270.14           | 179.22          | 179.22          |
| <b>Total Financial Asset</b>             | <b>5,465.92</b>  | <b>5,465.92</b>  | <b>4,397.21</b> | <b>4,397.21</b> |
| <b>Financial liability</b>               |                  |                  |                 |                 |
| <b>Non-Current Financial Liabilities</b> |                  |                  |                 |                 |
| Borrowings                               | 4,091.27         | 4,091.27         | 2,556.16        | 2,556.16        |
| <b>Current Financial Liabilities</b>     |                  |                  |                 |                 |
| i. Borrowings                            | 4,388.95         | 4,388.95         | 4,088.54        | 4,088.54        |
| ii. Trade payables                       | 2,140.78         | 2,140.78         | 2,081.69        | 2,081.69        |
| iii. Other financial liabilities         | 544.95           | 544.95           | 519.40          | 519.40          |
| <b>Total Financial Liabilities</b>       | <b>11,165.95</b> | <b>11,165.95</b> | <b>9,245.79</b> | <b>9,245.79</b> |

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 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. 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 operates internationally and a major portion of the business is transacted in several currencies and consequently the company is exposed to foreign exchange risk through its sales and services in the several countries and purchases from overseas suppliers in various foreign currencies.

**The company has incurred expenditure in Foreign Currency (Rs. in Lakh)**

| Particulars                 | FY 2018-19 | FY 2017-18 |
|-----------------------------|------------|------------|
| Raw Material/Tools/Machines | 2,710.97   | 946.40     |
| Foreign Travelling          | 54.60      | 31.61      |



The company has Earnings in Foreign Currency

(Rs. in Lakh)

| Particulars                  | FY 2018-19 | FY 2017-18 |
|------------------------------|------------|------------|
| Export of Goods on CIF Basis | 10,986.88  | 7,130.63   |

The foreign currency risk from financial instruments as at March 31, 2019 is as follows:

(Rs. in Lakh)

| Particulars                          | As on 31.03.2019 |               |               |             |             |             |             |
|--------------------------------------|------------------|---------------|---------------|-------------|-------------|-------------|-------------|
|                                      | USD              | EURO          | CHF           | GBP         | Yuan        | JPY         | Thai Baht   |
| Cash & Cash Equivalents (INR)        | 0.62             | 0.48          | 0.38          | 0.07        | 0.02        | 0.12        | 0.09        |
| Trade Receivables (INR)              | 3623.53          | 96.77         |               |             |             |             |             |
| Trade Payables (INR)                 |                  |               | 3.10          |             |             |             |             |
| Interest Payables (INR)              |                  |               | 4.73          |             |             |             |             |
| Borrowings in Foreign Currency (INR) | 2650.85          | 87.11         | 727.98        |             |             |             |             |
| <b>Total</b>                         | <b>6275.00</b>   | <b>184.36</b> | <b>736.19</b> | <b>0.07</b> | <b>0.02</b> | <b>0.12</b> | <b>0.09</b> |

The foreign currency risk from financial instruments as at March 31, 2018 is as follows:

(Rs. in Lakh)

| Particulars                          | As on 31.03.2018 |               |               |             |             |             |             |
|--------------------------------------|------------------|---------------|---------------|-------------|-------------|-------------|-------------|
|                                      | USD              | EURO          | CHF           | GBP         | Yuan        | JPY         | Thai Baht   |
| Cash & Cash Equivalents (INR)        | 0.51             | 0.14          | 0.22          | 0.06        | 0.20        | 0.21        | 0.03        |
| Trade Receivables (INR)              | 2271.67          | 303.46        |               |             |             |             |             |
| Trade Payables (INR)                 | 5.21             | 10.25         | 23.49         |             |             |             |             |
| Interest Payables (INR)              |                  |               |               |             |             |             |             |
| Borrowings in Foreign Currency (INR) | 1634.61          | 132.61        | 572.53        |             |             |             |             |
| <b>Total</b>                         | <b>3912.00</b>   | <b>446.46</b> | <b>596.24</b> | <b>0.06</b> | <b>0.20</b> | <b>0.21</b> | <b>0.03</b> |

Sensitivity analysis based on average outstanding Foreign currency loan

(Rs. in Lakh)

| Particulars                                   | Impact on profit/ loss after tax |            |
|---|----------------------------------|------------|
|   | FY 2018-19                       | FY 2017-18 |
| Increase or decrease in exchange rate by Rs.1 | 103.79                           | 75.05      |

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 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:

(Rs. in Lakh)

| Particulars                                    | FY 2018-19 | FY 2017-18 |
|--|------------|------------|
| Debt from Banks/FIs - Variable rate borrowings | 8,510.17   | 6,644.69   |

Sensitivity analysis based on average outstanding Debt

(Rs. in Lakh)

| Interest Rate Risk Analysis                              | Impact on profit/ loss after tax |            |
|--|----------------------------------|------------|
|  | FY 2018-19                       | FY 2017-18 |
| Increase or decrease in interest rate by 25 basis points | 18.94                            | 15.03      |

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

(Rs. in Lakh)

| As at March 31, 2019                      | Carrying Amount  | upto 1 year | 1-3 years | 3-5 years | More than 5 years | Total     |
|---|------------------|-------------|-----------|-----------|-------------------|-----------|
| <b>Non Derivative Financial Liability</b> |                  |             |           |           |                   |           |
| Term Loan from Banks                      | <b>3,308.00</b>  | 769.72      | 2,256.76  | 281.52    |                   | 3,308.00  |
| Term Loan from Financial Institutions     | <b>727.98</b>    | 163.04      | 418.19    | 146.75    |                   | 727.98    |
| Loan repayable to Related party           | <b>30.00</b>     |             | 30.00     |           |                   | 30.00     |
| Long Term Advances from Customers         | <b>170.86</b>    | 35.41       | 135.45    |           |                   | 170.86    |
| Car Loan                                  | <b>55.24</b>     | 22.20       | 33.04     |           |                   | 55.24     |
| Loan Repayable on Demand                  | <b>1,640.55</b>  | 1,640.55    |           |           |                   | 1,640.55  |
| Bill Discounting                          | <b>2,748.40</b>  | 2,748.40    |           |           |                   | 2,748.40  |
| Trade Payables                            | <b>2,140.78</b>  | 2,140.78    |           |           |                   | 2,140.78  |
| Other Financial Liabilities               | <b>544.95</b>    | 544.95      |           |           |                   | 544.95    |
| <b>Total</b>                              | <b>11,366.76</b> | 8,065.05    | 2,873.44  | 428.27    | -                 | 11,366.76 |

(Rs. in Lakh)

| As at March 31, 2018                      | Carrying Amount | upto 1 year | 1-3 years | 3-5 years | More than 5 years | Total    |
|---|-----------------|-------------|-----------|-----------|-------------------|----------|
| <b>Non Derivative Financial Liability</b> |                 |             |           |           |                   |          |
| Term Loan from Banks                      | <b>1,810.20</b> | 479.90      | 1,297.11  | 33.19     |                   | 1,810.20 |
| Term Loan from Financial Institutions     | <b>572.53</b>   | 180.42      | 392.11    |           |                   | 572.53   |
| Loan Repayable on Demand                  | <b>1,876.90</b> | 1,876.90    |           |           |                   | 1,876.90 |
| Loan repayable to Related party           | <b>151.35</b>   |             | 151.35    |           |                   | 151.35   |
| Car Loan                                  | <b>22.08</b>    | 5.69        | 16.39     |           |                   | 22.08    |
| Bill Discounting                          | <b>2,211.64</b> | 2,211.64    |           |           |                   | 2,211.64 |
| Trade Payables                            | <b>2,081.69</b> | 2,081.69    |           |           |                   | 2,081.69 |
| Other Financial Liabilities               | <b>519.40</b>   | 519.40      |           |           |                   | 519.40   |
| <b>Total</b>                              | <b>9,245.79</b> | 7,355.64    | 1,856.96  | 33.19     | -                 | 9,245.79 |

**39. Expenditure on Corporate Social Responsibility (CSR)**

(Rs. in Lakh)

| Particulars  | FY 2018-19 | FY 2017-18 |
|--|------------|------------|
| a) Gross amount required to be spent during the year | 21.05      | 15.15      |
| b) Amount actually spent during the year             | 12.37      | 6.00       |

#### 40. Deferred tax balances

| The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet: |                      |   | (Rs. in Lakh)        |
|--|----------------------|---|----------------------|
| Particulars  | As at March 31, 2018 | Movement Recognised in Statement of Profit and Loss | As at March 31, 2019 |
| Deferred tax (liabilities)/assets in relation to:  |                      |   |                      |
| Property, plant and equipment and Intangible Assets  | (692.64)             | (273.23)  | (965.87)             |
| Defined benefit obligation   | 179.58               | 26.14   | 205.72               |
| Deferred Tax Asset / (Liabilities) (Net)   | (513.06)             | (247.09)  | (760.15)             |

#### 41 Contingent liabilities

##### 1. Corporate Guarantees given by the Company on behalf of their Suppliers.

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:

1. For Global Engineering Works Limited for an amount of Rs. 114 Lakh.
2. For Hariom Engineering Private Limited for an amount of Rs. 29 Lakh.
3. Diamento precision Parts Private Limited for an amount of Rs. 40 Lakh.

#### 42 Details of dues to micro, small and medium enterprises as defined under the MSMED Act, 2006

There have been no claimed transactions during the year with Micro, Small and Medium Enterprises covered under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. Hence, reporting details of Principal and Interest does not arise.

#### 43 Previous years figures

Previous years figures have been regrouped/reclassified/recasted wherever necessary.

## 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).

##### (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.

## **B SIGNIFICANT ACCOUNTING POLICIES**

### **B1 INCOME RECOGNITION**

#### **Revenue from Contracts with customers:**

The Company has adopted Ind AS 115 "Revenue from Contracts with Customers" with the date of initial application being April 1, 2018. Ind AS 115, revenue from contracts with customers, mandatory for reporting period beginning on or after April 1, 2018 replaced existing revenue recognition requirements i.e. Ind AS 18 Revenue Recognition and Ind AS 11 Construction Contracts. There were no significant adjustments required to the retained earnings as on April 1, 2018. Also the application of IND AS 115 did not have any significant impact on recognition and measurement for revenue and related items in the financial results.

Accordingly, the policy for Revenue is amended as under:

The Company derives revenue primarily from sale of goods to the Customer. To recognize revenue, the Company applies the following five step approach:

#### **(1) Identify the contract with a customer:**

The Company observe the following criteria:

- a. Parties to the contract have approved the contract.
- b. Parties are committed to performing their respective obligations.
- c. Each party's rights and payment for the contract is identified.
- d. A contract has commercial substance.
- e. Probable collection of the consideration by the entity.

#### **(2) Identify the performance obligations in the contract:**

The Company assesses its promise to transfer goods to a customer to identify separate performance obligations. The Company applies judgment to determine whether each goods promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised goods are combined and accounted as a single performance obligation.

#### **(3) Determine the transaction price:**

Transaction price is fixed and determined based on the terms of contract and Company's customary practice and any consideration payable to the customers includes cash amounts, credits, rebates and other similar allowances is reduced from the transaction price.

#### **(4) Allocate the transaction price to the performance obligation in the contract.**

The Company allocates the transaction price to each performance obligation identified in a contract on a relative stand-alone selling price basis.

#### **(5) Recognize revenue when a performance obligation is satisfied:**

Revenue should be recognised when (or as) the Company satisfies a performance obligation by transferring a promised goods or services to a customer (customer obtains control). For each performance obligation, The Company determine the performance obligation at a point of time when all the following conditions are satisfied:

1. The Company has a present right to pay for the goods.
2. The Customer has legal title to the goods.
3. The Company has transferred physical possession of the goods.
4. Customer has significant risk and reward of ownership.
5. Customer has accepted the goods.

**Other Income**

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

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.

Management has reviewed the depreciation policy and machineries have been depreciated accordingly.

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.

- a. Loans and borrowings are subsequently measured at amortized costs using Effective Interest Rate method.
- b. Financial liabilities at fair value through profit or loss (FVTPL) are subsequently measured at fair value.
- c. 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.
- d. 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 Borrowings Cost:**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Other borrowing costs are expensed in the period in which they are incurred.

**For Gianender & Associates**  
Chartered Accountants  
FRN: 004661N

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

**Sd/-**  
**MANJU AGARWAL**  
(Partner) M.No :083878

**GURSHARAN SINGH**  
(Chairman & M.D.)

**SHASHANK RAMESH ANIKHINDI**  
(Director)

**RAKESH KAPOOR**  
(Director)

**NARINDER PAUL KAUR**  
(Director)

**RAJ KUMAR KAPOOR**  
(Director)

**D.R. ARYA**  
(Director & CFO)

**Place: Noida**  
**Date : 24<sup>th</sup> May, 2019**

**HITESH KUMAR**  
(Company Secretary)

**RACL Geartech Limited****Registered Office:** 15<sup>th</sup> Floor, Eros Corporate Tower, Nehru Place, New Delhi – 110019, India**Tel:** (011) 66155129**e-Mail:** [Info@raclgeartech.com](mailto:Info@raclgeartech.com) **Website:** [www.raclgeartech.com](http://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, 2<sup>nd</sup> Floor, Okhla Indl. Area, Phase-II,  
New Delhi - 110 020

Tel: (011) 26387281 / 82 / 83

Fax: (011) 26387384

E-mail : [info@masserv.com](mailto:info@masserv.com)

Website: [www.masserv.com](http://www.masserv.com)

**Company****RACL Geartech limited**

Investor Relations,

Secretarial Department,

15<sup>th</sup> Floor, Eros Corporate Tower,

Nehru Place, New Delhi – 110019, India

E-mail : [investor@raclgeartech.com](mailto:investor@raclgeartech.com)

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

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

Yours sincerely,

**HITESH KUMAR**

**(COMPANY SECRETARY & 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 1<sup>st</sup> shareholder only (Name of 1<sup>st</sup> 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.

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**IMPORTANT TO BE NOTED:**

Pursuant to **SEBI Notification dated 08<sup>th</sup> June, 2018 and as amended**, we hereby apprise you that w.e.f. 01.04.2019, transfer of securities not processed unless securities are held in dematerialized form with a depository. In other words, request for transfer of shares held in physical form not processed w.e.f. 01.04.2019 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, 2<sup>nd</sup> 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)   | <div style="display: flex; justify-content: space-between; width: 100%;"> <span><input type="checkbox"/> Saving</span> <span><input type="checkbox"/> Current account</span> <span><input type="checkbox"/> cash credit</span> </div> |
|   |  |   |
| 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**
**Registered Office: 15<sup>th</sup> Floor, Eros Corporate Tower, Nehru Place, New Delhi – 110019, India**
**Tel: (011) 66155129**
**e-Mail: [Info@raclgeartech.com](mailto:Info@raclgeartech.com) Website: [www.raclgeartech.com](http://www.raclgeartech.com)**
**CIN: L34300DL1983PLC016136**

### **PROXY FORM**

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

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

I/We, being the member(s) of ..... shares of RACL Geartech Limited 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 36<sup>th</sup> Annual General Meeting of members of the Company, to be held on Saturday, the 28<sup>th</sup> September, 2019 at 11:30 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-<br>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 <sup>st</sup> March, 2019, including the Audited Balance Sheet as at 31 <sup>st</sup> March, 2019, 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. <b>(Ordinary Resolution)</b> |       |         |
| 2.                  | To consider and appoint a Director in place of Mr. Dev Raj Arya (DIN: 00057582), Whole-time Director & CFO, who retires by rotation and being eligible, offers himself for re-appointment. <b>(Ordinary Resolution)</b>   |       |         |
| 3.                  | To ratify the appointment of Gianender & Associates, Chartered Accountants [Firm Registration No. 004661N], Statutory Auditors of the Company, and to fix their remuneration. <b>(Ordinary Resolution)</b>  |       |         |

| <b>Special Business</b> |   |  |  |
|-------------------------|---|--|--|
| 4.                      | Appointment of Mr. Anil Sharma (DIN: 00157911) as Non-Executive Non-Independent Director of the company and payment of retainership fees/ remunerations to him. <b>(Special Resolution)</b> |  |  |
| 5.                      | Approval of remuneration of Mr. Gursharan Singh (DIN: 00057602), Chairman and Managing Director. <b>(Special Resolution)</b>  |  |  |
| 6.                      | Re-appointment of Mr. Dev Raj Arya (DIN: 00057582) as Whole-time Director & Chief Financial Officer and payment of remuneration to him. <b>(Special Resolution)</b>                         |  |  |

*\* 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 ..... 2019.

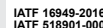
Signature of shareholder .....

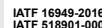
Signature of Proxy holder(s) .....

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.

[illegible]

[illegible]

## Contributing Towards Employment Generation



### Creating Employment Opportunities



### Empowering Women: Creating Employment for Women

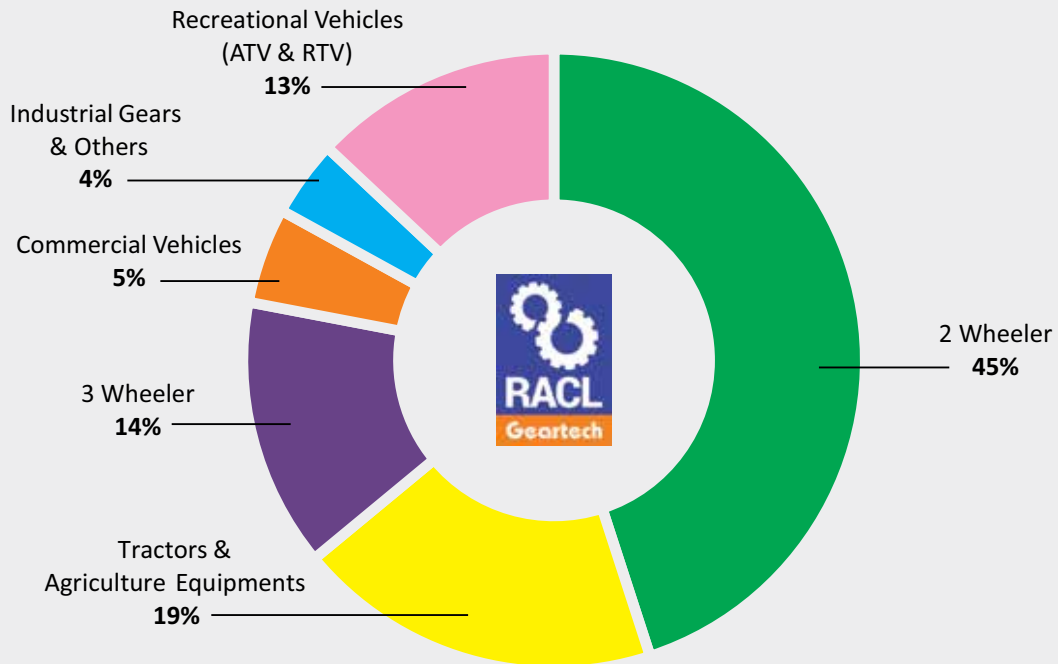


**World class mobility solution provides for Transmission Gears, Shafts, Sub-Assemblies, Precision Machined Components and Industrial Gears.**

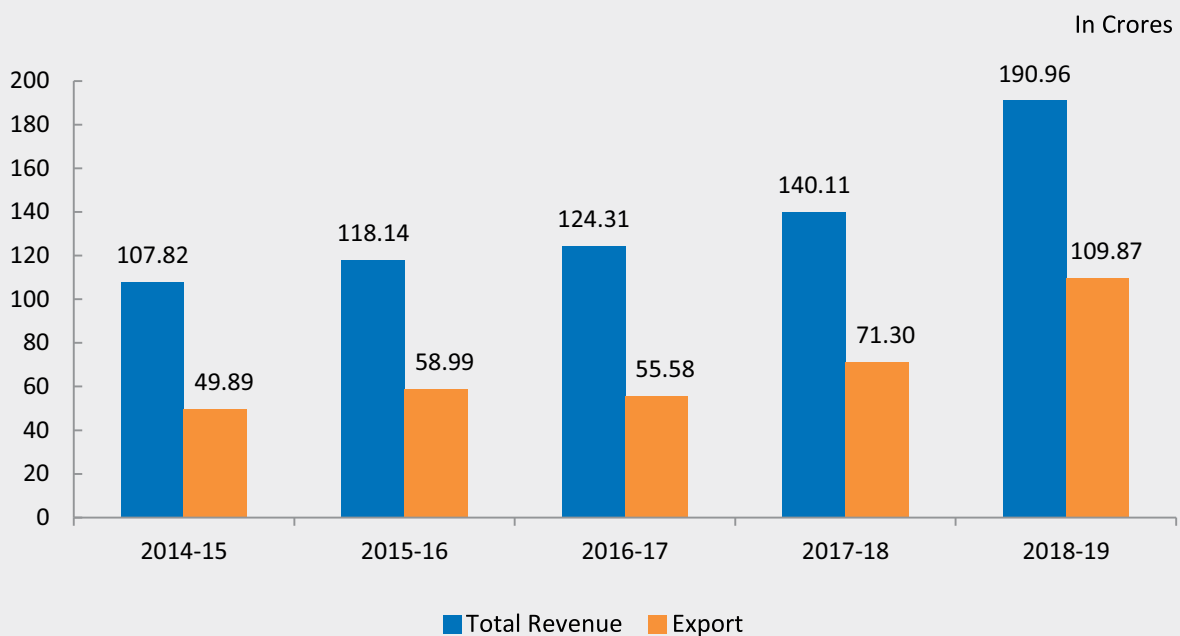




### Business Segment Financial Year 2018-19



### Total Revenue & Export Performance (Last 5 Years)





# RACL - CORPORATE SOCIAL RESPONSIBILITY (CSR)



ERADICATING POVERTY  
"Blanket Distribution"

PROMOTING EDUCATION  
"Bright Tomorrow"



RACL HAS OPENED A  
"Computer Training Centre (CTC)"

## ENVIRONMENT and HEALTH and SAFETY



ENVIRONMENT  
"Tree Plantation"

HEALTH  
"Yoga Day Celebration"



SAFETY  
"Mock Drill - Fire Emergency"

## TRAINING and DEVELOPMENT

