



| 40TH ANNUAL REPORT



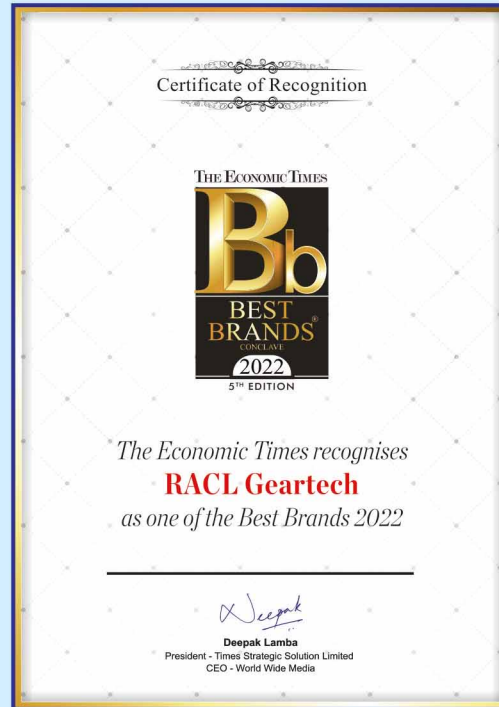
Financial
Year
2022-23

RACL Geartech Limited

Putting the world to motion



AWARDS AND RECOGNITION





FROM THE CHAIRPERSON'S DESK

Dear Valued Shareholders, I hope this message finds you and your family safe and in good health!

It is my privilege to present you the Annual results & performance of RACL Geartech for FY22-23, I express my thoughts with great enthusiasm, immense pride, and an unwavering sense of responsibility towards all of you.

At RACL, FY 22-23 had been a very successful one, thanks to our customers, who continued to pose their confidence & trust on our capabilities.

Further, in a rapidly changing world, the ability to embrace change becomes very crucial. Technological advancements, societal shifts and global challenges expect us to be agile and adaptable. While we endeavour to maintain and nurture all good practices whichever opportunity is available to us, we are also cognizant of the evolving dynamics across the sector that we operate in. Substantial amount of ground work has been accomplished over the years, and we continue to adapt ourselves with greater zeal to the changing market conditions. As an imperative, we recognize the need to make necessary course corrections in this fast-changing world. While truly embracing the change, our success, as an organization, is deep rooted in our commitment to innovation and adaption of latest technologies, with sole purpose of attaining customer satisfaction. I believe that a happy & satisfied customer will create abundant opportunity for any business entity to have an inclusive growth. In addition to technological innovation and collaboration, I have a firm thought that our people are our greatest asset. At RACL, we have a team of highly competent and dedicated professionals who have played a significant role in our success story. I am committed to fostering a culture of inclusivity, collaboration, and continuous learning, providing our associates with a conducive environment to thrive and excel. I believe in nurturing our people, as we remain committed towards enhancing our capabilities and ensuring that we remain at the forefront of our industry. Moreover, we have put our utmost focus on ESG practices, contributing to a greener and sustainable future.

As we have faced many challenges and overcome most of these road blocks, we had a tremendous amount of learnings out of hurdles, what we have faced in the past. Our victories made us ever grateful for the path we have

walked and for the people who show up every day, as one family, to help achieve sustainable success to build an unshakeable foundation for a better tomorrow.

I would like to thank you for your continued support and express my deepest gratitude for the accomplishments in the previous year. Across the world, 2022 was one of the most challenging year, as world had yet not recovered completely from the after-effects of COVID-19 and growing geopolitical tensions resulted in global economic uncertainty, volatile energy and food prices, mounting inflation rates and fluctuating markets. Globally, growth slowed down from 6.0 per cent to 3.2 per cent in 2022, when compared to 2021, and to 2.7 per cent in 2023. However, India remained as relatively better positioned to navigate global headwinds and continues to show resilience amid global uncertainties. The World Bank had forecast India's overall growth at about 6.7 per cent for the fiscal year 2022-23, which may reduce to about 6.3 per cent for FY 2023-24, due to slower consumption growth and challenging external conditions.

Despite of all these challenges, RACL has achieved significant growth milestones during the previous year 2022 & shall continue to do so in FY23-24 & thereafter. In the process, our efforts have been suitably recognised and have received some prestigious certifications and awards. It was greatly supported by the employees, all Stakeholders, our unique business model of well diversified Premium Niche segment, strong resilient supply chain network and more importantly, great contribution from our employees, for which, I would like to thank them earnestly for their hard work, enthusiasm and perseverance.

RACL Geartech Limited is in a dominant position to participate in the future of mobility. We anticipate that performance of our business shall keep continued with a healthy growth pace in FY23-24 & years thereafter.

I am very proud that our factory in Gajraula was able to reduce carbon footprints by successful commissioning of solar power generation plant. Our main focus now is towards increasing usage of Non-conventional energy resources & deployment of rain water harvesting. We are already a Zero water discharge company with 100 per cent recycling of water for productive use. We are committed strongly towards driving Environmental, Social and Governance (ESG) practices across all locations.

With immense gratitude and joy, I want to thank every one of our shareholders for your unwavering support and trust in management of RACL. It has been an honour and privilege to serve as the Chairman of the Board of Directors of your Company. I would like to wish good health, safety, and sincerely thank our customers, the Board of Directors, the management, all of our employees, Bankers & supply chain partners for your unprecedented support, guidance & commitment towards making RACL a success story.

I also take the opportunity to express my thanks to State Govt. of Uttar Pradesh & Central Government for providing us a healthy business environment, infrastructure & opportunity for growth.

Thank you,



Gursharan Singh
Chairman & Managing Director

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CORPORATE INFORMATION

Board of Directors

Mr. Gursharan Singh	Chairman & Managing Director
Mrs. Narinder Paul Kaur	Non- Executive Non- Independent Director
Mr. Dev Raj Arya	Whole-Time Director & Chief Financial Officer
Mr. Anil Sharma	Non- Executive Non- Independent Director
Mr. Shashank Ramesh Anikhindi	Independent Director
Mr. Jagdish Keswani	Independent Director
Brig. Harinder Pal Singh Bedi (Retd.)	Independent Director
Mrs. Malini Bansal	Independent Woman Director

Company Secretary & Compliance Officer

Ms. Neha Bahal

Statutory Auditors

M/s. Gianender & Associates,
Chartered Accountants
Plot No. 6, Site No. 21, Geeta Mandir Marg,
New Rajinder Nagar, New Delhi-110060

Secretarial Auditors

Rosy Jaiswal & Associates
Practicing Company Secretaries, Rohini, New Delhi

Internal Auditors

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

Registrar & Share Transfer Agents

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

Bankers

Bank of India
RBL Bank
Citi Bank
Indusind Bank
Standard Chartered Bank
Yes Bank
State Bank of India

Registered Office

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

Corporate Office

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

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 Buddh Nagar,
Uttar Pradesh-201307, India

NOTICE

Notice is hereby given that the 40th (Fortieth) Annual General Meeting (“AGM”) of RACL Geartech Limited (“Company”) will be held through Video Conferencing (“VC”) or Other Audio-Visual Means (“OAVM”) on Tuesday, 19th September, 2023 at 11:00 A.M. in accordance with the applicable provisions of the Companies Act, 2013 read with relevant MCA Circulars, to transact the following businesses:

ORDINARY BUSINESS

1. ADOPTION OF STANDALONE AND CONSOLIDATED AUDITED FINANCIAL STATEMENTS

To consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the financial year ended 31st March, 2023, together with the Reports of the Auditors and Board of Directors' thereon.

2. RE-APPOINTMENT OF A DIRECTOR

To appoint a director in place of Mr. Anil Sharma, (DIN: 00157911) who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible offers himself for re-appointment.

3. DECLARATION OF FINAL DIVIDEND

To declare final dividend on equity shares at Rs. 1.50 per equity share of face value of Rs. 10/- each for the financial year 2022-23.

SPECIAL BUSINESS

4. Appointment of Mr. Anil Sharma (DIN: 00157911) as the Non- Executive Non-Independent Director of the Company and payment of remuneration.

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 150, 152, 197, 198 and other applicable provisions of the Companies Act, 2013 (“Act”), read with the rules made thereunder and Schedule V and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws, if any, (including any statutory modification(s) or re-enactment thereof for the time being in force), the Articles of Association of the Company, based on recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. Anil Sharma (DIN: 00157911) whose term expires in the ensuing AGM and in respect of whom the company has received a notice in writing under section 160 of the Act from the member proposing his candidature to the office of director, be and is hereby appointed as Non- Executive Non Independent Director on the Board of the Company, liable to retire by rotation after attaining the age of 75 years, on 17th March, 2023, as per existing terms & conditions for another term of two (2) years with effect from the conclusion of 40th Annual General Meeting till the conclusion of 42nd Annual General Meeting;

RESOLVED FURTHER THAT the approval of the Board of Directors be and is hereby accorded for the payment of Rs. 2,50,000/- (Rupees Two Lakh Fifty Thousand only) per month w.e.f. the 40th Annual General Meeting, as retainership fees/ remunerations (in addition to the sitting fee for attending the meetings of the Board of Directors or Committees thereof) to Mr. Anil Sharma, for the services rendered by him in the capacity of Professional Director (Non-Executive Director) and the said fees/ remuneration and other terms and conditions of his appointment shall be determined by the Nomination & Remuneration Committee or Board from time to time in accordance with applicable laws and provisions in this respect.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, notwithstanding anything to the contrary herein contained, during his tenure, the aforesaid remuneration shall be paid as minimum remuneration subject to the provisions of Schedule V of the Act or any amendments thereto.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, things and matters as may be deemed necessary, proper or expedient to give effect to this resolution and/or to make any modification as may be deemed necessary in the best interest of the Company."

5. To approve the remuneration of Mrs. Narinder Paul Kaur (DIN: 02435942) as the Non- Executive Non-Independent Director of the Company.

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, 160, 197, 198 and other applicable provisions of the Companies Act, 2013 ("Act"), read with the rules made thereunder and Schedule V and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws, if any, (including any statutory modification(s) or re-enactment thereof for the time being in force) and as recommended by Nomination & Remuneration Committee and the Board of Directors and provisions of the Articles of Association of the Company, consent of the Members be and is hereby accorded for the payment of Rs. 2,50,000/- (Rupees Two Lakh Fifty Thousand only) per month w.e.f. 1st April, 2023, as retainership fees/ remunerations (in addition to the sitting fee for attending the meetings of the Board of Directors or Committees thereof) to Mrs. Narinder Paul Kaur (DIN: 02435942), for the services rendered by her in the capacity of Professional Director (Non-Executive Director) and the said fees/ remuneration and other terms and conditions of her appointment shall be determined by the Nomination & Remuneration Committee or Board from time to time in accordance with applicable laws and provisions in this respect.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, notwithstanding anything to the contrary herein contained, during her tenure, the aforesaid remuneration shall be paid as minimum remuneration subject to the provisions of Schedule V of the Act or any amendments thereto.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, things and matters as may be deemed necessary, proper or expedient to give effect to this resolution and/or to make any modification as may be deemed necessary in the best interest of the Company."

6. To approve the remuneration of Mr. Gursharan Singh, Chairman & Managing Director (DIN: 00057602) of the Company.

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, 160, 197, 198 and other applicable provisions of the Companies Act, 2013 ("Act"), read with the rules made thereunder and Schedule V and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws, if any, (including any statutory modification(s) or re-enactment thereof for the time being in force) and as recommended by Nomination & Remuneration Committee and the Board of Directors and provisions of the Articles of Association of the Company, consent of the Members be and is hereby accorded for the payment of remuneration and other perquisites (including remuneration in the event of loss or inadequacy of profits) to Mr. Gursharan Singh (DIN: 00057602), (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 w.e.f. April 1, 2023 to March 31, 2025, on such terms and conditions including remuneration as stated in the explanatory statement attached hereto, with the power to the Board to grant increments and alter and vary the terms and conditions including remuneration, subject to the same not exceeding the overall ceiling of the total managerial remuneration as provided under Section 197 of the Act or such other limits as may be prescribed from time to time in accordance with the Nomination & Remuneration Policy of the Company;

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, notwithstanding anything to the contrary herein contained, during his tenure, the aforesaid remuneration shall be paid as minimum remuneration subject to the provisions of Schedule V of the Act or any amendments thereto.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, things and matters as may be deemed necessary, proper or expedient to give effect to this resolution and/or to make any modification as may be deemed necessary in the best interest of the Company."

7. **Re-appointment of Mr. Jagdish Keswani (DIN: 02146267) as the Non- Executive Independent Director of the Company.**

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 149, 152 and 161 read with Schedule IV and all other applicable provisions of the Companies Act, 2013("the Act") and the Companies (Appointment & Qualifications of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and upon recommendations of the Nomination and Remuneration Committee, and the Board of Directors, Mr. Jagdish Keswani (DIN: 02146267) Non-Executive Independent Director of the company who has submitted a declaration that he meets the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 and who in opinion of the Board fulfils the conditions specified in the Act and the rules made thereunder, is independent of the management and eligible for re-appointment, be and is hereby, reappointed as Non-Executive Independent Director of the Company to hold office for a period of 4 consecutive years from the conclusion of 40th AGM to the conclusion of 44th AGM to be held in the year 2027 and whose office shall not be liable to retire by rotation;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, things and matters as may be deemed necessary, proper or expedient to give effect to this resolution and/or to make any modification as may be deemed to be in the best interest of the Company."

8. **Appointment of Brig. H.P.S Bedi (Retd.) (DIN: 05217488) as the Non-Executive Independent Director of the Company**

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 149, 152 and 161 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment & Qualifications of Directors) Rules, 2014 and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and upon recommendations of the Nomination and Remuneration Committee, and the Board of Directors, Brig. Harinder Pal Singh Bedi (DIN: 05217488) Non-Executive Independent Director of the Company who has submitted a declaration that he meets the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 and who in opinion of the Board fulfils the conditions specified in the Act and the rules made thereunder is independent of the management and eligible for re-appointment, be and is hereby, reappointed as Non-Executive Independent Director of the Company to hold office for a period of 4 consecutive years from the conclusion of 40th AGM till the conclusion of 44th AGM to be held in the year 2027 and whose office shall not be liable to retire by rotation;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, things and matters as may be deemed necessary, proper or expedient to give effect to this resolution and/or to make any modifications as may be deemed to be in the best interest of the Company."

9. To increase the borrowing limits of the Company

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

“RESOLVED THAT in supersession of the Special Resolution passed at the 38th Annual General Meeting held on 24th September, 2021, and pursuant to the provisions of Section 180 (1) (c) of the Companies Act, 2013, read with the applicable rules made there under and other applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable provisions (including any statutory modification(s) or re-enactments thereof for the time being in force), if any, of the Companies Act, 2013 and any other act or regulations, if any, and as approved and recommended by Audit Committee and Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee thereof), consent of the members of the Company be and is hereby accorded to the Board for borrowing, from time to time, any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business) from any one or more of the Financial Institutions, Banks, NBFCs, Foreign Banks or other(s), may exceed the aggregate of the Paid Up Share Capital of the Company and its Free Reserves, provided that the total amount so borrowed by the Board and outstanding at any point of time shall not exceed Rs. 250,00,00,000.00 (Rupees Two Hundred and Fifty Crore only) or the aggregate of the Paid Up Share Capital and Free Reserves of the Company, whichever is higher;

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

10. To increase the limits of Creation of charges /mortgages/ hypothecation or otherwise on the movable or immovable properties of the Company in respect of borrowings of the Company.

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

“RESOLVED THAT in supersession of the Special Resolution passed at the 38th Annual General Meeting held on 24th September, 2021 and pursuant to the provisions of section 180 (1) (a) and all other applicable provisions of the Companies Act, 2013, read with applicable rules made there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable provisions (including any statutory modification(s) or re-enactment thereof for the time being in force), if any, of the Companies Act, 2013 and any other act or regulations, if any, and as approved and recommended by Audit Committee and Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee thereof), consent of the members of the Company be and is hereby given to the Board to create such charges, mortgages, hypothecations or otherwise in addition to the existing charges, mortgages, hypothecations or otherwise created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the substantial assets of the Company in certain events in favour of Banks/Financial Institution/NBFCs or other investing agencies or trustees for the holders of debentures/bonds/other instruments to secure rupee/foreign currency loans and/or the issue of debentures whether partly/ fully convertible or non-convertible and/or rupee/foreign currency convertible bonds and/or foreign currency bonds and/or bonds with share warrants attached or any other borrowings (hereinafter collectively referred to as “Loans”) provided that the total amount of Loans together with interest thereon or all other monies payable by the Company in respect of the said Loans for which the charges, mortgages, hypothecations or otherwise is to be created, shall not, at any time exceed Rs. 250,00,00,000.00 (Rupees Two Hundred and Fifty Crore only) or the aggregate of the Paid Up Share Capital and Free Reserves of the Company, whichever is higher (excluding the temporary loans obtained in the ordinary course of business);

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

**BY ORDER OF THE BOARD OF DIRECTORS
RACL GEARTECH LIMITED**

**NEHA BAHAL
COMPANY SECRETARY & COMPLIANCE OFFICER
ACS: 40272
ADD: B-9, SECTOR-3, NOIDA
GAUTAM BUDDH NAGAR,
UTTAR PRADESH- 201301**

**PLACE: NOIDA
DATE: AUGUST 12, 2023**

NOTES:

1. The Ministry of Corporate Affairs ("MCA") has vide its circular no. 20/2020 dated 5th May 2020, Circular no. 02/2021 dated 13th January 2021, circular no. 19/2021 dated 8th December 2021, circular no. 21/2021 dated 14th December 2021 and circular no. 2/2022 dated 5th May 2022, in relation to "Clarification on holding of Annual General Meeting (AGM) through video conferencing (VC) or Other Audio Visual Means (OAVM)" read with other Circulars, as may be applicable (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its Circular(s) No. SEBI/HO/CFD/ CMD1/CIR/P/2020/79 dated 12th May 2020, SEBI/ HO/CFD/CMD2/CIR/P/2021/11 dated 15th January 2021 and SEBI/HO/CFD/CMD2/ CIR/P/2022/62 dated 13th May 2022 in relation to "Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015", read with other Circulars as may be applicable (collectively referred to as "SEBI Circulars"), permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue on or before 31st December 2022. In compliance with the provisions of the Companies Act, 2013 ('the Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Listing Regulations'), MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC/ OAVM which does not require physical presence of members at a common venue. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM. Further, in compliance with the said requirements of the MCA Circulars, electronic copy of the Notice along with the Annual Report for the financial year ended 31st March, 2022 consisting of Standalone and Consolidated Financial Statements including Board's Report, Auditors' Report and other documents required to be attached therewith have been sent to the members on the E-mail IDs registered with the Company or the Registrar and Share Transfer Agent ("RTA") or the Depository Participants(s) ("DP") through electronic means and no physical copy of the Notice has been sent by the Company to any member.
2. If there is any change in the E-mail ID already registered with the Company, members are requested to immediately notify such change to the Company or its RTA in respect of shares held in physical form and to DPs in respect of shares held in electronic form. In compliance with the said Circulars, the Company has also published a public notice by way of an advertisement made dated 25th August, 2023 in Financial Express and Jansatta, both having a wide circulation, inter alia, advising the members whose E-mail IDs are not registered with the Company, its RTA or DP, as the case may be, to register their E-mail IDs with them. The members who have not yet registered their E-mail IDs with the Company may send their requests to MAS Services Limited, RTA of the Company, at info@masserv.com or investor@raclgeartech.com for registering their E-mail IDs on or before 25th August, 2023. The Company shall send the Notice to such members whose E-mail IDs get registered within the aforesaid time enabling them to participate in the meeting and cast their votes.
3. In line with the MCA Circulars and SEBI Circular, the Notice of the 40th AGM will be available on the website of the Company at www.raclgeartech.com, on the website of BSE Limited at www.bseindia.com and also at the website of National Securities Depository Limited ("NSDL") (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
4. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.
5. In terms of the MCA Circulars since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for this AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-Voting and for participation in the 40th AGM through VC/OAVM Facility. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution/ authorization letter to the Company at investor@raclgeartech.com or info@masserv.com with a copy marked to evoting@nsdl.co.in.

6. In accordance with the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and amendments thereto and applicable provisions of the SEBI Listing Regulations, NSDL will be providing facility for voting through remote e-Voting along with the facility for participation in the AGM through VC/OAVM Facility and e-Voting during the 40th AGM.
 7. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per section 103 of the Act.
 8. The facility of e-Voting through the same portal, provided by NSDL, will be available during the Meeting through VC also to those Members who do not cast their votes by remote e-Voting prior to the Meeting. Members, who cast their votes by remote e-Voting, may attend the Meeting through VC but will not be entitled to cast their votes once again.
 9. Members may join the AGM through VC/OAVM Facility by following the procedure as mentioned below which shall be kept open 15 minutes before and after the scheduled time of the commencement of the Meeting and the Company may close the window for joining the VC/OAVM Facility 15 minutes after the scheduled time to start the AGM.
 10. Members may note that the VC/OAVM Facility, provided by NSDL, allows participation of at least 1,000 Members on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. can attend the AGM without any restriction on account of first-come first-served principle.
 11. The Register of Members and Share Transfer Books of the Company shall remain closed from **Wednesday, 13th September, 2023 to Tuesday, 19th September, 2023** (both days inclusive) for the purpose of AGM.
 12. Dividend on Company's Equity Shares for the year ended 31st March, 2023, as recommended by the Board of Directors, if approved at the AGM, payment of such dividend subject to deduction of tax at source will be made as under:
 - (i) To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of the close of business hours on **Tuesday, 12th September, 2023**.
 - (ii) To all Members in respect of shares held in physical form after giving effect to valid transfer, transmission or transposition requests lodged with the Company as of the close of business hours on **Tuesday, 12th September, 2023**.
- The Dividend, if approved, will be payable by **Sunday, 19th October, 2023**.
13. The voting rights of members shall be in proportion to their shares in the Paid up Equity Share Capital of the Company as on the cut-off date i.e. **Tuesday, 12th September, 2023**. A person who is not a member as on the cut-off date should treat this Notice for information purpose only.
 14. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
 15. All the documents referred to in the accompanying Notice of the 40th AGM and the Explanatory Statement along with the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act, shall be available for inspection by the Company at the Registered Office of the Company, during normal business hours on any working day, except Saturday, upto the date of the Meeting.

16. Members can submit questions in advance with regard to the financial statements or any other matter to be placed at the 40th AGM, from their registered E-mail address, mentioning their name, DP ID and Client ID /Folio Number and mobile number, to the Company's E-mail address investor@raclgeartech.com by **Tuesday, 12th September, 2023**. Such questions by the Members shall be taken up during the meeting and replied by the Company suitably.
17. Members, who would like to ask questions during the 40th AGM with regard to the financial statements or any other matter to be placed at the 40th AGM, need to register themselves as a speaker by sending their request from their registered E-mail address mentioning their name, DP ID and Client ID /Folio Number and mobile number, to the Company's E-mail address investor@raclgeartech.com by **Tuesday, 12th September, 2023**. Those Members who have registered themselves as a speaker shall be allowed to ask questions during the 40th AGM, depending upon the availability of time.
18. The Securities and Exchange Board of India ('SEBI') vide its circular dated 3rd November, 2021 read with circular dated December 14, 2021 has made it mandatory for the shareholders holding securities in physical form to furnish PAN, KYC and Nomination details to the Registrar and Transfer Agent ('RTA') of the Company. The Company has already sent letters to the physical shareholders for furnishing the required details.
19. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company's Registrar and Share Transfer Agent, MAS Services Limited, for assistance in this regard.

Type of holder	Process to be followed	
Physical	For availing the following investor services, send a written request in the prescribed forms to the RTA of the Company, MAS SERVICES LIMITED, T-34, Second Floor, Okhla Industrial Area, Phase-II, New Delhi- 110020	
	Form for availing investor services to register PAN, email address, bank details and other KYC details or changes / update thereof for securities held in physical mode	Form ISR-1
	Update of signature of securities holder	Form ISR-2
	For nomination as provided in the Rules 19 (1) of Companies (Share capital and debenture) Rules, 2014	Form SH-13
	Declaration to opt out of Nomination	Form ISR-3
	Cancellation of nomination by the holder(s) (along with ISR-3) / Change of Nominee	Form SH-14
	Form for requesting issue of Duplicate Certificate and other service requests for shares / debentures / bonds, etc., held in physical form	ISR-4
	The forms for updating the above details are available at the Company's website: www.raclgeartech.com	

20. SEBI has made it mandatory for all Companies to use the bank account details furnished by the Depositories and the bank account details maintained by the RTA for payment of dividend to Members electronically. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through Electronic Clearing Service (ECS)/National Electronic Clearing Service (NECS)/ Real Time Gross Settlement (RTGS)/ Direct Credit/NEFT etc. In the absence of ECS facilities, the Company will print the bank account details if available, on the payment instrument for distribution of dividend.

In order to receive the dividend without loss of time, the Members holding shares in physical form are requested to submit particulars of their bank accounts along with the original cancelled cheque bearing the name of the Member to the RTA, MAS Services Limited/Company to update their bank account details and all the eligible shareholders holding shares in demat mode are requested to update with their respective DPs, their correct Bank Account Number, including 9 Digit MICR Code and 11 digit IFSC Code, e- mail ID and Mobile No(s).

Members holding shares in physical form may communicate these details to the RTA viz. MAS Services Limited having address at RTA i.e. MAS Services Limited, having address at T-34 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi 110020, by quoting the reference folio number and attaching photocopy of the cheque leaf of their active bank account and a self-attested copy of their Permanent Account Number ('PAN') card.

This will facilitate the remittance of the dividend amount as directed by SEBI in the bank account electronically. Updation of e-mail IDs and Mobile No(s) will enable the Company in sending communication relating to credit of dividend, un-encashed dividend, etc.

The Company or RTA cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the DPs of the Members.

21. Pursuant to Finance Act, 2020, dividend income will be taxable at the hands of shareholders w.e.f. 1st April, 2020 and the Company is required to deduct tax at source from dividend paid to members at prescribed rates. For the prescribed rates for various categories the members are requested to refer to the Finance Act, 2020 and amendments thereto. The members are requested to update their PAN with Registrar and Transfer Agents (in case of shares held in physical mode) and depository participants (in case shares held in demat mode). However, no tax shall be deducted on the dividend payable to a resident individual shareholder if the total dividend to be received during FY 22-23 does not exceed Rs. 5,000.00.

A resident individual shareholder with PAN who is not liable to pay income tax submit a yearly declaration in Form 15G/15H, to avail the benefit of non-deduction of tax at Company's RTA at investor@masserv.com. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

22. E-Voting and AGM through Video Conferencing:

In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015, Regulation 44 of the Listing Regulations and SS-2 issued by the ICSI, the Company is pleased to provide its Members the facility to exercise their right to vote at the 40th AGM by electronic means and the businesses may be transacted through e-Voting services provided by NSDL.

Further, in compliance with MCA Circulars, the Company provides the facility to attend the AGM through VC and OAVM.

The instructions are as under:

The remote e-voting period begins on **Saturday, 16th September, 2023 at 09:00 A.M. IST and ends on Monday, 18th September, 2023 at 05:00 P.M. IST**. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members/Beneficial Owners as on the record date (cut-off date) i.e. Tuesday, 12th September, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

- A) **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> 1. If you are already registered for NSDL IDEAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDEAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDEAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDEAS" Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp
	<ol style="list-style-type: none"> 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 022-48867000 and 022-24997000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to csrosy@gmail.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on no.: 022-48867000 and 022-49970000 or send a request at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to investor@masserv.com or investor@raclgeartech.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self- attested scanned copy of PAN card), AADHAR (self- attested scanned copy of Aadhar Card) to investor@masserv.com or investor@raclgeartech.com.
3. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. [Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode](#).
4. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
5. [In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.](#)

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER: -

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for remote e-Voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under “**Join General Meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants connecting from mobile devices or tablets or through laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
6. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at investor@raclgeartech.com. The same will be replied by the company suitably.

General guidelines for shareholders

- a. The Board of Directors of the Company has appointed **M/s. Rosy Jaiswal & Associates, Practicing Company Secretaries** to act as the Scrutinizers to scrutinize the remote e-voting process as well as polling process in a fair and transparent manner.
- b. The Scrutinizer shall, immediately after conclusion of the AGM unblock the votes cast through remote e-voting in the presence of at least 2 (two) witnesses not in the employment of the Company and make, not later than 3 (three) days of conclusion of the Meeting, a consolidated Scrutinizer's Report. The Scrutinizer shall submit his report to the Chairperson of the Company or a person authorized by him in writing.
- c. The Chairperson or in his absence, a person authorized by him in writing shall declare the results after receiving the Scrutinizer's Report.
- d. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.raclgeartech.com and on the website of NSDL www.evoting.nsdl.com and communicated to BSE Limited, where the shares of the Company are listed.
- e. Since the AGM of the Company is being convened through VC and OAVM and the facility of remote e-voting is being provided to the shareholders, there shall be no voting by ballot papers.

**BY ORDER OF THE BOARD OF DIRECTORS
RACL GEARTECH LIMITED**

**NEHA BAHAL
COMPANY SECRETARY & COMPLIANCE OFFICER
ACS : 40272
ADD: B-9, SECTOR-3, NOIDA
GAUTAM BUDDH NAGAR,
UTTAR PRADESH- 201301**

**PLACE : NOIDA
DATE: AUGUST 12, 2023**

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

Item No. 04:

As proposed by the Board of Directors, Mr. Anil Sharma (DIN : 00157911) was appointed by the Members of the Company, in the 38th Annual General Meeting of the Company held on 24th September, 2021 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 29th September, 2021 up to 28th September, 2023, whose office was liable to retire by rotation.

Further, according to Regulation 17(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, no listed entity shall appoint a person or continue the directorship of any person as a non-executive director on the Board of the Company who has attained the age of seventy-five years unless a special resolution is passed to that effect by the shareholders. Mr. Anil Sharma (DIN: 00157911) Non-Executive and Non-Independent Director of the Company has attained an age of seventy-five (75) years on March 17, 2023 requires approval of members of the Company by way of special resolution.

His re-appointment has been recommended by the Company's Nomination and Remuneration Committee after a thorough evaluation of his performance and contribution to the Company. The Board believes that Mr. Sharma has a deep understanding of project development and implementation, and his experience and expertise have been invaluable in navigating the Company through several challenges and opportunities over the years. He has also built strong relationships with our stakeholders. Mr. Sharma is having exceptional leadership skills and industry expertise. He has been a driving force in promoting our Company's culture of innovation, collaboration, and accountability. He retired as General Manager from PICUP. Board also believes that the continuation of Directorship of Mr. Sharma after attaining the age of 75 years as Director is in the best interest of the Company. Furthermore, in accordance with Section 152 of the Act, every Director shall be appointed by the Members in a General Meeting of the Company. Accordingly, the Board of Directors, in its meeting held on August 12, 2023 upon the recommendation of the Nomination & Remuneration Committee of the Company, has proposed the re-appointment of Mr. Anil Sharma as the Non-Executive Non-Independent Director of the Company in the category of Professional Director for a further period of two (2) years with effect from the conclusion of 40th Annual General Meeting up to the conclusion of 42nd Annual General Meeting, whose office shall be liable to retire by rotation.

Further, Mr. Anil Sharma will provide the professional services and he will look after, inter alia, the matters related to PICUP, UPSIDC, and other related matters of the Company and shall be entitled to a professional fee of Rs. 2,50,000 (Rupees Two Lakh Fifty Thousand only) per month for a period of two (2) years w.e.f. the conclusion of 40th Annual General Meeting, for providing the said services in the capacity of a Non-Executive Non-Independent Director of the Company.

His appointment and remunerations would be within the limits prescribed under law/ regulations to act as a Non-Executive Non-Independent Director of the Company. He has attended all Board Meetings held during the FY 2022-23. The Company has received his consent for the aforesaid appointment along with all statutory disclosures/ declarations as per the applicable laws. Requisite Notice under Section 160 of the Act proposing the appointment of Mr. Sharma has also been received by the Company from a member. He is not disqualified from being re-appointed as Director in terms of Section 164 of the Act.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Act.

Considering his vast experience, his presence on the Board will be of immense value to the Company and accordingly, the Board recommends the Resolution as Item No. 4 for approval by the Members by way of Special Resolution.

Additional information in respect of Mr. Sharma, pursuant to Regulation 36 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and the Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India, ("ICSI") is provided as "Annexure-A" to this Notice.

No Director, Key Managerial Personnel or their relatives, except Mr. Anil Sharma to whom the resolution relates, are interested or concerned on the resolution.

The Board recommends the resolution set forth in the Item No. 4 for the approval of the Members as Special Resolution.

Item No. 05:

As proposed by the Board of Directors, Mrs. Narinder Paul Kaur (DIN: 02435942) was appointed by the Members of the Company, at the 32nd Annual General Meeting held on September 30, 2015 as the Non-Executive Non-Independent Director of the Company in the category of Professional Director, whose office was liable to retire by rotation.

Mrs. Kaur provides her professional services to the Company and handle the management and operation of the Noida Plant of the Company. Accordingly, the Board upon the recommendation of the Nomination & Remuneration Committee of the Company approved the professional fee of Rs. 2,50,000/- (Rupees Two Lakh Fifty Thousand only) per month for a period of two (2) years w.e.f. April 1, 2023, for providing the said services in the capacity of a Non-Executive Non-Independent Director of the Company and recommended to the Members for their approval.

Her remuneration is within the limits prescribed under law/ regulations to act as a Non-Executive Non-Independent Director of the Company. She possesses relevant expertise and experience for being the Non-Executive Non-Independent Director of the Company. She is not disqualified from being re-appointed as Director in terms of Section 164 of the Act.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Act.

In order to comply with requirements under Regulation 17 of the Listing Regulations and Companies Act, 2013, approval of the members is being sought by way of a Special Resolution, as set out in Item No. 5 of this notice.

Except Mrs. Kaur, Mr. Gursharan Singh (Husband of Mrs. Narinder Paul Kaur) & her relatives, none of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested in the Special Resolution set out at Item No. 05 of this Notice.

The Board recommends the resolution set forth in Item No. 5 for the approval of the Members as Special Resolution.

Item No. 6:

Mr. Gursharan Singh (DIN: 00057602) was appointed as the Managing Director of the Company in the 38th Annual General Meeting for a period of 5 (Five) years. Mr. Singh is designated as Chairman & Managing Director of the Company.

Mr. Gursharan Singh is a Mechanical Engineer and holds a Post Graduate Diploma in Export Management. With his tremendous experience of over 40 years in the Industry and leadership, the Company has made an exceptional progress and has achieved tremendous growth and acquired goodwill and reputation in the business. He attended all the Board Meetings held in the FY 2022-23.

In light of the above and in recognition of his services, the Board at its meeting held on August 12, 2023, on the recommendation of Nomination and Remuneration Committee recommend his remuneration to the shareholders of the Company.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Act. Details of Mr. Gursharan Singh are provided in the "Annexure-A" to the Notice pursuant to the provisions of the Listing Regulations and Secretarial Standards on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India ("ICSI"). The details of remuneration payable to Mr. Gursharan Singh are given below:

- a. The Chairman & Managing Director shall be entitled to Basic Salary of Rs. 10,00,000/- per month, House Rent Allowance (HRA) equivalent to 50% of Basic, Contribution of Rs. 1,00,000/-per month towards National Pension Scheme and Commission at the rate of 1.5% of the Net Profit of the Company as per the last audited financials of the Company.

- b. The Allowances such as LTA, Medical allowance, contribution to Provident fund, etc., Gratuity, Leave Encashment, etc. shall be as per the Government guidelines and policy of the Company.
- c. The perquisites include:
 - i. Car: Free use of Company's Car with chauffeur.
 - ii. Telephone: Free Telephones/Fax/Internet facility at residence including mobile telephones.
 - iii. Club Fees: Fee of Club(s) subject to a maximum of Rs. 10,00,000/- (Rupees Ten lakhs Only) per annum.
 - iv. Contribution by the Company under National Pension Scheme (NPS), if any, 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.

Other terms:

- i. The Chairman & Managing Director is entitled to reimbursement of all actual expenses as per Rules of the Company inclusive of entertainment/ business promotion and travelling expenses 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. not specifically spelt out above, the policy 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 Policy in force from time to time.
- iv. He is not entitled to payment of any sitting fees 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 shall hold office as such, subject to the provisions of Section 167 of the Companies Act, 2013.

Further, in accordance with Regulation 17(6)(e), approval of Shareholders is being sought by way of Special Resolution at Item No. 6 for remuneration payable to Executive (Promoter) Directors exceeds 5 per cent of the net profits of the listed entity.

Except Mr. Gursharan Singh, Mrs. Narinder Paul Kaur and his relatives, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise in the Special Resolution set out at Item no. 6 of this Notice.

Item No. 07 & 08:

The Company had, pursuant to the provisions of Listing Regulations and Companies Act, 2013, appointed:

- a. Mr. Jagdish Keswani (Retd.) as Independent Director upto the conclusion of 40th Annual General Meeting;
- b. Brig. HPS Bedi as Independent Director upto the conclusion of 40th Annual General Meeting,

The Nomination and Remuneration Committee and Board recommend to the shareholders the reappointment of these directors as Independent Directors for a second term of 4 years from the conclusion of 40th AGM upto the conclusion of 44th AGM.

Aforesaid Non-Executive Independent Directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these directors fulfil the conditions specified in the Act and the Rules framed thereunder for appointment as

Independent Director and are independent of the management. Copies of the draft letters for re-appointment of Independent Directors setting out the terms and conditions of re-appointment are available on the website of the Company at www.raclgeartech.com. The Company has also received notice under Section 160 of the Act from members proposing the candidature of the aforesaid Independent Directors.

Details of aforesaid Independent Directors pursuant to the provisions of (i) Listing Regulations and (ii) Secretarial Standards ("SS-2") issued by the Institute of Company Secretaries of India ("ICSI") are given in the "Annexure-A" to this Notice.

Except Mr. Keswani, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financial or otherwise, in the Resolution in Item No. 7 of this Notice and except Brig. Bedi, none of the Directors, Key Managerial Personnel or the relatives are concerned or interested, financial or otherwise, in the Resolution in Item No. 8 of this Notice.

In view of the Board, Mr. Keswani, and Brig. Bedi would make useful contributions to the discussions and deliberations of the Board and therefore recommend the resolution for approval of the members by way of Special Resolution set out at Item No. 7 and 8 of the Notice, respectively.

Item No. 09 & 10:

As per the provisions of Section 180 (1) (c) of the Companies Act, 2013, the Board of Directors of the Company cannot, except with the permission of the Shareholders in General Meeting by passing a Special Resolution, borrow monies in excess of the aggregate of the paid-up share capital, free reserves and securities premium of the Company. Taking into consideration the growth in the business operations, foreseeable future plans and the existing credit facilities availed by the Company, it would be in the interest of the Company to enhance the borrowing limits for the Board and authorise the Board of Directors to borrow monies which may exceed at any time the aggregate of the Paid-Up Capital of the Company and its Free Reserves and Securities Premium but that shall not to exceed Rs. 250 Crores (Rupees Two Hundred and Fifty Crores Only) (excluding temporary Loan obtained in the normal cours of business).

The borrowings of the Company are, in general, required to be secured by suitable mortgage or charge on all or any of the movable and/ or immovable properties of the Company in such form, manner and ranking as may be determined by the Board of Directors of the Company, from time to time, in consultation with the lender(s). The mortgage and/or charge by the Company of its movable and/or immovable properties and/or the whole or any part of the undertaking(s) of the Company in favour of the lenders/agent(s)/trustees. Further, the Company in certain events of default by the Company, may be regarded as disposal of the Company's undertaking(s) within the meaning of Section 180 (1) (a) of the Companies Act, 2013. Hence, it shall be necessary to obtain approval for the same from the Shareholders.

The Board of Directors recommends the resolution set forth in the item No. 9 & 10 for approval of the Members as Special Resolution. None of the Directors of the Company is, in any way, concerned or interested in the said resolutions.

“Annexure-A”

Brief Profile of the Directors seeking appointment/re-appointment & Remuneration in the 40th AGM in pursuance of Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI) :

PARTICULARS	DETAILS OF THE DIRECTORS			
Name	Mr. Gursharan Singh	Mr. Anil Sharma	Mr. Jagdish Keswani	Brig. Harinder Pal Singh Bedi (Retd.)
DIN	00057602	00157911	02146267	05217488
Age	61 Years	75 Years	64 Years	70 Years
Qualifications	-Diploma in Mechanical Engineering -PGDM in Export Management	-Engineering Graduate- BE (Electrical), -Post Graduate Diploma in Management	- BE Hons. (Mechanical) -Master of Business Administration (Marketing)	-Bachelor of Commerce -Graduate from the Defence Services Staff College -Master of Defence Studies -Masters in Management Studies
Date of first appointment on the Board	August 23, 2002	May 19, 2006	November 11, 2019	June 29, 2020
Nature of Expertise in Specific Functional Area	More than 43 years of experience in the field of auto component manufacturing, administration and business development activities.	More than 45 years of experience with project development, implementation and follow-up in different industries particularly in Automotive Components and Tele communication sectors.	More than 39 years of experience with P&L Responsibilities/ Business Development/ Marketing/ Operations, predominantly in the automotive sector	36 years of experience in the Indian Army and over 10 years of experience as a Corporate Professional
List of Directorships held in other Companies	-	-	-	-
Chairmanship/Membership of Committees of other public Companies	-	-	-	-
Listed entities from which the person has resigned in the past three years	-	-	-	-
Number of Shares held in the Company	3942829	21000	-	320
Relationship between Directors inter-se	Husband of Mrs. Narinder Paul Kaur, Non- Executive Non- Independent Director of the Company	-	-	-
Last Salary Drawn (in Rs.)	Rs. 207.35 Lkah	Rs. 26.45 Lakh	-	-

**BY ORDER OF THE BOARD OF DIRECTORS
RACL GEARTECH LIMITED**

**NEHA BAHAL
COMPANY SECRETARY & COMPLIANCE OFFICER
ACS: 40272**

**ADD: B-9, SECTOR-3, NOIDA GAUTAM BUDDH NAGAR,
UTTAR PRADESH- 201301**

**PLACE : NOIDA
DATE: AUGUST 12, 2023**

BOARD'S REPORT

Dear Shareholders,

Your Directors are pleased to present the 40th Report of Board of Directors ("Board") on the business and operations of RACL Geartech Limited ("Company") together with its Audited Financial Statements for the financial year ended 31st March, 2023.

FINANCIAL PERFORMANCE

The highlights of the financial performance of the Company during the year under review are summarized below:

(Rs. in Lakh)

Particulars	Standalone		Consolidated	
	31 st March, 2023	31 st March, 2022	31 st March, 2023	31 st March, 2022
Total Revenue	36734.37	27503.99	36734.37	27504.61
Total Expenses	31601.61	24208.73	31592.28	24213.30
Finance Costs	2065.69	1239.15	2065.69	1239.72
Depreciation & Amortisation	1869.05	1570.44	1869.76	1570.44
Profit Before Tax	5132.76	3295.26	5142.09	3291.31
Tax Expenses:				
Current Tax	(1183.04)	(758.28)	(1194.43)	(758.28)
Deferred Tax	(204.65)	(142.25)	(204.65)	(142.25)
Profit After Tax	3745.07	2394.73	3743.01	2390.79
Total Comprehensive Income for the Period	3716.34	2346.71	3714.89	2337.89
Earnings Per Share (Rs.)				
1. Basic	34.73	22.21	34.72	22.17
2. Diluted	34.73	22.21	34.72	22.17

STATE OF AFFAIRS AND OPERATIONAL HIGHLIGHTS

Your Company reported an excellent performance despite economic disruptions during the financial year ('FY') 2022-2023. Your Company ended the year with revenue from operation of Rs. -36734.37 Lakhs over previous year corresponding figure of Rs. 27503.99 Lakhs. This resulted in EBITDA of Rs. 5132.76 Lakh in FY 2022-23, representing a growth of around 33%.

The operational performance of the Company has been comprehensively covered in the Management Discussion and Analysis Report. The Management Discussion and Analysis Report for the year under review, as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") is presented in a separate section forming part of the Annual Report.

SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2023 stood at Rs. 107816000/-. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options nor sweat equity.

TRANSFER TO RESERVES

The Company has not proposed any amount to be transferred to the General Reserves.

DEPOSITS

Your Company has not accepted any deposits under Chapter V of the Companies Act, 2013 during the year.

DIVIDEND

The Board, at its meeting held on May 22, 2023, is pleased to recommend a dividend of Rs.1.50/- per Equity Share of the face value of Rs. 10/- each for the financial year ended March 31, 2023 subject to the approval of shareholders at the ensuing Annual General Meeting.

The register of members and share transfer books will remain closed from 13th September, 2023 to 19th September, 2023 (both days inclusive) for the payment of final dividend to the shareholders of the Company, for the year ended on March 31, 2023. The Dividend will be paid to members within 30 days from the date of declaration of dividend whose names appear in the Register of Members as on 12th September, 2023 and as per the Dividend Distribution Policy of the Company.

The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") is available on the Company's website at www.raclgeartech.com.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In compliance with the requirements of the Companies Act, 2013 ("Act") and Listing Regulations, the Company, as on date, has Eight (8) Directors on Board with an optimum mix of Executive, Non-Executive and Independent Directors.

At the Board meeting held on May 22, 2023, the Company appointed Ms. Neha Bahal to hold the position of Company Secretary and Compliance Officer of the Company in place of Ms. Shagun Bajpai who resigned from the position on February 12, 2023.

The details of the changes in the Board and Key Managerial Personnel that took place during the year under review and upto the date of this Report, are provided under Corporate Governance Report which forms part of this Report.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence and that there has been no change in the circumstances which may affect their status as independent director during the year as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and the Listing Regulations.

Further the names of the Independent Directors of the Company have been included in the data bank maintained by the Indian Institute of Corporate Affairs of Independent Directors as per the provisions of the Companies Act, 2013 and the rules made thereunder. Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act. Company has received a confirmation from the Directors and senior management personnel of the company w.r.t. compliance of the code of conduct required under Regulation 26 of the Listing Regulations.

RELATION BETWEEN DIRECTORS INTERSE

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

MEETINGS OF THE BOARD OF DIRECTORS

During the financial year, the Board met four times, details of which are provided in the Corporate Governance Report. The maximum interval between any two meetings did not exceed 120 days as prescribed under the Companies Act, 2013.

COMMITTEES OF THE BOARD OF DIRECTORS

Your Company has the following committees which have been established as a part of the corporate governance practices and are in compliance with the requirements of the Companies Act, 2013 and the Listing Regulations.

- Audit Committee
- Nomination and Remuneration Committee

- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee (constituted in the FY 2023-24)

The details with respect to the compositions, roles, number of meetings held during the year is detailed in the corporate governance report of the Company, which forms a part of this Report.

BOARD EVALUATION

The Companies Act, 2013 states that a formal Annual Evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Listing Regulations, mandates that the Board shall monitor and review the Board evaluation framework. Pursuant to these provisions, the Company has developed a framework for the Board evaluation. The framework includes evaluation on various parameters such as information flow, Board dynamics, decision making, company performance and strategy, Board and committee's effectiveness and peer evaluation.

The evaluation of all the Directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. During the year 2022-23, Independent Directors met on February 06, 2023, discussed and reviewed the below:

- Performance of Non Independent Directors;
- Performance of the Chairman;
- Performance of the Board Committees;
- Discussed on the quality, quantity and timeliness of flow of information between the Company anagement and the Board Members;
- Overall performance of the Company;

The Nomination and Remuneration Committee is responsible for the formulation of criteria for evaluation.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Your Company has one subsidiary namely RACL Geartech GmbH which was incorporated in Austria in February, 2019. The consolidated financial statements presented by the Company include the financial information of RACL Geartech GmbH and have been prepared in compliance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India ("ICAI").

The Company has no Joint Venture or Associate Company. There has been no material change in the nature of the business of its subsidiary.

Pursuant to provisions of Section 129(3) of the Act, a separate statement containing the salient features of the financial statements of the Company's subsidiary in Form AOC-1 is attached with the financial statements of the Company.

Further, pursuant to the provisions of Section 136 of the Act, the standalone financial statements of the Company, consolidated financial statements along with relevant documents and separate accounts in respect of RACL Geartech GmbH, are available on the website of the Company.

AUDITORS & AUDITORS' REPORT

A. STATUTORY AUDITORS

Pursuant to section 139 of the Act and the Rules made thereunder, M/s. Gianender & Associates, Chartered Accounts (ICAI Firm Regn. No. 004661N) were appointed as the Statutory Auditors of the Company for a second term of 5 (five) years with effect from the conclusion of 37th (Thirty Seventh) AGM upto the conclusion of the 42nd (Forty Second) AGM.

Audit Reports on Standalone Financial Statements and Consolidated Financial Statements are self-explanatory and do not call for any further comments under Section 134 of the Companies Act, 2013. The Auditors Report to the shareholders for the year under review does not contain any adverse qualification. No frauds have been reported by the Auditors under Section 143(12) of the Companies Act, 2013 requiring disclosure in this Report.

B. **SECRETARIAL AUDITOR**

Pursuant to the provisions of the Section 204 of the Companies Act, 2013 and the rules made there under and based on the recommendations of the Audit Committee, Rosy Jaiswal & Associates, has been appointed to conduct Secretarial Audit of the Company's secretarial and other related records for the financial year 2022-23.

The Secretarial Audit Report for the financial year ended March 31, 2023 in Form MR-3 is appended as **Annexure-A** to this report.

C. **INTERNAL AUDITOR**

Pursuant to provisions of Section 138 of the Act, the Board of Directors at its Meeting held on May 27, 2022 appointed Protiviti India Member Private Limited as Internal Auditors of the Company for the financial year 2022-23. The Internal Auditors of the Company provided their reports to the Audit Committee and Board of Directors periodically.

On recommendation of the Audit Committee the Board of Directors approved the re-appointment of M/s Protiviti India Member Private Limited as Internal Auditors of the Company for the Financial Year 2023-24.

COST AUDIT AND MAINTENANCE OF COST RECORDS

Pursuant to Companies (Cost Records and Audit) Amendment Rules, 2014 notified by the Ministry of Corporate Affairs (MCA) on December 31, 2014, the Company is not mandatorily required to get its Cost Records for the financial year 2022-23 audited in terms of provisions of Section 148 of the Act and maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Act, was also not required to be maintained by the Company.

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

Except as disclosed elsewhere in the Annual Report, there have been no material changes and commitments, which can affect the financial position of the Company between the end of financial year i.e. March 31, 2023 and the date of this report.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has set up suitable internal control processes that are match up with its business and operations. These controls are in place to guarantee the accurate management of business, touring of operations, precision of financial reports, correctness and complete account records, rapid preparation of dependable financial information, defending assets from unauthorized use or loss, prevention and identification of frauds and mistakes, and conformity to regulations. The Company has maintained its attempt to harmonize all its systems and controls with the highest worldwide standard. To ensure that resources are secured against destruction or harm and that account records are accurate for planning financial statements, the Management keeps up a system of accounting and controls, including an inside review process. Internal controls are assessed by the Internal Audit team and supported by Administration reviews. All audit cognitions and subsequent steps thereon are trailed for determination by the Internal Audit part and reported to the Audit Committee. Constant instruction on adherence to the Company's Code of Business Conduct is conducted across the group. The Code covers transparency in financial reports, ethical conduct, compliant to regulations, disagreement of interest review, and reporting of matters. Anti-fraud undertakings including whistle blower/vigil procedures are effective across the Company.

VIGIL MECHANISM

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors has formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 22 of the Listing Regulation. Under the policy, the Directors and employees are free to report any violation of the applicable laws and regulations and the code of conduct of the Company. The reportable matters are to be disclosed to the Audit Committee. During the year under review, the Company has not received any complaints under the said mechanism. Whistle Blower Policy of the Company can be accessed at below weblink: www.raclgeartech.com

RISK MANAGEMENT

This is integral to the Company's strategy and attainment of its long-term goals. The Company's success lies in its ability to identify the opportunities generated by the business and the markets it operates in. The primary objective of the Company's risk management framework is to guarantee timely and effective identification and mitigation of potential risks, while also enabling flexibility in adapting a risk-conscious business strategy that can tap into new opportunities. The Company implemented a comprehensive risk management system that protects its stakeholders' interests by detecting, scrutinizing and managing significant business risks. This entails various strategies such as risk identification surveys, environmental business analysis, and gathering feedback from internal and external stakeholders. The risks are rated to various parameters, such as probability of occurrence, severity of impact and Company's preparedness to mitigate such risks. The risks identified are placed on a matrix to depict the potential staging and monitoring of the same. The assessment considers both short and long-term risks, including how these risks are changing, together with emerging risk areas. These are assessed on an ongoing basis and officially by the Board.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Regulation 34(2)(e) of the Listing Regulation, Management Discussion and Analysis Report is presented in a separate section forming part of the Annual Report.

CORPORATE GOVERNANCE

Corporate Governance is about maximizing the value and to ensure fairness to all its shareholders. Your Company is renowned for its exemplary governance standards and believes that sound corporate governance is critical to enhance and retain investor trust. Your Company ensures that performance is driven by integrity.

The Companies Act, 2013 and the Listing Regulation have strengthened the governance regime in the country and your Company is in compliance with the governance requirements provided under the law both in letter and spirit. The Board also exercises its fiduciary responsibilities in the widest sense of the term.

Your Company has in place all the statutory committees required under the law. Details of the Board Committees along with their terms of reference, composition and meeting of the Board and its Committees held during the year are provided in the Corporate Governance Report which is presented in a separate section forming part of the Annual Report.

A Certificate from Ms. Rosy Jaiswal, Practicing Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Regulation 34(3) Schedule V (E) of the Listing Regulations is attached to the Corporate Governance Report.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

A detailed Business Responsibility & Sustainability Report in terms of the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is available as a separate section in the Annual Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

ANNUAL RETURN

In accordance with sections 134 of the Act, the annual return in the prescribed format is available on the website of the Company viz. www.raclgeartech.com.

SECRETARIAL STANDARDS

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of section 186 of the Act are given in the Notes to the Financial Statements.

RELATED PARTY CONTRACTS & ARRANGEMENTS

All related party transactions done by the Company during the Financial Year 2022-23 were at arm's length and in the ordinary course of business. All related party transactions were reviewed and approved by the Audit Committee. During the Financial Year 2022-23, the Company has not entered into any material related party transaction as per the Listing Regulations with any of its related parties. Disclosures pursuant to the Accounting Standards on related party transactions have been made in the notes to the Financial Statements.

To regulate related party transactions, the Company has also framed a Policy on Related Party Transactions and the same is available on the Company's website at www.raclgeartech.com. The particulars on RPTs in Form AOC-2 is annexed to the Report as **Annexure-B**. For more details on Related Party Transactions which are in ordinary course of business and on arm's length basis, please refer to Notes of Financial Statements.

CORPORATE SOCIAL RESPONSIBILITY

Here at RACL, our goal is to make a lasting and beneficial impact through our corporate practices. Transcending our material gain, we are determined to offer resources and pathways for people to succeed and flourish. We take pride in not only observing our progress, but actively celebrating and repeating our dedication to making the world a more improved place for everyone. Knowing that our success relies on the welfare of those in the regions where we are based, we are humbled to find ways to help these communities.

The Company is committed to ensure the well-being of the community and environment in which it operates. Corporate Social Responsibility (CSR) forms an integral part of our business activities. Company's CSR Policy also reflects the Company's commitment towards society and environment. The CSR initiatives are carried out by the Company through a variety of effective programs in accordance with the requirements of Schedule VII of the Companies Act, 2013.

A detailed description of the programs/ activities undertaken is contained in the Annual CSR Report which forms an integral part of this Report and is annexed as **Annexure-C**. The contents of the CSR Policy as well as the CSR programs undertaken by the Company are available on the Company's website at www.raclgeartech.com

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

The information required under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 with respect to conservation of energy, technology absorption and foreign exchange earnings/outgo is attached as **Annexure-D** to this Report.

HUMAN RESOURCE

At RACL, the Human Resources (HR) function has evolved significantly over time. The function has always been determined to build best-in-class people processes that continue to enhance creativity of people. Our focus

remains on building and strengthening a culture that keeps people at the core of all decisions while setting new benchmarks in profitability and productivity. With this ambitious goal, the HR team has had yet another successful year with a number of key accomplishments and initiatives being implemented. The post pandemic world is different and in multiple ways; priorities have undergone a sea change. As an organisation, we've always maintained sync with what people want. As a step in this direction - the organisation focused on implementing practices and policies that encouraged people to place a higher importance on health and wellness. This year also witnessed an enhanced focus on building a culture that allows diversity to flourish and is inclusive in the truest sense. Making the organisation completely inclusive is a long-term journey that we have embarked upon and there is no looking back. Several changes were brought about that ensured a safe and conducive environment for all people irrespective of their gender, sexual preferences, caste, regional backgrounds, abilities, etc. With years of continuous effort, we've been able to craft a unique and comprehensive performance management system that helps teams work to their potential by providing them necessary support and guidance. The system achieves a perfect balance between development, growth, rewards, conversations and strengthens the manager-subordinate relationships. With a high level of emphasis being placed on providing developmental and career growth opportunities, the organisation is able to promote meritocracy and build fairness and transparency. Not just the HR function but also the use of technology in the function has evolved over time. Today, a large majority of our people processes are completely automated.

INDUSTRIAL RELATIONS

The organisation's overall employee relations remained positive throughout the year. This was a result of our consistent efforts towards keeping our employees engaged, motivated, involved in the success story of the organisation and completely committed to our cause. Various initiatives were implemented at the plants that encouraged participation and collaboration of not just employees but also of their families. We maintained a pleasant and cordial working environment across all manufacturing locations and witnessed a high in productivity at most of our manufacturing locations. The total number of permanent employees at RACL including plants stands at approx. 557 at the close of business hours on March 31, 2023.

PARTICULARS OF EMPLOYEES

The information required under Section 197 of the Act read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure-E** to this Report.

REMUNERATION POLICY

The Nomination and Remuneration Policy of the Company has been formulated in accordance with the Act and Listing Regulations. The Policy is designed to guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management and recommend to the Board on remuneration payable to them. Policy enables the Company to retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage. The current policy is available on Company's website at www.raclgeartech.com.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has always believed in providing a safe workplace for every individual working in Company's premises through various interventions and practices. The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment. In terms of provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has formulated a Policy to prevent Sexual Harassment of Women at Workplace. The Company has also constituted Internal Committee, as required under the said enactment. During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

HEALTH, SAFETY AND ENVIRONMENT

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 that not only its employees but also its subcontractors working on Company's plants as well as its suppliers comply with the occupational health and safety measures.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

- a. in the preparation of the annual accounts for the year under review, the applicable accounting standards have been followed and there are no material departures.
- b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2023 and of the profit of the Company for the year ended March 31, 2023.
- c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. they have prepared the annual accounts on a going concern basis.
- e. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively.
- f. they have devised proper systems to ensure compliance of the provisions of all applicable laws and that such systems were adequate and operating effectively.

OTHER DISCLOSURE

Your Company has not made any application, nor any proceeding is pending against the Company under the Insolvency and Bankruptcy Code, 2016 during the year under review. As the Company has not made any one time settlement with any banks or financial institution during the year under review, Rule (8) sub-rule (4) clause (xii) of Companies (Accounts) Rules, 2014 is not applicable.

ACKNOWLEDGEMENTS

Your Directors wish to convey their gratitude and place on record their appreciation for the employees at all levels for their hard work, cooperation and dedication during the year. Your Directors sincerely convey their appreciation to customers, shareholders, bankers, business associates, regulatory and government authorities for their continued support.

Your Directors also wish to place on record their deep appreciation for the total commitment displayed by all the executives, officers and staff, resulting in yet another eventful performance for the year.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
RACL GEARTECH LIMITED**

**GURSHARAN SINGH
(CHAIRMAN & MANAGING DIRECTOR)
DIN: 00057602**

**PLACE: NOIDA
DATE: AUGUST 12, 2023**

ANNEXURE-A TO THE BOARD'S REPORT
Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

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

To,
The Members,
M/s RACL Geartech Limited
B - 9, Sector 3, Noida UP 201301 IN

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s RACL Geartech Limited (CIN:L34300DL1983PLC016136) (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my/our verification of the Company's 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 my/our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2023 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 M/s RACL Geartech Limited ("The Company") for the financial year ended on, 31st March, 2023 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 thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (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 Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit Period);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period);

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;(Not applicable to the Company during the Audit Period);
- (i) **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, The Employee State Insurance (Central) Rules, 1950 and The Employee State Insurance (General) Regulation, 1950
 - (ii) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and redressal) Act, 2013 and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and redressal) Rules, 2013
 - (iii) The Employees Provident Funds and Miscellaneous Provisions Act, 1952 and Employees' Provident Funds Scheme, 1952
 - (iv) The Factories Act, 1948
 - (v) The Employees Compensation Act, 1923
 - (vi) The Contract Labour Regulation and Abolition Act, 1970
 - (vii) The Industrial Dispute Act, 1947
 - (viii) The Maternity Benefits Act, 1961
 - (ix) The Minimum Wages Act, 1948
 - (x) The Payment of Bonus Act, 1965
 - (xi) The Payment of Wages Act, 1936
 - (xii) The Environment (Protection) Act, 1986 and Rules made thereunder
 - (xiii) The Air (Prevention and Control of Pollution) Act, 1981 and rules made thereunder
 - (xiv) The Water (Prevention and Control of Pollution) Act, 1974 and rules madethereunder
 - (xv) The Plastic Waste Management Rules, 2016
 - (xvi) Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2016
 - (xvii) The Micro, Small and Medium Enterprise Development Act, (MSMED)2006

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

- (a) Secretarial Standards issued by The Institute of Company Secretaries of India have been followed by the Company.
- (b) 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 Act, 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 Act.

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

The Company has kept and maintained registers/records as required under the Companies Act, 2013 and all entries there in have been duly recorded within the time prescribed thereof.

Majority decisions of the Board are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or respective Committee of the Board, as the case may be.

We further report that as per the explanations given to me and the representations made by the Management and relied upon by me 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.

This Report is to be read with our letter of even date which is annexed as Annexure 1 and forms an integral part of this Report:

**For Rosy Jaiswal & Associates
Company Secretaries**

Sd/-

Rosy Jaiswal

(Proprietor)

ACS No. 28432,

C.P No. 21968

UDIN: A028432E000437896

Peer Review Certificate No:2298/2022

Place: Delhi

Date: 31/05/2023

Annexure 1 (forming part of Secretarial Audit Report)

To,
The Members,
M/s RACL Geartech Limited
B - 9, Sector 3, Noida UP 201301 IN

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record 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 record. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the practices and processes, I 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. Where ever required, We obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, norms and standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Rosy Jaiswal & Associates
Company Secretaries

Sd/-

Rosy Jaiswal
(Proprietor)

ACS No. 28432,
C.P No. 21968

UDIN: A028432E000437896

Peer Review Certificate No:2298/2022

Place: Delhi
Date: 31/05/2023

ANNEXURE- B TO THE BOARD'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 arm's length transaction under third proviso is given below:

1. Details of contracts or arrangements or transactions not at Arm's length basis :

The Company has not entered into any contract/arrangement/transaction with its related parties which are not in ordinary course of business, not at arm's length during the financial year ended 31st March, 2023. The Company has laid down policies and processes/procedures so as to ensure compliance to the subject section in the Companies Act, 2013 and the corresponding Rules.

S. No	Particulars	Details
a)	Names (s) of the related party & nature of relationship	NA
b)	Nature of contracts/arrangements/transaction	NA
c)	Duration of the contracts/arrangements /transaction	NA
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NA
e)	Justification for entering into such contracts or arrangements or transactions	NA
f)	Date of approval by the Board	NA
g)	Amount paid as advances, if any	NA
h)	Date on which the special resolution was passed in General meeting as required Nil under first proviso to section 188	NA

2. Details of material contracts or arrangements or transactions at Arm's Length basis:

The Company has not entered into any material contract/arrangement/transaction with its related parties.

S. No	Particulars	Details
a)	Name (s) of the related party and nature of relationship	NA
b)	Nature of contracts/arrangements/transactions	NA
c)	Duration of the contracts/arrangements/transactions	NA
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	NA
e)	Date of approval by the Board	NA
f)	Amount paid as advances, if any	NA

FOR RACL GEARTECH LIMITED

**GURSHARAN SINGH
CHAIRMAN AND MANAGING DIRECTOR
DIN: 00057602**

**PLACE : NOIDA
DATE : AUGUST 12, 2023**

ANNEXURE- C TO THE BOARD'S REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("CSR") ACTIVITIES FOR THE YEAR ENDED 31ST MARCH, 2023

1. Brief Outline of the Company's CSR Policy of the Company.

The Company has framed a Corporate Social Responsibility (CSR) Policy in compliance with Section 135 of the Companies Act, 2013 and is available on the Website of the Company at www.raclgeartech.com.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation	Position Held in CSR Committee	No. of Meetings of CSR Committee held during the year	No. of Meetings of CSR Committee attended during the year
1.	Brig. Harinder Pal Singh Bedi (Retd.)	Independent Director	Chairperson	3	3
2.	Mrs. Narinder Paul Kaur	Non- Executive Non-Independent Director	Member	3	3
3.	Mr. Anil Sharma	Non- Executive Non-Independent Director	Member	3	3

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company-

www.raclgeartech.com

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

NA.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any-

NA.

6. Average net profit of the Company as per Section 135(5): Rs. 2834.10 Lakh

7. a. Two percent of average net profit of the company as per section 135(5)- Rs. 56.68 Lakh

b. Surplus arising out of the CSR projects or programmes or activities of the previous financial years- Rs. 8.14 Lakh

c. Amount required to be set off for the financial year, if any: N.A.

d. Total CSR obligation for the financial year (7a+7b-7c): Rs. 64.82 Lakh

8. a. CSR amount spent or unspent for the financial year: Rs. In Lakh)

Total Amount Spent for the Financial Year.	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer*	Name of the Fund	Amount	Date of transfer
51.54	5.14		-	-	-

b. Details of CSR amount spent against ongoing projects for the financial year:

(Rs. In Lakh)

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project		Project Duration	Amount allocated for the project (p.a.)	Amount spent in the current financial Year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implementation Direct (Yes/No)	Mode of Implementation Through Implementing Agency	
				State	District						Name	CSR Reg. No.
1.	Bright Tomorrow	Promoting Education	Yes	Uttar Pradesh	Noida	4 Years	37.60	34.58	3.02	Yes	NA	NA
2.	Computer Education	Promoting Education	Yes	Uttar Pradesh	Noida	4 Years	3.20	1.20	2.00	Yes	NA	NA
3.	Shining Stars	Employment enhancing vocation skills	Yes	Uttar Pradesh	Noida	4 Years	3.00	2.88	0.12	Yes	NA	NA

c. Details of CSR amount spent against other than ongoing projects for the financial year

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project		Amount spent in the current financial Year (Rs. In Lakh)	Mode of Implementation -Direct (Yes/No)	Mode of Implementation -Through Implementing Agency	
				State	District			Name	CSR Registration No.
1.	-	Eradication of Hunger & Poverty	Yes	Uttar Pradesh	Noida	3.95	Yes	-	-
2.	-	Promoting Education	Yes	Nagaland	Kohima & Peren	5.00	No	-	-
3.	-	Healthcare & Sanitation		Uttar Pradesh	Noida	0.25	Yes	-	-
4.	-	Promoting Education	Yes	Uttar Pradesh	Noida	0.82	Yes	-	-
5.	-	Promotion of Healthcare	Yes	Uttar Pradesh	Noida	0.95	No	Sun-Up Foundation	CSR00026305

d. Amount spent in Administrative Overheads- NIL

e. Amount spent on Impact Assessment, if applicable- NA

f. Total amount spent for the Financial Year (8b+8c+8d+8e)- Rs. 59.04 Lakh

g. Excess amount for set off, if any- NA

9. a. Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding FY	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting FY (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer	
1.	2019-20	NA	6.42	NA	NA	NA	NA
2.	2020-21	NA	2.98	NA	NA	NA	NA
3.	2021-22	8.14	8.14	NA	NA	NA	NA

- b. Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(Rs. In Lakh)

Sl. No.	Project ID	Name of the Project	FY in which the project was commenced	Project duration	Total amount allocated for the project	Amount spent on the project in the reporting FY	Cumulative amount spent at the end of reporting FY.	Status of the project- Completed /Ongoing
1.	-	Bright Tomorrow	2020-21	4 years	-	7.68	42.26	Ongoing
2.	-	Computer Education	2020-21	4 years	-	0.20	1.40	Ongoing
3.	-	Shining Stars	2020-21	4 years	-	0.24	3.12	Ongoing

Note: The allocation of amount for each project is done at the start of the financial year in accordance with the CSR Budget of the Company.

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: N.A.
- Date of creation or acquisition of the capital asset(s)
 - Amount of CSR spent for creation or acquisition of capital asset
 - Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
 - Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)- The unspent amount pertains to ongoing projects undertaken by the Company.

GURSHARAN SINGH
CHAIRMAN & MANAGING DIRECTOR
DIN: 00057602

BRIG. H.P.S. BEDI (RETD.)
CHAIRPERSON OF CSR COMMITTEE
DIN: 05217488

PLACE: NOIDA

DATE: AUGUST 12, 2023

ANNEXURE- D TO THE BOARD'S REPORT

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

A. CONSERVATION OF ENERGY

(i) Steps taken or impact on conservation of energy: -

- Carried out power factor improvement activity by installing Automatic Capacitor panels. Net energy savings 160631 units, net saving INR 12.04 Lakh in FY 22-23.
- Energy conservation through automatic control of continuous duty motors, net energy savings : 64222 units. net savings : INR 4.81 lakh in FY 22-23

(ii) Steps taken by the Company for utilizing alternate sources of energy: -

- Commissioning of 558 Kwp Roof Top Solar Power Plant, Feb 2023. Net saving: INR 2.24 lakh in FY 22-23, annual saving in future years: INR > 26 lakh per annum. Carbon foot print reduction by Co2 reduction > 1.9 tons / day.
- Commissioning of Roof Top Solar Water Heating System for hot water supply in the housing campus. Net saving: 0.24 lakh in FY 22-23, annual saving in future years: INR 2.00 Lakh per annum.
- Implemented rain water harvesting technology used to conserved rainwater collecting, storing and purifying of rainwater for housing colony and newly constructed Shakti Plant.

(iii) Capital Investment on energy conservation equipment: -

- No capital Investment for Roof Top Solar Plant, as Company entered into 25 years OPEX model agreement with an external company.
- Water solar system with capacity of 6 KL, 03 Nos for housing campus: INR 12.5 lakh.
- Rain water harvesting with 04 meter dia recharge well: INR 10 lakh

B. TECHNOLOGY ABSORPTION, ADAPTATION, INNOVATION, BENEFITS AND FUTURE PLANS OF ACTIONS

(i) Efforts made towards technology absorption;

- a) Addition of friction welding technology for managing light weighting requirement for Steering AKC systems for ICE, as well as, EV application.
- b) Addition of high-speed dry Gear Hobbing machines, equipped with ring loaders, to achieve higher productivity, better quality levels and saving scarce resources of Mineral Cutting Oils, which also helped to save an annual cost of INR 33.60 Lakh.
- c) Enhancement of capacity by addition of high-speed NC helix CNC 7 Gear shaping Machine to achieve productivity, at better quality level & having flexibility of variety of helical gears without any additional tooling investment.
- d) Enhancement of capacity by addition of 5 Axis gear shaving machine producing the parts with high degree of accuracy thus meeting the stringent quality requirement.
- e) Addition of new 5 Axis CNC Multitasking Turn Mill center with all 5 Axis simultaneous interpolation, enabling all turning and milling application for producing intricate profiles. This technology is being used for EV applications as well.
- f) Enhancement of capacity by addition of CNC CBN Cylindrical grinder which is highly capable for maintaining stringent quality requirement with very high productivity level thus meeting all requirements for EV application as well.

- g) Addition of State-of-the-Art Pre-Tool setting and inspection machine with complete automation in tool measurement & setting, thus helping in reducing of initial set up rejection.
 - h) Installation of state of art 3D Laser marking machine for live data collection and storage from inspection benches, thus enabling end to end traceability of parts.
 - i) Addition of new CNC Video measuring machine for inspection of intricate profile shapes with high degree of accuracy and at faster time cycles.
 - j) Addition of new technology ECM deburring machine for targeted material removal at precisely defined location which are hard to machine.
- ii) **Benefits derived like product improvement, cost reduction, product development or import substitution;**
- a) Inhouse development of assembly stations with Poka Yoke of sequencing of assembly parts.
 - b) Inhouse development of Billet loading conveyor for Induction heating of Forging processes, thus, achieving higher productivity and man power saving.
- iii) **In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-**
- a) The details of technology imported:
 - i) Power skiving machine from Profilator – Germany.
 - ii) High speed dry/wet hobbing machine – Nidec Japan
 - iii) CNC 3 Axis gear shaping machine from CJMT China
 - iv) 5 Axis CNC shaving machine from Nidec Japan
 - v) 5 Axis CNC Turn mill center (Integrex I 100) from MAZAK Japan.
 - vi) CNC CBN cylindrical grinder from Erwin Junker Germany.
 - vii) CNC Video Measuring Machine from NIKON Corporation Japan
 - viii) 3D Laser marker – Keyence – Japan
 - ix) Fully Automatic Metallurgical Microscope from Mitutoyo, Japan
 - (b) Year of import: 2022
 - (c) Whether the technology been fully absorbed: Yes
 - (d) If not fully absorbed, areas where absorption has not taken plakhe, and the reasons thereof: NA
- iv) **Expenditure incurred on Research and Development. :- NA**

C. Foreign Exchange Earnings and Outgo

Foreign Exchange Earned in terms of actual inflows during the year and Foreign Exchange Outgo during the year in terms of actual outflows:

Particulars	Amount (Rs. In Lakh)
Foreign Exchange Earnings	24971.56
Foreign Exchange Outgo	4234.46

ANNEXURE- E TO THE BOARD'S REPORT

PARTICULARS OF EMPLOYEES

A. The information required under section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided as under:

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the year ended March 31, 2023:

Sl. No.	Name of the Directors	Designation	Remuneration Paid during year ended 31 st March, 2023 (Rs. In Lakhs)	Ratio	% increase/ (decrease) in remuneration for the financial year ended March 31, 2023
1	Mr. Gursharan Singh	Chairman & Managing Director	207.35	52.20	(3.88)
2	Mr. Dev Raj Arya	Whole-time Director & CFO	78.27	19.71	(4.27)
3	Mrs. Narinder Paul Kaur	Non- executive Non-Independent Director	25.95	6.53	1.37
4	Mr. Anil Sharma	Non- executive Non-Independent Director	26.45	6.66	12.89
5	Mr. Shashank Ramesh Anikhindi	Independent Director	3.65	0.92	NA
6	Mr. Jagdish Keswani	Independent Director	3.65	0.92	NA
7	Brig. Harinder Pal Singh Bedi (Retd.)	Independent Director	1.95	0.49	NA
8	Mrs. Malini Bansal	Independent Director	3.35	0.84	NA

2. The percentage change in the median remuneration of the employees during the year ended March 31, 2022:

The percentage increase in the median remuneration of the employees noted on March 31, 2022 and March 31, 2023 respectively is 19.82%.

3. The number of permanent employees on the rolls of Company:

The total number of permanent employees on pay rolls of the Company as on 31 March, 2023 is 538.

4. Average percentile increase made in the salaries of Employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in managerial remuneration:

The average percentile increase in the salaries during the year ended March 31, 2023:

Managerial Personnel: 14.7%

Employees other than Managerial Personnel: 12.90%

The remuneration to Managerial Personnel is as approved by the shareholders and Board under the provisions of the Companies Act, 2013. The increase in employee remunerations has been made corresponding to Managerial Remuneration.

5. Affirmation that the remuneration is as per the Remuneration Policy of the Company:

It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

B. The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

A. Names of Top Ten Employees in terms of Remuneration as on March 31, 2023:

S. No.	Name of Employees	Designation	Remuneration (Rs. in Lakhs)	Nature of employment (Contractual or otherwise)	Qualification	Experience (Yrs.)	Date of Commencement of employment with RACL Geartech Ltd.	Age (Yrs.)	Last employment before joining the Company	% of Equity shares held by such employee	Whether any such employee is a relative of any director or manager of the Company
1.	Gursharan Singh	Chairman & Managing Director	207.35	Permanent	Diploma in Mechanical Engineering, PGDM Export Management	43	05.10.1987	61	Escort Tractors Ltd. (Ford)	36.57%	Yes
2.	Dev Raj Arya	Whole-Time Director & CFO	78.27	Permanent	LL.B, Company Secretary, M.A. in Economics, Cost Accountant	47	18.08.1997	72	Vishal Lakto (I) Ltd.	2.13%	Yes
3.	Rajiv Kumar Goel	Vice President	37.74	Permanent	B. Tech (Mechanical)	32	01.10.1990	56	NA	0.18%	No
4.	Yogesh Baweja	Associate Vice President	29.64	Permanent	M.B.A. (Operations Research), B.E. (Mechanical), Diploma in Tool & Die Making and Certificate Course Import & Export Management	32	01.04.2013	55	Samtel Group	0.00%	No
5.	Hemant Kumar	General Manager	26.76	Permanent	AME, Mechanical Engineering, Diploma in Mechanical Engineering	32	18.08.2008	55	Lumax Industries	0.00%	No
6.	Naveen Chandra Agarwal	General Manager	24.39	Permanent	B. Tech (Production)	32	09.08.1991	57	Vxl India Ltd., Faridabad	0.08%	No
7.	Prabh Mehar Singh	Vice President	27.42	Permanent	Master in Management (Finance)	11	15.02.2016	32	KPMG India	0.00%	Yes
8.	Syed Mustahsan Jalil	Deputy General Manager	20.64	Permanent	Diploma in Electrical Engineering	32	08.01.2008	56	Getrag Gears, Antek Auto, HSPP	0.00%	No
9.	Uday Kumar Raghavan	Deputy General Manager	20.52	Permanent	B. Tech Mechanical	32	01.02.1996	55	Sara Services & Engineering Pvt. Ltd.	0.06%	No
10.	Achyutrao B. Kadam	General Manager	18.684	Permanent	BE Mechanical	26	08.08.2022	47	Zenith Forge, NAW, Mahindra Vehicles	0.00%	No

- B. Employees employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than Rs. 1,02,00,000/-

S. No.	Name of Employees	Designation	Remuneration (Rs. in Lakhs)	Nature of employment (Contractual or otherwise)	Qualification	Experience (Yrs.)	Date of Commencement of employment	Age (Yrs.)	Last employment before joining the Company	% of Equity shares held by such employee	Whether any such employee is a relative of any director or manager of the Company
1.	Gursharan Singh	Chairman & Managing Director	207.35	Permanent	Diploma in Mechanical Engineering, PGDM Export Management	42	05.10.1987	61	Escort Tractors Ltd. (Ford)	36.57%	Yes

- Employed for part of the Financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Rs. 8,50,000/- per month:

S. No.	Name of Employees	Designation	Remuneration (Rs. in Lakhs)	Nature of employment	Qualification and Experience	Date of Commencement of employment	Age (Yrs.)	Last employment before joining the Company	% of Equity shares held by such employee	Whether any such employee is a relative of any director or manager of the Company
N.A.										

- C. Employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole time director or manager and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the Company.

S. No.	Name of Employees	Designation	Remuneration (Rs. in Lakhs)	Nature of employment (Contractual or otherwise)	Qualification and Experience	Date of Commencement of employment	Age (Yrs.)	Last employment before joining the Company	% of Equity shares held by such employee	Whether any such employee is a relative of any director or manager of the Company
N.A.										

FOR RACL GEARTECH LIMITED

GURSHARAN SINGH
CHAIRMAN & MANAGING DIRECTOR
(DIN: 00057602)

PLACE: NOIDA
DATE: AUGUST 12 2023

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

GLOBAL ECONOMY

The world economy is under recovery mode, albeit with mixed trends, after passing through tough challenges of prolonged impact of Covid-19 pandemic and subsequent Geo Political situation in Eastern Europe. Chinese economy has also started showing signs of recovery. Additionally, Energy situation in Europe & food markets, which had experienced disruptions due to the war, are now staying steady. Lastly, as an effort to cope with rising inflation and to reset goals, banks across the world have undertaken necessary steps to ensure fiscal discipline.

However, according to the International Monetary Fund (IMF), global growth was estimated to slow from 3.4 per cent in CY2022 to 2.8 per cent in CY2023. Inflation rates are expected to ease, albeit at a slower pace than initially anticipated, declining from 8.7 per cent in CY2022 to 7.0 per cent in CY2023 and further to 4.9 per cent in CY2024.

Global Economic Growth (%change)	Year on Year		
	Estimate	Projections	
	CY 2022	CY 2023	CY 2024
World	3.4	2.8	3.0
Advanced Economies	2.7	1.3	1.4
Emerging Market and Developing Economies	4.0	3.9	4.2

Source: International Monetary Fund (IMF)

The outlook for economic growth in developed countries is expected to take a major dip from 2.7 percent in 2022 to 1.3 percent in 2023. This subdued prediction is due to numerous factors such as tighter anti-inflation measures implemented, the lingering effects of previous economic concerns, continuing issues in Ukraine, and the intensification of economic divisions between different regions in the world. In contrast, emerging markets and lesser developed countries have a better financial forecast, though the amount of growth between different areas can vary greatly. On average, it is likely that growth will be 3.9 percent in the year 2023 and rise further to 4.2 percent in 2024.

The recent turmoil in the banking sector has brought attention to the potentially fragile nature of the world economy. Doubts and downside risks have been created as a result. Although inflation is typically expected to be at a lower level, it is still high in many countries. This can be attributed to the fact that labour markets in the majority of advanced economies have been performing very strongly, resulting in stronger-than-expected aggregate demand and possibly causing monetary policy to become tighter or stay at the current tight levels for longer than originally anticipated. A 'risk-off' event, which implies a sudden and large change in global financial conditions, could have a huge effect on credit access, public finances, and the economic state of emerging and developing economies, with possible capital outflows, an increase in risk premiums, a rush for safer investments, and a likely appreciation of the US dollar. This could result in a significant decrease in global economic activity, a decrease in public and private spending, and a fall in global confidence.

OUTLOOK

In the future, there is expected to be a widespread decrease in medium-term growth estimates. Over the past decade, projections for five years ahead have gradually decreased from 4.6 percent in CY 2011 to 3.0 percent in CY 2023. While some of this declaration can be attributed to the natural convergence of previously rapidly growing economies like China and Korea, recent sluggishness may also be caused by more concerning factors such as the lingering effects of the pandemic, a sluggish pace of structural reforms, rising trade tensions, declining direct investment and slower adoption of innovation and technology in fragmented regions. A world that is split and polarised is unlikely to achieve advancement for everyone or successfully confront global issues such as climate change or pandemic preparedness.

The Indian economy is poised to double its current annual GDP of around US\$ 3.5 trillion to US\$ 7.0 trillion by 2030 but achieving consistent high growth over a medium-term time frame will require more than India's twin strengths of demographics and consumption. This will depend on many of other factors that will continue to propel India's growth trajectory throughout the current decade. Along with the positive impact of a young population, an outright focus by Government on Infrastructure development & a plethora of policy measures is being implemented to boost growth.

Digitisation has enhanced productivity & has helped to reduce the parallel economy and the shift toward clean energy will boost efficiency. Moreover, the youthful workforce is expected to boost innovation and entrepreneurship and policy measures to promote manufacturing and infrastructure development will stimulate growth. Adoption of digital technologies has streamlined operations, improved supply chains and opened up new markets, particularly for SMEs. Greater financial inclusion and transparency have been achieved through Digital India Mission, leading to improved access to credit and participation in the formal economy. The transition towards renewable energy sources is being supported by policy measures such as incentives and renewable energy targets which will further fuel growth and development.

INDIAN ECONOMY

India's economy has shown remarkable resilience and made significant progress despite challenges such as inflation, supply chain disruptions and geopolitical tensions. In FY 2021-22, India achieved a full economic recovery that was faster than many other countries. One of the key factors driving India's economic growth has been sustained momentum in export growth up to the first half of FY 2022-23, leading to an increase in India's share in the world market of merchandise exports. As export growth slowed down, a rebound in domestic consumption gained traction and further boosted the growth of India's economy, resulting in a rise in domestic capacity utilisation. India's economic growth stood at 7.2 percent for FY 2022-23, primarily driven by an economic rebound in private consumption that is replacing export stimuli as the leading driver of growth.

In India, inflation underwent three phases in FY 2022-23. The first phase was a rising trend up to April 2022, reaching a peak of 7.8 percent. The rising trend in the first phase was mainly due to the Russia-Ukraine conflict and crop failures caused by excessive heat in some parts of the Country. Additionally, the agricultural sector was affected by uneven rainfall and high temperatures in the summer, leading to a reduction in supply and an increase in prices for some key products. The second phase saw a period of stability with inflation hovering around 7.0 percent until August 2022. Finally, the third phase was a decline in inflation to around 5.7 percent by December 2022.

The capital expenditure (capex) of the Central Government which witnessed a steady increase in FY 2022-23 was another growth driver of the Indian Economy in the current year. Private capex is also expected to increase as corporations strengthen their balance sheets and generate more credit financing. Furthermore, the improved financial health of well-capitalised public sector banks has enabled them to increase credit supply which has resulted in remarkable credit growth for the Micro, Small and Medium Enterprises (MSME) sector. This growth is further supported by the extended Emergency Credit Linked Guarantee Scheme (ECLGS) of the Union Government.

The Indian Economy's growth for the year under review has been driven primarily by private consumption and capital formation which has also contributed to generating employment. This can be seen in the declining urban unemployment rate and faster net registration in Employee Provident Fund. However, to accelerate job creation private capex needs to step up as a leader. The recovery of Micro, Small and Medium Enterprises (MSMEs) is progressing well as evidenced by the amounts of Goods and Services Tax (GST) they pay while the Emergency Credit Linked Guarantee Scheme (ECLGS) is helping to ease their debt servicing concerns. Additionally, the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) has been providing jobs directly in rural areas and indirectly creating opportunities for rural households to diversify their sources of income. Schemes like PM-Kisan and PM Garib Kalyan Yojana have ensured food security in the country and have been recognised by the United Nations Development Programme (UNDP) for their impact.

INDIAN AUTOMOBILE AND INDUSTRY

The Indian automobile sector has always remained one of the largest industries in the country and it plays a significant role in the Indian economy. During the year under review, India became the third-largest automobile market, surpassing Japan as vehicle sales rose on the back of easing semiconductor issues and a strong demand rebound during the festival season. The industry experienced a healthy upswing in FY 2022-23, supported by a recovery in economic activity and increased mobility. Demand sentiment for most automotive segments i.e. passenger cars, commercial vehicles and tractors, has remained healthy, resulting in improved sales for industry players.

The commercial vehicle (CV) segment has been growing strongly eventually crossing the FY19 peak. This has been aided by increased infra spends by the government, healthy replacement demand, last-mile connectivity demand propelling e-commerce and increased industrial activity. Profitability and margins of major commercial vehicle OEMs have also been aided by the uptick in volumes, improved product mix and benefits of commodity price correction.

The Indian government has been taking various initiatives to promote the growth of the automobile sector in the country. These initiatives include the National Electric Mobility Mission Plan which aims to promote the adoption of electric vehicles in the country, and the Automotive Mission Plan 2016-26 which focuses on developing the sector's competitiveness and promoting innovation. Amid the ongoing electrification transition, OEMs are expected to incur significant investments in the development of ground-up electric vehicle platforms and enhance manufacturing capacities.

INDIAN AUTOMOTIVE COMPONENT INDUSTRY

The expansion of India's auto component industry's market share is due to an upsurge in demand for cars caused by the prosperous middle class and exports. This industry managed to represent 2.3 percent of India's Gross Domestic Product (GDP) and provided direct employment to 1.5 million people. It is projected that by 2026 the automobile component sector will make up 5-7 percent of India's GDP. Also, according to the Automobile Component Manufacturers Association (ACMA), exports are estimated to be worth US\$30 billion. The auto component industry is aiming to acquire US\$200 billion in revenue by 2026. As a result of the demand for cars, there has been a conception of more original equipment and auto components manufacturers. Therefore, India has accomplished skill in automobiles and auto components, which consequently has lifted the interest for Indian automobiles and auto components. In conclusion, the automobile industry has had a considerable effect on the auto component industry.

The rapidly globalising world is creating newer opportunities for the transportation industry, especially while shifting towards electric, electronic and hybrid cars which are deemed more efficient, safe and reliable modes of transportation. Over the next decade this will lead to newer verticals and opportunities for auto component manufacturers. To help them adjust to the shifting dynamics of the sector the Indian Government has already offered various production incentives. India is also investing heavily in electric car infrastructure.

PERFORMANCE OVERVIEW

RACL Geartech Limited is a leading provider of automotive components in India and is a globally renowned enterprise. We are the auto part suppliers catering as Tier 1 to the biggest Original Equipment Manufacturers (OEMs) and major system manufacturers, who are functioning as Tier 1 manufacturer. Our client domain is spread across the world with dominance presence in Europe, Asia-Pacific and North America.

In the FY 2022-23, we created an overall income of Rs 367.34 Crore. Out of this, exports contributed Rs 249.97 Crore, domestic Rs 88.41 Crore, and the other sources yielded Rs 28.96 Crore. Of overall sales, 68 per cent was because of exports while 32 per cent was home sales. Year-on-year, revenue went up by 33.55 per cent, EBITDA by 48.55 per cent, and Profit Before Tax by 55.78 per cent.

RACL is proud to have an exclusive customer base, which intends to keep a dedicated & competent supplier with concurrent engineering & value engineering capabilities, to deliver a defect free quality product with 100 per cent On-Time deliveries. We have earned a dominant position in the fiercely competitive Gear market. Our product portfolio is specifically designed to suit this particular niche market. We are making every effort to enhance our market presence by further upgradation of technology, technical skills, quality, and human resources, as a preparation to complexities of future mobility including E-Mobility Solutions.

OUR CERTIFICATIONS:

Gajraula Plant

- Implementation of Information Security Management System in accordance with ISO/IEC 27001: 2013 from TUV SUD South Asia Private Limited;

- BSI Certificate of Registration for Occupational Health and Safety Management System – ISO 45001:2018;
- BSI Certificate of Registration for Environmental Management System – ISO 14001:2015;
- BSI Certificate of Registration for Quality Management System – ISO 9001:2015;
- BSI Certificate of Registration for Quality Management System – IATF 16949:2016;

Noida Plant

- BSI Certificate of Registration for Quality Management System – IATF 16949:2016

AWARDS & RECOGNITIONS

- Economic Times recognises RACL Geartech Limited as one of the Best Brands 2022;
- Dun & Bradstreet recognises Mr. Gursharan Singh as the Business Enterprise of Tomorrow in the year 2023;
- Dun & Bradstreet recognises RACL Geartech Limited as Business Enterprise of Tomorrow in the year 2022 for Automobiles, OEM & Component and SME, presenting partner Yes Bank;
- Kubota presented the Certificate of Excellence to RACL Geartech Limited for best performance "Delivery" in the year 2022.

EXPORTS

A majority of RACL's exports are seen in Europe while the remainder is distributed to Japan, China & United States. To stay in sync with our prior achievements, our revenue from exports this year totalled Rs. 249.97 crore, indicating a growth of over 26 per cent. As RACL exports its products to Original Equipment Manufacturers focused primarily on the higher sphere of the market, we are able to benefit from higher profits through exports.

OPPORTUNITIES

Global market possibilities constitute a great chance for auto-ancillaries courtesy of the automotive industry. There is persistent strain on OEMs and Tier 1s to diminish costs, thereby clearing the path for global progression. Furthermore, the divestment of OEMs from China boosts our potentials with India becoming perceived as a prime industrial base for automobile components.

The majority of our revenue comes from two-wheeled and three-wheeled vehicles, as well as from Off-Road Vehicles, Agricultural Vehicles and Equipment, and Industrial Gears. Additionally, RACL took the step of producing Chassis, Suspension and Steering Components and sub-assemblies for Passenger cars and Engine Gears for Heavy Commercial vehicles in FY21-22 as part of an extension and diversification strategy. To build on that, components for Electric Vehicles are now being made at our facilities to meet both local and international demand.

RACL has reaped the rewards of its long-lasting association with premier International Original Equipment Manufacturers (OEMs), whose clientele is predominantly made up of the premium segment. In recent years, RACL has been able to reduce the risk of its business by broadening its product range and entering new areas of the automotive industry, in addition to enlarging its customer base with consistent quality and compliance with global guidelines set out by international audit teams.

THREATS, RISKS AND CONCERNS

Geopolitical risk is the most substantial threat, not only to RACL but also to the entire world. The Company's prosperity is reliant on the execution of the automotive sector internationally, incorporating principal markets such as the US, Europe and Asia-Pacific. Having its operations spread far and wide, deviation in the legitimate and administrative environment of any of these nations or regions can have a brunt upon the company and confront its overall execution.

Additionally, the business of the Company as part of Global Supply chain, shall have concerns about instability of the world's financial markets. Inflation in freight charges had burdened additional costs to the auto components industry. The military confrontations between countries have also led to dramatic rise in fuel costs. A further consequence is that businesses now must keep increased inventories because of fluctuation in prices and supply. The Company is also vulnerable to cost alterations of Raw Materials, Energy, Industrial Oils and Forgings, which are their main raw material components.

Furthermore, the Company's primary source of earnings is from overseas exports, escalating the exposure to the volatility of the foreign exchange.

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. change of 25% or more as compared to the immediately preceding financial year) has been provided hereunder:

Sl. No.	Particulars	Unit of Measurement	2022-23	2021-22
1.	Debtors Turnover Ratio	Days	82.00	89.00
2.	Inventory Turnover Ratio	Days	77.00	67.00
3.	Interest Coverage Ratio	Ratio	4.39	4.93
4.	Current Ratio	Ratio	1.14	1.22
5.	Debt Equity Ratio	Ratio	1.21	1.25
6.	Operating Profit Margin i.e. EBITDA	Percent	24.69	22.19
7.	Net Profit Margin	Percent	10.19	8.83
8.	Return on Net worth	Percent	24.87	19.61

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 STATEMENT

Certain statements made in the Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections and so on whether express or implied. Several factors could make significant difference to the Company's operations. These include climatic conditions and economic conditions affecting demand and supply, government regulations and taxation, natural calamities and other statutes over which the Company does not have any direct control.

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.

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

For RACL Geartech Limited (RACL), good corporate governance means adoption of best practices to ensure that the Company operates not only within the regulatory framework, but is also guided by broader business ethics. The adoption of such corporate practices – based on transparency and proper disclosures – ensures accountability of the persons in charge of the Company and brings benefits to investors, customers, creditors, employees and the society at large.

RACL champions long-term value creation for its diverse stakeholders through a robust and fair governance mechanism. Our governance structures, leveraged by the pillars of integrity and transparency, help to adhere to ethical standards and also to propagate core values across the business. With a sharp focus on meeting regulatory compliances with all applicable laws in areas of our operation, we consider ethical behaviour an imperative for upholding fair business practices. Guided by a highly engaged board and management, we ensure the highest standards of governance mechanisms. As the highest decision-making body, the Board of Directors play an integral role in translating our corporate values into our business operations. They discharge their fiduciary responsibilities in a fair, respectful and transparent manner while ensuring that the business processes are aligned with the highest standards of ethics and integrity. The Board is responsible for establishing policies, strategies, goals and evaluating ethical performance.

BOARD OF DIRECTORS

The amalgamation of our Board members sheds light on our commitment towards diversity. Comprising of individuals with varying skill sets, age, gender, knowledge and experience, the culmination of their collective expertise and dedication to facilitate sustainable growth is at the heart of the economic, social and environmental impact that we have been able to create over the course of years.

SIZE AND COMPOSITION OF THE BOARD

Your Company recognizes and embraces the importance of diversity of board for its success. Your Company believes that a truly diverse board will leverage difference in thought, perspective, knowledge and skill, regional and industry experience, cultural and geographical background that will help the Company retain its competitive advantage. Accordingly, your board has the appropriate mix of executive and independent directors to maintain its independence and separate its functions of governance and management. On March 31, 2023, Board comprised of eight (8) Directors. The Board consists of two (2) Promoter & Executive Directors, two (2) Non-executive and Non-Independent Directors, and four (4) Independent Directors. This composition comprises of two-woman directors as well. The Board periodically evaluates the need for change in its composition and size.

ROLE OF BOARD OF DIRECTORS

The primary role of the Board is that of trusteeship to protect and enhance shareholder value through strategic direction to the Company. As trustees, the Board has the fiduciary relationship to ensure that the Company has clear goals aligned to shareholder value and its growth. The Board exercises its duties with care, skill, diligence and exercises independent judgement. The Board sets strategic goals and seeks accountability for their fulfillment. The Board also directs and exercise appropriate control to ensure that the Company is managed in a manner that fulfils stakeholder's aspirations and societal expectations.

BOARD MEMBERSHIP CRITERIA

The Nomination and Remuneration Committee works with the entire Board to determine the appropriate characteristics, skills and required experience for the Board as a whole and for individual members. Members are expected to possess the required qualification, integrity, expertise and experience for the position. They should also possess deep expertise and insight in sectors/areas relevant to the Company and ability to contribute to the Company's growth. The Board members are expected to rigorously prepare to attend and participate in all Board and applicable committee meetings. Each member is expected to ensure that their other current and planned future commitments do not materially interfere with the responsibilities with the Company.

SELECTION OF NEW DIRECTOR

The Board is responsible for the selection of new Directors. The Nomination and Remuneration Committee makes recommendation to the Board on induction of new member after screening and the selection process, which is based on the nomination and remuneration policy of the Company.

TRAINING OF BOARD MEMBERS

All new Directors inducted to the Board are introduced to Company's culture, its operations, customers, practices, organizational structure, role and responsibilities, services, board procedures, matters reserved for the board, risk and the compliance details and such other details to familiarize the new Director about the Company.

DIRECTORS' ATTENDANCE RECORD AND DIRECTORSHIPS

The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the year 2022-23, the attendance at last Annual General Meeting held on Monday, August 29, 2022 and the number of Directorships and Committee Chairmanships/Memberships held by them in other Indian Companies as on March 31, 2023 are given herein below:

COMPOSITION OF THE BOARD, CATEGORY AND PARTICULARS OF ATTENDANCE IS GIVEN BELOW:

Director	Category	Number of Board meetings attended out of 4	Attendance in last AGM	Number of Directorships and Committee memberships in Indian Companies		
				Directorships	Committee Memberships	Committee Chairmanships
Mr. Gursharan Singh	Promoter Executive Director	4	✓	1	2	-
Mr. Dev Raj Arya	Executive Director	4	✓	1	2	-
Mrs. Narinder Paul Kaur	Non- Executive Non- Independent Director	4	✓	1	1	-
Mr. Anil Sharma	Non- Executive Non- Independent Director	4	✓	1	2	-
Mr. Shashank Ramesh Anikhindi	Non- Executive Independent Director	4	✓	2	2	1
Mr. Jagdish Keswani	Non- Executive Independent Director	4	✓	1	3	2
Brig. HPS Bedi (Retd.)	Non- Executive Independent Director	4	✓	1	1	1
Mrs. Malini Bansal	Non- Executive Independent Director	4	✓	1	2	1

Notes:

- A. Private Limited Companies, Foreign Companies and Companies under Section 8 of the Act are excluded for the above purposes.

- B. Only Audit Committee and Stakeholders' Relationship Committee of Public Limited Companies are considered for the purpose of reckoning Committee positions.

None of the Director is a Director in more than 10 public limited companies as specified in Section 165 of the Companies Act, 2013 ("Act") or acts as an Independent Director in more than 7 listed companies or 3 listed companies in case he/she serves as a Whole-time Director in any listed company as specified in Regulation 25 of the Listing Regulations. None of the Directors is a member of more than ten Board level committees nor are they Chairman of more than five committees in which they are members.

Except Mr. Gursharan Singh, Chairman & Managing Director and Mrs. Narinder Paul Kaur, Non- Executive Non-Independent Director (Wife of Mr. Gursharan Singh), none of the Directors of the Company are inter-se related to each other.

The composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Act.

BOARD MEETINGS

The Board of Directors meet at least once in each quarter to, inter alia, review annual operating and capital expenditure plans, financial statements of business segments, compliance report(s) of all laws applicable to the Company, minutes of the Board Meetings of Subsidiary companies, short-term borrowings, any other proposal from the management regarding any restructuring of investments, etc.

In FY 2022-23 (Apr'22-Mar'23), the Board met four (4) times on May 27, 2022, July 29, 2022, October 29, 2022 and February 6, 2023. The maximum gap between any two Board Meetings was less than one hundred and twenty (120) days.

Name of Director	Number of meetings conducted and attended during the year				Total Attendance	Total No. of Meetings	% of attendance
	May 27, 2022	July 29, 2022	October 29, 2022	February 6, 2023			
Mr. Gursharan Singh	✓	✓	✓	✓	100%	4	100%
Mr. Dev Raj Arya	✓	✓	✓	✓	100%	4	100%
Mrs. Narinder Paul Kaur	✓	✓	✓	✓	100%	4	100%
Mr. Anil Sharma	✓	✓	✓	✓	100%	4	100%
Mr. Shashank Ramesh Anikhindi	✓	✓	✓	✓	100%	4	100%
Mr. Jagdish Keswani	✓	✓	✓	✓	100%	4	100%
Brig. Harinder Pal Singh Bedi (Retd.)	✓	✓	✓	✓	100%	4	100%
Mrs. Malini Bansal	✓	✓	✓	✓	100%	4	100%

Requisite quorum was present in all the meetings.

Ms. Shagun Bajpai, Company Secretary & Compliance Officer of the Company attended all the meetings of the Board and its Committees and is, inter alia, responsible for recording the minutes of the meetings of the Board and its Committees.

NUMBER OF SHARES HELD BY NON-EXECUTIVE DIRECTORS:

Mrs. Narinder Paul Kaur and Mr. Anil Sharma, Non-Executive Non-Independent Directors of the Company holds 34107 and 21000 equity shares, respectively.

THE LIST OF CORE SKILLS/EXPERTISE/COMPETENCIES IDENTIFIED BY THE BOARD OF DIRECTORS IN THE CONTEXT OF ITS BUSINESS(ES) AND SECTOR(S)

Skills and its description	Names Of Directors With Skills/ Expertise In Relevant Areas
Manufacturing & Operations Experience and knowledge related to Production and Product Development, Quality Enhancement, Plant Management, Environment and Health & Safety and Logistics and Operational issues.	<ul style="list-style-type: none"> - Mr. Gursharan Singh, - Mr. Shashank Ramesh Anikhindi, - Mr. Jagdish Keswani, - Mrs. Narinder Paul Kaur.
Leadership, Strategy & Planning Experience in Corporate Management including general management, foresightedness and Business Strategy & Planning.	<ul style="list-style-type: none"> - Mr. Gursharan Singh, - Mr. Shashank Ramesh Anikhindi - Mr. Jagdish Keswani
Compliance Management and Corporate Governance Experience in developing governance practices, serving the best interests of all stakeholders and driving corporate ethics and values.	<ul style="list-style-type: none"> - Mr. Dev Raj Arya, - Mr. Anil Sharma, - Mrs. Malini Bansal - Brig. H.P.S Bedi (Retd.)
Finance Experience in financial management, investment & commercial banking and Institution affairs.	<ul style="list-style-type: none"> - Mr. Dev Raj Arya - Mrs. Malini Bansal
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.	<ul style="list-style-type: none"> - Mr. Shashank Ramesh Anikhindi, - Mr. Jagdish Keswani, - Brig. H.P.S. Bedi (Retd.)

INDEPENDENT DIRECTORS

Our definition of 'Independence' of Directors is derived from Regulation 16 of Listing Regulations, and Section 149(6) of the Companies Act, 2013. Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, all Independent Directors are Non-Executive Directors and are Independent in terms of Regulation 16 of Listing Regulations and Section 149(6) of the Companies Act, 2013.

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed both under the Companies Act and Listing Regulations. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

INDEPENDENT DIRECTORS' MEETING

In accordance with the applicable provisions of Companies Act, 2013 and Listing Regulations, a meeting of the Independent Directors of the Company was held on February 6, 2023, without the attendance of Non-Independent Directors and members of the management.

It is recommended that all independent directors should be present at such meetings. Mr. Shashank Ramesh Anikhindi was unanimously elected as Chairman of the meeting and all the Independent Directors were present in the meeting.

These meetings are expected to review the performance of the non-independent directors and the Board as a whole, as well as the chairman of the Board, taking into account the views of the non-executive directors, assess the quality, quantity and timeliness of the flow of information between the management and the Board that is necessary for it to effectively and reasonably perform its duties.

AVAILABILITY OF INFORMATION TO THE BOARD MEMBERS

The Board has unrestricted access to all the Company related information necessary for decision making. Detailed notes, as necessary, are presented well in advance of the meeting along with the agenda. The following is the list of some of the information provided regularly to the Board of Directors:

- Annual Operating Plan and budgets, capital budgets and updates;
- Quarterly results of the Company and its Operating Divisions;
- Minutes of meetings of Audit and other Committees of the Board;
- General notice of interests of Directors;
- Declaration of Independent Directors at the time of appointment/annual declaration;
- Dividend data;
- Information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary;
- Materially important issues, disputes with the Government Authorities on show cause notices, demands, prosecutions and penalty notices;
- Fatal or serious accidents, dangerous occurrences, effluent or pollution problems;
- Any material default in financial obligations to and by the Company;
- Any issue that involves possible public or product liability claims of a substantial nature;
- Significant development in human resources and industrial relations front;
- Sale of assets of material nature, not in normal course of business;
- Quarterly update on Risk Management System;
- Quarterly details of foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movement.
- Any material default in financial obligations to and by the company or substantial non-payment for goods sold by the company;
- Making of loans and investments, if any;
- Compliance Certificate with respect to all the laws as applicable to the Company;
- Constitution/reconstitution of Board Committees;
- CSR activities carried out by the Company and expenditure made thereon;
- Show cause, demand, prosecution notices and penalty notices, if any, which are materially important;
- Transactions, if any, that involve substantial payment towards goodwill, brand equity, or intellectual property;
- Non-compliance, if any, of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

FAMILIARIZATION PROGRAMME

Your Company has put in place familiarisation programme for all its Directors including the Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business models of the Company etc and the familiarisation programme for the Independent Directors is available on the website of the Company at www.raclgeartech.com.

CODE OF CONDUCT

The Company's Board has laid down a Code of Conduct for all Board members and senior management of the Company. The Code of Conduct is available on the website of the Company, at www.raclgeartech.com.

All Board members and designated senior, management personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Chairman & Managing Director to this effect is enclosed at the end of this report.

PREVENTION OF INSIDER TRADING

The Board has formulated a policy on Trading of shares by an insider and code of conduct for regulating, monitoring and reporting of trading of shares by insider. The code lays down guidelines, procedures to be followed and disclosure to be made while dealing with the shares of the Company and cautioning them on consequences of non-compliances. The copy of the policy is available on Company's website at www.raclgeartech.com.

BOARD COMMITTEES

As on March 31, 2023, the Company has five committees namely Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Financial Affair Committee. The Board Committees are set up under the formal approval of the Board to carry out respective roles which are considered to be performed by the members of the respective Board Committees. The Company's guidelines relating to Board Meetings are applicable to Committee Meetings, as far as may be practicable. Each Committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its work. Minutes of the proceedings of the Committee Meetings are placed before the Board meeting for perusal and noting. The Company Secretary acts as the secretary of all Committees.

Board and Committee composition as on March 31, 2023

S. No.	Directors	Board	Audit Committee	Stakeholder Relationship Committee	Corporate Social Responsibility Committee	Nomination & Remuneration Committee	Financial Affair Committee
1.	Mr. Gursharan Singh	√	-	√	-	-	√
2.	Mr. Dev Raj Arya	√	-	√	-	-	√
3.	Mrs. Narinder Paul Kaur	√	-	-	√	-	-
4.	Mr. Anil Sharma	√	-	-	√	√	-
5.	Mr. Shashank Ramesh Anikhindi	√	√	-	-	√	-
6.	Mr. Jagdish Keswani	√	√	-	-	√	√
7.	Brig. Harinder Pal Singh Bedi (Retd.)	√	-	-	√	-	-
8.	Mrs. Malini Bansal	√	√	√	-	-	-

AUDIT COMMITTEE

As on March 31, 2023, the Audit Committee of RACL comprised of three Directors all of whom are independent, namely Mr. Jagdish Keswani as Chairman, Mr. Shashank Ramesh Anikhindi and Mrs. Malini Bansal as members. The constitution of the Committee meets the requirements of Section 177 of the Companies Act, 2013, as well as Regulation 18 of Listing Regulations.

All the members of the Audit Committee are financially literate. Chairman & Managing Director, CFO, Internal Auditors and Statutory Auditors are invitees to the Committee. Company Secretary of the Company acts as Secretary to the Committee.

The committee met four (4) times during the year on May 27, 2022, July 29, 2022, October 29, 2022 and February 6, 2023.

Attendance Record of Audit Committee Members for 2022-23

Name of the Director	Audit Committee Meeting held during the year 2022-23				Total Attendance	Total No. of Meetings	% of attendance	Designation
	May 27, 2022	July 29, 2022	October 29, 2022	February 06, 2022				
Mr. Jagdish Keswani	✓	✓	✓	✓	100%	4	100%	Chairperson
Mr. Shashank Ramesh Anikhindi	✓	✓	✓	✓	100%	4	100%	Member
Mrs. Malini Bansal	✓	✓	✓	✓	100%	4	100%	Member

The Audit Committee assists the Board in its responsibility to oversee the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting statements, the appointment, independence, performance and remuneration of the Statutory Auditors, including the Secretarial Auditor and Internal Auditors of the Company.

QUALIFIED AND INDEPENDENT AUDIT COMMITTEE

The composition of the Audit Committee meets with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

1. Audit Committee presently consists of three Independent Directors.
2. All members of the committee are financially literate and having requisite financial management expertise.
3. The Chairman of the Audit Committee is an Independent Director.

POWERS OF THE AUDIT COMMITTEE

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice;
- To secure attendance of outsiders with relevant expertise, if it considers necessary;

ROLE OF THE AUDIT COMMITTEE:

The brief description of the few of the terms of reference of Audit Committee is provided below:

- Review of Management discussion and analysis of financial condition and results of operations;
- Oversight of Company's financial reporting system;

- Review of the annual financial statements, before submission to the Board, focusing primarily on changes if any, in the accounting policies or practices, compliance of accounting standards, qualifications, related party transactions, Directors' Responsibility Statement etc;
- Reviewing with the management the quarterly financial statements before submission to the board for approval;
- Reviewing the adequacy of internal control systems with the management, statutory and internal auditors;
- Evaluation of internal financial controls and risk management systems;
- Review and monitor the auditor's independence and performance effectiveness of audit process;
- Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of the Statutory Auditors, scope and the fixation of audit fees;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Review of Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
- The appointment, removal and terms of remuneration of the Internal Auditors;
- Reviewing the effectiveness and adequacy of internal audit function and discussion with internal auditors any significant findings and follow up there on;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO or any other person heading the finance function after assessing the qualifications, experience & background, etc. of the candidate;
- Carrying out such other functions, as may be specifically referred to the Committee by the Board of Directors and or other Committees of Directors of the Company;

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (NRC) is constituted in compliance with the provisions of Section 178 of the Act and Regulation 19 read with Part D of Schedule II of the Listing Regulations.

COMPOSITION, MEETING AND ATTENDANCE

As on March 31, 2023, this Committee comprised of three Directors, two of whom are independent, namely Mr. Shashank Ramesh Anikhindi, Independent Director as Chairman, Mr. Jagdish Keswani, Independent Director and Mr. Anil Sharma, Non-Executive Non-Independent Director as Members. The constitution of the Committee meets the requirements of Section 178 of the Companies Act, 2013.

The committee met two (2) times during the year on May 27, 2022 and July 29, 2022.

Attendance Record of NRC Members for 2022-23

Name of the Director	NRC Meeting held during the year 2022-23		Total Attendance	Total No. of Meetings	% of attendance	Designation
	May 27, 2022	July 29, 2022				
Mr. Shashank Ramesh Anikhindi	✓	✓	100%	2	100%	Chairperson
Mr. Anil Sharma	✓	✓	100%	2	100%	Member
Mr. Jagdish Keshwani	✓	✓	100%	2	100%	Member

TERMS OF REFERENCE

The Nomination and Remuneration Committee is empowered with the following terms of reference and responsibilities in accordance with the provisions of applicable laws and the Nomination and Remuneration Policy:

1. Identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal, formulation of criteria for evaluation of performance of independent directors and the board of directors;
2. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;
3. Specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
4. To lay out remuneration principles for Directors, Key Managerial Personnel and Senior Management Personnel linked to their effort, performance and achievement relating to the Company's goals trends and practices that prevail in peer companies across the industry.
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
6. To ensure the Board Diversity by constituting the structure of Board of Directors.

ANNUAL EVALUATION OF BOARD, COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of the Companies Act, 2013, Listing Regulations and as per the Nomination, and Remuneration Policy, the Board of Directors/ Independent Directors/ Nomination & Remuneration Committee ("NRC") (as applicable) had undertaken an evaluation of the Board's own performance, the performance of its Committees and of all the individual Directors including the Chairman of the Board of Directors based on various parameters relating to roles, responsibilities and obligations of the Board, effectiveness of its functioning, contribution of Directors at meetings and the functioning of its Committees.

Performance evaluation of independent directors is done by the Nomination and Remuneration Committee on criteria more particularly described in the Nomination and Remuneration Policy, a copy of which is available at the website of the Company, www.raclgeartch.com.

Based on the recommendations of the NRC, the Board of Directors decide to continue their appointment or consider them for reappointment, as applicable.

REMUNERATION POLICY

The Remuneration Policy is designed to attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal growth and team work, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and superannuation benefits. The Remuneration Policy of your Company applies to the Directors, Key Managerial Personnel, Senior Management Personnel and other Employees of the Company.

In determining the remuneration of the Directors, Key Managerial Personnel (KMP) and other employees of the Company, a Remuneration Policy has been framed by the Nomination and Remuneration Committee and approved by the Board with the following broad objectives:

- i. 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.

- ii. 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.
- iii. To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- iv. To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- v. 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.

The Company's remuneration policy is directed towards rewarding performance based on review of achievements periodically. The remuneration policy is in consonance with the existing industry practices. This policy is uploaded on the website of the Company i.e. at www.raclgeartech.com

STAKEHOLDERS' RELATIONSHIP COMMITTEE ("SRC")

The SRC meets the requirement under section 178(5) of the Companies Act, 2013 and Regulation 20 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

As on March 31, 2023, this Committee comprised three Directors—two Executive Directors and one Non-Executive Independent Director, namely Mrs. Malini Bansal, Independent Director is the Chairman, Mr. Gursharan Singh and Mr. Dev Raj Arya, Executive Directors are members of the Committee.

The Committee met two times during the year on July 29, 2022, and February 6, 2023.

Attendance Record of SRC Members for 2022-23

Name of the Director	SRC Meeting held during the year 2022-23		Total Attendance	Total No. of Meetings	% of attendance	Designation
	July 29, 2022	February 6, 2023				
Mrs. Malini Bansal	✓	✓	100%	2	100%	Chairperson
Mr. Gursharan Singh	✓	✓	100%	2	100%	Member
Mr. Dev Raj Arya	✓	✓	100%	2	100%	Member

Terms of Reference of SRC inter alia include the following

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- To act in terms of any consequent statutory modification(s) / amendment(s) / revision(s) to any of the applicable provisions to the said Committee.

DETAILS OF INVESTORS' COMPLAINTS/REQUESTS RECEIVED & REDRESSED DURING THE YEAR:

Opening Balance	Received During the year	Resolved During the year	Closing Balance
00	00	00	00

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Company, as a responsible corporate citizen, strives to enhance value creation in the society and in the community in which it operates. In alignment with the mandatory provisions under section 135 of the Act, a Committee has been constituted to guide the Company in undertaking CSR activities in a focused and structured manner and review CSR Policy from time to time. The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of "Corporate Social Responsibility Policy", observe practices of Corporate Governance at all levels and to suggest remedial measures wherever necessary and monitor the expenses made by the Company in this regard.

COMPOSITION, MEETING AND ATTENDANCE

The Committee comprises of three members as on March 31, 2023, namely, Brig. Harinder Pal Singh Bedi (Retd.), an Independent Director is the Chairperson and Mrs. Narinder Paul Kaur and Mr. Anil Sharma, Non-Executive Directors are the members of the Committee.

Attendance Record of CSR Members for 2022-23

Name of the Director	CSR Meeting held during the year 2022-23		Total Attendance	Total No. of Meetings	% of attendance	Designation
	May 27, 2022	July 29, 2022				
Brig. Harinder Pal Singh Bedi (Retd.)	✓	✓	100%	2	100%	Chairperson
Mrs. Narinder Paul Kaur	✓	✓	100%	2	100%	Member
Mr. Anil Sharma	✓	✓	100%	2	100%	Member

TERMS OF REFERENCE

To formulate and recommend to the Board, a Corporate Social Responsibility Policy in terms of Schedule VII of the Companies Act, 2013, has been adopted.

- To review the Corporate Social Responsibility Policy of the Company from time to time.
- Formulating and recommending to the Board an annual action plan for the projects to be undertaken consisting of:
 - a) the list of CSR projects or programs to be undertaken as per Schedule VII of the Companies Act, 2013.
 - b) the manner of execution of such projects or programs.
 - c) the modalities of utilization of funds.
 - d) implementation schedules for the projects or programs.
 - e) monitoring and reporting mechanism for the projects or programs.
 - f) details of need and impact assessment, if any.
 - g) To act in terms of any consequent statutory modification(s) /amendment(s)/ revision(s) to any of the applicable provisions to the said Committee.
 - h) Proper management of surplus arising out of the CSR Projects and ensuring that they do not form part of the business profit of the company.

The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of CSR Policy. The CSR policy is available on the website of the Company at: www.raclgeartech.com

FINANCIAL AFFAIRS COMMITTEE

As on March 31, 2023, this Committee comprised of three Directors—two Executive Directors and one Non-Executive Independent Director, namely Mr. Jagdish Keswani, Independent Director is the Chairman, Mr. Gursharan Singh and Mr. Dev Raj Arya, Executive Directors are members of the Committee. The Committee met two times during the year on March 10, 2023, and March 15, 2023.

Attendance Record of Financial Affair Committee Members for 2022-23

Name of the Director	FAC Meeting held during the year 2022-23		Total Attendance	Total No. of Meetings	% of attendance	Designation
	March 10, 2023	March 15, 2023				
Mr. Jagdish Keswani	✓	✓	100%	2	100%	Chairperson
Mr. Gursharan Singh	✓	✓	100%	2	100%	Member
Mr. Dev Raj Arya	✓	✓	100%	2	100%	Member

DETAILS OF THE REMUNERATION PAID DURING THE FINANCIAL YEAR 2022-23 IS AS MENTIONED BELOW:

Non-Executive Directors pecuniary transaction or relationship with the Company

There was no pecuniary relationship or transactions between the Company and any of the Non-Executive Directors during the year as contemplated under relevant guidelines of the SEBI/Stock Exchanges.

Criteria of making payments to Executive Directors

The Executive Director is paid as per the remuneration approved by the Shareholders at the time of their appointment which are in line with the statutory requirements and Company's policies. The revision in remuneration, if any, is recommended by the Nomination and Remuneration Committee to the Board for its consideration by taking into account their individual performance and as well as performance of the Company in a given year. Perquisites, performance linked incentives and retirement benefits are paid in accordance with the Company's policies, as applicable to all employees.

❖ EXECUTIVE DIRECTORS

(Amount In Lakh)

Sl. No.	Name of the Director	Gross Salary (p.a.)	Perquisites, Provident Fund and other benefits (Rs. p.a.)	Bonus/ Commission	Total (p.a.)
1.	Mr. Gursharan Singh	146.00	10.43	50.92	207.35
2.	Mr. Dev Raj Arya	78.05	0.22	-	78.27

❖ NON- EXECUTIVE INDEPENDENT DIRECTORS

Non-Executive Directors are paid sitting fees for attending the Meetings of the Board and of Committees of which they are members as below mentioned:

(Amount in Rs.)

Board Meeting	Audit Committee	Nomination & Remuneration Committee	Financial Affairs Committee	Stakeholders Relationship Committee	Corporate Social Responsibility Committee
35000	35000	25000	15000	10000	10000

The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the meetings.

The Remuneration paid to Non- Executive Directors of the Company is as follows:

(Amount in Lakh)

Name of Director	Designation	Retainership Fee	Sitting Fee	Total
Mrs. Narinder Paul Kaur	Non-Executive Non-Independent Director	24.00	1.95	25.95
Mr. Anil Sharma	Non-Executive Non-Independent Director	24.00	2.45	26.45
Mr. Shashank Ramesh Anikhindi	Non-Executive Independent Director	-	3.65	3.65
Mr. Jagdish Keswani	Non-Executive Independent Director	-	3.65	3.65
Brig. Harinder Pal Singh Bedi (Retd.)	Non-Executive Independent Director	-	1.95	1.95
Mrs. Malini Bansal	Non-Executive Independent Director	-	3.35	3.35

❖ The Company does not have any Employee Stock Option Scheme.

GENERAL BODY MEETINGS

Date, time and venue for the last three Annual General Meetings are given below:

Financial Year	Date	Time	Venue	Special Resolution passed
2019-20	September 21, 2020	11:00 A.M.	AGM through Video Conferencing and Other Audio Visual Means	-Re-appointment of Mr. Shashank Ramesh Anikhindi (DIN: 07787889) as the Non- Executive Independent Director of the Company. -Appointment of Brig. Harinder Pal Singh Bedi (Retd.) (DIN: 05217488) as the Non- Executive Independent Director of the Company. -Keeping of the copies of Annual Return of the Company at a place other than the Registered Office of the Company.
2020-21	September 24, 2021	03:00 P.M.	AGM through Video Conferencing and Other Audio Visual Means	-Re-appointment of Mr. Anil Sharma (DIN: 00157911) as Non-Executive Non-Independent Director of the Company and payment of retainership fees/remunerations to him. -Approval of remuneration of Mrs. Narinder Paul Kaur (DIN: 02435942), Non-Executive Non-Independent Director of the Company. - Re-appointment and approval of remuneration of Mr. Gursharan Singh (DIN: 00057602), Chairman and Managing Director. -Re-appointment of Mr. Dev Raj Arya (DIN: 00057582) as Whole-Time Director & Chief Financial Officer and payment of remuneration to him. -Confirmation of Appointment of Mrs. Malini Bansal (DIN:00167993) as Non-Executive Independent Director -To increase the borrowing limits of the Company from Rs. 100.00 Crore to Rs. 150.00 Crore only. -To increase the limit of creation of charge/mortgage/hypothecation or otherwise on the properties of the Company in respect of the borrowings.
2021-22	August 29, 2022	10:30 A.M.	AGM through Video Conferencing and Other Audio Visual Means	None

No Extraordinary General Meeting of the Members was held during the financial year 2022-23.

POSTAL BALLOT

During the year no resolutions was passed through Postal Ballot.

MEANS OF COMMUNICATION

Your Company puts forth all vital information about the Company's performance including quarterly results, communication to investors, Press Releases and Presentations made to the institutional investors / analysts after the declaration of the quarterly, half-yearly and annual results on Company's website: www.raclgeartech.com regularly for the benefit of the public at large simultaneously on submitting it to the BSE Limited (BSE).

The unaudited Financial Results for every Quarter and the Annual Audited Results of the Company, in the prescribed format are taken on record by the Board and are submitted to the stock exchanges. The same are published within 48 hours in "The Financial Express" and "Jansatta".

The quarterly/annual results are also uploaded on the Company's website at: www.raclgeartech.com.

GENERAL SHAREHOLDERS INFORMATION

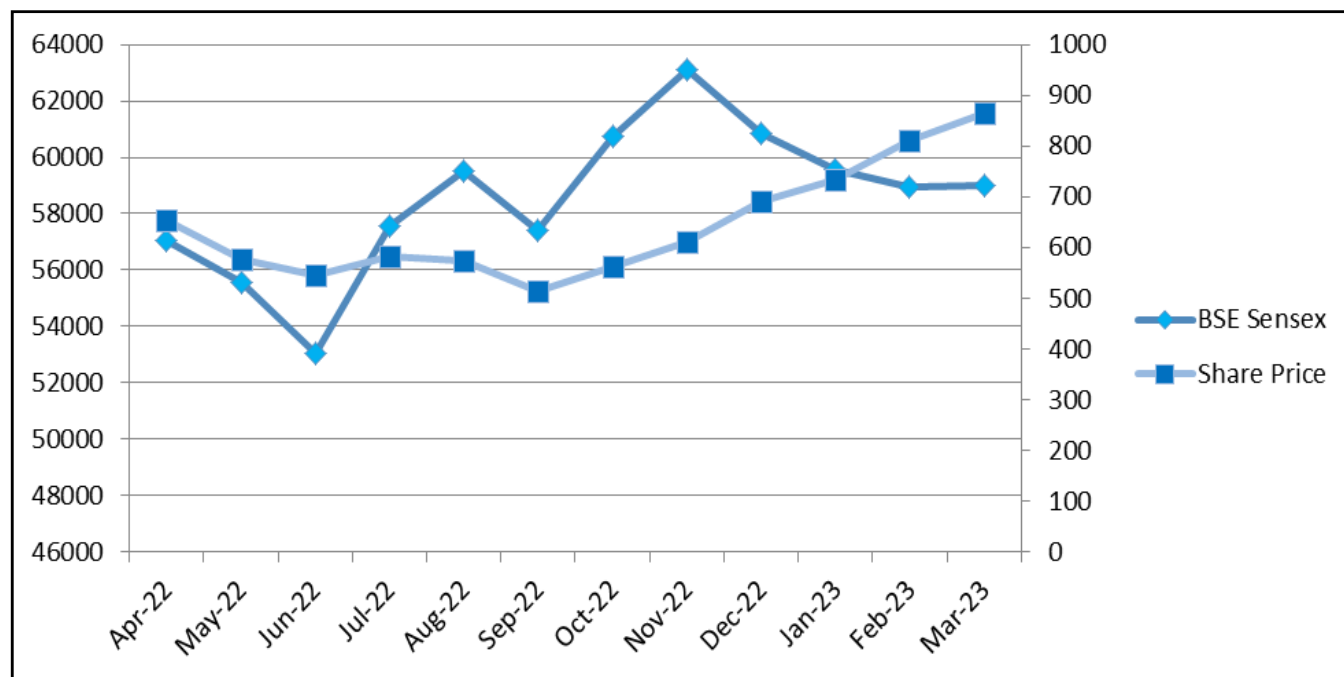
1	Annual General Meeting Date Time Venue	September 19, 2023 11:00 A.M. (Through Video Conferencing or Other Audio Visual Means)
2	Financial Year	April 1, 2022 to March 31, 2023
3	Date of Book Closure	September 13, 2023 to September 19, 2023
4	Date of Dividend Payment	Final Dividend has been recommended by the Board and shall be approved in the ensuing AGM.
5	Plant Locations	a. Unit I- A-3, Industrial Area, Gajraula, District Amroha, Uttar Pradesh - 244223, India b. Unit II- A-62, Sector-63, Noida, District Gautam Buddh Nagar, Uttar Pradesh -201307, India
6	Overseas Subsidiary	RACL Geartech GmbH
7	Name and address of Stock Exchanges at which Company's securities are listed;	BSE Limited ("BSE") Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001
8	Stock Code/ Symbol	BSE : 520073 ISIN No.: INE704B01017
9	Listing Fees to Stock exchanges	The Company has paid the Annual Listing Fees for the financial year 2023-24 to the above Stock Exchange.

Monthly high and low of the Equity Shares of the Company at BSE during the year ended March 31, 2023 are as follows:

Months during the financial year ended March 31, 2023	BSE	
	High (Rs./share)	Low (Rs./share)
April, 2022	730.00	576.75
May, 2022	663.20	490.00
June, 2022	589.40	499.00
July, 2022	637.00	526.30
August, 2022	610.00	540.00
September, 2022	583.00	444.40
October, 2022	652.35	475.10
November, 2022	650.00	571.60
December, 2022	811.00	569.75
January, 2023	760.00	705.00
February, 2023	944.00	675.00
March, 2023	954.15	773.90

Source: BSE website.

The performance comparison of the Company's Share Price with BSE Sensex.



Shareholding Pattern as on 31st March, 2023

Shares holding of Nominal Value of Rupees 10.00 each share	Shareholders		Total Shares	
	Number	% to Total	No. of Shares Held	% to Total
(1)	(2)	(3)	(4)	(5)
Upto 5000	11738	91.517	1241099	11.511
5001	566	4.413	445886	4.136
10,001	234	1.824	340621	3.159
20,001	112	0.873	282543	2.621
30,001	39	0.304	139346	1.292
40,001	28	0.218	128443	1.191
50,001	57	0.444	383612	3.558
1,00,001 and Above	52	0.405	7820050	72.531
TOTAL	12826	100	10781600	100

SHARE TRANSFER SYSTEM

In compliance with the SEBI circular dated December 27, 2002, requiring share registry in terms of both physical and electronic mode to be maintained at a single point, the Company has appointed **MAS SERVICES LIMITED**, T-34, Second Floor, Okhla Industrial Area, Phase-II, New Delhi- 110020, as its Registrar and Share Transfer Agents (RTA). Company's shares are traded on the Stock Exchanges compulsorily in demat mode.

DEMATERIALIZATION OF SHARES

The Company's Equity Shares are under compulsory demat trading. As on March 31, 2023, dematerialized shares accounted for 94.72% of total equity.

DISCLOSURES

a) **Related Party Transactions**

All Related Party Transactions are placed before the Audit Committee and also the Board for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature.

A statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis. None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention of the Members is drawn to the disclosure set out in notes to Financial Statement.

A Policy on Related Party Transactions is being uploaded in the website of the company which can be access at: www.raclgeartech.com

b) **Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years**

No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

c) **Whistle Blower Policy/Vigil Mechanism**

Your Company believes in conducting its business and working with all its stakeholders, including employees, customers, suppliers and shareholders in an ethical and lawful manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. Your Company prohibits any kind of discrimination, harassment, victimization or any other unfair practice being adopted against an employee. In accordance with Listing Regulations and provisions of the Act, your Company has adopted a Vigil Mechanism/ Whistle Blower Policy with an objective to provide its employees a vigil mechanism whereby concerns can be raised in line with the Company's commitment to highest standards of ethical, moral and legal business conduct and its commitment to open communication.

During the financial year ended 31st March, 2023, no personnel have been denied access to the Chairman of the Audit Committee of the Company.

The Whistle Blower Policy and related procedures are available on the corporate governance section of the Website www.raclgeartech.com.

d) **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 Ms. Shagun Bajpai¹, 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 www.raclgeartech.com.

Ms. Shagun Bajpai has resigned from the office of Company Secretary & Compliance Officer position w.e.f 12th February, 2023, Ms. Neha Bahal has been appointed in her place.

e) 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 of the Company www.raclegeartech.com.

f) Compliance of Mandatory and Non-Mandatory Requirements

The Company has complied with the applicable mandatory requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has adopted following non-mandatory requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulation 27(1)).

SEBI Complaints System (SCORES)

The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are centralized database of all companies, online upload of Action Taken reports by concerned companies and online viewing by investors of action taken on the complaints and its current status.

Reminders to Investors

Every year reminder letters for unpaid dividend are sent to the shareholders who have not claimed their dividend. Accordingly, the Company has sent the reminder letters to the shareholders dated May 20, 2022 during the year.

g) 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.

h) Disclosure of Accounting Treatment

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

i) 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, Citi Bank and Standard Chartered Bank and has 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.

j) 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.

k) 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.

l) Certificate from Practicing Company Secretary

Certificate from Rosy Jaiswal & Associates, Practicing Company Secretary having membership no. ACS 28432 and Certificate of Practice No. 21968 has been obtained, certifying 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 Board/ Ministry of Corporate Affairs or any such statutory authority. Certificate from Practicing Company Secretary is annexed with this report.

m) All the recommendations of Board Committees have been accepted by the Board of Directors during the year.

n) 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 Notes of Financial Statements (Part of the Annual Report).

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

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder for prevention and redressal of complaints of sexual harassment at workplace.

Sl. No.	Particulars of Disclosures	Remarks
1.	Number of complaints pending at the start of the financial year 2022-23	Nil
2.	Number of complaints filed during the financial year 2022-23	Nil
3.	Number of complaints disposed-off during the financial year 2022-23	Nil
4.	Number of complaints pending as on end of the financial year 2022-23	Nil

p) Reconciliation of Share Capital Audit

Secretarial Audit for Reconciliation of Share Capital

As mandated by the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 – Regulation 55A quarterly Secretarial Audits are carried out to verify if the total issued/ paid-up capital is in agreement with the aggregate of the total number of the shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

q) Compliance with mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Corporate Governance Report of the Company for the financial ended 31st March, 2023 is in compliance with the requirements of the Listing Regulations.

Disclosures with respect to Demat suspense account/ unclaimed suspense account

There were no shares which are liable to be transferred to Demat Suspense account or Unclaimed Suspense Account during the year under review.

r) Credit Ratings

During the year, CARE Ratings has assigned Credit rating of bank facilities to the Company, as per the Rating Rationale given below:

Facilities	Amount (in Crore)	Rating	Rating Action
Long Term Bank Facilities	206.59 (Enhanced from 131.53)	CARE A-; Stable (Single A Minus; Outlook: Stable)	Reaffirmed
Short Term Bank Facilities	5.00	CARE A2 (A Two)	Reaffirmed
Total Facilities	211.59 (Rupees Two Hundred Eleven Crore and Fifty- Nine Lakhs Only)		

DISCRETIONARY REQUIREMENTS

A. The Board

The Company has Mr. Gursharan Singh as the Chairman & Managing Director of the Company who is an Executive Director and is paid due remuneration in accordance with the provisions of the Act and Listing Regulations.

B. Shareholders' Rights

The Company's quarterly/half-yearly/annual results are published in an English newspaper having a circulation all over India and in a Hindi newspaper having a circulation in the region of National Capital Territory of Delhi and also uploaded on the Company's website www.raclgeartech.com, along with the Website of the Stock Exchange, i.e. BSE Limited at www.bseindia.com.

C. Modified Opinion in Audit Report

The Company is in the regime of financial statements with unmodified audit opinion.

D. Reporting of Internal Auditors

The Report issued by Protiviti Global India Private Limited, Internal Auditors of the Company is placed before the Audit Committee on periodical basis.

ADDRESS FOR CORRESPONDENCE

Corporate Office

INVESTOR RELATIONS DEPARTMENT

B-9, Sector-3, Noida- 201301

Tel No.: + 91-120-4588500

Fax: +91-11-41609909

E mail id: investors@raclgeartech.com

Website: www.raclgeartech.com

Registrar & Share Transfer Agent

MAS SERVICES LIMITED

T-34, Second Floor, Okhla Industrial Area, Phase-II, New Delhi- 110020

Tel No.: +91-11-26387281- 83

Fax: +91-11-26387284

E-mail ID: info@masserv.com

Website: www.masserv.com

Compliance Officer

Ms. Neha Bahal

Company Secretary

ICSI Membership No.:40272

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L34300DL1983PLC016136
2.	Name of the Listed Entity	RACL Geartech Ltd
3.	Year of incorporation	1983
4.	Registered office address	15th Floor, Eros Corporate Towers, Nehru Place, New Delhi-110019
5.	Corporate address	B-9, Sector-3, Noida-201301, Uttar Pradesh
6.	E-Mail	investor@raclgeartech.com
7.	Telephone	0120-4588500
8.	Website	www.raclgeartech.com
9.	Financial year for which reporting is being done	April 1, 2022 to March 31, 2023
10.	Name of the Stock Exchange(s) where shares are listed	Equity Shares listed at Bombay Stock Exchange (BSE)
11.	Paid-up Capital	Rs. 10,78,16,000
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	
	Name of the Contact Person	Ms. Neha Bahal
	Contact Number of the Contact Person	0120-4588500
	E-Mail of the Contact Person	investor@raclgeartech.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The Financial statements have been prepared on Consolidated Basis, which includes a Foreign Subsidiary (RACL Geartech GmbH). However, disclosures under this report have been made on a standalone basis.

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of turnover of the Company
1	Manufacturing & Services	Manufacturing of Auto Components	100%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Manufacturing of Auto Components	34300	100%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	2	2	4
International	Nil	1	1

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	4
International (No. of Countries)	10

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Exports contribute around 70% of the total turnover of the company;

Particulars	FY 2022-23
Exports Revenue	Rs. 249.97 Crores
Total Revenue	Rs. 358.21 Crores
% of exports in total revenue	69.78%

c. A brief on types of customers:

The entity has B2B customers and supplies to OEMs. The customers are from different sectors manufacturing mainly vehicles like Two wheeler; Three wheeler; Passenger Car; Recreational Vehicle; Commercial Vehicle; Industrial Gears; Tractor and Agriculture Equip; Electric Vehicle.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	414	394	95.17	20	4.83
2.	Other than Permanent (E)	155	150	96.77	5	3.23
3.	Total employees (D + E)	569	544	95.61	25	4.39
WORKERS						
4.	Permanent (F)	124	124	100	-	-
5.	Other than Permanent (G)	500	500	100	-	-
6.	Total workers (F + G)	624	624	100	-	-

Note 1: Other than Permanent Workers, majorly include workforce hired through third party job contracts. A sizable number is engaged to carryout expansion projects. The organization is focused on skilling and automation to further optimize manpower and improve productivity.

Note 2: We understand that traditionally the industrial and manufacturing sector is perceived less attractive for women, compared to the service sector. As a result, the participation rate of females in the automobile manufacturing industry has been lower. Furthermore, our operations are in remote parts of India, wherein limited opportunities are available to engage the marginalized community. We want to strive for better representation of larger society and create opportunities for all creating a diverse and inclusive environment.

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	%(B/ A)	No. (C)	%(C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	-	-	-	-	-
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total differentlyabled employees (D+E)	-	-	-	-	-
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	-	-	-	-	-
5.	Other than permanent (G)	-	-	-	-	-
6.	Tota differentlyabled workers (F + G)	-	-	-	-	-

Note: We are an equal opportunity employer and are trying to create more inclusive work environment. We also are in process of creating awareness sessions for disabilities and inclusion initiatives.

19. **Participation/Inclusion/Representation of women**

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	8	2	25.00%
Key Management Personnel	3	1	33.33%

20. **Turnover rate for permanent employees and workers**

	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)*			FY 2020-21 (Turnover rate in the year prior to the previous FY)*		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	7.00%	0.90%	7.9%	-	-	-	-	-	-
Permanent Workers	9.6%	0.00%	9.6%	-	-	-	-	-	-

*Data for FY 2021-22 & 2020-21 was not available, hence, not presented

Note: Turnover rate includes retirement

V. **Holding, Subsidiary and Associate Companies (including joint ventures)**

21. (a) Names of holding/subsidiary/associate companies/joint ventures

S. No.	Name of the holding/subsidiary/associate companies/joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	RACL Geartech Gmbh	Subsidiary Company	100%	No

VI. **CSR Details**

Whether CSR is applicable as per section 135 of Companies Act, 2013	Yes
Turnover (in Rs.)	Rs 367.34 Crores
Net worth (in Rs.)	Rs 167.48 Crores

VII. **Transparency and Disclosures Compliances**

22. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	If Yes, then provide web-link for the grievance redress policy	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
			Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remark	Number of Complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	http://www.raclgeartech.com/corporate_govr.html	-	-	-	-	-	-
Investors (other than shareholders)	Yes	http://www.raclgeartech.com/corporate_govr.html	-	-	-	-	-	-
Shareholders	Yes	http://www.raclgeartech.com/corporate_govr.html	-	-	-	4	-	-
Employees and workers	Yes	http://www.raclgeartech.com/pdfs/Vigil%20Mechanism%20%20Whistle%20Blower%20Policy.pdf	-	-	-	-	-	-
Customers	Yes	http://www.raclgeartech.com/corporate_govr.html	-	-	-	-	-	-
Value Chain Partners	Yes	http://www.raclgeartech.com/corporate_govr.html	-	-	-	-	-	-

RACL has a comprehensive grievance mechanism in place. We also have an Investor Relation Committee to address queries from investors. Additionally, we have a CSR Committee which looks into the grievance redressal for the community wherever and if necessary. The Company has a publicly available Whistle Blower Policy for addressing the complaints from employees and workers.

Our customers are very important to us and are treated with utmost diligence. They can log complaints directly by mailing at customercare@raclgeartech.com.

Any grievance related to business transactions are handled through sales and vendor management team.

23. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format:

S. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Climate Change Action	R	RACL Geartech, believe that managing our impact on the climate is an important key to decarbonization. With the increasing awareness and concern about Climate across our key stakeholder groups like investors, customers, local communities, and employees, it becomes imperative that we treat this global risk as a company risk and turn it into an opportunity while there is still time.	- Adopted a clear road map to reduce its Green House Gas (GHG) footprint with initiatives in place like Renewable energy (off-site wind), energy efficiency etc,	Negative
2.	Water Management	R	RACL Geartech is conscious that water is a scarce resource and that we have a duty to our social and ecological ecosystems to ensure adequate availability of fresh and clean water.	- Wastewater is treated and used for Gardening purpose in our company. - Introduced processes to minimize the use of water in our canteens.	Negative
3.	Waste Management	R	Our approach to waste management reflects the principles of a circular economy, namely Reduce, Reuse and Recycle. We operate to zero defect standard in our manufactured products in order to minimize the generation of waste and maximize its reuse and recycling after the completion of manufacturing processes	- Segregation of waste as hazardous and non-hazardous, and disposed in appropriate ways, while adhering to the applicable safety norms and regulations for each type of waste. - Going forward, we are committed to working to ensure zero waste to landfills.	Negative
4.	Occupational Health and Safety	R	For us, employees are the backbone of our organization. We emphasize and safeguard the health and safety of our employee. We are constantly working towards ensuring total adherence to the Company's safety, health, and environmental policy.	- Our Safety policies (SHE) are instrumental in ensuring our employee performance. - We work to promote a 'Zero incident work culture' and provide health and safety training to all our employees on how to maintain safety in the workplace environment.	Negative
5.	Employee Wellbeing	O	We continuously ensure the physical, mental, emotional and financial well-being through various employee welfare initiatives.	NA	Positive
6.	Customer Centricity	O	Customer centricity will remain a key driver of our growth initiatives and we will continue to align all our operations with internationally established standards to address dynamic customer needs and deliver zero deficit products.	NA	Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

P1	Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive towards all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect and make efforts to restore the environment
P7	Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Questions		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes										
1.	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c. Web Link of the Policies, if available	http://www.raclgeartech.com/corporate_govr.html								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Yes. Various executive committees have also been formulated with specific responsibilities to govern these policies, which are chaired by senior leadership.								
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes.								
4.	Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	We are certified under: <ul style="list-style-type: none"> • ISO9001 - Quality Management System • ISO14001 – Compliance to environmental management • ISO/TS 22163 – Standardised Quality Management system • OHSAS18001 – Occupational Health and Safety Management System We also have our own Environment, Health and Safety Guidelines.								
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	The company has integrated ESG objectives into its business strategy. Some of the common key aspirations include: Environment Goals 1. GHG Emissions: Reduction in emissions by lowering energy use & switching to renewable energy. We aim to source 40% electricity from Solar Energy by March, 2024								

		<p>2. Water Management: Bring further improvements in the water treatment plant & rain water harvesting plant by 2024.</p> <p>Social Goals</p> <p>3. Health & Safety: Moving towards an Injury Free Workplace by 2025</p> <p>4. Diversity & inclusion: Enhanced women participation across the organization</p> <p>Governance Goals</p> <p>5. Supplier Evaluation: To achieve 100% supplier evaluation of RM & OSP by 2024</p> <p>6. Compliance: Aim to achieve 100% statutory and regulatory compliance.</p>	
6.	Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met.	Objectives	Performance
		To achieve Zero reportable safety incidents	Achieved zero reportable safety incidents
		To retain talents by reducing attrition rate to 5%	Achieved attrition rate of 5% in FY 22-23
		To achieve a customer satisfaction index of 90% in FY 22-23	Achieved a customer satisfaction index of 90%
		To achieve 100% supplier evaluation of RM & OSP (Supplier parts) in FY 22-23	100% supplier evaluation of RM & OSP (supplier parts) achieved
		To achieve 100% statutory and regulatory compliance in FY 22-23	Achieved 100% statutory and regulatory compliance
Governance, leadership and oversight			
7.	<p>Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements</p> <p>RACL Geartech, a socially responsible company has committed to make its business truly sustainable in bringing together all the 3 dimensions (Environmental, Social and Economic) to create a long-term positive impact to our stakeholders.</p> <p>Our company recognizes climate change as a key business risk and thus focuses on identifying and mitigating environmental and social risks both in operations and value chain by adopting practices like renewable energy generation for captive consumption, monitoring and tracking greenhouse gases in operations to reduce the carbon footprint, ensuring supplier evaluation on environment & social aspects, reducing waste and water consumption in our operations on a continuous improvement basis etc.</p> <p>In order to support the transition to low carbon economy, our Company actively engages in rigorous research and development in fields like automation and renewable energy. Our ESG performance is constantly reviewed to ensure that it meets statutory requirements and committed to submit all compliance reports to the appropriate authorities on a regular basis. Finally, as part of the Company's vision, our goal is to give back to the community by operating as a philanthropic, service-oriented organization with a primary focus on healthcare and education.</p>		
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	<p>Mr. Gursharan Singh Designation: Chairman & Managing Director DIN : 00057602 Telephone No: 0120-4588500 Email id: gsingh@raclgeartech.com</p>	

9.	<p>Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.</p>	<p>Yes, the Company has the following Committees:</p> <ol style="list-style-type: none"> Corporate Social Responsibility Committee which is responsible for decision making on sustainability related issues. The Committee consists of an appropriate mix of Executive and Independent Directors. Stakeholder Relationship Committee: This Committee considers and resolves the grievances of the shareholders, debenture holders and other security holders of the Company, including complaints relating to non-receipt of Annual Report, transfer and transmission of securities, non-receipt of dividends/interests and such other grievances. Risk Management Committee: The Board has constituted the Risk Management Committee to assist the Board in fulfilling its oversight responsibilities regarding management of element wise key risks, including strategic, financial, operational, sectoral, sustainability (Environment, Social and Governance) related risks, information & cyber security and compliance risks. 																											
10. Details of Review of NGRBCs by the Company:																													
Subject for Review			Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/Half-yearly/ Quarterly/ Any other – please specify)																	
			P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9									
Performance against above policies and follow up action			The Senior Management of the Company regularly reviews the performance of the Company against various policies. Key aspects of such reviews are also updated to the Board and various Board Committees by the Management from time to time.									Quarterly																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances			Committee of the Board									Quarterly and as required.																	
11.	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.											P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	No								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:
Not Applicable

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

RACL offers multiple training programmes throughout the year, as and when required. Orientation and awareness sessions for the Directors of the Company, KMPs, Employees and Workers are regularly organised, covering issues related to the topics such as code of conduct; POSH; whistle-blower policy; environmental, health & safety, ethics & governance, regulatory matters, anti-bribery, quality management, cyber security etc.

For example: new joiners are trained on a series of programmes (technical and non-technical) that starts with basic environmental, health & safety, as part of induction program. In addition, employees and workers are provided need-based training as per their job requirement. Coverage depends on the circumstances and requirements, and cannot be defined.

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary				
NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an Appeal been preferred? (Yes/No)
Penalty/ Fine	No such instances			
Settlement				
Compounding fee				
Non-Monetary				
NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an Appeal been preferred? (Yes/No)
Imprisonment	No such instances			
Punishment				

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed. - NOT APPLICABLE

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy. –

YES, RACL has an anti-bribery policy. The purpose is to ensure that everyone conduct their operations and business activities in consonance with applicable laws and with the highest ethical standards and ensure the prevention and detection of fraud, bribery and corruption.

The weblink of the Policy is as follows: http://www.raclgeartech.com/corporate_govr.html

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption: NIL

6. **Details of complaints with regard to conflict of interest:** NIL
7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest. – NOT APPLICABLE**

Leadership Indicators

1. **Awareness programmes conducted for value chain partners on any of the principles during the financial year:**
 Various awareness programs are regularly conducted for our value chain partners like security staffs, contractor and non-permanent staffs located inside the factory premises. These programmes include awareness regarding code of conduct/ethics, POSH, basic environmental, health and safety program etc.
2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.**
 Yes. The Code of Conduct specifies the principles on management of conflict of interests to identify actual of potential conflict of interest of Company with its directors and employees, which may arise during the course of its business activities. The Policy is available at www.raclgeartech.com.
 The Company receives an annual declaration from its Board of Directors and all employees confirming adherence to the Code of Conduct, which includes the provisions on dealing with conflict of interest.

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2022-23	FY 2021-22	Details
R&D	Exact figures not available. The Company is in the process of segregating such R&D and Capex investment from its ordinary courses. Since the data is not available for these reporting periods, hence, the same is not disclosed.		In its vision to be a part of electric mobility revolution, RACL is actively involved in developing its product base ready to be catered to future e-mobility.
Capex			<ul style="list-style-type: none"> - Energy efficient profile grinding machines with dust extraction system, safety interlocks etc. - Installation of dry hobbing machine that do not require any cutting oil, thereby eliminating usage of fossil based oil

2.
 - a. **Does the entity have procedures in place for sustainable sourcing? - YES**
 - b. **If yes, what percentage of inputs were sourced sustainably?**
 RACL Geartech had always advocated for sustainable practices in its supply chain. Vendors/service providers are encouraged to follow management practices outlined in international standards such as ISO 9001 and ISO 14001. In the future, the company plans to create a sustainable supply chain programme that will formalize environmental and social assessments for suppliers.
3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**
 Reclamation of product is not feasible as it becomes the part of the final good sold as a whole i.e. a vehicle. We are analyzing product life cycle to understand if any improvements are possible.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

The organization is in the process of applying for and registering for the EPR. The SOPs for recycling plastic waste is under development and it will be established across all operations after the registration process.

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

The Company is in the process of shortlisting few products to evaluate positive life cycle impact of few product categories in the near future.

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along with action taken to mitigate the same.**

Unknown, since, the Company is still in the process of LCA.

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

We are in process of identification.

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed**

We are in process of identification.

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

We are in process of identification.

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. **Details of measures for the well-being of employees:**

Category	% of employees covered										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	414	414	100	414	100	-	0	-	0	414	100
Female	20	20	100	20	100	20	100	-	0	20	100
Total	434	434	100	434	100	20	100	-	0	434	100
Other than Permanent employees											
Male	150	150	100	150	100	-	0	-	0	150	100
Female	5	5	100	5	100	5	100	-	0	5	100
Total	155	155	100	155	100	155	100	-	0	155	100

- b. **Details of measures for the well-being of workers:**

Category	% of Workers covered										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	124	124	100	124	100	-	-	-	-	124	100
Female	-	-	-	-	-	-	-	-	-	-	-
Total	124	124	100	124	100	-	-	-	-	124	100
Other than Permanent employees											
Male	500	500	100	500	100	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	500	500	100	500	100	-	-	-	-	-	-

2. **Details of retirement benefits, for Current FY and Previous Financial Year:**

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	NA	100%	100%	NA
ESI	100%	100%	Yes	100%	100%	Yes
Others – please specify	-	-	-	-	-	-

3. **Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the premises of RACL Geartech are accessible to the differently abled employees and workings. In addition to this, all our significant units are equipped with, occupational health centres and wheelchairs.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes. We have implemented equal opportunity policy across all our operating facilities in accordance with the Rights of Persons with Disabilities Act, 2016. The policy is available to all our employees through the company portal. RACL Business Responsibility Policy (www.raclgeartech.com)

5. **Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent Employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	NA	NA
Female	50	50%	NA	NA
Total	50	50%	NA	NA

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

Categories	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes, the Company has in place the Whistle Blower policy and Welfare Committee that takes care of employee grievances. In addition to this, the Company has Grievance Handling Policy available on the Company's portal accessible to each of its employees. It also conducts POSH Meetings and Union Meetings, Canteen/Works/Safety Committee meetings Communication meeting. Dedicated channels for raising such grievances have been put in place and communicated to all the concerned stakeholders for smooth and direct communication. All non-permanent employees who work in RACL Geartech manufacturing locations are covered as part of RACL Geartech Policy Framework
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. **Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

There are no associations or unions recognized by the Company.

8. **Details of training given to employees and workers:**

Category	FY 2022-23					FY 2021-22*				
	Total (A)	On Health and safety measures		On Skill Upgradation		Total (D)	On Health and safety measures		On Skill Upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	414	389	93.96	367	88.65					
Female	20	20	100	26	130					
Total	434	409	94.24	393	90.55					
Workers										
Male	500	457	91.4%	422	84.4%					
Female	0	0	0	0	0					
Total	500	457	91.4%	422	84.4%					

*Data for FY 2021-22 was not available with the Company, hence, not presented.

9. **Details of performance and career development reviews of employees and worker:**

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B/A)	Total (D)	No. (E)	% (F/D)
Employees						
Male	389	389	100%			
Female	20	20	100%			
Total	414	414	100%			
Workers						
Male	500	500	100%			
Female	0	0	0%			
Total	500	500	100%			

*Data for FY 2021-22 was not available with the Company, hence, not presented.

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, Occupational health & safety management system has been implemented in all plant locations. 100% of our operations are covered under EOHS and certified for ISO 45001 (Occupational health & Safety standards) and ISO 14001 (Environmental Management standards)

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

- Hazard identification and risk assessment is being carried out for identifying potential hazards/risks and risk reduction programs are taken up based on this risk assessment for elimination/minimizing risks.
- SHE committee meetings are conducted with equal participation from workmen, management & contractors for addressing safety hazards & risks.
- Safety critical points such as Limit switches, sensors etc. checks are covered under PM checklist and their working conditions are ensured.
- Annual safety audit through external experts are also planned for all the plant locations.
- On a weekly basis - Safety review meetings are conducted at all levels/Safety walk carried out by Plant team and safety professionals.
- Identified critical areas will undergo assessment on a weekly/monthly/quarterly/ annual basis, which includes unsafe acts, unsafe working conditions, etc.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes, workers would use EHS Reporting card/EHS Suggestion scheme to report their work-related hazards. RACL has implemented Safety Steward Program, where workers are trained to collate/update/report safety observations, also they will participate in Safety Committee Meetings, to report work related hazards.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, the employees/workers have access to non-occupational medical and health care services. For smaller issues/concerns they get treated at factory occupational health centres and assisted by trained first aid personal. For other issues, on a need basis they are referred to hospitals and get covered under medical insurance.

11. Details of safety related incidents, in the following format

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers	Nil	Nil
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	Nil	Nil
No. of fatalities	Employees	Nil	Nil
	Workers	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	Nil

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

For ensuring a safe and healthy workplace, the following actions are being taken,

- For preventing re-occurrence of same phenomenon, each accident is being analysed, root causes are identified, and corrective measures are taken.
- As a proactive approach, for eliminating potential hazards & risks the following actions are being taken:
 - o Leadership dashboard update on Safety performance
 - o Regular Leadership guidance/review on the safety process establishments
 - o Safety Inspection/walkthroughs/Toolbox talks
 - o Safety audit (Internal & External experts)
 - o Process wise hazard identification & risk assessment.
 - o Safety training to all categories of employees including safety induction
 - o Fire drills & mock drills for emergency preparedness and handling.
 - o Health camps & medical check-ups
 - o Consequence management for safety
 - o LOTO system for electrical safety
 - o Work permit system
 - o Safety checks & testing on material handling equipment's, pressure vessels, earth pits, Power presses for ensuring safe operation
 - o Acoustic enclosures for identified high noise equipment's
 - o Interlock & machine guarding has been implemented on the applicable processes

13. Number of Complaints on the following made by employees and workers:

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	Nil	Nil	Nil	Nil
Health & Safety	Nil	Nil	Nil	Nil	Nil	Nil

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

- Hydraulic scissor lifting platform for handling materials in component stores
- Human detection system (Artificial Intelligence) installation in applicable forklifts for preventing accidents during forklift movement
- Inter-bay transfer trolley for shifting the materials from one bay to other in Helical assembly
- Ammonia leak detection system in furnace (Gas Nitriding Furnace)
- Self-contained breathing apparatus kit to safely evacuate victims during emergency
- Moving alarm and Reverse movement indication Light in forklifts
- Extraction system for thread milling machines
- Portable cylinder handling trolleys provided for safe movement
- ELCB Installation in electrical panel boards of applicable power tools
- LOTO system implemented
- 5'S maintained at shop floor
- Ground leakage detector (GLD) for all Electric Induction Furnace
- Dust extraction system in applicable areas (Furnace, Knockout areas)
- Acoustic enclosure for applicable equipment of high noise generation
- Interlock arrangements in Electric panel of Induction furnace for Dust extraction system and cooling line system
- Roof sheet replacement in applicable areas
- Anti-slippery mats in applicable working tables of worm assembly
- Emergency control system implemented

Leadership Indicators

- 1. Does the entity extend any life insurance or any compensatory package in the event of death of;**
 - a. Employees: Yes,** the Company extends life insurance/compensatory package in the event of death of its employees
 - b. Workers: Yes,** the Company extends life insurance/compensatory package in the event of death of its workers
- 2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

Agreements & work orders with our value chain partners mandates the compliance with the statutory laws, regulations and rules made thereunder.
- 3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

No such incident recorded during the current and the previous year.

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes, RACL Geartech provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement but not from termination of employment.

Details on assessment of value chain partners

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	RACL conducts assessments for all its value chain partners through site visits to their respective facilities.
Working Conditions	RACL will also review suppliers' safety standards and working conditions and ensures that the partners comply with all relevant laws and regulations in and around SGL premises.

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

We are, at present, looking into formulating a sustainable supply chain program to assess social and environmental practices of our suppliers.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

At RACL Geartech, we place a great value on stakeholder input and feedback, which is taken into account while developing our business strategy and sustainability practices. We work with our stakeholders to identify the social, environmental, and economic issues that are important to them and also to the organization, through formal and informal channels that include consultations with local communities, supplier/vendor meetings, customer/employee engagement surveys, investor forums, Corporate Social Responsibility (CSR) initiatives, dealer conferences etc. The Company considers its employees, business associates, suppliers, dealers, customers, shareholders/investors and communities surrounding its operations and regulatory authorities who have the potential to impact the Organisation, as its key stakeholders.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group

Stakeholder Group	Whether identified as vulnerable & Marginalised group	Channels of Communication (E-mail, SMS, Newspaper, Pamphlets, Advertisement, Community meetings, Notice Board, Website, others)	Frequency of engagement (Annually/ Half Yearly/ Quarterly/ Others – Please Specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders/ investors	No	<ul style="list-style-type: none"> Earning calls, One-to-one meetings, General Meetings, E-mail, SMS Newspaper, Notice Board, Website, others 	<ul style="list-style-type: none"> Quarterly, Annually and as and when required. 	<ul style="list-style-type: none"> Strategic & Business development Addressing investor queries Corporate governance matters
Suppliers	No	<ul style="list-style-type: none"> Supplier evaluation visits General meetings, E-mail, SMS Supply chain assessment Training and support 	<ul style="list-style-type: none"> As per team plan Annually/Quarterly/ Monthly/a s and when required 	<ul style="list-style-type: none"> Feedback on Products & Logistics thereon Sustainability and risk assessments Regular communications and updates on products Routine ordering and payment related matters

Employees	No	<ul style="list-style-type: none"> • Training and support • Regular work meetings • Performance reviews • Employee surveys • Senior Leadership meetings • Committee Meetings 	<ul style="list-style-type: none"> • As per team plan • Annually/Quarterly/ Monthly/as and when required 	<ul style="list-style-type: none"> • On-Boarding, employee satisfaction & Work environment • Personal development and growth • Health and safety • Grievance redressal • Compensation
Customers	No	<ul style="list-style-type: none"> • Customer service team • Customer meets • Senior management visits • Webinars • Customer engagement and survey 	<ul style="list-style-type: none"> • Need Based • Annually/Quarterly/ Monthly/as and when required 	<ul style="list-style-type: none"> • Feedback on Products & Logistics thereon • Product/Service quality and safety • Maintenance of privacy & confidentiality • Support
Community	Yes	<ul style="list-style-type: none"> • CSR meetings • Coordination meetings with the community 	<ul style="list-style-type: none"> • Annually/Quarterly/ Monthly/as and when required 	<ul style="list-style-type: none"> • Allocating CSR budget • Disbursing CSR Funds • Imparting education and rehabilitation programmes

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

The Company leverages various formal as well as informal channels communication to engage its stakeholders with the Board. These encompass digital means as well as Corporate Social Responsibility (CSR) initiatives, statutory report, learning and development platforms and events for internal communications. Other significant topics are communicated to the Board at regular intervals through various channels.

2. **Whether Stakeholder Consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes. Stakeholder Consultation plays a pivotal role in arriving at the material issues for RACL Gears. Each of the stakeholder group bring a different perspective on materiality and the Company has developed the strategy basis stakeholder priorities. Further, action plan and roadmap have been set in place to fulfil the requirements of expectations of stakeholders.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

RACL Geartech, is known for its tradition of philanthropy and community service. The Company's philanthropy is to reach out to the community especially the underprivileged disadvantaged, vulnerable and marginalized stakeholders and continuously engages with all such stakeholders in identifying, prioritising, and serving their needs accordingly especially in the field of education and healthcare (core focus area). The company has been upholding the Group's tradition by earmarking a part of its income for carrying out its social responsibilities. Various program identified & implemented in the last fiscal year include providing infrastructure support to various school i.e., smart digital learning tools, refurbishing classrooms to upgrade the facilities available to students, providing scholarships to meritorious students with financial constraints.

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees or workers covered (B)	% (B/A)	Total (C)	No. of employees or workers covered (D)	% (D/C)
EMPLOYEES						
Permanent	414	350	84.54%			
Other permanent	155	130	83.87%			
Total Employees	569	480	84.35%			
WORKERS						
Permanent	124	95	76.61%			
Other permanent	500	200	40%			
Total Workers	624	295	47.27%			

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23					FY 201-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
EMPLOYEES										
Permanent	434	0	0	434	100%					
Male	414	0	0	414	100%					
Female	20	0	0	20	100%					
Other than Permanent	155	0	0	155	100%					
Male	150	0	0	150	100%					
Female	5	0	0	5	100%					
WORKERS										
Permanent	124	0	0	124	100%					
Male	124	0	0	124	100%					
Female	0	0	0	0	0					
Other than Permanent	500	150	30%	350	-					
Male	500	150	30%	350	70%					
Female	0	0	0	0	0					

3. Details of remuneration/salary/wages

a. Median remuneration /wages (Monthly)

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	6	8,66,861	2	216,250
Key Managerial Personnel	2	11,90,083	1	79,083
Employees other than BoD and KMP	394	42,815	20	22,444
Workers	124	33,945	NA	NA

Board of directors include 3 Male and 1 Female Independent directors who draw no remuneration from the Company, except sitting fees.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2022-23	FY 2021-22
Gross wages paid to females as % of total wages	2.60%	2.39%

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes, the Internal Complaints Committee (w.r.t POSH) and the human resources departments are responsible for addressing human rights impacts or issues caused or contributed to by the business.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

The Company has a POSH policy in place that acts as a blanket in addressing grievances related to human rights issues. Further, RACL Geartech Whistle Blower Policy and Code of Conduct provides guidelines for the committee formation and working, should there be an investigation.

6. **Number of Complaints on the following made by employees and workers**

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	NIL					
Discrimination at workplace						
Child Labour						
Forced Labour/Involuntary Labour						
Wages						
Other Human Rights related issues						

7. **Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

	FY 2022-23	FY 2021-22
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

8. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

The Company has an internal committee (w.r.t POSH policy) which addresses grievances related discrimination and harassment cases. Whistle-blower Policy provides Directors, Employees, customers and vendors an avenue to raise concerns, in line with the commitment of RACL Geartech to the highest possible standards of ethical, moral and legal business conduct and its commitment to open communication. Code of Conduct addresses grievances related to employee's conduct at work.

9. **Do human rights requirements form part of your business agreements and contracts?**

Yes, the Company gives human rights high importance thereby making it an integral part of its business agreements and contracts.

10. **Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100% of our plants and offices are assessed by the entity for compliance on key human rights by the internal teams of the Company and HR Department as part of the regular on-going reviews by the senior leadership team of the Company.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

11. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

There were no significant risks or concerns identified during the year 2022-23. However, being a responsible company, we ensure continuous monitoring and capability building of our value chain partners.

Leadership Indicators

1. **Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.**

The HR Department continuously monitors and reviews the issues related to Human Rights.

2. **Details of the scope and coverage of any Human rights due-diligence conducted.**

Due diligence exercise covers the following human rights;

- Child Labour
- Forced/Involuntary Labour
- Fair Wages
- Equal Opportunities
- Health and safety
- Non-Harassment
- Right to clean air & water

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes, the Company's operating locations are accessible to differently abled employees, workers and visitors. Corporate office locations and plants have Ramps, sidewalks and elevators and all the necessary infrastructure to support differentially abled. Sign-boards are placed at every location to assist employees/workers with hearing aids. Wheel-chairs are available in Occupational Health Centres in all major facilities.

4. Details on assessment of chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	We are, at present, looking into formulating a sustainable supply chain program to assess social and environmental practices of our suppliers.
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

NOT APPLICABLE

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)	51719256	40203360
Total fuel consumption (B)	1017576	1117699.2
Energy consumption through other sources (C)	52736832	41321059.2
Total energy consumption (A+B+C)	53010414	41321059.2
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0.014430742	-
Energy intensity (optional) – The relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. NO

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any. NO

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water		
(ii) Groundwater	14410.3	14190.5
(iii) Third party water	1866.4	1157.4
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	16276.7	15347.9
Total volume of water consumption (in kilolitres)	16276700 liter's	-
Water intensity per rupee of turnover (Water consumed / turnover)	0.004430919	-
Water intensity (optional)-the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. NO

4. Provide the following details related to water discharged

Parameter	FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	-	-
- No treatment		
- With treatment – please specify level of treatment	8098 m3 (By ETP & STP)	
(ii) To Groundwater		
- No treatment		
- With treatment – please specify level of treatment	Rain Water Harvesting System available	
(iii) To Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)	8098 m3 (Inside Company premises)	

Data for FY 2020-21 is not available, hence, not presented.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

YES, we have implemented a mechanism for ZLD. We have installed ETP (10KLD) & STP (80KLD) with RO treatment Plant. We treat effluent and sewage water and reuse it in various functions inside the factory premises; Such as bathroom flushing, gardening and cooling towers. Rain water harvesting system is available to bring rain water back into the ground.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	Mg/Nm3	60	64
SOx	Mg/Nm3	22	17
Particulate matter (PM)	Mg/Nm3	42	38
Persistent organic pollutants (POP)		NIL	NIL
Volatile organic compounds (VOC)		NIL	NIL
Hazardous air pollutants (HAP)		0	0
Others – please specify		0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY2022-23	FY2021-22
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	We are in the process of identifying GHG emissions	We are in the process of identifying GHG emissions
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent		
Total Scope 1 and Scope 2 emissions per rupee of turnover			
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Yes, we have projects related to reducing greenhouse gas emissions. For example Solar System (To reduce co₂ from electricity), Improved Energy Efficiency techniques, Using new manufacturing techniques, carbon capture utilization and storage, Air emission control system & Plantation.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	50 kg	48 kg
E-waste (B)	29 nos	26 nos
Bio-medical waste (C)	NA	NA
Construction and demolition waste (D)	NA	NA
Battery waste (E)	NA	NA
Radioactive waste (F)	NA	NA
Other Hazardous waste. Please specify, if any. (G)	Scrap grinding wheel 412 kg, Oil soaked cloth 424 kg	Scrap grinding wheel 295 kg, Oil soaked cloth 226 kg
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	ETP sludg 550 kg. used scrap oil 510 kg, Scrap Oil and Air filters 46 Nos	ETP sludg 131 kg.; used scrap oil kg, scrap oil and air filters 16 Nos
Total (A+B + C + D + E + F + G + H)	1946 kg/ 75 no's	
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste- Not applicable		
(i) Recycled	1137 MT	
(ii) Re-used		
(iii) Other recovery operations		
Total		

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration		
(ii) Landfilling		
(iii) Other disposal operations		
Total		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

We have hazardous waste authorization and have agreement with government authorized company for disposal, to whom we give scrap on quarterly basis and maintain its records as per legal standards. We have made RCC floor with proper segregation to store the hazardous waste without causing any harm to the environment.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1.	No, The Company does not have operations around around ecologically sensitive areas		

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
No					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, the company is compliant of Environmental laws.

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable -and non renewable sources, in the following format:

Parameter	FY 2022-23	FY 2021-22
From renewable sources		
Total electricity consumption (A)	273582	Nil
Total fuel consumption (B)	Nil	Nil
Energy consumption through other sources (C)	Nil	Nil
Total energy consumed from renewable sources (A+B+C)	273582	0
From non-renewable sources		
Total electricity consumption (D)	51719256	40203360
Total fuel consumption (E)	1017576	1117699.2
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	52736832	41321059.2

2. Provide the following details related to water discharged:

Parameter	FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment		
- With treatment Please specify level of treatment		
(ii) To Groundwater		
- No treatment		
- With treatment Please specify level of treatment		
(iii) To Seawater		
- No treatment		
- With treatment Please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment Please specify level of treatment		
(v) Others		
- No treatment		
- With treatment Please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

No plant/facilities are based in areas of water stress

For each facility / plant located in areas of water stress, provide the following information: Not Applicable

- (i) Name of the area
- (ii) Nature of operations
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	Not Applicable	Not Applicable
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed / turnover)		
Water intensity (optional) -The relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	Not Applicable	Not Applicable
- No treatment		
- With treatment – please specify level of treatment		
(ii) To Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	<i>Metric tonnes of CO2 equivalent</i>		
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

5. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities. Not Applicable

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Ocems System Installed	Connect With CPCB	For Monitoring of Water Dischare as Per Standard Limits.

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, the Company has an emergency plan in place, focusing on business continuity to address disruptive events like, fire, cyber security and all other industry specific hazards and their control measures with the help of government authorities. Police, Chief Medical Officer, Fire Brigade, Hospitals, DM & others. Roles and responsibilities have been properly defined in it.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard. –

No significant adverse impact on the environment.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

We are, at present, looking into formulating a sustainable supply chain program to assess social and environmental practices of our suppliers.

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (State/National)
1	Confederation Of Indian Industry	National
2	Indo-German Chamber of Commerce	National
3	Engineering Export Promotion Council	National
4	Export Promotion Bureau	National
5	U P Export Promotion Council	State

1. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory Authorities.

Name of authority	Brief of the case	Corrective action taken
None		

Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/Half yearly/Quarterly/ Others –Please specify)	Web Link, if available
	The Company works with all the stakeholders, apex industry associations like Confederation Of Indian Industry, Indo-German Chamber of Commerce, Engineering Export Promotion Council, Export Promotion Bureau & U P Export Promotion Council.				

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.** – Not Applicable as per laws.
2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:** - Not Applicable.
3. **Describe the mechanisms to receive and redress grievances of the community.** – Not Applicable.
4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	17.32%	12.43%
Sourced directly from within the district andneighbouring districts	17.32%	12.43%

Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Details of negative social impact identified	Corrective action taken

Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR)
1.	Uttar Pradesh	Gautam Bhuddh Nagar, Noida	51.54 Lakhs

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**
 (b) **From which marginalized /vulnerable groups do you procure?**
 (c) **What percentage of total procurement (by value) does it constitute? Not Applicable**

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken

6. Details of beneficiaries of CSR Projects: Not applicable

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
NOT APPLICABLE			

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Though, the company has B2B operations, however, we are sensitive to the needs of the ultimate consumer. Our customers are very important to us and are treated with utmost diligence. They can log complaints directly by mailing at customercare@raclgeartech.com.

Any grievance related to business transactions are handled through sales and vendor management team.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	The products sold by the Company, become part of the final product sold as a whole i.e vehicles. Hence, not applicable.
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following

	FY 2022-23		Remarks	FY 2021-22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0		0	0	
Advertising	0	0		0	0	
Cyber-security	0	0		0	0	
Delivery of essential services	0	0		0	0	
Restrictive Trade Practices	0	0		0	0	
Unfair Trade Practices	0	0		0	0	
Other	0	0		0	0	

Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary Recalls		The Company follows high quality standards which are monitored through productivity and quality metrics. Any quality issues are addressed through these to reduce the impact of safety concerns for its products.
Forced Recalls		

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

The Company is in the process of framing a policy on cyber security.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

The Company follows high quality standards which are monitored through productivity and quality metrics. Any quality issues are addressed through these to reduce the impact of safety concerns for its products.

Also, the Company is in the process of framing a policy on cyber security.

7. **Provide the following information relating to data breaches:**

- a. **Number of instances of data breaches along-with impact** – No such breaches
- b. **Percentage of data breaches involving personally identifiable information of customers**-Not Applicable

COMPLIANCE CERTIFICATE

(Issued in accordance with the provisions of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Board of Directors,
RACL Geartech Limited
Dear Sirs,

We have reviewed the Financial Statements together with the Cash Flow Statement of RACL Geartech Limited for the financial year ended 31st March, 2023 and that to the best of our knowledge and belief, we state that;

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. 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.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2023 which is fraudulent, illegal or violative of the Company's code of conduct.
4. We accept the responsibility for establishing and maintaining internal controls for financial accounting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and there had been no deficiency in design or operation of such internal controls during the period under review.

We further certify that the following information has been indicated to the Auditors and the Audit committee:

- a. There have been no significant changes in internal control over financial reporting during the year;
- b. There have been no significant changes in accounting policies during the year; and
- c. There have been no instances of significant fraud of which we have become aware and the involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: May 20, 2023
Place: Noida

Gursharan Singh
Chairman & Managing Director
DIN: 00057602

For and on behalf of
RACL Geartech Limited
Dev Raj Arya
Whole- Time Director & CFO
DIN: 00057582

DECLARATION BY THE MANAGING DIRECTOR

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

I, Gursharan Singh, Chairman & Managing Director of RACL Geartech Limited, hereby declare that all the members of the Board of Directors and the Senior Management Personnel have affirmed compliance with the Company's "Code of Conduct for Directors and Senior Management Personnel" for the financial year ended on 31st March, 2023.

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

Place: Noida

Date: May 20, 2023

NO DISQUALIFICATION CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

**To,
The Members,
RACL GEARTECH LIMITED**

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 South Delhi DL 110019 India (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2023, have been debarred or disqualified from being appointed or continuing as Directors of companies 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 in Company
1.	Mr. Gursharan Singh	00057602	Managing Director	23/08/2002
2.	Mr. Anil Sharma	00157911	Non-Executive - Non-Independent Director	19/05/2006
3.	Mr. Shashank Ramesh Anikhindi	07787889	Independent Director	27/05/2017
4.	Mr. Dev Raj Arya	00057582	Wholetime/Executive Director	22/10/2002
5.	Ms. Narinder Paul Kaur	02435942	Non-Executive - Non Independent Director	31/01/2015
6.	Mr. Jagdish Keswani	02146267	Independent Director	11/11/2019
7.	Mr. Harinder Pal Singh Bedi	05217488	Independent Director	29/06/2020
8.	Mrs. Malini Bansal	00167993	Independent Director	13/08/2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these, based on our 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 Rosy Jaiswal & Associates
Company Secretaries**

**Rosy Jaiswal
(Proprietor)**

ACS No. 28432, C.P No. 21968

Peer Review Certificate no. 2298/2022

UDIN: A028432E000653617

**Place: New Delhi
Date: 21/07/2023**

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
RACL GEARTECH LIMITED

We have examined the compliance of conditions of Corporate Governance by RACL GEARTECH LIMITED having CIN L34300DL1983PLC016136 and having registered office at 15th Floor, Eros Corporate Tower, Nehru Place New Delhi South Delhi DL 110019 India ("the Company"), for the purpose of certifying of the Corporate Governance under Regulation 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from the period April 01, 2022 to March 31, 2023. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements 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 generally complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

For Rosy Jaiswal & Associates
Company Secretaries

Rosy Jaiswal
(Proprietor)

ACS No. 28432, C.P No. 21968
Peer Review Certificate no. 2298/2022
UDIN: A028432E000653617

Place: New Delhi
Date: 21/07/2023

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF RACL GEARTECH LIMITED

Report on the audit of the Standalone Financial Results

Opinion

We have audited the accompanying standalone quarterly financial results of RACL Geartech Limited (the company) for the quarter ended 31st March, 2023 and the year to date results for the period from 01st April 2022 to 31st March, 2023, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us these standalone financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for the quarter ended 31st March, 2023 as well as the year to date results for the period from 01st April 2022 to 31st March, 2023.

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 (the Act). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Results* 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 financial results under the provisions of the Companies Act, 2013 and the Rules thereunder, 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.

Management's Responsibilities for the Standalone Financial Results

These quarterly financial results as well as the year to date standalone financial results have been prepared on the basis of the interim financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Results

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

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 standalone financial results, 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 results 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 standalone financial results, including the disclosures, and whether the financial results 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.

For Gianender & Associates
Chartered Accountants
(Firm's Registration No. 004661N)
Ayush Goswami
Partner
M.No. 545800
UDIN: 23545800BGVTTK4330

Place of signature: New Delhi
Date: 22nd May, 2023

Standalone Balance Sheet as at March 31, 2023

(In Lakh)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current Assets			
(a) Property, plant and equipment	2	22,678.59	17,739.79
(b) Intangible asset	3	26.58	12.47
(c) Capital work-in-progress	4	176.46	391.22
(d) Financial assets	5	160.47	160.27
(e) Other non-current assets	6	1,594.22	608.38
Total Non-current Assets		24,636.32	18,912.13
Current Assets			
(a) Inventories	7	9,526.86	5,674.62
(b) Financial assets			
i. Trade receivables	8	8,449.03	7,691.62
ii. Cash and cash equivalents	9	256.30	56.53
iii. Other Bank Balances	10	16.21	897.59
(c) Other current assets	11	1,545.27	1,655.28
(d) Current tax assets (net)	12	-	234.23
Total Current Assets		19,793.67	16,209.87
Total Assets		44,429.99	35,122.00
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	1,078.16	1,078.16
(b) Other equity	14	15,670.44	12,061.93
Total Equity		16,748.60	13,140.09
LIABILITIES			
Non-current Liabilities			
(a) Financial Liabilities			
i. Borrowings	15	8,548.00	7,137.06
ii. Lease liability	16	74.81	157.72
(b) Provisions	17	801.97	769.65
(c) Deferred tax liabilities (Net)	18	877.97	673.32
(d) Other Non- Current Liabilities	19	-	-
Total Non-current Liabilities		10,302.75	8,737.75
Current Liabilities			
(a) Financial liabilities			
i. Borrowings	20	11,577.59	9,046.17
ia. Lease Liability	20	137.59	162.22
ii. Trade payables			
-Total Outstanding dues to micro and small enterprise.	21	653.37	363.61
-Total Outstanding dues to other than micro and small enterprise.	21	3,119.97	2,561.49
iii. Other financial liabilities	22	1,076.77	731.45
(b) Other current liabilities	23	166.80	216.87
(c) Provisions	24	204.90	162.35
(d) Current tax Liabilities (Net)	25	441.65	-
Total Current Liabilities		17,378.64	13,244.16
Total Liabilities		27,681.39	21,981.91
Total Equity and Liabilities		44,429.99	35,122.00

Notes forms intergral part of the Financial Statements
As per our report of even date attached

For Gianender & Associates
Chartered Accountants
FRN 004661N

Ayush Goswami
(Partner)
M.No : 545800

By Order of the Board for RACL Geartech Ltd

GURSHARAN SINGH
(Chairman & M.D.)
DIN: 00057602

JAGDISH KESWANI
(Director)
DIN: 02146267

SHASHANK RAMESH ANIKHINDI
(Director)
DIN : 07787889

D.R.ARYA
(Director & CFO)
DIN: 00057582

MALINI BANSAL
(Director)
DIN : 00167993

ANIL SHARMA
(Director)
DIN : 00157911

NARINDER PAUL KAUR
(Director)
DIN: 02435942

HPS BEDI
(Director)
DIN : 05217488

NEHA BAHAL
(Company Secretary)
ICSI MEM. NO. 40272

Place: Delhi
Date : 22nd May, 2023
UDIN: 23545800BGVTTK4330

Place: Noida
Date : 22nd May, 2023

Standalone Statement of Profit and Loss for the year ended March 31, 2023

(In Lakh)

Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from operations	26	35,820.98	27,121.34
Other income	27	913.39	382.65
Total Income		36,734.37	27,503.99
Expenses			
Cost of Material Consumed	28	12,917.32	9,791.56
Changes in inventories of finished goods WIP and Stock in Trade	29	(1,966.36)	(794.76)
Employee benefits expenses	30	3,569.68	2,954.93
Finance Costs	31	2,065.69	1,239.15
Depreciation and Amortisation Expenses	32	1,869.05	1,570.44
Other Expenses	33	13,146.23	9,447.41
Total expenses		31,601.61	24,208.73
Profit before exceptional items and tax		5,132.76	3,295.26
Add: Exceptional items			
Profit before tax			
Less: Tax expense			
(1) Current tax			
Previous Year tax Paid		(9.46)	(72.87)
Tax Payable		(1,173.58)	(685.41)
(2) Deferred tax		(204.65)	(142.25)
Profit for the period from continuing operations		3,745.07	2,394.73
Other Comprehensive Income			
Remeasurements of the defined benefit plans		(28.73)	(48.02)
Total other comprehensive income		(28.73)	(48.02)
Total comprehensive income for the period		3,716.34	2,346.71
Earnings per share (Face Value 10/- per share)			
(1) Basic (in Rs.)	34	34.73	22.21
(2) Diluted (in Rs.)		34.73	22.21

Notes forms integral part of the Financial Statements
As per our report of even date attached

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Place: Delhi
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UDIN: 23545800BGVTTK4330

Place: Noida
Date : 22nd May, 2023

Standalone Cash Flow statement for the year ended March 31, 2023

	(₹ In Lakh)	
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	5,132.76	3,295.26
Adjustment for:		
Depreciation / Amortization	1,869.05	1,570.44
Interest charges	2,065.69	1,239.15
Impairment/(Impairment reversal)	-	(6.82)
(Profit)/Loss on sale of asset	(14.93)	5.27
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	9,052.57	6,103.30
Increase/(Decrease) in other Liabilities - Non Current	-	-
Increase/(Decrease) in other Financial Liabilities	258.41	(227.63)
Increase/(Decrease) in Trade Payable - Current	848.24	108.24
Increase/(Decrease) in long-term provisions - Non current	3.59	30.69
Increase/(Decrease) in short-term provisions - current	(399.10)	(150.94)
Increase/(Decrease) in other current liabilities	391.58	72.03
(Increase)/Decrease in inventories	(3,852.24)	(1,430.07)
(Increase)/Decrease in trade Receivable	(757.41)	(2,172.71)
(Increase)/Decrease in other non current financial assets	(0.20)	49.04
(Increase)/Decrease in other non current assets	-	-
(Increase)/Decrease in other current assets	344.25	(134.73)
(Increase)/Decrease in other Current financial Asset	881.38	(426.47)
CASH GENERATED FROM OPERATIONS	6,771.07	1,820.77
Direct taxes paid	741.39	758.28
NET CASH GENERATED FROM OPERATIONS	6029.68	1062.50
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of PPE	(6,183.30)	(5,598.83)
Advance given for PPE	(1,594.22)	(608.38)
Proceeds from Sale of PPE	199.40	131.18
NET CASH GENERATED (USED IN) INVESTING ACTIVITIES	(7,578.12)	(5,467.65)
C. CASHFLOW FROM FINANCING ACTIVITIES		
Proceeds/(repayment) from long & short term borrowings	3,917.73	5,633.26
Proceeds from share capital	0.00	0.00
Dividend Paid	(107.83)	-
Dividend Distribution Tax	-	-
Proceeds from share premium	0.00	0.00
Interest and finance charges paid	(2,061.69)	(1,233.57)
NET CASH FROM FINANCING ACTIVITIES	1,748.21	4,399.68
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE YEAR	199.77	(5.47)
Cash and cash equivalents as at March 31,2022	56.53	62.00
Cash and cash equivalents as at March 31, 2023	256.30	56.53
Net Cash Flow	199.77	(5.47)

Notes:

- Cash Flow statement has been prepared under "Indirect Method" as set out in the Ind-AS 7 Cash Flow Statements
- Cash and cash equivalents represents the followings:

	As at March 31, 2023	As at March 31, 2022
Balances with banks	247.85	49.97
Cash on hand	8.45	6.57
Total	256.30	56.53

As per our report of even date attached

For Gianender & Associates

Chartered Accountants
FRN 004661N

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(Partner)
M.No : 545800

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NEHA BAHAL
(Company Secretary)
ICSI MEM. NO. 40272

Place: Delhi

Date : 22nd May, 2023

UDIN: 23545800BGVTTK4330

Place: Noida

Date : 22nd May, 2023

Statement of changes in equity for the year ended 31st March 2023

A. Equity share capital (₹ in Lakh)

Movement during the year	Number of shares (In Lakh)	Share Capital (Amount)
Equity		
Authorised (Equity Shares of Rs.10/- each)	200.00	2000.00
Issued & Subscribed (Equity Shares of Rs.10/- each)		
Balance at the beginning of the period as at 01.04.2022	117.90	1,179.00
Changes in Equity Share Capital due to Prior Period errors	-	-
Restated balance at the beginning of the current reporting period	117.90	1,179.00
Change during the year	-	-
Balance at the end of the period as at 31.03.2023	117.90	1,179.00
Paid up Share Capital		
Balance at the beginning of the period as at 01.04.2022	107.82	1,078.16
Changes in Equity Share Capital due to Prior Period errors	-	-
Restated balance at the beginning of the current reporting period	107.82	1,078.16
Change during the year	-	-
Balance at the end of the period as at 31.03.2023	107.82	1,078.16

Movement during the year	Number of shares (In Lakh)	Share Capital (Amount)
Authorised (Equity Shares of Rs.10/- each)	200.00	2000.00
Issued & Subscribed (Equity Shares of Rs.10/- each)		
Balance at the beginning of the period as at 01.04.2021	117.90	1,179.00
Changes in Equity Share Capital due to Prior Period errors	-	-
Restated balance at the beginning of the current reporting period	117.90	1,179.00
Change during the year	-	-
Balance at the end of the period as at 31.03.2022	117.90	1,179.00
Paid up Share Capital		
Balance at the beginning of the period as at 01.04.2021	107.82	1,078.16
Changes in Equity Share Capital due to Prior Period errors	-	-
Restated balance at the beginning of the current reporting period	107.82	1,078.16
Change during the year	-	-
Balance at the end of the period as at 31.03.2022	107.82	1,078.16

B. Other Equity (₹ in Lakh)

Particulars	Reserves and Surplus			Total
	Capital Reserve	Securities Premium Reserve	Retained Earnings	
Balance at the beginning of the reporting period i.e. 01.04.2022	41.95	695.31	11,324.67	12,061.93
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance at the beginning of the reporting period	41.95	695.31	11,324.67	12,061.93
Total Comprehensive income for the year	-	-	3716.34	3,716.34
Less: Dividend Paid	-	-	(107.83)	(107.83)
Less: Dividend Distribution Tax	-	-	-	-
Transfer to retained earnings	-	-	-	-
Balance at the end of the reporting period i.e. 31.03.2023	41.95	695.31	14,933.18	15,670.44

Particulars	Reserves and Surplus			Total
	Capital Reserve	Securities Premium Reserve	Retained Earnings	
Balance at the beginning of the reporting period i.e. 01.04.2021	41.95	695.31	8,977.95	9,715.21
Changes in accounting policy or prior period errors		-	-	-
Restated balance at the beginning of the reporting period	41.95	695.31	8,977.95	9,715.21
Total Comprehensive income for the year	-	-	2346.71	2,346.71
Less: Dividend Paid	-	-	-	-
Less: Dividend Distribution Tax	-	-	-	-
Transfer to retained earnings	-	-	-	-
Balance at the end of the reporting period i.e. 31.03.2022	41.95	695.31	11,324.67	12,061.93

As per our report of even date attached

For Gianender & Associates
Chartered Accountants
FRN 004661N

By Order of the Board for RACL Geartech Ltd

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Place: Delhi
Date : 22nd May, 2023
UDIN: 23545800BGVTTK4330

Place: Noida
Date : 22nd May, 2023

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	At Fair value
Net defined benefit (asset)/liability	At Present value of defined benefit obligations

c) Use of Estimates and Judgements

Preparation of these financial statements is in conformity with Ind AS. 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 Value

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

a. Revenue from Contracts with customers:

Revenue from contract with customers are accounted for and recognised, observing the provisions of Ind AS 115 "Revenue from Contracts with Customers".

The Company derives revenue primarily from sale of goods to the Customer. To recognize the revenue, the Company applies the following five steps 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 are 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 is 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 determines 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.

b. 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 Date 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 statement of 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 the statement of profit or loss.

B5 INVENTORY

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 overhead 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 TRANSACTION

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 statement of 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 statement of profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the statement of profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

B7 EMPLOYEE BENEFIT

Company's contributions paid/ payable during the year to Provident Fund and Employees' State Insurance Corporation (ESIC) are recognized in the statement of 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 AND 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 INSTRUMENT

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 the statement of 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 in statement of profit or loss.

a. **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 the statement of 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 statement of 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 statement of profit & loss. However in case of equity instruments at FVTOCI cumulative gain or loss is not reclassified to statement of profit & loss on disposal of investments.

b. **Financial Liabilities and Equity Instruments**

(1) **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.

(2) **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.

(3) **Financial liabilities**

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

included in the 'Finance Costs' Line item.

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

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

B10 Impairment of financial assets (Expected Credit Loss Model)

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, debt instruments at FVTOCI, lease receivables, trade receivables, and 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 Assets

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

a. 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.

b. 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 statement of 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 EARNING 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.

B16 LEASE

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves the use of an identified asset
- The Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- The Company has the right to direct the use of the asset

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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:

- Transactions of a non-cash nature;
- Any deferrals or accruals of past or future operating cash receipts or payments and,
- 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. BORROWING 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.

As per our report of even date attached

For Gianender & Associates

Chartered Accountants

FRN 004661N

Ayush Goswami

(Partner)

M.No : 545800

By Order of the Board for RACL Geartech Ltd

GURSHARAN SINGH (Chairman & M.D.) DIN: 00057602	JAGDISH KESWANI (Director) DIN: 02146267	SHASHANK RAMESH ANIKHINDI (Director) DIN : 07787889
D.R.ARYA (Director & CFO) DIN: 00057582	MALINI BANSAL (Director) DIN : 00167993	ANIL SHARMA (Director) DIN : 00157911
NARINDER PAUL KAUR (Director) DIN: 02435942	HPS BEDI (Director) DIN : 05217488	NEHA BAHAL (Company Secretary) ICSI MEM. NO. 40272

Place: Delhi

Date : 22nd May, 2023

UDIN: 23545800BGVTTK4330

Place: Noida

Date : 22nd May, 2023

Notes to Standalone financial statements as at and for the Year ended 31st March 2023
Property, plant and equipment

Particulars	Note No	Cost or Deemed cost				Accumulated depreciation				Impairment		Carrying Amount		
		Balance as at April 1, 2022	Additions	Disposals	Balance at March 31, 2023	Balance as at April 1, 2022	Depreciation expense	Disposals	Balance at March 31, 2023	Balance as at April 1, 2022	Impairment loss/ reversal during the year	Balance at March 31, 2023	As at March 31, 2023	As at March 31, 2022
		(₹ in Lakh)												
Building	2	1,909.85	1,544.30	181.98	3,272.16	265.30	82.02	57.45	289.87	-	-	2,982.30	1,644.55	
Right To Use Buildings		545.20			545.20	294.21	111.71		405.92			139.29	250.99	
Plant & Machinery		17,885.65	4,902.71	220.93	22,567.43	3,771.50	1,439.86	163.08	5,048.27	91.03		17,428.13	14,023.12	
Furniture & Fixtures		3.25			3.25	2.37	0.19		2.56			0.69	0.88	
Vehicles		136.28	136.19	41.69	230.78	75.50	33.78	39.61	69.67	(0.00)		161.11	60.78	
Office Equipments		213.49	77.64		291.13	65.01	31.61		96.62	0.44		194.07	148.04	
Electrical Installation		207.33	1.66		208.99	55.96	15.14		71.10			137.89	151.37	
Capital Tool Support		598.86	326.63		925.49	225.96	132.49		358.45			567.04	372.90	
Right To Use Leasehold - Land		1,144.37			1,144.37	57.22	19.07		76.29			1,068.08	1,087.15	
Total		22,644.28	6,989.13	444.60	29,188.81	4,813.02	1,865.86	260.14	6,418.75	91.47		22,678.59	17,739.79	
Previous Year		17,498.23	5,319.04	172.99	22,644.28	3,367.90	1,562.04	116.92	4,813.02	98.30	(6.82)	17,739.79	14,032.03	

Intangible Assets

Particulars	Note No	Cost or Deemed cost			Accumulated Amortisation			Impairment		Carrying Amount			
		Balance as at April 1, 2022	Additions	Disposals	Balance at March 31, 2023	Balance as at April 1, 2022	Amortisation	Disposals	Balance at March 31, 2023	Balance at March 31, 2023	As at March 31, 2023	As at March 31, 2022	
		(₹ in Lakh)											
Intangible Asset	3	36.14	17.30		53.44	23.67	3.19		26.86			26.58	12.47
Total		36.14	17.30		53.44	23.67	3.19		26.86			26.58	12.47
Previous Year		28.78	7.36		36.14	15.27	8.40		23.67			12.47	13.51

Capital Work In Progress

Particulars	Note No	Cost or Deemed cost			Accumulated Amortisation			Impairment		Carrying Amount			
		Balance as at April 1, 2022	Additions	Disposals	Balance at March 31, 2023	Balance as at April 1, 2022	Amortisation	Disposals	Balance at March 31, 2023	Balance at March 31, 2023	As at March 31, 2023	As at March 31, 2022	
		(₹ in Lakh)											
Capital Work In Progress*	4	391.22	176.46	391.22	176.46							176.46	391.22
Total		391.22	176.46	391.22	176.46							176.46	391.22
Previous Year		80.38	391.22	80.38	391.22							391.22	80.38

*Refer note- 52 for ageing of CWIP

Particulars	Note No	As at March 31, 2023	As at March 31, 2022
Non Current Assets			
(d) Financial Asset	5		
Investment in Equity Share Capital of RACL Geartech GmbH, Austria for EURO 17500		14.19	14.19
Security Deposits with landlord against rented premises & Authority		38.61	38.41
Security Deposits with UPPCL		107.67	107.67
Total		160.47	160.27
(e) Other Non Current Assets	6		
Capital Advances			
Advance for Machineries		1594.22	608.38
Total		1,594.22	608.38
Current Assets			
(a) Inventories (Lower of Cost or Net Relisable Value)	7		
Raw Materials and components		1283.08	663.04
Work-in-progress		1530.87	1093.51
Finished goods			
-In Hand		532.21	288.05
-In-Transit		1946.02	661.19
Stores and spares		752.25	508.85
Loose Tools		3044.45	2109.79
Jigs & fixtures		437.98	350.19
Total		9,526.86	5,674.62
(b) Financial Assets			
i . Trade Recievable*	8		
Unsecured, considered good		8449.03	7691.62
Total		8,449.03	7,691.62
*Refer Note No. 53 for ageing			
ii. Cash and Cash Equivalents	9		
Balances with banks		247.85	49.97
Cash on hand		8.45	6.57
Total		256.30	56.53
iii. Other Bank Balances	10		
Other Bank Balances - Unpaid Dividend Bank A/c		16.10	11.03
FDR*		0.11	886.55
Total		16.21	897.59

*FDR amount includes margin money on Letter of Credit & DSRA amount against the Loans of the Schedule Bank.

(c) Other Current Assets (Secured, considered good)	11		
Deposit with Government authorities		395.24	502.34
Interest Receivable		7.16	16.20
Prepaid Expenses		124.62	83.72
Advance to Suppliers		225.00	213.02
Other Advances		0.48	1.13
Advance recoverable in cash or in kind or to the value to be received		792.76	838.87
Total		1,545.27	1,655.28
(d) Current Tax Assets (Net)	12		
Advance Taxes including TDS & TCS		0.00	234.23
Less: Income Tax Payable		-	-
Total		-	234.23

Note No 13

Equity Share Capital

(₹ in Lakh)

Particulars	Note No	Number of Shares (In Lakh)		As at March 31, 2023	As at March 31, 2022
		As at March 31, 2023	As at March 31, 2022		
Equity	13				
Authorised (Equity Shares of Rs.10/- each)		200.00	200.00	2000.00	2000.00
Issued & Subscribed (Equity Shares of Rs.10/- each)		117.90	117.90	1179.00	1179.00
Fully Paid up Share Capital (Equity Shares of Rs.10/- each)		107.82	107.82	1078.16	1078.16
Total Paid Up Share Capital		107.82	107.82	1,078.16	1,078.16

i. Terms and rights attached to equity shares

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

The Company has declared and paid amount of dividend for Rs. 107.82 Lakh during the F.Y. 2022-23. (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 31.03.2023		As at 31.03.2022	
	No of Equity Shares	INR	No of Equity Shares	INR
Share outstanding at the beginning of the year	107.82	1078.16	107.82	1078.16
Share issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Share outstanding at the end of the year	107.82	1,078.16	107.82	1,078.16

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

Name of Shareholder	As at 31.03.2023		As at 31.03.2022	
	No of Shares Held	% of Holding	No of Shares Held	% of Holding
GURSHARAN SINGH	39.43	36.57	39.43	36.57
PICUP	15.03	13.94	15.03	13.94
Middle ware Development Limited	7.46	6.92	7.46	6.92

v. **Shares held by the Promoters at the end of the year**
(₹ in Lakh)

Name of the Promoter	No of Shares	% of Total Shares	% Change during the year
Equity share capital			
GURSHARAN SINGH	39.43	36.57	0.00%
NARINDER PAUL KAUR	0.34	0.32	0.00%
DEV RAJ ARYA	2.26	2.10	-1.33%
RAJ ARYA	0.05	0.04	-44.76%
AADHAR INFOSYSTEMS PVT. LTD.	0.44	0.41	0.00%
PICUP	15.03	13.94	0.00%
Total	57.55	53.38	-46.09%

vi. **Details of Shareholders holding by promoters at the end of the year as at March 31, 2022**

Shares held by the Promoters at the end of the year

(₹ in Lakh)

Name of the Promoter	No of Shares	% of Total Shares	% Change during the year
Equity share capital			
GURSHARAN SINGH	39.43	36.57	0.10%
NARINDER PAUL KAUR	0.34	0.32	0.00%
DEV RAJ ARYA	2.29	2.13	0.00%
RAJ ARYA	0.09	0.08	13.15%
AADHAR INFOSYSTEMS PVT. LTD.	0.44	0.41	13.15%
PICUP	15.03	13.94	0.00%
Total	57.62	53.45	26.40%

Other Equity

(₹ in Lakh)

Particulars	Note No	As at March 31, 2023	As at March 31, 2022
Retained Earning	14	14,933.18	11,324.67
Securities Premium Reserve		695.31	695.31
Share Forfeiture Account		41.95	41.95
Total		15,670.44	12,061.93

- 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

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Retained Earning		
Opening Balance	11,324.67	8,977.95
Add: Comprehensive Income for the year	3,716.34	2,346.71
Less: Dividend Paid	(107.83)	-
Less: Dividend Distribution Tax	-	-
	14,933.18	11,324.67
Securities Premium Reserve		
Opening Balance	695.31	695.31
Add: Comprehensive Income for the year	-	-
Closing Balance	695.31	695.31
Share Forfeiture Account		
Opening Balance	41.95	41.95
Add: Comprehensive Income for the year	-	-
Closing Balance	41.95	41.95

Particulars	Note No	As at March 31, 2023	As at March 31, 2022
Non Current Liabilities			
(a) Financial Liabilities			
Borrowings			
Secured Loans			
Term Loan from Bank	15	11364.81	8835.35
Less: Unamortised Borrowing Cost		(56.67)	(58.01)
Less: Current Maturities of Term Loan		(3,379.37)	(2,454.77)
		7,928.77	6,322.56
Car Loan	(i)	109.22	40.60
Less: Current Maturities of car Loan		(33.73)	(14.57)
	(ii)	75.49	26.03
	1((i)+(ii))	8,004.26	6,348.59
Unsecured			
Term Loan from Financial Institutions/ Banks	2	833.39	1107.85
Less: Current Maturities of loan from FI		(289.65)	(319.38)
		543.74	788.47
Total (1+2)		8,548.00	7,137.06

Other Non current Financial Liabilities	16		
Lease Liabilities		212.40	319.94
Less: Current Maturities of Lease Liabilities		137.59	162.22
		74.81	157.72

- Secured Term Loans from banks have been guaranteed by Whole Time Directors.
- Maturity Profile of Secured Term Loans and Other Loans are as under :
 - FY 23-24 34.13 Crores - FY 26-27 15.54 Crores
 - FY 24-25 34.19 Crores - FY 27-28 10.62 Crores
 - FY 25-26 30.02 Crores
- Loans from bank of India, Noida Branch, IndusInd Bank Ltd, Citibank, and RBL Bank are secured on PariPassu Basis in the following Manner:
 - First charge by way of Hypothecation on entire Stocks and Book Debts of the Company
 - First Charge over entire Fixed Assetsof the company excluding Land and Building & vehicle (Both Present & Future)
 - Extention of EQM of Comapny's Land and Building at Gajraula U.P. The above Loans are also secured by personal guarantee (Joint and Several) of Shri Gursharan Singh and Shri D.R. Arya

Loans from Tata Capital and Siemens Financial Services are secured by fixed charges on the specific Assets financed.

The Current Maturities of Long Term Debt have been shown as Current Liabilites under Note No. 20
- 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 23-24 2.90 Crores - FY 25-26 1.80 Crores
 - FY24-25 2.20 Crores - FY 26-27 0.46 Crores

Particulars	Note No	As at March 31, 2023	As at March 31, 2022
(b) Long Term Provisions	17		
Gratuity		703.90	681.78
Leave Encashment		98.07	87.87
Total		801.97	769.65
(c) Deferred tax liabilities (Net)	18		
Deferred tax liabilities		1184.85	988.43
Less: Deferred tax assets		(306.89)	(315.11)
Total		877.97	673.32
(d)Other Non- Current Liabilities	19		
Long Term Advances from Customers		0.00	0.00
Less: Current Maturities of Long Term Advances from Customers		-	-
		-	-

Particulars	Note No	As at March 31, 2023	As at March 31, 2022
Current Liabilities			
(a) Financial Liabilities			
(i). Secured Borrowings	20		
a. Loans repayable on demand from banks		5025.84	4870.55
b. Current maturities of Long-term debt			
Current Maturities of Term Loans		3379.37	2454.77
Current Maturities of Car Loans		33.73	14.57
Current Maturities of Loans from Financial Institution		289.65	319.38
Current Maturities of Lease Liability		137.59	162.22
Total a.		8,866.18	7,821.50
b. Bill Discounting Facility		2849.00	1386.89
Total b.		2,849.00	1,386.89
Total (ia) {a.+b.}		11,715.18	9,208.39

1. Loans from Bankof India, Standard Chartered Bank ,Indusind Bank Ltd, Citibank and RBL Bank are secured on PariPassu Basis in the following Manner:

- First charge by way of Hypothecation on entire stock and Book Debt of the Company
- First Charge over entire Fixed Assetsof the company excluding Land and Building & vehicle (Both Present & Future)
- Extension of EQM of Comapny's Land and Building at Gajraula U.P.

The above Loans are also secured by personal guarantee (Joint and Several) of Shri Gursharan Singh and Shri D.R. Arya

The Company has taken an advance of Rs 2849.00 lakh from RBL Bank & Citibank which are secured in the following manner:

- First Charge on Trade Receivables as per the sanctioned terms
- Second charge on the entire current movable & Fixed Assets of the company
- Personal Guarantee of Mr Gursharan Singh & Mr D.R Arya

Particulars	Note No	As at March 31, 2023	As at March 31, 2022
ii. Trade payables	21		
Due to micro and small enterprise		653.37	363.61
Due to other than micro and small enterprise		3112.09	2553.90
Due to Related Parties		7.88	7.59
Total		3,773.34	2,925.10

1. Disclosure for Micro and Small Enterprise

The amount due to Micro & Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the company.

The disclosure relating to Micro, Small and Medium Enterprises as at March 31, 2023 are as under :

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
a) Principal amount remaining unpaid	653.37	363.61
b) Interest due on above and the unpaid interest*	Nil	Nil
c) Interest paid	Nil	Nil
d) Payment made beyond the appointed day during the year	Nil	Nil
e) Interest due and payable for the period of delay	Nil	Nil
f) Interest accrued and remaining unpaid	Nil	Nil
g) Amount of further interest remaining due and payable in succeeding years	Nil	Nil

*Interest has not been provided as per the MSME Act as due to MSME is paid within the agreed credit period with MSME's.

Particulars	Note No	As at March 31, 2023	As at March 31, 2022
2. Refer Note no. 54 for Ageing			
iii. Other Financial liabilities - Current	22		
Salary & Wages		131.95	96.13
Interest Payable on Foreign Currency Loan		4.00	5.58
Other payables		940.82	629.74
		1,076.77	731.45
(b) Other Current liabilities	23		
i. Statutory Dues			
Tax Collection At Source		0.39	0.37
TDS Payable		47.43	38.72
GST Payable		18.40	8.61
ESI & PF Payable		9.16	7.36
ii Advance received from Customers		75.33	150.78
iii. Unpaid Interim Dividend (2019-20 to 2021-22)		16.10	11.03
Total		166.80	216.87
(c) Short Term Provisions	24		
Gratuity		169.99	129.81
Leave Encashment		34.90	32.54
Total		204.90	162.35
(d) Current Tax Liabilities (Net)	25		
Income Tax Payable		1,183.04	758.28
Less : Advance Taxes including TDS & TCS		(741.39)	(758.28)
		441.65	-

Revenue From Operations

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
Sale of Products - Domestic	26	8,840.58	7,048.76
Sale of Products - Export		24,997.25	18,695.27
Other Operating Revenue		1,983.15	1,377.31
Total		35,820.98	27,121.34

Other Income

Particulars	Note No	Year ended March 31, 2023	Year ended March 31, 2022
Interest on Fixed Deposits with Banks	27	15.92	20.32
Discount on Advance paid to Supplier		144.61	94.56
Other Non Operating Income		2.50	6.99
Profit From Sales of Fixed Assets		14.93	-5.27
Foreign Exchange Rate Fluctuation- Gain		735.42	266.05
Total		913.39	382.65

Cost of Raw Material

Particulars	Note No	Year ended March 31, 2023	Year ended March 31, 2022
Opening Stock	28	663.04	676.32
Add: Purchases		13,537.35	9,778.28
Less: Closing Stock		(1,283.08)	(663.04)
Total		12,917.32	9,791.56

Change in Inventories

Particulars	Note No	Year ended March 31, 2023	Year ended March 31, 2022
Closing Stock	29		
Finished Goods		532.21	288.05
Material in Transit		1,946.02	661.19
Work in Progress		1,530.87	1,093.51
		4,009.10	2,042.75
Less:			
Opening Stock			
Finished Goods		288.05	188.86
Material in Transit		661.19	245.08
Work in Progress		1,093.51	814.05
		2,042.75	1,247.98
(Inc)/Dec in stock		(1,966.36)	(794.76)

Employee Benefits Expenses

Particulars	Note No	Year ended March 31, 2023	Year ended March 31, 2022
Salary & Incentives	30	2,938.62	2,409.07
Employer's Contribution to Provident Fund		39.35	35.10
Gratuity Contribution		106.02	93.23
Leave Encashment		29.70	40.99
Directors Remuneration		296.40	284.10
Staff Welfare Expenses		159.58	92.44
Total		3,569.68	2,954.93

Finance Cost

Particulars	Note No	Year ended March 31, 2023	Year ended March 31, 2022
Interest Expense	31	1,433.83	967.25
Foreign Exchange Rate Fluctuation on Borrowings		506.89	176.84
Net Loss			
Other Finance Cost		124.97	95.07
Total		2,065.69	1,239.15

Depreciation and Amortisation

Particulars	Note No	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation	32	1,865.86	1,556.33
Amortisation		3.19	14.11
Total		1,869.05	1,570.44

Other Expenses

Particulars	Note No	Year ended March 31, 2023	Year ended March 31, 2022
Stores & Spares Consumed	33	1,318.81	965.30
Packing Material Consumed		715.66	590.81
Loose Tools Consumed		1,510.57	1,017.06
Power, Oil & Lubricants & LPG for furnance		2,373.08	1,848.50
Repairs & Maintainance (Plant & Machinery)		300.69	234.83
Job Work & Other Contractual Cost		3,842.63	2,917.59
Customs Duty		118.39	65.33
Others		20.48	15.07
Assets Written Off		124.53	-
		10,324.85	7,654.48
Total		10,324.85	7,654.48

Travelling & Conveyance	102.43	56.14
Vehicle Running and Maintenance	98.99	83.20
Telephone, Telex & Communication	24.92	26.55
Repairs & Maintenance -Buildings	44.69	99.46
Repairs & Maintenance -Others	20.43	22.27
Freight & Forwarding	1,066.00	891.88
Rework & Other Charges on Sales	323.39	43.80
Loss on Sale of Faulty Goods	-	0.30
Warehouse Charges	180.29	103.50
Austrian Subsidiary Services	106.29	82.42
UPSIDC Maintenance Charges	14.93	4.65
Directors Sitting Fees	17.00	17.60
CSR Expenditure (Refer Note 42)	56.68	45.68
Insurance	100.04	74.38
Loss From Sales of Fixed Assets	-	-
Printing & Stationary	38.03	30.49
Electricity & Water	11.89	12.16
Legal & Professional Fees (Including Statutory Audit Fees*)	236.14	181.37
Misc Expenses	379.24	17.07
Total	2,821.39	1,792.93
Total	13,146.23	9,447.41

***Payments to Statutory Auditors (Excluding GST)**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Statutory Audit Fee	6.00	6.00
(b) Other Services	0.45	0.35
Total	6.45	6.35

34 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”.

(₹ in Lakh)

Particulars	Unit	As at Mar 31, 2023	As at Mar 31, 2022
Earnings Per Equity Share:			
Profit for the year attributable to owners of the Company	Rupees	3,745.07	2,394.73
Weighted average number of equity shares outstanding for calculating basic earnings per share	Numbers	107.82	107.82
Basic & Diluted Earnings per Share	Rupees	34.73	22.21

There are no potential diluters as on the date of balance sheet

35 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. 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, 2023 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

(₹ in Lakh)

Particulars	Gratuity	
	As at Mar 31, 2023	As at Mar 31, 2022
Reconciliation of opening & closing balances of PV of defined benefit obligation		
Opening defined benefit obligation	811.60	723.70
Current service Cost	48.40	43.30
Interest Cost on Benefit Obligation	57.62	49.94
Prior service cost-Vested benefit		
Net Actuarial gain/loss recognized during the year	28.73	48.02
Benefits paid	(72.45)	(53.35)
Closing defined benefit obligation	873.90	811.60
Current Liabilities	169.99	129.81
Non Current Liabilities	703.90	681.78
Expenses recognized in the statement of P&L Account		
Current Service Cost	48.40	43.30
Interest Cost on Benefit Obligation	57.62	49.94
Defined Benefit Cost included in P&L	106.02	93.24
Total Remeasurement in OCI	28.73	48.02
Total Defined Benefit Cost recognised in P&L and OCI	134.75	141.26
Summary of Actuarial Assumptions		
Retirement Age		
Discount Rate	7.40%	7.10%
Salary Escalation	6.00%	6.00%
Attrition Rate	58 Years	58 Years
Average Future Service	19.08	18.24
Mortality Table	IALM(2012-14) Table Ultimate	IALM(2012-14) Table Ultimate

Change in Fair Value of Plan Assets

(₹ in Lakh)

Particulars	Financial Year Ending 31/03/2023	Financial Year Ending 31/03/2022
Fair Value of Plan Assets at beginning of year	-	-
Interest Income	-	-
Employer Contributions	-	-
Employer Direct Benefit Payments	72.45	53.35
Employer Direct Settlement Payments	-	-
Benefit Payments from Plan Assets	-	-
Benefit Payments from Employer	(72.45)	(53.35)
Settlement Payments from Plan Assets	-	-
Settlement Payments from Employer	-	-
Other (Employee Contribution, Taxes, Expenses)	-	-
Increase / (Decrease) due to effect of any business	-	-
Increase / (Decrease) due to Plan combination	-	-
Remeasurements - Return on Assets (Excluding Interest Income)	-	-
Fair Value of Plan Assets at end of year	-	-
Weighted Average Asset Allocations at the year end		
Equities	-	-
Bonds	-	-
Gilts	-	-
Insurance Policies	-	-
Total	0%	0%

Components of Defined Benefit Cost

(₹ in Lakh)

Particular	Financial Year Ending 31/03/2023	Financial Year Ending 31/03/2022
Current Service Cost	48.40	43.30
Past Service Cost	-	-
(Gain) / Loss on Settlements	-	-
Reimbursement Service Cost	-	-
Total Service Cost	48.40	43.30
Interest Expense on DBO	57.62	49.94
Interest (Income) on Plan Assets	-	-
Interest (Income) on Reimbursement Rights	-	-
Interest Expense on (Asset Ceiling) / Onerous Liability	-	-
Total Net Interest Cost	57.62	49.94
Reimbursement of Other Long Term Benefits	-	-
Defined Benefit Cost included in P & L	106.02	93.23
Remeasurements - Due to Demographic Assumptions	-	-
Remeasurements - Due to Financial Assumptions	(12.35)	(8.18)
Remeasurements - Due to Experience Adjustments	41.08	56.19
(Return) on Plan Assets (Excluding Interest Income)	-	-
(Return) on Reimbursement Rights	-	-
Changes in Asset Ceiling / Onerous Liability	-	-
Total Remeasurements in OCI	28.73	48.02
Total Defined Benefit Cost recognized in P&L and OCI	134.75	141.25
Discount Rate	7.40%	7.10%
Salary Escalation Rate	6.00%	6.00%

Amounts recognized in the Statement of Financial Position

(₹ in Lakh)

Particulars	Financial Year Ending 31/03/2023	Financial Year Ending 31/03/2022
Defined Benefit Obligation	873.90	811.60
Fair Value of Plan Assets	-	-
Funded Status - Short / (Excess)	873.90	811.60
Effect of Asset Ceiling / Onerous Liability	-	-
Net Defined Benefit Liability / (Asset)	873.90	811.60

Summary of Financial & Demographic Assumptions

Particulars	Valuation Date	
	31.03.2023	31.03.2022
Discount Rate	7.40%	7.10%
Salary Escalation - First 5 Years	6.00%	6.00%
Salary Escalation - After 5 Years	6.00%	6.00%
Expected Rate of Return on Plan Assets	N/A	N/A
Mortality Table	IALM (2012-14) Table Ultimate	
Disability Rate	5% of Mortality Rate	5% of Mortality Rate
Retirement Age	58 Years	58 Years
Average Future Service	19.08	18.24

B. LEAVE ENCASHMENT

(₹ in Lakh)

Particulars	Leave Encashment	
	As at Mar 31, 2023	As at Mar 31, 2022
Reconciliation of opening & closing balances of PV of defined benefit obligation	120.41	97.62
Opening defined benefit obligation		
Current service Cost	21.96	22.86
Interest Cost on Benefit Obligation	8.55	6.74
Prior service cost-Vested benefit		
Net Actuarial gain/loss recognized during the year	(0.81)	11.39
Benefits paid	(17.15)	(18.20)
Closing defined benefit obligation	132.97	120.40
Current Liability	34.89	32.54
Non Current Liability	98.07	87.87
Expenses recognized in the statement of P&L Account		
Current Service Cost	21.96	22.86
Interest Cost on Benefit Obligation	8.55	6.74
Defined Benefit Cost included in P&L Account	30.51	29.60
Total Remeasurement in OCI	(0.81)	11.39
Total Defined Benefit Cost recognised in P&L and OCI	29.70	40.99
Summary of Actuarial Assumptions		
Retirement Age		
Discount Rate	7.40%	7.10%
Salary Escalation	6.00%	6.00%
Retirement Age	58 Years	58 Years
Average Future Service	18.54	17.63
Mortality Table	IALM (2012-14) Table Ultimate	

Change in Fair Value of Plan Assets

(₹ in Lakh)

Particulars	Financial Year Ending 31/03/2023	Financial Year Ending 31/03/2022
Fair Value of Plan Assets at beginning of year	-	-
Interest Income	-	-
Employer Contributions	-	-
Employer Direct Benefit Payments	17.15	18.20
Employer Direct Settlement Payments	-	-
Benefit Payments from Plan Assets	-	-
Benefit Payments from Employer	(17.15)	(18.20)
Settlement Payments from Plan Assets	-	-
Settlement Payments from Employer	-	-
Other (Employee Contribution, Taxes, Expenses)	-	-
Increase / (Decrease) due to effect of any business combination / divestiture / transfer)	-	-
Increase / (Decrease) due to Plan combination	-	-
Remeasurements - Return on Assets (Excluding Interest Income)	-	-
Fair Value of Plan Assets at end of year	-	-
Weighted Average Asset Allocations at the year end		
Equities	-	-
Bonds	-	-
Gilts	-	-
Insurance Policies	-	-
Total	0%	0%

Components of Defined Benefit Cost

(₹ in Lakh)

Particulars	Financial Year Ending 31/03/2023	Financial Year Ending 31/03/2022
Current Service Cost	21.96	22.86
Past Service Cost	-	-
(Gain) / Loss on Settlements	-	-
Reimbursement Service Cost	-	-
Total Service Cost	21.96	22.86
Interest Expense on DBO	8.55	6.74
Interest (Income) on Plan Assets	-	-
Interest (Income) on Reimbursement Rights	-	-
Interest Expense on (Asset Ceiling) / Onerous Liability	-	-
Total Net Interest Cost	8.55	6.74
Reimbursement of Other Long Term Benefits	-	-
Defined Benefit Cost included in P & L	30.51	29.60
Remeasurements - Due to Demographic Assumptions		
Remeasurements - Due to Financial Assumptions	(2.45)	(1.42)
Remeasurements - Due to Experience Adjustments	1.64	12.81
(Return) on Plan Assets (Excluding Interest Income)	-	-
(Return) on Reimbursement Rights	-	-
Changes in Asset Ceiling / Onerous Liability	-	-
Total Remeasurements in OCI	(0.81)	11.39
Total Defined Benefit Cost recognized in P&L and OCI	29.70	40.99
Discount Rate	7.40%	7.10%
Salary Escalation Rate	6.00%	6.00%

Amounts recognized in the Statement of Financial Position

(₹ in Lakh)

Particulars	Financial Year Ending 31/03/2023	Financial Year Ending 31/03/2022
Defined Benefit Obligation	132.97	120.40
Fair Value of Plan Assets	-	-
Funded Status - Short / (Excess)	132.97	120.40
Effect of Asset Ceiling / Onerous Liability	-	-
Net Defined Benefit Liability / (Asset)	132.97	120.40

Summary of Financial & Demographic Assumptions

Particulars	Valuation Date	
	31.03.2023	31.03.2022
Discount Rate	7.40%	7.10%
Salary Escalation - First 5 Years	6.00%	6.00%
Salary Escalation - After 5 Years	6.00%	6.00%
Expected Rate of Return on Plan Assets	N/A	N/A
Mortality Table	IALM (2012-14) Table Ultimate	
Disability Rate	5% of Mortality Rate	5% of Mortality Rate
Retirement Age	58 Years	58 Years
Average Future Service	18.54	17.63

C. SENSITIVITY ANALYSIS

A quantitative sensitivity analysis for significant assumptions as 31st March 2023

PARTICULARS	GRATUITY PLAN	
	CHANGE IN ASSUMPTIONS	IMPACT ON DEFINED BENEFIT OBLIGATION
	Increase/ (Decrease)	Increase/ Decrease in Assumptions
	%	(Rs. In Lakh)
UNDER BASE SCENARIO		873.90
SALARY ESCALATION	1.00%	929.98
	-1.00%	825.59
WITHDRAWAL RATES	1.00%	879.47
	-1.00%	870.38
DISCOUNT RATES	1.00%	828.88
	-1.00%	927.75

D. RISKS ASSOCIATED WITH DEFINED BENEFIT PLAN

Where there is a benefit being promised and benefit being provided, there will always be some uncertainty for the benefit provider and the benefit recipient.

Benefit Risks in Defined Benefit Schemes

1. Risk to the beneficiaries (i.e. for employees)

Insufficient funds: The greatest risk to the beneficiary is that there are insufficient funds available to provide the promised benefits.

This may be due to :

- The insufficient funds set aside, i.e. underfunding
- The insolvency of the Employer
- The holding of investments which are not matched to the liabilities; Or
- A combination of these events Changes to tax rates or status

2. Risks to the Benefit provider (i.e. for employer)

Parameter risk: Actuarial valuation is done basis some assumptions like salary inflation, discount rate and withdrawal assumptions. In case the actual experience varies from the assumptions, fund may be Insufficient to pay off the

For example: Suppose the plan's liability is calculated with salary inflation assumption of 5% per annum. However, Company's' actual practice is to provide increment of 10% per annum. This will result into underfunding.

Similarly, reduction in discount rate in subsequent future years can increase the plan's liability. Further, actual withdrawals may be lower or higher than what was assumed in the valuation, which may also impact the plan's liability.

Risk of illiquid assets: Another risk is that the funds, although sufficient, are not available when they are required to finance the benefits. This may be due to assets being locked for longer period or in illiquid assets.

Risk of benefit change: There may be a risk that a benefit promised is changed or is changeable within the terms of the contract. For e.g. the prevailing Act / Regulation may increase the benefits payable under defined benefit plans.

Asset liability mismatching risk: ALM risk arises due to a mismatch between assets and liabilities either due to liquidity or changes in interest rates or due to different duration.

For example: When the liability duration is, say, 10 years and with assets locked in 5-year g-sec securities. After 5years, there is huge reinvestment risk to invest maturity proceeds of assets due to uncertainty about the market prevailing yields at that time.

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

The Company is engaged in manufacturing of Automotive Components meant for two wheeled, three wheeled and four wheeled Vehicles. Based on similarity of activities/products, risk and reward structure, organisation structure and internal reporting Systems. The company has structured its operations into single operating segment geographic distribution of however based on the activities, the chief operating decision maker identified India and outside India as two geographical segments.

(₹ in Lakh)

Revenue from Customers	As at Mar 31, 2023	As at Mar 31, 2022
Within India	8,840.58	7,048.76
Outside India		
AUSTRIA	11,880.17	8,837.84
JAPAN	3,121.03	3,001.31
GERMANY	5,300.43	4,250.38
SWITZERLAND	634.38	609.59
ITALY	309.69	483.54
THAILAND	30.54	14.27
VIETNAM	7.21	3.03
USA	552.29	385.18
CHINA	3,123.40	1,110.14
SWEDEN	38.12	
Total Outside India	24,997.25	18,695.27

37 Disclosure of Related parties / Related party transactions pursuant to Ind AS 24 "Related Party Disclosures"

A. List of Related Parties

Wholly Owned Subsidiary

Name of the Subsidiary	Country	Holding As at Mar 31, 2023
Racl Geartech Gmbh	Austria	100%

Name of the Other Related Party

SUN-UP FOUNDATION (CSR TRUST)

Name of the Key Management Personnel	Designation
Mr Gursharan Singh	Chairman and Managing Director
Mr Dev Raj Arya	Director & CFO
Ms. Neha Bahal (Appointed wef 22/05/2023)	Company Secretary
Ms. Shagun Bajpai (Resignation wef 12/02/2023)	Company Secretary
Mr Gursharan Singh	Chairman and Managing Director
Mr Dev Raj Arya	Director & CFO
Mr. Anil Sharma	Non- Executive Director
Mrs. Narinder Paul Kaur	Non- Executive Director
Mr. Shashank Ramesh Anikhindi	Independent Director
Mr. Jagdish Keswani	Independent Director
Mr. H.P.S. Bedi	Independent Director
Mrs. Malini Bansal (Appointed wef 13/08/2021)	Independent Director

Names of Relatives of KMPs with whom transactions have taken place during the year:-

Name of Relatives of Key Managerial Personnel	Relations
Mr Prabh Mehar Singh	Son of Mr.Gursharan Singh
Mrs. Narinder Paul Kaur	Wife of Mr.Gursharan Singh

During the current as well as previous year, the Company did not have any related party transaction with any enterprise wherein any director has any significant influence.

B. Transactions with related parties:

(₹ in Lakh)

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Business Support Services availed from Racl Geartech Gmbh - Austria	106.29	82.42
Sales made to Racl Geartech Gmbh - Austria	0.00	0.62
Purchases from Racl Geartech Gmbh - Austria	0.00	8.40
Corpus Fund to Sun-UP Foundation (CSR Trust)	11.24	0.05
Remuneration and Perks - Key Managerial Personnel & Directors		
-Mr. Gursharan Singh, Chairman & Managing Director	207.35	215.71
-Mr. Dev Raj Arya, Director & CFO	78.27	82.15
-Ms. Shagun Bajpai, Company Secretary	8.31	9.49
-Mrs. Narinder Paul Kaur (as retainership fees)	24.00	24.00
-Mr. Anil Sharma, Non-Executive Director (as retainership fees)	24.00	21.03
Remuneration and Perks - Relatives of Key Managerial Personnel		
-Mr. Prabh Mehar Singh	27.42	22.71
Directors Sitting Fees		
-Mr. Anil Sharma	2.45	2.40
-Mrs. Narinder Paul Kaur	1.95	1.60
-Mr. Rakesh Kapoor	0.00	2.75
-Mr. Shashank Ramesh Anikhindi	3.65	3.00
-Mr. Jagdish Keswani	3.65	3.40
-Mr. H.P.S. Bedi	1.95	1.95
-Mrs. Malini Bansal (Appointed wef 13/08/2021)	3.35	2.50

C. Closing Balances with related parties:

(₹ in Lakh)

Name of the Subsidiary	Outstanding As at Mar 31, 2023		Outstanding As at Mar 31, 2022	
	Receivable	Payable	Receivable	Payable
Racl Geartech Gmbh - Austria	0.00	7.88	0.00	7.59
	Investment in Equity As at Mar 31, 2023		Investment in Equity As at Mar 31, 2022	
	14.19		14.19	

Name of the Key Management Personnel	Outstanding As at Mar 31, 2023		Outstanding As at Mar 31, 2022	
	Receivable	Payable	Receivable	Payable
Mr Gursharan Singh	-	82.04	-	51.00
Mr. Anil Sharma	-	2.16	-	2.00
Mrs. Narinder Paul Kaur	-	1.80	-	-

Financial Instruments
38 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 and short term borrowings), capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders.

38(a) Gearing Ratio

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

(₹ in Lakh)

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Debt	20,263.18	16,345.45
Cash and Bank Balances	256.30	56.53
Net Debt (i)	20,006.88	16,288.92
Equity (ii)	16,748.60	13,140.09
Net Debt To Equity Ratio	1.19	1.24

38(b) Changes in liabilities arising from financing activities as per Ind-AS 7

Particulars	As at 01 st April, 2022	CASH FLOW	NON CASH		As at Mar 31, 2023
			FOREIGN EXCHANGE MOVEMENTS	Charged to P&L	
Borrowings	16,345.45	3,917.73	-	-	20,263.18
Interest	5.58	(2,061.69)	-	2,065.69	4.00
Total liabilities	16,351.03	1,856.04	-	2,065.69	20,267.18

Particulars	As at 01 st April, 2021	CASH FLOW	NON CASH		As at Mar 31, 2022
			FOREIGN EXCHANGE MOVEMENTS	Charged to P&L	
Borrowings	10,712.19	5,633.26	-	-	16,345.45
Interest	7.30	(1,233.57)	-	1,239.15	5.58
Total liabilities	10,719.49	4,399.68	-	1,239.15	16,351.03

38(c) (a) Risk management

The Company's objectives when managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital. Consistent with others in the industry, the Company monitors NET Debt to EBITDA ratio i.e. Net debt (total borrowings net of cash and cash equivalents) divided by EBITDA (Profit before tax plus depreciation and amortization expense plus finance costs). The Company's strategy is to ensure that the Net Debt to EBITDA is managed at an optimal level considering the above factors. The Net Debt to EBITDA ratios were as follows:

(₹ in Lakh)

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Net Debt	20,006.88	16,288.92
EBITDA	9067.50	6104.85
Net Debt to EBITDA	2.21	2.67

(b) Loan covenants

Under the terms of the major borrowing facilities, the Company is required to comply with certain financial covenants and the Company has complied with those covenants throughout the reporting period.

(c) Dividends

(₹ in Lakh)

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
On Equity shares of Rs. 10/- each		
Final dividend		
Amount of dividend paid (pertains to previous financial year)	107.83	-
Dividend per equity share	1.00	-
Interim Dividend		
Amount of dividend paid		-
Dividend per equity share	-	-

39 Categories of Financial Instruments (₹ in Lakh)

Financial instruments by categories	31.03.2023			31.03.2022		
	FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
Financial asset						
Non-Current Financial Asset						
Security Deposit	-	-	160.47	-	-	160.27
Current Financial Asset						
i.Trade receivables	-	-	8,449.03	-	-	7,691.62
ii.Cash and cash equivalents	-	-	256.30	-	-	56.53
iii.Other Financial asset	-	-	16.21	-	-	897.59
Total Financial Asset	-	-	8,882.00	-	-	8,806.00
Financial liability						
Non-Current Financial Liabilities						
Borrowings	-	-	8,548.00	-	-	7,137.06
Other	-	-	74.81	-	-	157.72
Current Financial Liabilities						
i.Borrowings	-	-	11,715.18	-	-	9,208.39
ii.Trade payables	-	-	3,773.34	-	-	2,925.10
iii.Other financial liabilities	-	-	1,076.77	-	-	731.45
Total Financial Liabilities	-	-	25,188.10	-	-	20,159.71

40 Fair value of Financial Assets and Liabilities at amortized cost (₹ in Lakh)

Financial instruments by categories	31.03.2023		31.03.2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial asset				
Non-Current Financial Asset				
Security Deposit	160.47	160.47	160.27	160.27
Current Financial Asset				
i.Trade receivables	8,449.03	8,449.03	7,691.62	7,691.62
ii.Cash and cash equivalents	256.30	256.30	56.53	56.53
iii.Other Financial asset	16.21	16.21	897.59	897.59
Total Financial Asset	8,882.00	8882.00	8,806.00	8806.00
Financial liability				
Non-Current Financial Liabilities				
Borrowings	8,548.00	8,548.00	7,137.06	7,137.06
Others	74.81	74.81	157.72	157.72
Current Financial Liabilities				
i.Borrowings	11,715.18	11,715.18	9,208.39	9,208.39
ii.Trade payables	3,773.34	3,773.34	2,925.10	2,925.10
iii.Other financial liabilities	1,076.77	1,076.77	731.45	731.45
Total Financial Liabilities	25,188.10	25,188.10	20,159.71	20,159.71

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

41 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 (₹ in Lakh)

Particulars	FY 2022-23	FY 2021-22
Raw Material/Tools/Machines	3896.52	3467.48
Foreign Travelling & Services	316.13	196.88
Interest	21.81	27.06

The company has Earnings in Foreign Currency (₹ in Lakh)

Particulars	FY 2022-23	FY 2021-22
Export of Goods on FOB basis	24971.56	18746.42

The foreign currency risk from financial instruments as at Mach 31, 2023 is as follows: (₹ in Lakh)

Particulars	As on 31.03.2023									
	USD	EURO	CHF	GBP	Yuan	JPY	Thai Baht	Hong Kong Dollar	NT DOLLAR	Canadian Dollar
Cash & Cash Equivalents (INR)	0.98	2.11	0.86	0.75	0.46	0.03	0.05	0.02	0.12	0.06
Trade Receivables (INR)	4,970.97	1,540.61	-	-	-	-	-	-	-	-
Trade Payables (INR)	-	214.64	3.61	-	-	-	-	-	-	-
Interest Payables (INR)	-	-	4.00	-	-	-	-	-	-	-
Borrowings in Foreign Currency (INR)	5,890.69	531.81	833.39	-	-	-	-	-	-	-
Total	10862.64	2289.17	841.86	0.75	0.46	0.03	0.05	0.02		0.06

The foreign currency risk from financial instruments as at Mach 31, 2022 is as follows: (₹ in Lakh)

Particulars	As on 31.03.2022								
	USD	EURO	CHF	GBP	Yuan	JPY	Thai Baht	Hong Kong Dollar	Canadian Dollar
Cash & Cash Equivalents (INR)	0.90	0.32	0.44	0.47	0.46	0.12	0.05	0.02	0.06
Trade Receivables (INR)	5,525.86	369.11	-	-	-	-	-	-	-
Trade Payables (INR)	6.89	73.39	0.23	-	-	-	-	-	-
Interest Payables (INR)	-	-	5.58	-	-	-	-	-	-
Borrowings in Foreign Currency (INR)	4,393.54	337.82	1,107.86	-	-	-	-	-	-
Total	9927.19	780.64	1114.11	0.47	0.46	0.12	0.05	0.02	0.06

Particular of unhedged foreign exposure as at the reporting date (Net exposure to foreign currency risk)

Particulars	March 31, 2023		March 31, 2022	
	Payable / (Receivable)		Payable / (Receivable)	
	Amount in Foreign Currency in Lakh	Amount (Rs. In Lakh)	Amount in Foreign Currency in Lakh	Amount (Rs. In Lakh)
USD	11.19	919.72	(14.85)	(1,125.43)
EURO	(8.86)	(794.16)	0.50	42.10
CHF	9.35	841.00	13.52	1,113.67

Sensitivity analysis based on average outstanding Foreign currency loan (₹ in Lakh)

Particulars	Impact on profit/ loss after tax	
	FY 2022-23	FY 2021-22
Increase or decrease in exchange rate by Rs.1	(11.47)	1.12

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:

(₹ in Lakh)

Particulars	FY 2022-23	FY 2021-22
Debt from Banks/FIs - Variable rate borrowings	20,263.18	16,345.45

Sensitivity analysis based on average outstanding Debt
(₹ in Lakh)

Interest Rate Risk Analysis	Impact on profit/ loss after tax	
	FY 2022-23	FY 2021-22
Increase or decrease in interest rate by 25 basis points	45.76	33.82

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
(₹ in Lakh)

As at March 31, 2023	Carrying Amount	upto 1 year	From 2 to 4 Year	For 5th Year	More than 5 years	Total
Non Derivative Financial Liability						
Term Loan from Banks	11,308.14	3,379.37	6,872.32	1,056.45	-	11,308.14
Term Loan from Financial Institutions	833.39	289.65	543.74	-	-	833.39
Lease Liabilities	212.40	137.59	74.81	-	-	212.40
Car Loan	109.22	33.73	69.94	5.55	-	109.22
Loan Repayable on Demand	5,025.84	5,025.84	-	-	-	5,025.84
Bill Discounting	2,849.00	2,849.00	-	-	-	2,849.00
Trade Payables	3,773.34	3,773.34	-	-	-	3,773.34
Other Financial Liabilities	1,076.77	1,076.77	-	-	-	1,076.77
Total	25,188.10	16,565.29	7,560.81	1,062.00	-	25,188.10

The following are the contractual maturities of financial liabilities
(₹ in Lakh)

As at March 31, 2022	Carrying Amount	upto 1 year	From 2 to 4 Year	For 5th Year	More than 5 years	Total
Non Derivative Financial Liability						
Term Loan from Banks	8,777.34	2,454.77	6,019.75	302.81	-	8,777.34
Term Loan from Financial Institutions	1,107.85	319.38	742.67	45.80	-	1,107.85
Lease Liabilities	319.94	162.22	155.40	2.32	-	319.94
Car Loan	40.60	14.57	26.03	-	-	40.60
Loan Repayable on Demand	4,870.55	4,870.55	-	-	-	4,870.55
Bill Discounting	1,386.89	1,386.89	-	-	-	1,386.89
Trade Payables	2,925.10	2,925.10	-	-	-	2,925.10
Other Financial Liabilities	731.45	731.45	-	-	-	731.45
Total	20,159.71	12,864.93	6,943.85	350.93	-	20,159.71

C) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company's exposure and wherever appropriate, the credit ratings of its counterparties are continuously monitored and spread amongst various counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management of the Company. Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, investments in debt instruments/ bonds, trade receivables, loans and advances and derivative financial instruments. None of the financial instruments of the Company result in material concentrations of credit risks. Balances with banks were not past due or impaired as at the year end. In other financial assets that are not past dues and not impaired, there were no indication of default in repayment as at the year end.

42 Expenditure on Corporate Social Responsibility (CSR)

(₹ in Lakh)

Particulars	FY 2022-23	FY 2021-22
a) Gross amount required to be spent for the year	56.68	45.68
Add Shortfall of last year	-	-
Total amount required to be spent	56.68	45.68
b) Amount actually spent during the year	51.54	37.54
c) Amount provisioned for ongoing projects	5.14	8.14
Unspent Amount	-	-
Reason for Shortfall	There is no Shortfall	There is no Shortfall

Movement in CSR Provision:

Particulars	FY 2022-23	FY 2021-22
Remaining Provision for CSR Made during the last year	8.14	2.98
Less: Actual Expenditure made during the year against the remaining provision of last year	(8.14)	(2.98)
Add: Remaining Provision for CSR made during the current year	5.14	8.14
Closing figure of Provision	5.14	8.14

The Company is promoting education and empowering vocational skills as on ongoing project. Further, doing activities towards medical assistance, sanitation etc as other than ongoing projects.

The unspent amount as on 31.03.2023 has been further paid and balance unspent as on 27th April, 2023 has been transferred in a designated account in compliance with the Act.

43 Income tax expense (₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Current tax		
Current income tax charged	1,173.58	685.41
Adjustments for current tax of prior years	9.46	72.87
Total current tax expense	1,183.04	758.28
Decrease/(increase) in deferred tax Assets/Liabilities (net)	(204.65)	(142.25)
Income tax expense	1,387.69	900.53

Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet: (₹ in Lakh)

Particulars	As at March 31, 2022	Movement Recognised in Statement of Profit and Loss	As at March 31, 2023
Deferred tax (liabilities)/assets in relation to:			
Property, plant and equipment and Intangible Assets	(988.43)	(196.42)	(1,184.85)
Defined benefit obligation	315.11	(8.22)	306.89
Deferred Tax Asset / (Liabilities) (Net)	(673.32)	(204.65)	(877.97)

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate (₹ in Lakh)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit before income tax expense	5132.76	3295.26
Tax at India's tax rate	1291.81	829.35
Tax effect of amounts which are not deductible in calculating taxable income (net off exempt income)	556.15	440.30
Tax effect of amounts which are deductible in calculating taxable income	(720.77)	(584.24)
Adjustments for current tax of prior periods	9.46	72.87
Interest	46.38	-
Income tax expense	1183.03	758.28

44 Property, Plant and equipment

Property, Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital work in progress are stated at cost, net of accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the items and the cost of replacing part of the plant and equipment if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.

Depreciation methods and useful lives

Depreciation is calculated using the straight-line method over estimated useful lives of the assets:

Assets	Useful lives (years)*
Leasehold improvements	Over the period of lease or useful life, whichever is lower
Plant & Machinery: Category	
A	20
B	15
C	10
D	5
E	3
ELECTRICAL INSTALLATION : CATEGORY	
A	15
B	10
C	5
BUILDING	30
CAPITAL TOOL SUPPORT	5
FURNITURE & FIXTURES	5
VEHICLES	5
OFFICE & MISC. EQUIPMENTS : CATEGORY	
A	10
B	5
C	3

*Useful life of certain assets are different than the life prescribed under Schedule II to the Companies Act, 2013 and those have been determined based on technical evaluation by the management. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

45 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. The useful live of intangible assets are as follows:

Assets	Useful lives (years)*
Software & Licenses	3

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

46 Contingent liabilities

1. Income Tax Demands

Demand raised by Income Tax Authorities of Rs. 17.85 Lakh outstanding as on 31/03/2023. The matter is being pursued with the Income Tax authorities for necessary rectification and correction.

47 DISCLOSURE NOTE- IND AS 116

The Company adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application on April 01, 2019. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at April 01, 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

The Company has leases contracts for land and premises. These lease arrangements for land are for a period upto 99 years and for premises are for a period upto 5 years. The Company also has certain leases of machinery and equipments with lease terms of 12 months or less with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases. The following impacts are recognised in financial position on account of recognition of right of use assets and lease liabilities.

(₹ in Lakh)

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Right To Use Buildings	139.29	250.99
Right To Use Leasehold - Land	1068.08	1087.15
Current lease liabilities	137.59	162.22
Non-current lease liabilities	212.40	319.94

Amount recognised in statement of profit and loss during the year on account of Ind AS 116

(₹ in Lakh)

Particulars	FY 2022-23	FY 2021-22
Interest expense on lease liabilities (included in finance cost)	23.77	31.39
Depreciation of Right of Use assets	130.77	126.38

48 Capital Commitments

The Company entered into contracts for addition in fixed assets for Rs. 5249.17 Lakh as on 31st March 2023 against which advance payments and CWIP have also been booked as mentioned below:-

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital Advances	1,594.22	608.38
CWIP	176.46	391.22

49 Going concern

Management has determined that there is no material uncertainty that casts doubt on the entity's ability to continue as a going concern therefore financials have been prepared on going concern basis.

50 Estimation of uncertainties relating to the global health pandemic from COVID-19:

The Company has evaluated the impact of COVID – 19 resulting from (i) the possibility of constraints to fulfil its performance obligations under the contract with customers;(ii) revision of estimations of costs to complete the contract because of additional efforts; (iii) termination or deferment of contracts by customers. The Company has concluded that the impact of COVID – 19 is not material based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Investments and other financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future demand of its products. The Company has performed analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered.

51 Ratio's

(₹ in Lakh)

Particulars	As on 31 March 2023	As on 31 March 2022
(i) Current Ratio:		
Current Assets (a)		
Inventories	9,526.86	5,674.62
Trade receivables	8,449.03	7,691.62
Cash and cash equivalents	256.30	56.53
Other Financial asset	16.21	897.59
Other current assets	1,545.27	1,655.28
Current Tax Assets (Net)	-	234.23
	19,793.67	16,209.88
Current Liabilities (b)		
Current Borrowings	11,715.18	9,208.39
Trade Payable	3,773.34	2,925.10
Other financial liabilities	1,076.77	731.45
Other current liabilities	166.80	216.87
Current tax Liabilities (Net)	441.65	-
Provisions	204.90	162.35
	17,378.64	13,244.16
Current Ratio (a/b)	1.14: 1	1.22: 1
a. Variance : -6.56%		
b. Reason for Changes more than 25%: NA		

Particulars		As on 31 March 2023		As on 31 March 2022	
ii)	Debt Service coverage Ratio :				
	Net Profit/ (Loss) After Taxes (a)	3745.07		2394.73	
	Depreciation and Amortization Expense (b)	1869.05		1570.44	
	Interest Expense ('c)	2065.69		1239.15	
	Other non cash adjustment (d)	0.00		0.00	
	Earnings available for Debt Services (e) (a+b+c+d)		7679.80		5204.33
	Total Debt repaid (f)	3,084.85		2,251.29	
	Interest Liability repaid (g)	2,061.69		1,233.57	
	Total Debt including Interest (h) (f+g)		5,146.54		3,484.86
	Debt Service Coverage Ratio (e/h)		1.493 Times		1.494 Times
	a. Variance : -0.07%				
	b. Reason for Changes more than 25%: NA				
iii)	Return on Equity Ratio :				
	Net Profit after Taxes (a)	3,716.34		2,346.71	
	Average Equity Shareholder's Fund (b)	14,944.34		11,966.73	
	Return on Equity Ratio (%) (a/b)		24.87%		19.61%
	a. Variance : 26.82%				
	b. Reason for Changes more than 25%: Increases In Efficiency				
iv)	Inventory Turnover Ratio :				
	Revenue from Operations (a)	35,820.98		27,121.34	
	Average Inventory (b)	7,600.74		4,959.59	
	Inventory Turnover Ratio (times) (a/b)		4.713 Times		5.469 Times
	a. Variance : -13.82%				
b. Reason for Changes more than 25%: NA					
v)	Trade Receivables turnover Ratio :				
	Annual net Credit Sales (a)	35,820.98		27,121.34	
	Opening Accounts Receivable (b)	7,691.62		5,518.91	
	Closing Accounts Receivable (c)	8,449.03		7,691.62	
	Average Accounts Receivable (d) (b+c/2)	8070.322		6605.262	
	Trade Receivables turnover Ratio (Times) (a/d)		4.44 times		4.11 times
	a. Variance : 8.03%				
	b. Reason for Changes more than 25%: NA				

Particulars		As on 31 March 2023	As on 31 March 2022
vi)	Trade Payables turnover Ratio		
	Annual net Credit Purchases:		
	Cost of Material Consumed	12,917.32	9,791.56
	Changes in inventories of finished goods WIP and Stock in Trade	(1,966.36)	(794.76)
	Other Expenses	13,146.23	9,447.41
	Annual net Credit Purchases(a)	24,097.19	18,444.21
	Opening Accounts Payable (b)	2,925.10	2,816.86
	Closing Accounts Payable(c)	3,773.34	2,925.10
	Average Accounts Payable (d) (b+c/2)	3,349.22	2,870.98
	Trade Payable turnover Ratio (Times) (a/d)	7.2 times	6.43 times
	a. Variance : 11.98%		
	b. Reason for Changes more than 25%: NA		
vii)	Net Capital turnover Ratio :		
	Sales (a)	35,820.98	27,121.34
	Working capital (Current Assets - Current Liabilities) (b)	2,415.02	2,965.72
	Net Capital turnover Ratio (a/b)	14.83	9.14
	a. Variance : 62.25%		
	b. Reason for Changes more than 25%: Better Efficiency.		
viii)	Net Profit Ratio :		
	Profit after Tax (a)	3,745.07	2,394.73
	Sales (b)	35,820.98	27,121.34
	Net Profit Ratio (%) (a/b)	10.45%	8.83%
	a. Variance : 18.35%		
b. Reason for Changes more than 25%: NA			
ix)	Return on Capital Employed :		
	Profit/ (Loss) before Tax (a)	5,132.76	3,295.26
	Finance Cost (b)	2,065.69	1,239.15
	Earnings before Interest and Taxes (c) (a+b)	7,198.45	4,534.41
	Total Assets (d)	44,429.99	35,122.00
	Less : Total Liabilities (e)	27,681.39	21,981.91
	Less : Intangible Assets (f)	26.58	12.47
	Tangible Net Worth (g = d-e-f)	16,722.01	13,127.63
	Deferred Tax Liability (h)	877.97	673.32
	Total Debt (i)	20,263.18	16,345.45
	Capital Employed (j) (g+h+i)	37,863.16	30,146.40
	Return on Capital Employed (%) (c/f)	19.01%	15.04%
	a. Variance : 26.40%		
	b. Reason for Changes more than 25%: Better Efficiency		

Particulars		As on 31 March 2023		As on 31 March 2022	
x)	Debt - Equity Ratio				
	Total Debt (a)		20,263.18		16,345.45
	Share Capital	1,078.16		1,078.16	
	Reserve and Surplus	15,670.44		12,061.93	
	Shareholder's Equity (b)		16,748.60		13,140.09
	Debt - Equity Ratio (Times) (a/b)		1.21 Times		1.25 Times
	a. Variance : -3.2%				
b. Reason for Changes more than 25%: NA					
xi)	Return on Investments: NA				

52 Capital Work-In-Progress

As at 31.3.2023

(₹ in Lakh)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	176.46	-	-	-	176.46
Projects temporarily suspended	-	-	-	-	-
Total	176.46	-	-	-	176.46

Particulars	To be completed in				Total
	< 1 yr	1-2 Yrs	2-3 Yrs	>3 Yrs	
Projects in Progress	176.46	-	-	-	176.46
Projects Temporarily Suspended	-	-	-	-	-
Total	176.46	-	-	-	176.46

As at 31.3.2022

(₹ in Lakh)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	391.22	-	-	-	391.22
Projects temporarily suspended	-	-	-	-	-
Total	391.22	-	-	-	391.22

Particulars	To be completed in				Total
	< 1 yr	1-2 Yrs	2-3 Yrs	>3 Yrs	
Projects in Progress	391.22	-	-	-	391.22
Projects Temporarily Suspended	-	-	-	-	-
Total	391.22	-	-	-	391.22

53 Trade receivables outstanding

As at 31.3.2023

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	7,654.00	795.02	-	-	-	-	8,449.03
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-

As at 31.3.2022

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	7,078.31	613.31	-	-	-	-	7,691.62
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-

54 Trade Payable outstanding

As at 31.3.2023

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME (Micro & Small Enterprise)	597.08	56.28	-	-	-	653.36
(ii) Others	2,931.12	188.85	-	-	-	3,119.97
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

As at 31.3.2022

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME (Micro & Small Enterprise)	37.95	325.66	-	-	-	363.61
(ii) Others	2,423.18	138.32	-	-	-	2,561.50
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

55 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

i) Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements

ii) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

iii) Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statement

56 Approval of Financial Statements

The financial Statement are approved for issue by the company's Board of Directors on 22nd May, 2023.

57 Previous year figures have been re-grouped, re-worked and re-classified wherever necessary, to make them comparable with current year/period figures.

Particulars	Earlier classification	Reclassification	Current Classification	Remarks
Assets				
Cash and Cash Equivalents- Unpaid Dividend Bank A/c	11.03	-11.03	-	Amount presented under Cash & Cash Equivalents now presented under Other Bank balances
Other Bank Balances - Unpaid Dividend Bank A/c	-	11.03	11.03	

Notes forms intergral part of the Financial Statements
As per our report of even date attached

For Gianender & Associates
Chartered Accountants
FRN 004661N

By Order of the Board for RACL Geartech Ltd

GURSHARAN SINGH
(Chairman & M.D.)
DIN: 00057602

**JAGDISH
KESWANI**
(Director)
DIN: 02146267

SHASHANK RAMESH ANIKHINDI
(Director)
DIN : 07787889

Ayush Goswami
(Partner)
M.No : 545800

D.R.ARYA
(Director & CFO)
DIN: 00057582

MALINI BANSAL
(Director)
DIN : 00167993

ANIL SHARMA
(Director)
DIN : 00157911

NARINDER PAUL KAUR
(Director)
DIN: 02435942

HPS BEDI
(Director)
DIN : 05217488

NEHA BAHAL
(Company Secretary)
ICSI MEM. NO. 40272

Place: Delhi
Date : 22nd May, 2023
UDIN: 23545800BGVTTK4330

Place: Noida
Date : 22nd May, 2023

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF RACL GEARTECH LIMITED

Report on the Audit of the Consolidated Financial Results

Opinion

We have audited the accompanying of Consolidated annual Financial Results of RACL Geartech Limited (hereinafter referred to as the "Holding company") and its subsidiaries (holding company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities for the year ended 31st March, 2023, attached herewith, being submitted by the holding company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on separate audited financial results of subsidiaries, associates and jointly controlled entities, the aforesaid consolidated financial results:

- i. includes the annual financial results of the following entities:
 - RACL Geartech Limited
 - RACL Geartech GmbH
- ii. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- iii. give a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of net profit and other comprehensive income and other financial information of the Group for the year ended 31st March 2023.

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 (the "Act"). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Results* section of our report. We are independent of the Group, its associates and jointly controlled entities 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 financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Board of Directors' Responsibilities for the Consolidated Financial Results

These Consolidated financial results have been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group including its associates and jointly controlled entities in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associates and jointly controlled entities 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and

completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial results, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

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

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 consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors 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 ability of the Group and its associates and jointly controlled entities 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 consolidated financial results 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 Group and its associates and jointly controlled entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities

within the Group and its associates and jointly controlled entities to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results of which we are the independent auditors 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.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

The consolidated Financial Results does not include audited financial results for any subsidiaries, associates and jointly controlled entities as the Company does not have any subsidiaries, associates and jointly controlled entities whose accounts are required to be audited.

The consolidated Financial Results include the unaudited Financial Results of 1 (one) subsidiary whose Financial Results reflect Group's share of total assets of Rs. 18.94 Lakhs as at 31st March, 2023, Group's share of total revenue of Rs. 29.46 Lakhs and Rs. 107.84 Lakhs and Group's share of total net profit/(loss) after tax of Rs. 3.64 Lakhs and Rs. (0.73) Lakhs for the quarter ended 31st March, 2023 and for the period from 01st April, 2022 to 31st March, 2023 respectively, as considered in the consolidated Financial Results. These unaudited interim Financial Results have been furnished to us by the Board of Directors and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on such unaudited Financial Results. In our opinion and according to the information and explanations given to us by the Board of Directors, these Financial Results are not material to the Group.

Our opinion on the consolidated Financial Results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the Financial Results certified by the Board of Directors.

The Financial Results include the results for the quarter ended 31st March, 2023 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For Gianender & Associates
Chartered Accountants
(Firm's Registration No. 004661N)
Ayush Goswami
Partner
M.No. 545800
UDIN: 23545800BGVTTJ1862

Place of signature: New Delhi

Date: 22nd May, 2023

Consolidated Balance Sheet as at March 31, 2023

(₹ In Lakh)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current Assets			
(a) Property, plant and equipment	2	22,678.58	17,739.79
(b) Intangible asset	3	26.58	12.47
(c) Capital work-in-progress	4	176.46	391.22
(d) Financial assets	5	146.27	146.07
(e) Other non-current assets	6	1,594.22	608.38
Total Non-current Assets		24,622.11	18,897.93
Current Assets			
(a) Inventories	7	9,529.72	5,674.62
(b) Financial assets			
i. Trade receivables	8	8,449.03	7,691.62
ii. Cash and cash equivalents	9	258.66	63.62
iii. Other Bank Balances	10	16.21	897.59
(c) Other current assets	11	1,548.47	1,659.50
(d) Current tax assets (net)	12	-	234.23
Total Current Assets		19,802.09	16,221.18
Total Assets		44,424.20	35,119.11
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	1,078.16	1,078.16
(b) Other equity	14	15,669.71	12,062.65
Total Equity		16,747.87	13,140.81
LIABILITIES			
Non-current Liabilities			
(a) Financial Liabilities			
i. Borrowings	15	8,548.00	7,137.06
ii. Lease liability	16	74.81	157.72
(b) Provisions	17	801.97	769.65
(c) Deferred tax liabilities (Net)	18	877.97	673.32
(d) Other Non- Current Liabilities	19	-	-
Total Non-current Liabilities		10,302.75	8,737.75
Current Liabilities			
(a) Financial liabilities			
i. Borrowings	20	11,577.59	9,046.17
ia. Lease Liability	20	137.59	162.22
ii. Trade payables			
- Total Outstanding dues to micro and small enterprise.	21	653.37	363.61
- Total Outstanding dues to other than micro and small enterprise.	21	3,112.65	2,554.40
iii. Other financial liabilities	22	1,076.77	733.92
(b) Other current liabilities	23	166.80	217.88
(c) Provisions	24	204.91	162.35
(d) Current tax Liabilities (Net)	25	443.90	-
Total Current Liabilities		17,373.58	13,240.55
Total Liabilities		27,676.33	21,978.30
Total Equity and Liabilities		44,424.20	35,119.11

Notes forms integral part of the Financial Statements
As per our report of even date attached

For Gianender & Associates
Chartered Accountants
FRN 004661N

Ayush Goswami
(Partner)
M.No : 545800

By Order of the Board for RACL Geartech Ltd

GURSHARAN SINGH
(Chairman & M.D.)
DIN: 00057602

JAGDISH KESWANI
(Director)
DIN: 02146267

SHASHANK RAMESH ANIKHINDI
(Director)
DIN : 07787889

D.R.ARYA
(Director & CFO)
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MALINI BANSAL
(Director)
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ANIL SHARMA
(Director)
DIN : 00157911

NARINDER PAUL KAUR
(Director)
DIN : 02435942

HPS BEDI
(Director)
DIN : 05217488

NEHA BAHAL
(Company Secretary)
ICSI MEM. NO. 40272

Place: Delhi
Date : 22nd May, 2023
UDIN: 23545800BGVTTJ1862

Place: Noida
Date : 22nd May, 2023

Consolidated Statement of Profit and Loss for the year ended March 31, 2023

(₹ In Lakh)

Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from operations	26	35,820.98	27,121.96
Other income	27	913.39	382.65
Total Income		36,734.37	27,504.61
Expenses			
Cost of Material Consumed	28	12,937.63	9,783.16
Changes in inventories of finished goods WIP and Stock in Trade	29	(1,966.36)	(794.76)
Employee benefits expenses	30	3,617.01	3,014.73
Finance Costs	31	2,065.69	1,239.72
Depreciation and Amortisation Expenses	32	1,869.76	1,570.44
Other Expenses	33	13,068.55	9,400.01
Total expenses		31,592.28	24,213.30
Profit before exceptional items and tax		5,142.09	3,291.31
Add: Exceptional items			
Profit before tax			
Less: Tax expense			
(1) Current tax		(9.46)	(72.87)
Previous Year tax Paid		(1,184.97)	(685.41)
Tax Payable		(1,194.43)	(758.28)
(2) Deferred tax		(204.65)	(142.25)
Profit for the period from continuing operations		3,743.01	2,390.78
Other Comprehensive Income			
Remeasurements of the defined benefit plans		(28.73)	(48.02)
Foreign exchange translation difference		0.61	(4.88)
Total other comprehensive income		(28.12)	(52.90)
Total comprehensive income for the period		3,714.89	2,337.88
Earnings per share (Face Value 10/- per share)			
(1) Basic (in Rs.)	34	34.72	22.17
(2) Diluted (in Rs.)		34.72	22.17

Notes forms intergral part of the Financial Statements
As per our report of even date attached

For Gianender & Associates
Chartered Accountants
FRN 004661N

By Order of the Board for RACL Geartech Ltd

GURSHARAN SINGH
(Chairman & M.D.)
DIN: 00057602

**JAGDISH
KESWANI**
(Director)
DIN: 02146267

SHASHANK RAMESH ANIKHINDI
(Director)
DIN : 07787889

Ayush Goswami
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(Director)
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HPS BEDI
(Director)
DIN : 05217488

NEHA BAHAL
(Company Secretary)
ICSI MEM. NO. 40272

Place: Delhi
Date : 22nd May, 2023
UDIN: 23545800BGVTTJ1862

Place: Noida
Date : 22nd May, 2023

Consolidated Cash Flow statement for the year ended March 31, 2023

(₹ In Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A.CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	5,142.09	3,291.31
Adjustment for:		
Depreciation / Amortization	1,869.76	1,570.44
Interest charges	2,065.69	1,239.72
Impairment/(Impairment reversal)	-	(6.82)
(Profit)/Loss on sale of asset	(14.93)	5.27
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	9,062.61	6,099.93
Increase/(Decrease) in other Liabilities - Non Current	-	-
Increase/(Decrease) in other Financial Liabilities	255.93	(226.44)
Increase/(Decrease) in Trade Payable - Current	848.01	106.11
Increase/(Decrease) in long-term provisions - Non current	3.59	30.69
Increase/(Decrease) in short-term provisions - current	(401.34)	(151.56)
Increase/(Decrease) in other current liabilities	392.82	73.58
(Increase)/Decrease in inventories	(3,855.10)	(1,430.07)
(Increase)/Decrease in trade Receivable	(757.41)	(2,172.71)
(Increase)/Decrease in other non current financial assets	(0.20)	50.18
(Increase)/Decrease in other non current assets	-	-
(Increase)/Decrease in other current assets	345.27	(128.38)
(Increase)/Decrease in other Current financial Asset	881.38	(426.47)
CASH GENERATED FROM OPERATIONS	6,775.57	1,824.88
Direct taxes paid	750.53	758.28
NET CASH GENERATED FROM OPERATIONS	6025.04	1066.60
B.CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of PPE	(6,183.28)	(5,603.10)
Advance given for PPE	(1,594.22)	(608.38)
Proceeds from Sale of PPE	199.40	131.18
NET CASH GENERATED (USED IN) INVESTING ACTIVITIES	(7,578.10)	(5,471.92)
C.CASHFLOW FROM FINANCING ACTIVITIES		
Proceeds/(repayment) from long & short term borrowings	3,917.73	5,633.26
Proceeds from share capital	0.00	0.00
Dividend Paid	(107.83)	-
Dividend Distribution Tax	-	-
Proceeds from share premium	0.00	0.00
Interest and finance charges paid	(2,061.69)	(1,234.14)
NET CASH FROM FINANCING ACTIVITIES	1,748.21	4,399.11
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE YEAR	195.14	(6.20)
Cash and cash equivalents as at March 31,2022	63.62	69.82
Effect of exchange rate changes on cash and cash equivalents	0.10	-
Cash and cash equivalents as at March 31, 2023	258.66	63.62
Net Cash Flow	195.14	(6.20)

Notes:

1. Cash Flow statement has been prepared under "Indirect Method" as set out in the Ind-AS 7 Cash Flow Statements

2. Cash and cash equivalents represents the followings:

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks	247.85	57.06
Cash on hand	10.81	6.57
Total	258.66	63.62

As per our report of even date attached

For Gianender & Associates

Chartered Accountants

FRN 004661N

Ayush Goswami

(Partner)

M.No : 545800

By Order of the Board for RACL Geartech Ltd

GURSHARAN SINGH

(Chairman & M.D.)

DIN: 00057602

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(Director)

DIN : 05217488

NEHA BAHAL

(Company Secretary)

ICSI MEM. NO. 40272

Place: Delhi

Date : 22nd May, 2023

UDIN: 23545800BGVTTJ1862

Place: Noida

Date : 22nd May, 2023

Statement of changes in equity for the year ended 31st March 2023

A. Equity share capital (₹ in Lakh)

Movement during the year	Number of shares (In Lakh)	Share Capital (Amount)
Equity		
Authorised (Equity Shares of Rs.10/- each)	200.00	2000.00
Issued & Subscribed (Equity Shares of Rs.10/- each)		
Balance at the beginning of the period as at 01.04.2022	117.90	1,179.00
Changes in Equity Share Capital due to Prior Period errors	-	-
Restated balance at the beginning of the current reporting period	117.90	1,179.00
Change during the year	-	-
Balance at the end of the period as at 31.03.2023	117.90	1,179.00
Paid up Share Capital		
Balance at the beginning of the period as at 01.04.2022	107.82	1,078.16
Changes in Equity Share Capital due to Prior Period errors	-	-
Restated balance at the beginning of the current reporting period	107.82	1,078.16
Change during the year	-	-
Balance at the end of the period as at 31.03.2023	107.82	1,078.16

Movement during the year	Number of shares (In Lakh)	Share Capital (Amount)
Authorised (Equity Shares of Rs.10/- each)	200.00	2000.00
Issued & Subscribed (Equity Shares of Rs.10/- each)		
Balance at the beginning of the period as at 01.04.2021	117.90	1,179.00
Changes in Equity Share Capital due to Prior Period errors	-	-
Restated balance at the beginning of the current reporting period	117.90	1,179.00
Change during the year	-	-
Balance at the end of the period as at 31.03.2022	117.90	1,179.00
Paid up Share Capital		
Balance at the beginning of the period as at 01.04.2021	107.82	1,078.16
Changes in Equity Share Capital due to Prior Period errors	-	-
Restated balance at the beginning of the current reporting period	107.82	1,078.16
Change during the year	-	-
Balance at the end of the period as at 31.03.2022	107.82	1,078.16

B. Other Equity (₹ in Lakh)

Particulars	Reserves and Surplus			Total
	Capital Reserve	Securities Premium Reserve	Retained Earnings	
Balance at the beginning of the reporting period i.e. 01.04.2022	41.95	695.31	11,325.38	12,062.65
Changes in accounting policy or prior period errors		-	-	-
Restated balance at the beginning of the reporting period	41.95	695.31	11,325.38	12,062.65
Total Comprehensive income for the year	-	-	3714.89	3,714.89
Less: Dividend Paid	-		(107.83)	(107.83)
Less: Dividend Distribution Tax	-		-	-
Transfer to retained earnings	-		-	-
Balance at the end of the reporting period i.e. 31.03.2023	41.95	695.31	14,932.45	15,669.71

Particulars	Reserves and Surplus			Total
	Capital Reserve	Securities Premium Reserve	Retained Earnings	
Balance at the beginning of the reporting period i.e. 01.04.2021	41.95	695.31	8,987.51	9,724.77
Changes in accounting policy or prior period errors		-	-	-
Restated balance at the beginning of the reporting period	41.95	695.31	8,987.51	9,724.77
Total Comprehensive income for the year	-	-	2337.88	2,337.88
Less: Dividend Paid	-	-	-	-
Less: Dividend Distribution Tax	-	-	-	-
Transfer to retained earnings	-	-	-	-
Balance at the end of the reporting period i.e. 31.03.2022	41.95	695.31	11,325.38	12,062.64

As per our report of even date attached

For Gianender & Associates
Chartered Accountants
FRN 004661N

By Order of the Board for RACL Geartech Ltd

GURSHARAN SINGH
(Chairman & M.D.)
DIN: 00057602

JAGDISH KESWANI
(Director)
DIN: 02146267

SHASHANK RAMESH ANIKHINDI
(Director)
DIN : 07787889

Ayush Goswami
(Partner)
M.No : 545800

D.R.ARYA
(Director & CFO)
DIN: 00057582

MALINI BANSAL
(Director)
DIN : 00167993

ANIL SHARMA
(Director)
DIN : 00157911

NARINDER PAUL KAUR
(Director)
DIN: 02435942

HPS BEDI
(Director)
DIN : 05217488

NEHA BAHAL
(Company Secretary)
ICSI MEM. NO. 40272

Place: Delhi
Date : 22nd May, 2023
UDIN: 23545800BGVTTJ1862

Place: Noida
Date : 22nd May, 2023

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 .

RACL has acquired 100% shares of Racl Geartech Gmbh (Austria), making it as a wholly owned subsidiary.

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	At Fair value
Net defined benefit (asset)/liability	At Present value of defined benefit obligations

c) Use of Estimates and Judgements

Preparation of these financial statements is in conformity with Ind AS. 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 Value

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

a. Revenue from Contracts with customers:

Revenue from contract with customers are accounted for and recognised, observing the provisions of Ind AS 115 "Revenue from Contracts with Customers".

The Company derives revenue primarily from sale of goods to the Customer. To recognize the revenue, the Company applies the following five steps 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 are 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 is 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 determines 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.

b. **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 Date 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 statement of 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 the statement of profit or loss.

B5 INVENTORY

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 overhead 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 TRANSACTION

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 statement of 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 statement of profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the statement of profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

B7 EMPLOYEE BENEFIT

Company's contributions paid/ payable during the year to Provident Fund and Employees' State Insurance Corporation (ESIC) are recognized in the statement of 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 AND 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 INSTRUMENT

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 the statement of 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 statement of profit or loss.

a. 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 the statement of 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 statement of 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 statement of profit & loss. However in case of equity instruments at FVTOCI cumulative gain or loss is not reclassified to statement of profit & loss on disposal of investments.

b. Financial Liabilities and Equity Instruments

(1) 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.

(2) 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.

(3) Financial liabilities

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

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

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

B10 Impairment of financial assets (Expected Credit Loss Model)

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, debt instruments at FVTOCI, lease receivables, trade receivables, and 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 Assets

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

a. 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.

b. 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 statement of 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 EARNING 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.

B16 LEASE

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves the use of an identified asset
- The Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- The Company has the right to direct the use of the asset

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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:

- Transactions of a non-cash nature;
- Any deferrals or accruals of past or future operating cash receipts or payments and,
- 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. Borrowing 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.

As per our report of even date attached

For Gianender & Associates

Chartered Accountants
FRN 004661N

Ayush Goswami
(Partner)
M.No : 545800

By Order of the Board for RACL Geartech Ltd

GURSHARAN SINGH (Chairman & M.D.) DIN: 00057602	JAGDISH KESWANI (Director) DIN: 02146267	SHASHANK RAMESH ANIKHINDI (Director) DIN : 07787889
D.R.ARYA (Director & CFO) DIN: 00057582	MALINI BANSAL (Director) DIN : 00167993	ANIL SHARMA (Director) DIN : 00157911
NARINDER PAUL KAUR (Director) DIN: 02435942	HPS BEDI (Director) DIN : 05217488	NEHA BAHAL (Company Secretary) ICSI MEM. NO. 40272

Place: Delhi
Date : 22nd May, 2023

Place: Noida
Date : 22nd May, 2023

Notes to Standalone financial statements as at and for the Year ended 31st March 2023
Property, plant and equipment

Particulars	Note No	Cost or Deemed cost			Accumulated depreciation			Impairment		Carrying Amount		
		Balance as at April 1, 2022	Additions	Disposals	Balance at March 31, 2023	Balance at April 1, 2022	Depreciation expense	Disposals	Balance at March 31, 2023	Impairment loss/ reversal during the year	Balance at March 31, 2023	As at March 31, 2023
Building	2	1,909.85	1,544.28	181.98	3,272.15	265.30	82.02	57.45	289.87	-	2,982.28	1,644.55
Right To Use Buildings		545.20			545.20	294.21	111.71		405.92	-	139.29	250.99
Plant & Machinery		17,885.65	4,902.71	220.93	22,567.43	3,771.50	1,439.86	163.08	5,048.27	91.03	17,428.13	14,023.12
Furniture & Fixtures		3.25			3.25	2.37	0.19		2.56	-	0.69	0.88
Vehicles		136.28	136.19	41.69	230.78	75.50	33.78	39.61	69.67	(0.00)	161.11	60.78
Office Equipments		213.49	77.64		291.13	65.01	31.61		96.62	0.44	194.07	148.04
Electrical Installation		207.33	1.66		208.99	55.96	15.14		71.10	-	137.89	151.37
Capital Tool Support		598.86	326.63		925.49	225.96	132.49		358.45	-	567.04	372.90
Right To Use Leasehold - Land		1,144.37			1,144.37	57.22	19.07		76.29	-	1,068.08	1,087.15
Total		22,644.28	6,989.12	444.60	29,188.79	4,813.02	1,865.86	260.14	6,418.75	91.47	22,678.58	17,739.79
Previous Year		17,498.23	5,319.04	172.99	22,644.28	3,367.90	1,562.04	116.92	4,813.02	(6.82)	17,739.79	14,032.03

Intangible Assets

Particulars	Note No	Cost or Deemed cost			Accumulated Amortisation			Impairment		Carrying Amount		
		Balance as at April 1, 2022	Additions	Disposals	Balance at March 31, 2023	Balance at April 1, 2022	Amortisation	Disposals	Balance at March 31, 2023	Impairment loss/ reversal during the year	Balance at March 31, 2023	As at March 31, 2023
Intangible Asset	3	36.14	17.30		53.44	23.67	3.19		26.86	-	26.58	12.47
Total		36.14	17.30	-	53.44	23.67	3.19	-	26.86	-	26.58	12.47
Previous Year		28.78	7.36	-	36.14	15.27	8.40	-	23.67	-	12.47	13.51

Capital Work In Progress

Particulars	Note No	Cost or Deemed cost			Accumulated Amortisation			Impairment		Carrying Amount		
		Balance as at April 1, 2022	Additions	Disposals	Balance at March 31, 2023	Balance at April 1, 2022	Amortisation	Disposals	Balance at March 31, 2023	Impairment loss/ reversal during the year	Balance at March 31, 2023	As at March 31, 2023
Capital Work In Progress*	4	391.22	176.46	391.22	176.46	-	-	-	-	-	176.46	391.22
Total		391.22	176.46	391.22	176.46	-	-	-	-	-	176.46	391.22
Previous Year		80.38	391.22	80.38	391.22	-	-	-	-	-	391.22	80.38

*Refer note-52 for ageing of CWIP

Particulars	Note No	As at March 31, 2023	As at March 31, 2022
Non Current Assets			
(d) Financial Asset	5		
Investment in Equity Share Capital of RACL Geartech GmbH, Austria for EURO 17500		0.00	0.00
Security Deposits with landlord against rented premises & Authority		38.61	38.41
Security Deposits with UPPCL		107.67	107.67
Total		146.27	146.07
(e) Other Non Current Assets	6		
Capital Advances			
Advance for Machineries		1594.22	608.38
Total		1,594.22	608.38
Current Assets			
(a) Inventories (Lower of Cost or Net Relisable Value)	7		
Raw Materials and components		1283.08	663.04
Work-in-progress		1530.87	1093.51
Finished goods			
-In Hand		532.21	288.05
-In-Transit		1946.02	661.19
Stores and spares		752.25	508.85
Loose Tools		3047.31	2109.79
Jigs & fixtures		437.98	350.19
Total		9,529.72	5,674.62
(b) Financial Assets			
i . Trade Recievable*	8		
Unsecured, considered good		8449.03	7691.62
Total		8,449.03	7,691.62
*Refer Note No. 53 for ageing			
ii. Cash and Cash Equivalentents	9		
Balances with banks		247.85	57.06
Cash on hand		10.81	6.57
Total		258.66	63.62
iii. Other Bank Balances	10		
Other Bank Balances - Unpaid Dividend Bank A/c		16.10	11.03
FDR*		0.11	886.55
Total		16.21	897.59

*FDR amount includes margin money on Letter of Credit & DSRA amount against the Loans of the Schedule Bank.

(c) Other Current Assets (Secured, considered good)	11		
Deposit with Government authorities		395.24	506.56
Interest Receivable		7.16	16.20
Prepaid Expenses		127.82	83.72
Advance to Suppliers		225.00	213.02
Other Advances		0.48	1.13
Advance recoverable in cash or in kind or to the value to be received		792.76	838.87
Total		1,548.47	1,659.50
(d) Current Tax Assets (Net)	12		
Advance Taxes including TDS & TCS		0.00	234.23
Less: Income Tax Payable		-	-
Total		-	234.23

Note No 13

Equity Share Capital

(₹ in Lakh)

Particulars	Note No	Number of Shares (In Lakh)		As at March 31, 2023	As at March 31, 2022
		As at March 31, 2023	As at March 31, 2022		
Equity	13				
Authorised (Equity Shares of Rs.10/- each)		200.00	200.00	2000.00	2000.00
Issued & Subscribed (Equity Shares of Rs.10/- each)		117.90	117.90	1179.00	1179.00
Fully Paid up Share Capital (Equity Shares of Rs.10/- each)		107.82	107.82	1078.16	1078.16
Total Paid Up Share Capital		107.82	107.82	1,078.16	1,078.16

i. Terms and rights attached to equity shares

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

The Company has declared and paid amount of dividend for Rs. 107.82 Lakh during the F.Y. 2022-23. (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 31.03.2023		As at 31.03.2022	
	No of Equity Shares	INR	No of Equity Shares	INR
Share outstanding at the beginning of the year	107.82	1078.16	107.82	1078.16
Share issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Share outstanding at the end of the year	107.82	1,078.16	107.82	1,078.16

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

Name of Shareholder	As at 31.03.2023		As at 31.03.2022	
	No of Shares Held	% of Holding	No of Shares Held	% of Holding
GURSHARAN SINGH	39.43	36.57	39.43	36.57
PICUP	15.03	13.94	15.03	13.94
Middle ware Development Limited	7.46	6.92	7.46	6.92

v.a. Details of Shareholder by Promoters at the end of the year as at March 31, 2023

Shares held by the Promoters at the end of the year
(₹ in Lakh)

Name of the Promoter	No of Shares	% of Total Shares	% Change during the year
Equity share capital			
GURSHARAN SINGH	39.43	36.57	0.00%
NARINDER PAUL KAUR	0.34	0.32	0.00%
DEV RAJ ARYA	2.26	2.10	-1.33%
RAJ ARYA	0.05	0.04	-44.76%
AADHAR INFOSYSTEMS PVT. LTD.	0.44	0.41	0.00%
PICUP	15.03	13.94	0.00%
Total	57.55	53.38	-46.09%

(vi) b. Details of Shareholders holding by promoters at the end of the year as at March 31, 2022

Shares held by the Promoters at the end of the year

(₹ in Lakh)

Name of the Promoter	No of Shares	% of Total Shares	% Change during the year
Equity share capital			
GURSHARAN SINGH	39.43	36.57	0.10%
NARINDER PAUL KAUR	0.34	0.32	0.00%
DEV RAJ ARYA	2.29	2.13	0.00%
RAJ ARYA	0.09	0.08	13.15%
AADHAR INFOSYSTEMS PVT. LTD.	0.44	0.41	13.15%
PICUP	15.03	13.94	0.00%
Total	57.62	53.45	26.40%

Other Equity

(₹ in Lakh)

Particulars	Note No	As at March 31, 2023	As at March 31, 2022
Retained Earning	14	14,932.45	11,325.38
Securities Premium Reserve		695.31	695.31
Share Forfeiture Account		41.95	41.95
Total		15,669.71	12,062.65

- 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

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Retained Earning		
Opening Balance	11,325.38	8,987.51
Add: Comprehensive Income for the year	3,714.89	2,337.88
Less: Dividend Paid	(107.83)	-
Less: Dividend Distribution Tax	-	-
	14,932.45	11,325.38
Securities Premium Reserve		
Opening Balance	695.31	695.31
Add: Comprehensive Income for the year	-	-
Closing Balance	695.31	695.31
Share Forfeiture Account		
Opening Balance	41.95	41.95
Add: Comprehensive Income for the year	-	-
Closing Balance	41.95	41.95

Particulars	Note No	As at March 31, 2023	As at March 31, 2022	
Non Current Liabilities				
(a) Financial Liabilities				
Borrowings	15			
Secured Loans				
Term Loan from Bank		11364.81	8835.35	
Less: Unamortised Borrowing Cost		(56.67)	(58.01)	
Less: Current Maturities of Term Loan		(3,379.37)	(2,454.77)	
		(i)	7,928.77	6,322.56
Car Loan		109.22	40.60	
Less: Current Maturities of car Loan		(33.73)	(14.57)	
		(ii)	75.49	26.03
		1((i)+(ii))	8,004.26	6,348.59
Unsecured				
Term Loan from Financial Institutions/ Banks		833.39	1107.85	
Less: Current Maturities of loan from FI		(289.65)	(319.38)	
	2	543.74	788.47	
Total (1+2)		8,548.00	7,137.06	

Particulars	Note No	As at March 31, 2023	As at March 31, 2022
Current Liabilities			
(a) Financial Liabilities			
(i). Secured Borrowings	20		
a. Loans repayable on demand from banks		5025.84	4870.55
b. Current maturities of Long-term debt			
Current Maturities of Term Loans		3379.37	2454.77
Current Maturities of Car Loans		33.73	14.57
Current Maturities of Loans from Financial Institution		289.65	319.38
Current Maturities of Lease Liability		137.59	162.22
Total a.		8,866.18	7,821.50
b. Bill Discounting Facility		2849.00	1386.89
Total b.		2,849.00	1,386.89
Total (ia) {a.+b.}		11,715.18	9,208.39

1. Loans from Bankof India, Standard Chartered Bank ,Indusind Bank Ltd, Citibank and RBL Bank are secured on PariPassu Basis in the following Manner:
- First charge by way of Hypothecation on entire stock and Book Debt of the Company
 - First Charge over entire Fixed Assetsof the company excluding Land and Building & vehicle (Both Present & Future)
 - Extension of EQM of Comapny's Land and Building at Gajraula U.P.
- The above Loans are also secured by personal guarantee (Joint and Several) of Shri Gursharan Singh and Shri D.R. Arya
- The Company has taken an advance of Rs 2849.00 lakh from RBL Bank & Citibank which are secured in the following manner:
- First Charge on Trade Receivables as per the sanctioned terms
 - Second charge on the entire current movable & Fixed Assets of the company
 - Personal Guarantee of Mr Gursharan Singh & Mr D.R Arya

Particulars	Note No	As at March 31, 2023	As at March 31, 2022
ii. Trade payables	21		
Due to micro and small enterprise		653.37	363.61
Due to other than micro and small enterprise		3104.77	2546.81
Due to Related Parties		7.88	7.59
Total		3,766.02	2,918.01

1. Disclosure for Micro and Small Enterprise
- The amount due to Micro & Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the company.
- The disclosure relating to Micro, Small and Medium Enterprises as at March 31, 2023 are as under :

Particulars	As at 31 st March, 2023	As at 31 st March, 2022
a) Principal amount remaining unpaid	653.37	363.61
b) Interest due on above and the unpaid interest*	Nil	Nil
c) Interest paid	Nil	Nil
d) Payment made beyond the appointed day during the year	Nil	Nil
e) Interest due and payable for the period of delay	Nil	Nil
f) Interest accrued and remaining unpaid	Nil	Nil
g) Amount of further interest remaining due and payable in succeeding years	Nil	Nil

*Interest has not been provided as per the MSME Act as due to MSME is paid within the agreed credit period with MSME's.

Particulars	Note No	As at March 31, 2023	As at March 31, 2022
2. Refer Note no. 54 for Ageing			
iii. Other Financial liabilities - Current	22		
Salary & Wages		131.95	98.60
Interest Payable on Foreign Currency Loan		4.00	5.58
Other payables		940.82	629.74
		1,076.77	733.92
(b) Other Current liabilities	23		
i. Statutory Dues			
Tax Collection At Source		0.39	0.37
TDS Payable		47.43	39.73
GST Payable		18.40	8.61
ESI & PF Payable		9.16	7.36
ii Advance received from Customers		75.33	150.78
iii. Unpaid Interim Dividend (2019-20 to 2021-22)		16.10	11.03
Total		166.80	217.88
(c) Short Term Provisions	24		
Gratuity		169.99	129.81
Leave Encashment		34.91	32.54
Total		204.91	162.35
(d) Current Tax Liabilities (Net)	25		
Income Tax Payable		1,194.43	758.28
Less : Advance Taxes including TDS & TCS		(750.53)	(758.28)
		443.90	-

Revenue From Operations

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
Sale of Products - Domestic	26	8,840.58	7,048.76
Sale of Products - Export		24,997.25	18,695.89
Other Operating Revenue		1,983.15	1,377.31
Total		35,820.98	27,121.96

Other Income

Particulars	Note No	Year ended March 31, 2023	Year ended March 31, 2022
Interest on Fixed Deposits with Banks	27	15.92	20.32
Discount on Advance paid to Supplier		144.61	94.56
Other Non Operating Income		2.50	6.99
Profit From Sales of Fixed Assets		14.93	-5.27
Foreign Exchange Rate Fluctuation- Gain		735.42	266.05
Total		913.39	382.65

Cost of Raw Material

Particulars	Note No	Year ended March 31, 2023	Year ended March 31, 2022
Opening Stock	28	663.04	676.32
Add: Purchases		13,557.66	9,769.88
Less: Closing Stock		(1,283.08)	(663.04)
Total		12,937.63	9,783.16

Change in Inventories

Particulars	Note No	Year ended March 31, 2023	Year ended March 31, 2022
Closing Stock	29		
Finished Goods		532.21	288.05
Material in Transit		1,946.02	661.19
Work in Progress		1,530.87	1,093.51
		4,009.10	2,042.75
Less:			
Opening Stock			
Finished Goods		288.05	188.86
Material in Transit		661.19	245.08
Work in Progress		1,093.51	814.05
		2,042.75	1,247.98
(Inc)/Dec in stock		(1,966.36)	(794.76)

Employee Benefits Expenses

Particulars	Note No	Year ended March 31, 2023	Year ended March 31, 2022
Salary & Incentives	30	2,985.95	2,456.73
Employer's Contribution to Provident Fund		39.35	35.10
Gratuity Contribution		106.02	93.23
Leave Encashment		29.70	40.99
Directors Remuneration		296.40	284.10
Staff Welfare Expenses		159.58	104.58
Total		3,617.01	3,014.73

Finance Cost

Particulars	Note No	Year ended March 31, 2023	Year ended March 31, 2022
Interest Expense	31	1,433.83	967.25
Foreign Exchange Rate Fluctuation on Borrowings		506.89	176.84
Net Loss			
Other Finance Cost		124.97	95.64
Total		2,065.69	1,239.72

Depreciation and Amortisation

Particulars	Note No	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation	32	1,866.57	1,556.33
Amortisation		3.19	14.11
Total		1,869.76	1,570.44

Other Expenses

Particulars	Note No	Year ended March 31, 2023	Year ended March 31, 2022
Stores & Spares Consumed	33	1,318.81	965.30
Packing Material Consumed		715.66	590.81
Loose Tools Consumed		1,510.57	1,017.06
Power, Oil & Lubricants & LPG for furnance		2,373.08	1,848.50
Repairs & Maintainance (Plant & Machinery)		300.69	234.83
Job Work & Other Contractual Cost		3,842.63	2,917.59
Customs Duty		118.39	65.33
Others		20.48	15.07
Assets Written Off		124.53	-
		10,324.85	7,654.48
Total		10,324.85	7,654.48

Travelling & Conveyance	102.43	62.21
Vehicle Running and Maintenance	98.99	83.20
Telephone, Telex & Communication	24.92	26.77
Repairs & Maintenance -Buildings	44.69	99.46
Repairs & Maintenance -Others	20.43	22.27
Freight & Forwarding	1,066.00	891.88
Rework & Other Charges on Sales	323.39	43.80
Loss on Sale of Faulty Goods	-	0.30
Warehouse Charges	180.29	104.12
Austrian Subsidiary Services	-	-
UPSIDC Maintenance Charges	14.93	4.65
Directors Sitting Fees	17.00	17.60
CSR Expenditure (Refer Note 42)	56.68	45.68
Insurance	100.04	74.69
Loss From Sales of Fixed Assets	-	-
Printing & Stationary	38.03	30.49
Electricity & Water	11.89	12.16
Legal & Professional Fees (Including Statutory Audit Fees*)	236.14	191.30
Misc Expenses	407.84	34.94
Total	2,743.70	1,745.53
Total	13,068.55	9,400.01

***Payments to Statutory Auditors (Excluding GST)**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Statutory Audit Fee	6.00	6.00
(b) Other Services	0.45	0.35
Total	6.45	6.35

34 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".

(₹ in Lakh)

Particulars	Unit	As at Mar 31, 2023	As at Mar 31, 2022
Earnings Per Equity Share:			
Profit for the year attributable to owners of the Company	Rupees	3,743.01	2,390.78
Weighted average number of equity shares outstanding for calculating basic earnings per share	Numbers	107.82	107.82
Basic & Diluted Earnings per Share	Rupees	34.72	22.17

There are no potential diluters as on the date of balance sheet

35 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. 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, 2023 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

(₹ in Lakh)

Particulars	Gratuity	
	As at Mar 31, 2023	As at Mar 31, 2022
Reconciliation of opening & closing balances of PV of defined benefit obligation		
Opening defined benefit obligation	811.60	723.70
Current service Cost	48.40	43.30
Interest Cost on Benefit Obligation	57.62	49.94
Prior service cost-Vested benefit		
Net Actuarial gain/loss recognized during the year	28.73	48.02
Benefits paid	(72.45)	(53.35)
Closing defined benefit obligation	873.90	811.60
Current Liabilities	169.99	129.81
Non Current Liabilities	703.90	681.78
Expenses recognized in the statement of P&L Account		
Current Service Cost	48.40	43.30
Interest Cost on Benefit Obligation	57.62	49.94
Defined Benefit Cost included in P&L	106.02	93.24
Total Remeasurement in OCI	28.73	48.02
Total Defined Benefit Cost recognised in P&L and OCI	134.75	141.26
Summary of Actuarial Assumptions		
Retirement Age		
Discount Rate	7.40%	7.10%
Salary Escalation	6.00%	6.00%
Attrition Rate	58 Years	58 Years
Average Future Service	19.08	18.24
Mortality Table	IALM(2012-14) Table Ultimate	IALM(2012-14) Table Ultimate

Change in Fair Value of Plan Assets

(₹ in Lakh)

Particulars	Financial Year Ending 31/03/2023	Financial Year Ending 31/03/2022
Fair Value of Plan Assets at beginning of year	-	-
Interest Income	-	-
Employer Contributions	-	-
Employer Direct Benefit Payments	72.45	53.35
Employer Direct Settlement Payments	-	-
Benefit Payments from Plan Assets	-	-
Benefit Payments from Employer	(72.45)	(53.35)
Settlement Payments from Plan Assets	-	-
Settlement Payments from Employer	-	-
Other (Employee Contribution, Taxes, Expenses)	-	-
Increase / (Decrease) due to effect of any business	-	-
Increase / (Decrease) due to Plan combination	-	-
"Remeasurements - Return on Assets (Excluding Interest Income)"	-	-
Fair Value of Plan Assets at end of year	-	-
Weighted Average Asset Allocations at the year end		
Equities	-	-
Bonds	-	-
Gilts	-	-
Insurance Policies	-	-
Total	0%	0%

Components of Defined Benefit Cost

(₹ in Lakh)

Particular	Financial Year Ending 31/03/2023	Financial Year Ending 31/03/2022
Current Service Cost	48.40	43.30
Past Service Cost	-	-
(Gain) / Loss on Settlements	-	-
Reimbursement Service Cost	-	-
Total Service Cost	48.40	43.30
Interest Expense on DBO	57.62	49.94
Interest (Income) on Plan Assets	-	-
Interest (Income) on Reimbursement Rights	-	-
Interest Expense on (Asset Ceiling) / Onerous Liability	-	-
Total Net Interest Cost	57.62	49.94
Reimbursement of Other Long Term Benefits	-	-
Defined Benefit Cost included in P & L	106.02	93.23
Remeasurements - Due to Demographic Assumptions	-	-
Remeasurements - Due to Financial Assumptions	(12.35)	(8.18)
Remeasurements - Due to Experience Adjustments	41.08	56.19
(Return) on Plan Assets (Excluding Interest Income)	-	-
(Return) on Reimbursement Rights	-	-
Changes in Asset Ceiling / Onerous Liability	-	-
Total Remeasurements in OCI	28.73	48.02
Total Defined Benefit Cost recognized in P&L and OCI	134.75	141.25
Discount Rate	7.40%	7.10%
Salary Escalation Rate	6.00%	6.00%

Amounts recognized in the Statement of Financial Position

(₹ in Lakh)

Particulars	Financial Year Ending 31/03/2023	Financial Year Ending 31/03/2022
Defined Benefit Obligation	873.90	811.60
Fair Value of Plan Assets	-	-
Funded Status - Short / (Excess)	873.90	811.60
Effect of Asset Ceiling / Onerous Liability	-	-
Net Defined Benefit Liability / (Asset)	873.90	811.60

Summary of Financial & Demographic Assumptions

Particulars	Valuation Date	
	31.03.2023	31.03.2022
Discount Rate	7.40%	7.10%
Salary Escalation - First 5 Years	6.00%	6.00%
Salary Escalation - After 5 Years	6.00%	6.00%
Expected Rate of Return on Plan Assets	N/A	N/A
Mortality Table	IALM (2012-14) Table Ultimate	
Disability Rate	5% of Mortality Rate	5% of Mortality Rate
Retirement Age	58 Years	58 Years
Average Future Service	19.08	18.24

B. LEAVE ENCASHMENT (₹ in Lakh)

Particulars	Leave Encashment	
	As at Mar 31, 2023	As at Mar 31, 2022
Reconciliation of opening & closing balances of PV of defined benefit obligation	120.41	97.62
Opening defined benefit obligation		
Current service Cost	21.96	22.86
Interest Cost on Benefit Obligation	8.55	6.74
Prior service cost-Vested benefit		
Net Actuarial gain/loss recognized during the year	(0.81)	11.39
Benefits paid	(17.15)	(18.20)
Closing defined benefit obligation	132.97	120.40
Current Liability	34.89	32.54
Non Current Liability	98.07	87.87
Expenses recognized in the statement of P&L Account		
Current Service Cost	21.96	22.86
Interest Cost on Benefit Obligation	8.55	6.74
Defined Benefit Cost included in P&L Account	30.51	29.60
Total Remeasurement in OCI	(0.81)	11.39
Total Defined Benefit Cost recognised in P&L and OCI	29.70	40.99
Summary of Actuarial Assumptions		
Retirement Age		
Discount Rate	7.40%	7.10%
Salary Escalation	6.00%	6.00%
Retirement Age	58 Years	58 Years
Average Future Service	18.54	17.63
Mortality Table	IALM (2012-14) Table Ultimate	

Change in Fair Value of Plan Assets

(₹ in Lakh)

Particulars	Financial Year Ending 31/03/2023	Financial Year Ending 31/03/2022
Fair Value of Plan Assets at beginning of year	-	-
Interest Income	-	-
Employer Contributions	-	-
Employer Direct Benefit Payments	17.15	18.20
Employer Direct Settlement Payments	-	-
Benefit Payments from Plan Assets	-	-
Benefit Payments from Employer	(17.15)	(18.20)
Settlement Payments from Plan Assets	-	-
Settlement Payments from Employer	-	-
Other (Employee Contribution, Taxes, Expenses)	-	-
Increase / (Decrease) due to effect of any business combination / divestiture / transfer)	-	-
Increase / (Decrease) due to Plan combination	-	-
Remeasurements - Return on Assets (Excluding Interest Income)	-	-
Fair Value of Plan Assets at end of year	-	-
Weighted Average Asset Allocations at the year end		
Equities	-	-
Bonds	-	-
Gilts	-	-
Insurance Policies	-	-
Total	0%	0%

Components of Defined Benefit Cost

(₹ in Lakh)

Particulars	Financial Year Ending 31/03/2023	Financial Year Ending 31/03/2022
Current Service Cost	21.96	22.86
Past Service Cost	-	-
(Gain) / Loss on Settlements	-	-
Reimbursement Service Cost	-	-
Total Service Cost	21.96	22.86
Interest Expense on DBO	8.55	6.74
Interest (Income) on Plan Assets	-	-
Interest (Income) on Reimbursement Rights	-	-
Interest Expense on (Asset Ceiling) / Onerous Liability	-	-
Total Net Interest Cost	8.55	6.74
Reimbursement of Other Long Term Benefits	-	-
Defined Benefit Cost included in P & L	30.51	29.60
Remeasurements - Due to Demographic Assumptions		
Remeasurements - Due to Financial Assumptions	(2.45)	(1.42)
Remeasurements - Due to Experience Adjustments	1.64	12.81
(Return) on Plan Assets (Excluding Interest Income)	-	-
(Return) on Reimbursement Rights	-	-
Changes in Asset Ceiling / Onerous Liability	-	-
Total Remeasurements in OCI	(0.81)	11.39
Total Defined Benefit Cost recognized in P&L and OCI	29.70	40.99
Discount Rate	7.40%	7.10%
Salary Escalation Rate	6.00%	6.00%

Amounts recognized in the Statement of Financial Position

(₹ in Lakh)

Particulars	Financial Year Ending 31/03/2023	Financial Year Ending 31/03/2022
Defined Benefit Obligation	132.97	120.40
Fair Value of Plan Assets	-	-
Funded Status - Short / (Excess)	132.97	120.40
Effect of Asset Ceiling / Onerous Liability	-	-
Net Defined Benefit Liability / (Asset)	132.97	120.40

Summary of Financial & Demographic Assumptions

Particulars	Valuation Date	
	31.03.2023	31.03.2022
Discount Rate	7.40%	7.10%
Salary Escalation - First 5 Years	6.00%	6.00%
Salary Escalation - After 5 Years	6.00%	6.00%
Expected Rate of Return on Plan Assets	N/A	N/A
Mortality Table	IALM (2012-14) Table Ultimate	
Disability Rate	5% of Mortality Rate	5% of Mortality Rate
Retirement Age	58 Years	58 Years
Average Future Service	18.54	17.63

C. SENSITIVITY ANALYSIS

A quantitative sensitivity analysis for significant assumptions as 31st March 2023

PARTICULARS	GRATUITY PLAN	
	CHANGE IN ASSUMPTIONS	IMPACT ON DEFINED BENEFIT OBLIGATION
	Increase/ (Decrease)	Increase/ Decrease in Assumptions
	%	(₹ in Lakh)
UNDER BASE SCENARIO		873.90
SALARY ESCALATION	1.00%	929.98
	-1.00%	825.59
WITHDRAWAL RATES	1.00%	879.47
	-1.00%	870.38
DISCOUNT RATES	1.00%	828.88
	-1.00%	927.75

D. RISKS ASSOCIATED WITH DEFINED BENEFIT PLAN

Where there is a benefit being promised and benefit being provided, there will always be some uncertainty for the benefit provider and the benefit recipient.

Benefit Risks in Defined Benefit Schemes

1. Risk to the beneficiaries (i.e. for employees)

Insufficient funds: The greatest risk to the beneficiary is that there are insufficient funds available to provide the promised benefits.

This may be due to :

- The insufficient funds set aside, i.e. underfunding
- The insolvency of the Employer
- The holding of investments which are not matched to the liabilities; Or
- A combination of these events Changes to tax rates or status

2. Risks to the Benefit provider (i.e. for employer)

Parameter risk: Actuarial valuation is done basis some assumptions like salary inflation, discount rate and withdrawal assumptions. In case the actual experience varies from the assumptions, fund may be Insufficient to pay off the

For example: Suppose the plan's liability is calculated with salary inflation assumption of 5% per annum. However, Company's' actual practice is to provide increment of 10% per annum. This will result into underfunding.

Similarly, reduction in discount rate in subsequent future years can increase the plan's liability. Further, actual withdrawals may be lower or higher than what was assumed in the valuation, which may also impact the plan's liability.

Risk of illiquid assets: Another risk is that the funds, although sufficient, are not available when they are required to finance the benefits. This may be due to assets being locked for longer period or in illiquid assets.

Risk of benefit change: There may be a risk that a benefit promised is changed or is changeable within the terms of the contract. For e.g. the prevailing Act / Regulation may increase the benefits payable under defined benefit plans.

Asset liability mismatching risk: ALM risk arises due to a mismatch between assets and liabilities either due to liquidity or changes in interest rates or due to different duration.

For example: When the liability duration is, say, 10 years and with assets locked in 5-year g-sec securities. After 5years, there is huge reinvestment risk to invest maturity proceeds of assets due to uncertainty about the market prevailing yields at that time.

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

The Company is engaged in manufacturing of Automotive Components meant for two wheeled, three wheeled and four wheeled Vehicles. Based on similarity of activities/products, risk and reward structure, organisation structure and internal reporting Systems. The company has structured its operations into single operating segment geographic distribution of however based on the activities, the chief operating decision maker identified India and outside India as two geographical segments.

(₹ in Lakh)

Revenue from Customers	As at Mar 31, 2023	As at Mar 31, 2022
Within India	8,840.58	7,048.76
Outside India		
AUSTRIA	11,880.17	8,837.84
JAPAN	3,121.03	3,001.31
GERMANY	5,300.43	4,250.38
SWITZERLAND	634.38	609.59
ITALY	309.69	483.54
THAILAND	30.54	14.27
VIETNAM	7.21	3.03
USA	552.29	385.18
CHINA	3,123.40	1,110.14
SWEDEN	38.12	
Total Outside India	24,997.25	18,695.27

37 Disclosure of Related parties / Related party transactions pursuant to Ind AS 24 "Related Party Disclosures"

A. List of Related Parties

Wholly Owned Subsidiary

Name of the Subsidiary	Country	Holding As at Mar 31, 2023
Racl Geartech Gmbh	Austria	100%

Name of the Other Related Party

SUN-UP FOUNDATION (CSR TRUST)

Name of the Key Management Personnel	Designation
Mr Gursharan Singh	Chairman and Managing Director
Mr Dev Raj Arya	Director & CFO
Ms. Neha Bahal (Appointed wef 22/05/2023)	Company Secretary
Ms. Shagun Bajpai (Resignation wef 12/02/2023)	Company Secretary
Mr Gursharan Singh	Chairman and Managing Director
Mr Dev Raj Arya	Director & CFO
Mr. Anil Sharma	Non- Executive Director
Mrs. Narinder Paul Kaur	Non- Executive Director
Mr. Shashank Ramesh Anikhindi	Independent Director
Mr. Jagdish Keswani	Independent Director
Mr. H.P.S. Bedi	Independent Director
Mrs. Malini Bansal (Appointed wef 13/08/2021)	Independent Director

Names of Relatives of KMPs with whom transactions have taken place during the year:-

Name of Relatives of Key Managerial Personnel	Relations
Mr Prabh Mehar Singh	Son of Mr.Gursharan Singh
Mrs. Narinder Paul Kaur	Wife of Mr.Gursharan Singh

During the current as well as previous year, the Company did not have any related party transaction with any enterprise wherein any director has any significant influence.

B. Transactions with related parties:

(₹ in Lakh)

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Corpus Fund to Sun-UP Foundation (CSR Trust)	11.24	0.05
Remuneration and Perks - Key Managerial Personnel & Directors		
-Mr. Gursharan Singh, Chairman & Managing Director	207.35	215.71
-Mr. Dev Raj Arya, Director & CFO	78.27	82.15
-Ms. Shagun Bajpai, Company Secretary	8.31	9.49
-Mrs. Narinder Paul Kaur (as retainership fees)	24.00	24.00
-Mr. Anil Sharma, Non-Executive Director (as retainership fees)	24.00	21.03
Remuneration and Perks - Relatives of Key Managerial Personnel		
-Mr. Prabh Mehar Singh	27.42	22.71
Directors Sitting Fees		
-Mr. Anil Sharma	2.45	2.40
-Mrs. Narinder Paul Kaur	1.95	1.60
-Mr. Rakesh Kapoor	0.00	2.75
-Mr. Shashank Ramesh Anikhindi	3.65	3.00
-Mr. Jagdish Keswani	3.65	3.40
-Mr. H.P.S. Bedi	1.95	1.95
-Mrs. Malini Bansal (Appointed wef 13/08/2021)	3.35	2.50

C. Closing Balances with related parties:

(₹ in Lakh)

Name of the Key Management Personnel	Outstanding As at Mar 31, 2023		Outstanding As at Mar 31, 2022	
	Receivable	Payable	Receivable	Payable
Mr Gursharan Singh	-	82.04	-	51.00
Mr. Anil Sharma	-	2.16	-	2.00
Mrs. Narinder Paul Kaur	-	1.80	-	-

Financial Instruments Capital Management

38

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 and short term borrowings), capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders.

38(a) Gearing Ratio

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

(₹ in Lakh)

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Debt	20,263.18	16,345.45
Cash and Bank Balances	258.66	63.62
Net Debt (i)	20,004.52	16,281.83
Equity (ii)	16,747.87	13,140.81
Net Debt To Equity Ratio	1.19	1.24

38(b) Changes in liabilities arising from financing activities as per Ind-AS 7

Particulars	As at 01 st April, 2022	CASH FLOW	NON CASH		As at Mar 31, 2023
			FOREIGN EXCHANGE MOVEMENTS	Charged to P&L	
Borrowings	16,345.45	3,917.73	-	-	20,263.18
Interest	5.58	(2,061.69)	-	2,065.69	4.00
Total liabilities	16,351.03	1,856.04	-	2,065.69	20,267.18

Particulars	As at 01 st April, 2021	CASH FLOW	NON CASH		As at Mar 31, 2022
			FOREIGN EXCHANGE MOVEMENTS	Charged to P&L	
Borrowings	10,712.19	5,633.26	-	-	16,345.45
Interest	7.30	(1,233.57)	-	1,239.15	5.58
Total liabilities	10,719.49	4,399.68	-	1,239.15	16,351.03

38(c) (a) Risk management

The Company's objectives when managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital. Consistent with others in the industry, the Company monitors NET Debt to EBITDA ratio i.e. Net debt (total borrowings net of cash and cash equivalents) divided by EBITDA (Profit before tax plus depreciation and amortization expense plus finance costs). The Company's strategy is to ensure that the Net Debt to EBITDA is managed at an optimal level considering the above factors. The Net Debt to EBITDA ratios were as follows:

(₹ in Lakh)

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Net Debt	20,004.52	16,281.83
EBITDA	9077.53	6101.48
Net Debt to EBITDA	2.20	2.67

(b) Loan covenants

Under the terms of the major borrowing facilities, the Company is required to comply with certain financial covenants and the Company has complied with those covenants throughout the reporting period.

(c) Dividends

(₹ in Lakh)

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
On Equity shares of Rs. 10/- each		
Final dividend		
Amount of dividend paid (pertains to previous financial year)	107.83	-
Dividend per equity share	1.00	-
Interim Dividend		
Amount of dividend paid		-
Dividend per equity share	-	-

39 Categories of Financial Instruments

(₹ in Lakh)

Financial instruments by categories	31.03.2023			31.03.2022		
	FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
Financial asset						
Non-Current Financial Asset						
Security Deposit	-	-	146.27	-	-	146.07
Current Financial Asset						
i.Trade receivables	-	-	8,449.03	-	-	7,691.62
ii.Cash and cash equivalents	-	-	258.66	-	-	63.62
iii.Other Financial asset	-	-	16.21	-	-	897.59
Total Financial Asset	-	-	8,870.17	-	-	8,798.90
Financial liability						
Non-Current Financial Liabilities						
Borrowings	-	-	8,548.00	-	-	7,137.06
Other	-	-	74.81	-	-	157.72
Current Financial Liabilities						
i.Borrowings	-	-	11,715.18	-	-	9,208.39
ii.Trade payables	-	-	3,766.02	-	-	2,918.01
iii.Other financial liabilities	-	-	1,076.77	-	-	733.92
Total Financial Liabilities	-	-	25,180.78	-	-	20,155.09

40 Fair value of Financial Assets and Liabilities at amortized cost (₹ in Lakh)

Financial instruments by categories	31.03.2023		31.03.2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial asset				
Non-Current Financial Asset				
Security Deposit	146.27	146.27	146.07	146.07
Current Financial Asset				
i.Trade receivables	8,449.03	8,449.03	7,691.62	7,691.62
ii.Cash and cash equivalents	258.66	258.66	63.62	63.62
iii.Other Financial asset	16.21	16.21	897.59	897.59
Total Financial Asset	8,870.17	8870.17	8,798.90	8798.90
Financial liability				
Non-Current Financial Liabilities				
Borrowings	8,548.00	8,548.00	7,137.06	7,137.06
Others	74.81	74.81	157.72	157.72
Current Financial Liabilities				
i.Borrowings	11,715.18	11,715.18	9,208.39	9,208.39
ii.Trade payables	3,766.02	3,766.02	2,918.01	2,918.01
iii.Other financial liabilities	1,076.77	1,076.77	733.92	733.92
Total Financial Liabilities	25,180.78	25,180.78	20,155.09	20,155.09

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

41 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 (₹ in Lakh)

Particulars	FY 2022-23	FY 2021-22
Raw Material/Tools/Machines	3896.52	3467.48
Foreign Travelling & Services	316.13	196.88
Interest	21.81	27.06

The company has Earnings in Foreign Currency (₹ in Lakh)

Particulars	FY 2022-23	FY 2021-22
Export of Goods on FOB basis	24971.56	18746.42

The foreign currency risk from financial instruments as at Mach 31, 2023 is as follows: (₹ in Lakh)

Particulars	As on 31.03.2023									
	USD	EURO	CHF	GBP	Yuan	JPY	Thai Baht	Hong Kong Dollar	NT DOLLAR	Canadian Dollar
Cash & Cash Equivalents (INR)	0.98	2.11	0.86	0.75	0.46	0.03	0.05	0.02	0.12	0.06
Trade Receivables (INR)	4,970.97	1,540.61	-	-	-	-	-	-	-	-
Trade Payables (INR)	-	214.64	3.61	-	-	-	-	-	-	-
Interest Payables (INR)	-	-	4.00	-	-	-	-	-	-	-
Borrowings in Foreign Currency (INR)	5,890.69	531.81	833.39	-	-	-	-	-	-	-
Total	10862.64	2289.17	841.86	0.75	0.46	0.03	0.05	0.02		0.06

The foreign currency risk from financial instruments as at Mach 31, 2022 is as follows: (₹ in Lakh)

Particulars	As on 31.03.2022									
	USD	EURO	CHF	GBP	Yuan	JPY	Thai Baht	Hong Kong Dollar	Canadian Dollar	
Cash & Cash Equivalents (INR)	0.90	0.32	0.44	0.47	0.46	0.12	0.05	0.02	0.06	
Trade Receivables (INR)	5,525.86	369.11	-	-	-	-	-	-	-	
Trade Payables (INR)	6.89	73.39	0.23	-	-	-	-	-	-	
Interest Payables (INR)	-	-	5.58	-	-	-	-	-	-	
Borrowings in Foreign Currency (INR)	4,393.54	337.82	1,107.86	-	-	-	-	-	-	
Total	9927.19	780.64	1114.11	0.47	0.46	0.12	0.05	0.02		0.06

Particular of unhedged foreign exposure as at the reporting date (Net exposure to foreign currency risk)

Particulars	March 31, 2023		March 31, 2022	
	Payable / (Receivable)		Payable / (Receivable)	
	Amount in Foreign Currency in Lakh	Amount (Rs. In Lakh)	Amount in Foreign Currency in Lakh	Amount (Rs. In Lakh)
USD	11.19	919.72	(14.85)	(1,125.43)
EURO	(8.86)	(794.16)	0.50	42.10
CHF	9.35	841.00	13.52	1,113.67

Sensitivity analysis based on average outstanding Foreign currency loan (₹ in Lakh)

Particulars	Impact on profit/ loss after tax	
	FY 2022-23	FY 2021-22
Increase or decrease in exchange rate by Rs.1	(11.47)	1.12

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:

(₹ in Lakh)

Particulars	FY 2022-23	FY 2021-22
Debt from Banks/FIs - Variable rate borrowings	20,263.18	16,345.45

Sensitivity analysis based on average outstanding Debt (₹ in Lakh)

Interest Rate Risk Analysis	Impact on profit/ loss after tax	
	FY 2022-23	FY 2021-22
Increase or decrease in interest rate by 25 basis points	45.76	33.82

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

(₹ in Lakh)

As at March 31, 2023	Carrying Amount	upto 1 year	From 2 to 4 Year	For 5th Year	More than 5 years	Total
Non Derivative Financial Liability						
Term Loan from Banks	11,308.14	3,379.37	6,872.32	1,056.45	-	11,308.14
Term Loan from Financial Institutions	833.39	289.65	543.74	-	-	833.39
Lease Liabilities	212.40	137.59	74.81	-	-	212.40
Car Loan	109.22	33.73	69.94	5.55	-	109.22
Loan Repayable on Demand	5,025.84	5,025.84	-	-	-	5,025.84
Bill Discounting	2,849.00	2,849.00	-	-	-	2,849.00
Trade Payables	3,766.02	3,766.02	-	-	-	3,766.02
Other Financial Liabilities	1,076.77	1,076.77	-	-	-	1,076.77
Total	25,180.78	16,557.97	7,560.81	1,062.00	-	25,180.78

The following are the contractual maturities of financial liabilities

(₹ in Lakh)

As at March 31, 2022	Carrying Amount	upto 1 year	From 2 to 4 Year	For 5th Year	More than 5 years	Total
Non Derivative Financial Liability						
Term Loan from Banks	8,777.34	2,454.77	6,019.75	302.81	-	8,777.34
Term Loan from Financial Institutions	1,107.85	319.38	742.67	45.80	-	1,107.85
Lease Liabilities	319.94	162.22	155.40	2.32	-	319.94
Car Loan	40.60	14.57	26.03	-	-	40.60
Loan Repayable on Demand	4,870.55	4,870.55	-	-	-	4,870.55
Bill Discounting	1,386.89	1,386.89	-	-	-	1,386.89
Trade Payables	2,918.01	2,918.01	-	-	-	2,918.01
Other Financial Liabilities	733.92	733.92	-	-	-	733.92
Total	20,155.09	12,860.31	6,943.85	350.93	-	20,155.09

C) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company's exposure and wherever appropriate, the credit ratings of its counterparties are continuously monitored and spread amongst various counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management of the Company. Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, investments in debt instruments/ bonds, trade receivables, loans and advances and derivative financial instruments. None of the financial instruments of the Company result in material concentrations of credit risks. Balances with banks were not past due or impaired as at the year end. In other financial assets that are not past dues and not impaired, there were no indication of default in repayment as at the year end.

42 Expenditure on Corporate Social Responsibility (CSR) (₹ in Lakh)

Particulars	FY 2022-23	FY 2021-22
a) Gross amount required to be spent for the year	56.68	45.68
Add Shortfall of last year	-	-
Total amount required to be spent	56.68	45.68
b) Amount actually spent during the year	51.54	37.54
c) Amount provisioned for ongoing projects	5.14	8.14
Unspent Amount	-	-
Reason for Shortfall	There is no Shortfall	There is no Shortfall

Movement in CSR Provision:

Particulars	FY 2022-23	FY 2021-22
Remaining Provision for CSR Made during the last year	8.14	2.98
Less: Actual Expenditure made during the year against the remaining provision of last year	(8.14)	(2.98)
Add: Remaining Provision for CSR made during the current year	5.14	8.14
Closing figure of Provision	5.14	8.14

The Company is promoting education and empowering vocational skills as on ongoing project. Further, doing activities towards medical assistance, sanitation etc as other than ongoing projects.

The unspent amount as on 31.03.2023 has been further paid and balance unspent as on 27th April, 2023 has been transferred in a designated account in compliance with the Act.

43 Income tax expense (₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Current tax		
Current income tax charged	1,184.97	685.41
Adjustments for current tax of prior years	9.46	72.87
Total current tax expense	1,194.43	758.28
Decrease/ (increase) in deferred tax Assets/ Liabilities (net)	(204.65)	(142.25)
Income tax expense	1,399.08	900.53

Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet: (₹ in Lakh)

Particulars	As at March 31, 2022	Movement Recognised in Statement of Profit and Loss	As at March 31, 2023
Deferred tax (liabilities)/assets in relation to:			
Property, plant and equipment and Intangible Assets	(988.43)	(196.42)	(1,184.85)
Defined benefit obligation	315.11	(8.22)	306.89
Deferred Tax Asset / (Liabilities) (Net)	(673.32)	(204.65)	(877.97)

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate (₹ in Lakh)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit before income tax expense	5142.09	3291.31
Tax at India's tax rate	1294.16	828.36
Tax effect of amounts which are not deductible in calculating taxable income (net off exempt income)	556.15	440.30
Tax effect of amounts which are deductible in calculating taxable income	(720.77)	(584.24)
Adjustments for current tax of prior periods	9.46	72.87
Interest	46.38	-
Income tax expense	1185.38	757.29

44 Property, Plant and equipment

Property, Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital work in progress are stated at cost, net of accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the items and the cost of replacing part of the plant and equipment if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.

Depreciation methods and useful lives

Depreciation is calculated using the straight-line method over estimated useful lives of the assets:

Assets	Useful lives (years)*
Leasehold improvements	Over the period of lease or useful life, whichever is lower
Plant & Machinery: Category	
A	20
B	15
C	10
D	5
E	3
ELECTRICAL INSTALLATION : CATEGORY	
A	15
B	10
C	5
BUILDING	30
CAPITAL TOOL SUPPORT	5
FURNITURE & FIXTURES	5
VEHICLES	5
OFFICE & MISC. EQUIPMENTS : CATEGORY	
A	10
B	5
C	3

*Useful life of certain assets are different than the life prescribed under Schedule II to the Companies Act, 2013 and those have been determined based on technical evaluation by the management. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

45 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. The useful live of intangible assets are as follows:

Assets	Useful lives (years)*
Software & Licenses	3

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

46 Contingent liabilities

1. Income Tax Demands

Demand raised by Income Tax Authorities of Rs. 17.85 Lakh outstanding as on 31/03/2023. The matter is being pursued with the Income Tax authorities for necessary rectification and correction.

47 DISCLOSURE NOTE- IND AS 116

The Company adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application on April 01, 2019. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at April 01, 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

The Company has leases contracts for land and premises. These lease arrangements for land are for a period upto 99 years and for premises are for a period upto 5 years. The Company also has certain leases of machinery and equipments

with lease terms of 12 months or less with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases. The following impacts are recognised in financial position on account of recognition of right of use assets and lease liabilities.

(₹ in Lakh)

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Right To Use Buildings	139.29	250.99
Right To Use Leasehold - Land	1068.08	1087.15
Current lease liabilities	137.59	162.22
Non-current lease liabilities	212.40	319.94

Amount recognised in statement of profit and loss during the year on account of Ind AS 116

(₹ in Lakh)

Particulars	FY 2022-23	FY 2021-22
Interest expense on lease liabilities (included in finance cost)	23.77	31.39
Depreciation of Right of Use assets	130.77	126.38

48 Capital Commitments

The Company entered into contracts for addition in fixed assets for Rs. 5249.17 Lakh as on 31st March 2023 against which advance payments and CWIP have also been booked as mentioned below:-

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital Advances	1,594.22	608.38
CWIP	176.46	391.22

49 Going concern

Management has determined that there is no material uncertainty that casts doubt on the entity's ability to continue as a going concern therefore financials have been prepared on going concern basis.

50 Estimation of uncertainties relating to the global health pandemic from COVID-19:

The Company has evaluated the impact of COVID – 19 resulting from (i) the possibility of constraints to fulfil its performance obligations under the contract with customers; (ii) revision of estimations of costs to complete the contract because of additional efforts; (iii) termination or deferment of contracts by customers. The Company has concluded that the impact of COVID – 19 is not material based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Investments and other financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future demand of its products. The Company has performed analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered.

51 Ratio's (₹ in Lakh)

Particulars		As on 31 March 2023		As on 31 March 2022	
(i)	Current Ratio:				
	Current Assets (a)				
	Inventories	9,529.72		5,674.62	
	Trade receivables	8,449.03		7,691.62	
	Cash and cash equivalents	258.66		63.62	
	Other Financial asset	16.21		897.59	
	Other current assets	1,548.47		1,659.50	
	Current Tax Assets (Net)	-	19,802.08	234.23	16,221.19
	Current Liabilities (b)				
	Current Borrowings	11,715.18		9,208.39	
	Trade Payable	3,766.02		2,918.01	
	Other financial liabilities	1,076.77		733.92	
	Other current liabilities	166.80		217.88	
	Current tax Liabilities (Net)	443.90		-	
	Provisions	204.91	17,373.58	162.35	13,240.55
	Current Ratio (a/b)		1.14: 1		1.23: 1
	a. Variance : -7.32%				
	b. Reason for Changes more than 25%: NA				
	(ii)	Debt Service coverage Ratio :			
Net Profit/ (Loss) After Taxes (a)		3743.01		2390.78	
Depreciation and Amortization Expense (b)		1869.76		1570.44	
Interest Expense ('c)		2065.69		1239.72	
Other non cash adjustment (d)		0.00		0.00	
Earnings available for Debt Services (e) (a+b+c+d)			7678.46		5200.94
Total Debt repaid (f)		3,084.85		2,251.29	
Interest Liability repaid (g)		2,061.69		1,234.14	
Total Debt including Interest (h) (f+g)			5,146.54		3,485.43
Debt Service Coverage Ratio (e/h)			1.492 Times		1.493 Times
a. Variance : -0.07%					
b. Reason for Changes more than 25%: NA					
(iii)	iii) Return on Equity Ratio :				
	Net Profit after Taxes (a)	3,714.89		2,337.88	
	Average Equity Shareholder's Fund (b)	14,944.34		11,971.87	
	Return on Equity Ratio (%) (a/b)		24.86%		19.53%
	a. Variance : 27.29%				
b. Reason for Changes more than 25%: Improved Efficiency					
(iv)	Inventory Turnover Ratio :				
	Revenue from Operations (a)	35,820.98		27,121.96	
	Average Inventory (b)	7,602.17		4,959.59	
	Inventory Turnover Ratio (times) (a/b)		4.712 Times		5.469 Times
	a. Variance : -13.84%				
b. Reason for Changes more than 25%: NA					

Particulars		As on 31 March 2023		As on 31 March 2022	
v)	Trade Receivables turnover Ratio :				
	Annual net Credit Sales (a)	35,820.98		27,121.96	
	Opening Accounts Receivable (b)	7,691.62		5,518.91	
	Closing Accounts Receivable (c)	8,449.03		7,691.62	
	Average Accounts Receivable (d) (b+c/2)	8070.322		6605.262	
	Trade Receivables turnover Ratio (Times) (a/d)		4.44 times		4.11 times
	a. Variance : 8.03%				
b. Reason for Changes more than 25%: NA					
vi)	Trade Payables turnover Ratio				
	Annual net Credit Purchases:				
	Cost of Material Consumed	12,937.63		9,783.16	
	Changes in inventories of finished goods WIP and Stock in Trade	(1,966.36)		(794.76)	
	Other Expenses	13,068.55		9,400.01	
	Annual net Credit Purchases(a)	24,039.82		18,388.41	
	Opening Accounts Payable (b)	2,918.01		2,811.90	
	Closing Accounts Payable(c)	3,766.02		2,918.01	
	Average Accounts Payable (d) (b+c/2)	3,342.01		2,864.95	
	Trade Payable turnover Ratio (Times) (a/d)		7.2 times		6.42 times
	a. Variance : 12.15%				
	b. Reason for Changes more than 25%: NA				
vii)	Net Capital turnover Ratio :				
	Sales (a)	35,820.98		27,121.96	
	Working capital (Current Assets - Current Liabilities) (b)	2,428.50		2,980.64	
	Net Capital turnover Ratio (a/b)		14.75		9.10
	a. Variance : 62.09%				
b. Reason for Changes more than 25%: Better Efficiency					
viii)	Net Profit Ratio :				
	Profit after Tax (a)	3,745.07		2,394.73	
	Sales (b)	35,820.98		27,121.34	
	Net Profit Ratio (%) (a/b)		10.45%		8.83%
	a. Variance : 18.62%				
b. Reason for Changes more than 25%: NA					
ix)	Return on Capital Employed :				
	Profit/ (Loss) before Tax (a)	5,142.09		3,291.31	
	Finance Cost (b)	2,065.69		1,239.72	
	Earnings before Interest and Taxes (c) (a+b)		7,207.77		4,531.04
	Total Assets (d)	44,424.20		35,119.11	
	Less : Total Liabilities (e)	27,676.33		21,978.30	
	Less : Intangible Assets (f)	26.58		12.47	
	Tangible Net Worth (g = d-e-f)	16,721.29		13,128.35	
	Deferred Tax Liability (h)	877.97		673.32	
	Total Debt (i)	20,263.18		16,345.45	
	Capital Employed (j) (g+h+i)		37,862.43		30,147.12
	Return on Capital Employed (%) (c/f)		19.04%		15.03%
	a. Variance : 26.68%				
b. Reason for Changes more than 25%: Better Efficiency					

Particulars		As on 31 March 2023		As on 31 March 2022	
x)	Debt - Equity Ratio				
	Total Debt (a)		20,263.18		16,345.45
	Share Capital	1,078.16		1,078.16	
	Reserve and Surplus	15,669.71		12,062.65	
	Shareholder's Equity (b)		16,747.87		13,140.81
	Debt - Equity Ratio (Times) (a/b)		1.21 Times		1.25 Times
	a. Variance : -3.2%				
b. Reason for Changes more than 25%: NA					
xi)	Return on Investments: NA				

52 Capital Work-In-Progress

As at 31.3.2023

(₹ in Lakh)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	176.46	-	-	-	176.46
Projects temporarily suspended	-	-	-	-	-
Total	176.46	-	-	-	176.46

Particulars	To be completed in				Total
	< 1 yr	1-2 Yrs	2-3 Yrs	>3 Yrs	
Projects in Progress	176.46	-	-	-	176.46
Projects Temporarily Suspended	-	-	-	-	-
Total	176.46	-	-	-	176.46

As at 31.3.2022

(₹ in Lakh)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	391.22	-	-	-	391.22
Projects temporarily suspended	-	-	-	-	-
Total	391.22	-	-	-	391.22

Particulars	To be completed in				Total
	< 1 yr	1-2 Yrs	2-3 Yrs	>3 Yrs	
Projects in Progress	391.22	-	-	-	391.22
Projects Temporarily Suspended	-	-	-	-	-
Total	391.22	-	-	-	391.22

53 Trade receivables outstanding

As at 31.3.2023

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	7,654.00	795.02	-	-	-	-	8,449.03
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-

As at 31.3.2022

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	7,078.31	613.31	-	-	-	-	7,691.62
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-

54 Trade Payable outstanding

As at 31.3.2023

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME (Micro & Small Enterprise)	597.08	56.28	-	-	-	653.36
(ii) Others	2,931.12	188.85	-	-	-	3,119.97
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

As at 31.3.2022

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME (Micro & Small Enterprise)	37.95	325.66	-	-	-	363.61
(ii) Others	2,423.18	138.32	-	-	-	2,561.50
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

55 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

i) Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements

ii) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

iii) Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statement

56 Approval of Financial Statements

The financial Statement are approved for issue by the company's Board of Directors on 22nd May, 2023.

57 Previous year figures have been re-grouped, re-worked and re-classified wherever necessary, to make them comparable with current year/period figures.

Particulars	Earlier classification	Reclassification	Current Classification	Remarks
Assets				
Cash and Cash Equivalents- Unpaid Dividend Bank A/c	11.03	-11.03	-	Amount presented under Cash & Cash Equivalents now presented under Other Bank balances
Other Bank Balances - Unpaid Dividend Bank A/c	-	11.03	11.03	

Notes forms intergral part of the Financial Statements
As per our report of even date attached

For Gianender & Associates
Chartered Accountants
FRN 004661N

By Order of the Board for RACL Geartech Ltd

GURSHARAN SINGH
(Chairman & M.D.)
DIN: 00057602

JAGDISH KESWANI
(Director)
DIN: 02146267

SHASHANK RAMESH ANIKHINDI
(Director)
DIN : 07787889

Ayush Goswami
(Partner)
M.No : 545800

D.R.ARYA
(Director & CFO)
DIN: 00057582

MALINI BANSAL
(Director)
DIN : 00167993

ANIL SHARMA
(Director)
DIN : 00157911

NARINDER PAUL KAUR
(Director)
DIN: 02435942

HPS BEDI
(Director)
DIN : 05217488

NEHA BAHAL
(Company Secretary)
ICSI MEM. NO. 40272

Place: Delhi
Date : May 22, 2023
UDIN: 23545800BGVTTJ1862

Place: Noida
Date : May22, 2023

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part A: Subsidiaries

Reporting period: April 1, 2022 to March 31, 2023

Sl. No.	Particulars	RACL Geartech GmbH, Austria
1.	Reporting currency	Euro
2.	Exchange rate	INR 89.61
3.	Share capital	17500.00
4.	Reserves and surplus	500.73
5.	Total assets	21139.53
6.	Total Liabilities	21139.53
7.	Investments	-
8.	Turnover	128411.00
9.	Profit before taxation	12835.99
10.	Provision for taxation	(13653.59)
11.	Profit after taxation	(817.60)
12.	Proposed Dividend	-
13.	Percentage of shareholding	100%

- Names of subsidiaries which are yet to commence operations. NIL
- Names of subsidiaries which have been liquidated or sold during the year. NIL

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
RACL GEARTECH LIMITED**

Place: Noida

Date: May 22, 2023

MR. GURSHARAN SINGH

CHAIRMAN & MANAGING DIRECTOR

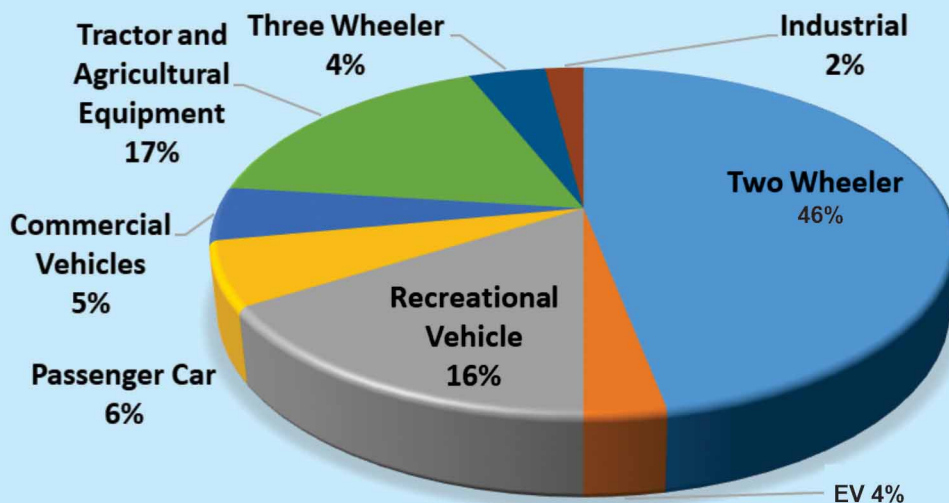
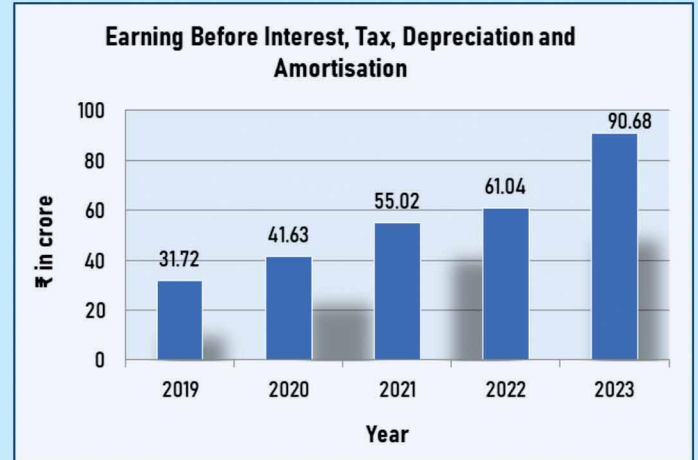
DIN: 00057602

MR. DEV RAJ ARYA

WHOLE-TIME DIRECTOR & CFO

DIN: 00057582

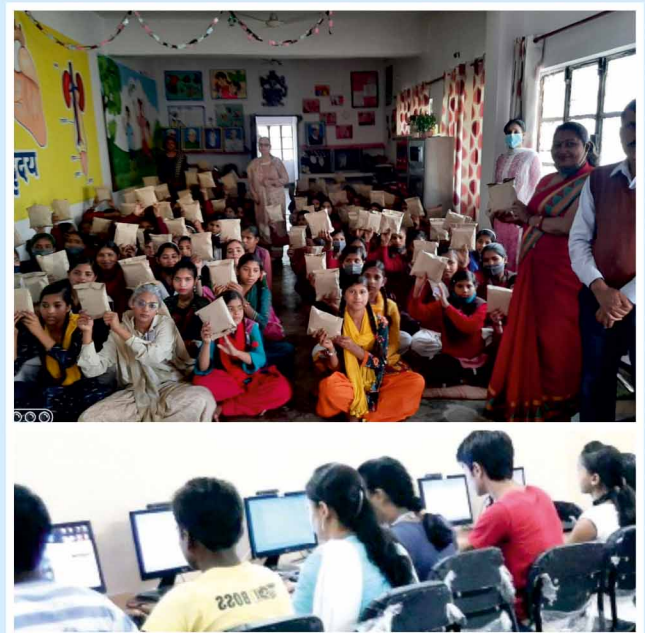
5-YEAR PERFORMANCE



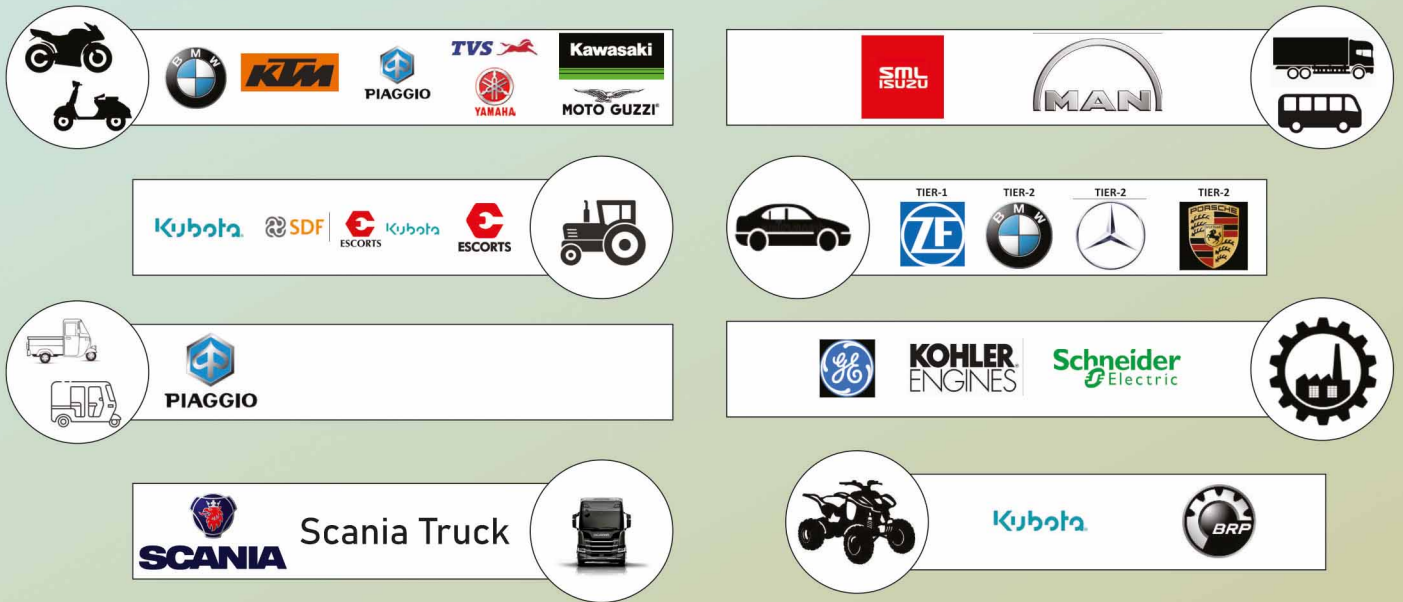
OUR INFRASTRUCTURE



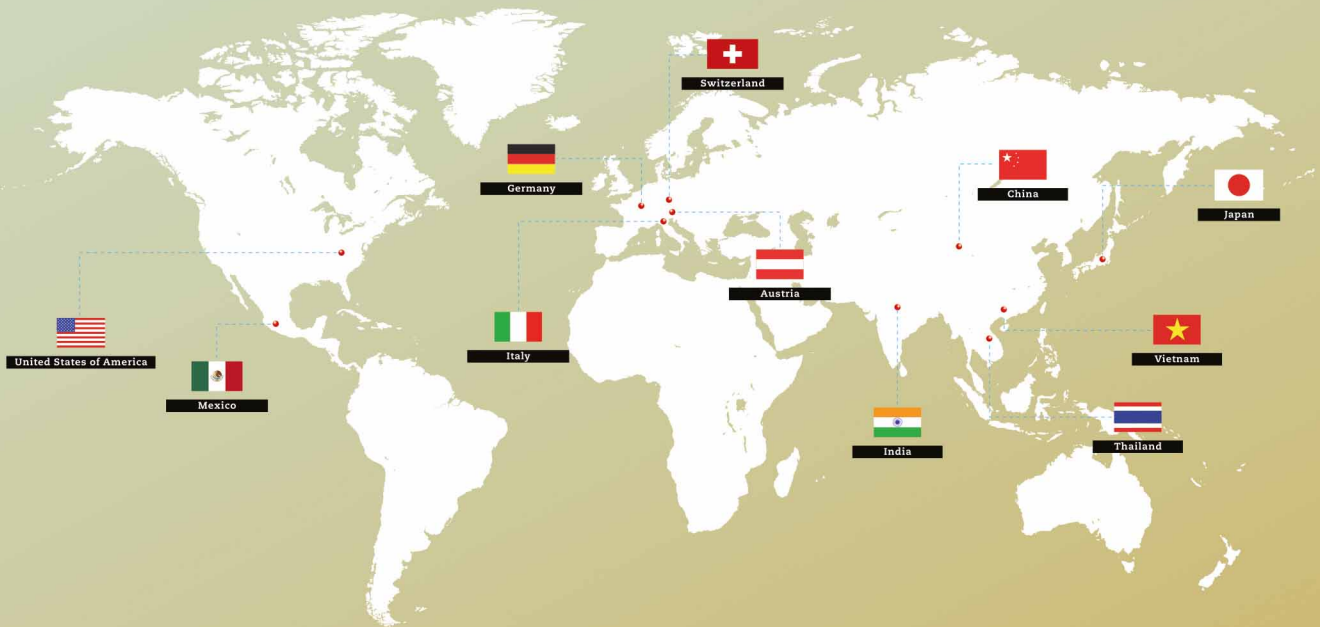
CORPORATE SOCIAL RESPONSIBILITY



OUR CUSTOMERS



RACL GLOBAL FOOTPRINT



The Company generates more than 70% of its Revenue from Exports, having presence in over 11 countries across the Globe

- Registered Office : 15th Floor, Eros Corporate Tower, Nehru Place, New Delhi - 110019, India
- Corporate Office: B-9, Sector-3, Noida- 201301, Uttar Pradesh
- Plant-1: A-3, Industrial Area, Gajraula, District Amroha-244223, Uttar Pradesh
- Plant-2 Sector-63, Noida, District Gautam Budh Nagar- 201307, Uttar Pradesh
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