



# THE HI-TECH GEARS LTD.

CIN - L29130HR1986PLC081555

Corporate Office : Millennium Plaza, Tower-B, Sushant Lok-1, Sector-27, Gurugram - 122009,  
Haryana, INDIA Tel. : +91-(124) 4715100

**Date: August 31, 2022**

The Manager,  
Listing Department,  
National Stock Exchange of India Limited,  
"Exchange Plaza", C-1, Block - G  
Bandra - Kurla Complex,  
Bandra (E), Mumbai - 400051,  
**Symbol: HITECHGEAR**

The Manager,  
Listing Department,  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai - 400001,  
**Scrip Code: 522073**

**Subject: Intimation for Submission of Annual Report of the Company for the Financial Year 2021-22**

Dear Sir/Madam,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we have enclosed herewith the Annual Report of the Company for the financial year 2021-22 along with the Notice of 36<sup>th</sup> Annual General Meeting of the Company.

You are kindly requested to take the above information on record and oblige.

Thanking You,  
Yours faithfully,

**For The Hi-Tech Gears Limited**

**Naveen Jain**  
Company Secretary  
Membership No. A15237



[www.thehitechgears.com](http://www.thehitechgears.com)

Work-I : A-589, Industrial Complex, Bhiwadi - 301 019 Rajasthan INDIA Tel.: +91 (01493) 265000  
Regd. Office & Works-II : Plot No. 24 - 26 Sector-7, IMT Manesar, 122 050 Gurugram, Haryana INDIA Tel.: +91 (124) 4715200  
Work-III : Plot No. SP-146A, Industrial Complex, Bhiwadi - 301019 Rajasthan INDIA  
Head Office : C-41/B, Kalkaji, New Delhi - 110019 INDIA  
Subsidiaries : The Hi-Tech Gears Canada. Inc. 361, Speedvale Ave W. Guelph, ON N1H 1C7, CANADA  
Teutech LLC. 227, Barton St. Emporium. PA 15834, USA

passion to succeed



passion | innovation | technology



THE HI-TECH GEARS LTD.

ENGINEERING  
MANUFACTURING  
ROBOTICS

ENGINEERING  
CONVERGENCE  
SOLUTIONS FOR  
A LEAN WORLD

36<sup>th</sup>  
ANNUAL REPORT  
2021 – 2022



THGL next



## Vision

Be a global footprint Company and a benchmark for world class manufacturing systems

## Mission

We will be the preferred partner in delivering engineering products and design solution through lean philosophy with a focus on:

- Building a customer centric Organization
- Rapid development of products and innovative solutions
- Ensuring cost effectiveness
- Developing competent and committed people

### Forward Looking Statement & Disclaimer

In our report we have disclosed forward looking information so that investor can better understand the company's future prospects and make informed decisions. This Annual report and other written and oral statements that we make from time to time contain such forward looking statements that set out anticipated results based on management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'projects', 'intends', 'plans', 'believes', and words and terms of similar substance in connection with any discussion of future operating or financial performance. We cannot guarantee that any forward looking statement will be realized, although we believe we have been prudent in our plans and assumptions. Achievement of future results is subject to risks, uncertainties and inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Investors should bear this in mind as they consider forward-looking statements. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

The financial statements have the figures in millions unless specifically mentioned. The Messages, Management Discussion Analysis, Board's Report together with its Annexures are the statement of the financial figures, hence are provided in Rupees in million, unless specifically mentioned.

Source of information: we have consulted RBI, SIAM, ACMA, industry associations, fellow industry members, Industry journals, various ministries sites for the information set in this Report and some international sources sites such as IMF, World Bank etc. We have tried, wherever possible, to identify and authenticate the such information, however we undertake no obligation for its correctness and its updates.

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### Registered Office & Plant II

Plot No. 24,25 & 26,  
Sector -7, IMT Manesar, Gurgaon,  
Haryana – 122050,  
Tel: (0124) 4715200,

### Corporate Office

14<sup>th</sup> Floor, Tower – B,  
Unitech's Millennium Plaza,  
Sushant Lok – 1, Sector – 27,  
Gurugram,  
Haryana - 122002  
Tel : (0124) 4715100,  
Email : [secretarial@thehitechgears.com](mailto:secretarial@thehitechgears.com)

### Plant I

A-589, Industrial Complex,  
Bhiwadi – 301019,  
Dist. Alwar, (Rajasthan),  
Tel: (01493) 265000/265199

### Plant III:

SPL – 146,  
Industrial Complex,  
Bhiwadi – 301019,  
Dist. Alwar, (Rajasthan)

### Plants of Subsidiary Companies

#### The Hi-Tech Gears Canada Inc. (Formerly known as Teutech Industries Inc.)

361, Speedvale Avenue W,  
Guelph, ON N1H 1C7, Canada

### Teutech LLC

227, Barton Street, Emporium,  
PA, 15834, USA

### Bankers

Standard Chartered Bank  
Citi Bank  
ICICI Bank Ltd.  
HDFC Bank  
Bajaj Finance  
The Federal Bank Limited

### Registrar & Transfer Agent

M/s MAS Services Limited  
(Unit: The Hi-Tech Gears Limited)  
T-34, 2<sup>nd</sup> Floor Okhla Industrial Area,  
Phase-II, New Delhi – 110020  
Tel : + (011) 26387281, 82, 83  
Fax: (011) 26387384

### Cost Auditors

M/s Kabra & Associates  
Cost Accountants  
552/1B, Arjun Street Main Vishwas Road  
Vishwas Nagar, Delhi-110032

### Board of Directors

Mr. Deep Kapuria  
Executive Chairman

Mr. Anant Jaivant Talaulicar  
Vice Chairman

Mr. Pranav Kapuria  
Managing Director

Mr. Anuj Kapuria  
Executive Director

Mr. Anil Kumar Khanna  
Independent Director

Mr. Sandeep Dinodia  
Independent Director

Mr. Bidadi Anjani Kumar  
Director

Mr. Vinit Taneja  
Independent Director

Mr. Krishna Chandra Verma  
Independent Director

Mr. Ramesh Chandra Jain  
Director

Ms. Malini Sud  
Independent Director

Mr. Rajiv Batra  
Independent Director

### Key Managerial Personnel

Mr. Vijay Mathur  
Chief Financial Officer

Mr. Naveen Jain  
Company Secretary

### Statutory Auditors

M/s O.P. Dadu & Co.  
Chartered Accountants  
24/4834, Ansari Road, Darya Ganj  
New Delhi-110002

### Internal Auditors

M/s Grant Thornton Bharat LLP  
(formerly known as Grant Thornton India LLP)  
21<sup>st</sup> Floor, DLF Square Jacaranda Marg,  
DLF Phase-II, Gurugram-122002, India

### Secretarial Auditors

M/s Grover Ahuja & Associates  
Company Secretaries  
302, Third Floor, Gagandeep Building  
Rajendra Place, New Delhi-110008



THE HI-TECH GEARS LTD.

# MILESTONES

## 1986 ONWARDS...

- 1986 Incorporated as a Public Limited Company
- 1988 Commencement of Production and Company became single source supplier to Hero Honda
- 1989 Product Indigenization
- 1992 Technical Tie-up with Kyush Musashi, a subsidiary of Honda Motors, Japan
- 1993 Backward Integration into Precision Forgings
- 1995 Selected as single source supplier to Honda Power, Tata Cummins Ltd.
- 1996 Technology Agreement with GETRAG, US
- 1996 Certified as ISO 9002, BPR launched
- 1997 Selected as a global source to Cummins, US
- 1998 Certified as QS 9000
- 1999 Separate Division to handle high-end design and CAD Services established, under the name of Hi-Tech ESoft.
- 2002 Launches Initiative of Lean Manufacturing
- 2003 Certified for:-
  - Integrated Quality Management Systems
  - TS 16949 for quality & obtained Environment Certification ISO 4001:
  - Occupational Health & Safety Certification OHSAS 18001:1999
- 2004 Prototyping/Productionsing Precision Components for Robert Bosch, GM, Volvo and Daimler Chrysler
- 2005 State-of-the-art Manufacturing Facility set up at Manesar
- 2007 Hi-Tech eSoft (division of HGL) Certified for ISO 9001:2000
- 2008 ACMA Export Award 2006-07
- 2009 Excellence Award for Manufacturing and Export
- 2010 TPM Excellence Awards Category A & Shingo Silver Medallion
- 2011 New State of Art "ECOFAC" Plant setup in Bhiwadi
- 2012 Award for excellence in Consistent TPM Commitment
- 2013 ACMA Export Award
- 2014 ACMA Export Award (Large Category)
- 2015 Name of the Company changed to "The Hi-Tech Gears Ltd."
- 2017 Acquisition of Teutech Industries INC, Canada and Teutech LLC, USA.
- 2019 Achieved a Turnover of INR 9,000 Million (on consolidated basis)

# CUSTOMERS





## CHAIRMAN'S MESSAGE



### Dear Shareholders,

I hope you and all your loved ones are keeping well and staying safe.

I am delighted to interact with you in a safer year after a gap of two years when the world was faced with an unprecedented challenge posed by COVID-19 pandemic which by threatening the very existence of human lives changed the world order for all times to come. The spread of COVID 19 represented not just a public health crisis, but also an economic crisis. The global economy was in big trouble than at any time since the 2008 financial crisis. The spread of the virus interrupted international supply chains, forced workers to remain at home and resulted in scaling down of operations in different industries across the world. Hopefully and thankfully, with the waning of the disease, one can see the normalcy returning in all walks of life, though by no means we should be complacent in following the COVID appropriate protocols as the disease is not fully routed.

### Global and Domestic Economic Affairs

The world economy was showing the signs of recovery from the brunt of COVID-19 pandemic, the war in Ukraine has triggered a costly humanitarian crisis that demands a peaceful resolution. At the same time, economic damage from the conflict will contribute to a significant slowdown in global growth in 2022 and add to inflation. Fuel and food prices have increased rapidly, hitting vulnerable populations in low-income countries the hardest.

As per the latest estimates of the World Bank, situation has deteriorated, it sharply downgraded its outlook for the global economy, pointing mainly to

Russia-Ukraine conflict. The prospect of widespread problem above stated has caused the serious concerns about the potential return of “stagflation” — a toxic mix of high inflation and sluggish growth unseen for more than four decades. It projected that world economy will expand 2.9% this year. That would be down from 5.7% global growth in 2021 and from the 4.1% it had forecast for 2022 back in January.

War-induced commodity price increases and broadening price pressures have led to 2022 high inflation projections of 5.7% in advanced economies and 8.7% in emerging market and developing economies—1.8% and 2.8% points higher than projected last January. Multilateral efforts to respond to the humanitarian crisis, prevent further economic fragmentation, maintain global liquidity, manage debt distress, tackle climate change, and end the pandemic are essential. Unfortunately, the projections do not foresee a much brighter picture in 2023 and 2024: It predicts just three per cent global growth for both years.

The economic impact of second wave of COVID-19 was not greater than that during the full lockdown phase in 2020-21, though health impact was more severe. My heart and thoughts go out to the loved ones of those who untimely lost their lives. Government of India's unique response comprised safety-nets to cushion the impact on the vulnerable sections of the society and the business sector, significant increase in capital expenditure to spur growth and supply side reforms for a sustained long term expansion.

Despite the headwinds Indian economy grew by 8.7% in FY 2021-22, had the omicron variant not hit and Russia- Ukraine have not clashed in the last quarter, the results would have been better. Indian Economy is projected to grow by 7.5% in real term in 2022-23 which is comparable with World Bank and Asian Development Bank's latest forecasts for real GDP growth. This is mainly due to back of better agriculture production and improved economic activities.

Macroeconomic stability indicators suggest that the Indian Economy is well placed to take on the challenges of 2022-23. As per the Ministry of Health and Family Affairs, ₹ 200 crores plus doses of COVID 19 vaccines were administered till mid-July 2022, with a large as 98% of the population has at least got the single shot and 90% has both doses. India is only the second country, after China in the world to achieve this mark. Vaccination not only suppressed the spread of the disease but also boosted the confidence of the people at large to look up to the future with optimism.

With the enhanced borrowing on account of COVID-19, the Central Government debt has gone up but it is expected to follow a declining trajectory with the recovery of the economy. The sustained revenue collection and a targeted expenditure policy has contained the fiscal deficit. While India's external debt rose in 2021-22, the foreign exchange reserves crossed US\$600 billion in the first half of 2021-22 and touched US\$ 633.6 billion as of December 31, 2021. As of the end of 2021 India was the fourth largest forex reserves holder in the world after China Japan and Switzerland, though this has taken a dip during the recent months due to the ongoing Ukraine war. I am confident that the Indian economy is on the road to recovery and we all can look forward to a robust economy in the coming years riding on the motto of “ATMANIRBHAR BHARAT”.



### Indian Automotive Sector and Future Outlook

The Automobile Sector plays an important role in the manufacturing and nation's GDP in our country. The Government is looking to increase the contribution of the automotive sector to India's GDP to 12% from the present 7.1% and grow employment generation to 50 million from the current 37 million. The automobile industry is a vital player in India's vision to become a US\$ 5 trillion economy. It is the responsibility of leadership in various areas to accept these goals and help achieving them by working as a single nation team. It is not easy for any nation to become a globally competitive manufacturing country but this is possible if all subscribe to the end objective that is to be achieved and work towards the same.

The decision of Government to allow 100% foreign direct investment under the automatic route in the automobile sector is showing the results in recent years. In the Union Budget 2022-23, the Government introduced a battery-swapping policy, which will allow drained batteries to be swapped with charged ones at designated charging station, thus making Electric Vehicles (EVs) more viable for potential customers. India's National Highways would be expanded by 25,000 km in 2022-23 under the Prime Minister's Gati Shakti Plan. Such initiative will not only boost the economy but also help in accelerating the growth in the automobile industry.

The Government has opened a number of opportunities for the auto-industry. With the extension of FAME-II Scheme till 2024, enhancement of incentives for two wheelers and the Government has introduced the Production Linked Incentive ('PLI') Scheme for automobile and auto components worth ₹ 25,838 crore. The PLI scheme is expected to bring investments of over ₹ 42,500 crore by 2026 and create 7.5. lakh jobs in India. We are pleased to inform that your Company has received Government Approval for the PLI Scheme.

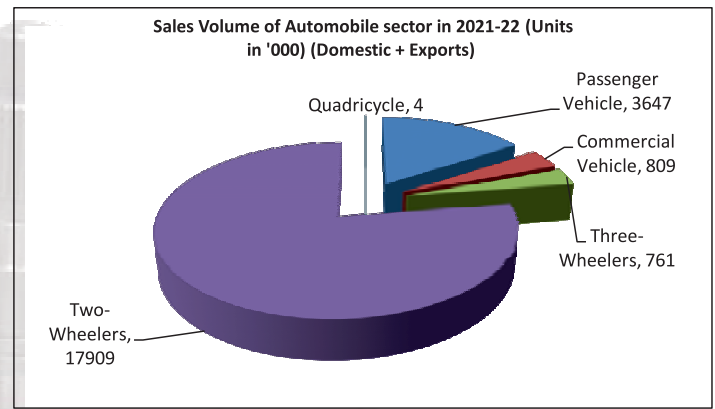
The auto industry facing a high volatility due to unstable global trends. I penned this in my earlier messages about the global uncertainties due to unprecedented events, where even the major economies are adversely impacted. This leads to stoppage and shortage of supplies, primarily for the steel, chips and crude. The increase in the commodity prices impacted the steel prices adversely, causing severe availability challenges of the steel to support the running of manufacturing lines by the auto component manufacturers. This created chaos in the supply chain and also resulted in steep hike in raw prices, low margins for manufacturers, logistic issue and much more adverse positions impacted the business.

According to the data released by SIAM, in F.Y. 2021-22, the industry manufactured a total 22,933,230 vehicles including passenger vehicles, commercial vehicles, three wheelers, two wheelers and quadricycles, recording a growth of 1.23% over the previous year (2,26,55,609 vehicles). The production trends reveal that there is positive growth in all categories from passenger vehicles, commercial vehicles, three wheelers except decline in two wheelers segment.

In terms of total sales including both domestic and export, the industry sold a total 2,31,30,842 vehicles in F.Y. 2021-22; out of this passenger vehicles growth was 17.06% (36,47,374 vehicles). Also, in commercial vehicle, there is a growth of 30.70% (8,08,863 vehicles). Scooters / Scooterette sales declined by 7.53% (43,59,406) while all time favorite,

Motorcycles registered a marginal growth of 0.02% (1,30,66,628 vehicles) and moped registered degrowth of 22.73% (4,83,396 vehicles), taking the total two wheeler sales decline to 2.69% (1,79,09,430 vehicles) for the year. Also in Quadricycle vehicle category, there was growth of 26.53% from 3517 vehicles to 4450 vehicles in this financial year.

In spite of the disruption caused by Covid-19 pandemic and Global disturbance, the overall automobile exports increased by 35.88% (56,17,246 vehicles). Passenger vehicles and commercial vehicle export increased by 42.90% (5,77,875 vehicles) and 83.37% (92,297 vehicles) respectively in comparison with previous financial year 2021. The exports of three wheelers increased by 27.16% (4,99,730). Similarly, export of two wheelers increased by 35.34% (44,43,018 Vehicles) in comparison with previous financial year 2021.



As Richard Branson says 'Business opportunities are like buses, there's always another one coming', the focus is shifting to electric vehicles to reduce emissions. The electric vehicles industry is likely to create five crore jobs by 2030. India could be a leader in shared mobility by 2030 providing opportunities for electric and autonomous vehicles (IBEF). We should therefore look forward to future with optimism and confidence and be ready to explore the opportunities.

### Company Performance and Strategy

The Fiscal year 2021-22 was a remarkable period of learning and delivering. The first Quarter witnessed the second Covid-19 wave, which shook the entire nation. But in spite of all the challenges, your Company continued to deliver. The year under review has been about change, resilience, about resetting priorities and the drive towards the achievement of our dreams. We navigated through a difficult environment and unforeseeable circumstances during the more intense second wave of the pandemic. Your Company proved its resilience with prudent leadership and the tremendous hard work of our colleagues through FY 2021-22.

I am happy to share that your Company has done well in all spheres, despite the tough time due to Covid-19. We were able to show better performance in terms of turnover and with record profits, mainly due to our operational competence. There were some constraints in performance of subsidiary companies in US and Canada for which the leadership team is committed to perform in the coming years.



To make up the gap, your Company, in addition to tapping new markets, will leverage its position by building its relationships with its existing and new customers and focus on product development. Some new products are also under development in the field with the Company's expertise in gear & transmission manufacturing.

To summarise the financial results for the year F.Y. 2021-22, I must mention that there was growth in all the key areas. The standalone turnover of the Company grew significantly by 22.36 % and touched ₹ 6,517.49 million. As a result of this and our enhanced operating efficiencies, the standalone profit before tax grew even higher to ₹ 536.63 million. After consolidating the financials of the Company with its subsidiaries, the consolidated turnover stood at ₹ 9785.09 million. Impressed with the performance, the Board has recommended a final dividend of 15% for your approval with a total payout of ₹ 28.15 million.

In F.Y. 2021-22 the Company had an export income of ₹ 1872,67 million (standalone), which was significantly increased by 50.34% over the previous year. The Company is further focussing on export programs and expected to gain more momentum in coming years. Going forward, the overall focus will continue to be on manufacturing with excellence and quality at optimum costs.

The Company continues to focus on cost reduction efforts and make improvements in operational efficiencies as well as value engineering activities to improve margins. Additionally, your Company has made its mark as a leader of sustainable manufacturing. Our state-of-the-art plants In Bhiwadi and Manesar are capable of manufacturing world class

equipment. It is now in the process of establishing another vertical which is part of a Global Value Chain (GBV) with an enlarged base and operations in an important and essential geography. With presence in other geographies, your Company's customer base and product portfolio has been further strengthened.

The Vedic Philosophy of "Sarva Loka Hitam" i.e., "the well being of all" has regained importance in the current business environment. CSR is on the noble practice of doing "Hitam". We have taken up deep impacting initiative in line with society. To exhibit the commitment your Company has contributed ₹ 7.46 Million for betterment of Society during the FY 2021-22 which is in line with CSR Regulations. The Complete details of the CSR spend is attached to the Annual Report, You may observe that your Company spent most of the funds for sustainability of humanity and in fight against Covid - 19.

Before concluding, I would like to place on record my sincere gratitude to the entire Hi-Tech Family for their dedicated and relentless hard work in the year that has gone by to enable the Company to achieve the success that it has despite all odds. My sincere thanks to all our customers, our supply chain partners, our bankers, and my Board colleagues for their wise guidance from time to time. I am confident that this journey will continue to be equally exciting and rewarding as we move ahead.

**Deep Kapuria**  
**Chairman**







## MANAGING DIRECTOR'S MESSAGE



I am happy to be with you once again to share the health and performance of the economy, our industry and your Company through this 36th Annual Report of the Company.

After two years of facing the COVID-19 pandemic which devastated the world health causing loss of lives, suffering, grief, myriad disruptions to lives and livelihood, hopefully the worst is behind us and we can look towards the future with renewed energy, hope and optimism.

### Macroeconomic Scenario

While the world economies were struggling to come to terms with the impact of COVID-19 which resulted in the negative growth in the last two years, the ongoing war in Ukraine has caused further economic damage besides humanitarian crises and would contribute to a significant slowdown in global growth in 2022. The global growth closed at 2.9%, however, the World Bank even does not foresee a much brighter picture in 2023 and 2024 and it predicts just same numbers both years.

The gravity of aftermaths of geo-political reasons can be ascertained with the fact that for the United States alone, the World Bank has slashed its growth forecast to 2.5% this year from 5.7% in 2021 and for 19 European countries that share the euro currency, it downgraded the growth outlook to 2.5% this year from 5.4% last year. Even, in China, the world's second-biggest economy after the United States, the World Bank expects growth to slow to 4.3% from 8.1% last year. Similarly, emerging market and developing economies are collectively forecast to grow 3.4% this year,

decelerating from a 6.6% pace in 2021.

However, as opposite to world scenario, the Indian economy is projected to have growth at 7.5 -8.0% in 2022-23, making India the fastest growing major economy in the world.

Macroeconomic stability indicators suggest that the Indian economy is well placed to take on the challenges of 2022-23. The combination of high foreign exchange reserves sustained foreign direct investment, and rising export earnings, stable demand will provide adequate buffer against the possible global liquidity tapering in 2022-23. The economic shock of the pandemic has been weathered well by the commercial banking system with the liquidity in the system remained in surplus and year on year bank credit growth accelerated gradually in 2021-22 from 5.3% in April 2021 to 9.2% in December 2021. However, Indian economy shall also be impacted by the ongoing Ukraine war and the first signs are visible in the form of increasing fuel prices which have put the pressure on the foreign exchange reserves and the consequent inflation. Inflation, like in many other countries, has been hard on Indian consumers, with low-income households getting disproportionately impacted. The peaceful and early solution to the conflict is the crying need for the world peace and prosperity.

On the positive side, the government's capital spending share is going up even it slow down revenue expenses in shorter period, gross tax collection of both direct and indirect taxes, have knocked all expectations due to improved economic activity and better compliance efforts. Simplified tax regime with low rates, comprehensive review and rationalization of the tariff structure, and digitization of tax filing, support from government, improved earnings from exports are likely to support further growth in the future, unless we again see some unprecedented situation.

### The Automotive Sector & Growth prospects

The Automotive sector plays a vital role in India's economy contributing 49% to India's manufacturing GDP and 7.1% of India GDP. The importance of automotive sector in Indian economy can be gauged from the fact that the 2<sup>nd</sup> Automotive Mission Plan released by the Government outlines the plan to elevate the Automotive Industry to world class levels. As per Invest India the Automobile industry of India is expected to be the world's third largest automotive market in terms of volume by 2026.

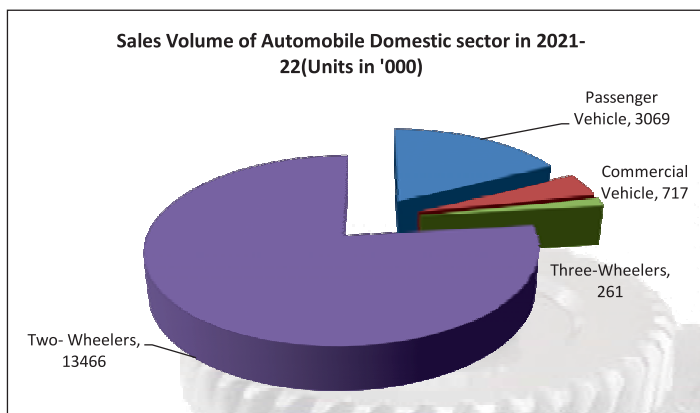
The automotive industry is however still struggling to overcome the impact of COVID-19 and aftermath thereafter. There have been many challenges which the industry is facing including supply side issues of availability of semiconductors, increasing input costs, rising logistics costs and availability of freight containers, among others, but the industry displayed remarkable resilience, increased value addition to meet regulatory compliance and fast recovery in external mark.

As per SIAM, the automotive industry witnessed a de-growth of (-) 6% in the Financial Year 2021-22. All segments are facing supply side challenges and the industry is yet to see complete recovery following the disruptions it has been facing since early 2020. Passenger vehicles, commercial vehicles and three wheelers have witnessed a growth compared to allow base of the industry in 2020-21 but the two wheeler segment further declined by (-)11% from the previous year. As against the total production of 2,29,33,230 vehicles which was marginally higher than in the previous year, the total



number of vehicles sold during the year was 1,75,13,472 as against 18,615,588 vehicles sold during 2020-21 registering a decline of 6% .

The domestic industry sold a total 1,75,13,596 vehicles in F.Y. 2021-22, out of this passenger vehicles sales increased by 13.20% (30,69,499 vehicles). Also, in commercial vehicle, there is a negative growth by 26.03% (7,16,566 vehicles). Two wheelers have always had a major share of volumes in the total output, however this segment registered a de-growth. Scooters / Scooterette sales declined by 10.56% (4,009,076 vehicles). Similarly, Motorcycles and Mopeds also registered a negative growth of 10.35% (89,84,186 vehicles) and 23.35% (4,73,150 vehicles) respectively, taking the total two wheeler sales decline to 10.94% (1,346,64,12 vehicles) for the year. Overall, three wheelers sales also registered a growth of 18.93% (2,60,995 vehicles), while Passenger Carrier sales increased by 35.59% (1,83,607 vehicles).



In my last year's interaction with you I had mentioned that it would be the decade of the Electrical Vehicles (EVs). Focus is shifting to electric vehicles to reduce emissions. The pace was taken place in higher gear, but due to the pandemic, attention was diverted to sustainability in last two years. Nonetheless, India could be a leader in share mobility by 2030 providing opportunities for electric and autonomous vehicles. The Government targets 30% electric vehicles by 2030. Your Company is committed to be future ready to embrace the change in technology and contribute to achieving this goal.

In order to give a boost to the automobile and auto components sector, the Government has launched a Production Linked Incentive ('PLI') Scheme under which incentives worth ₹ 26,058 cores will be provided to industry over a period of five years. The Scheme will bring fresh investments of over ₹ 42,500 crores in five years. The Scheme will facilitate the creation of a state-of-the-art automotive value chain and develop India into an attractive alternative source of hi-end auto components. I am pleased to share with you that your Company has been selected to receive the incentive under the PLI Scheme.

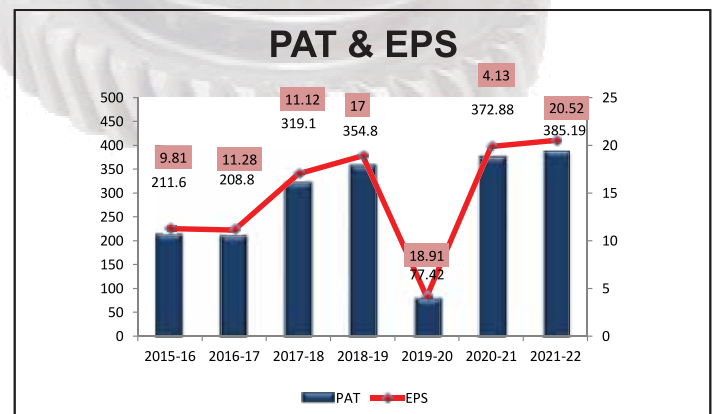
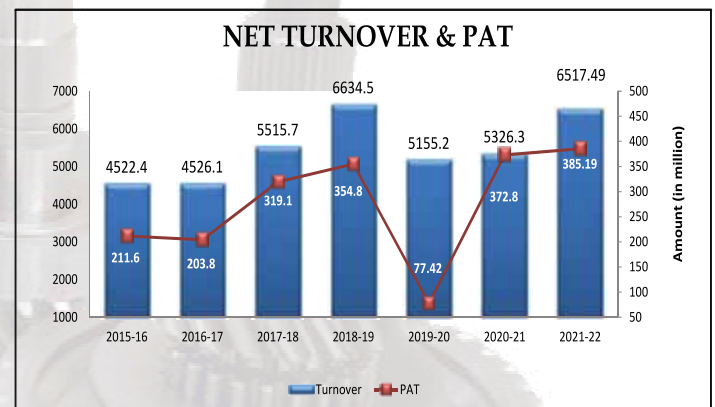
### Your Company's Performance

The period under review was very challenging as if we look at the global macro environment, the post-pandemic recovery started taking shape from the second quarter of FY 2021-22, which was subsequently impacted by the escalation of geopolitical tensions during the third and fourth quarter of

the year. The pandemic has put us on a steep learning curve, wherein we have strengthened our business model by focussing on cost and capex as well as ensuring risk mitigation, basic hygiene to ensure good health and safety of our teams.

During the year under review, we continued to leverage operational efficiency to navigate through the challenges faced by auto industry. We focussed to create a strong order book, elevate operating efficiency, strengthen cash flow and work towards disruptive technologies.

During FY 2021-22, we made continued progress across all verticals. Your Company met all expectations and did well on all fronts with exceptional growth in export front. The total sales turnover of the Company increased significantly to ₹ 6517.49 million, registering a growth of 22.36%. Profit before tax ('PBT') was ₹ 536.63 million and profit after tax stood at ₹ 385.19 million compared to ₹ 496.40 million and ₹ 372.88 million in F.Y. 2020-21 respectively. Earnings per share (EPS) also increased to ₹ 20.52 from ₹ 19.87 in the previous year. The overall performance was quite well against the industry flow and your Company recorded an export turnover of ₹ 1872.67 million, compared to ₹ 1245.65 million in the previous year, thus recording a tremendous increase of 50.34%.



Post consolidation with the overseas subsidiaries, the turnover stood at ₹ 9785.09 million compared to ₹ 7560.33 million in the previous year, registering a growth of 29.40%. PBT on consolidated basis stood at ₹ 109.10 million.



The consolidated financials of the Company with its subsidiaries are attached to the 36th Annual Report with necessary disclosures as per the applicable accounting standards and regulations. Recognizing the importance of sharing the gains with shareholders, who have always placed their funds and trust in the Company, an amount of ₹ 28.15 million is recommended as final dividend by your Board for F.Y. 2021-22. The matter in this regard will be placed at the ensuing Annual General Meeting for your approval. Shareholders are requested to adhere to the new dividend guidelines issued by the government with respect to tax on dividend.

The performance of the Company in positive zone was made possible because of the operational superiority, we built over a period and your trust, and you have in the promoters. Not only the whole-time directors, but even the workers at the shop floor contributed for the conservation of cash during the challenging time. We can proudly say that achieving our goals with discipline has been our unchanging focus.

As you may be aware, your Company is among very few companies in the world which supply to OEMs manufacturing Two Wheelers to Commercial Vehicles, Tractors and Off-road vehicles in India and overseas. The Company's principal products include two-wheeler transmission components, engine and transmission components for commercial and passenger vehicles, precision forgings etc. Your Company is also making consistent efforts to strengthen the portfolio.

While the Indian economy was coming out of Covid-19's second and third wave with a minimal shock and a better outlook for the future, the global geo-political environment took a turn for the worse & the current scenario on our raw material front is highly volatile. The net impact on auto component business is severely impacted due to steep hike in the iron

ore, crude oil metallurgical coke, inbound and outbound logistical prices and other connected reasons.

We also could not escaped with the aforesaid impacts; however as a responsible supplier we tried to balance the impact among customers, suppliers and other stakeholders, but for the obvious reasons operations remained unstable.

We have been able to successfully navigate the challenges posed by COVID -19 with the resilience and determination. The commitment and grit shown by employees during these testing times has been exemplary. While COVID crises, though waning, is far from over and we need to continue be of our guard, your Company cannot escape from the effects of the ongoing Ukraine war on our business. I have no doubt that your Company will sail through this challenge too and will use the recovery from these crises as an opportunity to accelerate growth. With the government aiming to increase the contribution of the automobile sector to India's GDP to 12% and employment generation to 50 million under the Automotive Mission Plan and the initiatives like PLI Scheme for automobile and auto components sector, the future of the industry looks bright.

Your Company is fortunate in having a dedicated and loyal family of employees who have carried out their duty devotedly through the trying times and look towards the future with positivity in its journey of growth. I would like to express, on your behalf and on behalf of the management, our sense of appreciation and gratitude for their contribution in a trying year.

**Pranav Kapuria**  
**Managing Director**



## BOARD'S REPORT

### Dear Members,

Your Directors have great pleasure in presenting the 36<sup>th</sup> Annual Report of your Company, together with the Audited Financial Statements of the Company for the Financial Year ended March 31, 2022. Further, the consolidated performance of the Company and its subsidiaries have been referred to wherever required.

### Financial Results

The highlights of the Standalone and Consolidated financial performance of the Company are as under:

(₹ in million except EPS)

Particulars	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
<b>1 Income</b>				
a) Revenue from operations	6,240.31	5,066.45	9,449.36	7,275.52
b) Other operating revenues	205.70	157.34	256.99	179.90
c) Other income	71.48	102.59	78.74	104.91
<b>Total Income</b>	<b>6,517.49</b>	<b>5,326.38</b>	<b>9,785.09</b>	<b>7,560.33</b>
<b>2 Expenses</b>				
a) Cost of material consumed	3,296.36	2,512.39	4,879.33	3,462.26
b) Purchases of stock-in-trade	221.74	187.31	221.74	187.31
c) Changes in inventories of finished goods and work in progress	(234.91)	(2.38)	(281.63)	22.05
d) Employee benefits expense	1,008.32	800.64	2,150.60	1,599.33
e) Finance costs	179.20	178.94	264.47	232.80
f) Depreciation and Amortization expense	303.61	251.52	522.87	430.77
g) Other expenses	1,206.54	901.56	1,918.61	1,285.68
<b>Total expenses</b>	<b>5,980.86</b>	<b>4,829.98</b>	<b>9,675.99</b>	<b>7,220.20</b>
<b>3 Profit before tax (1-2)</b>	<b>536.63</b>	<b>496.40</b>	<b>109.10</b>	<b>340.13</b>
<b>4 Total Tax Expense</b>	<b>151.44</b>	<b>123.52</b>	<b>120.12</b>	<b>52.26</b>
<b>5 Profit For The Year (3-4)</b>	<b>385.19</b>	<b>372.88</b>	<b>(11.02)</b>	<b>287.87</b>
<b>6 Other Comprehensive Income</b>	<b>67.68</b>	<b>37.94</b>	<b>148.64</b>	<b>157.22</b>
<b>7 Total Comprehensive Income For The Year (5+6)</b>	<b>452.87</b>	<b>410.82</b>	<b>137.62</b>	<b>445.09</b>
<b>8 Other equity as per statement of assets and liabilities</b>	<b>3,305.08</b>	<b>2,889.76</b>	<b>3,119.75</b>	<b>3,019.68</b>
<b>9 Paid-up equity share capital (Face value of ₹ 10/- per equity share)</b>	<b>187.68</b>	<b>187.68</b>	<b>187.68</b>	<b>187.68</b>
<b>10 Earnings per equity share (Face value of ₹ 10/- per equity share)</b>				
(a) Basic (in ₹)	20.52	19.87	(0.59)	15.34
(b) Diluted (in ₹)	20.52	19.87	(0.59)	15.34

### General Information

Financial Year 2021-22 was full of challenges for Indian domestic automobile industry. Automobile industry faced multiple regulatory, geopolitical and economic disruptions during the previous year. Corona virus (Covid-19) pandemic shaping up through third wave was not so fatal to humanity in comparison thankfully with first and second wave but it continue to cause disturbance and slowdown of economic activities. The after-effects of a strict but partial lockdown halted the growth engine to some extent. Third Wave of Covid-19 aggravated with Russia – Ukraine war has severely impacted the business operation of the companies by way of interruption in production, supply chain disruption, unavailability of personnel worldwide.

Available economic data forecasts indicate an unprecedented decline in global activity due to the Covid-19 pandemic coupled with by Russia-Ukraine war. Figures released recently suggest even deeper downturns than previously projected for all economies. At the same time, commencement of unlocking and easing of restrictions by the government has paved the way for self-restriction, self-regulation with increased responsibility on every single person to protect himself/herself and those close to us while keeping economic activities operational.

The period under review was still better when we talk about India in terms of economic activities. The third Wave of Covid-19 pandemic was for short period with lessor fatality when we talk about India and the businesses have consolidated its position and demand started generating during the Financial Year 2021-22. Government also provided required support by business-friendly policies. Taking the benefit of the situation, the auto industry behaved in similar manner, when the demand generated.

The supply of components remains a challenge and might have an impact on production going forward. High raw material prices have been further aggravated by the Ukraine, and Covid cases are again on the rise in some parts of the world. Despite a notable growth, the Passenger Vehicle segment witnessed several unforeseen challenges, including a second Covid wave in April-May 2021, followed by a continuing semiconductor shortage, high raw material prices, and now the ongoing Russia-Ukraine conflict which has impacted precious metal prices.

The domestic sales of across all vehicle categories in FY 2022 stood at 17,513,596 units, registering a (5.94)% year-on-year decline compared to 18,620,233 units sold in FY2021. Two-wheeler sales in FY2022 were pegged at 13,466,412 units, registering an (10.94) % YoY decline (FY2021:

15,120,783). out of the total sales, scooters went home to 4,009,076 buyers with decline of (10.55) % (FY2021: 4,482,305), while motorcycles clocked volumes of 8,984,186 units registering decline of (10.34)% (FY 2021 - 10,021,231).

On a positive note, your Company showed tremendous agility and foresight by quickly adopting to take actions that addressed challenges posed due to high inflation and rising input costs.

The Indian auto components industry is going through a transformational period with the concept of mobility changing continuously. The prospects of the industry look good of the next year despite the aforesaid uncertainty.

### State of Company Affairs

Your Company is one of the few industrial enterprises which have become a world-class Indian brand with a green and sustainable strategy of growth, despite an increasing volatile economic and business environment. Besides being cost competitive, delivering to strict schedules and adhering to high quality standards are the main keys of success for auto component manufacturers, especially to enter into and grow export markets.

Detailed information on the operations and on the state of affairs of the Company are majorly covered in the Management Discussion and Analysis Report, forming part of this report. Despite the challenges the performance of the Company was far better than the overall performance of Auto Industry. During the F.Y. 2021-22, the total revenue stood at, ₹ 6,517.49 million as compared to ₹ 5,326.38 million in the last F.Y. 2020-21, registering a significant growth of 22.36 %. The profit before tax has increased to ₹ 536.63 million as compared to ₹ 496.40 million in previous year due to the operational excellency. Similarly, the Net profit after tax of the Company is also on the upside at ₹ 385.19 million in comparison to ₹ 372.88 million in previous year.

On a consolidated basis, the total revenue is ₹ 9,785.09 million in F.Y. 2021- 22 as compared to ₹ 7,560.33 million in the previous F.Y. 2020-21. Similarly, the Net profit before tax is ₹ 109.10 million as compared to ₹ 340.13 millions in previous F.Y. 2020-21.

On the export front, on standalone basis, the Company recorded an export turnover of ₹ 1872.67 million as compared to ₹ 1,245.65 million in the previous year, thereby recorded significant growth of 50.34% as compared to the export during previous year. The share of total export turnover increased to 28.73% of the total turnover of the Company.

We have taken proactive steps to correct the position of the Company in export market. We will approach our goals with discipline and focus to tap more customers and markets and gain the grounds again.

Your Company expects to benefit over the next period with above strategy and operating efficiencies. In view of this, the long-term prospects of your Company are bright.

### Consolidated Financial Statements

In accordance with the provisions of the Companies Act, 2013 ('the Act') and IND AS-110 on Consolidated Financial Statements, read with IND AS-28 on Investments in subsidiaries outside India, the Audited Consolidated Financial Statements for the F.Y. ended March 31, 2022, are provided in this Annual Report.

### Share Capital

The paid-up Equity Share Capital as on March 31, 2022, stood at ₹ 187.68 million. During the year under review, the Company has not issued any shares or granted stock options or sweat equity. However, during the F.Y. 2021- 22, your Company's Board of Directors had passed the resolution for implementing the "The Hi-Tech Gears Limited Stock Incentive Plan, 2021" to reward, attract, motivate and retain employees and Directors of the Company and its existing or future subsidiary companies, in or outside India which was subsequently approved by Shareholders in Annual General Meeting held on **September 29, 2021**

### Dividend

During the year under review and based on the performance of the Company, the Board of Directors, at its meeting held on May 30, 2022, recommended a final dividend @ 15% i.e. 1.5/- per equity share amounting

to ₹ 28.15 million and the same is to be approved by the shareholders at the forthcoming Annual General Meeting.

Pursuant to the Indian Finance Act, 2020 read with Income Tax Act, 1961 dividend declared/recommended and paid by the Company after April 1, 2020, is taxable in the hands of shareholders and the Company is required to deduct the tax at source ("TDS") on the distribution of dividend income to its shareholders at the prescribed applicable rates. In view of this, the Company has sent the communication to shareholders to inform their status, PAN, and other details, so that Company can comply the provisions accordingly.

### Transfer to Reserve

During the F.Y. under review, no amount has been transferred to Reserves of the Company.

### Change in the nature of business

There was no change in the nature of the business of the Company during the financial year 2021-22.

### Compliance with Secretarial Standards

The Company is fully compliant with all applicable Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).

### Directors Responsibility Statement

In terms of section 134(3)(c) and 134(5) of the Companies Act, 2013, and to the best of their knowledge and belief, and according to the information and explanations provided to them, your Directors hereby make the following statements:

- that in preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
- that such accounting policies have been selected and applied them consistently and made judgments and estimates made 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, 2022 and of the profit and loss of the Company for the year ended on that date;
- that proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for prevention and detection of fraud and other irregularities;
- that the annual financial statements have been prepared on going concern basis;
- that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively, and
- that the systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

### Details of Internal Financial Controls with reference to the Financial Statement

In view of the requirement of the Companies Act, 2013, the Company has successfully documented and implemented its Internal Financial Controls (IFC). This ensures orderly and efficient conduct of its business, including adherence to Company policies, safeguarding of its assets, accuracy, prevention of errors and completeness of the accounting records and the timely preparation of reliable financial information. The Internal Financial Controls with reference to the Financial Statements were adequate and operating effectively.

Further, the Audit Committee monitors the adequacy and effectiveness of your Company's internal control framework.

### Details of Subsidiary/Joint Ventures/Associate Companies

As on March 31, 2022, the Company has Nine (09) Wholly Owned Subsidiaries (including step-down subsidiaries) in Canada and US. There is no reverse investment by the subsidiary companies in the share capital of the Company.



The Board has duly reviewed the affairs of the subsidiary companies, from time to time wherein, 2545887 Ontario Inc., The Hi-Tech Gears Canada Inc. and "Teutech Holding Co." are considered to be 'Material Subsidiary' companies, pursuant to provisions of Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. Further, there is no material change in the business of subsidiary companies and the Company has taken note of all the significant transactions and arrangements entered into by its subsidiaries. The other financial and vital details related to subsidiaries are provided in attached AOC-1 form (Statement containing salient features of the financial statement of subsidiaries), pursuant to section 129 and section 136 of the Companies Act, 2013 and rules made thereunder.

In accordance with the provisions of the Companies Act, 2013 and applicable accounting standards the standalone and consolidated financials together with the reports of Statutory Auditors are provided in the Annual Report. Further, the Company's policy for determining material subsidiaries in terms of applicable listing regulations and other applicable laws is available at [www.thehitechgears.com](http://www.thehitechgears.com).

#### **Directors, Key Managerial Personnel's and Evaluation**

The Board is duly constituted with proper balance of Executive and Non-Executive Directors, Independent Directors, Woman Independent Director and Whole Time Directors.

The present tenures of Mr. Deep Kapuria, Executive Chairman, Mr. Pranav Kapuria, Managing Director and Mr. Anuj Kapuria, Executive Director are liable to expire on September 30, 2022. The Board at its meeting held on August 08, 2022, approved and resolved to recommend to the shareholders for the re-appointment of executive directors in the forthcoming Annual General Meeting for a further period of three years w.e.f October 01, 2022 and their remuneration.

Independent Directors are not liable to retire by rotation. Pursuant to the provision of Section 152(6) of the Companies Act, 2013, Mr. Pranav Kapuria (DIN: 00006195), Managing Director and Mr. Bidadi Anjani Kumar (DIN: 00022417), Non-Executive and Non Independent Director being longest in the office, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for the re-appointment. Brief profile of Mr. Pranav Kapuria and Mr. Bidadi Anjani Kumar are provided in the Notice convening the Annual General Meeting.

#### **a. Key Managerial Personnel's**

All Whole Time Directors i.e. Mr. Deep Kapuria, Executive Chairman, Mr. Pranav Kapuria, Managing Director and Mr. Anuj Kapuria, Executive Director are regarded as KMPs, in addition to Chief Financial Officer (C.F.O.) and Company Secretary (CS).

#### **b. Independent Directors**

The Board has 6 (Six) Independent Directors including one Woman Independent Director as on March 31, 2022, representing diversified fields and expertise. Details are provided in the appropriate section of the Corporate Governance Report.

1. Mr. Rajiv Batra was appointed as a Non-Executive Independent Director (Additional Director) of the Company w.e.f. November 02, 2021. Being Additional Director, he holds office up to the date of ensuing Annual General Meeting of the Company. His appointment is proposed at the ensuing Annual General Meeting subject to your approval. Brief Profile of Mr. Rajiv Batra attached to notice of forthcoming Annual General Meeting of the Company in **Annexure-C**.
2. Mr. Prosad Dasgupta, Independent Director of the Company, resigned from the Board w.e.f. June 29, 2021 and Mr. Nevelle D'Souza, Independent Director ceased to be a director w.e.f. September 16, 2021 due to his sad demise.

The Independent Directors have submitted their declarations of independence, as required pursuant to provisions of section 149 (7) of the Companies Act, 2013, The Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of SEBI (LODR) Regulations, 2015, as amended from time to time, stating that they meet the criteria of independence as provided in sub-section (6) of section 149 of Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.

#### **c. Meetings of the Board**

The Board met 6 (Six) times during the period 2021-22 to conduct the operations of the Company. The details are given in the Corporate Governance Report, which forms part of this Annual Report. It is confirmed that the gap between two consecutive meetings was not more than One Hundred and Twenty Days as provided in section 173 of the Act.

#### **d. Annual Evaluation of the Board, its Committees and of Individual Directors**

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, the Board carried out a formal annual performance evaluation of its own performance, the Chairman, Directors individually and the working of the different committees. Such evaluation was done through the established evaluation framework and the SEBI Guidance Note. The framework included different tools such as individual questionnaire, covering various information required to have the evaluation. All the layers of the Board, such as Board, Committees and the Independent Directors performed their part by evaluating the performances of the other Directors as mandated.

#### **Auditors and their Reports**

##### **a) Statutory Auditors**

M/s O P Dadu and Co., Chartered Accountants, (Firm Registration No. 001201N), the Statutory Auditors of the Company, were appointed in the 31st Annual General Meeting for a term of five consecutive years, their term shall come to an end on the conclusion of the ensuing 36<sup>th</sup> Annual General Meeting of the Company. The Board of Directors in its meeting held on May 30, 2022 have approved the appointment of M/s YAPL and Co., Chartered Accountants as Statutory Auditor of the Company for a period of five years i.e. from the conclusion of ensuing 36<sup>th</sup> Annual General Meeting, until the conclusion of the 41<sup>st</sup> Annual General Meeting of the Company subject to the approval of shareholders in accordance with the provisions of the Companies Act, 2013.

The Auditors' Report does not contain any qualification, reservation or adverse remark and do not call for any further explanation/clarification by the Board of Directors as provided under Section 134 of the Act. With respect to the point no. (vii)(b) in Annexure "A" to Auditors' Report relating to non-deposit of disputed taxes, the Board wishes to inform that those matters are related to regular tax matters for which the Company has preferred appeal to Appellate Authorities. The necessary explanations are also provided in Note 38A (2) to the Standalone Financial Statements. The rest of report by the Statutory Auditors is self-explanatory. Please refer to the Notes to Accounts, wherever necessary. Further, there were no frauds reported by the Statutory Auditors to the Audit Committee or the Board under Section 143(12) of the Act.

##### **b) Cost Auditors**

The provisions relating to section 148 read with rules are applicable, accordingly cost accounts and records are made and maintained.

The cost audit for the Financial Year 2021-22 was undertaken by M/s Kabra and Associates, Cost Accountants. Their report does not contain any qualifications, reservations or adverse remarks and do not call for any further explanations.

Further, as per Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the Board of Directors have approved the re-appointment of M/s. Kabra and Associates, Cost Accountants, as the Cost Auditors of the Company for the F.Y. 2022-2023, upon the recommendation of the Audit Committee. The remuneration proposed to be paid to them requires ratification of the shareholders of the Company. In view of this, your approval for payment of remuneration to Cost Auditors is being sought at the ensuing Annual General Meeting. Accordingly, a resolution seeking approval by members for the remuneration payable to M/s Kabra and Associates is included in the Notice convening 36<sup>th</sup> Annual General Meeting.

### c) Secretarial Auditor

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by ICSI.

Section 204 of the Companies Act, 2013, inter-alia requires every listed Company to annex with its Board's Report, a Secretarial Audit Report provided by a Company Secretary in Practice, in the prescribed format. The Board of Directors appointed M/s Grover Ahuja and Associates, Practising Company Secretaries as Secretarial Auditor to conduct Secretarial Audit of the Company and their report is annexed to this Board Report (**Annexure-I**). The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Additionally, pursuant to Regulation 24(A) of the SEBI (LODR) Regulations, 2015, read with SEBI circular dated CIR/CFD/CMD1/27/2019 dated February 08, 2019, the Company has undertaken and received an Annual Secretarial Compliance Report from M/s Grover Ahuja and Associates, Practising Company Secretaries and submitted the same to the stock exchanges within the specified time period.

### Internal Control Systems and its Adequacy

The Company has internal control systems commensurate with the size, scale and complexity of its business operations. The scope and functions of Internal Auditors are defined and reviewed by the Audit committee. M/s. Grant Thornton Bharat LLP is the continuing Internal Auditors, who regularly presents their quarterly report to the Audit Committee, highlighting various observations, system and procedure related lapses, if any and corrective actions being taken to address them.

### Investor Education and Protection Fund ('IEPF')

Pursuant to section 124, 125 and applicable provisions of the Companies Act, 2013 and Rules made there under, all unpaid or unclaimed dividends are required to be transferred by the Company to IEPF after the completion of seven years from the date of transfer of dividend amount in Unpaid Dividend Account.

Similarly, the MCA has notified Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 effective from 7th September 2016 which provide that, the shares in respect of which dividend has not been claimed or unpaid by the shareholders for seven consecutive years or more shall also be transferred to the demat account(s) to be prescribed by the IEPF Authority.

The details of such dividend and shares transferred pursuant to the aforesaid provisions are provided in General Shareholder information section at **point No. 13 of Section XI of Corporate Governance Report**.

In terms of the said Rules and the amendment thereof vide notification dated 28<sup>th</sup> February, 2017 and 13<sup>th</sup> October, 2017, the necessary communications have been made to the respective shareholders whose shares were required to be transferred to the IEPF so as to enable them to claim their dividend attached to such shares before such dividend and shares are transferred to IEPF Authority and further, the necessary information in this regard is available on the website of the Company [www.thehitechgears.com](http://www.thehitechgears.com) for the convenience of the shareholders.

In view of this, those shareholders whose dividend is unpaid or unclaimed must claim it at the earliest. The equity shares once transferred into IEPF A/c can only be claimed by the concerned shareholder from IEPF Authority after complying with the procedure prescribed under the Rules and any amendment thereof.

Accordingly, during the financial year 2021-22, the Company has transferred 3200 and 26 equity shares to the IEPF Authority, in two tranches in respect of which the amount of dividend has not been claimed or unpaid for the consecutive seven years to the concerned shareholders from the date of declaration respectively. A list of such cases is also available at the Company website.

### Annual Return

As required pursuant to Section 92(3) and 134 (3) (a) of the Companies Act, 2013, the Annual Return of the Company for the F.Y. 2021-22 shall be filed within 60 days from the ensuing AGM. The Annual Return for the F.Y.

2020- 21 filed with the Ministry of Corporate Affairs after the 35<sup>th</sup> AGM held in the year 2021 is available on the Company's website at [www.thehitechgears.com](http://www.thehitechgears.com).

### The Conservation of Energy, Technology Absorption, Foreign Exchange earnings and outgo

Details of Energy Conservation, Technology Absorption, Research and Development activities undertaken by the Company and foreign exchange earnings and outgo of the Company and other information in accordance with the provisions of Section 134(3) (m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014, are given in **Annexure-II**, to this Report.

### Report on Corporate Governance

In terms of SEBI (LODR) Regulations, 2015, a report on Corporate Governance is given separately and forming part of this report and a certificate from the M/s Grover Ahuja and Associates, Practising Company Secretaries confirming compliance with the provisions of Corporate Governance is also annexed to the report.

### Management Discussion and Analysis Report

The Management Discussion and Analysis Report is given separately and forming part of this report together with its contents.

### Risk Management Policy

Although, pursuant to Regulation 21 of SEBI (LODR) Regulations, 2015, provisions of constituting Risk Management Committee are not applicable to the Company. The Company has adopted an enterprise Risk Management Policy and established a Risk Management Framework with an objective of timely identification, mitigation and control of the risks, which may threaten the existence of the Company, in accordance with the provisions of the Companies Act, 2013.

### Corporate Social Responsibility

Pursuant to the provisions of Section 135 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder the Company has adopted and developed a Policy covering the activities mentioned in Schedule VII of Companies Act, 2013, upon the recommendation of CSR Committee. Implementation of the policy is undertaken under the guidance of CSR Committee and a brief of the Corporate Social Responsibility activities are provided in **Annexure-III**.

The CSR policy lays down CSR activities to be undertaken by your Company. The CSR activities undertaken by your Company are based on the approved CSR policy, which is available on the Company's website [www.thehitechgears.com](http://www.thehitechgears.com).

### Particulars of contracts or arrangements with related parties

All transactions entered by the Company with the parties, which may be regarded as related parties, were considered to be in the ordinary course of business and on the arm's length basis. As provided under section 134(3)(h) of the Act and Rules made thereunder, disclosure of particulars of material transactions with related parties entered into by the Company with related parties in the prescribed format is annexed to this report as **Annexure-IV**. Disclosures on related party transactions are also set out in **Note No. 36** to the Standalone Financial Statements and **Note No. 37** to the Consolidated Financial Statements.

The Policy on materiality of related party transactions pursuant to Regulation 23 of SEBI (LODR) Regulations, 2015, as approved by the Board can be accessed on the Company's website [www.thehitechgears.com](http://www.thehitechgears.com).

Pursuant to provisions of Section 188 of the Companies Act, 2013 read with Regulation 23 of the SEBI (LODR) Regulations, 2015, all Material Related Party Transactions ('RPT') / Contracts shall require prior approval of the shareholders by means of an Ordinary Resolution, even if such transaction(s) are in the ordinary course of business and at an arm's length pricing basis. The approval of the Audit Committee and Board were sought for all material RPTs. All material RPTs are proposed at the ensuing Annual General Meeting for your approval. Please refer the explanatory statement attached with notice of forthcoming Annual General Meeting.



### Electronic Clearing Services (ECS)

As per the circular issued by Securities and Exchange Board of India (SEBI), companies should mandatorily use the facility of Electronic Clearing Services (ECS), for distribution of dividends to its members. This facility provides to the members an opportunity to receive dividend amount directly in their bank accounts. For availing this facility, members holding shares in physical form may send their duly filled ECS mandate form to the Company's Registrar and Share Transfer Agent (RTA). Members holding shares in dematerialized form, may kindly note that their bank account details as furnished to their depositories will be taken for the purpose of ECS by the Company.

### Postal Ballot

During the period under review, no Resolution was passed through postal ballot.

### Code of Conduct of Insider Trading

The Company has adopted a Code of Conduct to regulate, monitor and report trading by insiders. This Code of Conduct is intended to prevent misuse of Unpublished Price Sensitive Information ("UPSI") by designated persons. The same has been placed on the Company's website [www.thehitechgears.com](http://www.thehitechgears.com).

In accordance with such Code of Conduct, the Company closes its trading window for Designated Persons from time to time. The trading window is also closed during and after occurrence of price sensitive events as per the said Code of Conduct.

### Code of Conduct

Your Company has adopted a Code of Conduct for its Board Members and Senior Management personnel pursuant to SEBI (LODR) Regulations, 2015. The code of conduct is also placed on the website of the Company.

The Declaration by the Managing Director of the Company regarding compliance with the Code of Conduct for Board Members and Senior Management is annexed with the Corporate Governance Report.

### Share Capital Audit

M/s Grover Ahuja and Associates, practicing Company Secretaries carried out the Share Capital Audit on quarterly basis to reconcile the total issued and listed share capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Board of Directors confirms that the total issued and paid up capital as on 31<sup>st</sup> March, 2022 is reconciled with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. The Reconciliation of Share Capital Audit Certificate is being submitted every quarter to the Stock Exchanges and is also placed before the Board Meeting.

### Listing of Shares

With a view to provide easy liquidity in the shares of the Company, the equity shares of your Company are presently listed on the premier stock exchanges viz., the National Stock Exchange of India Limited (NSE) and the BSE Limited (BSE). Pursuant to Regulation 14 of SEBI (LODR) Regulations, 2015, the annual listing fees for the year 2022-23 has been paid within the prescribed time period.

### Deposits

During the year under review your Company neither invited nor accepted any deposit within the meaning of Section 73 of the Companies Act, 2013, and rules made thereunder.

### Dematerialization of the equity shares

99.64% of the total equity shares of the Company are held in dematerialized form with the participants of National Securities Depository Limited (NSDL) and Central Depository Securities (India) Limited as on March 31, 2022.

Further, as per SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 and SEBI vide Gazette Notification no. SEBI/LAD-NRO/GN/2022/66 dated January 24, 2022 has mandated the listed companies to issue securities in dematerialized form only while

processing service requests, viz., Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. The RTA shall verify and process the service requests and thereafter issue a 'Letter of confirmation' in lieu of physical securities certificate(s), to the securities holder/claimant within 30 days of its receipt of such request after removing objections, if any.

In view of the above SEBI Circular, the validity of the Letter of Confirmation only for a period of 120 days from the date of its issue within which you have to raise demat request with the DP as above. Any request for processing demat after the expiry of aforesaid 120 days will not be entertained and as per the operating guidelines issued by SEBI, the subject shares shall be transferred to a Suspense Unclaimed Escrow Demat Account of the Company.

Keeping in view the benefits of dematerialization, the shareholders holding shares in physical form to get their shares dematerialized.

### Particulars of Employees

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to the Report as Annexure-V.

Statement containing particulars of top 10 employees and the employees drawing remuneration in excess of limits prescribed under Section 197 (12) of the Act read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as a separate Annexure forming part of this Report. In terms of proviso to Section 136(1) of the Act, the Report and Accounts are being sent to the Members, excluding the aforesaid Annexure. The said Statement is also open for inspection by the Members through electronic mode. Any member interested in obtaining a copy of the same may write to the Company Secretary.

### Remuneration Policy

In terms of provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of the Listing Regulations, a policy relating to remuneration for the Directors, Key Managerial Personnel and other employees has been adopted by the Board of Directors of the Company in pursuance of its formulation and recommendation by the Nomination and Remuneration Committee thereby analyzing the criteria for determining qualifications, positive attributes and independence of a Director. The said policy is available on the website of the Company at [www.thehitechgears.com](http://www.thehitechgears.com). Salient feature of the policy are provided in attached Corporate Governance Report.

### Audit Committee

The Company has duly constituted Audit Committee, which meets on regular intervals for the business required to be transacted thereat. The recommendations made by Committee are accepted by the Board. A synopsis is described in the Corporate Governance report.

### Vigil Mechanism Policy

The Company has a vigil mechanism policy to deal with any instance of fraud and mismanagement. The employees of the Company are free to report violations of any laws, rules, regulations and concerns about unethical conduct to the Audit Committee under this policy. The policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination with any person for a genuinely raised concern. The policy may be accessed on the Company's website at [www.thehitechgears.com](http://www.thehitechgears.com).

### Obligation of Company under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Accordingly, the Company has set up Committee for implementation of



said policy. Further, during the year Company has not received any complaint of sexual harassment.

**Particulars of Loans given, Investments made, Guarantees given and Securities provided**

The Company has extended of ₹ 77.69 Million Loan to 2545887 Ontario Inc. Wholly Owned Subsidiary after complying the provisions of section 186 of the Companies Act, 2013 during the Financial Year 2021-22. Other than this the Company has not provided any guarantee or Securities under the provisions of section 186 of the Companies Act, 2013

The details of the investments made by the Company are given in the notes to the Financial Statements.

**Material changes and Commitments**

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the Financial Year to which the financial statements relate and the date of the report.

**Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future**

There is no significant and/or material order passed by the regulators or courts or tribunals impacting the going concern status of the Company.

**Details of Proceedings pending under the Insolvency and Bankruptcy Code, 2016**

Following are the details of proceedings and their status thereof at the end of the F.Y. 2021-22:

Sl. No.	Name of the Applicant	Status
1.	Amrop India Pvt. Ltd.	Amrop India Pvt. Ltd. filed an application in F.Y. 2018-19. The matter basically relates to commercial dispute between original parties on the terms of contract Further the applicant claims to be creditor upon assignment of debt in its favor. The matter is pending before NCLT for argument.
2.	Happy Forgings Ltd.	Happy Forgings Pvt. Ltd. filed an application in F.Y. 2020-21. However this was preferred as withdrawn by Applicant. The Hon'ble NCLT rejected accordingly. Applicant filed another CP (Company Petition) before Hon'ble NCLT against which the notice was issued to the Company. The Company is in process to file reply to this notice.

**Business Responsibility Reporting**

As per Regulation 34 of SEBI (LODR) Regulations, 2015, Business Responsibility Reporting is not applicable to the Company.

**Personnel**

The Board of Directors places on record their appreciation of the untiring efforts of the employees of the organization at every level. The efforts to create a family like atmosphere continued throughout the year. Like the many years gone-by, this year also witnessed increased cohesion among all levels of employees, which is evident from the performance of the Company. Training and Development of employees provided further impetus and have contributed towards the all-round improved performance of your Company. The Company encourages by rewarding and recognizing employees for their long term commitment as and when the opportunity arise.

**Trade Relations**

The Board of Directors place on record the appreciation for the co-operation and valuable support extended by the customers, the suppliers and all other persons directly or indirectly associated with the Company. Your Company regards them as partners and shares with them a common vision of growth in the future.

**Acknowledgement**

Your directors place on record their sincere appreciation for the assistance, cooperation and valuable support provided to the Company by Customers, Vendors, Banks and Financial Institutions and hope to continue to receive the same in future. Your Directors also record their appreciation for the commitment and dedication of the employees of the Company at all levels.

The Board of Directors also place on record their gratitude to the shareholders of the Company for their continued support to and confidence in the management of the Company.

**By Order of the Board  
For The Hi -Tech Gears Limited**

**Place: Gurugram  
Dated: August 08, 2022**

**Sd/-  
Deep Kapuria  
Chairman**



## ANNEXURE TO THE BOARD'S REPORT

ANNEXURE-I

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2022

[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,  
The Hi-Tech Gears Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practice by **The Hi-Tech Gears Limited** {hereinafter called "the Company"}. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of Company's Books, Papers, Minutes Books, Forms and Returns filed and other records maintained and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended **31<sup>st</sup> March, 2022**, 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 the Company for the financial year ended on **31<sup>st</sup> March, 2022** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment, External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were applicable to the Company under the financial year under report:-
  - a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - b) The Securities and Exchange Board of India (Registrars to a Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
  - c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - d) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

f) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the financial year under report:-

- a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- d) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;
- (vi) Factories Act, 1948 and Rajasthan Factory Rules, 1951;
- (vii) The Environment (Protection) Act, 1986 and other Environment laws;
- (viii) The Employees Provident Fund and Miscellaneous Provisions Act, 1952;
- (ix) Income Tax Act, 1961 and Other Applicable Tax Laws;
- (x) Industrial Dispute Act, 1947;
- (xi) Minimum Wages Act, 1948;
- (xii) Contract Labour Act, 1970;
- (xiii) Payment of Bonus Act, 1965;
- (xiv) Employee's State Insurance Act, 1948;
- (xv) Payment of Wages Act, 1936 and other applicable Labour and Industrial Laws.

We have also examined compliance with the Secretarial Standards issued by the Institute of Company Secretaries of India.

**During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.**

**We further report** that compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. Further, there were no changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all Directors to schedule the Board meetings, agenda and detailed notes on agenda were sent atleast 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 in the meeting.

Majority decisions is carried through while the dissenting member's views if any, are captured and recorded as part of the minutes.

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.

**For Grover Ahuja & Associates  
Company Secretaries**

Sd/-

**Akarshika Goel  
(Partner)**

**Place: New Delhi  
Date: May 30, 2022**

**ACS No.: 29525  
C.P. No.: 12770**

**UDIN: A029525D000462848**

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

To  
The Members  
The Hi-Tech Gears Limited

Our 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 as opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

**For Grover Ahuja & Associates  
Company Secretaries**

Sd/-

**Akarshika Goel  
(Partner)**

**Place: New Delhi  
Date: May 30, 2022**

**ACS No.: 29525  
C.P. No.: 12770**

**UDIN: A029525D000462848**



## ANNEXURE-II OF BOARD'S REPORT

### INFORMATION AS PER SECTION 134 (3) (m) OF THE COMPANIES ACT, 2013, READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 FORMING PART OF BOARD'S REPORT FOR THE YEAR ENDED MARCH 31, 2022

#### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

##### A. CONSERVATION OF ENERGY

Continuous efforts are being made to conserve the energy. The activities are ongoing to save and optimum utilization for electricity and fuel and thereby reducing energy cost. Some of initiatives taken/ improvement done are as under:

- Installed efficient new cooling tower in place of old cooling tower which reduces approx. 15Ton CFP/Year.
- Energy saving by adaptation of Variable Frequency Drive on 936CFM Air Compressor and gets approx. 40000 Kwh/Month by it which is reducing approx. 38Ton CFP/Year.
- Energy conservation by using air pressure regulator for machine shop. Improvement of cooling tower efficiency and elimination of one cooling tower thus saved 15KL/Day of water extraction.
- Usage of coil coolers for DG sets instead of cooling tower.
- Usage of air cool air compressors instead of water cool air compressors.
- Usage of air cool air dryers instead of water cool air dryers.
- Energy saving by adaptation of Variable Frequency Drive on 1000 CFM Air Compressor ( 31000 kwh per month)
- Installation of new air compressor (35 Kw) for energy saving for use in tandem with 90 Kw in place of 160 Kw compressor;
- Energy Saving by adaptation of Thyristors in Sealed Quench Furnaces in Heat Treatment by temperature controls;
- Energy cost saving by temperature control of Fan motor and pumps in Cooling Tower;
- Use of high energy efficient motors for high rated electric motors in Forced Duct Ventilators;
- Energy cost saving in FDV's by controlling pulleys alignment and belt tightness and controlled running;
- Energy Audits are done on periodic basis and corrective actions taken, wherever required;
- Adoption of Automatic Power factor control panels ( APFC ) to maintain overall PF above 0.99, thus improving energy costs.
- Energy conservation by reduction of generated pressure of Air Compressor by 1 Bar by adaptation of Air boosters at machines and furnaces with high pressure requirements.
- Maintaining temperature of AC's of Electric panels of the machines in range of 28 to 30 C resulting in optimum power consumption conditions

- N2 Gas consumption reduction by using of air in fluidization instead of N2 before starts the process and after the process.
- Power saving from 630T old, 630T new, 600T IBH by converting 180KW to 120KW.

##### WATER CONSERVATION MEASURES

- Usage of coil coolers for DG sets instead of cooling tower.
- Usage of air cool air compressors instead of water cool air compressors.
- Usage of air cool air dryers instead of water cool air dryers.
- Enhance the STP Plant capacity from 20 KLD to 40KLD to treat and reuse the waste water;
- Maintaining Rain water Harvesting System in good working condition for maintaining ground water level;
- Continuous usage of ETP water for gardening and other miscellaneous usages
- Enhancement of greenery landscape;
- Improvement in Cooling tower efficiency and elimination of one cooling tower thus saved 15 KL/Day of water extraction;
- Drip Irrigation system for the Shrub, Grass and the Plant to reduce the water consumption

Additionally, the state of the art plant in Bhiwadi, an 'ECOFAC Plant', i.e. a sustainable green manufacturing plant is working to satisfy all green needs. It has many energy conservation features. The Plant has received Platinum rating from the Indian Green Building Council.

The Manesar Manufacturing Unit which was also upgraded to ECOFAC Plant is also working fine. This Unit is also awarded Platinum Award from Indian Green Building Council.

The Company had installed two roof top Solar Power Plants of 400 KW and 250 KW in Manesar and Bhiwadi manufacturing units respectively as part of its commitment to conserve the environment and reduce the energy cost. the Plants are running successfully and yielding the benefits. Our efforts have not only been appreciated by the concerned authorities but also by customers and will become a model for future sustainable manufacturing growth.

Additional cost, if any for above measures are absorbed in the production/operation process, thus no cost is identified separately.

New ideas are being adopted across the shop floor, factory area and even in office premises to conserve and promote of operations. Accordingly, the Company will continue to adopt future proposals for conservation of energy.

The impacts of above measures are mainly reduction in power and fuel consumption, resulting reduction of cost of production. The information relating to Total Energy Consumption and Energy Consumption per unit of production is not applicable to Company, thus the Form A is not furnished.

## B. TECHNOLOGY ABSORPTION

### i. Efforts made in Technology Absorption

The Company has absorbed the technologies received from its partners in the past and in the last five years; no further technologies have been imported. The Company's commitment towards Total Productivity Maintenance (TPM) has yielded excellent results in quality and design of the products. These efforts shall ensure that the above said technology and the work culture is harnessed and percolated down to the entire organization. The steps initiated by the Company for implementation and absorption of Lean Manufacturing are consistently showing encouraging outcome. Further, Your Company has continuously endeavored to acquire world-class technology both in hardware and software. The benefit and impact of above mentioned measures are lead time reduction of the various complex methods, elimination of waste and saving of time and efforts.

### ii. Specific areas in which Research and Development carried out by the Company

The Company is continuing to absorb the innovative solution ideas in product specification tool and end products. The Company is continuously working in the direction to prepare parts for itself for the technological changes in the auto sector, including electrification of vehicles, as mandated by government.

Research and Development were carried in product development/ process development/energy conservation/ environment protection/cost reduction and automation. In aforesaid process design and material data base are continuously improved and enhanced.

iii. Benefits derived with the installation of various additional equipments have made it possible to achieve consistency in production and quality of the existing finished product and the new product development.

### iv. Future plan of Action

- Development of new products
- Run the Plant on Solar Power thru bilateral Capex model, there has been considerable progress on the project. The Management is hopeful to get the benefits in coming years
- Replacement of duct type package AC to energy efficient cassette AC for offices
- Use of another 100 KW roof top solar plant to reduce energy cost
- Reduction in process losses by continues identifying the area of operation.
- New measures required for the utilization of the renewable energy
- Project adopted for optimizing the motor capacity in machines.

### v. Expenditure on Research and Development

Development and improvement of products has been an inbuilt and ongoing activity within the existing manufacturing facilities.

## C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company recorded an export turnover of ₹ 1,872.67 million in F.Y 2021-22 as compared to ₹ 1,245.65 million in the previous year 2020-21, thereby record a increase of 50.34%, the reason for increase in export turnover is explained in the Management Discussion And Analysis. The total exports are now 28.73% of the total turnover. The details of Foreign Exchange Inflow and outflow are as under:

(₹ in million)		
Particulars	(2021-22)	(2020-21)
<b>Inflow</b>	1,872.67	1,245.65
<b>Outflow</b>		
Capital Equipment	74.55	0.46
Consumables	52.49	7.06
Raw Material	0	25.67
Others	356.04*	370.14*

\*It includes ECB Loan repayment amount including interest of ₹ 348.67 million for F.Y. 2020-21 and ₹ 300.28 million for F.Y. 2021-22 respectively.



## ANNEXURE-III OF BOARD'S REPORT

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITIES (CSR) ACTIVITIES

CSR is a commitment to improve the quality of life of local community and society at large. It includes ensuring environmental sustainability, promoting gender equality, education etc. Business entities can no longer limit themselves to use resources, to engage in activities that increase their profits. They have to be socially responsible corporate citizens and also contribute to the social good.

We have assumed the above requirement to act in socially diligent manner. We have explored its impact on the economic, social and environmental

sector which directly affects the relationships with employees, society, environment and other stake holders. The Company has developed and implemented a policy pursuant to the provisions of section 135 of Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy), Rules 2014.

**1. Brief outline of the Company's CSR policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

The Company's CSR policy has been uploaded and available at the website of the Company under the web-link at [www.thehitechgears.com](http://www.thehitechgears.com).

**2. Composition of the CSR Committee:**

SI No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Krishna Chandra Verma	Chairman-Independent Director	1	1
2.	Mr. Deep Kapuria	Member - Executive Director	1	1
3.	Mr. Pranav Kapuria	Member -Executive Director	1	0
4.	Mr. Ramesh Chandra Jain	Member - Non-Executive Director	1	1

**3. Weblink of Composition of the CSR Committee and CSR Policy-** [https://thehitechgears.com/Content/pdf/Corporate Social Responsibility policy.pdf](https://thehitechgears.com/Content/pdf/Corporate%20Social%20Responsibility%20policy.pdf)

**Weblink of CSR Projects approved by the Board of Directors:** [https://www.thehitechgears.com/Content/pdf/CSR-Activities\\_Apr22.pdf](https://www.thehitechgears.com/Content/pdf/CSR-Activities_Apr22.pdf)

**4. 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 any- Not Applicable**

**5. Amount required for set off for the financial year 2021-22, in pursuance of sub rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014: ₹ 1,05,843/- (Rupees One Lakh Five Thousand Eight Hundred Forty Three only)**

**6. Average net profit of the Company for the last three financial years: Average net profit: ₹ 36,80,26,557/- (Rupees Thirty Six Crores Eighty Lakhs Twenty Six Thousands Five Hundred and Fifty Seven only)**

**7. (a) Two percent of average net profit of the Company as per Section 135(5): ₹ 73,60,531/- (Rupees Seventy Three Lakhs Sixty Thousands Five Hundred and Thirty One only)**

**(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil**

**(c) Amount required to be set off for the financial year 2021-22: ₹ 1,05,843/- (Rupees One Lakh Five Thousand Eight Hundred Forty Three only)**

**(d) Total CSR obligation for the financial year 2021-22: ₹ 73,60,531/- (Rupees Seventy Three Lakhs Sixty Thousand Five Hundred and Thirty One only)**

**8. (a) CSR Amount spent or unspent for the financial year:**

Total Amount spent for the financial year (In ₹)	Amount unspent (In ₹)				
	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
74,66,374/-	Not Applicable				

**(b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable**

**(c) Details of CSR amount spent against other than ongoing projects for the financial year: ₹ 74,66,374/- (Rupees Seventy Four Lakhs Sixty Six Thousand Three Hundred and Seventy Four only)**

**(d) Amount spent in Administrative Overheads: Nil (The administration expenses if any is consumed to the general expenses of the Company)**

**(e) Amount spent on Impact Assessment: Not applicable**

**(f) Total amount spent for the financial year 2021-22 (8b+8c+8d+8e): ₹ 74,66,374/- (Rupees Seventy Four Lakhs Sixty Six Thousand Three Hundred and Seventy Four only)**

(g) Excess amount for set off, if any: Rs. 1,05,843/- (Rupees One Lakh Five Thousand Eight Hundred Forty Three only)

Sl no.	Particulars	Amount (in ₹)
1.	Two percent of average net profit of the Company as per Section 135(5)	7,360,531/-
2.	Total amount spent for the F.Y. 2021-22	74,66,374/-
3.	Excess amount spent for the F.Y. 2021-22	1,05,843/-
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
5.	Amount available for set off in succeeding financial years (iii-iv)	1,05,843/-

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

(b) Details of CSR amount spent in the F.Y. 2021-22 for ongoing projects of the preceding financial year(s): Not Applicable

10. In case of creation or acquisition of capital asset, the details relating to the asset so created or acquired through CSR spent in the F.Y. 2021-22- Not Applicable

11. The reason for failure to spend two percent of the average net profit as per Section 135(5): Not applicable

**Responsibility Statement by the Corporate Social Responsibility Committee:**

The implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

Sd/-  
Krishna Chandra Verma  
(Chairman CSR Committee)

Sd/-  
Pranav Kapuria  
(Managing Director)

Sd/-  
Naveen Jain  
(Company Secretary)

Place: Gurugram  
Dated: August 08, 2022



## ANNEXURE-IV OF BOARD'S REPORT

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act 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 transactions under third proviso thereto

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

There were no contracts or arrangements or transactions entered into with related parties during the year, which were not at arm's length basis.

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

Name(s) of the related party and nature of relationship	Vulcan Electro Controls Limited ('Vulcan')	The Hi-Tech Eng. Systems Private Limited ('THESPL')
Nature of contracts/ arrangements/ Transactions	Sale/Purchase/ Receiving and Rendering of Job work/ services	Sale/Purchase/ Receiving/Rendering of services
Duration of the contracts / arrangements/ Transactions	Ongoing	Ongoing
Salient terms of the contracts or arrangements or transactions including the value, if any	In tune with market parameters estimated annual value of ₹ 3041.80.00 million for all contracts for the financial year 2021-22	In tune with market parameters estimated annual value of ₹ 1520.90 million for all contracts for the financial year 2021-22
Date(s) of approval by the Board	August 03, 2018	August 03, 2018
Amount paid as advances	As per normal commercial TandC	As per normal commercial TandC

- Company has taken Omnibus approval from the Audit Committee for the Related Party Transactions for the financial year 2021-22.
- During the year under review, the Company also have certain transactions with wholly owned subsidiaries. The Investment in subsidiaries or other entity(ies) in equity are pursuant to Section 186 are well within the sanctioned limit by the Shareholders. Further Related Party Transactions with the overseas wholly owned subsidiaries, if any, is exempt within the purview of taking shareholders approval pursuant to Section 188.
- For Material related party transactions, approval of the Shareholders has been obtained.
- For exact value of Related Party Transactions, please refer chapter XII of the Corporate Governance Report and Note 36 of the standalone financial statements and Note 37 of the Consolidated Financial Statements of the Company.

**By Order of the Board  
For The Hi -Tech Gears Limited**

**Place: Gurugram  
Dated: August 08, 2022**

**Sd/-  
Deep Kapuria  
Chairman**



## ANNEXURE-V OF BOARD'S REPORT

Pursuant to Section 197 (12) of the Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Every Listed Company shall disclose the Remuneration of Every Executive Director and KMPs of the Company in the following manner:

1. **The median annual remuneration of all permanent employees at the end of F.Y. 2021-22 was ₹ 4,69,101/- which was 6.24% increase on the identical figure for 2020-21;**

2. **Ratio of the remuneration of each director to the median remuneration of the employees of the Company**

**(a) Executive Directors**

Mr. Deep Kapuria, Executive Chairman-72.42; Mr. Pranav Kapuria, Managing Director-48.37; Mr. Anuj Kapuria, Executive Director- 48.37. Remuneration includes basic salary, HRA, Commission. Medical expenses reimbursement, contribution to provident fund and other statutory funds.

**(b) Non-Executive Director**

Mr. Anil Kumar Khanna, Independent Director- 1.17; Mr. Sandeep Dinodia, Independent Director- 1.28; Mr. Vinit Taneja, Independent Director- 1.15; Mr. Prosad Dasgupta, Independent Director- 0.28; Mr. Krishna Chandra Verma, Independent Director- 1.22; Mr. Ramesh Chandra Jain, Non-Executive Director- 1.07, Mrs. Malini Sud, Independent Director- 1.07; Mr. Bidadi Anjani Kumar, Non-Executive Director- 1.05, Mr. Anant Jaivant Talaulicar, Non-Executive Director- 1.05, Mr. Neville D'souza, Independent Director- 0.42 and Mr. Rajiv Batra, Independent Director- 0.15 Sitting Fee is out of scope of remuneration as per Companies Act, 2013, however for the aforesaid purpose, remuneration of Non-Executive Directors includes Sitting fees and Commission.

3. There were 646 numbers of permanent employees on the rolls of Company as on March 31, 2022;

4. (a) The Market capitalization as on March 31, 2021 was ₹ 3,252.49 million and ₹ 4044.504 million as on March 31, 2022 which shows increase by 24.35%;

(b) Price Earnings ratio of the Company was 8.72 as at March 31, 2021 and 10.50 as on March 31, 2022 which shows increase of 20.41%;

(c) The Company has not made any Public offer in the recent past and accordingly, comparison of Public offer price and the current market price of the Company's shares will not be relevant.

5. The key parameters for any variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the remuneration policy for Directors, Key Managerial Personnel, Senior Management and other employee.

6. Taking into account the total remuneration of all employees on the pay roll of the Company in the financial year 2021-22 and dividing it by the number of such employees as at the end of the year, we arrive at the average remuneration per employee during the said year. When we compare the average remuneration per employee this derived for 2021-22 with the identical computation for 2020-21, we get the percent increase/decrease in financial year 2021-22 over its previous year.

The said comparison for employees other than the three Executive Directors in 2021-22 was a decrease of 10.23%. The comparison for three Executive Directors is not comparable as the Executive Directors have waived off their respective remuneration for first 6 months i.e. April 2020- September 2020.

7. There is no employee who receive remuneration in excess of the highest paid director during the Year.

8. The percentage increase/decrease in remuneration of each director, Chief Financial Officer, Chief Executive Officer or Company Secretary are as under:

Name of Director	Designation	% Change in remuneration
Mr. Deep Kapuria#	Executive Chairman	119
Mr. Pranav Kapuria#	Managing Director	120
Mr. Anuj Kapuria#	Executive Director	120
Mr. Sandeep Dinodia	Independent Director	69.68
Mr. Krishna Chandra Verma	Independent Director	69.68
Mr. Vinit Taneja	Independent Director	69.68
Mr. Anil Kumar Khanna	Independent Director	69.68
Mr. Ramesh Chandra Jain	Director	69.68
Mr. Bidadi Anjani Kumar	Director	69.68
Mr. Prosad Dasgupta*	Independent Director	-56.69
Ms. Malini Sud	Independent Director	69.68
Mr. Anant Jaivant Talaulicar	Vice Chairman	69.68
Mr. Neville D'Souza*	Independent Director	-21.65
Mr. Rajiv Batra**	Independent Director	NA
Mr. Vijay Mathur	Chief Financial Officer	1.45
Mr. Naveen Jain	Company Secretary	53.4

Note:

(a) #The percentage increase in remuneration of Executive Directors are no comparable with previous year as no remuneration was drawn by respective directors during previous Financial Year 2020-2021 during first 6 month.

(b) Sitting fees payable to Non-Executive Directors (including Independent Directors) for attending Meeting of Board of Directors including Committee Meetings of the Company. Hence, it is not considered as remuneration in case of Non-Executive Directors. Further, % change in remuneration of directors other than WTD's are attributable to payment of commission for the F.Y. 2021-22.

(c) In case of Executive Directors, the remuneration is as per the provisions of the Companies Act, 2013 read with rules and schedule made thereunder.

(d) \*Mr. Prosad Dasgupta, Independent Director of the Company, resigned from the Board w.e.f. June 29, 2021 and Mr. Neville D'Souza, Independent Director of the Company ceased to be a Director w.e.f. September 16, 2021 due to his sad demise.

(e) \*\*Mr. Rajiv Batra was appointed as a Non-Executive Independent Director (Additional Director) of the Company w.e.f. November 02, 2021. Hence this section is not comparable for their terms with full financial year 2021-22.

9. It is affirmed that the remuneration is paid as per the remuneration policy of the Company.



## MANAGEMENT DISCUSSION AND ANALYSIS

### ECONOMIC ENVIRONMENT

#### PREAMBLE

The COVID-19 took the world by storm in FY 2020-21 forcing the Governments to respond to the pandemic first with Global travel advisories, suspension of visas and international flights, cancellation of events and enforcing lockdowns in their respective nations causing huge economic disruptions besides impacting the normal life. Most industries and sectors were impacted by the pandemic and consequent lockdowns which led to a steep decline in the GDP of most countries. The restrictions were gradually lifted within a regulated environment. However, just as the impact of the disease appeared to decline, the 'second wave' of COVID-19 hit many parts of the world including India where the impact of the 'second wave' was severe in the first quarter of FY 2021-22 and caused huge loss of human lives though the economic impact was much smaller than during the period complete lockdown. The industries had to re-invent their operating models and several others had to look inwardly at their supply chains and take preventive measures to arrest the impact of the pandemic. Though another variant of the coronavirus 'Omicron' surfaced in the last quarter of FY 2021-22 but had little impact due to the intensive vaccination drives undertaken by the Governments across the world, in particular India where around 160 crore doses of COVID-19 vaccines were administered in the biggest vaccination exercise in the world.

As the world economies were in the process of recovery from the brunt of COVID-19 pandemic, the Ukraine war apart from causing an unimaginable humanitarian rises has impacted the world economies in various sectors. While the economic impact on India has been projected to be minimal by many agencies, apart from the concerns on inflation in general and rising fuel prices in particular in India, Indian auto sector is facing supply chain challenges. The early end to this conflict will be in the interest of the world order and peace.

#### INDIAN ECONOMY – REVIEW

An all out effort by the Government to administer vaccination to the entire population ensured that the impact of COVID-19 on the economy could be minimized. India's real term GDP in 2021-22 was 9.2% with India's merchandise exports and imports rebounding strongly and surpassing PRE-COVID levels during the year. The Net Capital flows were higher at US\$ 65.6 billion in the first half of 2021-22 on account of continued inflow of foreign investment, revival in net external commercial borrowing, higher banking capital and additional special drawing rights allocation. Sustained revenue collection and a targeted expenditure policy have contained the fiscal deficit. The wholesale inflation based on Wholesale Price Index rose to 12.5% during 2021-22 (April- December) which was attributed among others to pick up in economic activity, high freight costs and sharp increase in international prices of crude oil and other imported inputs. Notwithstanding, the introduction of Production Linked Incentive (PLI) Scheme, major boost provided to infrastructure along with measures to reduce transaction costs and improve ease of doing business would support the pace of recovery of the economy.

### AUTOMOBILE SECTOR AND PRODUCTION TRENDS

The Indian auto industry is expected to record strong growth in 2022-23 post recovering from the effects of COVID-19 pandemic and including component manufacturing is expected to reach ₹ 16.16 - 18.18 trillion by 2026 (Source IBEF) though this will have to be discounted depending upon the challenges being faced by the industry due to the ongoing Ukraine war, which has already impacted the steel prices and freight costs. The contribution of the automobile sector to the overall GDP of India stands at 7.1% and 49% of the manufacturing GDP. The government aims to raise contribution of automobile sector to India's GDP to 12% from the present 7.1% and grow employment generation to 50 million from the current 37 million. The industry is however facing the supply chain issues due to the effects of COVID-19 pandemic which have further been compounded by the ongoing geopolitical tensions amid Russia-Ukraine situation which could limit the growth of the industry. The Government on its part has been taking initiatives to encourage automobile sector which include, among others, allowing 100% FDI, in automobile sector under the automatic route; launching the Vehicle Scrappage Policy, which aims to phase out old polluting vehicles in an environmentally safe manner; supporting electric vehicles through incentives and launching PLI Scheme for automobile and auto components worth ₹ 25,938 crores which would entail investments of over ₹ 42,500 crores by 2026 and create 7.5 lakh jobs.

According to the data released by SIAM, in F.Y. 2021-22, the industry manufactured a total 22,933,230 vehicles including passenger vehicles, commercial vehicles, three wheelers, two wheelers and quadricycles, recording a growth of 1.23% over the previous year (2,26,55,609 vehicles). The production trends reveal that there is positive growth in all categories from passenger vehicles, commercial vehicles, three wheelers except decline in two wheelers segment.

In terms of total sales including both domestic and export, the industry sold a total 2,31,30,842 vehicles in F.Y. 2021-22; out of this passenger vehicles growth was 17.06% (36,47,374 vehicles). Also, in commercial vehicle, there is a growth of 30.70% (808863 vehicles). Scooters/ Scooterette sales declined by 7.53% (43,59,406) while all time favorite, Motorcycles registered a marginal growth of 0.02% (1,30,66,628 vehicles) and moped registered degrowth of 22.73% (4,83,396 vehicles), taking the total two wheeler sales decline to 2.69% (1,79,09,430 vehicles) for the year. Also in Quadricycle vehicle category, there was growth of 26.53% from 3517 vehicles to 4450 vehicles in this financial year.

#### RISKS AND CONCERNS IN AUTOMOBILE AND AUTO COMPONENT SEGMENT

While the automobile industry was facing a host of problems like environmental issues due to emissions and changing consumer requirements, COVID-19 compounded the industry's problems with slumping besides various constraints which threatened the very existence of the smaller players in the industry.

With the intense social distancing protocols and lockdowns during different waves of the pandemic, the onslaught of the pandemic manifested in the form of massive production halts posing one of most significant challenges to the automotive market. The disrupted supply chain coupled with the reduced car sales added to the problems of the auto industry. As if this was not enough, the geopolitical tensions between Russia and Ukraine resulting the ongoing Ukraine war has further deeply impacted the supply chain and increase in steel prices. The shortage of semiconductor is the live example of the pressure put on the automotive supply chains. As the impact of the COVID 19 is wearing off and the industry is struggling with the issues arising out of Ukraine war, the auto component industry has been battling with its industry specific issues/ challenges such as:

- Disrupted supply chain
- Increasing input costs
- High freight costs
- Higher cost due to employment and other issues during and post lockdowns
- Availability of skilled manpower
- Less vehicles sales impacting the auto component industry
- Change in customer behaviour
- Payment of heavy royalty fee to foreign partners on designs and IPRs
- Building RandD competence and Ecosystem
- Fast technological changes
- Heavy capex cost due to fast technological changes for Electric Vehicles.

The auto industry has been facing such issues over a period of time but the scale of problems caused by the COVID 19 pandemic and Ukraine war is unprecedented,

## OUTLOOK

Despite the de-growth in the automobile sector in the last couple of years and the industry facing the challenges posed by COVID-19 followed by geopolitical situation in Ukraine, the rapidly globalising world is opening new avenues for the industry with the focus shifting to hybrid and electric vehicles which are deemed more efficient, safe and environment friendly modes of transportation. As India targets 30% electric vehicles by 2030, India could be a leader in share mobility by 2030 providing opportunities for electric vehicles which in turn would provide new verticals and opportunities for auto-component manufacturers, who would need to adapt to the changes via systematic research and development.

The Government of India's Automotive Mission Plan has come a long way in ensuring growth for the sector. The PLI Scheme launched by the Government for automobile and auto components worth ₹ 25,938 crore. In February 2022 the Government received investment proposals worth ₹ 45,016 crore from 2 automotive companies under the PLI Auto scheme. This scheme is expected to create an incremental output of ₹ 2,32,500 crores. In India the two wheeler segment dominates the market in terms of volume owing to a rowing middle class, and a huge percentage of India's population being young. Further the growing interest of the companies in exploring the rural markets shall further aids to the growth of the sector. In the same breath the Indian auto component industry shall experience healthy growth over the next few years and is set to become the third largest in the world by 2025. The Indian auto component makers

are well positioned to benefit from the globalisation of the sector. The increasing rural demand, growing urbanization, swelling replacement demand etc. may further accelerate the growth of the automobile industry and in turn the auto component industry.

## OPPORTUNITIES, THREATS AND MITIGATION STRATEGIES

The business of the Company inherently faces several transactional risks at the operational level which are addressed through internal processes and controls. However, there are certain other macro and micro risks which have and are still impacting the Company's business strategy. Some of those risks are as follows:-

**Impact of Russia-Ukraine conflict:** Just as COVID-19 was on the brink of abating, the Russia-Ukraine which has prolonged for three months and is still on has disrupted the supply chain for our industry and has resulted in increased steel prices and freight costs besides overall inflation which ultimate will have its own impact on demand. The uncertain geopolitical situation arising out of the Russia Ukraine war is both a challenge and an opportunity.

The Company has been keeping a close watch on the developments in Eastern Europe to prepare itself for the challenges. The Company has engaged with its international customers seeking their cooperation in extending the time lines of delivery and revision in rates to cover the increase in input costs. The Company has already started developing the alternate sources of supply of raw material and transportation of material and finished goods.

**Impact of COVID 19:** The FY 2021-22 saw the deadly second wave of COVID-19 which peaked in the first quarter of the year causing the unprecedented and huge loss of human lives which forced another shutdown and stringent safety measures. Besides shaking the very confidence of the people in general and the workforce in particular, this phase also impacted the production and supply. However the Company was able to meet the challenges and the business commitments with the grit and determination of the employees ensuring that minimal impact is caused on the operations of the Company. Our preparedness also helped the Company in facing the third wave of COVID-19 in the form ofOMICRON variant.

### Steps taken to ensure smooth functioning of operations

- Thermal Screening of all employees and visitors
- Sanitizing the premises and vehicles on regular basis Maintenance of social distancing at all workplaces.
- Enforcing wearing of masks and regular cleaning of hands
- Strictly following the social distancing at workplaces, factories, canteen etc.
- Regular health updates of all the employees and their families
- Ensuring that all the employees are fully vaccinated
- Promoting awareness through do' and don's posters for all its employees
- Ensuring use of AROGYA SETU app,
- Effective communications with the customers and vendors on t the measures taken by the Company
- Supply Chain is being monitored to ensure availability of material.
- Staggered time schedules and encouraging work from home for the employees, wherever possible.



**Foreign Exchange Fluctuation:** The fluctuating and decreasing value of the Indian Rupee vis-a-vis US Dollar is major concern for the Company for the repayments of the ECB loans. However, the Company hopes to set off the increase in the rate of the dollar to a great extent by the export earning of the Company which account for 28.73% revenue from exports. In addition, the management has taken another source of mitigation i.e. fixing LIBOR component in total interest rate agreed for the External Commercial Borrowings to avoid the risk of fluctuation. Further, there was no instance where Company had to engage in commodity hedging activities.

**Input material:** The issue of rising steel prices, the primary raw material for the products of the Company, was compounded by the ongoing Russia Ukraine conflict and continues to be a challenge posing a threat to the margins of the Company in the competitive auto component sector.

To mitigate the risk, the Company continues to strive to improve its operational performance and develop new components, which are technologically superior and have an edge over its competitors. Further, the Company is not dependent upon a single source/ supplier. A core team is constituted which has expertise in vendor management and keeps a track on the price of steel. This team negotiates the price in the best interest of the Company to ensure that the impact of rising input costs is minimised.

**Decreasing Vehicles Sales:** Reducing vehicles sales including two wheelers which form the major base of revenue for the Company is another critical challenge facing the automotive industry amid COVID-19. The onset of pandemic brought forth a spate of financial losses due lockdowns and strict COVID protocols and put purchasing a vehicle the least priority for consumers. Lack of sale has led to excess inventory, high levels of debt and demand uncertainty which directly impacted the Company's line of business of auto components. However, the Company has a strong customer base both in India and abroad which enabled the Company to face this challenge and sail through the difficult times. To overcome the risk of dependency on its two wheeler business, the Company has been developing clients for engine and transmission components in India and abroad.

**Change in Customer Behavior:** The slowdown of the economies, rise in prices and the all-around public health care and financial brought about a considerable change in the buyer pattern of the consumers. Though the Financial year 2021-22 saw the resurgence of a percentage of the consumer base overall the customer foot fall is still low. In order to keep pace with the alteration in business models of auto manufacturers, in the new era for electric mobility, connected cars and automation, the Company also engaged in intense research and development to switch gears to keep pace with the changing technology. Adoption of the latest technologies is likely to open up new avenues of business for the Company and the Company is focusing on widening its customer base, entering new user segments and spreading operations across geographies to mitigate the market risks.

**Technology Risk:** OEMs have been consistently working on updation of technologies to stay relevant in the market driven by the consumers. One of the major challenges for the industry is to build R&D competence and an ecosystem. OEMs therefore expect Tier-1 suppliers for technology updation and material changes. To mitigate the risks, the Company has always invested in upgrading its technology to meet the changing customer

demand. The shift to EVs is seen by the Company as an opportunity instead of threat. The Company is engaged extensively in R&D to keep pace with the consume expectations.

**Disrupted Supply Chain:** The disruption in supply chain first by COVID-19 and now by the Russia Ukraine war has posed a recurring challenge to the Company and has put pressure on the Company not only to source the alternate supply sources but also to manage costs as commitments made to existing customers has to be met and new orders also have to be obtained. In order to mitigate this risk, the Company is continuously engaged in sourcing the new suppliers to ensure cost effective supplies as also is engaged in developing alternate carriers and routes to keep the freight costs under control .besides taking all possible measures to reduce the impact of increased cost, such as bulk booking orders, requesting customers to share the cost as pass through.

### Brief of Financial Results

On standalone basis, the total turnover stood at ₹ 6517.49 million during 2021-2022 compared to ₹ 5326.38 million during the previous year. The total turnover from operations stood at ₹ 6446.01 million as compared to ₹ 5223.79 million in FY 2020-21, registering a growth of 22.36%. The profit before tax stood at ₹ 536.63 million as compared to ₹ 496.40 million in the previous year, recording and increase of 8.11%. EPS stood at ₹ 20.52. Similarly, the net profit after tax stood at ₹ 385.19 million as compared to ₹ 372.88 million in previous year, registering a growth of 3.30 %.

The Company recorded an export turnover of ₹ 1872.67 million compared to ₹ 1245.65 million during the previous year, registering a significant growth of 50.34% The total exports are now 28.73% of the total turnover.

On the consolidated side, the turnover was recorded till the close of the financial year at ₹ 9785.09 million compared to ₹ 7560.33 million during the previous year. The profit after tax stood at ₹ (-) 11.02 million as compared to ₹ 287.87 million in previous year. The consolidated financials of the Company with its subsidiaries are attached at the relevant part of this Report.

Despite the stressed economy and industry, your Company did well in all its segments. This is because in the second half the demand picked up and the Company took the benefit of its Operational Excellency. The improvement in revenue was mainly in its domestic business, though the exports also showed improvement in later part of the year.

In the current year, we will focus on quality delivery at optimum costs to achieve the lost place at the earliest. New initiatives are taken in North America to integrate into the Global Value Chain, with our footprints in both Canada and the USA. The objective of these initiatives is to further strengthen our processes, build better relationships with our customers and consolidate our position as a manufacturer of quality products for the auto sector.

Further, the Company will leverage its positioning, in view of the technological changes; it is already BS-VI compliant due to superiority on technical aspects. It is also relying on building its relationships and product development plans to grow further. The Company believes that FY 2021, while being challenging, will be a year when not only the take back its lost glory but will continue its growth momentum.

## Key Ratios

Key financial ratios are given below:

Particulars	Unit	2021-22	2020-21	Change over previous year	Reason for material change
Debtors Turnover	Times	6.21	7.39	-15.94%	Trade receivable have increased much more in proportion with increase in revenue, resulting in negative change of debtor turnover ratio.
Inventory Turnover	Times	4.81	4.78	.72%	Not a material change
Current Ratio	Times	1.2	1.24	-3.88%	Minor change due to increase in borrowings and trade payables.
Debt Equity Ratio	Times	0.60	0.66	-9.81%	Debt Equity ratio is slightly down due to increase in current year profit.
Interest Coverage Ratio	Times	1.34	1.18	13.47%	Due to increase in Profit after tax before interest and depreciation.
Operating Profit (EBIDTA) Margin	%	13.47	15.05	-1.58%	Minor change due to increase in employee benefit exp, store consumption and export freight expenses.
Net Profit Margin	%	5.98	7.14	-1.16%	Minor change due to increase in employee benefit exp, store consumption and export freight expenses.
Return on Net worth	%	13.64	12.97	.67%	Minor change due to increase in net profit.

## Operational Excellence, Awards and Recognitions

We follow world class manufacturing systems, as manifested in its vision statement. In this drive, our efforts have been recognized by our esteemed customers, who have continuously appreciated our quality and efforts and supported us from time to time. Customer recognitions are the strongest testimony to a Company's excellence. The ECOFAC Plants at Bhiwadi and Manesar are unique and one of its kind. These Plants have been conferred the Platinum category by the Green Building Council.

ECOFAC means a sustainable green manufacturing plant. The Company's Plants have all features of safety, energy and water conservation, and waste management etc.

The Company has successfully installed two roof top Solar Power Plants of 400 KW and 250 KW in Manesar and Bhiwadi manufacturing units respectively as part of its commitment to conserve the environment and reduce the energy cost. The Company has put up a solar plant under captive consumption scheme, which is not only green certification but also reducing the cost considerably.

All modern concepts of Lean, TPM and TEI for best utility are being implemented in these Plants from the initial stage. Our efforts have not only been appreciated by the concerned authorities but also by customers and will become a model for future sustainable manufacturing growth.

CRISIL Limited has rated The Hi-Tech Gears Ltd. (HGL) as "BBB+/Stable". The outlook continues to be stable. It continues to reflect the promoters' established presence in the auto component manufacturing industry and healthy relations with reputed original equipment manufacturers (OEMs). The rating also factors in the Company's comfortable financial risk profile.

## SEGMENT REPORTING

The Company's main line of business is gears and transmission components which are governed by the same set of risks and returns. Therefore these have been grouped as a single segment in the above disclosures. However, for the purpose of geographical segment, it is divided into three segments and provided in the Financials. The financial treatment is in accordance with the principle provided in the relevant Accounting Standard on Segment Reporting.

## INTERNAL CONTROLS AND THEIR ADEQUACY

The Company has a properly designed and consistently enforced an adequate system of internal controls with documented procedures to safeguard the Company's properties, interests and resources. Further, to have better and sustainable control, a new ERP system has been implemented which is showing the desired results. Internal controls provide reasonable assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls and compliance with applicable laws and regulations.

The same are supplemented by an extensive programme of internal audits, review by management and documented policies, guidelines and procedures. Internal Auditors conduct the Audits and report directly to the Audit Committee and the Board. M/s. Grant Thornton India, LLP a renowned and one of the largest assurance, tax, and advisory firms in India has been working as Internal Auditor of the Company.

## HUMAN RESOURCES

The Company continues to maintain its track record of peaceful industrial relations ever since its inception. It sustains and fosters its unique paternal culture across all operating locations. Several health and safety initiatives have been introduced as part of a structured program to enhance the safety and health of its workmen and other associates. Performance measurement and skill up gradation programs are widely deployed within the Company. During the period under review cordial relation were maintained at all levels. Detail of number of employees and other material information is provided in Board's Report.

## Disclaimer

This report contains certain statements that the Company believes and may be considered as forward-looking statements. These forward-looking statements may be identified by their use of words like 'plan', 'hope', 'will', 'expect', 'aim' or such similar words or phrases. All such statements are subject to risks and uncertainties which could cause actual results to vary materially from those contemplated by the relevant forward-looking statements



## CORPORATE GOVERNANCE REPORT

### Forming part of 36<sup>th</sup> Board's Report

#### I. Company's Philosophy on Corporate Governance

The Hi-Tech Gears Limited ("Company"), being in the forefront of the Indian auto component industry, has implemented and continuously improved upon various Corporate Governance practices over the years.

Corporate practices like the appointment of professionals from diverse fields of business on the Company's Board, prior intimation of date of Board Meetings which are convened at frequent intervals, outcomes of the Board Meetings, constitution of various Committees of Directors, stated policies on remuneration and retirement, formation and adherence of many policies, attendance of Directors at General Meetings, dissemination of price sensitive information in a transparent and fair manner and ensuring liquidity of the Company's scrip by listing on prominent stock exchanges, have been in place even before they have been mandated.

The Company has complied and observed with all the mandatory provisions of the SEBI (LODR) Regulations, 2015, as amended from time to time, with regard to Corporate Governance. Company is maintaining maximum transparency in passing on information to the shareholders. Additionally, your Company believes in complying with all the applicable laws of the country, in its letter as well in spirit.

All Directors, Executive or Non-Executive, are professionally competent and experienced in their respective fields. The details of Directors as on March 31, 2022 are as follows:

Name of Director and DIN	Designation	Category	Relationship with other directors	No. of Directorships	No. of Audit/ Stakeholder Committee Member	No. of Audit/ Stakeholder Committee as Chairman
Mr. Deep Kapuria (00006185)	Executive Chairman	Promoter, Executive Director	Father of Mr. Pranav Kapuria and Mr. Anuj Kapuria	Seven	Nil	Nil
Mr. Pranav Kapuria (00006195)	Managing Director	Promoter, Executive	Son of Mr. Deep Kapuria, brother of Mr. Anuj Kapuria	Six	Nil	Nil
Mr. Anuj Kapuria (00006366)	Executive Director	Promoter, Executive	Son of Mr. Deep Kapuria, brother of Mr. Pranav Kapuria	Ten	Two	Nil
Mr. Anant Jaivant Talaulicar (00031051)	Vice Chairman	Non-Independent, Non-Executive	-	Eleven	Six	One
Mr. Bidadi Anjani Kumar (00022417)	Director	Non-Independent, Non-Executive	-	Five	Two	Two
Mr. Ramesh Chandra Jain (00038529)	Director	Non Independent Non-Executive	-	Eight	Four	One
Mr. Anil Kumar Khanna (00207839)	Director	Independent, Non-Executive	-	Thirteen	Two	One
Mr. Sandeep Dinodia (00005395)	Director	Independent, Non-Executive	-	Three	Three	Two
Mr. Vinit Taneja (02647727)	Director	Independent, Non-Executive	-	One	One	Nil
Mr. Krishna Chandra Verma (03636488)	Director	Independent, Non-Executive	-	One	One	Nil
Ms. Malini Sud (01297943)	Director	Independent, Non-Executive	-	Three	Nil	Nil
Rajiv Batra * (00082866)	Additional Director	Independent, Non-Executive	-	Three	Nil	Nil

1. Mr. Nevelle D'Souza, Independent Director ceased to be a director w.e.f September 16, 2021 due to his sudden demise.
2. \*Mr. Rajiv Batra was appointed as a Non-Executive Independent Director (Additional Director) of the Company w.e.f. November 02, 2021. Being Additional Director, he holds office up to the date of ensuing Annual General Meeting of the Company. His appointment is proposed at the ensuing Annual General Meeting subject to your approval.

#### II. Composition of Board of Directors

The Board, the apex body is appointed by the shareholders of the Company. Directors occupy dual responsibility, i.e., Agent and Fiduciary. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors including (Independent Directors) and Woman Independent Director.

As on March 31, 2022, the Board of the Company consists of 12\* members of whom 9 are Non-Executive Directors from different fields such as Engineering, Finance, Treasury, Business Management, Administration, Human Resource, Corporate Planning, Corporate Law etc. The Company has an Executive Chairman, Mr. Deep Kapuria, Mr. Pranav Kapuria, Managing Director and Mr. Anuj Kapuria, Executive Director who are overseeing the day to day operations of the Company. All the remaining Directors, except Mr. Ramesh Chandra Jain, Mr. Bidadi Anjani Kumar and Mr. Anant Jaivant Talaulicar are independent and not related to each other.

\* Mr. Prosad Dasgupta, Independent Director of the Company, resigned from the Board w.e.f. June 29, 2021 and Nevelle D'Souza, Independent Director ceased to be a director w.e.f. September 16, 2021 due to his sudden demise.

\*Mr. Rajiv Batra was appointed as a Non-Executive Independent Director (Additional Director) of the Company w.e.f. November 02, 2021. Being Additional Director, he holds office up to the date of ensuing Annual General Meeting of the Company. His appointment is being confirmed at the ensuing Annual General Meeting subject to your approval.

Note-1 As required by the SEBI (LODR) Regulations, 2015, the committee considered here are only Audit Committee and Stakeholder Relationship Committee.

Note-2 Directorship/ Membership of all Companies including listed and public companies (including The Hi-Tech Gears Limited) Section 8 Companies but excluding foreign companies.

#### Number of Board Meetings held during the F.Y. 2021-22

During the year under review, the members of the Board have met 6 (Six) times to review, discuss and decide about the activities of business of the Company. These meetings are held on (1) April 12, 2021 (2) June 29, 2021 (3) August 09, 2021 (4) September 08, 2021 (5) November 02, 2021 and (6) February 09, 2022.

It is confirmed that the gap between the two (2) consecutive meetings of the Board did not exceed one hundred and twenty days. The meetings usually held in Gurugram (Haryana).

#### Attendance of each Director at the Board Meetings and the last Annual General Meeting are given below:

Name of Director	Attendance in the Board Meetings	Attendance in the last Annual General Meeting
Mr. Deep Kapuria	6	Yes
Mr. Anil Kumar Khanna	4	Yes
Mr. Sandeep Dinodia	6	Yes
Mr. Bidadi Anjani Kumar	6	Yes
Mr. Vinit Taneja	6	Yes
Mr. Pranav Kapuria	6	Yes
Mr. Anuj Kapuria	6	Yes
Mr. Ramesh Chandra Jain	6	Yes
Mr. Krishna Chandra Verma	6	Yes
Mr. Prosad Dasgupta**	2	NA
Mrs. Malini Sud	6	NO
Mr. Anant Jaivant Talaulicar	6	NO
Mr. Neville D'Souza**	4	NA
Mr. Rajiv Batra*	2	NA

\*Mr. Rajiv Batra was appointed as a Non-Executive Independent Director (Additional Director) of the Company w.e.f. November 02, 2021. Being Additional Director, he holds office up to the date of ensuing Annual General Meeting of the Company. His appointment is being confirmed at the ensuing Annual General Meeting subject to your approval.

\*\*Mr. Prosad Dasgupta, Independent Director of the Company, resigned from the Board w.e.f. June 29, 2021 and Mr. Neville D'Souza, Independent Director ceased to be a director w.e.f. September 16, 2021 due to his sad demise.

#### Directorship of Board Members in other listed entity

Pursuant to the amended SEBI (LODR) Regulations, 2015, the name of the other listed entity where the board members are holding directorship as on March 31, 2022 are given below:

Name of Director	Name of the Listed Entity	Category
Mr. Anant Jaivant Talaulicar	India Nippon Electricals Limited	Non-Executive - Independent Director
	Endurance Technologies Limited	Non-Executive - Independent Director
	Birlasoft Limited	Non-Executive - Independent Director

Name of Director	Name of the Listed Entity	Category
	Everest Industries Limited	Non-Executive - Independent Director, Chairperson
	KPIT Technologies Limited	Non-Executive - Independent Director
Mr. Bidadi Anjani Kumar	Kennametal India Limited	Non-Executive - Independent Director, Chairperson
Mr. Sandeep Dinodia	Ester Industries Limited	Non-Executive - Independent Director
	Sandhar Technologies Limited	Non-Executive - Non Independent Director
Mr. Ramesh Chandra Jain	Frick India Limited	Non-Executive - Independent Director
	Kamdheni Limited	Non-Executive - Independent Director
	S.J.S. Enterprises Limited	Non-Executive - Independent Director, Chairperson
Mr. Anil Kumar Khanna	United Leasing And Industries Limited	Managing Director
Ms. Malini Sud	Sterling Tools Limited	Non-Executive - Independent Director
Mr. Rajiv Batra	UFO Moviez India Limited (appointed w.e.f. 15.06.2022)	Non-Executive - Independent Director
	Minda Industries Limited (appointed w.e.f. 01.04.2022)	Non-Executive - Independent Director

#### Details of Shares held by Non-Executive Director(s)

Mr. Vinit Taneja holds 5600 equity shares, and Mr. Krishna Chandra Verma holds 4100 equity shares as on March 31, 2022. No other Non-Executive Director holds any equity shares as on that date. The Shares held by Executive Directors are mentioned in Board's Report.

#### Familiarization Programme

All Board members of the Company are accorded every opportunity to familiarize themselves with the Company, its management, its operations and above all, the industry perspective and issues. They are made to interact with senior management personnel and proactively provided with relevant news, views and updates on the Company and sector. All the information/documents sought by them are also shared with them for enabling a good understanding of the Company, its various operations and the industry of which it is a part.

The details of familiarization programs imparted to independent directors can be accessed at [www.thehitechgears.com](http://www.thehitechgears.com).

#### Disclosure with regard to the core skills/ expertise/ competencies of the Board

Pursuant to Schedule V of the SEBI (LODR) Regulations, 2015, core skills/ expertise /competencies, as required in the context of the business and sector for it to function effectively and those actually available with the Board have been identified by the Board of Directors.

The detailed Chart/ Matrix of such core skills/ expertise/ competencies along with the names of the Directors who possess such skills is given in the below table:



S. No	Name of the Director	Designation	Core skills/ Expertise/ Competencies
1	Mr. Deep Kapuria	Executive Chairman	Management, Strategy and Planning, Global business leadership, Manufacturing, automobile engineering and project management, CSR and Sustainability matters, Critical and Innovative Thinker
2	Mr. Pranav Kapuria	Managing Director	Management, Strategy and Planning, Governance, Risk and Compliance, Commercial Experience, Global business leadership, Manufacturing, automobile engineering and project management, Vision and value creation
3	Mr. Anuj Kapuria	Executive Director	Commercial Experience, Manufacturing, automobile engineering and project management, Automation and Innovation, New Product Development
4	Mr. Anant Jaivant Talaulicar	Non-Independent, Non-Executive	Mechanical and Engineering Expertise, Quality consciousness, Technical Expertise, Strategic thinking, Active contribution towards Strategy and Planning.
5	Mr. Anil Kumar Khanna	Independent, Non-Executive	Member and stakeholder engagement, Economics and Statistics
6	Mr. Sandeep Dinodia	Independent, Non-Executive	Audit and Risk management, Policy Development, Finance and Taxation,
7	Mr. Bidadi Anjani Kumar	Non Independent, Non-Executive	Finance and Taxation, Economics and Statistics, Policy Development
8	Mr. Vinit Taneja	Independent, Non-Executive	Policy Development, Human Resource Management, Interpersonal Skills
9	Mr. Ramesh Chandra Jain	Non Independent Non-Executive	Quality consciousness, Technical Expertise, Critical Thinking and Innovation
10	Mr. Krishna Chandra Verma	Independent, Non-Executive	Government Relations (policy and process), Critical Thinking and Innovation, CSR Management, Regulatory, Government and Security matters, CSR matters, Active contribution
11	Mr. Rajiv Batra	Independent, Non-Executive	Governance, Risk and Compliance, Strategic thinking.
12	Mrs. Malini Sud	Independent, Non-Executive	Management and Strategy, Legal and Corporate Laws

#### Confirmation of the Board on Independence of Independent Directors

The Company has optimum combination of Board of Directors include three Executive Directors, three Non-Executive Directors and six\* Independent Directors as on March 31, 2022 under the provisions of SEBI (LODR) Regulations, 2015, as amended from time to time.

1. Mr. Nevelle D'Souza, Independent Director ceased to be a director w.e.f September 16, 2021 due to his sudden demise.
2. Mr. Rajiv Batra was appointed as a Non-Executive Independent Director (Additional Director) of the Company w.e.f. November 02, 2021. Being Additional Directors, he holds office up to the date of

ensuing Annual General Meeting of the Company. His appointment is being confirmed at the ensuing Annual General Meeting subject to your approval.

**Detailed Reasons for the Resignation:** The extract of Mr. Prosad Dasgupt a resignation letter dated June 21, 2021, wherein he confirmed the reasons for his resignation as under:

*"Consequent to my post COVID infirmities which has impacted me severely to the extent of even my eyesight" Further he also confirmed in his resignation letter there is no material reasons other than as mentioned above.*

The Board has received the requisite declarations from the independent directors of the Company under the provisions of Companies Act, 2013 read with Rules made thereunder and SEBI (LODR) Regulations, 2015, as amended from time to time. Therefore, the Board hereby confirmed that on the basis of such declaration that the independent directors fulfil the conditions as specified in the above said regulations and are independent of the management.

#### Discussions at the Board Meetings:

- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Brief on statutory developments, changes in Government policies etc. with impact thereof, Directors' responsibilities arising out of any such development.
- Interim Dividend declaration and Final Dividend recommendation.
- Internal Audit findings and Statutory Auditor reports (through the Audit Committee).
- General Notices of Interest of Directors.
- Minutes of Meetings of Audit Committee and other Committees of the Board, and also resolutions passed by circulation
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order, which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Annual Operating plans of Business, Capital Budgets and any updates, duly reviewed by the Audit Committee.
- Quarterly, Half yearly and annually financial results of the Company and its operating divisions or business segments, duly reviewed by Audit Committee.
- Sale of material nature of investments, subsidiaries, assets, which is not in normal course of business, if any.
- Transactions that involve substantial payment towards Goodwill, Brand Equity or Intellectual Property.
- Details of any Joint Venture, Acquisitions of Companies or Collaboration Agreement, if any.
- Non-Compliance of any Regulatory, Statutory or Listing requirements and shareholders services such as Non-payment of dividend, delay in share transfer (if any). etc.
- Show cause, demand, prosecution notices and penalty notices which are materially important.
- Fatal or Serious Accidents, Dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/Industrial Relations front like implementation of Voluntary Retirement Scheme etc.
- The 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, if any.



- Investment and borrowing decisions based on recommendations of Committees, wherever required.
- Formulation of criteria for evaluation of own Board as whole and Individual Directors including Independent Directors.
- Any other important matter relating to the working of the Company.
- All matters which are required to be exercised by the Board of Directors in terms of the provisions of the Companies Act 2013 or SEBI (LODR) Regulations, 2015,.

The Chairman of the Board, Managing Director and the Company Secretary in consultation with other concerned members of the Senior Management of the Company finalize the agenda papers/ documents etc for the Board Meetings.

### III. Audit Committee

#### Brief description of terms of reference

The Audit Committee of your Company consists of four Directors. Three of the members are Non-Executive and Independent Directors viz Mr. Sandeep Dinodia, Mr. Anil Kumar Khanna both are Fellow members of the Institute of Chartered Accountants of India and Mr. Krishna Chandra Verma who, has immense knowledge of Administration. One is an Executive Director viz. Mr. Anuj Kapuria has wide experience and specialization in Computer Vision, Artificial Intelligence. Please refer to skills/expertise for detailed competencies. Company Secretary acts as the Secretary of the Audit Committee. The scope, compliances and functions of the Audit committee is in line with the provisions of Regulation 18 of SEBI (LODR) Regulations, 2015, as amended from time to time and the provisions of Section 177 of the Companies Act, 2013 along with rules made thereunder.

In compliance with the provisions of the Act and the SEBI (LODR) Regulations, 2015, all the members are financially literate and have accounting or related financial management expertise.

#### Composition, Meetings and Attendance

The Audit Committee met 6 (Six) times during the financial year 2021-22 on the following dates: (1) June 8, 2021 (2) June 29, 2021 (3) August 09, 2021 (4) September 07, 2021 (5) November 02, 2021 and (6) February 09, 2022

These meetings were attended by members as detailed below:-

Name	Position/Composition	Category	No. of meetings held during the tenure	No. of meetings attended
Mr. Sandeep Dinodia	Chairman	Non-Executive and Independent Director	6	6
Mr. Anil Kumar Khanna	Member	Non-Executive and Independent Director	6	4
Mr. Krishna Chandra Verma	Member	Non-Executive and Independent Director	6	6
Mr. Anuj Kapuria	Member	Executive Director	6	6

#### Audit Committee has the following Powers:

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

#### Audit Committee has the following Roles and Responsibilities:

Audit Committee performs its duties, roles and responsibilities in terms of the Regulation 18 of the SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013, the major being:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the board for approval.
4. Reviewing with the management, the quarterly financial statements before submission to the board for approval;
5. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
6. Approval or any subsequent modification of transactions of the Company with related parties;
7. Scrutiny of inter-corporate loans and investments;
8. Valuation of undertakings or assets of the Company, wherever it is necessary;
9. Evaluation of internal financial controls and risk management systems;
10. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems;
11. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
12. Review the functioning of the Whistle Blower mechanism;
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee, in Companies Act, 2013, SEBI (LODR) Regulations, 2015 or any other statutory regulation, document or otherwise.

#### Invitees

The Managing Director, Chief Financial Officer, Statutory Auditors, Internal Auditors and Finance Team are normally invited at the Audit Committee as well as at the Board Meetings, other experts are invited on need basis. The recommendations made by Audit Committee are accepted by Board.

### IV. Nomination and Remuneration Committee

#### Brief description of terms of reference

The scope of functions of the Nomination and Remuneration Committee are to look into Company's policy on specific/general remuneration packages, for Executive, Non-Executive and Independent Directors, including pension rights and any compensation payment.

The Company Secretary acts as the Secretary of the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee consists of three (3) Independent Non-Executive Directors.

#### Composition, Meetings and Attendance

The Nomination and Remuneration Committee met three (3) times during the financial year 2021-22 on the following dates: (1) April 12, 2021 (2) November 01, 2021 and (3) 08 February, 2022. These meeting were attended by members as detailed below:-

Name	Position/Composition	Category	No. of meetings during the tenure	No. of meetings attended
Mr. Vinit Taneja	Chairman	Non-Executive & Independent Director	3	3
Mr. Sandeep Dinodia	Member	Non-Executive & Independent Director	3	3
Mr. Anil Kumar Khanna	Member	Non-Executive & Independent Director	3	3



### Nomination and Remuneration Committee have following Roles and Responsibilities

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
2. Nomination and Remuneration Committee also provides the manner in which the performance evaluation of Board, its Committees and Individual Directors are done and provides the review process.
3. Devising a policy on Board diversity.
4. Formulate a Remuneration Policy as specified under Section 178 of the Companies Act, 2013 and under SEBI (LODR) Regulations, 2015, as amended from time to time.
5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.
6. Carrying out any other function as is mentioned in the terms of reference of the Nomination and Remuneration Committee, in Companies Act, 2013, SEBI (LODR) Regulations, 2015, or any other statutory regulation, document or otherwise.

### Remuneration of Directors

The Company's Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other employees was approved by Board of Directors in its meeting held on August 07, 2014. Similarly, the Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors.

Pursuant to the SEBI (LODR) Regulations, 2015, complete Nomination and Remuneration Policy of your Company can be viewed at the following link: [www.thehitechgears.com](http://www.thehitechgears.com). The salient features of the Remuneration Policy are as under:

- To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- To determine remuneration of Directors, KMPs and other senior management personnel, keeping in view all relevant factors including industry trends and practices.
- To ensure that policy is directed towards rewarding performance based on review of achievements periodically.
- To ensure that policy is in consonance with the existing industry practice.
- To ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

The Executive Chairman, Managing Director and the Whole Time Director are paid remuneration as approved by the Board of Directors on the recommendation of the Nomination and Remuneration Committee within the overall limit sanctioned by the Shareholders. The remuneration is fixed considering various factors such as qualification, experience, expertise, prevailing remuneration in the corporate world, financial position of the Company, etc. The remuneration structure of Executive Directors comprises of basic salary, HRA, allowances, contribution to provident fund and other statutory funds which is in accordance with Section 197, 198 and other applicable provisions of the Companies Act, 2013. The Non-Executive Directors do not draw any remuneration from the Company except sitting fees for attending Board and Committee Meetings and commission @ 0.75% of Net Profits in a Financial Year for all Non-Executive Directors together.

The Company did not advance any loan to any of Director during the period under review.

1. The details of the remuneration paid/payable to the Executive Chairman, Managing Director and Whole Time Director for the year ended March 31, 2022, are as under:

(Amount in Millions)

Name of Director	Designation	Salary	EPF	Allowances	Total
Mr. Deep Kapuria	Executive Chairman	18.144	1.3608	14.466	33.970
Mr. Pranav Kapuria	Managing Director	12.528	0.9396	9.228	22.696
Mr. Anuj Kapuria	Executive Director	12.528	0.9396	9.228	22.696
Total		43.200	3.2400	32.922	79.362

### Notes:-

- Salary includes basic salary and HRA, and allowances include special allowance, medical allowance and education allowance. EPF includes contribution to provident fund and other statutory funds.
- The Non-Executive Directors play an active role in the meetings of the Board and are associated with the Various Board Committees. They also bring independent judgment in the Board's deliberations and decisions. For the financial year 2021-2022, the Board at its meeting held on August 08, 2022 has resolved to distribute the amount of ₹ 2.56 Millions of Commission within the said ceiling amongst Non-Executive Directors. The details of the remuneration paid/payable to the Non- Executive Directors for the year ended March 31, 2022 are as under:

(Amount in Millions)

No.	Name of the Non-Executive Directors	Commission	Sitting fees	Total
1.	Mr. Anil Kumar Khanna	0.43	0.12	0.55
2.	Mr. Sandeep Dinodia	0.43	0.17	0.60
3.	Mr. Vinit Taneja	0.43	0.11	0.54
4.	Mr. Ramesh Chandra Jain	0.43	0.07	0.50
5.	Mr. Prosad Dasgupta	0.11	0.02	0.13
6.	Mr. Krishna Chandra Verma	0.43	0.14	0.57
7.	Mr. Bidadi Anjani Kumar	0.43	0.06	0.49
8.	Ms. Malini Sud	0.43	0.07	0.50
9.	Mr. Anant Jaivant Talaulicar	0.43	0.06	0.49
10.	Mr. Neville D'Souza	0.20	0.00	0.20
11	Mr. Rajiv Batra	0.17	0.03	0.20
	<b>Total</b>	<b>3.93</b>	<b>0.85</b>	<b>4.79</b>

### Notes:

- Directors other than Executive Directors were entitled to sitting fee and commission on the Net Profit of the Company.
- There were no other pecuniary transactions/ relationship with Non-Executive Directors.
- There is no service contract, notice period, severance fees payable to Non-Executive Directors.
- No stock option scheme has been launched by the Company till date. However Company's Board of Directors had passed the resolution for implementing "The Hi-Tech Gears Limited Stock Incentive Plan, 2021" to reward, attract, motivate and retain employees and Directors of the Company and its existing or future subsidiary companies, in or outside India which was subsequently approved by Shareholders in its meeting held on September 29, 2021.

### V. Stakeholder Relationship Committee

#### Brief description of terms of reference

The Stakeholder Relationship Committee of your Company consists of three Directors. All members are Independent and Non-Executive Directors.

The scope, compliances and functions of the Stakeholder Relationship Committee is in line with the SEBI (LODR) Regulations, 2015, as amended from time to time and the provisions of Section 178 of the Companies Act, 2013 along with rules made thereunder.

#### Meetings and attendance

The Stakeholder Relationship Committee met One (1) time during the financial year 2021-22 on February 08, 2022. This meeting was attended by members as details given below:

Name	Position/Composition	Category	No. of meetings held during the tenure	No. of meetings attended
Mr. Anil Kumar Khanna	Chairman	Non-Executive Independent Director	1	1
Mr. Sandeep Dinodia	Member	Non-Executive Independent Director	1	1
Mr. Vinit Taneja	Member	Non-Executive Independent Director	1	1

*The Company Secretary acts as the Secretary of the Stakeholder Relationship Committee.*

#### Investors Complaints during the financial year ended March 31, 2022

Pending at the beginning of the year	Nil
Received during the year	Nil
Disposed of during the year	Nil
Remaining unresolved at the end of the year	Nil

#### I. Other Committees

##### (a) Corporate Social Responsibility Committee

###### Brief description of terms of reference

The Company has CSR Committee formed pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The aforesaid provision mandates the Roles, Responsibilities, Powers and Scope of the Corporate and Social Responsibility Committee and its members.

###### Meetings and attendance

The Corporate Social Responsibility Committee met One (1) time during the financial year 2021-22 on February 16, 2021. The meeting was attended by members as detailed below:

Name	Position/Composition	Category	No. of meetings during the tenure	No. of meetings attended
Mr. Krishna Chandra Verma	Chairman	Non-Executive Independent Director	1	1
Mr. Deep Kapuria	Member	Executive Director	1	1
Mr. Pranav Kapuria	Member	Executive Director	1	0
Mr. Ramesh Chandra Jain	Member	Non-Executive Director	1	1

The Company Secretary acts as the secretary of the Committee. The following roles and responsibilities of the Committee:

1. Formulate a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;

2. The amount of expenditure to be incurred on the activities to be undertaken by the Company as specified in Schedule VII of the Act;
3. Monitor the Corporate Social Responsibility Policy of the Company from time to time;
4. Other activities, as may be undertaken from time to time in accordance with 1 to 3 above.

As part of its initiatives under CSR, the Company has undertaken the various projects pursuant to Schedule VII of the Act and CSR Policy of Company. During the financial year 2021-22, Company spent a sum of Rs. 7.46 million also mentioned in **Annexure III** to the Board's Report.

#### (b) Share Transfer Committee

##### Brief description of terms of reference

The equity shares of the Company are traded in the compulsory DEMAT mode for all investors. All requests for physical share transfer and dematerialization of shares (if in order and complete in all respect) are processed and confirmed within the statutory period.

A committee of three Directors, under the nomenclature 'Share Transfer Committee' of the Company has been empowered to approve transfer, transmission, DEMAT and other related matters regarding the shares of the Company.

##### Meetings and attendance

The Committee considers the matters relating to transfer, transmission and transposition of shares, sub-division and consolidation of shares, replacement of lost/stolen/mutilated share certificates and review of dematerialization and re-materialization of shares during the year. Pursuant to Regulation 39(4) of SEBI (LODR) Regulations, 2015, the Company has opened a separate Demat Suspense Account.

As on March 31, 2022, no equity shares were pending for transfer.

#### VII Separate Independent Directors' Meetings

As per the Schedule IV of Companies Act, 2013 and SEBI (LODR) Regulations, 2015, as amended from time to time, Independent Directors shall meet at least once in every financial year without the presence of Executive Directors or management personnel.

During the year under review, the Independent Directors met on February 09, 2022, inter alia, to discuss:

1. Review the performance of Non-Independent Directors and the Board of Directors as a whole;
2. Review the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
3. Assess the quality, quantity and timelines of flow of information between the Company, Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

#### VIII. General Body Meeting

a) Details of last three Annual General Meeting (AGM) of the Company are given below:

Financial Year	Date of Meeting	Time	Location/ Venue	No. of Special Resolution Passed
2020-21	September 29, 2021	05.00 P.M.	Plot No. 24-26, Sector-7, IMT Manesar, 122050 Haryana	3
2019-20	December 26, 2020	05.00 P.M.	Plot No. 24-26, Sector-7, IMT Manesar, Gurgaon-122050, Haryana	NIL
2018-19	September 27, 2019	11.00 A.M.	Plot No. 24-26, Sector-7, IMT Manesar, Gurgaon-122050, Haryana	10



- b) During the financial year 2021-22, no resolution was passed by way of Postal Ballot;
- c) At the forthcoming Annual General Meeting, no resolution is to be passed through Postal Ballot;
- d) Dividend history of last five years.

S. No.	Financial year	Rate of Dividend	Date of Declaration
1	2020-21	Final Dividend- 20.0%	September 29, 2021
2	2019-20	Interim Dividend- 15.0%	February 07, 2020
3	2018-19	Interim Dividend- 15.0% Final Dividend- 20.0%	February 02, 2019, September 27, 2019
4	2017-18	Interim Dividend- 15.0% Final Dividend- 20.0%	February 02, 2018, September 29, 2018
5	2016-17	Interim Dividend- 12.5% Final Dividend- 12.5%	February 10, 2017, September 29, 2017

For the F.Y. 2021-22, the final dividend @ 15% was recommended by the Board of Directors on May 30, 2022.

#### IX Selection of Independent Directors

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/ profession, and who can effectively contribute to the Company's business and policy decisions are considered first by the Nomination and Remuneration Committee and then by the Board, for appointment, as Independent Directors on the Board. The Committee and Board, inter alia, considers qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other companies by such persons in accordance with the Company's Policy for Selection of Directors and determining Directors' independence. The Board considers the Committee's recommendation and takes appropriate decision.

Meeting of criterion mentioned under Section 149 of the Companies Act, 2013 and Rules made thereunder read with Regulation 16 of SEBI (LODR) Regulations, 2015, is must to become eligible for the candidature of Independent Director.

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under law.

#### X MEANS OF COMMUNICATION

- The quarterly, half yearly and annual financial results (consolidated and standalone) and quarterly shareholding pattern are updated on the Company's website [www.thehitechgears.com](http://www.thehitechgears.com). as per the requirements of SEBI (LODR) Regulations, 2015, as amended from time to time. The Company has also submitted all periodical Compliance filings on NSE Electronic Application System (NEAPS) and BSE Corporate Compliance and Listing Centre (BSE Listing Centre).
- Publication of Financial Results

The approved financial results are published normally in the following Newspapers in accordance with the provision of Regulation 47 of SEBI (LODR) Regulations, 2015:

Financial Calendar for FY 2021-22	Results were announced on	Newspapers	Date of Publication
*Financial Reporting for the 1st quarter ended June 30, 2021	August 09, 2021	Business Standard	August 11, 2021
		Business Standard	August 11, 2021

Financial Calendar for FY 2021-22	Results were announced on	Newspapers	Date of Publication
Financial Reporting for the 2nd quarter and half year ended September 30, 2021	November 02, 2021	Business Standard	November 03, 2021
		Business Standard	November 03, 2021
Financial Reporting for the 3rd quarter ended December 31, 2021	February 09, 2022	Business Standard	February 10, 2022
		Business Standard	February 10, 2022
Financial Reporting for the 4th quarter and year ended 31 March, 2022	May 30, 2022	Business Standard	June 01, 2022
		Business Standard	June 01, 2022

- All material information about the Company and documents under the SEBI (LODR) Regulations, 2015, are also communicated to the concerned Stock Exchanges, besides being placed on the Company's website [www.thehitechgears.com](http://www.thehitechgears.com)
- The Company has not displayed any official news released during the year under review except as required by the SEBI (LODR) Regulations, 2015 as mentioned in point 1 above.
- The Company generally publishes its financial results in the Business Standard (English) and Business Standard (Hindi). The details are provided in above mentioned Section X, Clause 2 herein above.  
  
During the year under review the Company has not made any presentations to Institutional investors or to the Analysts.

#### XI General Shareholder information

##### 1. Financial Calendar for 2022-2023

(Tentative and subject to change)

Financial Reporting for the 1 <sup>st</sup> quarter ended June 30, 2022	August 08, 2022
Financial Reporting for the 2nd quarter and half year ended September 30, 2022	November, 2022 (1 <sup>st</sup> /2 <sup>nd</sup> Week)
Financial Reporting for the 3 <sup>rd</sup> quarter ended December 31, 2022	February, 2023 (1 <sup>st</sup> /2 <sup>nd</sup> Week)
Financial Reporting for the year ended March 31, 2023	May, 2023 (Last week)
Annual General Meeting for the year 2022-23	September, 2023

##### 2. 36<sup>th</sup> Annual General Meeting (AGM) Schedule

###### Annual General Meeting:

36th Annual General Meeting of the Company will be held on Thursday, the 29th Day of September, 2022 at 05:00 P.M. at the Registered Office of the Company situated at Plot No. 24-26, Sector-7, IMT Manesar, Gurugram-122050, Haryana.

The Company is also providing the facility to attend the meeting through Audio/Video Conferencing means.

Date of Book Closure:

September 23, 2022 to September 29, 2022 (Both days inclusive)

E-Voting Cut-Off Date and

September 22, 2022

E- Voting period

September 26, 2022 (9:00 A.M.) to September 28, 2022 (5:00 P.M.)

Dividend payment

Particulars of Final dividend declaration/ recommendation are disclosed in the Board's Report.

No Interim Dividend has been declared by the Board for the financial year 2021-22.

### 3. Listing on Stock Exchanges

As on March 31, 2022 the equity shares of the Company are listed on the following Stock Exchanges:-

- a.) National Stock Exchange of India Limited  
Exchange Plaza, 5th Floor, Plot no. C-1, Block G, Bandra – Kurla Complex, Bandra (E), Mumbai – 400051 Stock Code- HITECHGEAR
- b.) BSE Limited Exchange  
Phiroze Jeejeebhoy Towers, 25<sup>th</sup> Floor, Dalal Street, Mumbai-400001 Scrip Code 522073.

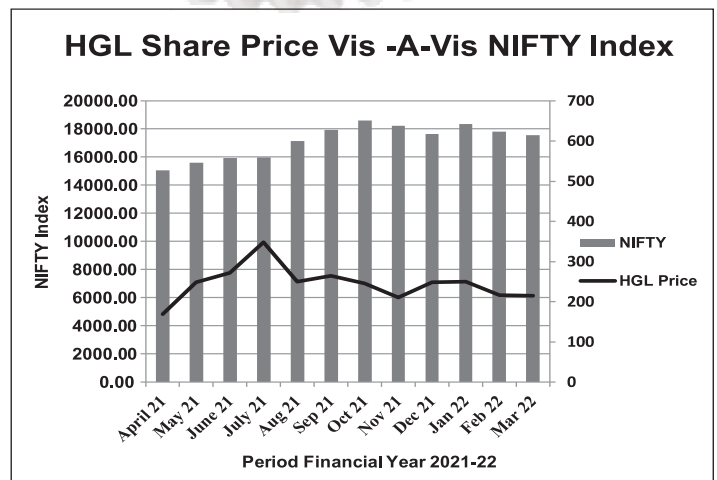
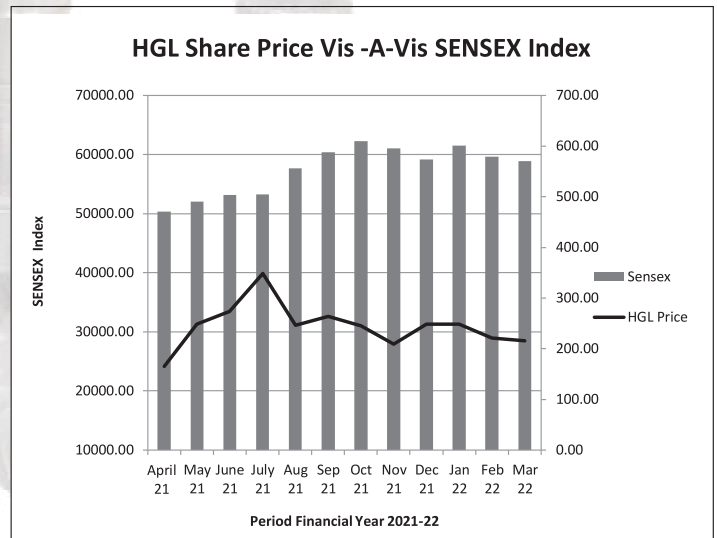
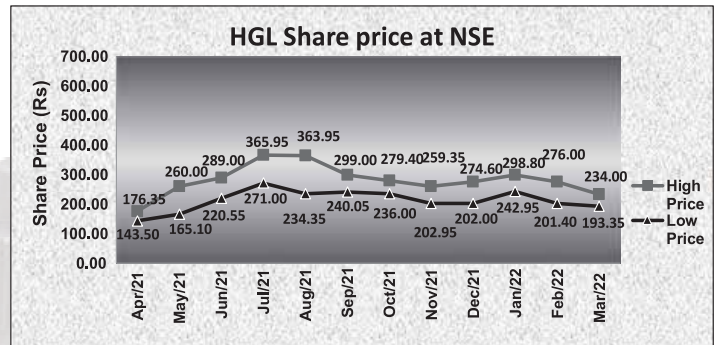
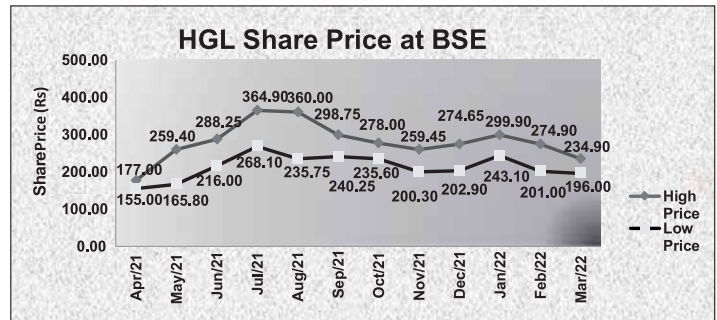
Note: The listing fee for the F.Y. 2021-22 and 2022-23 has been paid to the respective Stock Exchanges within the stipulated time

### 4. Market Price Data

Monthly high and low prices of equity shares of the Company at BSE and NSE during the year under review are given hereunder.

Date	High Price	Low Price	Total Traded	NSE High	NSE Low
Apr-21	176.35	143.50	127609	15044.35	14151.40
May-21	260.00	165.10	1231045	15606.35	14416.25
Jun-21	289.00	220.55	1029601	15915.65	15450.90
Jul-21	365.95	271.00	1234840	15962.25	15513.45
Aug-21	363.95	234.35	516656	17153.50	15834.65
Sep-21	299.00	240.05	463034	17947.65	17055.05
Oct-21	279.40	236.00	291341	18604.45	17452.90
Nov-21	259.35	202.95	238527	18210.15	16782.40
Dec-21	274.60	202.00	461432	17639.50	16410.20
Jan-22	298.80	242.95	537765	18350.95	16836.80
Feb-22	276.00	201.40	251271	17794.60	16203.25
Mar-22	234.00	193.35	244076	17559.80	15671.45

Month	High Price	Low Price	Total Traded	BSE High	BSE Low
Apr-21	177.00	155.00	56099	50375.77	47204.50
May-21	259.40	165.80	174375	52013.22	48028.07
Jun-21	288.25	216.00	173711	53126.73	51450.58
Jul-21	364.90	268.10	199935	53290.81	51802.73
Aug-21	360.00	235.75	76169	57625.26	52804.08
Sep-21	298.75	240.25	53667	60412.32	57263.90
Oct-21	278.00	235.60	43304	62245.43	58551.14
Nov-21	259.45	200.30	50574	61036.56	56382.93
Dec-21	274.65	202.90	86946	59203.37	55132.68
Jan-22	299.90	243.10	67197	61475.15	56409.63
Feb-22	274.90	201.00	24900	59618.51	54383.20
Mar-22	234.90	196.00	41692	58890.92	52260.82





## 6. Registrar and Share Transfer Agent;

M/s MAS Services Limited, New Delhi is the Registrar and Share Transfer Agent (RTA) of the Company for handling the share transfer work both in physical and electronic form. All the correspondences relating to share transfer, transmission, dematerialization, rematerialization etc. can be made at the following address:

### M/s MAS Services Limited

(Unit: The Hi-Tech Gears Limited)

T-34, 2nd Floor, Okhla Industrial Area,

Phase -II, New Delhi – 110020

Ph.: 011 – 26387281, 82, 83

Fax: 011 – 26387384

Web site: [www.masserv.com](http://www.masserv.com) Email: [investor@masserv.com](mailto:investor@masserv.com)

Email ID for redressal of Investor Grievances

Pursuant to Regulation 13 of the SEBI (LODR) Regulations 2015, Company has created a separate Email ID for redressal of Investor Complaints and Grievances. The Email ID is [secretarial@thehitechgears.com](mailto:secretarial@thehitechgears.com)

## 7. Share Transfer System

The shares of the Company are traded in the compulsory demat mode only for all investors. All **Investor Service Requests** viz Transfer/ Transmission and Dematerialisation are handled by M/s MAS Services Ltd, Registrar and Share Transfer Agent (RTA) of the Company and the request for physical share transfer and dematerialization of shares (if found in order and complete in all respect) are processed and confirmed within a period of 30 days through Letter of Confirmation as per **SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 January 25, 2022 and SEBI/LAD-NRO/GN/2022/66 dated January 24, 2022**. The 'Letter of Confirmation' shall be valid for a period of 120 days from the date of its issuance, within which the securities holder/claimant shall make a request to the Depository Participant for dematerializing the said securities. In case of non-receipt of demat request from the securities holder/claimant within 120 days of the date of Letter of Confirmation, the shares will be credited to Suspense Escrow Demat Account of the Company

To expedite the share transfer process, authority has been delegated to the Share Transfer Committee which comprises three Directors. Share transfer/transmission approved by the Committee is placed at the meeting of the Board of Directors from time to time

As per the requirements of Regulation 40(9) of the SEBI (LODR) Regulations 2015, the Company has obtained the Half Yearly Compliance Certificate from a Company Secretary in Practice for due compliance of Share Transfer formalities and the same has been filed with National Stock Exchange of India Limited (NSE) through NSE Electronic Application Processing System (NEAPS) and with BSE Limited (BSE) through BSE Listing Centre accordingly.

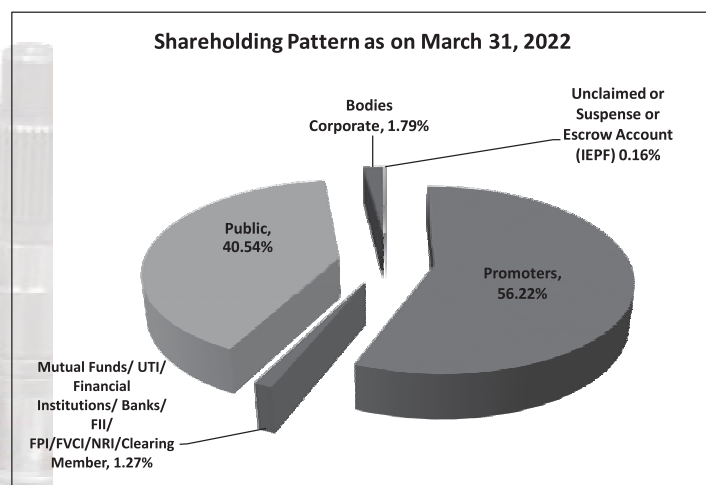
## 8. (a) Distribution of shareholding

As on March 31, 2022 the distribution of shareholding was as follows:

Range of No. of Equity Shares held	No. of share	% (No. of share)	No. of shareholders	% (No. of shareholders)
1 to 5,000	626001	3.335	6430	86.147
5,001 to 10,000	383620	2.044	480	6.431
10,001 to 20,000	358493	1.91	239	3.202
20,001 to 30,000	233342	1.243	93	1.246
30,001 to 40,000	185389	0.988	51	0.683
40,001 to 50,000	192790	1.027	41	0.549
50,001 to 100,000	435334	2.32	59	0.79
100,001 and above	16353031	87.133	71	0.951
<b>TOTAL</b>	<b>18768000</b>	<b>100.00</b>	<b>7464</b>	<b>100.00</b>

## (b) Category wise shareholding as on March 31, 2022

Category	% of Shareholders	No. of shares held
Promoters and Promoters Group	56.22	10550723
Mutual Funds/ UTI/ Financial Institutions/Banks/Clearing Member FII/Foreign Venture Capital /Foreign Portfolio Investment/ NRI/ OCB	1.28	240510
Public	40.54	7609464
Unclaimed or Suspense or Escrow Account	0.17	30989
Bodies Corporate	1.79	336314
Total	100.00	1,87,68,000



## 9. Dematerialization of shares and liquidity

The equity shares of the Company are compulsorily traded and settled only in the dematerialized form under ISIN No. INE127B01011. Your Company is maintaining connectivity with both the Depositories i.e. NSDL and CDSL. The members are requested to dematerialize their physical holding in view of various advantages in dematerialized form.

The details of the equity shares of the Company dematerialized as on March 31, 2022 is given hereunder:

Particulars	As on March 31, 2022	
	No. of Shares	% age
<b>No. of Shares dematerialized</b>		
-NSDL	1,57,78,323	84.07
-CDSL	29,21,573	15.57
No. of shares in physical form	68104	0.36
<b>Total</b>	<b>18,768,000</b>	<b>100.00</b>

**\*Note: 71 Shareholders are common in Demat and Physical**

### Liquidity

The equity shares of the Company are liquid and frequently traded on the stock exchanges.

## 10. Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity.

The Company has not issued any GDRs/ADRs/Warrants or any Convertible instruments, hence this section is not applicable to the Company.

**11. Activities relating to Commodity Price Risk or Foreign Exchange Risk etc.**

The details of Activities relating to Commodity Price Risk or Foreign Exchange Risk etc. are provided under MDAR.

**12. Plant Locations**

The Company's manufacturing facilities are located at the following locations:

S. No.	Plant Address
1	A-589, Industrial Complex, Bhiwadi, District Alwar– 301019, Rajasthan
2	Plot No. 24, 25 & 26, Sector 7, IMT Manesar, Gurgaon-122050, Haryana
3.	SPL-146, Industrial Complex, Bhiwadi, District Alwar– 301019, Rajasthan

**13. Disclosures with respect to Unpaid/ Unclaimed Dividend and Shares**

Pursuant to provisions of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), as amended from time to time, if any dividend is not claimed for a consecutive period of 7 years from the date of transfer of the total amount of dividend which remained unpaid or unclaimed to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF") established under sub-section (1) of section 125 of the Act.

Further, the shares in respect of above unpaid or unclaimed dividend for a period of 7 consecutive years, are also liable to be transferred to the Demat Account of IEPF Authority in pursuance to the provisions of the Act read with its Rules made thereunder.

In this regard, the Company has sent periodical reminders by sending notice individually and also by publishing the same in newspaper. The list of unclaimed dividend and shareholders whose shares are liable to be transferred to the IEPF Authority, were also placed on the website of the Company in the interest of the shareholders, in order to avoid transfer of dividend/Shares to said Authority.

In light of the aforesaid provisions, the Company has transferred the outstanding amount of unclaimed dividends for a consecutive period of 7 years to IEPF during the year. Further, the shares in respect of which dividend has not been claimed for 7 consecutive years or more, have also been transferred to the demat account of IEPF Authority. The details of unclaimed dividends transferred to IEPF during the F.Y. 2021-22 are as follows:

Type of Dividend	Date of Declaration of Dividend	Date of transfer to IEPF	Amount transferred to IEPF
Final Dividend (Financial Year 2013-14)	18.09.2014	24.10.2021	1,06,078/-

The details of Shares transferred to IEPF during the year 2021-22 are as follows:

Financial Year	Date of Transfer of Shares to IEPF	No of Shares transferred
2013-2014	April 20, 2021	3200
2013-2014	December 06, 2021	26

No claim shall lie against the Company in respect of the dividend/ shares so transferred. The members who have a claim on the above dividends and shares may claim the same from IEPF Authority by submitting an application in the prescribed Forms.

During the year under review, pursuant to SEBI (LODR) Regulations, 2015, details relating to shares in the Demat Account of IEPF Authority or Unclaimed or Suspense Account, as applicable are given below:

S. No.	Particulars	Status
1	Aggregate number of shareholders and the outstanding shares in the IEPF Account lying at the beginning of the year (i.e. April 01, 2021)	No of shareholders: 76 No of shares: 27,763
2	Number of shareholders who approached listed entity for transfer of shares from IEPF Account during the year	01
3	Number of shareholders to whom shares were transferred from IEPF Account during the year	Nil
4	Aggregate number of shareholders and the outstanding shares in the IEPF Account lying at the end of the year (i.e. March 31, 2022)	No of shareholders: 78 No of shares: 30,989
5	Voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares	Voting Rights frozen

14. The Company has neither issued any debt instrument and nor taken any fixed deposit programme or any scheme or proposal involving mobilization of funds, whether in India or abroad. However, the Company has obtained "BBB+/Stable" rating for the banking facilities of the Company from CRISIL for its loans from the Banks/Financial Institutions.

**15. Address for correspondence**

- A. Transfer/ dematerialization of shares and, any other queries relating to Shares : **M/s MAS Services Limited** (Unit: The Hi-Tech Gears Limited) T-34, 2nd Floor, Okhla Industrial Area, Phase -II, New Delhi - 110020. Ph. : 011 - 26387281, 82, 83 Fax : 011 - 26387384 Web site: www.masserv.com Email: investor@masserv.com sm@masserv.com
- B. Queries related to Payment of dividend on Shares, Annual Report and others : Mr. Naveen Jain Company Secretary & Compliance Officer 14th Floor, Tower-B, Unitech's Millennium Plaza, Sushant Lok-1, Sector - 27, Gurgaon-122002, Haryana Tel No: (0124) - 4715100 Email : [secretarial@thehitechgears.com](mailto:secretarial@thehitechgears.com)

**16. Code of conduct for the Board Members and Senior Management Personnel**

The Board of Directors has approved a Code of Conduct for Board Members and Senior Management Personnel of the Company. This code is also available on the website of the Company, [www.thehitechgears.com](http://www.thehitechgears.com). In terms of revised Regulation 26 of SEBI (LODR) Regulations, 2015, a confirmation from the Managing Director and CEO regarding compliance with the Code of Conduct by all the Directors and Senior Management is given along with this Report.

**17. CEO/CFO Certification**

In terms of Regulation 17(8) read with Part B of Schedule II of the SEBI (LODR) Regulations, 2015, the certification by the CEO and CFO on the financial statements and internal controls relating to financial reporting has been obtained, and placed before the Board, in its meeting held on May 30, 2022. A copy of the same certificate is given along with this Report.



## 18. Compliance Certificate

The Company has obtained the compliance certificate from a Practicing Company Secretary with regard to the compliances of the provisions relating corporate governance requirements specified in regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (LODR) Regulation, 2015, as amended from time to time. This certificate is annexed to this Report.

## 19. Insider Trading Code

The Company has formulated a code of conduct for prevention of Insider Trading pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 to prevent practices of Insider trading. Mr. Naveen Jain, Company Secretary has been designated as Compliance Officer for this purpose. The employees of the Company have affirmed compliances with the Insider Trading Code.

## 20. Legal Compliance

There were no cases of non-compliance by the Company and no material penalties or structures have been imposed on or proposed against the Company by the stock exchange (s) and/or SEBI and/or any other statutory authorities on matters relating to capital market. The Company has complied with the provisions of relevant Acts, Rules and Regulations framed there under during the F.Y. 2021-22.

## XII. Other Disclosures:

- A. The Related Party Transaction Policy duly approved by the Board of Directors has been placed on the Company's website at [www.thehitechgears.com](http://www.thehitechgears.com). There were no transactions of a material nature during the F.Y. 2021-22 with the Promoters, the Directors or the Management or relatives that may have any potential conflict with the interest of the Company at large. Transactions with related parties as per the requirements of Ind AS 24 are disclosed in Note 36 of the Standalone Financial Statements and note 37 of the Consolidated Financial Statement s forming part of the Financial Statements.
- B. There has neither been any non-compliance of any legal provision of applicable laws, nor any penalty or stricture imposed by the Stock Exchanges or Securities and Exchange Board of India (SEBI) or any other authorities, on any matters related to capital markets, during the last three years.
- C. As per the requirement of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, as amended from time to time, the Company has established vigil mechanism to enable directors and employees to report concerns about unethical behaviours, actual or suspected fraud or violation of the Company's code of conduct or ethical policy. The whistle blowers may lodge their complaints/concern with the Chairman of the Audit Committee, whose contact details are provided in the Whistle Blower Policy of the Company. The policy offers appropriate protection to the whistle blowers from victimization, harassment or disciplinary proceedings. The Whistle Blower Policy is available on the website at [www.thehitechgears.com](http://www.thehitechgears.com). Further it is affirmed that no personnel has been denied access to the Audit Committee.
- D. The Company has adhered to all the mandatory requirements of Corporate Governance norms as prescribed under the SEBI (LODR) Regulations, 2015, as amended from time to time, to the extent applicable on the Company. The certificate regarding compliance with the conditions of Corporate Governance received from Practicing Company Secretary is also annexed to this Report.
- E. The Company has Nine Subsidiaries and out of them "2545887 Ontario Inc.", "The Hi-Tech Gears Canada Inc." (Formerly known as Teutech Industries Inc) and "Teutech Holding Co." are considered as Material Subsidiaries of the Company in terms of the provisions of SEBI (LODR) Regulations, 2015, as amended from time to time. For further details refer to Form AOC-1 and Consolidated Financial Statements. The company has framed the policy for determining "Material Subsidiaries" in order to align with the provisions of the SEBI (LODR) Regulations, 2015 and other applicable Laws. The said policy as amended from time to time has been placed on the website of the Company [www.thehitechgears.com](http://www.thehitechgears.com).
- F. The Company hedges foreign currency receipts through forwards to the extent prudent and is in line with internal policy. The Company

has fixed LIBOR component in total interest rate agreed for the external commercial borrowings to mitigate the risk of fluctuation. During the financial year ended March 31, 2022, the Company did not engage in commodity hedging activities

- G. During the year under review, the Company has not raised any fund through preferential allotment or qualified institutions placements as specified under regulation 32(7A) of SEBI (LODR) Regulation, 2015.
- H. **Certification from Practicing Company Secretary**  
In accordance with the amended provisions of the SEBI (LODR) Regulations, 2015, the Company has received a certificate from M/s Grover Ahuja and Associates, Practicing Company Secretaries to the effect that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of the Company by the Ministry of Corporate Affairs or any other statutory authority. The same forms part of this report.
- I. M/s O.P. Dadu, Chartered Accountants are the Statutory Auditors of the Company. The details of all remuneration including fees etc. paid during the financial year 2021-22 by the Company and its subsidiaries, on consolidated basis to such auditor including all entities in the network firm/ entity of which such auditor is a part, are given below:

S. No.	Particulars	Amount (In Rupees Mn)
1	Audit Fees	1.70
2	Reimbursement of expenses	0.04
3	Certification fees	0.25
4	Other Services	0.30
	<b>Total</b>	<b>2.29</b>

- J. As per the requirement of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, as amended from time to time, the disclosure as required under provision of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is duly provided in the Board's Report of the Company. The Company has implemented policy as "**Policy on Prevention and Redressal of Sexual Harassment of Women at Workplace**" which is available at the official website of the Company [www.thehitechgears.com](http://www.thehitechgears.com). Pursuant to the amended SEBI (LODR) Regulations, 2015, details of complaints received, disposed-off and pending in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, **no complaints were received during the year.**
- K. During the year under review, the Company has duly complied with all the requirements related to the Corporate Governance as specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (LODR) Regulations, 2015, as amended from time to time.
- L. **Disclosure by the Company and its subsidiaries of loans and advances in the nature of loans to firms/companies in which Directors are interested:**  
The Company has extended of Rs. 77.69 Million Loan to 2545887 Ontario Inc. Wholly Owned Subsidiary under the provisions of section 186 of the Companies Act, 2013 during the Financial Year 2021-22. The related disclosure is mentioned in Note 9 of the Standalone Financial Statements for the Financial Year 2021-22. *Mr. Pranav Kapuria, Mr. Anuj Kapuria and Mr. Vinit Taneja are the common directors in the companies.*

## XIII During the year under review, the following Discretionary Requirements as specified in Part E of Schedule II of SEBI (LODR) Regulations, 2015, as amended from time to time has been adopted by the Company.

Compliance status with Discretionary Requirements is given below:

- (i) During the year under review, the Company has received only unmodified audit opinion from statutory auditors of the Company.
- (ii) The Internal Auditors directly report to the Audit Committee.

**By Order of the Board  
For The Hi -Tech Gears Limited**

**Place: Gurugram  
Dated: August 08, 2022**

**Sd/-  
Deep Kapuria  
Chairman**



## CERTIFICATION BY CEO AND CFO

The Board of Directors  
The Hi-Tech Gears Limited  
Plot No. 24-26, Sector-7,  
IMT Manesar Gurgaon-122050  
Haryana

### Ref: Certification by CEO and CFO for Financial Year 2021-22

- a. We, the undersigned in our respective capacities, certify to the Board that we have reviewed the financial statements and the cash flow statement for the financial year 2021-22 and that to the best of our knowledge and belief:
  - i. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit committee, wherever applicable, the following:
  - i. significant changes in internal control over financial reporting during the year;
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For The Hi-Tech Gears Limited**

**Vijay Mathur**  
Chief Financial Officer

**Pranav Kapuria**  
Chief Executive Officer

**Place: Gurugram**  
**Date: May 30, 2022**

**Place: Gurugram**  
**Date: May 30, 2022**

## CERTIFICATE FROM PRACTICING COMPANY SECRETARY ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE PURSUANT TO SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To  
The Members of  
The Hi-Tech Gears Limited

We have examined the compliance of the conditions of Corporate Governance by The Hi-Tech Gears Limited ('the Company') for the year ended on March 31, 2022, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, as adopted by the Company for ensuring compliance to 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, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2022.

We further state that such compliance 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 Grover Ahuja & Associates**  
**Company Secretaries**

**Sd/-**  
**Akarshika Goel**  
**(Partner)**  
**ACS No.: 29525**  
**COP No. 12770**  
**UDIN: A029525D000419574**

**Place: New Delhi**  
**Date: 28.05.2022**



## **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

To,  
**The Members**  
**The Hi-Tech Gears Limited**  
**Plot No. 24, 25, 26, Sector-7, IMT**  
**Manesar, Gurgaon Haryana 122050**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. The Hi-Tech Gears Limited having CIN: L29130HR1986PLC081555 and having registered office at Plot No. 24, 25, 26, Sector-7, IMT, Manesar, Gurgaon Haryana 122050 (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 Sub 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](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company for the financial year ended on 31st March, 2022 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.

Ensuring the eligibility for 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 Grover Ahuja & Associates**  
**Company Secretaries**

**Sd/-**  
**Akarshika Goel**  
**(Partner)**

**ACS No.: 29525**  
**COP No. 12770**

**UDIN: A029525D000419695**

**Place: New Delhi**  
**Date: 28.05.2022**

## **Compliance with Code of Conduct for Board of Directors and Sr. Management Personnel**

**The Board of Directors**  
**The Hi-Tech Gears Limited**  
**Plot No. 24 - 26, Sector-7,**  
**IMT Manesar, Gurgaon**  
**Haryana-122050**

I, Pranav Kapuria, Chief Executive Officer of the Company hereby certify that the Board of Directors and the Sr. Management Personnel have affirmed compliance with the Code Of Conduct for Board of Directors and Sr. Management Personnel for the financial year 2021-22.

**For The Hi-Tech Gears Limited**

**Place: Gurugram**  
**Date: May 30, 2022**

**Pranav Kapuria**  
**(Chief Executive Officer)**

## SHAREHOLDERS' INFORMATION

Corporate Identification Number: L29130HR1986PLC081555

PAN: AAACH0156K

### Registered Office

Plot No. 24-26, Sector-7, IMT Manesar  
Gurugram-122050, Haryana  
Tel No: (0124) – 4715200, Web site: [www.thehitechgears.com](http://www.thehitechgears.com)

### Corporate Office

14<sup>th</sup> Floor, Tower-B, Unitech's Millennium Plaza,  
Sushant Lok-I, Sector – 27, Gurugram, Haryana-122002  
Tel No: (0124) – 4715100, Fax No: (0124) – 2806085  
Email: [secretarial@thehitechgears.com](mailto:secretarial@thehitechgears.com)

### Listing

The shares of the Company are listed on the following Stock Exchanges:-

#### Stock Exchange

- (a) **National Stock Exchange of India Limited**  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (E), Mumbai-400051.
- (b) **BSE Limited**  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai – 400001.

#### Stock Code

HITECHGEAR  
522073

### Interim Dividend for the year 2021-22

No Interim Dividend has been declared/paid by the Board for the financial year 2021-22

### 36<sup>th</sup> Annual General Meeting

#### Date & Time

: Thursday, 29th Day of September, 2022 at 5:00 P.M.

#### Venue

: Plot No. 24-26, Sector-7, IMT Manesar, Gurugram-122050, Haryana

#### Cut-off date for e-voting

: September 22, 2022

### E-Voting

The voting period begins on September 26, 2022 (9:00 A.M.) and ends on September 28, 2022 (5:00 P.M.)

### Final Dividend

The Board of Directors in their meeting held on May 30, 2022 recommended Final Dividend of ₹ 1.50/- (Rupee One and Fifty Paise Only) per equity share of ₹ 10/- (Rupees Ten only) each on the paid up Share Capital of the Company.

### Dividend Payment Date

The management will organize the necessary documentations and manage the Schedule for payment of final dividend, if declared by the shareholders. The estimate period of disbursement is 4<sup>th</sup> week of October, 2022.

### Depository System

In view of the numerous advantages offered by the depository system, the members are requested to avail the facilities of dematerialization of the Company's shares on either of the depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

### Registrar and Share Transfer Agent

#### M/s MAS Services Limited

(Unit: The Hi-Tech Gears Limited)  
T-34, 2<sup>nd</sup> Floor, Okhla Industrial Area,  
Phase –II, New Delhi – 110020  
Ph.: 011 – 26387281, 82, 83  
Fax: 011 – 26387384  
Web site: [www.masserv.com](http://www.masserv.com)  
Email: [investor@masserv.com](mailto:investor@masserv.com); [sm@masserv.com](mailto:sm@masserv.com)



## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF THE HI-TECH GEARS LIMITED

#### Report on the Audit of the Standalone Financial Statements

##### Opinion

We have audited the accompanying standalone financial statements of THE HI-TECH GEARS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

##### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section

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

##### Emphasis of matter

We draw attention to Note 46 to the standalone financial statements, which describes the possible effect of uncertainties relating to COVID-19 pandemic on the Company's financial performance as assessed by the management.

Our opinion is not modified in respect of the above matter.

##### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	Auditor's Response
<b>1. Contingent liabilities</b>	
There are legal and tax cases against the Company which have been identified as a key audit matter due to the uncertainties involved in these tax and legal claims and significant judgement is required. Refer to the note no.38 "Contingent liabilities" to the notes to the standalone financial statements.	Audit procedures in respect of this area: <ul style="list-style-type: none"> <li>We gained an understanding of the process of identification of legal and tax cases and evaluated the design and implementation of controls in respect of these contingent liabilities.</li> <li>For legal and tax matters, our procedures included testing key controls surrounding litigation and tax procedures; discussing matters with the Company's litigation and tax teams; and assessing management's conclusions through understanding precedents set in similar cases.</li> <li>Validated the completeness and appropriateness of the related disclosures with regard to the facts and circumstances of the legal and tax matters.</li> </ul>
<b>2. Borrowings</b>	
The Company had a borrowing liability (current and non-current) of ₹ 2085.56 million as at 31 <sup>st</sup> March, 2022. The borrowings are under agreements with terms and conditions detailed in notes no. 19A and 19B to the notes of the standalone financial statements. Keeping in view the size of the borrowings, the Company's borrowings is considered as key audit matter.	Audit procedures in respect of this area: <ul style="list-style-type: none"> <li>We have gone through the agreements between the Company and its lenders.</li> <li>We obtained confirmations from the Company's banks/financial institutions to confirm the outstanding balances.</li> <li>Where debt is regarded as non-current, we tested whether the Company has the unconditional right to defer payment such that there were no repayments required within 12 months from the balance date.</li> <li>We further considered whether the disclosures related to the borrowings in the standalone financial statements are appropriate in all material respects.</li> </ul>

##### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion & Analysis Report and Board's Report, including Annexures to Board's Report, but does not include the standalone financial statements and our auditor's report thereon. The Management Discussion & Analysis Report and Board's Report, including Annexures to Board's Report, is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our

knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Management Discussion & Analysis Report and Boards Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and

design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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 Statements**

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:-
    - i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements-Refer Note 38 to the standalone financial statements;
    - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 44 to the Financial Statements.
    - iii) There has been no delay in transferring amount, required to be Transferred, to the Investor Education and Protection Fund by the Company
    - iv) a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds)



- by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v) a) The company has declared final dividend during the previous year no interim dividend was paid during current year, the company has complied with Section 123 of the Act.
- b) Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable
- 3 With respect to the matter to be included in the Auditors' Report under section 197(16):
- In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

**FOR O.P.DADU & CO.  
CHARTERED ACCOUNTANTS  
FRN. 001201N**

**PLACE : NEW DELHI  
DATED: 30<sup>TH</sup> MAY, 2022**

**(AMIT GUPTA)  
PARTNER  
M.NO. 094202  
UDIN : 21094202AAAAAU8038**



## Annexure 'A' To the Independent Auditors' Report

In our opinion, and in so far as we have been able to ascertain from the records produced, Information furnished and the explanations given to us by the Company.

- (i) (a) (A) The company has maintained the proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment
- (B) The company has maintained the proper records showing full particulars of Intangible assets
- (b) The Company has a regular programme of verification of Property, Plant and Equipment. All the Property, Plant and Equipment except furniture and fixtures and office equipments have been physically verified by the management during the year, which in our opinion is reasonable having regard to size of the Company and nature of Property, Plant and Equipment. No material discrepancies were noticed on such verification
- (c) According to the information & explanation given to us, the title deeds of all the immovable properties disclosed in the financial statements are held in the name of the company.
- (d) According to the information & explanation given to us, the company has not revalued any Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information & explanation given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under.
- (ii) (a) According to information and explanation given to us inventories have been physically verified by the management during the year except for stock-in-transit. In our opinion, the coverage and procedures of such verification is appropriate. No discrepancies of 10% or more in aggregate for each class of inventory were noticed.
- (b) According to the information and explanation given to us, the statement filed by the company with bank or financial Institutions in respect of working capital limits in excess of five crores in aggregate on the basis of security of current assets are in agreement with the books of account of the Company.
- (iii) (a) (A) According to the information & explanation given to us, the company has not provided advance in the nature of loan, stood guarantee, provided security to its subsidiaries, the company does not have any joint ventures or associates. The company has provided unsecured loan of Rs. 74.88 million during the year to one of its wholly owned subsidiaries company. The year-end balance of such loan is Rs. 74.88 million.
- (B) The company has not provided loan, advance in the nature of loan, stood guarantee, provided security to parties other than subsidiaries, joint ventures and associate
- (b) According to the information & explanation given to us, the company has not provided any guarantee or given any security, the term and condition of the investments made and grant of unsecured loans are not prejudicial to the company interest.
- (c) According to the information & explanation given to us, repayment of principal and payment of interest shall be payable on demand but not earlier than five years of initial disbursement.
- (d) According to the information & explanation given to us, there is no overdue amount, in respect of grant of loan.
- (e) According to the information & explanation given to us, no loan or advance in the nature of loan granted which has fallen

due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.

- (f) According to the information & explanation given to us, the company has granted unsecured loans repayable on demand to one of its wholly owned subsidiary amounting to Rs.74.88 million which is 100% of the total loan granted
- (iv) According to the information & explanation given to us, the company has complied with provisions of sections 185 and 186 of the Companies Act with respect of loans, investments, guarantees, and security.
- (v) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of the Act and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act and are of the opinion that, prima facie, the prescribed accounts and record have been made and maintained. However, we have not made a detailed examination of the records.
- (vii) (a) The company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities wherever applicable to. According to the information and explanation given to us, no undisputed amount payable in respect of statutory dues as including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues on 31.3.2022 for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, there are no statutory dues referred to in sub-clause (a) have not been deposited on account of any dispute other than those mentioned here under

Name of the Statue	Nature of Dues	Period to which the amount relates	Amount (₹ In Mn)	Forum Where Dispute is Pending
Income Tax Act, 1961	Income Tax	A.Y 2019-20	2.66	Deputy Commissioner of Income Tax, New Delhi
Goods & Service Tax	Goods & Service Tax	July 2017 to September, 2017	16.95	Company will file the appeal before GST Tribunal, Rajasthan which is yet to be constituted.
Finance Act, 1994	Service Tax	December 2015 to August 2016	0.03	Deputy Commissioner (Appeals) Estate GST Alwar Rajasthan
Finance Act, 1994	Service Tax	June 2016	0.10	Deputy Commissioner (Appeals) Estate GST Alwar Rajasthan

- (viii) According to the information and explanation given to us, the company has not surrendered or disclosed any income during the year in its tax assessments under the Income Tax Act, 1961 (43 of 1961), which has not been recorded in the books of accounts. Accordingly, paragraph 3(viii) of the order is not applicable to the company.



- (ix) (a) Based on our audit procedures and according to the information and explanations given by the management, the Company has not defaulted in repayment of loan or other borrowings or payment of interest thereon to any lender..
- (b) According to the information and explanations given to us, the Company is not a declared willful defaulter by any bank or financial institution or other lender. Accordingly, paragraph 3(ix)(b) of the Order is not applicable to the Company.
- (c) According to the information and explanation given to us, the company has applied term loans for the purpose for which the loans were obtained.
- (d) According to the information and explanation given to us, the fund raised on short term basis were not utilized for Long Term purposes.
- (e) According to the information and explanation given to us, the company has not taken any funds from any entity or person on account of or to meet the obligation of its subsidiaries, the company does not have any Joint Venture or associate.
- (f) According to the information and explanation given to us, the company has not raised any loan during the year on pledge of securities held in its subsidiaries. The company does not have Joint Venture or associate.
- (x) (a) The company did not raise any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(x)(a) of the order is not applicable to the company.
- (b) The company did not make any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, paragraph 3 (x)(b) of the order is not applicable to the company,
- (xi) (a) According to the information and explanation given to us, no fraud by the company or no fraud on the company has been noticed or reported during the course of our audit.
- (b) No report u/s 143 (12) of the Companies Act, 2013 filed by the auditor in form ADT-4 as prescribed under rule 13 of the companies (Audit and Auditor) rules, 2014 with Central Government.
- (c) According to the information and explanation given to us, the companies has not received any complaint from the whistle-blower.
- (xii) In our opinion and according to information and explanation given to us, the company is not a Nidhi company. Accordingly, paragraph 3 (xii) of the order is not applicable to the company.
- (xiii) According to the information and explanation given to us, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act and the details have been disclosed in the financial statements, etc., as required by the applicable accounting standards;
- (xiv) (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit report for the period under audit.
- (xv) According to the information and explanation given to us, the company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) (a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).
- (b) According to the information and explanation given to us, the company has not conducted Non-Banking Financial or Housing Finance activities.
- (c) According to the information and explanation given to us, the company is not Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) According to the information and explanation given to us, the company is not Core Investment Company (CIC) , Accordingly, paragraph 3 (xvi)(d) of the order is not applicable to the company.
- (xvii) According to the information and explanation given to us, the company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the Statutory auditor during the year. Accordingly, paragraph 3 (xviii) of the order is not applicable to the company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) (a) Based on our audit procedures and according to the information and explanations given to us, in respect of other than ongoing projects, the Company having spent the required amount, there is no amount pending to be transferred to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act.
- (b) Based on our audit procedures and according to the information and explanations given to us, the Company is not required to transfer unspent amount under sub-section (5) of section 135 of the Companies Act, pursuant to ongoing project to special account in compliance with provision of sub-section (6) of section 135. Accordingly, paragraph 3(xx)(b) of the Order is not applicable to the Company

**FOR O.P.DADU & CO.  
CHARTERED ACCOUNTANTS  
FRN. 001201N**

**PLACE : NEW DELHI  
DATED: 30<sup>TH</sup> MAY, 2022**

**(AMIT GUPTA)  
PARTNER  
M.NO. 094202  
UDIN : 21094202AAAAAU8038**



## Annexure 'B' To the Independent Auditors' Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of the Company)

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

We have audited the internal financial controls over financial reporting of **The Hi-Tech Gears Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

#### Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

#### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**FOR O.P.DADU & CO.  
CHARTERED ACCOUNTANTS  
FRN. 001201N**

**PLACE : NEW DELHI  
DATED: 30<sup>TH</sup> MAY, 2022**

**(AMIT GUPTA)  
PARTNER  
M.NO. 094202  
UDIN : 21094202AAAAU8038**



# The Hi-Tech Gears Limited

## Standalone balance sheet as at 31 March 2022

(₹ in Mn)

	Note	31 March 2022	31 March 2021
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	1,935.38	1,736.69
Capital work-in-progress	6	159.74	245.10
Right-of-use assets	7	270.75	303.17
Intangible assets	7 A	9.47	9.73
<b>Financial assets</b>			
Investments	8	1,670.97	1,643.98
Loans	9 A	80.83	2.36
Other financial assets	10 A	40.39	38.37
Other non-current assets	11 A	98.77	164.59
<b>Total non-current assets</b>		<b>4,266.30</b>	<b>4,143.99</b>
<b>Current assets</b>			
Inventories	12	786.52	569.58
<b>Financial assets</b>			
Trade receivables	13	1,252.03	824.71
Cash and cash equivalents	14	255.99	336.82
Other bank balances	15	257.94	258.85
Loans	9 B	2.64	2.82
Other financial assets	10 B	78.10	105.77
Current tax assets (net)	16	19.01	21.28
Other current assets	11 B	182.64	144.07
<b>Total current assets</b>		<b>2,834.87</b>	<b>2,263.90</b>
<b>Total assets</b>		<b>7,101.17</b>	<b>6,407.89</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	17	187.68	187.68
Other equity	18	3,305.08	2,889.76
<b>Total equity</b>		<b>3,492.76</b>	<b>3,077.44</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	19 A	935.42	1,206.30
Lease liabilities	19 A(i)	221.30	244.87
Provisions	20 A	34.32	35.32
Deferred tax liabilities (net)	21	35.21	10.01
Other non-current liabilities	22 A	12.59	15.09
<b>Total non-current liabilities</b>		<b>1,238.84</b>	<b>1,511.59</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	19 B	884.27	540.59
Lease liabilities	19 B(i)	44.57	44.76
Trade payables	23		
- total outstanding dues of micro enterprises and small enterprises		82.17	58.72
- total outstanding dues of creditors other than micro enterprises and small enterprises		948.67	701.31
Other financial liabilities	24	282.79	323.66
Other current liabilities	22 B	84.30	76.96
Provisions	20 B	42.80	72.86
<b>Total current liabilities</b>		<b>2,369.57</b>	<b>1,818.86</b>
<b>Total equity and liabilities</b>		<b>7,101.17</b>	<b>6,407.89</b>

Summary of significant accounting policies and accompanying notes form an integral part of these financial statements. This is the balance sheet referred to in our report of even date.

**For O. P. Dadu & Co.**  
Chartered Accountants  
Firm Registration No. 001201N

**CA. Amit Gupta**  
Partner  
Membership No. 094202  
UDIN: 21094202AAAAAU8038

Place: New Delhi  
Date: May 30, 2022

**Deep Kapuria**  
Executive Chairman  
DIN 00006185

**Vijay Mathur**  
Chief Financial Officer

**For and on behalf of**  
**The Hi-Tech Gears Limited**

**Pranav Kapuria**  
Managing Director  
DIN 00006195

**Naveen Jain**  
Company Secretary

# The Hi-Tech Gears Limited

## Standalone statement of profit and loss for the year ended 31 March 2022

(₹ in Mn)

	Note	31 March 2022	31 March 2021
<b>Revenue</b>			
Revenue from operations	25	6,446.01	5,223.79
Other income	26	71.48	102.59
<b>Total revenue</b>		<b>6,517.49</b>	<b>5,326.38</b>
<b>Expenses</b>			
Cost of materials consumed	27	3,296.36	2,512.39
Purchase of traded goods	28	221.74	187.31
Changes in inventories of finished goods and work-in-progress	29	(234.91)	(2.38)
Employee benefits expenses	30	1,008.32	800.64
Finance costs	31	179.20	178.94
Depreciation and amortisation expense	6, 7 & 7A	303.61	251.52
Other expenses	32	1,206.54	901.56
<b>Total expenses</b>		<b>5,980.86</b>	<b>4,829.98</b>
<b>Profit before tax</b>		<b>536.63</b>	<b>496.40</b>
Tax expense			
Current tax	33	138.03	129.95
Deferred tax charged/(credit)	21	4.87	(29.68)
Earlier years tax adjustments (net)		8.54	23.25
<b>Profit for the year</b>		<b>385.19</b>	<b>372.88</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Re-measurement gain on defined benefit plans		12.67	8.73
Equity Instruments through Other Comprehensive Income		27.00	12.54
Income tax relating to items that will not be reclassified to profit and loss		(9.91)	(0.67)
Items that will be reclassified to profit or loss			
Effective portion of gain/ (loss) on fair value hedge		54.27	36.38
Income tax relating to items that will be reclassified to profit and loss		(16.35)	(19.04)
<b>Other comprehensive income net of tax</b>		<b>67.68</b>	<b>37.94</b>
<b>Total comprehensive income for the year</b>		<b>452.87</b>	<b>410.82</b>
<b>Earnings per equity share (₹ 10 per share)</b>	34		
Basic (₹)		20.52	19.87
Diluted (₹)		20.52	19.87

Summary of significant accounting policies and accompanying notes form an integral part of these financial statements.  
This is the profit and loss referred to in our report of even date.

**For O. P. Dadu & Co.**  
Chartered Accountants  
Firm Registration No. 001201N

**For and on behalf of**  
**The Hi-Tech Gears Limited**

**CA. Amit Gupta**  
Partner  
Membership No. 094202  
UDIN: 21094202AAAAAU8038

**Deep Kapuria**  
Executive Chairman  
DIN 00006185

**Pranav Kapuria**  
Managing Director  
DIN 00006195

**Place: New Delhi**  
**Date: May 30, 2022**

**Vijay Mathur**  
Chief Financial Officer

**Naveen Jain**  
Company Secretary



# The Hi-Tech Gears Limited

## Standalone statement of changes in equity for the year ended 31 March 2022

### A Equity share capital\*

(₹ in Mn)

Particulars	Opening balance as at 1 April 2020	Changes during the year	Balance as at 31 March 2021	Changes during the year	Balance as at 31 March 2022
Equity share capital	187.68	-	187.68	-	187.68

### B Other equity\*\*

(₹ in Mn)

Particulars	Reserves and surplus		Other Comprehensive Income		Total
	General reserve	Retained earnings	Equity instrument through Other Comprehensive Income	Cash flow hedge reserve	
<b>Balance as at 1 April 2020</b>	<b>308.08</b>	<b>2,190.21</b>	<b>30.96</b>	<b>-50.31</b>	<b>2,478.94</b>
Profit for the year	-	372.88	-	-	372.88
Other comprehensive income (net of tax impact)	-	6.52	14.07	17.35	37.94
Dividend paid during the year including tax impact, refer note no. 39	-	-	-	-	-
<b>Balance as at 31 March 2021</b>	<b>308.08</b>	<b>2,569.61</b>	<b>45.03</b>	<b>(32.96)</b>	<b>2,889.76</b>
Profit for the year	-	385.19	-	-	385.19
Other comprehensive income (net of tax impact)	-	9.47	20.28	37.92	67.67
Dividend paid during the year including tax impact, refer note no. 39	-	(37.54)	-	-	(37.54)
<b>Balance as at 31 March 2022</b>	<b>308.08</b>	<b>2,926.73</b>	<b>65.31</b>	<b>4.96</b>	<b>3,305.08</b>

\*Refer note 17 for details

\*\*Refer note 18 for details

Summary of significant accounting policies and accompanying notes form an integral part of these financial statements. This is the standalone statement of changes in equity referred to in our report of even date.

**For O. P. Dadu & Co.**  
Chartered Accountants  
Firm Registration No. 001201N

**CA. Amit Gupta**  
Partner  
Membership No. 094202  
UDIN: 21094202AAAAAU8038

**Place: New Delhi**  
**Date: May 30, 2022**

**Deep Kapuria**  
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**For and on behalf of**  
**The Hi-Tech Gears Limited**

**Pranav Kapuria**  
Managing Director  
DIN 00006195

**Naveen Jain**  
Company Secretary

# The Hi-Tech Gears Limited

## Standalone cash flow statement for the year ended 31 March 2022

(₹ in Mn)

	31 March 2022	31 March 2021
<b>A Cash flow from operating activities</b>		
Profit before tax	536.63	496.40
<b>Adjustments for:</b>		
Depreciation and amortisation expense	303.61	251.52
Gain on disposal of property, plant and equipment (net)	(8.60)	(0.13)
Interest income classified as investing cash flows	(20.79)	(32.76)
Income recognised on account of government assistance	(2.51)	(2.42)
Provisions written back	(5.86)	(0.47)
Provision for doubtful debts	2.78	12.65
Unrealised foreign exchange rate difference (net)	(7.83)	(33.69)
Unrealised (gain)/loss on mark to market of forward contracts	-	(4.96)
Finance cost	179.20	178.94
<b>Operating profit before working capital changes</b>	<b>976.63</b>	<b>865.08</b>
<b>Movement in working capital</b>		
(Increase)/decrease in inventories	(216.94)	(7.63)
(Increase)/decrease in other financial assets	27.67	(34.53)
(Increase)/decrease in trade receivables	(434.54)	(245.77)
(Increase)/Decrease in other non-current assets	65.82	7.85
(Increase)/decrease in other current assets	(38.57)	(16.40)
Increase/(decrease) in other financial liability	36.53	34.64
Increase/(decrease) in other current liability	7.34	(0.59)
Increase in provision	(12.53)	40.93
Increase/(decrease) in trade and other payables	270.61	76.42
<b>Cash flow from operating activities post working capital changes</b>	<b>682.02</b>	<b>720.00</b>
Income tax paid (net)	(150.23)	(144.85)
<b>Net cash flows from operating activities (A)</b>	<b>531.79</b>	<b>575.15</b>
<b>B Cash flows from investing activities</b>		
Payments for property, plant and equipment and capital work-in-progress	(393.84)	(230.98)
Proceeds from sale of property, plant and equipment	18.17	3.57
Proceeds/(Payments) for of margin money and bank deposits	(1.11)	40.86
Proceeds/(Repayment) of loans and advances	(78.29)	1.28
Interest received	20.79	32.74
<b>Net cash used in investing activities (B)</b>	<b>(434.28)</b>	<b>(152.53)</b>
<b>C Cash flows from financing activities*</b>		
Finance cost paid	(165.83)	(160.92)
Proceeds from borrowings	583.09	249.15
Repayment of borrowings	(511.21)	(304.06)
Payment of lease liabilities	(46.85)	(15.87)
Dividends paid (including tax)	(37.54)	-
<b>Net cash (used)/flow from financing activities (C)</b>	<b>(178.34)</b>	<b>(231.70)</b>
Net increase (decrease) in cash and cash equivalents (A+B+C)	(80.83)	190.92
Cash and cash equivalents at the beginning of the year	336.82	145.90
<b>Cash and cash equivalents at the end of the year</b>	<b>255.99</b>	<b>336.82</b>

\*Refer note 19 for reconciliation of liabilities arising from financing activities

This is the Cash Flow Statement referred to in our report of even date.

**Note: The above cash flow statement has been prepared under the "Indirect method" as set out in Indian Accounting Standard (IND AS -7) statement of cash flow.**

**Cash flows from operating activities include ₹ 7.47 Mn (31 March 2021 ₹ 7.30 Mn) being expenses towards Corporate Social Responsibility initiatives.**

For O. P. Dadu & Co.  
Chartered Accountants  
Firm Registration No. 001201N

CA. Amit Gupta  
Partner  
Membership No. 094202  
UDIN: 21094202AAAAAU8038

Place: New Delhi  
Date: May 30, 2022

Deep Kapuria  
Executive Chairman  
DIN 00006185

Vijay Mathur  
Chief Financial Officer

For and on behalf of  
The Hi-Tech Gears Limited

Pranav Kapuria  
Managing Director  
DIN 00006195

Naveen Jain  
Company Secretary

## Property, plant and equipment

(₹ in Mn)

Particulars	Freehold land	Leasehold land	Residential flats	Buildings	Plant and machinery	Furniture and fixtures	Office equipment	Vehicles	Total	Capital work-in-progress
<b>Gross carrying amount</b>										
At 1 April 2020	157.79	-	-	415.76	4,055.51	33.55	77.85	62.70	4,803.16	115.94
Additions	-	-	-	-	97.90	-	1.28	0.54	99.72	228.88
Disposals	-	-	-	-	(39.23)	-	-	(16.63)	(55.87)	(99.72)
Reclassified on adoption of Ind AS 116										-
<b>Balance as at 31 March 2021</b>	<b>157.79</b>	<b>-</b>	<b>-</b>	<b>415.76</b>	<b>4,114.18</b>	<b>33.55</b>	<b>79.13</b>	<b>46.61</b>	<b>4,847.01</b>	<b>245.10</b>
Additions	-	-	-	22.80	440.81	5.74	4.83	1.90	476.08	390.72
Disposals	-	-	-	-	(67.63)	-	(0.72)	(1.82)	(70.17)	
Capitalised during the year										(476.08)
<b>Balance as at 31 March 2022</b>	<b>157.79</b>	<b>-</b>	<b>-</b>	<b>438.56</b>	<b>4,487.36</b>	<b>39.29</b>	<b>83.24</b>	<b>46.69</b>	<b>5,252.92</b>	<b>159.74</b>
<b>Accumulated depreciation</b>										
At 1 April 2020	-	-	-	143.35	2,666.26	27.30	71.43	34.59	2,942.94	-
Charge for the year	-	-	-	12.20	199.98	1.40	2.12	4.10	219.81	-
Adjustments for disposals	-	-	-	-	(36.72)	-	-	(15.71)	(52.43)	-
Reclassified on adoption of Ind AS 116										
<b>Balance as at 31 March 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>155.55</b>	<b>2,829.52</b>	<b>28.70</b>	<b>73.55</b>	<b>22.98</b>	<b>3,110.32</b>	<b>-</b>
Charge for the year	-	-	-	12.33	247.36	1.34	2.50	4.29	267.82	-
Adjustments for disposals	-	-	-	-	(58.19)	-	(0.68)	(1.73)	(60.60)	-
<b>Balance as at 31 March 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>167.88</b>	<b>3,018.69</b>	<b>30.04</b>	<b>75.37</b>	<b>25.54</b>	<b>3,317.54</b>	<b>-</b>
<b>Net carrying amount as at 31 March 2021</b>	<b>157.79</b>	<b>-</b>	<b>-</b>	<b>260.21</b>	<b>1,284.66</b>	<b>4.85</b>	<b>5.58</b>	<b>23.63</b>	<b>1,736.69</b>	<b>245.10</b>
<b>Net carrying amount as at 31 March 2022</b>	<b>157.79</b>	<b>-</b>	<b>-</b>	<b>270.68</b>	<b>1,468.67</b>	<b>9.25</b>	<b>7.87</b>	<b>21.15</b>	<b>1,935.38</b>	<b>159.74</b>



## a) CWIP Ageing Schedule as at 31 March 2022

(₹ in Mn)

Capital Work in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Project in progress:-</b>					
Plant & Machinery	30.82	-	2.48	9.36	42.66
<b>Project in temporarily suspended :-</b>					
Trichy Project	19.94	20.17	24.94	52.03	117.08
<b>Total</b>	<b>50.76</b>	<b>20.17</b>	<b>27.42</b>	<b>61.39</b>	<b>159.74</b>

## b) CWIP whose completion is overdue or has exceeded its cost compared to its original plan as at 31 March 2022

(₹ in Mn)

Capital Work in Progress	CWIP to be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Project in progress:-</b>					
Plant & Machinery	42.66				42.66
<b>Project in temporarily suspended :-</b>					
Trichy Project temporarily suspended				117.08	117.08
<b>Total</b>	<b>42.66</b>	<b>-</b>	<b>-</b>	<b>117.08</b>	<b>159.74</b>

## c) CWIP Ageing Schedule as at 31 March 2021

(₹ in Mn)

Capital Work in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Project in progress:-</b>					
Plant & Machinery	112.35	9.73	9.62	-	131.70
<b>Project in temporarily suspended :-</b>					
Trichy Project	36.44	24.94	52.02	0.00	113.40
<b>Total</b>	<b>148.79</b>	<b>34.67</b>	<b>61.64</b>	<b>0.00</b>	<b>245.10</b>

## d) CWIP whose completion is overdue or has exceeded its cost compared to its original plan as at 31 March 2021

(₹ in Mn)

Capital Work in Progress	CWIP to be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Project in progress:-</b>					
Plant & Machinery	119.86	11.84			131.70
<b>Project in temporarily suspended :-</b>					
Trichy Project temporarily suspended				113.40	113.40
<b>Total</b>	<b>119.86</b>	<b>11.84</b>	<b>-</b>	<b>113.40</b>	<b>245.10</b>

Refer Note 19 for information on property, plant and equipment hypothecated/mortgaged as security by the Company.

Refer Note 38(B) for disclosure of contractual commitment for acquisition of property, plant and equipment.



## Note - 7

### Right-of-use assets

(₹ in Mn)

Particulars	Land	Residential flats	Buildings	Plant and machinery	Total
<b>Gross carrying amount</b>					
At 1 April 2020	18.59	4.55	79.72	30.76	133.62
Transition impact of Ind AS 116	-	-	-	-	-
Additions	4.14	-	-	235.43	239.56
Adjustments/disposals	-	-	(13.96)	(5.08)	(19.04)
<b>Balance as at 31 March 2021</b>	<b>22.73</b>	<b>4.55</b>	<b>65.76</b>	<b>261.11</b>	<b>354.14</b>
Additions	-	-	-	-	-
Adjustments/disposals	-	-	-	-	-
<b>Balance as at 31 March 2022</b>	<b>22.73</b>	<b>4.55</b>	<b>65.76</b>	<b>261.11</b>	<b>354.14</b>
<b>Accumulated depreciation</b>					
At 1 April 2020	1.33	1.48	19.63	2.75	25.20
Transition impact of Ind AS 116	-	-	-	-	-
Charge for the year	0.28	0.07	19.91	6.14	26.40
Adjustments for disposals	-	-	-	(0.63)	(0.63)
<b>Balance as at 31 March 2021</b>	<b>1.61</b>	<b>1.55</b>	<b>39.54</b>	<b>8.26</b>	<b>50.97</b>
Charge for the year	0.36	0.07	21.86	10.13	32.42
Adjustments for disposals	-	-	-	-	-
<b>Balance as at 31 March 2022</b>	<b>1.97</b>	<b>1.62</b>	<b>61.40</b>	<b>18.39</b>	<b>83.39</b>
<b>Net carrying amount as at 31 March 2021</b>	<b>21.12</b>	<b>3.00</b>	<b>26.22</b>	<b>252.85</b>	<b>303.17</b>
<b>Net carrying amount as at 31 March 2022</b>	<b>20.76</b>	<b>2.93</b>	<b>4.36</b>	<b>242.72</b>	<b>270.75</b>

## Note - 7 A

### Intangible assets

(₹ in Mn)

Particulars	Software's	Total
<b>Gross carrying amount</b>		
At 1 April 2020	104.49	104.49
Additions	1.59	1.59
Disposals	-	-
<b>Balance as at 31 March 2021</b>	<b>106.08</b>	<b>106.08</b>
Additions	3.11	3.11
<b>Balance as at 31 March 2022</b>	<b>109.19</b>	<b>109.19</b>
<b>Accumulated amortisation</b>		
At 1 April 2020	91.03	91.03
Charge for the year	5.32	5.32
Impairment charge	-	-
<b>Balance as at 31 March 2021</b>	<b>96.35</b>	<b>96.35</b>
Charge for the year	3.37	3.37
Impairment charge	-	-
<b>Balance as at 31 March 2022</b>	<b>99.72</b>	<b>99.72</b>
<b>Net carrying amount as at 31 March 2021</b>	<b>9.73</b>	<b>9.73</b>
<b>Net carrying amount as at 31 March 2022</b>	<b>9.47</b>	<b>9.47</b>



**Note - 8**

(₹ in Mn)

	31 March 2022	31 March 2021
<b>A Investments - non-current</b>		
<b>Equity instruments</b>		
<b>Investment in subsidiary companies (unquoted, measured at cost)</b>		
2545887 Ontario Inc., Canada 29,864,225 common shares of CAD \$1 each (previous year 31 March 2021: 29,864,225 common shares) fully paid up.	1,534.55	1,534.55
Neo-Tech Auto Systemz Inc., USA 1,000,000 common shares of USD \$0.01 each (previous year 31 March 2021: 1,000,000 common shares) fully paid up.	0.64	0.64
Neo Tech Smart Solutions Inc., Canada* 250,000 common shares of CAD \$ 1 each (previous year 31 March 2021: 2,50,000 common shares) fully paid up	13.78	13.78
<b>Other investment (quoted, measured at FVOCI)</b> 2100 Equity shares of ₹ 1/- each fully paid up of State Bank of India (previous year 31 March 2021 : 2100 Equity shares of ₹ 1/- each fully paid up).	1.04	0.77
<b>(unquoted, measured at FVOCI)</b> 8200 Equity shares of ₹ 1/- each fully paid up of Altigreen Propulsion Labs Pvt. Ltd. (previous year 31 March 2021 : 8200 Equity shares of ₹ 1/- each fully paid up) **	120.96	94.24
	<b>1,670.97</b>	<b>1,643.98</b>
Aggregate market value of quoted investments	1.04	0.77
Aggregate amount of unquoted investments and market value thereof	1,669.93	1,643.21
Aggregate value of impairment in the value of investments	-	-

**Information about subsidiaries company**

Particulars	Principal place of business	Ownership interests	Accounted on
2545887 Ontario Inc	Canada	100%	As per provision of Ind AS 27 'Separate Financial Statements'
Neo-Tech Auto System Inc.	USA	100%	
Neo-Tech Smart Solutions Inc.	Canada	100%	

**Note - 9**

(₹ in Mn)

	31 March 2022	31 March 2021
<b>A Loans - non current (Unsecured, considered good)</b>		
Loan to Subsidiary Company	77.69	-
Loan to employees	3.14	2.36
	<b>80.83</b>	<b>2.36</b>

**Loan to related party details as at 31 March 2022**

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances
<b>Repayable on demand:-</b>		
Related Party	77.69	93%
<b>Total</b>	<b>77.69</b>	<b>93%</b>

**Loan to related party details as at 31 March 2021**

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances
<b>Repayable on demand:-</b>		
Related Party	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>


**B Loans - current**

(₹ in Mn)

	31 March 2022	31 March 2021
<b>(Unsecured, considered good)</b>		
Loan to employees	2.64	2.82
	<b>2.64</b>	<b>2.82</b>

**Note - 10**

(₹ in Mn)

	31 March 2022	31 March 2021
<b>A Other financial assets - non current</b>		
Interest Accured on loan to Subsidiary	2.28	-
Balance held as margin money (against letter of credit and bank guarantees)*	0.04	1.07
Security deposits with government bodies	38.07	37.30
	<b>40.39</b>	<b>38.37</b>
*Margin money deposits having remaining maturity of more than 12 months.		
<b>B Other financial assets - current</b>		
Security deposits - others	6.65	8.29
Other receivable*		
Considered good	71.45	97.48
Considered credit impaired (refer note below)	2.05	2.05
Less: Impairment allowance (allowance for bad and doubtful debts)	(2.05)	(2.05)
	<b>78.10</b>	<b>105.77</b>

\*It includes amount receivable from customers for new product development like making, changing in nature of specific components on demand of customers, insurance claim receivable, provision for rate revision in case of steel cost.

Note: One employee (Mr. K. P. Yadav, Assistant Manager in finance & accounts) had embezzled money by making unauthorised withdrawal of ₹ 2.23 Mn in his personal account in the period December 2017 to April 2018. On detecting the above fraud, the Company immediately terminated him from his services and lodged the FIR against him. Till now, the Company had made recovery of ₹ 0.18 Mn out of above amount and created the provision for the balance amount as on 31 March 2019. Appropriate actions for discovery, prevention of fraud and strengthening of Internal controls has been put in place by the Company.

**Note - 11**

(₹ in Mn)

	31 March 2022	31 March 2021
<b>A Other non-current assets</b>		
Capital advance*	91.95	158.57
Prepaid expenses	6.82	6.02
	<b>98.77</b>	<b>164.59</b>

\*For capital commitments refer note - 38(B)

	31 March 2022	31 March 2021
<b>B Other current assets</b>		
Advances to suppliers	49.56	43.46
Advances to employees	0.48	0.57
Prepaid expenses	19.30	18.82
Balance with statutory authorities	106.26	81.22
Others	7.04	-
	<b>182.64</b>	<b>144.07</b>

**Note - 12**

(₹ in Mn)

	31 March 2022	31 March 2021
<b>Inventories</b>		
<b>(Valued at lower of cost or net realisable value)</b>		
Finished goods (including goods in transit)	308.26	126.94
Raw materials and components	49.13	88.23
Stock in trade	3.80	8.04
Stores and spares	192.28	166.83
Work-in-progress	232.10	178.51
Scrap (at realisable value)	0.95	1.03
	<b>786.52</b>	<b>569.58</b>

**Note - 13**

(₹ in Mn)

	31 March 2022	31 March 2021
<b>Trade receivables* (Unsecured)</b>		
Considered good	1,258.69	831.68
Having significant increase in credit risk	11.23	8.14
Credit impaired	4.06	4.06
<b>Total</b>	<b>1,273.98</b>	<b>843.88</b>
Less: Impairment loss allowance	(21.95)	(19.17)
	<b>1,252.03</b>	<b>824.71</b>

\*for related party balances refer note 36

Trade receivables ageing schedule is as follows:

Particulars	As at 31 March 2022							Total
	Unbilled	Not Due	Outstanding for following periods from due date of payment					
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	14.38	786.28	421.40	36.63	-	-	-	1,258.69
(ii) Undisputed Trade Receivables – Significant increase in credit risk	-	-	-	-	8.30	1.42	1.51	11.23
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – Significant increase in credit risk	-	-	-	-	-	-	4.06	4.06
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
<b>Total</b>	<b>14.38</b>	<b>786.28</b>	<b>421.40</b>	<b>36.63</b>	<b>8.30</b>	<b>1.42</b>	<b>5.57</b>	<b>1,273.98</b>

Trade receivables ageing schedule is as follows:

Particulars	As at 31 March 2021							Total
	Unbilled	Not Due	Outstanding for following periods from due date of payment					
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	642.73	151.05	37.90	-	-	-	831.68
(ii) Undisputed Trade Receivables – Significant increase in credit risk	-	-	-	-	4.56	2.63	0.95	8.14
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – Significant increase in credit risk	-	-	-	-	-	-	4.06	4.06
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>642.73</b>	<b>151.05</b>	<b>37.90</b>	<b>4.56</b>	<b>2.63</b>	<b>5.01</b>	<b>843.88</b>


**Note - 14**

(₹ in Mn)

	31 March 2022	31 March 2021
<b>Cash and cash equivalents</b>		
Cash on hand	0.35	0.24
Balances with banks		
In current accounts	135.64	81.68
Bank deposits with original maturity less than three months	120.00	254.90
	<b>255.99</b>	<b>336.82</b>

**Note - 15**

(₹ in Mn)

	31 March 2022	31 March 2021
<b>Other bank balances</b>		
Margin money	3.22	3.65
Deposits with Standard Chartered Bank (DSRA) maturity of more than three months and upto twelve months**	94.85	93.86
Bank deposits with maturity of more than three months and upto twelve months	158.86	160.31
Unclaimed dividend	1.01	1.03
	<b>257.94</b>	<b>258.85</b>

\*\*Amount deposited in fixed deposits of ₹ 94.85 Mn (previous year ₹ 93.86 Mn) which is Charged to Lender pursuant to the facility agreement (refer note 19 borrowings current for details).

**Note - 16**

(₹ in Mn)

	31 March 2022	31 March 2021
<b>Current tax assets (net)</b>		
Advance income tax	304.93	159.30
Less: Provision for taxation	(285.92)	(138.02)
	<b>19.01</b>	<b>21.28</b>

**Note - 17**

(₹ in Mn)

	31 March 2022		31 March 2021	
	Number	Amount	Number	Amount
<b>Equity share capital</b>				
<b>i Authorised</b>				
20,000,000 equity shares of ₹ 10/- each with voting rights	2,00,00,000	200.00	2,00,00,000	200.00
		<b>200.00</b>		<b>200.00</b>
<b>ii Issued, subscribed and fully paid up</b>				
Equity share capital of face value of ₹ 10/- each	1,87,68,000	187.68	1,87,68,000	187.68
		<b>187.68</b>		<b>187.68</b>
<b>iii Reconciliation of number of equity shares outstanding at the beginning and at the end of the year</b>				
<b>Equity shares</b>				
Balance at the beginning of the year	1,87,68,000	187.68	1,87,68,000	187.68
Add : Shares issued during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>1,87,68,000</b>	<b>187.68</b>	<b>1,87,68,000</b>	<b>187.68</b>

**iv Rights, preferences and restrictions attached to equity shares**

The Company has one class of equity shares with paid up value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share on all resolutions submitted to shareholders. They have right to participate in the profits of the company, if declared by the Board as interim dividend and recommended by the Board and declared by the members as final dividend. They are also entitled to bonus/right issue, as declared by Company from time to time. They have right to receive annual report of the Company, beside other rights available under the Companies Act and Listing Regulations.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company, beside other rights available under the Companies Act.

The distribution will be in proportion to the number of equity shares held by the shareholders.

**v Details of shareholders holding more than 5% share capital**

Name of the equity shareholders	31 March 2022		31 March 2021	
	Number	%	Number	%
Vulcan Electro Controls Limited	10,82,000	5.77%	10,82,000	5.77%
Olympus Electrical Industries Private Limited	17,45,200	9.30%	17,45,200	9.30%
Hi Tech Portfolio Investments Limited	19,71,876	10.51%	19,71,876	10.51%
Mr. Deep Kapuria	31,19,461	16.62%	31,17,461	16.61%

**vi Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, by way of bonus shares and shares bought back for the period of 5 years immediately preceding the balance sheet date**

The Company has not issued any shares pursuant to contract(s) without payment being received in cash.

No bonus shares have been issued in preceding 5 years.

The Company has not undertaken any buy back of shares.

**vii Details of shares held by promoters**

Particulars	Promoter Name	No. of shares at the beginning of the year 01 April 2021	Change during the year	No. of shares at the end of the year 31 March 2022	% of Total Shares	% change during the year
Equity shares of face value Rs 10/-	Master Abhay Kapuria	8,000	-	8,000	0.04%	0.00%
Equity shares of face value Rs 10/-	Deep Kapuria & Sons (Huf)	2,31,780	-	2,31,780	1.23%	0.00%
Equity shares of face value Rs 10/-	Deep Kapuria	31,17,461	2,000	31,19,461	16.62%	0.06%
Equity shares of face value Rs 10/-	Pranav Kapuria	8,48,102	-	8,48,102	4.52%	0.00%
Equity shares of face value Rs 10/-	Anuj Kapuria	8,44,062	-	8,44,062	4.50%	0.00%
Equity shares of face value Rs 10/-	Veena Kapuria	5,01,120	-	5,01,120	2.67%	0.00%
Equity shares of face value Rs 10/-	Adhiraj Kapuria	19,000	-	19,000	0.10%	0.00%
Equity shares of face value Rs 10/-	Adhiveer Kapuria	19,000	-	19,000	0.10%	0.00%
Equity shares of face value Rs 10/-	Aabha Kapuria	60,460	20,351	80,811	0.43%	33.66%
Equity shares of face value Rs 10/-	Megha Kapuria	60,460	19,851	80,311	0.43%	32.83%
Equity shares of face value Rs 10/-	Dev Kumari Kapuria	2,000	-2,000	0	0.00%	-100.00%
Equity shares of face value Rs 10/-	Hi-Tech Portfolio Investments Ltd	19,71,876	-	19,71,876	10.51%	0.00%
Equity shares of face value Rs 10/-	Olympus Electrical Industries Pvt Ltd	17,45,200	-	17,45,200	9.30%	0.00%
Equity shares of face value Rs 10/-	Vulcan Electro Controls Ltd	10,82,000	-	10,82,000	5.77%	0.00%
<b>Total</b>		<b>1,05,10,521</b>	<b>40,202</b>	<b>1,05,50,723</b>	<b>56.22%</b>	
<b>Total No of Equity shares</b>		<b>1,87,68,000</b>				

Particulars	Promoter Name	No. of shares at the beginning of the year 01 April 2020	Change during the year	No. of shares at the end of the year 31 March 2021	% of Total Shares	% change during the year
Equity shares of face value Rs 10/-	Master Abhay Kapuria	8,000	-	8,000	0.04%	0.00%
Equity shares of face value Rs 10/-	Deep Kapuria & Sons (Huf)	2,31,780	-	2,31,780	1.23%	0.00%
Equity shares of face value Rs 10/-	Deep Kapuria	31,17,461	-	31,17,461	16.61%	0.00%
Equity shares of face value Rs 10/-	Pranav Kapuria	8,48,102	-	8,48,102	4.52%	0.00%
Equity shares of face value Rs 10/-	Anuj Kapuria	8,44,062	-	8,44,062	4.50%	0.00%
Equity shares of face value Rs 10/-	Veena Kapuria	5,01,120	-	5,01,120	2.67%	0.00%
Equity shares of face value Rs 10/-	Adhiraj Kapuria	19,000	-	19,000	0.10%	0.00%
Equity shares of face value Rs 10/-	Adhiveer Kapuria	19,000	-	19,000	0.10%	0.00%
Equity shares of face value Rs 10/-	Aabha Kapuria	15,950	44,510	60,460	0.32%	279.06%
Equity shares of face value Rs 10/-	Megha Kapuria	15,950	44,510	60,460	0.32%	279.06%
Equity shares of face value Rs 10/-	Dev Kumari Kapuria	2,000	-	2,000	0.01%	0.00%
Equity shares of face value Rs 10/-	Hi-Tech Portfolio Investments Ltd	19,71,876	-	19,71,876	10.51%	0.00%
Equity shares of face value Rs 10/-	Olympus Electrical Industries Pvt Ltd	17,45,200	-	17,45,200	9.30%	0.00%
Equity shares of face value Rs 10/-	Vulcan Electro Controls Ltd	10,82,000	-	10,82,000	5.77%	0.00%
<b>Total</b>		<b>1,04,21,501</b>	<b>89,020</b>	<b>1,05,10,521</b>	<b>56.00%</b>	
<b>Total No of Equity shares</b>		<b>1,87,68,000</b>				


**Note - 18**

(₹ in Mn)

	31 March 2022	31 March 2021
<b>Other Equity</b>		
<b>Reserve &amp; Surplus</b>		
<b>General Reserve</b>		
Balance as per last Balance sheet	308.08	308.08
<b>Total (A)</b>	<b>308.08</b>	<b>308.08</b>
<b>Retained earnings</b>		
Balance as per last Balance sheet	2,569.61	2,190.21
Add: Profit/(Loss) for the year	385.19	372.88
Add: Other comprehensive income (net of tax impact)	9.47	6.52
Less: Dividend paid during the year including tax impact, refer note no. 39	(37.54)	-
<b>Total (B)</b>	<b>2,926.73</b>	<b>2,569.61</b>
<b>Total (C=A+B)</b>	<b>3,234.81</b>	<b>2,877.69</b>
<b>Other Comprehensive Income (OCI)</b>		
<b>Equity instrument through Other Comprehensive Income</b>		
Balance as per last Balance sheet	45.03	30.96
Add: Movement in OCI (Net) during the year	20.28	14.07
<b>Total (D)</b>	<b>65.31</b>	<b>45.03</b>
<b>Cash flow hedge reserve</b>		
Balance as per last Balance sheet	(32.96)	(50.31)
Add: Movement in OCI (Net) during the year	37.92	17.35
<b>Total (E)</b>	<b>4.96</b>	<b>(32.96)</b>
<b>Total (F=D+E)</b>	<b>70.27</b>	<b>12.07</b>
<b>Total Other Equity (C+F)</b>	<b>3,305.08</b>	<b>2,889.76</b>

**(i) Nature and purpose of other reserves**
**General reserve**

General reserve is created out of the accumulated profits of the Company as per the provisions of Companies Act.

**Retained earnings**

All the profits made by the Company are transferred to retained earnings from statement of profit and loss.

**Other comprehensive income**

Other comprehensive income represents balance arising on account of changes in fair value of equity instruments carried at fair value through other comprehensive income and gain/(loss) booked on re-measurement of defined benefit plans.

**Cash flow hedge reserve**

The Company has taken a cross currency and interest rate swap to hedge the foreign currency risk of highly probable forecasted sales and foreign currency borrowings. To the extent hedge is effective, the change in fair value of hedging instrument is recognised in cash flow reserve.

**Note - 19**

(₹ in Mn)

	31 March 2022	31 March 2021
<b>A Borrowings non-current</b>		
<b>Secured</b>		
Term loans		
From banks		
External commercial borrowing	328.14	626.64
Rupee Loan	607.28	576.24
From others- vehicle loan	-	3.42
	<b>935.42</b>	<b>1,206.30</b>
<b>A (i) Lease Liabilities</b>		
Lease liabilities	221.30	244.87
	<b>221.30</b>	<b>244.87</b>

(₹ in Mn)

Particulars	Nature of security	Terms of repayment	Maturity	31 March 2022	31 March 2021
<b>Secured External commercial borrowing</b> Standard Chartered Bank (USD 12,000,000) through IDBI Trusteeship Limited.	a) First pari passu charge on movable fixed assets of the company both present and future. b) First pari pasu charge on the following immovable fixed assets of the Company: 1) A-589, Industrial Complex, Bhiwadi, District, Alwar, Rajasthan-301019. 2) Plot No 24-26, Sector 7, IMT Manesar, Gurgaon, Haryana 122050 3) SPL-146, Industrial Complex, Bhiwadi-301019, District Alwar, Rajasthan 4) Plot No. A-7 & A-8, G K Industrial Park, Trichy District Tamil Nadu	Quarterly repayment starts from February 2019. 5 instalments @ 2.25% p.a of loan amount 4 instalments @ 3.00% p.a of loan amount. 12 instalment @ 6.40% p.a of loan amount.	February, 2024	466.09	673.38
<b>Interest rate</b>  Standard Chartered Bank External commercial borrowing (USD 7,561,789) through IDBI Trusteeship Limited.	a) First pari passu charge on movable fixed assets of the company both present and future. b) First pari pasu charge on the following immovable fixed assets of the company: 1) A-589, Industrial Complex, Bhiwadi, District, Alwar, Rajasthan-301019. 2) Plot No 24-26, Sector 7, IMT Manesar, Gurgaon, Haryana 122050 3) SPL-146, Industrial Complex, Bhiwadi-304019, District Alwar, Rajasthan 4) Plot No. A-7 & A-8, G K Industrial Park, Trichy District Tamil Nadu	Quarterly repayment starts from February 2019. 5 instalments @ 5.375% p.a of loan amount 4 instalments @ 5.5% p.a of loan amount 12 instalments @4.26% p.a of loan amount	February, 2024	195.64	282.66
<b>Interest rate</b>				<b>3 Month LIBOR+3.29%</b>	<b>3 Month LIBOR+3.29%</b>
				<b>3 Month LIBOR+3.00%</b>	<b>3 Month LIBOR+3.00%</b>
<b>Term loan</b> HDFC Bank Ltd - Term Loan .	1) First charge by way of hypothecation in favor of the Lender, on company's movables including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures and all other movable assets, present and future for Expansion Project. 2) First charge by way of assignment or creation of charge in favour of the lenders of (i) all the right, title, interest, benefits, claims and demands whatsoever of the company in the project documents, duly acknowledged and consented to by the relevant counter parties to such project documents, all as amended, varied or supplemented from time to time in respect to Expansion Project; 3) First pari passu charge by way of hypothecation in favour of the Lender, of company's movables including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures and all other movable assets, present and future which are not exclusively charged to any other lenders. 4) First pari passu charge over the present and future immovable fixed assets of the company as given below: a) A-589, Industrial Complex, Bhiwadi, District, Alwar, Rajasthan-301019. b) Plot No 24-26, Sector 7, IMT Manesar, Gurgaon, Haryana 122050 c) SPL-146, Industrial Complex, Bhiwadi-304019, District Alwar, Rajasthan d) Plot No. A-7 & A-8, G K Industrial Park, Trichy District Tamil Nadu	Repayment in 16 quarterly instalment starts from December, 2020	December, 2024	397.64	551.66
<b>Interest Rate</b>				7.7%/7.8%/ 7.85%/7.90%	7.7%/7.8%/ 7.85%/7.90%



(₹ in Mn)

Particulars	Nature of security	Terms of repayment	Maturity	31 March 2022	31 March 2021
<b>TERM LOAN</b> Bajaj Finance Limited	a) First pari passu charge on movable fixed assets of the company both present and future. b) First pari pasu charge on the following immovable fixed assets of the company: 1) A-589, Industrial Complex, Bhiwadi, District, Alwar, Rajasthan-301019*. 2) Plot No 24-26, Sector 7, IMT Manesar, Gurgaon, Haryana 122050 3) SPL-146, Industrial Complex, Bhiwadi-304019, District Alwar, Rajasthan	20 equal quarterly instalments starting from the 15th month from the date of first disbursement		180.00	200.00
<b>Interest Rate</b>				<b>8.40%</b>	<b>9%/8.50%</b>
Federal Bank Limited	a) First Pari Passu charge on Moveable fixed assets of the Company, both present & future. b) First Pari Passu charge Immoveable fixed assets situated at : 1) Plot No. 24,25 & 26, Sector-7, IMT Manesar, Haryana-122050, 2) A-589, RIICO Industrial Area, Bhiwadi, District Alwar, Bhiwadi- 301019, Rajasthan and 3) SPL-146A Industrial Complex, Bhiwadi, Rajasthan The Memorandum of Entry of the above still to be executed.	18 equal quarterly instalments of 13.2 million each and 1 quarterly installment of 12.4 million starting from the 15th month from the date of first disbursement.		225.00	-
<b>Interest Rate</b>				<b>7.30%</b>	-
<b>Vehicle loan</b> BMW Financial Service	Hypothecation of specific car.	47 monthly equal instalments of ₹ 132,801 & 48th instalment of ₹ 30,21,700.	August, 2022	3.42	4.62
<b>Interest rate</b> Daimler Financial Services Pvt Ltd	Hypothecation of specific car.	35 monthly equal instalments of ₹ 4,51,854 & 48th instalment of ₹ 82,25,900.	October, 2021	-	9.85
<b>Interest rate</b>				<b>11.74%</b>	<b>11.74%</b>
<b>Finance lease obligation</b>	Lease liabilities are effectively secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.	Monthly instalments		265.87	289.63
<b>Interest rate</b>				<b>6%/9.17%</b>	<b>6%/9.17%</b>
Unamortised upfront fees on borrowing				(13.11)	(26.47)
<b>Total borrowings</b>				<b>1,720.55</b>	<b>1,985.34</b>
Less : Current maturity of long term loan				563.83	534.16
<b>Non current borrowings</b>				<b>1,156.72</b>	<b>1,451.18</b>

(₹ in Mn)

	31 March 2022	31 March 2021
<b>B Borrowings - current</b>		
<b>Secured</b>		
Working capital loans repayable on demand from banks	365.01	51.18
Current maturities of long term borrowings	519.26	489.41
	<b>884.27</b>	<b>540.59</b>
<b>B (i) Lease Liabilities</b>		
Lease liabilities	44.57	44.76
	<b>44.57</b>	<b>44.76</b>



Particulars	Nature of security	Interest rate	31 March 2022	31 March 2021
Citi bank-packing credit	<ul style="list-style-type: none"> <li>First pari passu charge on all stock present and future of the Company.</li> <li>First pari passu charge on All Debtors Present &amp; Future of the Company;</li> <li>Second pari passu charge on fixed assets excluding assets specifically charged to other lenders.</li> <li>Second pari passu charge by way of equitable mortgage on land and building located at A-589, Industrial Complex, Dist Alwar, Bhiwadi.</li> </ul>	PCFC- 2.83% p.a (previous year 2.48% p.a)	87.67	36.56
Standard chartered bank-packing credit	<ul style="list-style-type: none"> <li>First pari passu charge over stock and book debts of the borrower both present and future.</li> <li>Second pari passu charge on movable Fixed assets (excluding the assets specifically charged to other lenders).</li> <li>Second pari passu charge on immovable fixed assets at A-589, Industrial Complex, Dist Alwar, Bhiwadi.</li> </ul>	2.13% p.a (previous year Nil% p.a)	119.94	-
State Bank of India-packing credit	<ul style="list-style-type: none"> <li>First pari passu charge on all the current assets with working capital lender banks under multiple banking arrangement.</li> <li>Second pari passu charge on Fixed assets (movable and immovable at factory A-589, Industrial Complex, Bhiwadi, Rajasthan-3010019) with working capital lender banks under multiple banking arrangement</li> </ul>	Nil (previous year 8.30% p.a)	-	13.33
State Bank of India-Working capital loan	<ul style="list-style-type: none"> <li>The charge created on assets of the Company by State Bank of India has been satisfied during the FY 2021-2022 dated July 16, 2021.</li> </ul>	Nil (previous year 8.40% p.a)	-	1.29
Federal Bank - PCRE	<ul style="list-style-type: none"> <li>First Pari Passu charge on the current assets of the Company, both present and future, located at Plot No. 24,25 &amp; 26, Sector-7, IMT Manesar, Haryana-122050 or elsewhere in India.</li> </ul>	6.75% p.a (previous year Nil)	27.40	-
HDFC Bank Ltd-Working capital loan	<ul style="list-style-type: none"> <li>First pari pasucharge by way of hypothecation on stocks and book debts of the Company, both present and future.</li> <li>Second pari passu charge by way of hypothecation on entire movable fixed assets (Other than those exclusively charged to other lenders, if any) of the Company.</li> <li>Second pari passu charge over A-589, Industrial Complex, Bhiwadi, Rajasthan-3010019</li> </ul>	6.25% p.a. (previous year Nil)	130.00	-
<b>Total</b>			<b>365.01</b>	<b>51.18</b>

#### Reconciliation of liabilities arising from financing activities

The changes in the Company's liabilities arising from financing activities can be classified as follows:

(₹ in Mn)

Particulars	Long-term borrowings	Short-term borrowings	Lease obligations	Total
<b>01 April 2020</b>	<b>1,813.98</b>	<b>2.03</b>	<b>84.34</b>	<b>1,900.34</b>
<b>Cash flows:</b>				
- Repayment	(304.06)	-	(15.87)	(319.92)
- Proceeds	200.00	49.15	-	249.15
- Foreign exchange	(32.23)	-	-	(32.23)
- Amortisation of upfront fees and others	18.02	-	221.16	239.18
<b>31 March 2021</b>	<b>1,695.71</b>	<b>51.18</b>	<b>289.63</b>	<b>2,036.52</b>
<b>Cash flows:</b>				
- Repayment	(511.21)	-	(46.85)	(558.06)
- Proceeds	269.28	313.83	-	583.11
- Foreign exchange	(12.47)	-	-	(12.47)
- Amortisation of upfront fees and others	13.37	-	23.09	36.46
<b>31 March 2022</b>	<b>1,454.68</b>	<b>365.01</b>	<b>265.87</b>	<b>2,085.56</b>


**Note - 20**

(₹ in Mn)

	31 March 2022	31 March 2021
<b>A Provisions - non current</b>		
Employees' post retirement/long-term benefits		
Compensated absences	34.32	35.32
	<b>34.32</b>	<b>35.32</b>

For movements in each class of provision during the financial year, refer note 40

<b>B Provisions - current</b>		
Employees' post retirement/long-term benefits		
Gratuity	-	4.70
Compensated absences	6.40	5.37
Provision on rate difference	36.40	62.79
	<b>42.80</b>	<b>72.86</b>

For movements in each class of provision during the financial year, refer note 40 and 42

**Note - 21**

(₹ in Mn)

	31 March 2022	31 March 2021
<b>Deferred tax liabilities (net)</b>	<b>35.21</b>	<b>10.01</b>
Deferred tax liabilities arising on account of :		
Opening balance		
Property, plant & equipment	65.69	63.32
Fair valuation of equity instruments	21.63	14.91
Deferred government grant	0.63	0.82
Re-measurement gain on defined benefit plans		
Exchange difference of foreign transactions		
Deferred tax asset arising on account of :		
Cash flow hedge reserve	(8.97)	(23.29)
Right-of-use asset and lease liabilities	(7.22)	(4.30)
Provision for rate difference	(9.16)	(15.80)
Provision for leave encashment	(10.25)	(10.24)
Plant and machinery recognised on account of government grant	(0.63)	(0.82)
Derivatives not designated as hedges	-	-
Provision for bonus	(10.46)	(9.25)
Provision for doubtful debts and advances	(6.05)	(5.34)
	<b>35.21</b>	<b>10.01</b>

**(i) Movement in deferred tax liabilities (net)**

(₹ in Mn)

Particulars	31 March 2021	Recognised/ reversed through profit and loss	Recognised/ reversed through other comprehensive income	31 March 2022
<b>Deferred tax liabilities arising on account of :</b>				
Property, plant & equipment	63.32	2.36	-	65.68
Fair valuation of equity instruments	14.91	-	6.72	21.63
Deferred government grant	0.82	(0.19)	-	0.63
<b>Deferred tax asset arising on account of :</b>				
Cash flow hedge reserve	(23.29)	0.71	13.61	(8.97)
Right-of-use asset and lease liabilities	(4.30)	(2.92)	-	(7.22)
Provision for rate difference	(15.80)	6.64	-	(9.16)
Provision for leave encashment	(10.24)	(0.01)	-	(10.25)
Plant and machinery recognised on account of government grant	(0.82)	0.19	-	(0.63)
Derivatives not designated as hedges	-	-	-	-
Provision for bonus	(9.25)	(1.21)	-	(10.46)
Provision for doubtful debts and advances	(5.34)	(0.71)	-	(6.05)
<b>Total</b>	<b>10.01</b>	<b>4.86</b>	<b>20.33</b>	<b>35.21</b>

Particulars	31 March 2020	Recognised/ reversed through profit and loss	Recognised/ reversed through other comprehensive income	31 March 2021
<b>Deferred tax liabilities arising on account of :</b>				
Property, plant & equipment	93.61	(30.29)	-	63.32
Fair valuation of equity instruments	16.43	-	(1.52)	14.91
Deferred government grant	1.96	(1.14)	-	0.82
<b>Deferred tax asset arising on account of :</b>				
Cash flow hedge reserve	(36.88)	0.44	13.15	(23.29)
Right-of-use asset and lease liabilities	(2.26)	(2.04)	-	(4.30)
Provision for rate difference	(10.38)	(5.42)	-	(15.80)
Provision for leave encashment	(15.77)	5.53	-	(10.24)
Plant and machinery recognised on account of government grant	(1.96)	1.14	-	(0.82)
Derivatives not designated as hedges	(1.47)	1.47	-	-
Provision for bonus	(12.22)	2.97	-	(9.25)
Provision for doubtful debts and advances	(2.99)	(2.34)	-	(5.34)
<b>Total</b>	<b>28.07</b>	<b>(29.68)</b>	<b>11.63</b>	<b>10.01</b>

#### Note - 22

(₹ in Mn)

	31 March 2022	31 March 2021
<b>A Other non - current liabilities</b>		
Deferred income*	12.59	15.09
	<b>12.59</b>	<b>15.09</b>

\* Represents government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme on purchase of property, plant and equipment accounted for as government grant and being amortised over the useful life of such assets.

<b>B Other current liabilities</b>		
Payable to statutory authorities	46.17	29.11
Advance received from customers	38.13	47.85
	<b>84.30</b>	<b>76.96</b>

#### Note - 23

(₹ in Mn)

	31 March 2022	31 March 2021
<b>Trade payables</b>		
- total outstanding dues of micro enterprises and small enterprises	82.17	58.72
- total outstanding dues of creditors other than micro enterprises and small enterprises	948.67	701.31
	<b>1,030.84</b>	<b>760.03</b>

#### Trade payables ageing

Particulars	As at 31 March 2022						
	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed- MSME	-	0.01	82.16	-	-	-	82.17
(ii) Undisputed- Others	-	292.01	644.60	-	-	12.06	948.67
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-	-	-
<b>Total</b>	-	<b>292.02</b>	<b>726.76</b>	-	-	<b>12.06</b>	<b>1,030.84</b>



## Trade payables ageing

Particulars	As at 31 March 2021						Total
	Unbilled	Not Due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed- MSME	-	-	58.72	-	-	-	58.72
(ii) Undisputed- Others	23.36	13.00	631.79	24.07	-	9.09	701.31
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-	-	-
<b>Total</b>	<b>23.36</b>	<b>13.00</b>	<b>690.51</b>	<b>24.07</b>	<b>-</b>	<b>9.09</b>	<b>760.03</b>

\*Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") as at 31 March 2022 and 31 March 2021:  
(₹ in Mn)

Particulars		31 March 2022	31 March 2021
i	Principal amount remaining unpaid to any supplier as at the end of the accounting year;	82.17	58.72
ii	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year;	-	0.01
iii	The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
iv	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-
v	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
vi	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

## Note - 24

(₹ in Mn)

		31 March 2022	31 March 2021
<b>Other financial liabilities</b>			
	Interest accrued but not due	6.60	8.77
	Earnest money and security deposits	2.46	2.85
	Unclaimed dividend	1.01	1.02
	Derivative liability	35.63	92.52
	Others*	237.09	218.50
		<b>282.79</b>	<b>323.66</b>

\*Others include reimbursement of expenses, provision for expenses, liabilities related to compensation/claim, etc.

## Note - 25

(₹ in Mn)

		31 March 2022	31 March 2021
<b>Revenue from operations</b>			
<b>Sale of products</b>			
	Transmission gears and shafts-domestic	4,364.09	3,808.49
	Transmission gears and shafts-export	1,872.67	1,245.65
<b>Sale of services</b>			
	other services	1.16	-
	Sales job work	2.39	12.31
<b>Other operating income</b>			
	Export incentives	48.19	43.89
	Sales scrap	157.51	113.45
		<b>6,446.01</b>	<b>5,223.79</b>

**Note - 26**

(₹ in Mn)

	31 March 2022	31 March 2021
<b>Other income</b>		
Interest income		
Bank deposits	17.54	29.94
Others	3.25	2.82
Dividend Income	0.01	-
Provision written back	5.86	0.47
Net gain on exchange fluctuations	33.70	59.00
Net gain on sale of property, plant and equipment	8.60	0.13
Fair value gain on derivatives not designated as hedges	-	4.96
Income recognised on account of government assistance	2.51	2.42
Profit on Mutual Fund	0.01	-
Miscellaneous income	-	2.85
	<b>71.48</b>	<b>102.59</b>

**Note - 27**

(₹ in Mn)

	31 March 2022	31 March 2021
<b>Cost of materials consumed</b>		
Opening stock of raw material (steel rod and forgings)	88.23	77.80
Add: Purchase during the year (net of discount)	3,257.26	2,522.82
	3,345.49	2,600.62
Less: Closing stock of raw material (steel rod and forgings)	49.13	88.23
Net consumption	<b>3,296.36</b>	<b>2,512.39</b>

**Note - 28**

(₹ in Mn)

	31 March 2022	31 March 2021
<b>Purchase of traded goods</b>		
Opening stock of purchase of traded goods (transmission gears and shafts)	-	-
Add: Purchase during the year (transmission gears and shafts)	221.74	187.31
	221.74	187.31
Less: Closing stock of purchase of traded goods (transmission gears and shafts)	-	-
	<b>221.74</b>	<b>187.31</b>

**Note - 29**

(₹ in Mn)

	31 March 2022	31 March 2021
<b>Changes in inventories of finished goods and work-in-progress</b>		
<b>Inventories at the end of the year:</b>		
Finished goods (transmission gears and shafts)	308.26	126.94
Work-in-progress (transmission gears and shafts)	232.10	178.51
<b>Inventories at the beginning of the year:</b>		
Finished goods (transmission gears and shafts)	126.94	98.16
Work-in-progress (transmission gears and shafts)	178.51	204.91
<b>Net (increase)/decrease</b>	<b>(234.91)</b>	<b>(2.38)</b>

**Note - 30**

(₹ in Mn)

	31 March 2022	31 March 2021
<b>Employee benefits expense</b>		
Salaries and incentives	919.53	721.56
Contributions to provident and other funds	35.27	30.80
Gratuity fund contributions	10.63	11.62
Staff welfare expenses	42.89	36.66
	<b>1,008.32</b>	<b>800.64</b>

**Note - 31**

(₹ in Mn)

	31 March 2022	31 March 2021
<b>Finance costs</b>		
Interest on		
Loan from bank	137.51	155.45
Lease liabilities	23.09	15.42
Others	0.89	2.77
Bank commission and charges	5.30	5.30
Loss on exchange rate fluctuation	12.41	-
	<b>179.20</b>	<b>178.94</b>

For movements in each class of provision during the financial year, refer note 40

**Note - 32**

(₹ in Mn)

	31 March 2022	31 March 2021
<b>Other expenses</b>		
Water, electricity and allied charges	279.82	258.22
Stores and spares consumed	462.22	338.26
Professional expenses	76.77	34.04
Repair and maintenance		
Plant and machinery	18.46	22.04
Buildings	3.64	5.00
Rent (refer note 45)	4.12	4.52
Insurance	28.51	23.97
Corporate social responsibility expenses (refer note (i) below)	7.47	7.30
Rates and taxes	3.94	3.59
Provision for doubtful debts	2.78	12.65
Auditor's remuneration*	2.29	2.04
Balance written off	5.03	11.74
Director's sitting fee	0.85	0.61
Freight and handling expenses	203.58	97.87
Charity and donation	0.22	0.02
Miscellaneous expenses	106.84	79.69
	<b>1,206.54</b>	<b>901.56</b>

**\*Remuneration to auditors comprises of:**

Audit fees	1.70	1.70
Reimbursement of expenses	0.04	0.04
Certification fees	0.25	-
Other services	0.30	0.30
	<b>2.29</b>	<b>2.04</b>

**Details of CSR expenditure:**

	31 March 2022	31 March 2021
<b>a) Gross amount required to be spent by the company during the year</b>	<b>7.36</b>	<b>7.17</b>
<b>b) Amount approved by the Board to be spent during the year</b>	<b>7.36</b>	<b>7.17</b>
<b>c) Amount spent during the year :</b>		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	7.47	7.30
	<b>7.47</b>	<b>7.30</b>

d) Unspent amount in relation to: - Ongoing project  
For the year ended 31 March 2022

Opening Balance		Amount required to be spent during the year	Amount spent		Closing Balance	
with Company	In seprate CSR unspent A/c		From Companys bank a/c	From Separate CSR Unspent A/c	with company	In seprate CSR unspent account
-	-	7.36	7.47	-	-	-

For the year ended 31 March 2021

Opening Balance		Amount required to be spent during the year	Amount spent		Closing Balance	
with Company	In seprate CSR unspent A/c		From Companys bank a/c	From Separate CSR Unspent A/c	with company	In seprate CSR unspent account
-	-	7.17	7.30	-	-	-

e) Corporate social responsibility expenses

The requisite disclosure relating to CSR expenditure in terms on Guidance Note on Corporate Social Responsibility (CSR) issued by Institute of Chartered Accountants of India:

a) Amount spent during the financial year ended 31 March 2022 and 31 March 2021 on:

(₹ in Mn)

Particulars	Period	Bank payment	Yet to be paid in cash	Total
Education, technical education including research and development	31 March 2022	0.57	-	0.57
	31 March 2021	4.95	-	4.95
Integrity community development	31 March 2022	0.10	-	0.10
	31 March 2021	-	-	-
Disaster management	31 March 2022	0.50	-	0.50
	31 March 2021	0.10	-	0.10
Prime Minister National Relief Fund	31 March 2022	0.15	-	0.15
	31 March 2021	1.00	-	1.00
Promoting Healthcare including Preventive Healthcare	31 March 2022	6.15	-	6.15
	31 March 2021	-	-	-
Others	31 March 2022	-	-	-
	31 March 2021	1.25	-	1.25
<b>Total</b>	31 March 2022	7.47	-	7.47
	31 March 2021	7.30	-	7.30

Note - 33

(₹ in Mn)

	31 March 2022	31 March 2021
<b>Income tax</b>		
<b>Tax expense comprises of:</b>		
Current tax	138.03	129.95
Deferred tax charge	4.87	-29.68
Earlier years tax adjustments (net)	8.54	23.25
<b>Income tax expense reported in the statement of profit and loss</b>	<b>151.44</b>	<b>123.52</b>
<b>Accounting profit before income tax</b>	<b>536.63</b>	<b>496.40</b>
At India's statutory income tax rate of 25.167%	135.05	124.93
<b>Tax effect of amounts which are not deductible (taxable) in calculating taxable income:</b>		
Tax impact of expenses which will never be allowed	(6.17)	(7.56)
Earlier years tax adjustments (net)	8.54	23.25
Others	14.02	(17.10)
<b>Income tax expense</b>	<b>151.44</b>	<b>123.52</b>

**Note - 34**

(₹ in Mn)

	31 March 2022	31 March 2021
<b>Earnings per share</b>		
<b>Net profit attributable to equity shareholders</b>		
Net profit for the year	385.19	372.88
Nominal value of equity share (₹)	10	10
Total number of equity shares outstanding at the beginning of the year	1,87,68,000	1,87,68,000
Total number of equity shares outstanding at the end of the year	1,87,68,000	1,87,68,000
Weighted average number of equity shares	1,87,68,000	1,87,68,000
(1) Basic (₹)	20.52	19.87
(2) Diluted (₹)	20.52	19.87

**Note - 35A****Financial instruments****i) Fair values hierarchy**

Financial assets and liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** Quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**ii) Financial instruments by category**

For amortised cost instruments, carrying value represents the best estimate of fair value.

(₹ in Mn)

Particulars	31 March 2022			31 March 2021		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investment in equity instrument through OCI	-	122.00	-	-	95.00	-
Trade receivables	-	-	1,252.03	-	-	824.71
Loans	-	-	83.47	-	-	5.17
Cash and cash equivalents	-	-	255.99	-	-	336.82
Other bank balances	-	257.94	258.85	-	-	-
Other financial assets	-	-	118.49	-	-	144.14
<b>Total financial assets</b>	-	<b>122.00</b>	<b>1,967.92</b>	-	<b>95.00</b>	<b>1,569.69</b>
<b>Financial liabilities</b>						
Borrowings	-	-	2,092.16	-	-	2,045.28
Trade payables	-	-	1,030.84	-	-	760.03
Derivative liability	35.63	-	-	92.52	-	-
Other financial liabilities	-	-	240.56	-	-	222.38
<b>Total financial liabilities</b>	<b>35.63</b>	-	<b>3,363.56</b>	<b>92.52</b>	-	<b>3,027.69</b>

Investment in subsidiary is measured at cost and hence are not required to be disclosed as per Ind AS 107 "Financial Instruments Disclosures". Hence, the same have been excluded from the above table.

**Valuation process and technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices for quoted equity instruments.
- for unquoted equity instruments, the Company has used discounted cash flow method (fair value approach) discounted at a rate to reflect the risk involved in the business.
- The use of quoted market prices for derivative contracts at balance sheet date. For hedge related disclosures, refer note 44.



The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

(₹ in Mn)

Particulars	Fair value		Significant unobservable inputs	Data inputs	
	31 March 2022	31 March 2021		31 March 2022	31 March 2021
Unquoted equity investments	120.96	94.24	Earnings growth rate	5.00%	4.50%
			Risk adjusted discount rate	14.67%	19.48%

**Sensitivity analysis**

(₹ in Mn)

Description	31 March 2022	31 March 2021
<b>Impact on fair value if change in earnings growth rate</b>		
- Impact of increase in discount rate by 0.5 %	129.36	109.32
- Impact of decrease in discount rate by 0.5 %	(113.35)	(101.14)
<b>Impact on fair value if change in risk adjusted discount rate</b>		
- Impact of increase in discount rate by 0.5 %	(110.81)	(89.53)
- Impact of decrease in discount rate by 0.5 %	132.24	99.29

The following table presents the changes in level 3 items for the period ended 31 March 2022 and 31 March 2021:

(₹ in Mn)

Particulars	Unquoted equity shares
<b>As at 31 March 2020</b>	<b>82.04</b>
Gain recognised in other comprehensive income	12.20
<b>As at 31 March 2021</b>	<b>94.24</b>
Gain recognised in other comprehensive income	26.72
<b>As at 31 March 2022</b>	<b>120.96</b>

iii) **Financial assets and Liabilities measured at fair value - recurring fair value measurements**

The following table shows the levels within the hierarchy of financial assets measured at fair value on a recurring basis at 31 March 2022, 31 March 2021:

(₹ in Mn)

Particulars	Period	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
<b>Investments at fair value through other comprehensive income</b>					
Equity investments	31 March 2022	1.04	-	120.96	<b>122.00</b>
	31 March 2021	0.77	-	94.24	<b>95.01</b>
<b>Financial Liabilities</b>					
Derivative financial liabilities	31 March 2022	-	35.63	-	<b>35.63</b>
	31 March 2021	-	92.52	-	<b>92.52</b>

iv) **Fair value of instruments measured at amortised cost**

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows:

(₹ in Mn)

Particulars	Level	31 March 2022		31 March 2021	
		Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>					
Loans	Level 3	83.47	83.47	5.18	5.18
Other financial assets	Level 3	118.49	118.49	144.14	144.14
<b>Total financial assets</b>		<b>201.96</b>	<b>201.96</b>	<b>149.32</b>	<b>149.32</b>
<b>Financial liabilities</b>					
Borrowings	Level 3	2,092.16	2,092.16	2,045.28	2,045.28
<b>Total financial liabilities</b>		<b>2,092.16</b>	<b>2,092.16</b>	<b>2,045.28</b>	<b>2,045.28</b>



The management assessed that cash and cash equivalents, trade receivables, other receivables, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- (i) The fair values of the Company's interest-bearing borrowings, loans and receivables are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2022 was assessed to be insignificant.

## Note - 35B

### Financial risk management

The Company's activities expose it to credit risk, liquidity risk and market risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, Investments, trade receivables, other financial assets.	Ageing analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities.
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting	Forward contract/hedging, if required.
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors.
Market risk - security price	Investments in equity securities.	Sensitivity analysis	Portfolio diversification.

#### A) Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

#### a) Credit risk management

##### i) Credit risk rating

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

A: Low

B: Medium

C: High

The Company provides for expected credit loss based on the following:

Asset groups	Basis of categorisation	Provision for expected credit loss
Low	Cash and cash equivalents, investments, other bank balances, loans, trade receivables other financial assets	Life time expected credit loss or 12 month expected credit loss
Medium	Trade receivables and other financial asset	Life time expected credit loss or 12 month expected credit loss
High	Trade receivables and other financial asset	Life time expected credit loss fully provided for

Life time expected credit loss is provided for trade receivables.

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

(₹ in Mn)

Credit rating	Particulars	31 March 2022	31 March 2021
A: Low	Cash and cash equivalents, investments, other bank balances, loans and other financial assets	837.88	839.99
B: Medium	Trade receivables and other financial asset	1,258.69	831.68
C: High	Trade receivables and other financial asset	17.34	14.25

ii) *Concentration of trade receivables*

The Company's exposure to credit risk for trade receivables is presented as below. Loans and other financial assets majorly represents loans to employees and deposits given for business purposes.

(₹ in Mn)

Particulars	31 March 2022	31 March 2021
Original equipment manufacturer	686.23	525.10
Others	587.76	318.78
<b>Total</b>	<b>1,273.99</b>	<b>843.88</b>

b) **Credit risk exposure**i) **Provision for expected credit losses**

The Company provides for 12 month expected credit losses for following financial assets –

**As at 31 March 2022**

(₹ in Mn)

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	255.99	-	255.99
Investment	121.99	-	121.99
Other bank balances	257.94	-	257.94
Loans	83.47	-	83.47
Other financial assets	120.54	2.05	118.49

**As at 31 March 2021**

(₹ in Mn)

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	336.82	-	336.82
Investment	95.00	-	95.00
Other bank balances	258.85	-	258.85
Loans	5.18	-	5.18
Other financial assets	146.19	2.05	144.14

ii) **Expected credit loss for trade receivables under simplified approach****As at 31 March 2022**

(₹ in Mn)

Period	Gross carrying value	Expected credit loss (provision)	Carrying amount (net of impairment)
0 - 90 Days	922.93	11.91	911.02
90 - 180 Days	174.84	0.19	174.65
180 - 270 Days	149.70	0.01	149.69
270 - 360 Days	15.26	1.21	14.05
More than 360 Days	11.25	8.63	2.62

**As at 31 March 2021**

(₹ in Mn)

Period	Gross carrying value	Expected credit loss (provision)	Carrying amount (net of impairment)
0 - 90 Days	741.02	7.49	733.53
90 - 180 Days	68.73	0.18	68.55
180 - 270 Days	14.71	0.01	14.70
270 - 360 Days	7.22	0.85	6.37
More than 360 Days	12.21	10.62	1.59



## Reconciliation of loss provision – lifetime expected credit losses

(₹ in Mn)

Reconciliation of loss allowance	Trade receivables	Other financial asset
<b>Loss allowance as on 31 March 2020</b>	6.52	2.05
Impairment loss recognised/reversed during the year	12.65	-
<b>Loss allowance on 31 March 2021</b>	<b>19.17</b>	<b>2.05</b>
Impairment loss recognised/reversed during the year	2.78	-
<b>Loss allowance on 31 March 2022</b>	<b>21.95</b>	<b>2.05</b>

## B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

### Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

(₹ in Mn)

31 March 2022	Less than 1 year	More than 1 year	Total
<b>Non-derivatives</b>			
Borrowings	650.60	1,273.54	1,924.14
Trade payable	1,030.84	-	1,030.84
Other financial liabilities	240.56	-	240.56
<b>Derivatives</b>			
Derivative liability	35.63	-	35.63
<b>Total</b>	<b>1,957.63</b>	<b>1,273.54</b>	<b>3,231.17</b>

(₹ in Mn)

31 March 2021	Less than 1 year	More than 1 year	Total
<b>Non-derivatives</b>			
Borrowings	661.33	1,898.54	2,559.87
Trade payable	760.03	-	760.03
Other financial liabilities	222.36	-	222.36
<b>Derivatives</b>			
Derivative liability	92.52	-	92.52
<b>Total</b>	<b>1,736.24</b>	<b>1,898.54</b>	<b>3,634.78</b>

The Company had access to following funding facilities :

### As at 31 March 2022

(₹ in Mn)

Funding facilities	Total facility	Drawn	Undrawn
Less than 1 year	955.00	365.01	589.99
<b>Total</b>	<b>955.00</b>	<b>365.01</b>	<b>589.99</b>

### As at 31 March 2021

(₹ in Mn)

Funding facilities	Total facility	Drawn	Undrawn
Less than 1 year	825.00	51.18	773.82
<b>Total</b>	<b>825.00</b>	<b>51.18</b>	<b>773.82</b>

## C) Market risk

### i) Foreign exchange risk

The Company has international transactions and is exposed to foreign exchange risk arising from foreign currency transactions (imports and exports). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency. The Company does not hedge its foreign exchange receivables/payables.

ii) **Derivative financial instrument**

The Company uses derivative instruments as part of its management of exposure to fluctuations in foreign currency exchange rates. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. The Company does not enter into complex derivative transactions to manage the risks. The derivative transactions are normally in the form of forward contracts and these are subject to the Company guidelines and policies. The fair values of all derivatives are separately recorded in the balance sheet within current financial assets. Derivatives that are designated as hedges are classified as current depending on the maturity of the derivative. The use of derivatives can give rise to credit and market risk. The Company tries to control credit risk as far as possible by only entering into contracts with reputable banks and financial institutions. The use of derivative instruments is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The market risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

**Foreign currency risk exposure:**

(₹ in Mn)

Particulars	Currency	Amount in foreign currency		Amount in INR	
		31 March 2022	31 March 2021	31 March 2022	31 March 2021
<b>Receivables</b>					
Export trade receivable and advances	USD	6.92	4.06	525.17	296.70
	EURO	0.33	0.56	28.11	48.26
	GBP	0.04	0.04	3.79	3.83
	JPY	0.80	0.95	0.50	0.63
Foreign currency loans	CAD	1.28	-	77.69	-
Interest on foreign currency loans	CAD	0.04	-	2.28	-
<b>Payables</b>					
Payable for imports and others	USD	(0.37)	(1.19)	(27.52)	(87.35)
	EURO	(0.01)	(0.04)	(0.66)	(3.26)
	GBP	(0.00)	(0.00)	(0.10)	(0.10)
Foreign currency loans	JPY	(0.37)	-	(0.00)	-
	USD	(6.14)	(9.21)	(466.09)	(673.39)
	USD	(2.58)	(3.87)	(195.64)	(282.66)
Interest on foreign currency loans	USD	(0.05)	(0.07)	(3.60)	(5.20)
	USD	(0.02)	(0.03)	(1.44)	(2.09)

**Sensitivity**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

(₹ in Mn)

Particulars	Currency	Exchange rate increase by 5%		Exchange rate decrease by 5%	
		31 March 2022	31 March 2021	31 March 2022	31 March 2021
<b>Receivables</b>					
Export trade receivable	USD	26.26	14.84	(26.26)	(14.84)
	EURO	1.41	2.41	(1.41)	(2.41)
	GBP	0.19	0.19	(0.19)	(0.19)
	JPY	0.03	0.03	(0.03)	(0.03)
Foreign currency loans	CAD	3.88	-	(3.88)	-
Interest on foreign currency loans	CAD	0.11	-	(0.11)	-
<b>Payables</b>					
Payable for imports and others	USD	1.38	4.37	(1.38)	(4.37)
	EURO	0.03	0.16	(0.03)	(0.16)
	GBP	0.00	0.00	(0.00)	(0.00)
	JPY	0.00	-	(0.00)	-
Foreign currency loans	USD	23.30	33.67	(23.30)	(33.67)
	USD	9.78	14.13	(9.78)	(14.13)
Interest on foreign currency loans	USD	0.18	0.26	(0.18)	(0.26)
	USD	0.07	0.10	(0.07)	(0.10)



## ii) Interest rate risk

- a) The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company's variable rate borrowing is subject to interest rate. Below is the overall exposure of the borrowing:

(₹ in Mn)

Particulars	31 March 2022	31 March 2021
Variable rate borrowing	656.05	939.35
Fixed rate borrowing	1,436.11	1,105.93
<b>Total borrowings</b>	<b>2,092.16</b>	<b>2,045.28</b>

### Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

(₹ in Mn)

Particulars	31 March 2022	31 March 2021
Interest rates – increase by 50 basis points	(3.28)	(4.70)
Interest rates – decrease by 50 basis points	3.28	4.70

## b) Assets

The Company's fixed deposits and loans are carried at fixed rate. Therefore, the said assets are not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of change in market interest rates.

## iii) Price risk

The Company's exposure to price risk arises from investments held and classified as FVOCI. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

### Sensitivity analysis

Profit or loss and equity is sensitive to higher/lower prices of instruments on the Company's profit for the year -

(₹ in Mn)

Particulars	31 March 2022	31 March 2021
<b>Price sensitivity</b>		
Price increase by (5%) - FVOCI*	0.05	0.04
Price decrease by (5%) - FVOCI	(0.05)	(0.04)

\* For sensitivity analysis in equity investment in shares of Altigreen, refer note 35 A, level 3 disclosure.

## Note - 36

### Related party disclosures

- a) List of related parties and relationships

#### i) Parties where control exists:

##### Subsidiary Company:

- (a) 2545887 Ontario Inc., Canada

##### Step down subsidiaries:

- |                                       |                                       |
|---------------------------------------|---------------------------------------|
| (i) The Hi-Tech Gears Canada Inc.     | (iv) Teutech Leasing Corporation, USA |
| (ii) Teutech Holding Corporation, USA | (v) 2504584 Ontario Inc., Canada      |
| (iii) Teutech LLC, USA                | (vi) 2323532 Ontario Inc., Canada     |
- (b) Neo- Tech Auto Systemz Inc., USA  
(c) Neo- Tech Smart Solutions Inc., Canada

#### ii) Key Management Personnel (KMP) and their Relatives

- |  |  |
|--|--|
| (i) Mr. Deep Kapuria (Executive Chairman and Whole Time Director)            | (ix) Mr. Prosad Dasgupta (Independent Director)*       |
| (ii) Mr. Anant Jaivant Talaulicar (Vice Chairman and Non Executive Director) | (x) Mr. Vinit Taneja (Independent Director)            |
| (iii) Mr. Pranav Kapuria (Managing Director)                                 | (xi) Mr. Ramesh Chandra Jain (Non Executive Director)  |
| (iv) Mr. Anuj Kapuria (Whole Time Director)                                  | (xii) Mr. Bidadi Anjani Kumar (Non Executive Director) |
| (v) Mr. Sandeep Dinodia (Independent Director)                               | (xiii) Mr. Neville D'Souza (Independent Director)**    |
| (vi) Mr. Anil Kumar Khanna (Independent Director)                            | (xiv) Mr. Rajiv Batra (Independent Director)***        |
| (vii) Mr. Krishna Chandra Verma (Independent Director)                       | (xv) Mr. Vijay Mathur (Chief Financial Officer)        |
| (viii) Ms. Malini Sud (Independent Director)                                 | (xvi) Mr. Naveen Jain (Company Secretary)              |

\* Mr. Prosad Dasgupta, Independent Director resigned from the Board of the Company w.e.f May 30, 2021.

\*\* Mr. Neville D'Souza ceased to be Director of the Company w.e.f September 16, 2021 due to his sudden demise.

\*\*\* Mr. Rajiv Batra appointed as Independent Director of the Company w.e.f November 02, 2021.

#### iii) Enterprises over which key management personnel and relatives of such personnel exercise significant influence with whom transactions has been undertaken:-

- |  |  |
|--|--|
| (i) Aquarian Fibrecement Private Limited | (iii) The Hi-Tech Robotic Systemz Limited            |
| (ii) Vulcan Electro Controls Limited     | (iv) The Hi-Tech Engineering Systems Private Limited |

## (b) Transactions with related parties carried out in the ordinary course of business:

(₹ in Mn.)

S.No	Particulars	Year	Related Parties										Total
			Subsidiary Company			Step down Subsidiary	Enterprise over which Key Management personnel and their relatives exercise significant influence					Key Management Personnel and its relatives	
			2545887 Ontario Inc., Canada	Neo Tech Smart Solutions Inc. Canada	Neo Tech Auto Systems Inc. USA		The Hi-Tech Gears Canada Inc.	Aquarian Fibrecement Private Limited	Vulcan Electro Controls Limited	The Hi-Tech Engineering Systems Private Limited	The Hi-Tech Robotic Systems Limited		
1	Purchase of goods	31 March 2022 31 March 2021	- -	- -	- -	- -	1,535.20 979.11	268.19 193.73	- -	- -	- -	1,803.39 1,172.84	
2	Sale of goods	31 March 2022 31 March 2021	- -	- -	- -	193.57 86.38	8.16 27.37	30.40 29.27	- -	- -	- -	232.13 143.02	
3	Rendering of job work/services	31 March 2022 31 March 2021	- -	- -	- -	- -	1.34 0.72	1.36 0.74	- -	- -	- -	2.70 1.46	
4	Sale of assets	31 March 2022 31 March 2021	- -	- -	- -	- -	12.71 1.41	0.18 -	- -	- -	- -	12.89 1.41	
5	Receiving of job work/services	31 March 2022 31 March 2021	- -	20.53 -	- 4.21	- -	141.32 150.27	- -	30.00 31.02	- -	- -	191.85 185.50	
6	Leasing or hire purchase arrangements	31 March 2022 31 March 2021	- -	- -	- -	18.00 15.75	- -	- -	1.83 1.65	- -	1.40 -	21.23 17.40	
7	Security deposits given	31 March 2022 31 March 2021	- -	- -	- -	- 5.20	- -	- -	- -	- -	- -	- 5.20	
8	Remuneration paid*	31 March 2022 31 March 2021	- -	- -	- -	- -	- -	- -	- -	- -	78.67 44.76	78.67 44.76	
9	Sitting fees	31 March 2022 31 March 2021	- -	- -	- -	- -	- -	- -	- -	- -	0.85 0.61	0.85 0.61	
10	Re-imburement paid	31 March 2022 31 March 2021	- -	- -	- -	0.60 0.24	- -	- 0.01	- -	- -	- -	0.60 0.25	
11	Loan Provided	31 March 2022 31 March 2021	77.69 -	- -	- -	- -	- -	- -	- -	- -	- -	77.69 -	
12	Interest on Loan	31 March 2022 31 March 2021	2.28 -	- -	- -	- -	- -	- -	- -	- -	- -	2.28 -	
13	Re-imburement received	31 March 2022 31 March 2021	- -	- -	- -	26.25 -	- -	0.51 -	0.50 -	- -	- -	- 27.26	

**\*The remuneration of Key Managerial Personnel included in various schedules to statement of profit and loss is as under:**

Particulars*	31 March 2022		31 March 2021	
Short term employee benefits		75.43		43.27
Defined contribution plan		3.24		1.49

\* Does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for all the employees together.

**(c) Closing balance with related parties in the ordinary course of business :**

S.No	Particulars	Year	Related Parties										Total	
			Subsidiary Company			Step down Subsidiary	Enterprise over which Key Management personnel and their relatives exercise significant influence				Key Management Personnel and its relatives			
			2545887 Ontario Inc., Canada	Neo Tech Smart Solutions Inc. Canada	Neo Tech Auto Systems Inc. USA		The Hi-Tech Gears Canada Inc.	Aquarian Fibrecom Private Limited	Vulcan Electro Controls Limited	The Hi-Tech Engineering Systems Private Limited		The Hi-Tech Robotic Systems Limited		
1	Trade receivable	31 March 2022	-	-	-	121.52	-	-	-	-	-	-	-	121.52
		31 March 2021	-	-	-	20.95	-	-	-	-	-	-	-	20.95
2	Trade payable	31 March 2022	-	-	-	-	3.24	367.96	277.92	4.86	-	-	-	653.98
		31 March 2021	-	-	-	-	1.04	291.61	54.10	9.14	-	-	-	355.89
3	Other payable	31 March 2022	-	-	-	-	-	-	-	-	-	10.81	-	10.81
		31 March 2021	-	-	-	-	-	-	-	-	-	6.44	-	6.44
4	Other receivable	31 March 2022	79.97	-	-	-	-	-	-	-	-	-	-	79.97
		31 March 2021	-	-	-	-	7.50	-	-	-	-	-	-	7.50

**Terms and conditions of transactions with related parties**

- All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis
- For the year ended 31 March, 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2020-21: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

*(This space has been intentionally left blank)*





## Note - 37

### Capital management

The Company's objectives when managing capital are to:

- To ensure Company's ability to continue as a going concern, and
- To provide adequate return to shareholders

Management assesses the capital requirements in order to maintain an efficient overall financing structure. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company manages its capital requirements by overseeing the following ratios -

(₹ in Mn)

Particulars	31 March 2022	31 March 2021
Net debt*	1,836.17	1,708.46
Total equity	3,492.76	3,077.44
<b>Net debt to equity ratio</b>	<b>0.53</b>	<b>0.56</b>

\*Net debt = non-current borrowings + current borrowings + current maturities of non-current borrowings + interest accrued - cash and cash equivalents

## Note - 38

### Contingent liabilities and commitments

(to the extent not provided for)

#### A Contingent liabilities

##### 1) Details of bank guarantees are as under:-

(₹ in Mn)

S.No	Name of the beneficiary	31 March 2022	31 March 2021
1	Dy. Commissioner Customs Export, Tughlakabad, Delhi	0.15	0.15
2	Deputy Commissioner of Customs	1.18	1.18
3	The President of India (Through Asst./Dy Commissioner of Customs)	0.06	0.06
4	Commissioner of Custom	0.03	0.03
5	Dy. Commissioner Customs Export	0.13	0.13
6	The President of India (Through Asst./Dy Commissioner of Customs)	0.48	0.48
7	Deputy Commissioner of Customs	0.84	0.84
8	Rajasthan Rajya Vidut Prasaran Nigam Limited	0.03	0.03
9	Rajasthan Rajya Vidyut Prasaran	-	1.43
	<b>Total</b>	<b>2.90</b>	<b>4.33</b>

##### 2) Contingent liabilities on account of disputed statutory demands not provided for in the books of account are in appeals, as follows:-

#### a) Direct Tax

(₹ in Mn)

S.No	Particulars	Period to which the amount relates	31 March 2022	31 March 2021
1	Income Tax Act, 1961	Assessment Year 2018-19	-	7.51
2	Income Tax Act, 1961	Assessment Year 2017-18	-	0.12
3	Income Tax Act, 1961	Assessment Year 2017-18	-	9.48
4	Income Tax Act, 1961	Assessment Year 2019-20	2.66	2.66
	<b>Total</b>		<b>2.66</b>	<b>19.77</b>

**b) Indirect Tax**

(₹ in Mn)

S.No	Particulars	Period to which the amount relates	31 March 2022	31 March 2021
1	Central Excise Act, 1944	April 2005 to March 2008	1.04	1.04
2	Central Excise Act, 1944	August 2014 to July 2015	2.02	2.02
3	Central Excise Act, 1944	August 2015 to February 2017	3.62	3.62
4	Central Excise Act, 1944	March 2017 to June 2017	-	1.60
5	Central Goods & Service Tax Act, 2017	July 2017 to September 2017	16.95	16.95
6	Service Tax	December 2015 to August 2016	0.03	0.03
7	Service Tax	November 2016 to June 2017	-	0.01
8	Service Tax	June 2016 to March 2017	0.10	0.10
	<b>Total</b>		<b>23.76</b>	<b>25.37</b>

3) There are three legal cases filed by past employees against the Company for re-instatement/settlement of their dues/remuneration related matters. All cases are pending at various stages at Camp Court, Bhiwadi, Rajasthan. The financial impact of these cases, if any, is not identifiable and hence the same has not been provided in the financial statements of the Company.

**B Commitments:**

“Capital commitments (Net of advances)”

Estimated amount of contracts remaining to be executed on capital accounts ₹ 187.19 Mn after adjusting advances (Previous years: 31 March 2021: ₹ 276.67 Mn).

**Note - 39****Dividends**

A The Board of Directors at its meeting held on May 30, 2022 have recommended a Final dividend of ₹ 1.50/- per equity share of ₹ 10/- each i.e. @15% on paid-up equity share capital of the company subject to approval of members at its ensuing Annual General Meeting.

B Dividend declared and paid in earlier years are as follows –

(₹ in Mn)

Nature	31 March 2022	31 March 2021
Final dividend (including dividend tax)	37.54	-

**Note - 40****Employee benefits****A Compensated absences - earned leave****Risk**

Salary Increases	Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment Risk	If plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount Rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality & disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

**i) Amounts recognised in the balance sheet:**

(₹ in Mn)

Particulars	31 March 2022	31 March 2021
Present value of the obligation	40.72	40.69
Net obligation recognised in balance sheet as provision	40.72	40.69
<b>Current liability (amount due within one year)</b>	<b>6.40</b>	<b>5.37</b>
<b>Non-current liability (amount due over one year)</b>	<b>34.32</b>	<b>35.32</b>

ii) Expenses recognised in statement of profit and loss:

(₹ in Mn)

Particulars	31 March 2022	31 March 2021
Current service cost	8.80	7.44
Interest cost	2.77	3.07
Actuarial (gain)/loss net on account of:		
-Changes in experience adjustment	(2.27)	(12.73)
<b>Cost recognised during the year</b>	<b>9.30</b>	<b>-2.22</b>

iii) Movement in the liability recognised in the balance sheet is as under:

(₹ in Mn)

Particulars	31 March 2022	31 March 2021
Present value of defined benefit obligation at the beginning of the year	40.69	45.14
Current service cost	8.80	7.44
Interest cost	2.77	3.07
Actuarial (gain)/loss net	(2.27)	(12.73)
Benefits paid	(9.27)	(2.23)
<b>Present value of defined benefit obligation at the end of the year</b>	<b>40.72</b>	<b>40.69</b>

iv) (a) For determination of the liability of the Company the following actuarial assumptions were used:

Particulars	31 March 2022	31 March 2021
Discount rate	7.13%	6.80%
Salary escalation rate	8.50%	8.50%
Retirement Age (years)	58.00	58.00
Ages	<b>Withdrawal rate (%)</b>	
Up to 30 Years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%
Leave		
Leave availment rate	5.00%	5.00%
Leave lapse rate while in service	0.00%	0.00%
Leave lapse rate on exit	0.00%	0.00%
Leave encashment rate while in service	5.00%	5.00%

Mortality rates inclusive of provision for disability -100% of IALM 2012-14 (P.Y.2006 – 08)

(b) Maturity profile of defined benefit obligation

(₹ in Mn)

Particulars	31 March 2022	31 March 2021
0 to 1 year	6.40	5.37
1 to 2 year	-	1.67
2 to 3 year	-	1.38
3 to 4 year	-	2.97
4 to 5 year	-	2.46
5 to 6 year	-	1.38
6 year onwards	-	25.47



v) Sensitivity analysis for compensated absences liability

(₹ in Mn)

Particulars	31 March 2022	31 March 2021
<b>a) Impact of the change in discount rate</b>		
Present value of obligation at the end of the year	40.72	40.69
Impact due to increase of 0.50 %	(1.80)	(1.79)
Impact due to decrease of 0.50 %	1.94	1.93
<b>b) Impact of the change in salary increase</b>		
Present value of obligation at the end of the year	40.72	40.69
Impact due to increase of 0.50 %	1.91	1.89
Impact due to decrease of 0.50 %	(1.78)	(1.77)

Sensitivities due to mortality and withdrawals are not material. Hence impact of change is not calculated.

Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable.

B Gratuity

Risk

Salary Increases	Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment Risk	If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount Rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality & disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

i) Amounts recognised in the balance sheet:

(₹ in Mn)

Particulars	31 March 2022	31 March 2021
Present value of the obligation	147.88	145.72
Fair value of plan assets	154.92	141.01
Net obligation recognised in balance sheet as provision	(7.04)	4.70
<b>Current liability (amount due within one year)</b>	<b>(7.04)</b>	<b>4.70</b>

ii) Gain recognised in other comprehensive income:

(₹ in Mn)

Particulars	31 March 2022	31 March 2021
Actuarial gain/(loss) on asset	0.68	0.45
Actuarial gain on PBO	11.99	8.27
<b>Gain recognised in other comprehensive income</b>	<b>12.67</b>	<b>8.72</b>

iii) Actuarial (gain)/loss on obligation:

(₹ in Mn)

Particulars	31 March 2022	31 March 2021
Actuarial (gain)/loss net on account of:		
-Changes in experience adjustment	(11.99)	(8.27)

iv) Expenses recognised in statement of profit and loss

(₹ in Mn)

Particulars	31 March 2022	31 March 2021
Current service cost	11.36	11.36
Interest cost	0.25	0.26
<b>Cost recognised during the year</b>	<b>11.61</b>	<b>11.62</b>

v) Major categories of plan assets (as percentage of total plan assets)

Particulars	31 March 2022	31 March 2021
Funds managed by insurer	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>

vi) Change in plan assets is as under:

(₹ in Mn)

Particulars	31 March 2022	31 March 2021
Fair value of plan assets at the beginning of the period	141.01	138.32
Difference in opening fund	1.07	(2.23)
Actual return on plan assets	10.34	9.71
Employer contributions	10.01	2.31
Fund management charges	(0.40)	(0.27)
Benefits paid	(7.11)	(6.81)
<b>Fair value of plan assets at the end of the period</b>	<b>154.92</b>	<b>141.03</b>

vii) Movement in the liability recognised in the balance sheet is as under:

(₹ in Mn)

Particulars	31 March 2022	31 March 2021
Present value of defined benefit obligation at the beginning of the year	145.72	139.92
Current service cost	11.36	11.36
Interest cost	9.91	9.51
Actuarial gain net	(11.99)	(8.27)
Benefits paid	(7.11)	(6.81)
<b>Present value of defined benefit obligation at the end of the year</b>	<b>147.89</b>	<b>145.71</b>

viii) (a) For determination of the liability of the Company the following actuarial assumptions were used:

Particulars	31 March 2022	31 March 2021
Discount rate	7.13%	6.80%
Salary escalation rate	8.50%	8.50%
Retirement age (years)	58.00	58.00
Withdrawal rate		
Up to 30 years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%
Weighted average duration of PBO	11.80	11.80

Mortality rates inclusive of provision for disability -100% of IALM 2012-14 (P.Y. 2012 – 14)

(b) Maturity profile of defined benefit obligation:

(₹ in Mn)

Particulars	31 March 2022	31 March 2021
0 to 1 year	22.23	16.25
1 to 2 year	-	7.37
2 to 3 year	-	9.67
3 to 4 year	-	12.07
4 to 5 year	-	10.36
5 to 6 year	-	7.99
6 year onwards	-	82.01

**ix) Sensitivity analysis for gratuity liability:**

(₹ in Mn)

Particulars	31 March 2022	31 March 2021
<b>a) Impact of the change in discount rate</b>		
Present value of obligation at the end of the year	147.88	145.72
Impact due to increase of 0.50 %	(4.86)	(5.18)
Impact due to decrease of 0.50 %	5.16	5.51
<b>b) Impact of the change in salary increase</b>		
Present value of obligation at the end of the year	147.88	145.72
Impact due to increase of 0.50 %	4.75	5.19
Impact due to decrease of 0.50 %	(4.58)	(4.94)

*Sensitivities due to mortality and withdrawals are not material .Hence impact of change is not calculated*

*Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable.*

**Note - 41****Segment information**

In line with the provisions of Ind AS 108 – operating segments, the operations of the Company fall primarily under manufacturing of gears and transmissions, which is considered to be the only reportable segment by the management.

Since all the manufacturing activity is done at India, therefore segregation of expenses/result/assets/liabilities to each of the geographic location is not practicable. The geographic segments individually contributing 10 percent or more of the Company's revenues are given below:

(₹ in Mn)

Geographical Segment	Revenue	
	31 March 2022	31 March 2021
America	1,117.21	702.52
India	4,579.11	3,978.15
Others	749.69	543.12
<b>Total</b>	<b>6,446.01</b>	<b>5,223.79</b>

**Information about major customer**

During the year ended 31 March 2022 revenue of approximately 53.58% are derived from 2 external customer ( previous year: 57.64% was derived from 2 external customer) having more than 10% share independently

**Note - 42**

**Disclosure under Ind AS - 37 “Provisions, Contingent Liabilities and Contingent Assets”:** Movements in each class of provision during the financial year, are set out below:

(₹ in Mn)

Particulars	Provision on rate differences*
<b>As at 31 March 2020</b>	<b>29.71</b>
Additional provision recognised	33.08
<b>As at 31 March 2021</b>	<b>62.79</b>
Amounts used during the year	26.39
<b>As at 31 March 2022</b>	<b>36.40</b>

\*This provision reflects the amount that could be payable on account of foreign exchange adjustment on export.

## Note - 43

### Revenue recognised in relation to contract liabilities

Ind AS 115 requires disclosure of major changes on account of revenue recognised in the reporting period from the contract liability balance at the beginning of the period and other changes, as summarised below:

Description	(₹ in Mn)	
	Year ended 31 March 2022	Year ended 31 March 2021
Contract liabilities at the beginning of the year	47.85	52.95
Less: performance obligations satisfied in current year	(12.9)	(7.40)
Add: advance received during the year.	3.17	2.30
Contract liabilities at the end of the year	<b>38.13</b>	<b>47.85</b>

### Disaggregation of revenue

Revenue arises mainly from the sale of manufactured and traded goods, sale of software, and job work services.

Description	(₹ in Mn)	
	Year ended 31 March 2022	Year ended 31 March 2021
Sale of goods	6,443.62	5,211.48
Job work	2.39	12.31
	<b>6,446.01</b>	<b>5,223.79</b>

Geographical markets	(₹ in Mn)	
	Year ended 31 March 2022	Year ended 31 March 2021
Others	749.69	543.12
America	1,117.21	702.52
India	4,579.11	3,978.15
	<b>6,446.01</b>	<b>5,223.79</b>

### Reconcile the amount of revenue recognised in the statement of profit and loss with the contracted price

Description	(₹ in Mn)	
	Year ended 31 March 2022	Year ended 31 March 2021
Revenue recognised during the year	6,454.87	5,233.32
Less: Discount, rebates, credits etc.	(8.86)	(9.53)
<b>Revenue as per the contract</b>	<b>6,446.01</b>	<b>5,223.79</b>

## Note - 44

### Derivative financial instruments and hedge accounting

The Company is exposed to foreign currency risk from foreign currency borrowings and highly probable forecasted sales, primarily denominated in USD and EURO. The Company has a risk management policy which aims to hedge foreign currency and interest rate arising from its borrowings denominated in a currency other than the functional currency of the Company. The Company uses cross currency swap and interest rate swaps to hedge its exposure to foreign currency and interest rate risk. The Company designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in cash flow hedges.

Hedge ineffectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company uses dollar offset method using a hypothetical derivatives, dollar offset method is a quantitative method that consists of comparing the change in fair value or cash flows of the hedging instrument with the change in fair value or cash flows of the hedged item attributable to the hedged risk.

The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk and notional amount of the hedging instruments are identical to the hedged items.



## Impact of hedging activities

### (a) Disclosures of effects of hedge accounting on balance sheet:

As on 31 March 2022

(₹ in Mn)

Type of hedge and risks	Notional amount	Carrying amount of hedging instruments		Maturity dates	Hedge ratio	Weighted average strike price/rate	Change in fair value of hedging instruments	Change in value of hedged item used as the basis for recognising hedge effectiveness
		Assets (₹ in mn)	Liabilities (₹ in mn)					
<b>Cash flow hedge</b>								
<i>Foreign exchange risk</i>								
(i) Cross currency swaps	EUR 6.46	-	25.79	Jun 2020 - Dec 2024	1:1	78.18	32.54	(32.54)
<i>Interest rate risk</i>								
(ii) Interest rate swaps	USD 18.21	-	9.84	May 2020 - Feb 2024	1:1	3.18%	9.51	(9.51)

As on 31 March 2021

(₹ in Mn)

Type of hedge and risks	Notional amount	Carrying amount of hedging instruments		Maturity dates	Hedge ratio	Weighted average strike price/rate	Change in fair value of hedging instruments	Change in value of hedged item used as the basis for recognising hedge effectiveness
		Assets (₹ in mn)	Liabilities (₹ in mn)					
<b>Cash flow hedge</b>								
<i>Foreign exchange risk</i>								
(i) Cross currency swaps	EUR 6.46	-	47.43	June 2020 - Dec 2024	1:1	78.18	8.92	(8.92)
<i>Interest rate risk</i>								
(ii) Interest rate swaps	USD 18.21	-	45.09	May 2020 - Feb 2024	1:1	3.18%	(2.19)	2.19

### (b) Disclosure of effects of hedge accounting on statement of profit and loss

For the year ended 31 March 2022

(₹ in Mn)

Type of hedge	Change in value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised	Amount reclassified from cash flow hedge reserve	Line item affected on reclassification
<b>Cash flow hedge</b>				
Foreign exchange risk	32.54	-	(11.90)	Revenue
Interest rate risk	9.51	-	24.13	Finance cost

For the year ended 31 March 2021

(₹ in Mn)

Type of hedge	Change in value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised	Amount reclassified from cash flow hedge reserve	Line item affected on reclassification
<b>Cash flow hedge</b>				
Foreign exchange risk	8.92	-	0.62	Revenue
Interest rate risk	(2.19)	-	30.28	Finance cost



(c) Movement in cash flow hedging reserve

(₹ in Mn)

	Year ended 31 March 2022	Year ended 31 March 2021
<b><u>Cash flow hedge reserve</u></b>		
<b>Opening Balance</b>	<b>(32.96)</b>	<b>(50.31)</b>
Add: Changes in fair value of hedging instruments	42.04	6.73
Less: Amounts reclassified to profit or loss	12.22	29.65
Less: Deferred tax relating to above (net)	(16.35)	(19.04)
<b>Balance as at 31 March 2022</b>	<b>4.96</b>	<b>(32.96)</b>

**Note - 45**

**Lease related disclosures**

The Company has leases for land, solar plants, flat and office building. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability as a borrowings. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublease the asset to another party, the right-of-use asset can only be used by the Company. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and other premises the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease.

**A Lease payments not included in measurement of lease liability**

The expense relating to payments not included in the measurement of the lease liability is as follows:

(₹ in Mn)

Particulars	31 March 2022	31 March 2021
Short-term leases	3.37	3.47
Variable lease payments	0.75	1.05

**B** Total cash outflow for leases for the year ended 31 March 2022 was ₹ 46.85 Mn (previous year 31 March 2021 was ₹ 33.57).

**C** The Company has total commitment for short-term leases of ₹ 4.32 Mn as at 31 March 2022 (previous year 31 March 2021 was ₹ 1.75 Mn).

**D Maturity of lease liabilities**

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

(₹ in Mn)

31 March 2022	Minimum lease payments due						
	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
Lease payments	46.66	36.71	23.73	23.55	23.36	399.80	553.81
Interest expense	21.21	19.31	18.52	18.07	17.60	193.36	288.07
<b>Net present values</b>	<b>25.45</b>	<b>17.40</b>	<b>5.21</b>	<b>5.48</b>	<b>5.76</b>	<b>206.44</b>	<b>265.74</b>

31 March 2021	Minimum lease payments due						
	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
Lease payments	46.85	46.66	36.71	23.73	23.55	423.16	600.66
Interest expense	22.96	21.21	19.31	18.52	18.07	210.95	311.02
<b>Net present values</b>	<b>23.89</b>	<b>25.45</b>	<b>17.40</b>	<b>5.21</b>	<b>5.48</b>	<b>212.21</b>	<b>289.64</b>

**E** Variable lease payments are expensed in the period they are incurred. Expected future cash outflow as at 31 March 2022 is Nil (31 March 2021 is of ₹ Nil).



## F Information about extension and termination options

Right of use assets	Number of leases	Range of remaining term	Average remaining lease term	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
Land	5	44-96 years	66 years	1	5	1
Residential flat	7	75-80 years	77 years	0	7	0
Office premises	1	3	3	1	0	1
Solar plants	3	3-25 years	14 years	1	3	3

### Note - 46

#### Impact of COVID-19

The outbreak of COVID-19 pandemic globally and in India has impacted businesses and economies. There has been disruption to regular business operations due to the measures taken to curb the impact of the pandemic. The Company's plants, warehouses and offices were shut post announcement of lockdown. The operations have resumed post lifting of the lockdown but due to the dynamic nature of these circumstances, the duration of business disruption & the related financial impact can not be reasonably estimated at this time.

### Note - 47

Ratio	Numerator	Denominator	31 March 2022	31 March 2021	% Change
Current ratio	Current Assets	Current Liabilities	1.20	1.24	(3.88%)
Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.60	0.66	(9.81%)
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	1.34	1.18	13.47%
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	11.76%	13.04%	(1.28%)
Inventory Turnover ratio	Cost of goods sold	Average Inventory	4.81	4.78	0.72%
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	6.21	7.39	(15.94%)
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	3.89	3.76	3.45%
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	13.85	11.74	18.03%
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	5.98%	7.14%	(1.16%)
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	13.64%	12.97%	0.67%
Return on Investment	Interest (Finance Income)	Investment	0.81%	0.00%	0.81%

### Note - 48

#### OTHER STATUTORY INFORMATION

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company do not have any transactions with companies struck off.
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (viii) The Company has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the company with banks and financial institutions are in agreement with the books of accounts.

## Note - 49

### Other matters

- (i) In the opinion of the Board of Directors, the current assets, loans and advances are having the value at which they are stated in the balance sheet, if realised in the ordinary course of business.
- (ii) Claims received against shortage/damage of materials which are not of significant values are not being shown separately. The same are accounted for on receipt basis.

**For O. P. Dadu & Co.**  
**Chartered Accountants**  
**Firm Registration No. 001201N**

**CA. Amit Gupta**  
Partner  
Membership No. 094202  
UDIN: 21094202AAAAAU8038

**Place: New Delhi**  
**Date: May 30, 2022**

**Deep Kapuria**  
Executive Chairman  
DIN 00006185

**Vijay Mathur**  
Chief Financial Officer

**For and on behalf of**  
**The Hi-Tech Gears Limited**

**Pranav Kapuria**  
Managing Director  
DIN 00006195

**Naveen Jain**  
Company Secretary



## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF THE HI-TECH GEARS LIMITED Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of The HI-TECH GEARS LIMITED (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as the "Group"), which comprise the consolidated Balance Sheet as at March 31, 2022, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditors on separate financial statements of subsidiaries the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

#### Basis for Opinion

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

#### Emphasis of matter

We draw attention to Note 49 to the consolidated financial statements, which describes the possible effect of uncertainties relating to COVID-19 pandemic on the Group's financial performance as assessed by the management

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.

Key audit matters	Auditor's Response
<b>1. Contingent liabilities</b>	
There are legal and tax cases against the Group which have been identified as a key audit matter due to the uncertainties involved in these tax and legal claims and significant judgement is required.  Refer to the note no.40 "Contingent liabilities" to the notes to the consolidated financial statements.	Audit procedures in respect of this area: <ul style="list-style-type: none"> <li>We gained an understanding of the process of identification of legal and tax cases and evaluated the design and implementation of controls in respect of these contingent liabilities.</li> <li>For legal and tax matters, our procedures included testing key controls surrounding litigation and tax procedures; discussing matters with the Group's litigation and tax teams; and assessing management's conclusions through understanding precedents set in similar cases.</li> <li>Validated the completeness and appropriateness of the related disclosures with regard to the facts and circumstances of the legal and tax matters.</li> </ul>
<b>2. Borrowings</b>	
The Group had a borrowing liability (current and non-current) of ₹ 4702.74 million as at 31 <sup>st</sup> March, 2022.  The borrowings are under agreements with terms and conditions detailed in notes no. 19A and 19B to the notes of the consolidated financial statements.  Keeping in view the size of the borrowings, the Group's borrowings is considered as key audit matter.	Audit procedures in respect of this area: <ul style="list-style-type: none"> <li>We have gone through the agreements between the Holding Company and its lenders.</li> <li>We obtained confirmations from the Holding Company's banks/financial institutions to confirm the outstanding balances.</li> <li>Where debt is regarded as non-current, we tested whether the Holding Company has the unconditional right to defer payment such that there were no repayments required within 12 months from the balance date.</li> <li>We further considered whether the disclosures related to the borrowings in the consolidated financial statements are appropriate in all material respects.</li> </ul>

#### Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion & Analysis Report and Board's Report including Annexures to Board's Report, but does not include the consolidated financial statements and our auditor's report thereon. The Management Discussion & Analysis Report and Board's Report including Annexures to Board's Report, are expected to be made available to us after the date of this auditors' report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

When we read Management Discussion & Analysis Report and Boards Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these

consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the 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 are responsible for overseeing the financial reporting process of the Group.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

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

up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, 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 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matters**

- a. The consolidated financial statements of one subsidiary (and its six step down subsidiaries) and financial statements of other two subsidiary are included in the consolidated financial Statement, whose annual financial statements reflect total assets of Rs. 4678.50 million as at 31 March 2022, as well as the total revenue of Rs. 3483.88 million, total net loss after tax of Rs.(396.24) million, total comprehensive income of Rs.(315.28) million and net cash inflow Rs.177.86 million for the year ended 31 March 2022, which have not been audited by us. These financial statements/ financial information have been audited by other auditors whose report has been furnished to us by Management of the Company, and our opinion on the consolidated financial Statement, to the extent they have been derived from such annual financial statements is based solely on the report of such other auditors. Our opinion on the consolidated financial Statement 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.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, 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 statements/financial information certified by the Management.

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

As required by Section 143(3) of the Act, based on our audit and on the basis of consideration of report of the auditor on a separate financial statement and the other information of the subsidiaries, as noted in the Other Matters paragraph, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.



- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2022 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31<sup>st</sup> March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group. - Refer Note 40 to the consolidated financial statements.
  - ii) The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 45A to the Financial Statements
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.
  - iv) a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
  - b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
  - c) Based on such audit procedures that the we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
  - v) a) The company has declared final dividend during the previous year no interim dividend was paid during current year, the company has complied with Section 123 of the Act.
  - b) Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable
  - vi) CARO 2020 is not applicable on the Report of the other Auditors of the subsidiary companies.
- 3 With respect to the matter to be included in the Auditors' Report under section 197(16):
- In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

**FOR O.P.DADU & CO.  
CHARTERED ACCOUNTANTS  
FRN. 001201N**

**PLACE : NEW DELHI  
DATED: 30<sup>TH</sup> MAY, 2022**

**(AMIT GUPTA)  
PARTNER  
M.NO. 094202  
UDIN:22094202AJXMDT6903**

## **Annexure 'A' To the Independent Auditors' Report of even date on the Consolidated Financial Statement of The Hi-Tech Gears Limited**

(Referred to in paragraph 1(f) under "Report on Other Legal and Regulatory Requirements section of our report of even date to the Members of The Hi-Tech Gears Limited)

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

In conjunction with our audit of the consolidated financial statements of the Company for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of The Hi-Tech Gears Limited (hereinafter referred to as "the Company" or the "Holding Company") which is a company incorporated in India, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Holding Company, which is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### **Meaning of Internal Financial Controls with reference to Financial Statements**

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

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

#### **Inherent Limitations of Internal Financial Controls with reference to Financial Statements.**

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

#### **Opinion**

In our opinion, the Holding Company, which is a company incorporated in India, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on "the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

#### **Other Matter**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to the Holding Company, which is a Company incorporated in India. We did not audit the internal financial controls over financial reporting in so far as it relates to the subsidiary companies, which are companies incorporated outside India and whose financial statements/ financial information reflect total assets of Rs.4678.50 million as at March 31, 2022, total revenue of Rs.3483.88 million total net loss after tax of Rs.(396.24) million, total comprehensive income of Rs.(315.28) million and net cash inflows amounting to Rs.177.86 million for the year ended March 31, 2022, as considered in the consolidated financial statements.

**FOR O.P.DADU & CO.  
CHARTERED ACCOUNTANTS  
FRN. 001201N**

**PLACE : NEW DELHI  
DATED : 30<sup>TH</sup> MAY, 2022**

**(AMIT GUPTA)  
PARTNER  
M.NO. 094202**



# The Hi-Tech Gears Limited

## Consolidated Balance Sheet as at 31 March 2022

(₹ in Mn)

	Note	31 March 2022	31 March 2021
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	3,870.63	3,235.73
Capital work-in-progress	6	382.02	710.85
Right-of-use assets	7A	270.75	303.18
Goodwill	7	557.32	534.48
Other intangible assets	7	580.93	610.07
<b>Financial assets</b>			
Investments	8	122.00	95.01
Loans	9 A	3.14	2.36
Other financial assets	10 A	38.11	38.37
Other non-current assets	11 A	98.77	164.59
<b>Total non-current assets</b>		<b>5,923.67</b>	<b>5,694.64</b>
<b>Current assets</b>			
Inventories	12	1,161.24	911.17
<b>Financial assets</b>			
Trade receivables	13	1,738.89	1,487.19
Cash and cash equivalents	14	609.13	512.11
Other bank balances	15	257.94	258.85
Loans	9 B	5.17	5.08
Other financial assets	10 B	86.54	137.78
Current tax assets (net)	16	18.72	23.27
Other current assets	11 B	221.35	192.21
<b>Total current assets</b>		<b>4,098.98</b>	<b>3,527.65</b>
<b>Total assets</b>		<b>10,022.65</b>	<b>9,222.29</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	17	187.68	187.68
Other equity	18	3,119.75	3,019.68
<b>Total equity</b>		<b>3,307.43</b>	<b>3,207.36</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	19 A	2,992.02	3,069.22
Lease liabilities	19 A(i)	221.30	244.87
Provisions	20 A	34.32	35.32
Deferred tax liabilities (net)	21	36.37	41.49
Other non-current liabilities	22 A	12.59	15.09
<b>Total non-current liabilities</b>		<b>3,296.60</b>	<b>3,405.99</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	19 B	1,447.70	912.55
Lease liabilities	19 B(i)	44.57	44.76
Trade payables	23		
- total outstanding dues of micro enterprises and small enterprises		82.17	58.72
- total outstanding dues of creditors other than micro enterprises and small enterprises		1,350.99	1,066.18
Other financial liabilities	24	364.05	367.37
Other current liabilities	22 B	86.34	86.51
Provisions	20 B	42.80	72.86
<b>Total current liabilities</b>		<b>3,418.62</b>	<b>2,608.94</b>
<b>Total equity and liabilities</b>		<b>10,022.65</b>	<b>9,222.29</b>

Summary of significant accounting policies and accompanying notes form an integral part of these consolidated financial statements. This is the consolidated balance sheet referred to in our report of even date.

**For O. P. Dadu & Co.**  
Chartered Accountants  
Firm Registration No. 001201N

**CA. Amit Gupta**  
Partner  
Membership No. 094202  
UDIN: 21094202AAAAAU8038

Place: New Delhi  
Date: May 30, 2022

**Deep Kapuria**  
Executive Chairman  
DIN 00006185

**Vijay Mathur**  
Chief Financial Officer

**For and on behalf of**  
**The Hi-Tech Gears Limited**

**Pranav Kapuria**  
Managing Director  
DIN 00006195

**Naveen Jain**  
Company Secretary



# The Hi-Tech Gears Limited

## Consolidated statement of profit and loss for the year ended 31 March 2022

(₹ in Mn)

	Note	31 March 2022	31 March 2021
<b>Revenue</b>			
Income from operations	25	9,706.35	7,455.42
Other income	26	78.74	104.91
<b>Total Income</b>		<b>9,785.09</b>	<b>7,560.33</b>
<b>Expenses</b>			
Cost of materials consumed	27	4,879.33	3,462.26
Purchase of traded goods	28	221.74	187.31
Changes in inventories of finished goods and work-in-progress	29	(281.63)	22.05
Employee benefits expense	30	2,150.60	1,599.33
Finance costs	31	264.47	232.80
Depreciation and amortisation expense	6, 7 & 7A	522.87	430.77
Other expenses	32	1,918.61	1,285.68
<b>Total expenses</b>		<b>9,675.99</b>	<b>7,220.20</b>
<b>Profit before tax</b>		<b>109.10</b>	<b>340.13</b>
Tax expense			
Current tax	33	138.03	135.96
Deferred tax charge/(credit)	33	(26.81)	(95.81)
Earlier years tax adjustments (net)		8.90	12.11
<b>Profit for the year</b>		<b>(11.02)</b>	<b>287.87</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Re-measurement gain on defined benefit plans		12.67	8.73
Equity Instruments through Other Comprehensive Income		27.00	12.54
Income tax relating to items that will not be reclassified to profit and loss		(9.91)	(0.67)
Items that will be reclassified to profit or loss			
Effective portion of gain/ (loss) on fair value hedge		54.27	36.38
Exchange differences on translating foreign operations		80.96	119.28
Income tax relating to items that will be reclassified to profit and loss		(16.35)	(19.04)
<b>Other Comprehensive Income, net of tax</b>		<b>148.64</b>	<b>157.22</b>
<b>Total comprehensive income for the year</b>		<b>137.62</b>	<b>445.09</b>
<b>Earnings per equity share (₹ 10 per share)</b>	34		
Basic (₹)		(0.59)	15.34
Diluted (₹)		(0.59)	15.34

Summary of significant accounting policies and accompanying notes form an integral part of these consolidated financial statements. This is the consolidated statement of profit or loss referred to in our report of even date.

**For O. P. Dadu & Co.**  
Chartered Accountants  
Firm Registration No. 001201N

**For and on behalf of**  
**The Hi-Tech Gears Limited**

**CA. Amit Gupta**  
Partner  
Membership No. 094202  
UDIN: 21094202AAAAAU8038

**Deep Kapuria**  
Executive Chairman  
DIN 00006185

**Pranav Kapuria**  
Managing Director  
DIN 00006195

**Place: New Delhi**  
**Date: May 30, 2022**

**Vijay Mathur**  
Chief Financial Officer

**Naveen Jain**  
Company Secretary



# The Hi-Tech Gears Limited

## Consolidated statement of changes in equity for the year ended 31 March 2022

### A Equity share capital\*

(₹ in Mn)

Particulars	Balance as at 1 April 2020	Changes during the year	Balance as at 31 March 2021	Changes during the year	Balance as at 31 March 2022
Equity share capital	187.68	-	187.68	-	187.68

### B Other equity\*\*

(₹ in Mn)

Particulars	Reserves and surplus		Other Comprehensive Income			Total
	General reserve	Retained earnings	Foreign currency translation reserve	Cash flow hedge reserve	FVOCI - equity investments	
<b>Balance as at 1 April 2020</b>	308.08	2,212.37	73.50	(50.31)	30.96	2,574.60
Profit for the year	-	287.87	-	-	-	287.87
Other comprehensive income for the year (net of tax impact)	-	6.52	119.28	17.34	14.07	157.21
<b>Balance as at 31 March 2021</b>	<b>308.08</b>	<b>2,506.76</b>	<b>192.78</b>	<b>(32.97)</b>	<b>45.03</b>	<b>3,019.68</b>
IND AS 116	-	-	-	-	-	-
Profit for the year	-	(11.02)	-	-	-	(11.02)
Other comprehensive income (net of tax impact)	-	9.47	80.96	37.92	20.28	148.63
Dividend paid during the year including tax impact (refer note no.41)	-	(37.54)	-	-	-	(37.54)
<b>Balance as at 31 March 2022</b>	<b>308.08</b>	<b>2,467.67</b>	<b>273.74</b>	<b>4.95</b>	<b>65.31</b>	<b>3,119.75</b>

\*Refer note 17 for details

\*\*Refer note 18 for details

Summary of significant accounting policies and accompanying notes form an integral part of these consolidated financial statements. This is the statement of change in equity referred to in our report of even date.

**For O. P. Dadu & Co.**  
Chartered Accountants  
Firm Registration No. 001201N

**CA. Amit Gupta**  
Partner  
Membership No. 094202  
UDIN: 21094202AAAAAU8038

Place: New Delhi  
Date: May 30, 2022

**For and on behalf of**  
**The Hi-Tech Gears Limited**

**Deep Kapuria**  
Executive Chairman  
DIN 00006185

**Vijay Mathur**  
Chief Financial Officer

**Pranav Kapuria**  
Managing Director  
DIN 00006195

**Naveen Jain**  
Company Secretary

# The Hi Tech Gears Limited

## Consolidated cash flow statement for the year ended 31 March 2022

(₹ in Mn)

	31 March 2022	31 March 2021
<b>A Cash flow from operating activities</b>		
Profit before tax	109.10	340.13
<b>Adjustments for:</b>		
Depreciation and amortisation expense	522.87	430.77
Gain on disposal of property, plant and equipment (net)	(8.60)	(0.13)
Interest income classified as investing cash flows	(18.79)	(33.42)
Income recognised on account of government assistance	(2.51)	(2.42)
Provisions written back	(5.86)	(0.47)
Provision for doubtful debts	2.78	12.65
Unrealised foreign exchange rate difference (net)	-	(39.07)
Finance costs	264.47	232.80
<b>Operating profit before working capital changes</b>	<b>863.46</b>	<b>940.84</b>
<b>Movement in working capital</b>		
(Increase)/decrease in inventories	(250.07)	(59.78)
(Increase)/decrease in other financial assets	51.24	(66.12)
(Increase)/decrease in trade receivables	(254.47)	(578.75)
(Increase)/decrease in other non-current assets	(0.79)	2.33
(Increase)/decrease in other current assets	(29.14)	30.95
Increase/(decrease) in other financial liability	50.96	43.59
Increase/(decrease) in other current liability	(0.17)	(7.97)
Increase/(decrease) in provision	(36.23)	18.06
Increase/(decrease) in trade and other payables	308.25	184.50
<b>Cash flow from operating activities post working capital changes</b>	<b>703.04</b>	<b>507.65</b>
Income tax paid (net)	(146.95)	(134.67)
<b>Net cash flows from operating activities (A)</b>	<b>556.09</b>	<b>372.98</b>
<b>B Cash flows from investing activities</b>		
Payments for property, plant and equipment and capital work-in-progress	(601.55)	(587.03)
Proceeds from sale of property, plant and equipment	18.17	3.56
Proceeds/(Payments) for of margin money and bank deposits	1.17	40.68
Proceeds/(Repayment) of loans and advances	(0.86)	0.70
Interest received	18.79	33.42
<b>Net cash used in investing activities (B)</b>	<b>(564.28)</b>	<b>(508.67)</b>
<b>C Cash flows from financing activities*</b>		
Finance cost paid	(254.00)	(198.58)
Payment of lease liability	(23.75)	(15.87)
Proceeds from borrowings	1,002.82	790.42
Repayment of borrowings	(582.32)	(324.34)
Dividends paid (including tax)	(37.54)	-
<b>Net cash flow from financing activities (C)</b>	<b>105.21</b>	<b>251.63</b>
Net increase (decrease) in cash and cash equivalents (A+B+C)	97.02	115.94
Cash and cash equivalents at the beginning of the year	512.11	396.17
<b>Cash and cash equivalents at the end of the year</b>	<b>609.13</b>	<b>512.11</b>

\*Refer note 19 for reconciliation of liabilities arising from financing activities

This is the consolidated cash flow statement referred to in our report of even date.

**Note: The above consolidated cash flow statement has been prepared under the "Indirect method" as set out in the Indian Accounting Standard (IND AS-7) statement of cash flow.**

**Cash flows from operating activities include ₹ 7.47 Mn (31 March 2021 ₹ 7.30 Mn) being expenses towards Corporate Social Responsibility initiatives.**

**For O. P. Dadu & Co.**  
Chartered Accountants  
Firm Registration No. 001201N

**For and on behalf of**  
**The Hi-Tech Gears Limited**

**CA. Amit Gupta**  
Partner  
Membership No. 094202  
UDIN: 21094202AAAAAU8038

**Deep Kapuria**  
Executive Chairman  
DIN 00006185

**Pranav Kapuria**  
Managing Director  
DIN 00006195

**Place: New Delhi**  
**Date: May 30, 2022**

**Vijay Mathur**  
Chief Financial Officer

**Naveen Jain**  
Company Secretary

## Property, plant and equipment

(₹ in Mn)

Particulars	Freehold land	Leasehold land	Residential flats	Buildings	Plant and machinery	Furniture and fixtures	Office equipment	Vehicles	Total	Capital work-in-progress
<b>Gross carrying amount</b>										
At 1 April 2020	519.42	-	-	764.17	5,852.48	39.52	107.98	91.60	7,375.17	339.05
Reclassified on adoption of Ind AS 116	-	-	-	(0.28)	236.32	-	1.35	0.54	237.93	452.17
Additions	-	-	-	16.75	135.68	0.52	2.59	2.51	187.54	19.35
Net exchange differences	29.49	-	-	-	(39.23)	-	-	(16.63)	(55.86)	-
Disposals	-	-	-	-	-	-	-	-	-	-
Capitalised during the year	-	-	-	-	-	-	-	-	-	(99.72)
<b>Balance as at 31 March 2021</b>	<b>548.91</b>	-	-	<b>780.64</b>	<b>6,185.25</b>	<b>40.04</b>	<b>111.92</b>	<b>78.02</b>	<b>7,744.78</b>	<b>710.85</b>
Reclassified on adoption of Ind AS 116	-	-	-	-	-	-	-	-	-	-
Additions	-	-	-	22.80	978.53	5.74	4.83	1.90	1,013.81	127.34
Net exchange differences	16.62	-	-	14.89	87.13	0.28	1.40	1.34	121.67	19.91
Disposals	-	-	-	-	(67.63)	-	(0.72)	(1.82)	(70.17)	-
Capitalised during the year	-	-	-	-	-	-	-	-	-	(476.08)
<b>Balance as at 31 March 2022</b>	<b>565.53</b>	-	-	<b>818.33</b>	<b>7,183.28</b>	<b>46.06</b>	<b>117.43</b>	<b>79.44</b>	<b>8,810.09</b>	<b>382.02</b>
<b>Accumulated depreciation</b>										
At 1 April 2020	-	-	-	239.34	3,703.92	30.81	100.60	56.50	4,131.17	-
Reclassified on adoption of Ind AS 116	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	-	-	25.05	313.92	2.62	2.77	4.10	348.46	-
Net exchange differences	-	-	-	4.92	72.13	0.35	2.52	1.93	81.85	-
Adjustments for disposals	-	-	-	-	(36.72)	-	-	(15.71)	(52.43)	-
<b>Balance as at 31 March 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>269.31</b>	<b>4,053.25</b>	<b>33.78</b>	<b>105.89</b>	<b>46.82</b>	<b>4,509.05</b>	<b>-</b>
Reclassified on adoption of Ind AS 116	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	-	-	25.75	393.40	2.58	2.89	7.91	432.54	-
Net exchange differences	-	-	-	4.64	51.19	0.22	1.38	1.05	58.48	-
Adjustments for disposals	-	-	-	-	(58.19)	-	(0.68)	(1.73)	(60.61)	-
<b>Balance as at 31 March 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>299.70</b>	<b>4,439.65</b>	<b>36.58</b>	<b>109.48</b>	<b>54.05</b>	<b>4,939.46</b>	<b>-</b>
<b>Net carrying amount as at 31 March 2021</b>	<b>548.91</b>	<b>-</b>	<b>-</b>	<b>511.33</b>	<b>2,132.00</b>	<b>6.26</b>	<b>6.03</b>	<b>31.20</b>	<b>3,235.73</b>	<b>710.85</b>
<b>Net carrying amount as at 31 March 2022</b>	<b>565.53</b>	<b>-</b>	<b>-</b>	<b>518.63</b>	<b>2,743.63</b>	<b>9.48</b>	<b>7.95</b>	<b>25.39</b>	<b>3,870.63</b>	<b>382.02</b>



a) CWIP Ageing Schedule as at 31 March 2022

Capital Work in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Project in progress:-</b>					
Plant & Machinery	30.82	222.26	2.48	9.36	264.92
<b>Project in temporarily suspended :-</b>					
Trichy Project	19.94	20.17	24.94	52.05	117.10
<b>Total</b>	<b>50.76</b>	<b>242.43</b>	<b>27.42</b>	<b>61.41</b>	<b>382.02</b>

b) CWIP whose completion is overdue or has exceeded its cost compared to its original plan as at 31 March 2022

Capital Work in Progress	CWIP to be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Project in progress:-</b>					
Plant & Machinery	264.92				264.92
<b>Project in temporarily suspended :-</b>					
Trichy Project temporarily suspended				117.10	117.10
<b>Total</b>	<b>264.92</b>	<b>-</b>	<b>-</b>	<b>117.10</b>	<b>382.02</b>

c) CWIP Ageing Schedule as at 31 March 2021

Capital Work in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Project in progress:-</b>					
Plant & Machinery	112.35	475.48	9.62	-	597.45
<b>Project in temporarily suspended :-</b>					
Trichy Project	36.44	24.94	52.02	0.00	113.40
<b>Total</b>	<b>148.79</b>	<b>500.42</b>	<b>61.64</b>	<b>0.00</b>	<b>710.85</b>

d) CWIP whose completion is overdue or has exceeded its cost compared to its original plan as at 31 March 2021

Capital Work in Progress	CWIP to be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Project in progress:-</b>					
Plant & Machinery	585.61	11.84			597.45
<b>Project in temporarily suspended :-</b>					
Trichy Project temporarily suspended				113.40	113.40
<b>Total</b>	<b>585.61</b>	<b>11.84</b>	<b>-</b>	<b>113.40</b>	<b>710.85</b>

Refer Note 19 for information on property, plant and equipment hypothecated/mortgaged as security by the Group.

Refer Note 40(B) for disclosure of contractual commitment for acquisition of property, plant and equipment.



## Note - 7

### Goodwill & Other Intangible Assets

(₹ in Mn)

Particulars	Other intangible assets				Goodwill
	Customer relationship and brand name	Non-compete fees	Softwares	Total	
<b>Gross carrying amount</b>					
At 1 April 2020	765.96	10.71	104.50	881.17	491.83
Additions	-	-	1.59	1.59	-
Net exchange differences	66.43	0.93	-	67.36	42.65
<b>Balance as at 31 March 2021</b>	<b>832.39</b>	<b>11.64</b>	<b>106.09</b>	<b>950.12</b>	<b>534.48</b>
Additions	-	-	3.11	3.11	-
Net exchange differences	35.58	0.50	-	36.08	22.84
<b>Balance as at 31 March 2022</b>	<b>867.97</b>	<b>12.14</b>	<b>109.20</b>	<b>989.31</b>	<b>557.32</b>
<b>Accumulated amortisation</b>					
At 1 April 2020	169.32	6.62	91.03	266.97	-
Amortisation charge for the year	48.34	2.24	5.32	55.90	-
Net exchange differences	16.52	0.66	-	17.18	-
<b>Balance as at 31 March 2021</b>	<b>234.18</b>	<b>9.52</b>	<b>96.35</b>	<b>340.05</b>	<b>-</b>
Charge for the year	-	-	-	-	-
Amortisation charge for the year	52.32	2.22	3.37	57.91	-
Net exchange differences	10.01	0.41	-	10.42	-
<b>Balance as at 31 March 2022</b>	<b>296.51</b>	<b>12.15</b>	<b>99.72</b>	<b>408.38</b>	<b>-</b>
<b>Net block as at 1 April 2020*</b>	<b>596.64</b>	<b>4.09</b>	<b>13.47</b>	<b>614.20</b>	<b>491.83</b>
<b>Net carrying amount as at 31 March 2021</b>	<b>598.21</b>	<b>2.12</b>	<b>9.74</b>	<b>610.07</b>	<b>534.48</b>
<b>Net carrying amount as at 31 March 2022</b>	<b>571.46</b>	<b>(0.01)</b>	<b>9.48</b>	<b>580.93</b>	<b>557.32</b>

## Note - 7A

### Right of use

(₹ in Mn)

Particulars	Land	Residential flats	Buildings	Plant and machinery	Total
<b>Gross block</b>					
At 1 April 2020	18.59	4.55	79.72	30.76	133.62
Transition impact of Ind AS 116	-	-	-	-	-
Additions	4.14	-	-	235.43	239.57
Adjustments/disposals	-	-	(13.96)	(5.08)	(19.04)
<b>Balance as at 31 March 2021</b>	<b>22.73</b>	<b>4.55</b>	<b>65.76</b>	<b>261.11</b>	<b>354.15</b>
Additions	-	-	-	-	0.00
Adjustments/disposals	-	-	-	-	-
<b>Balance as at 31 March 2022</b>	<b>22.73</b>	<b>4.55</b>	<b>65.76</b>	<b>261.11</b>	<b>354.15</b>
<b>Accumulated depreciation</b>					
At 1 April 2020	1.34	1.48	19.63	2.75	25.20
Transition impact of Ind AS 116	-	-	-	-	-
Charge for the year	0.28	0.07	19.91	6.14	26.40
Adjustments for disposals	-	-	-	(0.63)	(0.63)
<b>Balance as at 31 March 2021</b>	<b>1.62</b>	<b>1.55</b>	<b>39.54</b>	<b>8.26</b>	<b>50.97</b>
Charge for the year	0.36	0.07	21.86	10.13	32.43
Adjustments for disposals	-	-	-	-	-
<b>Balance as at 31 March 2022</b>	<b>1.98</b>	<b>1.62</b>	<b>61.40</b>	<b>18.39</b>	<b>83.40</b>
<b>Net block as at 31 March 2021</b>	<b>21.11</b>	<b>3.00</b>	<b>26.22</b>	<b>252.85</b>	<b>303.18</b>
<b>Net block as at 31 March 2022</b>	<b>20.75</b>	<b>2.93</b>	<b>4.36</b>	<b>242.72</b>	<b>270.75</b>

**Note - 8**

(₹ in Mn)

	31 March 2022	31 March 2021
<b>A Investments - non current</b>		
<b>Equity instruments</b>		
<b>Investment in Equity Instrument (quoted, measured at FVOCI)</b>		
2100 Equity shares of ₹ 1/- each fully paid up of State Bank of India (previous year 31 March 2021 : 2100 Equity shares of ₹ 1/- each fully paid up)	1.04	0.77
<b>Other Investment (un quoted, at measured at fair value)</b>		
8200 Equity shares of ₹ 1/- each fully paid up of Altigreen Propulsion Labs Pvt. Ltd. (previous year 31 March 2021 : 8200 Equity shares of ₹ 1/- each fully paid up) **	120.96	94.24
	<b>122.00</b>	<b>95.01</b>
Aggregate amount of quoted investments	-	-
Aggregate market value of quoted investments	1.04	0.77
Aggregate amount of unquoted investments	120.96	94.24
Aggregate value of impairment in the value of investments	-	-

**Note - 9**

(₹ in Mn)

	31 March 2022	31 March 2021
<b>A Loans - non current</b>		
<b>(Unsecured, considered good)</b>		
Loan to employees	3.14	2.36
	<b>3.14</b>	<b>2.36</b>
<b>B Loans - current</b>		
<b>(Unsecured, considered good)</b>		
Loan to employees	5.17	5.08
	<b>5.17</b>	<b>5.08</b>

**Note - 10**

(₹ in Mn)

	31 March 2021	31 March 2020
<b>A Other financial assets - non-current</b>		
Balance held as margin money (against letter of credit and bank guarantees)*	0.04	1.07
Security deposits with government bodies	38.07	37.30
	<b>38.11</b>	<b>38.37</b>
*Margin money deposits having remaining maturity of more than 12 months.		
<b>B Other financial assets - current</b>		
Security deposits - others	6.65	8.29
Other receivable*		
Considered good	71.45	97.48
Considered credit impaired (refer note below)	2.05	2.05
Less: Impairment loss allowance	(2.05)	(2.05)
Amount receivable	8.44	32.01
	<b>86.54</b>	<b>137.78</b>

\*It includes amount receivable from customers for new product development like making, changing in nature of specific components on demand of customers, insurance claim receivable, provision for rate revision in case of steel cost.

Note: One employee (Mr. K. P. Yadav, Assistant Manager in finance & accounts) had embezzled money by making unauthorised withdrawal of ₹ 2.23 Mn in his personal account during the period December 2017 to April 2018. On detecting the above fraud, the Company immediately terminated him from his services and lodged the FIR against him. Till now, the Company has made recovery of ₹ 0.18 Mn out of above amount and created the provision for the balance amount as on 31.03.2019. Appropriate actions for discovery, prevention of fraud and strengthening of Internal controls has been put in place by the Company.

**Note - 11**

(₹ in Mn)

	31 March 2022	31 March 2021
<b>A Other non-current assets</b>		
<b>(Unsecured, considered good)</b>		
Capital advance*	91.95	158.57
Prepaid expenses	6.82	6.02
	<b>98.77</b>	<b>164.59</b>

\*For capital commitments refer Note - 40

<b>B Other current assets</b>		
Advances to suppliers	49.56	43.46
Advances to employees	0.48	0.57
Prepaid expenses	38.49	44.15
Balance with statutory authorities	125.78	104.03
Others	7.04	-
	<b>221.35</b>	<b>192.21</b>

**Note - 12**

(₹ in Mn)

	31 March 2022	31 March 2021
<b>Inventories</b>		
<b>(Valued at lower of cost or net realisable value)</b>		
Finished goods (Goods in transit)	348.17	137.53
Raw materials and components	162.25	212.65
Stock in trade	3.80	8.04
Stores and spares	315.67	292.50
Work-in-progress	330.40	259.42
Scrap (at realizable value)	0.95	1.03
	<b>1,161.24</b>	<b>911.17</b>

**Note - 13**

(₹ in Mn)

	31 March 2022	31 March 2021
<b>Trade receivables*</b>		
<b>(Unsecured)</b>		
Considered good	1,745.55	1,494.16
Having significant increase in credit risk	11.23	8.14
Credit impaired	4.06	4.06
	<b>1,760.84</b>	<b>1,506.36</b>
Less: Impairment loss allowance	(21.95)	(19.17)
	<b>1,738.89</b>	<b>1,487.19</b>

\*For related party balances refer note Note - 37



Trade receivables ageing schedule is as follows:

Particulars	As at 31 March 2022							Total
	Unbilled	Not Due	Outstanding for following periods from due date of payment					
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	14.38	1,236.48	450.39	44.29	-	-	-	1,745.54
(ii) Undisputed Trade Receivables – Significant increase in credit risk	-	-	-	-	8.30	1.42	1.51	11.23
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	4.07	4.07
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – Significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
<b>Total</b>	<b>14.38</b>	<b>1,236.48</b>	<b>450.39</b>	<b>44.29</b>	<b>8.30</b>	<b>1.42</b>	<b>5.58</b>	<b>1,760.84</b>

Trade receivables ageing schedule is as follows:

Particulars	As at 31 March 2021							Total
	Unbilled	Not Due	Outstanding for following periods from due date of payment					
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	1,217.60	238.34	40.06	(1.84)	-	-	-	1,494.16
(ii) Undisputed Trade Receivables – Significant increase in credit risk	-	-	-	4.56	2.63	0.95	-	8.14
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	4.06	-	4.06
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – Significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,217.60</b>	<b>238.34</b>	<b>40.06</b>	<b>2.72</b>	<b>2.63</b>	<b>5.01</b>	<b>-</b>	<b>1,506.36</b>

**Note - 14**

(₹ in Mn)

	31 March 2022	31 March 2021
<b>Cash and cash equivalents</b>		
Cash on hand	0.35	0.25
Balances with banks		
In current accounts	488.78	256.96
Bank deposits with original maturity less than three months	120.00	254.90
	<b>609.13</b>	<b>512.11</b>


**Note - 15**

(₹ in Mn)

	31 March 2022	31 March 2021
<b>Other bank balances</b>		
Margin money	3.22	3.65
Deposits with Standard Chartered Bank (DSRA) maturity having more than three months and up to twelve months**	94.85	93.86
Bank deposits with maturity of more than three months and up to twelve months	158.86	160.31
Unpaid dividend	1.01	1.03
	<b>257.94</b>	<b>258.85</b>

\*\*Amount deposited in fixed deposits of ₹ 94.85 Mn (previous year ₹ 93.86 Mn) which is Charged to Lender pursuant to the facility agreement (refer note 19 borrowings current for details)

**Note - 16**

(₹ in Mn)

	31 March 2022	31 March 2021
<b>Current tax assets (net)</b>		
Advance income tax	304.64	161.28
Less: Provision for taxation	(285.92)	(138.02)
	<b>18.72</b>	<b>23.26</b>

**Note - 17**

(₹ in Mn)

	31 March 2022		31 March 2021	
	Number	Amount	Number	Amount
<b>Equity share capital</b>				
<b>i Authorised</b>				
20,000,000 Equity shares of ₹ 10/- each with voting rights	20000000	200.00	20000000	200.00
		<b>200.00</b>		<b>200.00</b>
<b>ii Issued, subscribed and fully paid up</b>				
Equity share capital of face value of ₹ 10 /- each	18768000	187.68	18768000	187.68
		<b>187.68</b>		<b>187.68</b>
<b>iii Reconciliation of number of equity shares outstanding at the beginning and at the end of the year</b>				
<b>Equity shares</b>				
Balance at the beginning of the year	18768000	187.68	18768000	187.68
Add : Shares issued during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>18768000</b>	<b>187.68</b>	<b>18768000</b>	<b>187.68</b>

**iv Rights, preferences and restrictions attached to equity shares**

The Company has one class of equity shares with paid up value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share on all resolutions submitted to shareholders. They have right to participate in the profits of the Company, if declared by the Board as interim dividend and recommended by the Board and declared by the members as final dividend. They are also entitled to bonus/right issue, as declared by Company from time to time. They have right to receive annual report of the Company, beside other rights available under the Companies Act and Listing Regulations.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, beside other rights available under the Companies Act.

The distribution will be in proportion to the number of equity shares held by the shareholders.

**v Details of shareholders holding more than 5% share capital**

Name of the equity shareholders	31 March 2022		31 March 2021	
	Number	% Held	Number	% Held
Vulcan Electro Controls Limited	1082000	5.77%	1082000	5.77%
Olympus Electrical Industries Private Limited	1745200	9.30%	1745200	9.30%
Hi-Tech Portfolio Investments Limited	1971876	10.51%	1971876	10.51%
Mr. Deep Kapuria	3117461	16.61%	3117461	16.61%

**vi Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, by way of bonus shares and shares bought back for the period of 5 years immediately preceding the balance sheet date**

The Company has not issued any shares pursuant to contract(s) without payment being received in cash.

No bonus shares have been issued in preceding 5 years.

The Company has not undertaken any buy back of shares.

**vii Details of shares held by promoters**

Particulars	Promoter Name	No. of shares at the beginning of the year 01 April 2021	Change during the year	No. of shares at the end of the year 31 March 2022	% of Total Shares	% change during the year
Equity shares of face value ₹ 10/-	Master Abhay Kapuria	8,000	-	8,000	0.04%	0.00%
Equity shares of face value ₹ 10/-	Deep Kapuria & Sons (Huf)	2,31,780	-	2,31,780	1.23%	0.00%
Equity shares of face value ₹ 10/-	Deep Kapuria	31,17,461	2,000	31,19,461	16.62%	0.06%
Equity shares of face value ₹ 10/-	Pranav Kapuria	8,48,102	-	8,48,102	4.52%	0.00%
Equity shares of face value ₹ 10/-	Anuj Kapuria	8,44,062	-	8,44,062	4.50%	0.00%
Equity shares of face value ₹ 10/-	Veena Kapuria	5,01,120	-	5,01,120	2.67%	0.00%
Equity shares of face value ₹ 10/-	Adhiraj Kapuria	19,000	-	19,000	0.10%	0.00%
Equity shares of face value ₹ 10/-	Adhiveer Kapuria	19,000	-	19,000	0.10%	0.00%
Equity shares of face value ₹ 10/-	Aabha Kapuria	60,460	20,351	80,811	0.43%	33.66%
Equity shares of face value ₹ 10/-	Megha Kapuria	60,460	19,851	80,311	0.43%	32.83%
Equity shares of face value ₹ 10/-	Dev Kumari Kapuria	2,000	(2,000)	0	0.00%	(100.00%)
Equity shares of face value ₹ 10/-	Hi-Tech Portfolio Investments Ltd	19,71,876	-	19,71,876	10.51%	0.00%
Equity shares of face value ₹ 10/-	Olympus Electrical Industries Pvt Ltd	17,45,200	-	17,45,200	9.30%	0.00%
Equity shares of face value ₹ 10/-	Vulcan Electro Controls Ltd	10,82,000	-	10,82,000	5.77%	0.00%
<b>Total</b>		<b>1,05,10,521</b>	<b>40,202</b>	<b>1,05,50,723</b>	<b>56.22%</b>	
<b>Total No of Equity shares</b>		<b>1,87,68,000</b>				

Particulars	Promoter Name	No. of shares at the beginning of the year 01 April 2020	Change during the year	No. of shares at the end of the year 31 March 2021	% of Total Shares	% change during the year
Equity shares of face value ₹ 10/-	Master Abhay Kapuria	8,000	-	8,000	0.04%	0.00%
Equity shares of face value ₹ 10/-	Deep Kapuria & Sons (Huf)	2,31,780	-	2,31,780	1.23%	0.00%
Equity shares of face value ₹ 10/-	Deep Kapuria	31,17,461	-	31,17,461	16.61%	0.00%
Equity shares of face value ₹ 10/-	Pranav Kapuria	8,48,102	-	8,48,102	4.52%	0.00%
Equity shares of face value ₹ 10/-	Anuj Kapuria	8,44,062	-	8,44,062	4.50%	0.00%
Equity shares of face value ₹ 10/-	Veena Kapuria	5,01,120	-	5,01,120	2.67%	0.00%
Equity shares of face value ₹ 10/-	Adhiraj Kapuria	19,000	-	19,000	0.10%	0.00%
Equity shares of face value ₹ 10/-	Adhiveer Kapuria	19,000	-	19,000	0.10%	0.00%
Equity shares of face value ₹ 10/-	Aabha Kapuria	15,950	44,510	60,460	0.32%	279.06%
Equity shares of face value ₹ 10/-	Megha Kapuria	15,950	44,510	60,460	0.32%	279.06%
Equity shares of face value ₹ 10/-	Dev Kumari Kapuria	2,000	-	2,000	0.01%	0.00%
Equity shares of face value ₹ 10/-	Hi-Tech Portfolio Investments Ltd	19,71,876	-	19,71,876	10.51%	0.00%
Equity shares of face value ₹ 10/-	Olympus Electrical Industries Pvt Ltd	17,45,200	-	17,45,200	9.30%	0.00%
Equity shares of face value ₹ 10/-	Vulcan Electro Controls Ltd	10,82,000	-	10,82,000	5.77%	0.00%
<b>Total</b>		<b>1,04,21,501</b>	<b>89,020</b>	<b>1,05,10,521</b>	<b>56.00%</b>	
<b>Total No of Equity shares</b>		<b>1,87,68,000</b>				

**Note - 18**

(₹ in Mn)

	31 March 2022	31 March 2021
<b>Other Equity</b>		
<b>Reserve &amp; Surplus</b>		
<b>General Reserve</b>		
Balance as per last Balance sheet	308.08	308.08
<b>Total (A)</b>	<b>308.08</b>	<b>308.08</b>
<b>Retained earnings</b>		
Balance as per last Balance sheet	2,506.76	2,212.37
Add: Profit/(Loss) for the year	(11.02)	287.87
Add: Other comprehensive income (net of tax impact)	9.47	6.52
Less: Dividend paid during the year including tax impact, refer note no. 41	(37.54)	-
<b>Total (B)</b>	<b>2,467.67</b>	<b>2,506.76</b>
<b>Total (C=A+B)</b>	<b>2,775.75</b>	<b>2,814.84</b>
<b>Other Comprehensive Income (OCI)</b>		
<b>Equity instrument through Other Comprehensive Income</b>		
Balance as per last Balance sheet	45.03	30.96
Add: Movement in OCI (Net) during the year	20.28	14.07
<b>Total (D)</b>	<b>65.31</b>	<b>45.03</b>
<b>Foreign currency translation reserve</b>		
Balance as per last Balance sheet	192.78	73.50
Add: Movement in OCI (Net) during the year	80.96	119.28
<b>Total (E)</b>	<b>273.74</b>	<b>192.78</b>
<b>Cash flow hedge reserve</b>		
Balance as per last Balance sheet	(32.97)	(50.31)
Add: Movement in OCI (Net) during the year	37.92	17.34
<b>Total (F)</b>	<b>4.95</b>	<b>(32.97)</b>
<b>Total (G=D+E+F)</b>	<b>344.00</b>	<b>204.84</b>
<b>Total Other Equity (C+G)</b>	<b>3,119.75</b>	<b>3,019.68</b>

**(i) Nature and purpose of other reserves****General reserve**

General reserve is created out of the accumulated profits of the Company as per the provisions of Companies Act.

**Retained earnings**

All the profits made by the Company are transferred to retained earnings from statement of profit and loss.

**Equity instrument through other comprehensive income**

Equity instrument through other comprehensive income represents balance arising on account of changes in fair value of equity instruments carried at fair value through other comprehensive income and gain/(loss) booked on re-measurement of defined benefit plans.

**Foreign currency translation reserve**

The Group recognised exchange differences arising on translation of the foreign operations in other comprehensive income and accumulated in foreign currency translation reserve in other equity.

**Cash flow hedge reserve**

The Company has taken a cross currency and interest rate swap to hedge the foreign currency risk of highly probable forecasted sales and foreign currency borrowings. To the extent hedge is effective, the change in fair value of hedging instrument is recognised in cash flow reserve.

Note - 19

(₹ in Mn)

	31 March 2022	31 March 2021
<b>A Borrowings non-current</b>		
<b>Secured</b>		
Term loans		
From banks		
External commercial borrowing	328.14	626.64
Rupee Loan	2,220.96	763.77
Housing loan	72.76	72.47
Others	370.16	1,529.79
From others		
Vehicle loan	-	4.14
<b>Unsecured</b>		
Loan From Director	-	72.41
	<b>2,992.02</b>	<b>3,069.22</b>
<b>A (i) Lease Liabilities</b>		
Lease liabilities	221.30	244.87
	<b>221.30</b>	<b>244.87</b>

(₹ in Mn)

Particulars	Nature of security	Terms of repayment	Interest Rate	Maturity	31 March 2022	31 March 2021
<b>Secured External commercial borrowing</b> Standard Chartered Bank (USD 12,000,000) through IDBI Trusteeship Limited.	a) First pari passu charge on movable fixed assets of the company both present and future. b) First pari pasu charge on the following immovable fixed assets of the Company: 1) A-589, Industrial Complex, Bhiwadi, District, Alwar, Rajasthan-301019. 2) Plot No 24-26, Sector 7, IMT Manesar, Gurgaon, Haryana 122050 3) SPL-146, Industrial Complex, Bhiwadi-301019, District Alwar, Rajasthan* 4) Plot No. A-7 & A-8, G K Industrial Park, Trichy District Tamil Nadu * The Memorandum of Entry is still to execute.	Quarterly repayment starts from February 2019. 5 instalments @ 2.25% of loan amount 4 instalments @ 3.00% of loan amount. 12 instalment @ 6.40% of loan amount.	3 Month LIBOR+3.29% p.a. (previous year 3 Month LIBOR+3.29% p.a.)	February, 2024	466.09	673.39
IAM - Security assets dealt along with their value as on closing date.	First fixed charge on all fixed assets of the Company, 2545887 Ontario Inc. and working capital assets except that bank operating facility will rank senior on accounts receivable and Inventory.	26 equal monthly instalments of CAD 3,24,074.00 starting from March 2018 & 45 instalments of CAD 3,24,074.00 Apr-20 to Jan 24 will be paid at maturity date And 63 installment of CAD 1,90,329.22 From Feb 24 to Apr-29 . For 36 month from 15 Feb-21 to Jan-24 only interest is to be paid.	2 % p.a for period Feb-21 to Jan-24 and the reafter 4 % p.a (previous year 6 % p.a.)	April, 2029	1,626.06	1,546.87
Standard Chartered Bank (USD 7,561,789) through IDBI Trusteeship Limited.	a) First pari passu charge on movable fixed assets of the company both present and future. b) First pari pasu charge on the following immovable fixed assets of the company: 1) A-589, Industrial Complex, Bhiwadi, District, Alwar, Rajasthan-301019. 2) Plot No 24-26, Sector 7, IMT Manesar, Gurgaon, Haryana 122050 3) SPL-146, Industrial Complex, Bhiwadi-304019, District Alwar, Rajasthan* 4) Plot No. A-7 & A-8, G K Industrial Park, Trichy District Tamil Nadu * The Memorandum of Entry is still to execute.	Quarterly repayment starts from February 2019. 5 instalments @ 5.375% of loan amount 4 instalments @ 5.5% of loan amount 12 instalments @4.26% of loan amount	3 Month LIBOR+3.00% p.a. (previous year 3 Month LIBOR+3.00% p.a.)	February, 2024	195.64	282.66



Particulars	Nature of security	Terms of repayment	Interest Rate	Maturity	31 March 2022	31 March 2021
<b>Housing Loan</b> Canadian Imperial Bank of Commerce	Hypothecation of residential house property at 6 Carlaw Place, Guelph, Ontario, Canada.	300 monthly instalments of CAD 6,784.22 @ 2.89% p.a. interest is fixed @2.89% p.a for 60 months starting May 2017, thereafter will become floating rate	2.89 % p.a. (previous year 2.89 % p.a.)	May, 2042	75.57	75.09
<b>Loan From Director</b>	Unsecured	-	6.00 % p.a	-	-	72.41
<b>Term Loan</b>						
Equipment Finance-20000660	Hypothecation of specified assets at 6 Carlaw Place, Guelph, Ontario, Canada.	60 monthly installment of CAD 3333.84 @ fixed interest rate @ 4.17% p.a starting Feb'20	4.17 % p.a	Jan, 2025	8.16	10.36
Equipment Finance-20001790	Hypothecation of specified assets at 6 Carlaw Place, Guelph, Ontario, Canada.	36 monthly installment of CAD 5984.11 @ fixed interest rate @ 4.01% p.a starting Mar'20	4.01 % p.a	Feb, 2023	4.95	9.68
Equipment Finance-20001040	Hypothecation of specified assets at 6 Carlaw Place, Guelph, Ontario, Canada.	60 monthly installment of CAD 3214.96 @ fixed interest rate @ 4.17% p.a starting Feb'20	4.17 % p.a	Jan, 2025	8.08	10.19
Equipment Finance-Scotia Bank	Hypothecation of specified assets at 6 Carlaw Place, Guelph, Ontario, Canada.	No repayment Schedule is yet defined as total disbursement is pending from bank	Prime rate + 0.50% p.a	Jan, 2025	361.84	168.53
'Bajaj Finance Limited	<p>a) First pari passu charge on movable fixed assets of the company both present and future.</p> <p>b) First pari passu charge on the following immovable fixed assets of the company:</p> <ol style="list-style-type: none"> <li>1) A-589, Industrial Complex, Bhiwadi, District, Alwar, Rajasthan-301019*.</li> <li>2) Plot No 24-26, Sector 7, IMT Manesar, Gurgaon, Haryana 122050</li> <li>3) SPL-146, Industrial Complex, Bhiwadi-304019, District Alwar, Rajasthan</li> </ol> <p>The Memorandum of Entry of the above still to be executed.</p>	20 equal quarterly instalments starting from the 15th month from the date of first disbursement			180.00	200.00
<b>Interest Rate</b>			9.00%/ 8.50%			
HDFC Bank Ltd - Rupee Loan.	<ol style="list-style-type: none"> <li>1) First charge by way of hypothecation in favor of the Lender, on company's movables including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures and all other movable assets, present and future for Expansion Project.</li> <li>2) First charge by way of assignment or creation of charge in favour of the lenders of (i) all the right, title, interest, benefits, claims and demands whatsoever of the company in the project documents, duly acknowledged and consented to by the relevant counter parties to such project documents, all as amended, varied or supplemented from time to time in respect to Expansion Project;</li> <li>3) First pari passu charge by way of hypothecation in favour of the Lender, of company's movables including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures and all other movable assets, present and future which are not exclusively charged to any other lenders.</li> </ol>	Repayment in 16 quarterly instalment starts from December, 2020	7.7%/7.8%/7.85%/7.90% (Previous year 9.2%/9.3%/9.35%)	Dec, 2024	397.64	551.66

Particulars	Nature of security	Terms of repayment	Interest Rate	Maturity	31 March 2022	31 March 2021
	4) First pari passu charge over the present and future immovable fixed assets of the company as given below: *a) A-589, Industrial Complex, Bhiwadi, District, Alwar, Rajasthan-301019. b) Plot No 24-26, Sector 7, IMT Manesar, Gurgaon, Haryana 122050 c) SPL-146, Industrial Complex, Bhiwadi-304019, District Alwar, Rajasthan d) Plot No. A-7 & A-8, G K Industrial Park, Trichy District Tamil Nadu * The Memorandum of Entry is still to execute.					
Federal Bank Limited	a) 'First Pari Passu charge on Moveable fixed assets of the Company, both present & future. b) First Pari Passu charge Immoveable fixed assets situated at : 1) Plot No. 24,25 & 26, Sector-7, IMT Manesar, Haryana-122050, 2) A-589, RIICO Industrial Area, Bhiwadi, District Alwar, Bhiwadi- 301019, Rajasthan and 3) SPL-146A Industrial Complex, Bhiwadi, Rajasthan The Memorandum of Entry of the above still to be executed.	18 equal quarterly instalments of 13.2 million each and 1 quarterly installment of 12.4 million starting from the 15th month from the date of first disbursement.	7.30%		225.00	-
Interest Rate						
<b>Vehicle loan</b>						
Travellers finance	Hypothecation of specific car.	60 monthly instalments of CAD 2324.61	4.88 % p.a. (previous year 4.88 % p.a.)	Jun, 2022	0.37	1.80
Audi finance	Hypothecation of specific car.	60 monthly instalments of CAD 1686.77	3.90 % p.a. (previous year 3.90 % p.a.)	Jul, 2022	0.37	1.43
BMW Financial Service	Hypothecation of specific car.	47 monthly equal instalments of ₹ 132,801 & 48th instalment of ₹ 30,21,700.	9.75% p.a.	Aug, 2022	3.42	4.62
Daimler Financial Services Pvt Ltd	Hypothecation of specific car.	35 monthly equal instalments of ₹ 4,51,854 & 36th instalment of ₹ 82,25,900.	11.74% p.a.	Oct, 2021	-	9.85
Long term maturities of lease obligation	Lease liabilities are effectively secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.	Monthly instalments			265.87	289.63
Unamortised upfront fees on borrowing					(28.34)	(43.55)
<b>Total borrowings</b>					<b>3,790.72</b>	<b>3,864.61</b>
Less: Current maturities of long term borrowings					580.25	550.52
<b>Non current borrowings</b>					<b>3,210.47</b>	<b>3,314.09</b>

(₹ in Mn)

	31 March 2022	31 March 2021
<b>B Borrowings - current</b>		
<b>Secured loans</b>		
Working capital loans repayable on demand from banks	912.02	406.79
Current maturity of long term debts	535.68	505.76
	<b>1,447.70</b>	<b>912.55</b>
<b>B (i) Lease Liabilities</b>		
Lease liabilities	44.57	44.76
	<b>44.57</b>	<b>44.76</b>



Particulars	Nature of security	Interest rate	31 March 2022	31 March 2021
Citi bank-Packing credit	<ul style="list-style-type: none"> <li>First pari passu charge on present and future stocks and book debts of the Company.</li> <li>Second pari passu charge on present and future fixed assets excluding assets specifically charged to other lenders.</li> <li>Second pari passu charge by way of equitable mortgage on land and building located at A-589, Industrial Complex, Dist Alwar, Bhiwadi.</li> </ul>	6.50% p.a (previous year 6.10% p.a)	87.67	36.56
Standard chartered bank - Packing credit	<ul style="list-style-type: none"> <li>First pari passu charge over stock and book debts of the borrower both present and future.</li> <li>Second pari passu charge on movable Fixed assets (excluding the assets specifically charged to other lenders).</li> <li>Second pari passu charge on immovable fixed assets at A-589, Industrial Complex, Dist Alwar, Bhiwadi.</li> </ul>	6.00% p.a (previous year 5.20% p.a)	119.94	-
State Bank of India - Packing credit	<ul style="list-style-type: none"> <li>First pari passu charge on all the current assets with working capital lender banks under multiple banking arrangement.</li> <li>Second pari passu charge on Fixed assets (movable and immovable at factory A-589, Industrial Complex, Bhiwadi, Rajasthan-3010019) with working capital lender banks under multiple banking arrangement.</li> </ul>	8.30% p.a (previous year 8.30% p.a)	-	13.33
State Bank of India - Working capital loan		8.40% p.a (previous year 9.25% p.a)	-	1.29
Federal Bank - PCRE	<ul style="list-style-type: none"> <li>First Pari Passu charge on the current assets of the Company, both present and future, located at Plot No. 24,25 &amp; 26, Sector-7, IMT Manesar, Haryana-122050 or elsewhere in India.</li> </ul>	6.75% p.a (previous year Nil)	27.40	-
HDFC Bank Ltd- Working capital loan	<ul style="list-style-type: none"> <li>First pari pasucharge by way of hypothecation on entire current assets of the Company, both present and future.</li> <li>Second pari passu charge by way of hypothecation on entire movable fixed assets (Other than those exclusively charged to other lenders, if any) of the Company.</li> <li>* Second pari passu charge over A-589, Industrial Complex, Bhiwadi, Rajasthan-3010019</li> <li>* The Memorandum of Entry is still to execute.</li> </ul>	7.0% p.a. (previous year 9.2% p.a)	130.00	-
TD Asset Finance	*First charge on accounts receivable and inventory of The Hi-Tech Gears Canada Inc. Second charge on all other assets existing and future of borrower and guarnter including intellectual property and equipment registered in all appropriate jurisdiction.	Prime rate + 25bps/ BA+150bps.Currently prime rate is around 2.45% p.a.(Previous year Prime rate + 25bps/ BA+150bps) )	547.01	355.61
<b>Total</b>			<b>912.02</b>	<b>406.79</b>

#### Reconciliation of liabilities arising from financing activities

The changes in the Group's liabilities arising from financing activities can be classified as follows:

(₹ in Mn)

Particulars	Long-term borrowings	Short-term borrowings	Lease obligations	Total
<b>Wednesday, 1 April, 2020</b>	3,436.49	2.02	84.34	<b>3,522.85</b>
<b>Cash flows:</b>				
- Repayment	(324.34)	-	(15.87)	(340.21)
- Proceeds	400.48	404.75	-	805.23
- Foreign exchange	43.36	-	-	43.36
- Amortisation charge of transaction cost	18.99	-	221.16	240.15
<b>31 March 2021</b>	<b>3,574.98</b>	<b>406.77</b>	<b>289.63</b>	<b>4,271.38</b>
<b>Cash flows:</b>				
- Repayment	(582.32)	-	(23.75)	(606.07)
- Proceeds	494.76	505.23	-	999.99
- Foreign exchange	26.94	-	-	26.94
- Amortisation charge of transaction cost	10.48	-	0.00	10.48
<b>31 March 2022</b>	<b>3,524.84</b>	<b>912.00</b>	<b>265.88</b>	<b>4,702.72</b>



**Note - 20**

(₹ in Mn)

	31 March 2022	31 March 2021
<b>A Provisions - non current</b>		
Provisions for employee benefits		
Compensated absences	34.32	35.32
	<b>34.32</b>	<b>35.32</b>

For movements in each class of provision during the financial year, refer note 43

<b>B Provisions - current</b>		
Provisions for employee benefits		
Gratuity	-	4.70
Compensated absences	6.40	5.37
Provision on rate difference	36.40	62.79
	<b>42.80</b>	<b>72.86</b>

For movements in each class of provision during the financial year, refer note 43 &amp; 44

**Note - 21**

(₹ in Mn)

	31 March 2022	31 March 2021
<b>Deferred tax liabilities (net)</b>	<b>36.37</b>	<b>41.49</b>
<b>Deferred tax liabilities arising on account of :</b>		
Property, plant & equipment	63.58	90.87
Fair valuation of equity instruments	21.63	14.91
Deferred government grant	0.63	0.82
Deferred tax liabilities - Ind AS adjustments	4.04	4.53
<b>Deferred tax asset arising on account of :</b>		
Cash flow hedge reserve	(8.97)	(23.29)
Right-of-use asset and lease liabilities	(7.22)	(4.30)
Provision for rate difference	(9.16)	(15.80)
Provision for leave encashment	(10.25)	(10.24)
Plant and machinery recognised on account of government grant	(0.63)	(0.82)
Provision for bonus	(10.46)	(9.25)
Provision for doubtful debts and advances	(6.05)	(5.34)
Provision for profit elimination on unsold inventory	(0.77)	(0.60)
	<b>36.37</b>	<b>41.49</b>

**(i) Movement in deferred tax liabilities (net)**

(₹ in Mn)

Particulars	01 April 2021	Recognised/ reversed through profit and loss	Recognised/ reversed through other comprehensive income	Exchange differences on foreign operation	31 March 2022
<b>Deferred tax liabilities arising on account of :</b>					
Property, plant & equipment	90.87	(27.28)	-	-	63.58
Fair valuation of equity instruments	14.91	8.25	(1.53)	21.63	0.63
Deferred government grant	0.82	(0.19)	-	-	
<b>Deferred tax asset arising on account of :</b>					
Cash flow hedge reserve	(23.29)	1.16	13.15	-	(8.97)
Right-of-use asset and lease liabilities	(4.30)	(2.92)	(7.22)	-	(9.16)
Provision for rate difference	(15.80)	6.64	-	-	(10.25)
Provision for leave encashment	(10.24)	(0.01)	-	-	(0.63)
Plant and machinery recognised on account of government grant	(0.82)	0.19	-	-	4.04
Deferred tax liabilities - Ind AS adjustments	4.53	(0.49)	-	-	(10.46)
Provision for bonus	(9.25)	(1.22)	-	-	(6.05)
Provision for doubtful debts and advances	(5.34)	(0.71)	-	-	(0.00)
Foreign currency translation reserve	(0.00)	(0.00)	-	-	(0.77)
Provision for profit elimination on unsold inventory	(0.60)	(0.17)	(0.77)		
<b>Total</b>	<b>41.49</b>	<b>(16.75)</b>	<b>11.62</b>	<b>0.00</b>	<b>36.37</b>



Particulars	01 April 2020	Recognised/ reversed through profit and loss	Recognised/ reversed through other comprehensive income	Exchange differences on foreign operation	31 March 2021
<b>Deferred tax liabilities arising on account of :</b>					
Property, plant & equipment	188.07	(89.01)	-	(8.19)	90.87
Fair valuation of equity instruments	16.43	0.01	(1.53)	14.91	
Deferred government grant	1.96	(1.14)	-	-	0.82
<b>Deferred tax asset arising on account of :</b>					
Cash flow hedge reserve	(36.88)	0.44	13.15	(0.00)	(23.29)
Right-of-use asset and lease liabilities	(2.26)	(2.04)	(4.30)		
Provision for rate difference	(10.38)	(5.42)	-	-	(15.80)
Provision for leave encashment	(15.77)	5.53	-	-	(10.24)
Plant and machinery recognised on account of government grant	(1.96)	1.14	-	-	(0.82)
Derivatives not designated as hedges	(1.47)	6.00	-	0.00	4.53
Provision for bonus	(12.22)	2.97	-	-	(9.25)
Provision for doubtful debts and advances	(2.99)	(2.35)	-	-	(5.34)
Foreign currency translation reserve	(0.00)	(2.50)	-	2.50	(0.00)
Provision for profit elimination on unsold inventory	(0.45)	(0.15)	(0.60)		
Processing fee netted off from borrowing	(1.94)	1.77	-	0.17	-
<b>Total</b>	<b>120.14</b>	<b>(84.75)</b>	<b>11.62</b>	<b>(5.52)</b>	<b>41.49</b>

#### Note - 22

(₹ in Mn)

A Other non - current liabilities	31 March 2022	31 March 2021
	Deferred income*	12.59
	<b>12.59</b>	<b>15.09</b>

\* Represents government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme on purchase of property, plant and equipment accounted for as government grant and being amortised over the useful life of such assets.

B Other current liabilities	31 March 2022	31 March 2021
	Payable to statutory authorities	48.21
Advance from customers	38.13	47.85
	<b>86.34</b>	<b>86.50</b>

#### Note - 23

(₹ in Mn)

Trade payables	31 March 2022	31 March 2021
	- total outstanding dues of micro enterprises and small enterprises	82.17
- total outstanding dues of creditors other than micro enterprises and small enterprises	1,350.99	1,066.18
	<b>1,433.16</b>	<b>1,124.90</b>

#### Trade payables ageing

Particulars	As at 31 March 2022						
	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed- MSME	-	0.01	82.16	-	-	-	82.17
(ii) Undisputed- Others	-	468.36	870.24	0.32	-	12.06	1,350.98
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-	-	-
<b>Total</b>	-	468.37	<b>952.40</b>	<b>0.32</b>	-	<b>12.06</b>	<b>1,433.15</b>

## Trade payables ageing

Particulars			As at 31 March 2021				Total
	Unbilled	Not Due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed- MSME	-	-	58.72	-	-	-	58.72
(ii) Undisputed- Others	23.36	183.48	826.30	20.64	-	12.40	1,066.18
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-	-	-
<b>Total</b>	<b>23.36</b>	<b>183.48</b>	<b>885.02</b>	<b>20.64</b>	<b>-</b>	<b>12.40</b>	<b>1,124.90</b>

\*Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") as at 31 March 2022, 31 March 2021:

(₹ in Mn)

Particulars		31 March 2022	31 March 2021
i	Principal amount remaining unpaid to any supplier as at the end of the accounting year;	82.17	58.72
ii	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year;	-	0.01
iii	the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
iv	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-
v	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
vi	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group.

## Note - 24

(₹ in Mn)

		31 March 2022	31 March 2021
<b>Other financial liabilities - current</b>			
	Interest accrued but not due	11.96	14.97
	Earnest money and security deposits	2.46	2.85
	Derivative liability	35.63	92.52
	Unpaid dividend	1.01	1.02
	Others*	312.99	256.00
		<b>364.05</b>	<b>367.37</b>

\*Others include reimbursement of expenses, provision for expenses, liabilities related to compensation/claim, etc.

## Note - 25

(₹ in Mn)

		31 March 2022	31 March 2021
<b>Revenue from operations</b>			
<b>Sale of products:</b>			
	Transmission gears and shafts - domestic	4,553.88	4,446.69
	Transmission gears and shafts - export	4,686.41	2,816.52
<b>Sale of Services:</b>			
	Other-services	1.16	-
	Sales job work	207.91	12.31
<b>Other operating income:</b>			
	Export incentives	48.19	43.89
	Scrap sales	208.80	136.01
		<b>9,706.35</b>	<b>7,455.42</b>

**Note - 26**

(₹ in Mn)

	31 March 2022	31 March 2021
<b>Other income</b>		
Interest income		
Bank deposits	17.82	30.60
Others	0.97	2.82
Provision written Back	5.86	0.47
Rent	0.73	0.67
Dividend	0.01	-
Gain on foreign exchange fluctuations (Net)	42.23	27.84
Gain on sale of property, plant and equipment (Net)	8.60	0.13
Fair value gain on derivatives not designated as hedges	-	4.96
Income recognised on account of government assistance	2.51	2.42
Miscellaneous income	0.01	35.00
	<b>78.74</b>	<b>104.91</b>

**Note - 27**

(₹ in Mn)

	31 March 2022	31 March 2021
<b>Cost of materials consumed</b>		
Opening stock of raw material (steel rod and forgings)	212.65	154.08
Add: Purchase during the year (net of discount)	4,828.93	3,520.83
Add: Acquisition through business combination	-	-
	5,041.58	3,674.91
Less: Closing stock of raw material (steel rod and forgings)	162.25	212.65
	<b>4,879.33</b>	<b>3,462.26</b>

**Note - 28**

(₹ in Mn)

	31 March 2022	31 March 2021
<b>Purchase of traded goods</b>		
Opening stock of purchase of traded goods (transmission gears and shafts)	-	-
Add: Purchase during the year (transmission gears and shafts)	221.74	187.31
	221.74	187.31
Less: Closing stock of purchase of traded goods (transmission gears and shafts)	-	-
	<b>221.74</b>	<b>187.31</b>

**Note - 29**

(₹ in Mn)

	31 March 2022	31 March 2021
<b>Changes in inventories of finished goods and work-in-progress</b>		
<b>Inventories at the end of the year:</b>		
Finished goods (transmission gears and shafts)	350.43	139.22
Work-in-progress (transmission gears and shafts)	330.40	259.42
<b>Inventories at the beginning of the year:</b>		
Finished goods (transmission gears and shafts)	139.79	141.10
Work-in-progress (transmission gears and shafts)	259.41	279.59
	<b>(281.63)</b>	<b>22.05</b>

**Note - 30**

(₹ in Mn)

	31 March 2022	31 March 2021
<b>Employee benefits expense</b>		
Salaries, wages and other benefits	2,058.30	1,519.37
Contributions to provident and other funds	35.27	30.80
Gratuity fund contributions	10.63	11.62
Staff welfare expenses	46.40	37.54
	<b>2,150.60</b>	<b>1,599.33</b>

**Note - 31**

(₹ in Mn)

	31 March 2022	31 March 2021
<b>Finance costs</b>		
Interest on:		
Term and working capital loans from banks	205.52	170.72
Lease liabilities	23.09	15.42
Others	15.89	3.76
Bank commission and charges	7.56	42.90
Loss on exchange rate fluctuation	12.41	-
	<b>264.47</b>	<b>232.80</b>

**Note - 32**

(₹ in Mn)

	31 March 2022	31 March 2021
<b>Other expenses</b>		
Water electricity and allied charges	347.03	325.12
Stores and spares consumed	887.58	552.98
Professional charges	106.54	9.97
Repair and maintenance		
Plant and machinery	68.41	54.31
Buildings	26.70	7.37
Insurance	60.10	43.88
Rates and taxes	14.94	18.90
Rent	4.12	4.52
Loss on derecognition of financial liability	-	6.27
Corporate social responsibility expenses	7.47	7.30
Provision for doubtful debts	2.78	12.65
Auditor's remuneration*	3.57	3.38
Balance written off	5.03	11.74
Director's sitting fee	1.40	0.61
Freight and handling expenses	209.71	106.64
Charity and donation	0.22	0.03
Miscellaneous expenses	173.01	120.01
	<b>1,918.61</b>	<b>1,285.68</b>

**\*Remuneration to auditors comprises of:**

Audit fees	2.98	3.04
Reimbursement of expenses	0.04	0.04
Certification Fees	0.25	-
Other services	0.30	0.30
	<b>3.57</b>	<b>3.38</b>

**Details of CSR expenditure:**

	31 March 2022	31 March 2021
<b>a) Gross amount required to be spent by the company during the year</b>	<b>7.36</b>	<b>7.17</b>
<b>b) Amount approved by the Board to be spent during the year</b>	<b>7.36</b>	<b>7.17</b>
<b>c) Amount spent during the year :</b>	-	-
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	7.47	7.30
	<b>7.47</b>	<b>7.30</b>



d) Unspent amount in relation to: - Ongoing project  
For the year ended 31 March 2022

Opening Balance		Amount required to be spent during the year	Amount spent		Closing Balance	
with Company	In seprate CSR unspent A/c		From Companys bank a/c	From Separate CSR Unspent A/c	with company	In seprate CSR unspent account
-	-	7.36	7.47	-	-	-

For the year ended 31 March 2021

Opening Balance		Amount required to be spent during the year	Amount spent		Closing Balance	
with Company	In seprate CSR unspent A/c		From Companys bank a/c	From Separate CSR Unspent A/c	with company	In seprate CSR unspent account
-	-	7.17	7.30	-	-	-

i Corporate social responsibility expenses

The requisite disclosure relating to CSR expenditure in terms on Guidance Note on Corporate Social Responsibility (CSR) issued by Institute of Chartered Accountants of India:

a) Amount spent during the financial year ended 31 March 2022 and 31 March 2021 on:

(₹ in Mn)

Particulars	Period	Bank payment	Yet to be paid in cash	Total
Education, technical education including research and development	31 March 2022	0.57	-	0.57
	31 March 2021	4.95	-	4.95
Integrity community development	31 March 2022	0.10	-	0.10
	31 March 2021	-	-	-
Disaster management	31 March 2022	0.50	-	0.50
	31 March 2021	0.10	-	0.10
Prime Minister National Relief Fund	31 March 2022	0.15	-	0.15
	31 March 2021	1.00	-	1.00
Promoting Healthcare including Preventive Healthcare	31 March 2022	6.15	-	6.15
	31 March 2021	-	-	-
Others	31 March 2022	-	-	-
	31 March 2021	1.25	-	1.25
<b>Total</b>	31 March 2022	7.47	-	7.47
	31 March 2021	7.30	-	7.30

Note - 33

(₹ in Mn)

	31 March 2022	31 March 2021
<b>Income tax</b>		
<b>Tax expense comprises of:</b>		
Current tax	138.03	135.96
Deferred tax credit	(26.81)	(95.81)
Earlier years tax adjustments (net)	8.90	12.11
<b>Income tax expense reported in the statement of profit and loss</b>	<b>120.12</b>	<b>52.26</b>
<b>Accounting profit before income tax</b>	<b>109.10</b>	<b>340.13</b>
At India's statutory income tax rate of 25.167%	27.46	85.60
<b>Tax effect of amounts which are not deductible (taxable) in calculating taxable income:</b>		
Tax impact of expenses which will never be allowed	(6.17)	(7.56)
Earlier years tax adjustments (net)	4.89	12.11
Others	14.02	(35.81)
Difference in overseas tax rate	5.70	(2.08)
<b>Income tax expense</b>	<b>45.90</b>	<b>52.26</b>

**Note - 34**

(₹ in Mn)

	31 March 2022	31 March 2021
<b>Earnings per share</b>		
<b>Net profit attributable to equity shareholders</b>		
Net profit for the year	(11.02)	287.87
Nominal value of equity share (₹)	10.00	10.00
Total number of equity shares outstanding at the beginning of the year	18768000	18768000
Total number of equity shares outstanding at the end of the year	18768000	18768000
Weighted average number of equity shares	18768000	18768000
(1) Basic (₹)	(0.59)	15.34
(2) Diluted (₹)	(0.59)	15.34

**Note - 35A****Financial instruments****i) Fair values hierarchy**

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** Quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**(ii) Financial instruments by category**

For amortised cost instruments, carrying value represents the best estimate of fair value.

(₹ in Mn)

Particulars	31 March 2022			31 March 2021		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investment in equity instrument through OCI	-	122.00	-	-	95.00	-
Trade receivables	-	-	1,738.89	-	-	1,487.19
Loans	-	-	8.30	-	-	7.44
Cash and cash equivalents	-	-	609.13	-	-	512.11
Other bank balances	-	-	257.94	-	-	258.85
Other financial assets	6.65	-	117.99	-	-	130.56
Security deposits	-	-	-	-	-	45.59
<b>Total financial assets</b>	<b>6.65</b>	<b>122.00</b>	<b>2,732.25</b>	<b>-</b>	<b>95.00</b>	<b>2,441.74</b>
<b>Financial liabilities</b>						
Borrowings	-	-	4,705.59	-	-	4,271.40
Trade payables	-	-	1,433.16	-	-	1,124.90
Other financial liabilities	35.63	-	328.43	92.52	-	274.84
<b>Total financial liabilities</b>	<b>35.63</b>	<b>-</b>	<b>6,467.18</b>	<b>92.52</b>	<b>-</b>	<b>5,671.14</b>

**Valuation process and technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices for quoted equity instruments.
- for unquoted equity instruments, the Group's has used earning capitalisation method (fair value approach) discounted at a rate to reflect the risk involved in the business.
- The use of quoted market prices for derivative contracts at balance sheet date. For hedge related disclosures, refer note 45A.



The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

(₹ in Mn)

Particulars	Fair value		Significant unobservable inputs	Data inputs	
	31 March 2022	31 March 2021		31 March 2022	31 March 2021
Unquoted equity investments	120.96	94.24	Earnings growth rate	5.00%	4.50%
			Risk adjusted discount rate	14.67%	18.45%

**Sensitivity analysis**

(₹ in Mn)

Description	31 March 2022	31 March 2021
<b>Impact on fair value if change in earnings growth rate</b>		
- Impact of increase in discount rate by 0.5 %	129.36	109.32
- Impact of decrease in discount rate by 0.5 %	(113.35)	(101.14)
<b>Impact on fair value if change in risk adjusted discount rate</b>		
- Impact of increase in discount rate by 0.5 %	(110.81)	(89.53)
- Impact of decrease in discount rate by 0.5 %	132.24	99.29

The following table presents the changes in level 3 items for the periods ended 31 March 2022 and 31 March 2021:

(₹ in Mn)

Particulars	Unquoted equity shares
<b>As at 31 March 2020</b>	<b>82.04</b>
Acquisition	-
Gain/(loss) recognised in other comprehensive income	12.19
<b>As at 31 March 2021</b>	<b>94.24</b>
Acquisition	-
Gain/(loss) recognised in other comprehensive income	26.72
<b>As at 31 March 2022</b>	<b>120.96</b>

**(iii) Financial assets measured at fair value - recurring fair value measurements**

The following table shows the levels within the hierarchy of financial assets measured at fair value on a recurring basis at 31 March 2022 and 31 March 2021 :

(₹ in Mn)

Particulars	Period	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
<b>Investments at fair value through other comprehensive income</b>					
Equity investments	31 March 2022	1.04	-	120.96	<b>122.00</b>
	31 March 2021	0.77	-	94.24	<b>95.01</b>
<b>At fair value through profit or loss</b>					
Derivative financial liability	31 March 2022	-	35.63	-	<b>35.63</b>
	31 March 2021	-	92.52	-	<b>92.52</b>

**(iv) Fair value of instruments measured at amortised cost**

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows:

(₹ in Mn)

Particulars	Level	31 March 2022		31 March 2021	
		Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>					
Loans	Level 3	8.30	8.30	53.03	53.03
Other financial assets	Level 3	124.64	124.64	130.56	130.56
<b>Total financial assets</b>		<b>132.95</b>	<b>132.95</b>	<b>183.59</b>	<b>183.59</b>
<b>Financial liabilities</b>					
Borrowings	Level 3	4,705.59	4,705.59	4,271.40	4,271.40
<b>Total financial liabilities</b>		<b>4,705.59</b>	<b>4,705.59</b>	<b>4,271.40</b>	<b>4,271.40</b>



The management assessed that cash and cash equivalents, trade receivables, other receivables, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- (i) The fair values of the Group's interest-bearing borrowings, loans and receivables are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2022 was assessed to be insignificant.

## Note - 35B

### Financial risk management

The Group's activities expose it to credit risk, liquidity risk and market risk. The respective group companies board of directors has overall responsibility for the establishment and oversight of the risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, other financial assets	Ageing analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities.
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting	Forward contract/hedging, if required.
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors.
Market risk - security price	Investments in equity securities.	Sensitivity analysis	Portfolio diversification.

#### (A) Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Group. The Group's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

#### a) Credit risk management

##### i) Credit risk rating

The Group assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets. The Group assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

A: Low

B: Medium

C: High

The Group provides for expected credit loss based on the following:

Asset groups	Basis of categorisation	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets	12 month expected credit loss
Moderate credit risk	Trade receivables and other financial asset	Life time expected credit loss or 12 month expected credit loss
High credit risk	Trade receivables and other financial asset	Life time expected credit loss fully provided for

Life time expected credit loss is provided for trade receivables.

Based on business environment in which the Group operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Group. The Group continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.



(₹ in Mn)

Credit rating	Particulars	31 March 2022	31 March 2021
A: Low credit risk	Cash and cash equivalents, other bank balances, loans and other financial assets	1,000.01	954.55
B: Moderate credit risk	Trade receivables and other financial asset	1,745.55	1,494.16
C: High credit risk	Trade receivables and other financial asset	17.34	14.25

ii) *Concentration of trade receivables*

The Group's exposure to credit risk for trade receivables is presented as below. Loans and other financial assets majorly represents loans to employees and deposits given for business purposes.

(₹ in Mn)

Particulars	31 March 2022	31 March 2021
Original equipment manufacturer	686.23	525.10
Other	1,074.61	981.26
<b>Total</b>	<b>1,760.84</b>	<b>1,506.37</b>

b) **Credit risk exposure**

(i) **Provision for expected credit losses**

The Group provides for 12 month expected credit losses for following financial assets –

**As at 31 March 2022**

(₹ in Mn)

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	609.13	-	609.13
Other bank balances	296.04	-	296.04
Loans	8.30	-	8.30
Other financial assets	88.59	2.05	86.54

**As at 31 March 2021**

(₹ in Mn)

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	512.11	-	512.11
Other bank balances	259.92	-	259.92
Loans	53.03	-	53.03
Other financial assets	131.54	2.05	129.49

ii) **Expected credit loss for trade receivables under simplified approach**

**As at 31 March 2022**

(₹ in Mn)

Period	Gross carrying value	Expected credit loss (provision)	Carrying amount (net of impairment)
0 - 90 Days	1,402.14	11.91	1,390.23
90 - 180 Days	182.49	0.19	182.30
180 - 270 Days	149.70	0.01	149.69
270 - 360 Days	15.26	1.21	14.05
More than 360 Days	11.25	8.63	2.62

**As at 31 March 2021**

(₹ in Mn)

Period	Gross carrying value	Expected credit loss (provision)	Carrying amount (net of impairment)
0 - 90 Days	1,368.28	1.92	1,366.37
90 - 180 Days	101.53	0.17	101.36
180 - 270 Days	15.50	0.27	15.23
270 - 360 Days	7.22	0.53	6.69
More than 360 Days	14.29	5.60	8.69

**Reconciliation of loss provision – lifetime expected credit losses**

(₹ in Mn)

Reconciliation of loss allowance	Trade receivables	Other financial asset
<b>Loss allowance on 1 April 2020</b>	<b>6.52</b>	2.05
Impairment loss recognised/reversed during the year	12.65	-
Amounts written off	-	-
<b>Loss allowance on 31 March 2021</b>	<b>19.17</b>	<b>2.05</b>
Impairment loss recognised/reversed during the year	2.78	-
<b>Loss allowance on 31 March 2022</b>	<b>21.95</b>	<b>2.05</b>

**(B) Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates.

**Maturities of financial liabilities**

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities.

(₹ in Mn)

31 March 2022	Less than 1 year	More than 1 year	Total
Borrowings	2,098.30	3,407.84	5,506.14
Trade payable	1,433.16	-	1,433.16
Derivative financial liabilities	35.63	-	35.63
Other financial liabilities	316.47	-	316.47
<b>Total</b>	<b>3,883.56</b>	<b>3,407.84</b>	<b>7,291.39</b>

(₹ in Mn)

31 March 2021	Less than 1 year	More than 1 year	Total
Borrowings	1,033.30	3,761.46	4,794.76
Trade payable	1,124.91	-	1,124.91
Derivative financial liabilities	92.52	-	92.52
Other financial liabilities	259.87	-	259.87
<b>Total</b>	<b>2,510.60</b>	<b>3,761.46</b>	<b>6,272.06</b>

The Group had access to following funding facilities :

**As at 31 March 2022**

(₹ in Mn)

Funding facilities	Total facility	Drawn	Undrawn
Less than 1 year	1,561.97	912.02	649.95
Above 1 year	-	-	-
<b>Total</b>	<b>1,561.97</b>	<b>912.02</b>	<b>649.95</b>

**As at 31 March 2021**

(₹ in Mn)

Funding facilities	Total facility	Drawn	Undrawn
Less than 1 year	1,407.10	406.79	1,000.31
Above 1 year	-	-	-
<b>Total</b>	<b>1,407.10</b>	<b>406.79</b>	<b>1,000.31</b>

**(C) Market risk**
**(i) Foreign exchange risk**

The Group has international transactions and is exposed to foreign exchange risk arising from foreign currency transactions (imports and exports). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency. The Group does not hedge its foreign exchange receivables/payables.



**(ii) Derivative financial instrument**

The Group uses derivative instruments as part of its management of exposure to fluctuations in foreign currency exchange rates. The Group does not acquire or issue derivative financial instruments for trading or speculative purposes. The Group does not enter into complex derivative transactions to manage the risks. The derivative transactions are normally in the form of forward contracts and these are subject to the Group guidelines and policies. The fair values of all derivatives are separately recorded in the balance sheet within current financial assets. Derivatives that are designated as hedges are classified as current depending on the maturity of the derivative. The use of derivatives can give rise to credit and market risk. The Group tries to control credit risk as far as possible by only entering into contracts with reputable banks and financial institutions. The use of derivative instruments is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The market risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

**a) Fair value hedge**

The fair value hedges relate to forward covers taken to hedge currency exposure risks. The Group uses foreign exchange contracts from time to time to optimize currency risk exposure on its foreign currency transactions. Fair value changes on such forward contracts are recognized in profit or loss.

**b) Non-qualifying/economic hedge**

The Group enters into derivative contracts which are not designated as hedges for accounting purposes, but provide an economic hedge of a particular transaction risk or a risk component of a transaction. Fair value changes on such derivative instruments are recognized in profit or loss.

**Foreign currency risk exposure:**

(₹ in Mn)

Particulars	Currency	Amount in foreign currency		Amount in INR	
		31 March 2022	31 March 2021	31 March 2022	31 March 2021
<b>Receivables</b>					
Export trade receivable and advances	USD	6.92	12.96	525.17	814.71
	EURO	0.33	0.56	28.11	48.26
	GBP	0.04	0.04	3.79	3.83
	CAD	-	-	-	-
	JPY	0.80	0.95	0.50	0.63
Foreign currency loans	CAD	1.28	-	77.69	-
Interest on foreign currency loans	CAD	0.04	-	2.28	-
<b>Payables</b>					
Payable for imports and others	USD	(0.37)	(4.33)	(27.52)	(87.35)
	EURO	(0.01)	(0.04)	(0.66)	(3.26)
	GBP	(0.00)	(1.68)	(0.10)	(0.10)
	JPY	(0.37)	-	(0.00)	-
Foreign currency loans	USD	(6.14)	(9.21)	(466.09)	(673.39)
	USD	(2.58)	(3.87)	(195.64)	(282.66)
Interest on foreign currency loans	USD	(0.05)	(0.07)	(3.60)	(5.20)
	USD	(0.02)	(0.03)	(1.44)	(2.09)

## Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

(₹ in Mn)

Particulars	Currency	Exchange rate increase by 5%		Exchange rate decrease by 5%	
		31 March 2022	31 March 2021	31 March 2022	31 March 2021
<b>Receivables</b>					
Export trade receivable	USD	26.26	40.74	(26.26)	(40.74)
	EURO	1.41	2.41	(1.41)	(2.41)
	GBP	0.19	0.19	(0.19)	(0.19)
	CAD	-	-	-	-
	JPY	0.03	0.03	(0.03)	(0.03)
Foreign currency loans	CAD	3.88	-	(3.88)	-
Interest on foreign currency loans	CAD	0.11	-	(0.11)	-
<b>Payables</b>					
Payable for imports and others	USD	1.38	4.37	(1.38)	(4.37)
	EURO	0.03	0.16	(0.03)	(0.16)
	GBP	0.00	0.00	(0.00)	(0.00)
	JPY	0.00	-	-	-
Foreign currency loans	USD	23.30	33.67	(23.30)	(33.67)
	USD	9.78	14.13	(9.78)	(14.13)
Interest on foreign currency loans	USD	0.18	0.26	(0.18)	(0.26)
	USD	0.07	0.10	(0.07)	(0.10)

## (ii) Interest rate risk

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's variable rate borrowing is subject to interest rate. Below is the overall exposure of the borrowing:

(₹ in Mn)

Particulars	31 March 2022	31 March 2021
Variable rate borrowing	656.05	939.35
Fixed rate borrowing	4,049.53	3,332.05
<b>Total borrowings</b>	<b>4,705.58</b>	<b>4,271.40</b>

## Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

(₹ in Mn)

Particulars	31 March 2022	31 March 2021
Interest rates – increase by 50 basis points	3.28	4.70
Interest rates – decrease by 50 basis points	(3.28)	(4.70)

## (iii) Price risk

The Group's exposure to price risk arises from investments held and classified as FVOCI/ FVTPL. To manage the price risk arising from investments, the Group diversifies its portfolio of assets.

### Sensitivity analysis

Profit or loss and equity is sensitive to higher/lower prices of instruments on the Group's profit for the year -

(₹ in Mn)

Particulars	31 March 2022	31 March 2021
<b>Price sensitivity</b>		
Price increase by (5%) - FVOCI*	0.05	0.04
Price decrease by (5%) - FVOCI	(0.05)	(0.04)
Price increase by (5%) - FVTPL	1.78	4.63
Price decrease by (5%) - FVTPL	(1.78)	(4.63)

\* For sensitivity analysis in equity investment in shares of Altigreen, refer note 35 A, level 3 disclosure.



## Note - 36

### Disclosures as per Indian Accounting Standard (Ind AS) 108 “Operating Segments”

#### a) Operating segments

Management currently identifies the Group's two service areas as its operating segments as follows:

- India
- Canada

#### b) Segment revenue and expenses

Revenue and expenses directly attributable to the segment is considered as 'Segment Revenue and Segment Expenses'.

#### c) Segment assets and liabilities

Segment assets and liabilities include the respective directly identifiable to each of the segments.

These operating segments are monitored by the chief operating decision maker and strategic decisions are made on the basis of segment operating results. Segment performance is evaluated based on the profit of each segment.

The following tables present revenue and profit information and certain asset and liability information regarding the reportable segments for the years ended 31 March 2022 and 31 March 2021.

(₹ in Mn)

Particulars	India		Canada		Others		Total	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
<b>Revenue</b>								
Sales to external customers	6,240.31	5,066.46	3,216.74	2,116.07	206.31	203.18	9,663.36	7,385.71
Inter-segment sale	(193.57)	(86.38)	(20.42)	-	-	(23.81)	(214.00)	(110.19)
<b>Segment revenue</b>	<b>6,046.74</b>	<b>4,980.08</b>	<b>3,196.31</b>	<b>2,116.07</b>	<b>206.31</b>	<b>179.37</b>	<b>9,449.36</b>	<b>7,275.52</b>
Interest revenue	20.79	32.76	0.28	0.65	(2.28)	(0.00)	18.78	33.41
Interest expense	161.49	173.65	85.29	16.27	(2.28)	-	244.50	189.92
Depreciation and amortisation	303.62	251.52	219.26	169.73	-	9.51	522.87	430.76
Reversal of provisions	5.86	0.47	-	-	-	-	5.86	0.47
Dividend revenue	0.01	-	-	-	-	-	0.01	-
Disposals of property, plant and equipment	8.60	0.13	-	-	-	-	8.60	0.13
<b>Segment result (profit before tax)</b>	<b>536.51</b>	<b>387.85</b>	<b>(429.23)</b>	<b>(57.69)</b>	<b>1.82</b>	<b>9.96</b>	<b>109.10</b>	<b>340.12</b>
Income tax expense	151.44	123.51	(31.31)	(71.15)	-	(0.09)	120.12	52.27
<b>Segment assets</b>	<b>5,552.19</b>	<b>4,858.93</b>	<b>4,467.74</b>	<b>4,092.53</b>	<b>2.72</b>	<b>270.83</b>	<b>10,022.65</b>	<b>9,222.29</b>
<b>Segment liabilities</b>	<b>3,608.42</b>	<b>3,330.44</b>	<b>3,101.45</b>	<b>2,667.30</b>	<b>5.35</b>	<b>17.18</b>	<b>6,715.22</b>	<b>6,014.92</b>
Additions to non-current assets other than financial instruments, deferred tax assets, net defined benefit assets.	479.21	340.88	537.72	138.21	-	-	1,016.92	479.09

#### Information about major customer

During the year ended 31 March 2022 revenue of approximately 50.41% are derived from three external customers (previous year: 58.78% are derived from three external customers).

## Note - 37

### Related party disclosures

a) List of related parties and relationships

i) **Parties where control exists:**

**Subsidiary Company:**

(a) 2545887 Ontario Inc., Canada

**Step down subsidiaries:**

(i) The Hi-Tech Gears Canada Inc.

(ii) Teutech Holding Corporation, USA

(iii) Teutech LLC, USA

(iv) Teutech Leasing Corporation, USA

(v) 2504584 Ontario Inc., Canada

(vi) 2323532 Ontario Inc., Canada

(b) Neo Tech Auto Systems Inc., USA

(c) Neo Tech Smart Solutions Inc., Canada

ii) **Key Management Personnel (KMP) and their relatives**

(i) Mr. Deep Kapuria (Executive Chairman and Whole Time Director)

(ii) Mr. Anant Jaivant Talaulicar (Vice Chairman and Non Executive Director)

(iii) Mr. Pranav Kapuria (Managing Director)

(iv) Mr. Anuj Kapuria (Whole Time Director)

(v) Mr. Sandeep Dinodia (Independent Director)

(vi) Mr. Anil Kumar Khanna (Independent Director)

(vii) Mr. Krishna Chandra Verma (Independent Director)

(viii) Ms. Malini Sud (Independent Director)

(ix) Mr. Prosad Dasgupta (Independent Director)

(x) Mr. Vinit Taneja (Independent Director)

(xi) Mr. Ramesh Chandra Jain (Non Executive Director)

(xii) Mr. Bidadi Anjani Kumar (Non Executive Director)

(xiii) Mr. Neville D'Souza (Independent Director)

(xiv) Mr. Vijay Mathur (Chief Financial Officer)

(xv) Mr. Naveen Jain (Company Secretary)

iii) **Enterprises over which key management personnel and relatives of such personnel exercise significant influence with whom transactions has been undertaken:-**

(i) Aquarian Fibrecement Private Limited

(ii) Vulcan Electro Controls Limited

(iii) The Hi-Tech Robotic Systemz Limited

(iv) The Hi-Tech Engineering Systems Private Limited

## (b) Transactions with related parties carried out in the ordinary course of business:

(₹ in Mn.)

S.No	Particulars	Year	Subsidiary Group	Related Parties					Total	
				Enterprise over which Key Management personnel and their relatives exercise significant influence						Key Management Personnel and its relatives
				Aquarian Fibrecement Private Limited	Vulcan Electro Controls Limited	The Hi-Tech Engineering Systems Private Limited	The Hi-Tech Robotic Systems Limited			
1	Purchase of goods	31 March 2022 31 March 2021	- -	1,535.20 979.11	268.19 193.73	- -	- -	1,803.39 1,172.84		
2	Sale of goods	31 March 2022 31 March 2021	- -	8.16 27.37	30.40 29.27	- -	- -	38.56 56.64		
3	Rendering of job work/services	31 March 2022 31 March 2021	- -	1.34 0.72	1.36 0.74	- -	- -	2.70 1.46		
4	Sale of assets	31 March 2022 31 March 2021	- -	12.71 1.41	0.18 -	- -	- -	12.89 1.41		
5	Receiving of job work/services	31 March 2022 31 March 2021	- -	141.32 150.27	- -	30.00 31.02	171.32 181.29	- -		
6	Leasing or hire purchase arrangements	31 March 2022 31 March 2021	- -	18.00 15.75	- -	1.83 1.65	- -	19.83 17.40		
7	Security deposits given	31 March 2022 31 March 2021	- -	5.20 -	- -	- -	- -	- 5.20		
8	Remuneration paid*	31 March 2022 31 March 2021	- -	- -	- -	- -	78.67 49.98	78.67 49.98		
9	Sitting fees	31 March 2022 31 March 2021	- -	- -	- -	0.85 0.61	0.85 0.61	- -		
10	Re-imburement paid	31 March 2022 31 March 2021	- -	- -	0.01 -	- -	- -	- 0.01		
11	Re-imburement received	31 March 2022 31 March 2021	- -	- -	0.51 -	0.50 -	- -	- 1.01		
12	Rent Paid	31 March 2022 31 March 2021	- -	- -	- -	- -	1.40 -	1.40 -		





\* The remuneration of Key Managerial Personnel included in various schedules to statement of profit and loss is as under:

Particulars*	₹ in Mn)	
	31 March 2022	31 March 2021
Short term employee benefits	77.18	48.48
Post employee defined benefit	-	-
Defined contribution plan	1.49	1.49

\* Does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for all the employees together.

(c) Closing balance with related parties in the ordinary course of business :

(₹ in Mn.)

S.No	Particulars	Year	Subsidiary Group	Related Parties					Total
				Enterprise over which Key Management personnel and their relatives exercise significant influence					
				Aquarian Fibrecement Private Limited	Vulcan Electro Controls Limited	The Hi-Tech Engineering Systems Private Limited	The Hi-Tech Robotic Systems Limited	Key Management Personnel and its relatives	
1	Trade payable	31 March 2022	-	3.24	367.96	277.92	4.86	-	653.98
		31 March 2021	-	1.04	291.61	54.10	9.14	-	355.89
2	Other payable	31 March 2022	-	-	-	-	-	10.81	10.81
		31 March 2021	-	-	-	-	-	6.44	6.44
3	Loan payable	31 March 2022	-	-	-	-	-	-	-
		31 March 2021	-	-	-	-	-	72.41	72.41
4	Other receivable	31 March 2022	-	-	-	-	-	-	-
		31 March 2021	-	7.50	-	-	-	-	7.50

Terms and conditions of transactions with related parties

- All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis
- For the year ended 31 March, 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2020-21: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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## Note - 38

### Interest in other entities

The Group's subsidiaries at 31 March 2022 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group.

Name of entity	Country of incorporation	Functional currency	Ownership interest held by the Group		Principal activities
			31 March 2022	31 March 2021	
2545887 Ontario Inc	Canada	CAD	100%	100%	Asset ownership, real estate.
Neo- Tech Auto System Inc.	USA	USD	100%	100%	Manufacturing and sales of auto components.
The Hi-Tech Gears Canada Inc.	Canada	CAD	100%	100%	Manufacturing and sales of automotive parts/components.
Teutech Holding Corporation	USA	USD	100%	100%	Asset ownership.
Teutech LLC	USA	USD	100%	100%	Machining and job work of automotive components.
Teutech Leasing Corporation	USA	USD	100%	100%	Asset ownership, real estate.
2504584 Ontario Inc	Canada	CAD	100%	100%	Real estate.
Neo-Tech Smart Solutions Inc.	Canada	CAD	100%	100%	Manufacturing and sales of General Engineering, Industrial Components and Automotive Industry.
2323532 Ontario Inc	Canada	CAD	100%	100%	Asset ownership, real estate.

## Note - 39

### Capital management

The Group's objectives when managing capital are to:

- To ensure Group's ability to continue as a going concern, and
- To provide adequate return to shareholders

Management assesses the capital requirements in order to maintain an efficient overall financing structure. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Group manages its capital requirements by overseeing the following ratios –

(₹ in Mn)

Particulars	31 March 2022	31 March 2021
Net debt*	4,108.42	3,774.26
Total equity	3,307.43	3,207.36
<b>Net debt to equity ratio</b>	<b>1.24</b>	<b>1.18</b>

\*Net debt = non-current borrowings + current borrowings + current maturities of non-current borrowings + interest accrued - cash and cash equivalents

## Note - 40

### Contingent liabilities and commitments

(to the extent not provided for)

#### A Contingent liabilities

##### (1) Details of bank guarantees are as under:-

(₹ in Mn)

S.No	Name of the beneficiary	31 March 2022	31 March 2021
1	Dy. Commissioner Customs Export, Tughlakabad, Delhi	0.15	0.15
2	Deputy Commissioner of Customs	1.18	1.18
3	The President of India (Through Asstt. / Dy Commissioner of Customs)	0.06	0.06
4	Commissioner of Custom	0.03	0.03
5	Dy. Commissioner Customs Export	0.13	0.13
6	The President of India (Through Asstt. / Dy Commissioner of Customs)	0.48	0.48
7	Deputy Commissioner of Customs	0.84	0.84
8	Rajasthan Renewable Energy Corp Ltd	0.03	0.03
9	Rajasthan Rajya Vidyut Prasaran	-	1.43
	<b>Total</b>	<b>2.90</b>	<b>4.33</b>

(2) Contingent liabilities on account of disputed statutory demands not provided for in the books of account are in appeals, as follows:-

a) Direct Tax

(₹ in Mn)

S.No	Particulars	Period to which the amount relates	31 March 2022	31 March 2021
1	Income Tax Act, 1961	Assessment year 2017-18	-	0.12
2	Income Tax Act, 1961	Assessment year 2017-18	-	9.48
3	Income Tax Act, 1961 (Commissioner of Income Tax/Income Tax Appellate Tribunal)	Assessment Year 2018-19	-	7.51
4	Income Tax Act, 1961 (Assistant Commissioner of Income Tax(TDS) )	Assessment Year 2019-20	2.66	2.66
	<b>Total</b>		<b>2.66</b>	<b>19.76</b>

b) Indirect Tax

(₹ in Mn)

S.No	Particulars	Period to which the amount relates	31 March 2022	31 March 2021
1	Central Excise Act, 1944 (Additional Commissioner, Central Excise, Gurgaon, Haryana)	April 2005 to March 2018	1.04	1.04
2	Central Excise Act, 1944 (Additional Commissioner, Central Excise, Gurgaon, Haryana)	August 2014 to July 2015	2.02	2.02
3	Central Excise Act, 1944 (Additional Commissioner, Central Excise, Gurgaon, Haryana)	August 2015 to February 2017	3.62	3.62
4	Central Excise Act, 1944 (Deputy Commissioner, CGST, Gurugram, Haryana)	March 2017 to June 2017	-	1.60
5	Central Goods & Service Tax Act, 2017 (Deputy Commissioner, State GST Circle-B,-Bhiwadi)	July 2017 to September 2017	16.95	16.95
6	Central Goods & Service Tax Act, 2017 (Deputy Commissioner, State GST Circle-B,-Bhiwadi)	December 2015 to August 2016	0.03	0.03
7	Central Goods & Service Tax Act, 2017 (Deputy Commissioner, State GST Circle-B,-Bhiwadi)	November 2016 to June 2017	-	0.01
8	Central Goods & Service Tax Act, 2017 (Deputy Commissioner, State GST Circle-B,-Bhiwadi)	June 2016 to June 2016	0.10	0.10
	<b>Total</b>		<b>23.76</b>	<b>25.36</b>

(3) There are five legal cases filed by past employees against the Company for re-instatement/settlement of their dues/remuneration related matters. Out of the aforesaid five cases, four cases are pending at various stages at Camp Court, Bhiwadi, Rajasthan and one case is pending at District Court, Gurgaon, Haryana. The financial impact of these cases, if any, is not identifiable and hence the same has not been provided in the financial statements of the Company.

**B** Commitments (net of advance):

Estimated amount of contracts remaining to be executed on capital accounts ₹ 193.92 Mn after adjusting advances (Previous years: 31 March 2021: ₹ 276.67 Mn).

**Note - 41**

**Dividends**

**A** The Board of Directors at its meeting held on May 30, 2022 have recommended a Final dividend of ₹ 1.50/- per equity share of ₹ 10/- each i.e. @15% on paid-up equity share capital of the company subject to approval of members at its ensuing Annual General Meeting.

**B** Dividend declared and paid in earlier years are as follows –

(₹ in Mn)

Nature	31 March 2022	31 March 2021
Final dividend (including dividend tax)	37.54	-



## Note - 42

### Leases disclosure as lessee

The Group has leases for land, solar plants, flat and office building. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability as a borrowings. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublease the asset to another party, the right-of-use asset can only be used by the Group. Some leases contain an option to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and other premises the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease.

#### A Lease payments not included in measurement of lease liability

The expense relating to payments not included in the measurement of the lease liability is as follows:

(₹ in Mn)

Particulars	31 March 2022	31 March 2021
Short-term leases	3.37	3.47
Variable lease payments	0.75	1.05

B Total cash outflow for leases for the year ended 31 March 2022 was ₹ 46.85 Mn (previous year 31 March 2021 was ₹ 33.57).

C The Company has total commitment for short-term leases of ₹ 4.32 Mn as at 31 March 2022 (previous year 31 March 2021 was ₹ 1.75 Mn).

#### D Maturity of lease liabilities

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

(₹ in Mn)

31 March 2022	Minimum lease payments due						
	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
Lease payments	46.66	36.71	23.73	23.55	23.36	399.80	553.81
Interest expense	21.21	19.31	18.52	18.07	17.60	193.36	288.07
<b>Net present values</b>	<b>25.45</b>	<b>17.40</b>	<b>5.21</b>	<b>5.48</b>	<b>5.76</b>	<b>206.44</b>	<b>265.74</b>

31 March 2021	Minimum lease payments due						
	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
Lease payments	46.85	46.66	36.71	23.73	23.55	423.16	600.66
Interest expense	22.96	21.21	19.31	18.52	18.07	210.95	311.02
<b>Net present values</b>	<b>23.89</b>	<b>25.45</b>	<b>17.40</b>	<b>5.21</b>	<b>5.48</b>	<b>212.21</b>	<b>289.64</b>

E Variable lease payments are expensed in the period they are incurred. Expected future cash outflow as at 31 March 2022 is Nil (31 March 2021 is Nil).

#### F Information about extension and termination options

Right of use assets	Number of leases	Range of remaining term	Average remaining lease term	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
Land	5	44-96 years	71 years	1	5	1
Residential flat	7	75-80 years	77 years	0	7	0
Office premises	1	3	3	1	0	1
Solar plants	3	3-25 years	14 years	1	3	3

## Note - 43

### Employee benefits

#### A Compensated absences-earned leave

##### Risk

Salary Increases	Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment risk	If plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality and disability	Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

#### i) Amounts recognized in the consolidated balance sheet

(₹ in Mn)

Particulars	31 March 2022	31 March 2021
Present value of the obligation at end	40.72	40.69
Net obligation recognised in balance sheet as provision	40.72	40.69
<b>Current liability (amount due within one year)</b>	<b>6.40</b>	<b>5.37</b>
<b>Non-current liability (amount due over one year)</b>	<b>34.32</b>	<b>35.32</b>

#### ii) Expenses recognized in consolidated statement of profit and loss

(₹ in Mn)

Particulars	31 March 2022	31 March 2021
Current service cost	8.80	7.44
Interest cost	2.77	3.07
Actuarial (gain)/loss net on account of: Changes in experience adjustment	(2.27)	(12.73)
<b>Cost recognized during the year</b>	<b>9.30</b>	<b>(2.22)</b>

#### iii) Movement in the liability recognized in the consolidated balance sheet is as under:

(₹ in Mn)

Particulars	31 March 2022	31 March 2021
Present value of defined benefit obligation at the beginning of the year	40.69	45.14
Current service cost	8.80	7.44
Interest cost	2.77	3.07
Actuarial (gain)/loss net	(2.27)	(12.73)
Benefits paid	(9.27)	(2.23)
<b>Present value of defined benefit obligation at the end of the year</b>	<b>40.72</b>	<b>40.69</b>

#### iv) (a) For determination of the liability of the Group the following actuarial assumptions were used:

Particulars	31 March 2022	31 March 2021
Discount rate	7.13%	6.80%
Salary escalation rate	8.50%	8.50%
Retirement Age (Years)	58.00	58.00
Ages	<b>Withdrawal rate (%)</b>	
Up to 30 Years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%
Leave		
Leave availment rate	5.00%	5.00%
Leave encashment rate while in service	5.00%	5.00%

Mortality rates inclusive of provision for disability -100% of IALM (2006 – 08)



iv) (b) **Maturity Profile of defined benefit obligation**

(₹ in Mn)

Particulars	31 March 2022	31 March 2021
0 to 1 year	6.40	5.37
1 to 2 year	-	1.67
2 to 3 year	-	1.38
3 to 4 year	-	2.97
4 to 5 year	-	2.46
5 to 6 year	-	1.38
6 year onwards	-	25.47

v) **Sensitivity analysis for compensated absences liability**

(₹ in Mn)

Particulars	31 March 2022	31 March 2021
<b>a) Impact of the change in discount rate</b>		
Present value of obligation at the end of the year	40.72	40.69
Impact due to increase of 0.50 %	(1.80)	(1.79)
Impact due to decrease of 0.50 %	1.94	1.93
<b>b) Impact of the change in salary increase</b>		
Present value of obligation at the end of the year	40.72	40.69
Impact due to increase of 0.50 %	1.91	1.89
Impact due to decrease of 0.50 %	(1.78)	(1.77)

Sensitivities due to mortality and withdrawals are not material. Hence impact of change is not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

**B Gratuity**

**Risk**

Salary increases	Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment risk	If plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality and disability	Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

i) **Amounts recognized in the consolidated balance sheet**

(₹ in Mn)

Particulars	31 March 2022	31 March 2021
Present value of the obligation	147.88	145.72
Fair value of plan assets	154.92	141.01
Net obligation recognised in balance sheet as provision	(7.04)	4.70
<b>Current liability (amount due within one year)</b>	<b>(7.04)</b>	<b>4.70</b>
<b>Non-Current liability (amount due over one year)</b>	<b>-</b>	<b>-</b>

ii) **Gain recognised in other comprehensive income:**

(₹ in Mn)

Particulars	31 March 2022	31 March 2021
Actuarial gains/(loss) on asset	0.68	0.45
Actuarial gains/(loss) on PBO	11.99	8.27
Gain recognised in other comprehensive income	<b>12.67</b>	<b>8.72</b>

iii) Actuarial (gain)/loss on obligation

(₹ in Mn)

Particulars	31 March 2022	31 March 2021
Actuarial (gain)/loss net on account of: Changes in experience adjustment	(11.99)	(8.27)

iv) Expenses recognized in consolidated statement of profit and loss

(₹ in Mn)

Particulars	31 March 2022	31 March 2021
Current service cost	11.36	11.36
Interest cost	0.25	0.26
<b>Cost recognized during the year</b>	<b>11.61</b>	<b>11.62</b>

v) Major categories of plan assets (as percentage of total plan assets)

Particulars	31 March 2022	31 March 2021
Funds managed by insurer	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>

vi) Change in plan assets is as under:

(₹ in Mn)

Particulars	31 March 2022	31 March 2021
Fair value of plan assets at the beginning of the period	141.01	138.32
Difference in Opening Fund	1.07	(2.23)
Actual return on plan assets	10.34	9.71
Employer contribution	10.01	2.31
Fund management charges	(0.40)	(0.27)
Benefits paid	(7.11)	(6.81)
<b>Present value of defined benefit obligation at the end of the year</b>	<b>154.92</b>	<b>141.03</b>

vii) Movement in the liability recognised in the consolidated balance sheet is as under:

(₹ in Mn)

Particulars	31 March 2022	31 March 2021
Present value of defined benefit obligation at the beginning of the year	145.72	139.92
Current service cost	11.36	11.36
Interest cost	9.91	9.51
Actuarial (gain)/loss net	(11.99)	(8.27)
Benefits paid	(7.11)	(6.81)
<b>Present value of defined benefit obligation at the end of the year</b>	<b>147.89</b>	<b>145.71</b>

viii) (a) For determination of the liability of the Group the following actuarial assumptions were used:

Particulars	31 March 2022	31 March 2021
Discount rate	7.13%	6.80%
Salary escalation rate	8.50%	8.50%
Retirement age (Years)	58.00	58.00
Withdrawal rate		
Up to 30 Years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%
Weighted average duration of PBO	11.80	11.80

Mortality rates inclusive of provision for disability -100% of IALM (2006 – 08)



viii) (b) Maturity profile of defined benefit obligation

(₹ in Mn)

Particulars	31 March 2022	31 March 2021
0 to 1 year	22.23	16.25
1 to 2 year	-	7.37
2 to 3 year	-	9.67
3 to 4 year	-	12.07
4 to 5 year	-	10.36
5 to 6 year	-	7.99
6 year onwards	-	82.01

ix) Sensitivity analysis for compensated absences liability

(₹ in Mn)

Particulars	31 March 2022	31 March 2021
<b>a) Impact of the change in discount rate</b>		
Present value of obligation at the end of the year	147.88	145.72
Impact due to increase of 0.50 %	(4.86)	(5.18)
Impact due to decrease of 0.50 %	5.16	5.51
<b>b) Impact of the change in salary increase</b>		
Present value of obligation at the end of the year	147.88	145.72
Impact due to increase of 0.50 %	4.75	5.19
Impact due to decrease of 0.50 %	(4.58)	(4.94)

Sensitivities due to mortality and withdrawals are not material. Hence impact of change is not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

**Note - 44**

Disclosure under Ind AS - 37 "Provisions, Contingent Liabilities and Contingent Assets": Movements in each class of provision during the financial year, are set out below:

(₹ in Mn)

Particulars	Provision on rate differences*
<b>As at 1 April 2020</b>	<b>29.71</b>
Amounts used during the year	33.08
<b>As at '31 March 2021</b>	<b>62.79</b>
Additional provision recognised	26.39
<b>As at '31 March 2022</b>	<b>36.40</b>

\*This provision reflects the amount that could be payable on account of foreign exchange adjustment on export.

**Note - 45**

**Revenue recognised in relation to contract liabilities**

Ind AS 115 also requires disclosure of major changes on account of revenue recognised in the reporting period from the contract liability balance at the beginning of the period and other changes, as summarised below:

(₹ in Mn)

Description	31 March 2022	31 March 2021
Contract liabilities at the beginning of the year	47.86	52.94
Less: performance obligations satisfied in current year	(12.89)	(7.38)
Add: advance received during the year.	3.16	2.30
	<b>38.13</b>	<b>47.86</b>



## Disaggregation of revenue

Revenue arises mainly from the sale of manufactured and traded goods, sale of software, and job work services.

(₹ in Mn)

Description	31 March 2022	31 March 2021
Sale of goods	9,498.45	7,443.11
Sale of software's	-	-
Job work	207.90	12.31
	<b>9,706.35</b>	<b>7,455.42</b>

(₹ in Mn)

Description	31 March 2022	31 March 2021
America	3,698.59	1,993.77
India	4,365.11	3,978.15
Others	1,642.65	1,483.50
	<b>9,706.35</b>	<b>7,455.42</b>

## Reconcile the amount of revenue recognised in the statement of profit and loss with the contracted price

(₹ in Mn)

Description	31 March 2022	31 March 2021
Revenue recognised during the year	9,715.21	7,464.95
Less: Discount, rebates, credits etc.	(8.86)	(9.53)
<b>Revenue as per the contract</b>	<b>9,706.35</b>	<b>7,455.42</b>

## Note - 45A

### Derivative financial instruments and hedge accounting

The Company is exposed to foreign currency risk from foreign currency borrowings and highly probable forecasted sales, primarily denominated in USD and EURO. The Company has a risk management policy which aims to hedge foreign currency and interest rate arising from its borrowings denominated in a currency other than the functional currency of the Company. The Company uses cross currency swap and interest rate swaps to hedge its exposure to foreign currency and interest rate risk. The Company designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in cash flow hedges.

Hedge ineffectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company uses dollar offset method using a hypothetical derivatives, dollar offset method is a quantitative method that consists of comparing the change in fair value or cash flows of the hedging instrument with the change in fair value or cash flows of the hedged item attributable to the hedged risk.

The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk and notional amount of the hedging instruments are identical to the hedged items.

### Impact of hedging activities

#### (a) Disclosures of effects of hedge accounting on balance sheet:

As on 31 March 2022

(₹ in Mn)

Type of hedge and risks	Notional amount	Carrying amount of hedging instruments		Maturity dates	Hedge ratio	Weighted average strike price/rate	Change in fair value of hedging instruments	Change in value of hedged item used as the basis for recognising hedge effectiveness
		Assets (₹ in mn)	Liabilities (₹ in mn)					
<b>Cash flow hedge</b>								
<i>Foreign exchange risk</i>								
(i) Cross currency swaps	EUR 6.46	-	25.79	Jun 2020 - Dec 2024	1:1	78.18	32.54	(32.54)
<i>Interest rate risk</i>								
(ii) Interest rate swaps	USD 18.21	-	9.84	May 2020 - Feb 2024	1:1	3.18%	9.51	(9.51)



As on 31 March 2021

(₹ in Mn)

Type of hedge and risks	Notional amount	Carrying amount of hedging instruments		Maturity dates	Hedge ratio	Weighted average strike price/rate	Change in fair value of hedging instruments	Change in value of hedged item used as the basis for recognising hedge effectiveness
		Assets (₹ in mn)	Liabilities (₹ in mn)					
<b>Cash flow hedge</b>								
<i>Foreign exchange risk</i>								
(i) Cross currency swaps	EUR 6.46	-	47.43	Dec 2020 - Dec 2024	1:1	78.18	8.92	(8.92)
<i>Interest rate risk</i>								
(ii) Interest rate swaps	USD 18.21	-	45.09	May 2020 - Feb 2024	1:1	3.18%	(2.19)	2.19

(b) Disclosure of effects of hedge accounting on statement of profit and loss

For the year ended 31 March 2022

(₹ in Mn)

Type of hedge	Change in value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised	Amount reclassified from cash flow hedge reserve	Line item affected on reclassification
<b>Cash flow hedge</b>				
Foreign exchange risk	32.54	-	(11.90)	Revenue
Interest rate risk	9.51	-	24.13	Finance cost

For the year ended 31 March 2021

(₹ in Mn)

Type of hedge	Change in value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised	Amount reclassified from cash flow hedge reserve	Line item affected on reclassification
<b>Cash flow hedge</b>				
Foreign exchange risk	8.92	-	0.62	Revenue
Interest rate risk	(2.19)	-	30.28	Finance cost

(c) Movement in cash flow hedging reserve

(₹ in Mn)

	Year ended 31 March 2022	Year ended 31 March 2021
<b><u>Cash flow hedge reserve</u></b>		
Opening Balance	(32.97)	(50.31)
Add: Changes in fair value of hedging instruments	42.04	6.73
Less: Amounts reclassified to profit or loss	12.22	29.65
Less: Deferred tax relating to above (net)	(16.35)	(19.04)
<b>Balance as at 31 March 2022</b>	<b>4.96</b>	<b>(32.97)</b>

**Note - 46**

Notes to the consolidated financial statements for the year ended 31 March 2022

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

**Part - "A" : Subsidiaries**

(₹ in Mn)

S.No	Name of Subsidiary	254587 Ontario Inc. ('254')	2504584 Ontario Inc. ('250')	2323532 Ontario Inc. ('232')	The Hi-Tech Gears Canada Inc (Formerly known as Teutech Industries Inc.) ('Teutech')	Teutech Holding Corp. ('Teutech Holding')	Teutech Leasing Corporation	Teutech LLC	Neo-Tech Auto Systemz, Inc.	Neo-Tech Smart Solutions Inc.
1	Reporting period	April 21 to March 22	April 21 to March 22	April 21 to March 22	April 21 to March 22	April 21 to March 22	April 21 to March 22	April 21 to March 22	April 21 to March 22	April 21 to March 22
2	Reporting currency	CAD	CAD	CAD	CAD	USD	USD	USD	USD	CAD
3	Exchange rate	Rs 60.70/CAD for BS for PL	Rs 60.70/CAD for BS for PL	Rs 60.70/CAD for BS for PL	Rs 60.70/CAD for BS for PL	CAD 1.25/USD and then Rs 60.70/CAD for BS for PL	CAD 1.25/USD and then Rs 60.70/CAD for BS for PL	CAD 1.25/USD and then Rs 60.70/CAD for BS for PL	Rs 75.89/USD for BS for PL	Rs 75.89/CAD for BS for PL
4	Share Capital	1,534.55	0.01	0.01	2,456.99	162.03	0.00	-	0.64	13.78
5	Reserves & Surplus	(31.29)	0.00	89.26	(959.71)	192.11	69.19	(108.55)	0.76	(11.06)
6	Total Liabilities	1,833.48	-	167.68	1,765.57	1.71	288.59	314.82	1.37	2.52
7	Total Assets	3,336.73	0.01	256.94	3,262.85	355.85	357.79	206.27	2.77	5.24
8	Investments	3,087.87	0.01	-	190.97	-	-	-	-	-
9	Turnover	12.47	-	35.79	3,256.13	-	31.86	206.31	-	20.42
10	Profit/(Loss) before Taxation	(43.37)	-	8.22	(360.09)	(0.60)	23.72	(20.75)	(0.55)	19.82
11	Provision for Tax/Earlier year Tax Adj	-	-	2.36	(17.06)	-	(3.49)	1.63	-	-
12	Profit/(Loss) after Taxation	(43.37)	-	5.87	(343.02)	(0.60)	27.21	(22.38)	(0.55)	19.82
13	Proposed dividend	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
14	% of shareholding	100%	100% (step down subsidiary)	100% (step down subsidiary)	100% (step down subsidiary)	100% (step down subsidiary)	100% (step down subsidiary)	100% (step down subsidiary)	100%	100%

Comparative period 20-21

S.No	Name of Subsidiary	2545887 Ontario Inc. ('254')	2504584 Ontario Inc. ('250')	2323532 Ontario Inc. ('232')	The Hi-Tech Gears Canada Inc (Formerly Teutech Industries Inc.) ('Teutech')	Teutech Holding Corp. ('Teutech Holding')	Teutech Leasing Corporation	Teutech LLC	Neo-Tech Auto Systemz, Inc.	Neo-Tech Smart Solutions Inc.
1	Reporting period	April 20 to March 21	April 20 to March 21	April 20 to March 21	April 20 to March 21	April 20 to March 21	April 20 to March 21	April 20 to March 21	April 20 to March 21	April 20 to March 21
2	Reporting currency	CAD	CAD	CAD	CAD	USD	USD	USD	USD	CAD
3	Exchange rate	Rs 58.21/CAD for BS Rs 56.09/CAD for PL	Rs 58.21/CAD for BS Rs 56.09/CAD for PL	Rs 58.21/CAD for BS Rs 56.09/CAD for PL	Rs 58.21/CAD for BS Rs 56.09/CAD for PL	CAD 1.27/ USD and then Rs 58.21/ CAD for BS Rs 56.09/ CAD for PL	CAD 1.27/ USD and then Rs 58.21/ CAD for BS Rs 56.09/ CAD for PL	CAD 1.27/ USD and then Rs 58.21/ CAD for BS Rs 56.09/ CAD for PL	Rs 73.30/ USD for BS Rs 74.11/ USD for PL	Rs 58.21/ CAD for BS Rs 56.09/ CAD for PL
4	Share Capital	1,534.55	0.01	0.01	2,456.99	162.03	0.00	-	0.64	13.78
5	Reserves & Surplus	(51.31)	0.00	79.98	(692.11)	180.52	40.67	(93.97)	1.25	(30.22)
6	Total Liabilities	1,727.62	-	90.13	1,228.95	2.52	69.86	251.47	0.88	19.08
7	Total Assets	3,210.86	0.01	170.11	2,993.82	345.07	110.54	157.51	2.77	2.63
8	Investments	2,961.30	0.01	-	183.14	-	-	-	-	-
9	Turnover	20.36	-	33.06	2,156.54	-	29.62	185.16	23.81	-
10	Profit/(Loss) before Taxation	0.27	-	9.86	(149.99)	(0.86)	24.37	(0.90)	(0.55)	(0.62)
11	Provision for Taxation	-	-	2.74	(61.01)	1.53	0.91	(8.74)	(0.09)	-
12	Profit/(Loss) after Taxation	0.27	-	7.12	(88.98)	(2.39)	23.46	7.84	(0.46)	(0.62)
13	Proposed dividend	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
14	% of shareholding	100%	100% (step down subsidiary)	100% (step down subsidiary)	100% (step down subsidiary)	100% (step down subsidiary)	100% (step down subsidiary)	100% (step down subsidiary)	100%	100%

Notes:

- Subsidiary Company(ies) do no have any investment in the Holding Company.
- Though, the reporting period is different from the Holding Company, however the consolidated financials statements have been drawn as per the financial year of the Holding Company.
- There are no associate or joint venture of the Holding Company, hence Part - B of AOC - 1 is not applicable.



**Note - 47**

**Additional information in pursuant to Schedule III of the Companies Act, 2013**

For the year ended 31 March 2022

S.No	Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
		% of consolidated net assets	Amount (₹ in Mn)	% of consolidated net assets	Amount (₹ in Mn)	% of consolidated OCI	Amount (₹ in Mn)	% of consolidated total OCI	Amount (₹ in Mn)
1	<b>Holding</b>	105.60%	3,492.76	(3490.61%)	385.18	45.54%	67.68	329.11%	452.86
2	<b>Subsidiaries</b> Neo-Tech Auto System, Inc., USA Neo-Tech Smart Solutions Inc., Canada 2545887 Ontario Inc.	0.02% (0.33%) (2.48%)	0.75 (11.06) (82.18)	5.03% (179.61%) 393.06%	-0.55 19.82 (43.37)	0.04% (0.44%) 54.87%	0.06 (0.66) 81.55	(0.36%) 13.93% 27.75%	-0.49 19.16 38.18
3	<b>Step down subsidiaries</b> The Hi-Tech Gears Canada Inc Teutech Holding Corporation Teutech LLC Teutech Leasing Corporation 2504584 Ontario Inc 2323532 Ontario Inc	(7.26%) (0.64%) 1.26% 2.93% 0.00% 0.89%	(240.06) (21.01) 41.79 96.86 - 29.57	3463.66% 5.46% 202.81% (246.57%) -0.00% (53.15%)	(382.20) (0.60) -22.38 27.21 - 5.87	0.00% 0.00% 0.00% 0.00% 0.00% 0.00%	- - - - - -	(277.76%) -0.44% (16.26%) 19.77% 0.00% 4.26%	(382.20) -0.60 (22.38) 27.21 - 5.87
	<b>Total</b>	<b>100.00%</b>	<b>3,307.43</b>	<b>100.00%</b>	<b>-11.03</b>	<b>100.00%</b>	<b>148.64</b>	<b>100.00%</b>	<b>137.60</b>

For the year ended 2020-21

S.No	Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
		% of consolidated net assets	Amount (₹ in Mn)	% of consolidated net assets	Amount (₹ in Mn)	% of consolidated OCI	Amount (₹ in Mn)	% of consolidated total OCI	Amount (₹ in Mn)
1	<b>Holding</b>	95.95%	3,077.45	129.54%	372.89	24.13%	37.94	92.30%	410.83
2	<b>Subsidiaries</b> Neo-Tech Auto System, Inc., USA Neo-Tech Smart Solutions Inc., Canada 2545887 Ontario Inc.	0.04% (0.94%) (3.75%)	1.25 (30.22) (120.36)	(0.16%) (0.21%) 0.10%	(0.46) (0.62) 0.27	(0.04%) (0.82%) 89.23%	-0.07 (1.29) 140.28	(0.12%) (0.43%) 31.58%	-0.53 (1.91) 140.55
3	<b>Step down subsidiaries</b> The Hi-Tech Gears Canada Inc Teutech Holding Corporation Teutech LLC Teutech Leasing Corporation 2504584 Ontario Inc 2323532 Ontario Inc	4.43% (0.64%) 2.00% 2.17% 0.00% 0.74%	142.15 (20.41) 64.17 69.65 - 23.70	(41.77%) (0.83%) 2.72% 8.15% 0.00% 2.47%	(120.24) (2.39) 7.84 23.46 - 7.12	0.00% (27.02%) 15.80% (1.28%) 0.00% 0.00%	- -42.48 24.84 (2.01) - -	(27.01%) (10.08%) 7.34% 4.82% 0.00% 1.60%	(120.24) (44.87) 32.69 21.44 - 7.12
	<b>Total</b>	<b>100.00%</b>	<b>3,207.37</b>	<b>100.00%</b>	<b>287.87</b>	<b>100.00%</b>	<b>157.22</b>	<b>100.00%</b>	<b>445.09</b>



## Note - 48

Ratio	Numerator	Denominator	31 March 2022	31 March 2021	% Change
Current ratio	Current Assets	Current Liabilities	1.20	1.35	(11.32%)
Debt- Equity Ratio	Total Debt	Shareholder's Equity	1.73	1.64	4.94%
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	0.92	1.21	(24.34%)
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	(0.41%)	12.13%	(12.55%)
Inventory Turnover ratio	Cost of goods sold	Average Inventory	4.92	4.14	18.87%
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	6.02	6.21	(3.17%)
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	3.95	3.59	9.85%
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	14.27	8.12	75.80%
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	(0.11%)	3.86%	(3.97%)
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	5.23%	8.05%	(2.82%)
Return on Investment	Interest (Finance Income)	Investment	0.81%	0.00%	0.81%

Explanation of variance exceeding 25%:-

1. Net Capital turnover ratio increase due decline in working capital and increase in sale.

## Note - 49

### OTHER STATUTORY INFORMATION

- The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- The Group do not have any transactions with companies struck off.
- The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,
- The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate beneficiaries) or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- The Group have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- The Group has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Group with banks and financial institutions are in agreement with the books of accounts.

## Note - 50

### Other matters

- (i) In the opinion of the Board of Directors, the current assets, loans and advances are having the value at which they are stated in the consolidated balance sheet, if realized in the ordinary course of business.
- (ii) Claims received against shortage/ damage of materials which are not of significant values are not being shown separately. The same are accounted for on receipt basis.

## Note - 51

### Impact of COVID-19

The outbreak of COVID-19 pandemic globally and in India has impacted businesses and economies. There has been disruption to regular business operations due to the measures taken to curb the impact of the pandemic. The Group plants, warehouses and offices were shut post announcement of lockdown. The operations have resumed post lifting of the lockdown but due to the dynamic nature of these circumstances, the duration of business disruption & the related financial impact can not be reasonably estimated at this time.

**For O. P. Dadu & Co.**  
**Chartered Accountants**  
**Firm Registration No. 001201N**

**CA. Amit Gupta**  
Partner  
Membership No. 094202  
UDIN: 21094202AAAAAU8038

**Place: New Delhi**  
**Date: May 30, 2022**

**Deep Kapuria**  
Executive Chairman  
DIN 00006185

**Vijay Mathur**  
Chief Financial Officer

**For and on behalf of**  
**The Hi-Tech Gears Limited**

**Pranav Kapuria**  
Managing Director  
DIN 00006195

**Naveen Jain**  
Company Secretary



## NOTICE

NOTICE is hereby given that the 36<sup>th</sup> Annual General Meeting ("AGM") of the Members of M/s The Hi-Tech Gears Limited will be held on Thursday, September 29, 2022 at 5:00 P.M at the registered office of the Company at Plot No. 24, 25, 26, Sector-7, IMT Manesar, Gurugram-122050, Haryana along with the facility to attend the AGM through VC/OVAM mode to transact the following businesses:

### ORDINARY BUSINESS:

1. To consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2022, together with the Reports of the Board's and Auditors' thereon.
2. To declare the final dividend @ 15% i.e. Rs. 1.50/-(Rupees One and Fifty Paise Only) per equity share for the financial year 2021-2022 as recommended by Board of Directors
3. To appoint a director in place of Mr. Bidadi Anjani Kumar (DIN-00022417), who retire by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Mr. Pranav Kapuria (DIN-00006195), who retire by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s YAPL & Co., Chartered Accountants as statutory auditors of the Company for a period of 5 years.

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

"**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under, M/s YAPL & Co., Chartered Accountants (Firm Registration No. 017800N, be and are hereby appointed as the Statutory Auditors' of the Company to hold office for a period of 5 consecutive years from the conclusion of this Annual General Meeting ('AGM') until the conclusion of sixth Annual General Meeting, at remuneration as may be determined by the Board of Directors of the Company and reimbursement of all out of-pocket expenses in connection with the audit of the accounts of the Company for the period of their appointment."

### SPECIAL BUSINESS:

6. **Approval of remuneration of Cost Auditor for the financial year 2022-23**

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

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s Kabra & Associates, Cost Accountant appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year 2022-23, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting.

**RESOLVED FURTHER THAT** the Board of Directors or Company Secretary be and is hereby authorized to take all steps as may be necessary, proper, or expedient to give effect to the above Resolution."

7. **Re-appointment & Remuneration of Mr. Deep Kapuria (DIN-00006185) as Chairman & Whole Time Director of the Company designated as Executive Chairman 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 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and Regulation 17(6)(e) of SEBI (LODR) Regulations, 2015 and other applicable provisions of SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015, and subject to the other statutory approvals, if any, approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Deep Kapuria (DIN:00006185) as Chairman & Whole Time Director of the Company, to be designated as Executive Chairman of the Company, not liable to retire by rotation, for a period of three years effective from October 01, 2022 to September 30, 2025.

**RESOLVED FURTHER THAT** Mr. Deep Kapuria, Executive Chairman be paid (including the remuneration in the event of loss or inadequacy of profits in any financial year during the tenure of his re-appointment within the overall limits of Section 197 of the Act) the following remuneration for a period of three years from October 01, 2022 to September 30, 2025:

**Salary, Allowances & Perquisites (all together) not to exceed as under:**

From October 01, 2022 to September 30, 2023	Rs. 39.60 Million per annum
From October 01, 2023 to September 30, 2024	Rs. 43.56 Million per annum
From October 01, 2024 to September 30, 2025	Rs. 47.91 Million per annum

The allowances and perquisites payable shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and/or allowance for utilisation of gas, electricity, water, furnishing and repairs; medical reimbursement and leave travel concession for self and family including dependents, club fees, medical insurance and personal accident insurance; and such other perquisites and/or allowances as may be determined from time to time up to the amounts specified above. The said allowances and perquisites shall be evaluated, wherever applicable, as per the Income Tax Act, 1961 or any rules thereunder [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force].

**RESOLVED FURTHER THAT** pursuant to the provisions of Section 196 of the Companies Act, 2013, Rules made thereunder and other applicable provisions, if any, consent of the members of the Company be and is hereby accorded to continue the employment of Mr. Deep Kapuria as Executive Chairman, since he has attained the age of 70 years.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to make a proper remuneration package consisting of various components within the overall aforesaid limit and to do all such acts, deeds, matters and things as may be necessary, expedient, or desirable including approval of the other authorities as may be applicable in order to give effect to this resolution."

8. **Re-appointment & Remuneration of Mr. Pranav Kapuria (DIN-00006195) as Managing Director**

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

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and Regulation 17(6)(e) of SEBI (LODR) Regulations, 2015 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and subject to the other statutory approvals, if any, approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Pranav Kapuria (DIN:00006195) as Managing Director of the Company, liable to retire by rotation, for a period of three years effective from October 01, 2022 to September 30, 2025.

**RESOLVED FURTHER THAT** Mr. Pranav Kapuria, Managing Director of the Company be paid (including the remuneration in the event of loss or inadequacy of profits in any financial year during the tenure of his re-appointment within the overall limits of Section 197 of the Act) the following remuneration for a period of three years from October 01, 2022 to September 30, 2025:



**Salary, Allowances & Perquisites (all together) not to exceed as under:**

From October 01, 2022 to September 30, 2023	Rs. 26.40 Million per annum
From October 01, 2023 to September 30, 2024	Rs. 29.04 Million per annum
From October 01, 2024 to September 30, 2025	Rs. 31.94 Million per annum

The allowances and perquisites payable shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and/or allowance for utilisation of gas, electricity, water, furnishing and repairs; medical reimbursement and leave travel concession for self and family including dependents, club fees, medical insurance and personal accident insurance; and such other perquisites and/or allowances as may be determined from time to time up to the amounts specified above. The said allowances and perquisites shall be evaluated, wherever applicable, as per the Income Tax Act, 1961 or any rules thereunder [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force].

“**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to make a proper remuneration package consisting of various components within the overall aforesaid limit and to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including approval of the other authorities as may be applicable in order to give effect to this resolution.”

**9. Re-appointment & Remuneration of Mr. Anuj Kapuria (DIN-00006366) as Whole Time Director**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and Regulation 17(6)(e) of SEBI (LODR) Regulations, 2015 and other applicable provision of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and subject to the other statutory approvals, if any, approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Anuj Kapuria (DIN:00006366) as Whole Time Director of the Company to be designated as Executive Director, liable to retire by rotation, for a period of three years effective from October 01, 2022 to September 30, 2025.

**RESOLVED FURTHER THAT** Mr. Anuj Kapuria, Executive Director of the Company be paid the following remuneration for a period of three years from October 01, 2022 to September 30, 2025:

**Salary, Allowances & Perquisites (all together) not to exceed as under:**

From October 01, 2022 to September 30, 2023	Rs. 26.40 Million per annum
From October 01, 2023 to September 30, 2024	Rs. 29.04 Million per annum
From October 01, 2024 to September 30, 2025	Rs. 31.94 Million per annum

The allowances and perquisites payable shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and/or allowance for utilisation of gas, electricity, water, furnishing and repairs; medical reimbursement and leave travel concession for self and family including dependents, club fees, medical insurance and personal accident insurance; and such other perquisites and/or allowances as may be determined from time to time up to the amounts specified above. The said allowances and perquisites shall be evaluated, wherever applicable, as per the Income Tax Act, 1961 or

any rules thereunder [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force].

“**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to make a proper remuneration package consisting of various components within the overall aforesaid limit and to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including approval of the other authorities as may be applicable in order to give effect to this resolution.”

**10. Appointment of Mr. Rajiv Batra (DIN- 00082866) as an 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 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification, amendment or re-enactment thereof for the time being in force and as may be enacted from time to time), and the provisions of Articles of Association of the Company, Mr. Rajiv Batra (DIN- 00082866), who was appointed as an Additional Director in the capacity of an Independent Director by the Board of Directors in its meeting held on November 02, 2021, to hold the office till the date of this Annual General Meeting and who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of five consecutive years effective from November 02, 2021.

**RESOLVED FURTHER THAT** Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed proper and expedient to give effect to this resolution, including necessary documentations such as issuance of appointment letter detailing the terms & conditions, duties & responsibilities be issued by the Board of Directors (including a duly constituted Committee), filing of necessary returns/forms to the appropriate authorities.”

**11. Approval for Material Related Party Transaction(s) with M/s The Hi-Tech Engineering Systems Private Limited**

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

**RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 & other applicable provisions read with Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“Listing Regulations”), and other applicable laws / statutory provisions, if any, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company’s Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions and on the basis of the approval of the Audit Committee and recommendation of the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded to the Company to enter into and / or continue the related party transaction(s) / contract(s) / arrangement(s) / agreement(s) (in terms of Regulation 2(1)(zc) of the Listing Regulations with its group company The Hi-Tech Engineering Systems Private Limited on such material terms & conditions more specifically set out in the explanatory statement to this resolution.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as ‘Board’ which term shall be deemed to include the Audit Committee of the Board and any duly constituted committee empowered to exercise its powers including powers conferred under this resolution) be and is hereby authorized to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary contract(s),



arrangement(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company, to delegate all or any of its powers conferred under this resolution to any Director or Key Managerial Personnel or any officer / executive of the Company and to resolve all such issues, questions, difficulties or doubts whatsoever that may arise in this regard and all action(s) taken by the Company in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects.”

**12. Approval for Material Related Party Transaction(s) with M/s Vulcan Electro Controls Limited**

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

**RESOLVED THAT** pursuant to the provisions of the Section 188 of the Companies Act, 2013 & other applicable provisions read with Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“Listing Regulations”), and other applicable laws / statutory provisions, if any, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company’s Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions and on the basis of the approval of the Audit Committee and recommendation of the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded to the Company to enter into and / or continue the related party transaction(s) /contract(s) / arrangement(s) / agreement(s) (in terms of Regulation 2(1)(zc) of the Listing Regulations, with its group company Vulcan Electro Controls Limited on such material terms & conditions more specifically set out in the explanatory statement to this resolution.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as ‘Board’ which term shall be deemed to include the Audit Committee of the Board and any duly constituted committee empowered to exercise its powers including powers conferred under this resolution) be and is hereby authorized to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary contract(s), arrangement(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company, to delegate all or any of its powers conferred under this resolution to any Director or Key Managerial Personnel or any officer / executive of the Company and to resolve all such issues, questions, difficulties or doubts whatsoever that may arise in this regard and all action(s) taken by the Company in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects

**By order of the Board of Directors  
The Hi-Tech Gears Limited**

**Naveen Jain  
Company Secretary  
Membership No: - A15237**

**Place: Gurugram  
Date : August 08, 2022**

**Registered Office:**  
Plot No. 24,25,26, Sector-7,  
IMT Manesar, Gurugram,  
Haryana 122050



## NOTES:

**1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE (ON A POLL ONLY) INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT TO BE A MEMBER OF THE COMPANY.**

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10 % of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy, provided that the person does not act as proxy for any other shareholder. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate certified copy of the Board resolution to the Company

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 (forty-eight) hours before the commencement of the meeting. A proxy form for the AGM is enclosed.

**1A** Pursuant to General Circular dated May 05,2022, December 14, 2021, January 13, 2021 read with circulars dated May 05, 2020, April 08, 2020 and April 13, 2020 issued by the Ministry of Corporate Affairs (MCA) and SEBI Circular dated May 13, 2022, January 15, 2021 and May 12, 2020 the Annual General Meeting (AGM) of the Company can be attended by the members through VC or OAVM mode.

Hence, those shareholders who are unable to attend the meeting physically may attend the meeting through Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM").

**2.** A Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.

**3.** Participation of Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act along with members physically present at the AGM Venue.

**4.** Corporate Members are requested to send the details of their authorized representatives along with a duly certified copy of the Board Resolution to attend this meeting and to vote through remote e-voting in pursuant to Section 113 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder. The said Resolution/ Authorization shall be sent electronically by email to the Scrutinizer at its registered e-mail address [scrutinizer@thehitechgears.com](mailto:scrutinizer@thehitechgears.com).

**5.** National Securities Depositories Limited ("NSDL") will be providing facility for voting through remote e-Voting and e-voting during the Annual General Meeting for participation in the meeting through VC/ OAVM.

**6.** The facility of joining the AGM through VC/OAVM mode will be opened 15 minutes before and will remain open upto 15 minutes after the scheduled start time of the AGM i.e. from 4.45 P.M. to 5.15 P.M. and will be available on a first-come first-served basis. This rule would however not apply to participation of shareholders holding 2% or more shareholding, promoters, institutional investors, directors, key managerial personnel, senior personnel, auditors etc.

**7.** The Board of Directors of the Company has recommended to the shareholders a final dividend @15%, i.e. Rs. 1.50 (Rupees One and Fifty Paise Only) per equity share. If final dividend on shares is approved at the ensuing AGM, payment of such dividend will be made to those members, whose names appear in the Register of Members on September 22, 2022. In respect of the shares held in electronic form, the dividend will be payable to the beneficial owners of the shares as on the closing hours of business on September 22, 2022 as per the details furnished by the depositories.

**8.** Pursuant to Section 91 of the Companies Act, 2013 and Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and the Share Transfer books of the Company shall remain closed from September 23, 2022 to September 29, 2022 (both days inclusive) for the purpose of payment of final dividend, if approved by the shareholders.

**9.** Pursuant to Finance Act, 2020 Dividend income will be taxable in the hands of the shareholder w.e.f 1<sup>st</sup> April, 2020 and the Company is required to deduct tax at source (TDS) from dividend paid to members at prescribed rates in the Income Tax Act, 1961. In general, to enable compliance with TDS requirements members are requested to complete and/or update their Residential status, PAN, Category as per the IT Act with their depository participant or in case shares are held in physical form, with the Company. However, no tax shall be deducted on the dividend payable to a resident individual shareholder if the total dividend to be received does not exceeds Rupees 5000/- (Rupees Five Thousand Only). The Company has also sent an email to all the shareholders at their registered email Ids in this regard. Members are requested to write to the RTA at [investor@masserv.com](mailto:investor@masserv.com) for any queries/ questions in this regard.

**10.** The relevant details under Regulation 36(3) of SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015 in respect of the Directors seeking appointment/reappointment at the Annual General Meeting, forms integral part of the Notice. The Directors have furnished the requisite declarations for their appointment/ reappointment.

**11.** The Securities and Exchange Board of India ('SEBI') vide its circular dated November 03, 2021 read with circular dated December 14, 2021 has made it mandatory for the shareholders holding securities in physical form to furnish PAN, KYC (complete address with pin-code, bank detail with MICR-CODE & IFS CODE, Email-ID, Mobile Number) and Nomination details to the Registrar and Transfer Agent ('RTA') of the Company effective from January 01, 2022. RTA will not process, any service requests or complaints received from the member until unless above mentioned KYC and nomination details are completed by shareholder and such shareholders holding will be freeze by RTA on or after April 01, 2023.

In view of the above, shareholders of the Company holding securities in physical form are requested to provide following documents/details to RTA:

- i. PAN; (using ISR-1)
- ii. Nomination in Form No.SH-13 or submit declaration to 'Opt-out' in Form ISR-3;
- iii. Contact details including Postal address with PIN code, Mobile Number, E-mail address;
- iv. Bank Account details including Bank name and branch, Bank account number, IFS code;
- v. Specimen signature. (using ISR-2)
- vi. Any cancellation or change in nomination shall be provided in Form No.SH-14

All of above required documents/details are to be sent at the address of registered office of the RTA. The shareholders can download the forms mentioned in SEBI circular from the website of the Company or RTA website i.e [www.masserv.com](http://www.masserv.com).

**12.** In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form with effect from April 01, 2019, except in case of request received for transmission or transposition of securities.

Further, SEBI in continuation of its efforts to enhance ease of dealing in securities market by investors vide its circular dated January 25,2022, has mandated the listed entities to issue securities for the following request in dematerialized form:-

- i. Issue of duplicate securities certificate;
- ii. Claim from Unclaimed Suspense Account;
- iii. Renewal/ Exchange of securities certificate;
- iv. Endorsement;
- v. Sub-division/Splitting of securities certificate;
- vi. Consolidation of securities certificates/folios.
- vii. Transmission; and
- viii. Transposition.

In view of above, the Members holding shares in physical form are requested to consider the same and convert their holding into dematerialized form to eliminate all risk associated with the physical shares. Members can contact the Company or RTA for any further assistance in this regard. It may be noted that any service request can be processed only after the folio is KYC Compliant.



13. Pursuant to the provision of Section 124, 125 and other applicable provisions, if any, of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the amount of dividend which remains unpaid or unclaimed for a period of 7 (Seven) years from the date of transfer of the amount to unpaid dividend account would be eligible for transfer to the "Investor Education and Protection Fund (IEPF)" constituted by the Central Government and thereafter, the shareholders would not be able to make any claims as to the amount of dividend so transferred to the fund from the Company.
  14. The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2014-15 (Interim Dividend) to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Subsequently, all shares in respect of which dividends remain unclaimed/ unpaid for seven consecutive years or more are also transferred to IEPF Authority.
  15. Adhering to various requirements set out in the IEPF Rules, the Company has taken appropriate action for transferring the shares to the Demat Account opened by the IEPF Authority. The Company has also uploaded details of such members whose shares are transferred to IEPF Account on its website at [www.thehitechgears.com](http://www.thehitechgears.com).
  16. Pursuant to the provisions of Section 72 of the Companies Act 2013, the Member(s) holding shares in physical form may nominate, in the prescribed manner, a person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the joint holders. Member(s) holding shares in demat form may contact their respective Depository Participants for availing this facility. In case of joint holders, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM. With a view to helping us serve the members better, members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company to consolidate their holdings in one folio.
  17. As per the provision of Section 89 read with Section 90 of the Companies Act, 2013, every person who is holding a beneficial interest in the shares of the Company shall submit his/her declaration to the Company in the prescribed form and thereafter the Company shall intimate to the RTA in the prescribed form along with such declaration.

For the purpose of the above provisions every person means an individual who holds, directly or indirectly, beneficial interest of not less than 10% in the shares of the Company. Therefore every members of the Company is requested to provide the declaration(s) regarding their beneficial interest, if any in the shares of the Company under the said provision of Act. The shareholders are further advised to refer Companies (Significant Beneficial Owners) Amendment Rules, 2019 before making declaration in respect of Beneficial Owner and Significant Beneficial Owner.
  18. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible.
- DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:**
19. In Compliance with the MCA Circulars and SEBI Circular dated January 15, 2021 and May 12, 2020, notice of AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those members whose e-mail addresses are registered with the Company/ Depository. Members may note that the notice of AGM and Annual Report 2021-22 will also be available on the Company's website at [www.thehitechgears.com](http://www.thehitechgears.com), website of the Stock Exchanges where the shares of the company are listed i.e. BSE Ltd. at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Ltd. at [www.nseindia.com](http://www.nseindia.com).
  20. The shareholders who have not registered their e-mail address or registered an incorrect email address and in consequence the Annual Report, Notice of AGM and e-voting details could not be serviced, For receiving all communications(including Annual Report) members may send a signed request letter providing the e-mail address, mobile number, self-attested PAN copy along with client master copy (in case of electronic folio)/ copy of share certificate (in case of physical folio) via e-mail at the e-mail id [investor@masserv.com](mailto:investor@masserv.com) or [secretarial@thehitechgears.com](mailto:secretarial@thehitechgears.com) for obtaining the Annual Report and Notice of AGM of the Company.
  21. The physical copies of the documents will also be available at the Company's Registered Office for inspection during 11:00 A.M. to 5:00 P.M on any working day except Saturdays and Sundays upto the date of the AGM. Even after registering for e-communication, Members are entitled to receive such communication in physical form, upon making a request for the same, by any permissible mode free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [secretarial@thehitechgears.com](mailto:secretarial@thehitechgears.com).
  22. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have mandated that for making dividend payments, companies whose securities are listed on the stock exchanges shall use electronic clearing services (local, regional or national), direct credit, real time gross settlement, national electronic funds transfer etc. The companies and the registrar and share transfer agents are required to seek relevant bank details of shareholders from depositories/ investors for making payment of dividends in electronic mode. It is also mandatory to print the bank details on the physical instrument if the payment is made in physical mode. Accordingly, shareholders are requested to provide or update (as the case may be) their bank details with the respective Depository Participants for the shares held in dematerialized form and with the Registrar in respect of shares held in physical form.
  23. A member can inspect the proxies lodged at any time during the business hours of the Company from the period beginning 24 (twenty four) hours before the time fixed for the commencement of the AGM and ending with the conclusion of the meeting, provided that not less than 3 (three) days of notice in writing is given to the Company before the commencement of the AGM.
  24. Route Map and details of prominent landmarks of the venue of the meeting is annexed with this notice.
  25. **Instruction for e-voting/ voting through ballot paper and joining the AGM are as follows: -**
    - a. Pursuant to section 108 of the Companies Act, 2013 and the Rules framed thereunder and as per Regulation 44 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this 36th AGM Notice of the Company. The members may cast their votes using an electronic voting system from a place other than the venue of the meeting ('remote e-voting').
    - b. The Company has fixed September 22, 2022, as the Cut-off Date for remote e-voting. The remote e-voting / voting rights of the shareholders/ beneficial owners shall be reckoned on the equity shares held by them as at close of business hours on the Cut-off date i.e. September 22, 2022 only. A person who is not a member as on the Cut-Off date should treat this Notice for information purposes only.
    - c. The remote e-voting period commences on Monday, September 26, 2022 (9:00 A.M. IST) and ends on Wednesday, September 28, 2022 (5:00 P.M. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the Cut-off date i.e. Thursday, September 22, 2022, may cast their vote by remote e-voting. The E-voting module shall be disabled by NSDL for voting after 05:00 P.M. (IST) on Wednesday, September 28, 2022.
    - d. Mr. Nirbhay Kumar, proprietor of M/s Nirbhay Kumar & Associates, Practicing Company Secretary (COP No:- 7887) have been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
    - e. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
    - f. Members can opt for only one mode of voting, i.e., either by Ballot paper or remote e-voting or through E-Voting during the AGM (where the members attending the meeting through VC or OAVM). In case Members cast their votes through any of the mode, voting done by remote e-voting shall prevail and votes cast through Ballot Form or e-voting shall be treated as invalid.

**STEP 1:- Access to NSDL e-Voting system**

**(A) Login method for e-voting and joining the AGM for individual shareholders holding securities in demat mode**

In terms of SEBI Circular dated December 09,2020, 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 advised to update their mobile number and email id in their demat accounts in order to access e-voting facility.

**Login method for individual shareholders holding securities in demat mode is given below:-**

Type of Shareholders	Login Method
<b>Individual Shareholders holding securities in demat mode with NSDL</b>	<ol style="list-style-type: none"> <li>1. If the user is already registered for <b>NSDL IDeAS facility</b>, please visit the e-services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a personal computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under “IDeAS” section, this will prompt you to enter your existing User Id and Password. After successful authentication, you will be able to see e-Voting page, click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e- Voting period or joining meeting through Video Conferencing &amp; voting during the meeting.</li> <li>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> 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 hold 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 company name or <b>e-Voting service provider i.e. NSDL</b> 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 &amp; voting during the meeting.</li> </ol>
<b>Individual Shareholders holding securities in demat mode with CDSL</b>	<ol style="list-style-type: none"> <li>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 <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>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.</li> <li>3) If the user is not registered for Easi/Easiest ,option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective E-voting Service Provider (ESP) i.e. NSDL where the e-Voting is in progress.</li> </ol>
<b>Individual Shareholders (holding securities in demat mode) login through their Depository Participant</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. 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 company name or e-Voting service provider i.e. 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

**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 <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43



Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL)	Your User ID is:
a) Members who hold shares in demat account with NSDL.	<b>8 Character DP ID followed by 8 Digit Client ID</b> For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) Members who hold shares in demat account with CDSL.	<b>16 Digit Beneficiary ID</b> For example if your Beneficiary ID is 12***** then your user ID is 12*****.

**(B) Login Method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to e-voting websites?**

- 1) Visit the e-Voting website of NSDL. Open web browser by typing the following <https://www.evoting.nsd.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.nsd.com/> with your existing IDeAS login. Once you log-in to NSDL eservices 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:**

For Members holding shares in Physical Form	Your User ID is:
	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 121089 then user ID is 121089001***

- 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.nsd.com](http://www.evoting.nsd.com).
  - b) "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.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](mailto:evoting@nsdl.co.in) 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.**

- 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**" "**121089**" of **The Hi-Tech Gears Limited** 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 [secretarial@thehitechgears.com](mailto:secretarial@thehitechgears.com) With a copy marked to [evoting@nsdl.co.in](mailto: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.nsd.com](http://www.evoting.nsd.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.nsd.com](http://www.evoting.nsd.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Amit Vishal at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or to our RTA at [investor@masserv.com](mailto:investor@masserv.com)

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

- 1) In case shares are held in physical mode please send a signed request letter with 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](mailto:investor@masserv.com) or [secretarial@thehitechgears.com](mailto:secretarial@thehitechgears.com).
- 2) In case shares are held in demat mode, please update your email ID with your depository and provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, updated client master to [investor@masserv.com](mailto:investor@masserv.com) or [secretarial@thehitechgears.com](mailto:secretarial@thehitechgears.com). If you are an Individual shareholders 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.**
- 3) Alternatively, shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
- 4) 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.

**Instructions for members for attending the meeting through VC/OVAM 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.
- 5) 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 [secretarial@thehitechgears.com](mailto:secretarial@thehitechgears.com). The same will be replied by the company suitably.
- 6) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**STATEMENT ANNEXED TO THE NOTICE OF THE ANNUAL GENERAL MEETING DATED AUGUST 08,2022 IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND ADDITIONAL INFORMATION AS REQUIRED UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015: -**

**Item No. 5 (Ordinary Business)**

Members of the Company at the Thirty First Annual General Meeting held on September 29, 2017 approved the appointment of M/s O.P. Dadu & Co., Chartered Accountants (Firm Registration No. 001201N) ("Retiring Auditors"), as the Statutory Auditors of the Company to hold office for a term of 5 (five) consecutive years from the conclusion of said Annual

General Meeting till the conclusion of the sixth Annual General Meeting. M/s O.P. Dadu & Co., Chartered Accountants will complete their present term on conclusion of this Annual General Meeting.

The Board of Directors of the Company ("the Board"), in its meeting held on May 29,2022 has, considering the experience and expertise and on the recommendation of the Audit Committee, proposed to the Members of the Company the appointment of M/s YAPL & Co., Chartered Accountants (Firm Registration No. 017800N) as Statutory Auditors of the Company in place of the Retiring Auditors, for a term of 5 (five) consecutive years from the conclusion of this Annual General Meeting till the conclusion of the sixth Annual General Meeting to be held in the financial year 2027-2028.

M/s YAPL & Co., Chartered Accountants is a Partnership Firm registered with the ICAI with Firm Registration No. 017800N. The firm is now managed by 4 partners. The firm is primarily engaged in providing services such as statutory audit, tax audit, taxation & other consultancy services to large, medium and small clients. The firm has significant experience in audit of large manufacturing entities.

M/s YAPL & Co, Chartered Accountants have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Companies Act, 2013. They have also provided confirmation that they have subjected themselves to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the 'Peer Review Board' of the ICAI.

The proposed remuneration to be paid to Auditors for the financial year 2022-23 is Rs. 1.70 million. The said remuneration excludes applicable taxes and out of pocket expenses.

The remuneration for the subsequent year(s) of their term shall be fixed by the Board of Directors of the Company based on the recommendation of the Audit Committee. There is no material change in the remuneration proposed to be paid to Auditors for the financial year 2022 23 and the remuneration paid to the Retiring Auditors for the financial year 2021-22.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the agenda as set out at Item No. 5 of the Notice.

Your Directors recommend the resolution set forth in item no. 5 of the notice for approval of the members as an **Ordinary Resolution**.

**Item No. 6**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s Kabra & Associates, Cost Accountants as the Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year 2022-23 at a fee of upto Rs. 0.125 million plus applicable tax and out of pocket expenses.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors, has to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution for ratification of the remuneration payable to the Cost Auditors for the financial year 2022-23.

None of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the agenda as set out at Item No. 6 of the Notice.

Your Directors recommend the resolution set forth in item no. 6 of the notice for approval of the members as an **Ordinary Resolution**.

**Item No. 7**

Mr. Deep Kapuria was re-appointed in his present term as Chairman & Whole Time Director designated as Executive Chairman of the Company for a period of 3 years. The appointment was effective from October 1, 2019. The approval for the same was accorded by the members in their 33<sup>rd</sup> Annual General Meeting held on September 27, 2019.

In terms of the provisions of sections 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, re-appointment of the Whole Time Director and payment



of remuneration requires approval of the members of the Company where the Company has inadequate profit or no profit. In view of this, the re-appointment and remuneration payable to Mr. Deep Kapuria as Chairman & Whole Time Director shall require a fresh approval of shareholders of the Company.

Keeping in view the contribution made by Mr. Deep Kapuria since inception of the Company, your Board of Directors upon the recommendation of the Nomination & Remuneration Committee, in its meeting held on August 08, 2022, have considered & approved the re-appointment and remuneration payable to Mr. Deep Kapuria as Executive Chairman for a period of three years w.e.f. October 01, 2022 subject to the approval of shareholders of the Company and other concerned statutory, if applicable.

In terms of provisions of section 196 of Companies Act, 2013, Mr. Deep Kapuria has attained the age of 70 years. Hence continuation of his employment as Executive Chairman requires the approval of Shareholders by way of a special resolution. The Board of Directors of the Company recommends to continue the employment of Mr. Deep Kapuria as Executive Chairman after attaining the age of 70 years. He is founder director of the Company and associated with the Company since inception. He is a technocrat and expert in Gear Manufacturing & Designing, Business Management & Finance. He has great experience of dealing with customers, both domestic & overseas and understanding their requirements. Mr. Deep Kapuria has rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time; it would be in the interest of the Company to continue the engagement of Mr. Deep Kapuria as Chairman & Whole Time Director, designated as Executive Chairman, even after attaining the age of 70 years. Further, Mr Deep Kapuria is not debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI, Ministry of Corporate Affairs or any other Statutory Authority

Further, the Company has not committed any default in payment of dues to any bank or public financial institutions or non -convertible debentures holders or any other secured creditor.

The particulars as required to be disclosed in accordance with the provisions of Section II of Part II of Schedule V of the Companies Act, 2013 and information/details as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings are given in **Annexure -B**

Except Mr. Deep Kapuria, Mr. Pranav Kapuria and Mr. Anuj Kapuria, Directors, being related to each other, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the agenda as set out at item no. 7 of the notice.

Your Directors recommend the resolution set forth in item no. 7 of the notice for approval of the members as an **Special Resolution**.

#### **ITEM No.8**

Mr. Pranav Kapuria was re-appointed in his present term as Managing Director of the Company for a period of 3 years. The appointment was effective from October 01, 2019. The approval for the same was accorded by the members in their 33rd Annual General Meeting held on September 27, 2019.

In terms of the provisions of sections 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, re-appointment of the Managing Director and payment of remuneration requires approval of the members of the Company where the Company has inadequate profit or no profit. In view of this the re-appointment and remuneration payable to Mr. Pranav Kapuria as Managing Director shall require a fresh approval of shareholders of the company.

Taking into consideration of his managerial expertise, the size of the Company, future growth plans & remarkable contribution for the growth of the Company made by Mr. Pranav Kapuria, your Board of Directors upon the recommendation of the Nomination & Remuneration Committee, in its meeting held on August 08, 2022, have considered & approved the re-appointment and remuneration payable to Mr. Pranav Kapuria as Managing

Director for a period of three years w.e.f. October 01, 2022 subject to the approval of shareholders of the Company and other concerned statutory & other authorities, if applicable.

Further, the company has not committed any default in payment of dues to any bank or public financial institutions or non -convertible debentures holders or any other secured creditor

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

The particulars as required to be disclosed in accordance with the provisions of Section II of Part II of Schedule V of the Companies Act, 2013 and information/details as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings are given in **Annexure -B**

Except Mr. Deep Kapuria, Mr. Pranav Kapuria and Mr. Anuj Kapuria, Directors, being related to each other, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the agenda as set out at item no. 8 of the notice.

Your Directors recommend the resolution set forth in item no. 8 of the notice for approval of the members as **Special Resolution**.

#### **ITEM No.9**

Mr. Anuj Kapuria was re-appointed in his present term as Executive Director of the Company for a period of 3 years. The appointment was effective from October 01, 2019. The approval for the same was accorded by the members in their 33rd Annual General Meeting held on September 27, 2019.

In terms of the provisions of sections 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, re-appointment of the Executive Whole Time Director to be designated as Executive Director and payment of remuneration requires approval of the members of the Company where the Company has inadequate profit or no profit. In view of this, the re-appointment and remuneration payable to Mr. Anuj Kapuria as Executive Whole Time Director shall require a fresh approval of shareholders of the company.

In view of his qualifications, experience & valuable contribution made by him towards the growth of the Company & the job responsibilities handled by Mr. Anuj Kapuria, your Board of Directors upon the recommendation of the Nomination & Remuneration Committee, in its meeting held on August 08, 2022, have considered and approved the re-appointment and remuneration payable to Mr. Anuj Kapuria as Executive Whole Time Director for a period of three years w.e.f. October 01, 2022 subject to the approval of shareholders of the Company and other concerned statutory & other authorities, if applicable.

Further, the company has not committed any default in payment of dues to any bank or public financial institutions or non -convertible debentures holders or any other secured creditor.

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

The particulars as required to be disclosed in accordance with the provisions of Section II of Part II of Schedule V of the Companies Act, 2013 and information/details as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings are given in **Annexure-B**

Except Mr. Deep Kapuria, Mr. Pranav Kapuria and Mr. Anuj Kapuria, Directors, being related to each other, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the agenda as set out at item no. 9 of the notice.

Your Directors recommend the resolution set forth in item no. 9 for approval of the members as **Special Resolution**.



#### **ITEM No.10**

The Board of Directors ("the Board"), upon the recommendation of the Nomination and Remuneration Committee, appointed Mr. Rajiv Batra as an Additional Director in the capacity of an Independent Director not liable to retire by rotation, for a period of 5 (five) years subject to the approval of shareholders. He holds the office till the date of present meeting, but the AGM may approve to appoint him as a regular director.

The Nomination and Remuneration Committee has recommended his appointment as regular independent director. Further, the Company has received a Notice in writing from a Member of the Company under Section 160 of the Act proposing the candidature of Mr. Rajiv Batra for the office of Director of the Company. Mr. Rajiv Batra is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director of the Company. The Company has received a declaration from Mr. Rajiv Batra that he meets the criteria of independence as provided under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Nomination and Remuneration Committee and the Board, Mr. Rajiv Batra fulfils the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulations. Mr. Rajiv Batra is independent of the management and possesses appropriate skills, experience & knowledge. His appointment as an Independent Director will be in the interest of the Company and the Company will be benefited with his contribution in the Board process, Governance, and overall working.

A brief resume & additional information of Mr. Rajiv Batra is annexed herewith in **Annexure C**, mentioning therein the nature of his expertise in specific functional areas and the name of the companies in which he holds the position of a Director as per the Listing Regulations.

The copy of the draft letter for appointment having the term and conditions of appointment of Mr. Rajiv Batra as an Independent Director is open for inspection by Members at the Registered Office of the Company during normal working hours between 11.00 A.M. and 5.00 P.M. on all working days (except Saturdays & Sundays).

Your Directors recommend the resolution set forth in item no. 10 of the notice for approval by the members as an **Special Resolution**.

Except Mr. Rajiv Batra, none of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the agenda as set out at Item No. 10 of the Notice.

#### **Item No. 11 and 12**

In terms of Regulation 23 of SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015 read with Section 188 and other applicable provisions of the Companies Act, 2013 all transactions with related parties which are material in nature, are subject to the approval of members of the Company by way of Ordinary Resolution.

In furtherance of its business activities, the Company and its group companies or associate companies have entered into / will enter into transactions/ contract(s) / agreement(s) / arrangement(s) with related parties in terms of Regulation 2(1)(zc)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

All related party transactions of the Company and its group companies or associate companies are at arm's length and in the ordinary course of business.

Further, all related party transactions are undertaken after obtaining prior approval of the Audit Committee. The Audit Committee of the Company currently comprises 3 independent directors and 1 executive director. All related party transactions have been unanimously approved by the Audit Committee after satisfying itself that the related party transactions are at arm's length and in the ordinary course of business. The Audit Committee of the Company reviews on a quarterly basis, the details of all related party transactions entered into by the Company during the previous quarter, pursuant to its approvals.

Regulation 23 of the Listing Regulations has been amended effective April 1, 2022 to provide that shareholders' approval should be obtained for related party transactions which, in a financial year, exceed the lower of (i) ₹ 1,000 crore; and (ii) 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

Each of the proposed transaction with entities, such as Vulcan Electro Controls Limited (hereinafter referred to as "Vulcan" and The Hi-Tech Engineering Systems Private Limited (hereinafter referred to as "THESPL") is exceeding the materiality threshold as provided above therefore would require the approval of members by way of Ordinary Resolution.

The approval of the shareholders pursuant to Resolution Nos. 10 and 11 is being sought for the following related party transactions / contracts / agreements / arrangements set out below. For the transactions set out in the Table below, approval of the shareholders is being sought for transactions between the parties for transfer of resources, services and obligations in the ordinary course of business, on arm's length basis and in compliance with applicable laws, as approved by the Audit Committee.

The details as required under Regulation 23(4) of the Listing Regulations read with SEBI Circular bearing reference no. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021 ("SEBI Circular") are set forth below:

#### **TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES AS PER RESOLUTION NO. 11 and 12**

**Transactions with (i) M/s The Hi-Tech Engineering Systems Private Limited ("THESPL"), an entity forming part of promoter group of the Company and (ii) M/s Vulcan Electro Controls Limited ("Vulcan") an entity forming part of promoter group of the Company:**

S.No.	Particulars	Details
1.	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	(i) <b>Name of Related Party:</b> The Hi-Tech Engineering Systems Private Limited ("THESPL") <b>Relationship:</b> THESPL is a part of 'Promoter and Promoter group' of the Company. (ii) <b>Name of Related Party:</b> Vulcan Electro Controls Limited ("VULCAN") <b>Relationship:</b> VULCAN is a part of 'Promoter and Promoter group' of the Company.
2.	Name of Director(s) or Key Managerial Personnel who is related, if any	(i) <b>Name of Related Director's:</b> Mrs. Veena Kapuria, relative of all executive directors is a director in THESPL (ii) <b>Name of Related Director's:</b> Mr. Anuj Kapuria is a common director & Mrs. Veena Kapuria, relative of all executive directors is a director in VULCAN
3.	Type, tenure, material terms and particulars	<b>Type:</b> (a) Sale/ Purchase of Goods including Assets (b) Rendering/Receiving of Job Work/Services <b>Tenure:</b> The above arrangements are continuing business transactions. Approval of the shareholders is being sought for transactions during 5 years i.e from October 01,2022 to September 30,2027



4.	Value of the Transaction		
	<b>Maximum value of contract / transaction (per annum) with effect from 1st October, 2022 (Rs. In Million, Net of Taxes)</b>		
	<b>Name of Related Parties</b>	<b>Transactions defined u/s 188(1) of the Companies Act, 2013</b>	
		<b>Sale, purchase or supply of anygoods, materials</b>	<b>Availing or rendering of any services. Appointment of any agent for purchase or sale of goods, materials, services or property</b>
	<b>The Hi-Tech Engineering Systems Private Limited (THESPL)</b>	<b>From October 01,2022 to March 31, 2023</b>	Sale of Goods or Assets: Rs. 218.00 million Purchase of Goods or Assets: Rs.568.00 million
		<b>From 01.04.2023 to 31.03.2024 and thereafter with an increase upto 15% in each subsequent year</b>	Sale of Goods or Assets: Rs. 502.00 million Purchase of Goods or Assets: Rs. 1307.00 million
	<b>Vulcan Electro Controls Limited (Vulcan)</b>	<b>From October 01,2022 to March 31, 2023</b>	Sale of Goods or Assets: Rs. 69.00 million Purchase of Goods: Rs. 1259.00 million
		<b>From 01.04.2023 to 31.03.2024 and thereafter with an increase upto 15% in each subsequent year</b>	Sale of Goods or Assets: Rs. 160.00 million Purchase of Goods or Assets: Rs. 2896.00 million
5.	The percentage* of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction		The estimated transaction value of Sale/ Purchase of Goods or Assets and Rendering/ Receiving of Job Work/Services and allied transactions by the Company with <b>THESPL:-</b>
			Sale of Goods or Assets: 2.24% of Annual Consolidated Turnover for FY 2021-22
			Rendering of Job Work/Services: 0.44% of Annual Consolidated Turnover for FY 2021-22
			Purchase of Goods or Assets: 5.85% of Annual Consolidated Turnover for FY 2021-22
			Receiving of Job Work/Services: 0.44% of Annual Consolidated Turnover for FY 2021-22
			The estimated transaction value of Sale/ Purchase of Goods or Assets and Rendering/ Receiving of Job Work/Services and allied transactions by the Company with <b>VULCAN:-</b>
			Sale of Goods or Assets: 0.71% of Annual Consolidated Turnover for FY 2021-22
			Rendering of Job Work/Services: 0.71% of Annual Consolidated Turnover for FY 2021-22
			Purchase of Goods or Assets: 12.97% of Annual Consolidated Turnover for FY 2021-22
			Receiving of Job Work/Services: 3.5% of Annual Consolidated Turnover for FY 2021-22
			*Percentage is calculated based on proposed transaction of half year 2022-2023.
6.	Details of the transaction relating to any loans, inter-corporate deposits, advances, or investments made or given by the listed entity or its subsidiary		Not Applicable
7.	Justification as to why the RPT is in the interest of the listed entity		The transactions are done in the ordinary course of business and are at arm's length. These transactions are entered for the better economic viability, efficiency, sustainability of supply & for providing the better services.
8.	Any valuation or other external report relied upon by the listed entity in relation to the transactions		Not Applicable
9.	Any other information that may be relevant		All relevant information forms part of this Statement setting out material facts pursuant to Section 102 of the Companies Act, 2013

Your Directors recommend the resolution set forth in item No. 11 and 12 for approval of the members as **Ordinary Resolution**.

Except Mr. Deep Kapuria, Mr. Pranav Kapuria and Mr. Anuj Kapuria, Directors, being related to each other, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the agenda as set out at item no. 11 and 12 of the notice.

## ANNEXURE-A

**Details of Directors retiring by rotation seeking re-appointment at the Meeting (Refer Item No.3 and 4) :-**

Particulars	Mr. Bidadi Anjani Kumar	Mr. Pranav Kapuria
Directors Identification Number (DIN)	00022417	00006195
Age	70 years	47 years
Date of Initial appointment	03/11/2015	25/05/2000
Date of current re-appointment	In terms of Section 152(6) of the Companies Act, 2013, Mr. Bidadi Anjani Kumar was appointed in the Board on November 03, 2015 and regularized in the 30 <sup>th</sup> AGM held on September 23, 2016. Being eligible, he has now offered himself for re-appointment.	In terms of Section 152(6) of the Companies Act, 2013, Mr. Pranav Kapuria who was re-appointed as Managing Director w.e.f October 01, 2019 is liable to retire by rotation. Being eligible, he has now offered himself for re-appointment.
Experience & Expertise	Mr. Kumar is an existing management consultant of one of the group Company. He has vast experience in the field of Business strategy, taxation, Accounts, Financial planning, along with sound experience necessary to guide organization in the competitive Environment.  Mr. Bidadi Anjani Kumar is a seasoned Chartered Accountant (FCA). He served in Industry both in India and abroad for several years of his professional life. Now he has been practicing as a Management Consultant since 2010, with a focus on Best Practices, Corporate Governance, Strategic Planning and M &A.	Mr. Pranav Kapuria is associated with the Company since 2000  He is an expert in transforming traditional organization into a vibrant one through implementation of lean manufacturing program, which includes implementation of total quality Management, Total Productivity Management, Just-In-Time and Kaizen.
Qualification	Fellow member of The Institute of Chartered Accountants of India	<ol style="list-style-type: none"> <li>Bachelor of Commerce with Honors from University of Delhi.</li> <li>Master's degree in business administration from Cardiff Business School, University of Cardiff, U.K. and Certificate program on Lean Manufacturing from University of Michigan, College of Engineering, USA.</li> <li>Undergone industrial training in reputed Engineering Corporation in USA</li> </ol>
Board Membership of other Companies as on 31/03/2022**	<ol style="list-style-type: none"> <li>Kennametal India Limited</li> <li>Widia India Tooling Private Limited</li> <li>Mikrotek Machines Limited</li> <li>Greaves Electric Mobility Private Limited (resigned w.e.f June 23, 2022)</li> </ol>	<ol style="list-style-type: none"> <li>The Hi-Tech Robotic Systemz Limited</li> <li>The Hitech and Associates Limited</li> <li>Hi-Tech Portfolio Investments Limited</li> <li>Novus Hi-Tech Hitech Robotic Systemz Private Limited</li> <li>Manu Farms Private Limited</li> </ol>
Chairman/Member of the Committee of the Board of Directors as on 31/03/2022	<b>Kennametal India Limited</b> Audit Committee (Chairman) Stakeholder Relationship Committee (Chairman) Nomination & Remuneration Committee (Member) CSR Committee (Member) Risk Management Committee (Chairman) <b>Greaves Electric Mobility Private limited</b> Audit Committee (Chairman)	<b>The Hi-Tech Gears Limited</b> CSR Committee (Member) Share Transfer Committee (Member) Finance Committee (Member)
Details of Remuneration and remuneration last drawn	Details mentioned in the Corporate Governance Report forming part of Board's Report	
Number of Board meetings attended during the year	Details mentioned in the Corporate Governance Report forming part of Board's Report	
Number of shares held in the Company as on 31/03/2022	NIL	848102 equity share of Rs.10 each
Relationship with Directors	None	Mr. Deep Kapuria – Father Mr. Anuj Kapuria – Brother

\*\* For the purpose of Board and Membership of Committees/ Chairman, Indian Companies are considered.



## ANNEXURE B

Statement/Disclosure as required under Part II, Section II of the Schedule V to the Companies Act, 2013 with respect to the Special Resolutions at Item No. 7, 8 and 9 of this Notice

I.	General Information																																		
<b>Nature of Industry</b>	The Company is an auto component manufacturer (Tier 1 supplier) of world class repute and is engaged in the business of manufacturing, selling, exporting, and dealing automobile parts. The Company spans a spectrum of products, including transmission and engine components, driveline components, engines design services and advanced technology-enabled products and solutions at the fore front of cutting-edge technology.																																		
<b>Date of Commercial Production</b>	Commercial production has been commenced on November 10, 1986, as per Certificate of Commencement of Business issued by Registrar of Companies, Delhi & Haryana.																																		
<b>Financial Performance</b>	<p>The Standalone financial performance of the Company during the last three financial years is as under:</p> <p style="text-align: right;">(Amount in million except per share data)</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 60%;">Financial Parameters</th> <th style="width: 15%;">Year ended 31.03.2020</th> <th style="width: 15%;">Year ended 31.03.2021</th> <th style="width: 10%;">Year ended 31.03.2022</th> </tr> </thead> <tbody> <tr> <td><b>Total Revenue</b></td> <td style="text-align: right;">5155.28</td> <td style="text-align: right;">5326.38</td> <td style="text-align: right;">6517.49</td> </tr> <tr> <td><b>Net Profit before Tax</b></td> <td style="text-align: right;">153.02</td> <td style="text-align: right;">496.40</td> <td style="text-align: right;">536.63</td> </tr> <tr> <td><b>Net Profit after tax</b></td> <td style="text-align: right;">77.42</td> <td style="text-align: right;">372.88</td> <td style="text-align: right;">385.19</td> </tr> <tr> <td><b>Paid Up Capital</b></td> <td style="text-align: right;">187.68</td> <td style="text-align: right;">187.68</td> <td style="text-align: right;">187.68</td> </tr> <tr> <td><b>Other Equity</b></td> <td style="text-align: right;">2478.94</td> <td style="text-align: right;">2889.76</td> <td style="text-align: right;">3305.08</td> </tr> <tr> <td><b>Dividend (Interim &amp; Final)</b></td> <td style="text-align: right;">79.19</td> <td style="text-align: center;">-</td> <td style="text-align: right;">37.54</td> </tr> <tr> <td><b>Earnings Per Share (EPS)</b></td> <td style="text-align: right;">4.13</td> <td style="text-align: right;">19.87</td> <td style="text-align: right;">20.52</td> </tr> </tbody> </table>			Financial Parameters	Year ended 31.03.2020	Year ended 31.03.2021	Year ended 31.03.2022	<b>Total Revenue</b>	5155.28	5326.38	6517.49	<b>Net Profit before Tax</b>	153.02	496.40	536.63	<b>Net Profit after tax</b>	77.42	372.88	385.19	<b>Paid Up Capital</b>	187.68	187.68	187.68	<b>Other Equity</b>	2478.94	2889.76	3305.08	<b>Dividend (Interim &amp; Final)</b>	79.19	-	37.54	<b>Earnings Per Share (EPS)</b>	4.13	19.87	20.52
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<b>Financial Performance based on given indicators</b>	The company's sales are impacted corresponding to growth of Indian Auto Component Industry																																		
<b>Foreign Investments or Collaboration, if any</b>	<p>The Company has nine Foreign Wholly Owned Subsidiaries namely:</p> <ul style="list-style-type: none"> <li>i. 2545887 Ontario Inc., Canada</li> <li>ii. 2504584 Ontario Inc., Canada</li> <li>iii. 2323532 Ontario Inc., Canada</li> <li>iv. The Hi-Tech Gears Canada Inc., Canada</li> <li>v. Teutech Holding Corporation, USA</li> <li>vi. Teutech, L.L.C., USA</li> <li>vii. Teutech Leasing Corp, USA</li> <li>viii. Neo-Tech Auto Systemz Inc., USA</li> <li>ix. Neo –Tech Smart Solutions Inc., Canada</li> </ul> <p>Non- resident holding in the Company is 1.22 % (as on March 31, 2022). Further, the Company has no foreign collaboration as on date.</p>																																		
II.																																			
Information About the appointee																																			
Particulars	Mr. Deep Kapuria	Mr. Pranav Kapuria	Mr. Anuj Kapuria																																
<b>Background details</b>	<p>Mr. Deep Kapuria born on August 5, 1949 is founder Director of the Company and designated as the Executive Chairman of the Company.</p> <p>He is a technocrat and expert in Gear Manufacturing &amp; Designing, Business Management &amp; Finance.</p> <p>He possesses the following qualifications:</p> <ol style="list-style-type: none"> <li>1. Bachelor of Engineering (Honors') from B.I.T.S., Pilani;</li> <li>2. Advance Management Programme from Indian Institute of Management, Ahmedabad</li> <li>3. Lead Assessor Course for ISO 9000 from P.E. Batalas Ltd., UK</li> <li>4. Owner Management Programme from Harvard Business School, USA</li> </ol>	<p>Mr. Pranav Kapuria, born on July 16, 1975 is presently designated as Managing Director of the Company. He joined the company Time Director-operations in the year 2000. Taking into consideration the contribution made by him for the growth of business, he was promoted as Deputy Managing Director of the Company on 1st August 2005 &amp; thereafter as Managing Director w.e.f 01.08.2010.</p> <p>He has done Bachelor of Commerce with Honors from University of Delhi, also holds master's degree in Business Administration from Cardiff Business School, University of Cardiff, U.K. and Certificate program on Lean Manufacturing from University of Michigan, College of Engineering, USA.</p>	<p>Mr. Anuj Kapuria born on 26th August, 1978, joined the Company in the year 2005. He was re-appointed as Executive (Whole Time Director) w.e.f May 15, 2015.</p> <p>He is an Engineer with a Master's degree in Robotics with specialization in Computer Vision, Artificial Intelligence and Intelligent Robotics from Carnegie Mellon University (CMU), U.S.A.</p> <p>Mr. Anuj Kapuria has been contributing in the growth of the company through his enhanced knowledge in the field of Robotic Artificial Intelligence and automation</p>																																

Particulars	Mr. Deep Kapuria	Mr. Pranav Kapuria	Mr. Anuj Kapuria																								
	Mr. Deep Kapuria has vast experience of decades in the industry and has been instrumental in the growth of the Company.	Because of his continuous hardwork and efforts, the Company has sustained a growth pattern and has achieved success in creating a brand image in the Automotive Parts Industry																									
<b>Past Remuneration</b>	<p>The remuneration drawn by Mr. Deep Kapuria during the past three financial years is as under:</p> <table border="1"> <thead> <tr> <th>Financial year</th> <th>Amount in million</th> </tr> </thead> <tbody> <tr> <td>2019-20*</td> <td>21.23</td> </tr> <tr> <td>2020-21*</td> <td>15.51</td> </tr> <tr> <td>2021-22</td> <td>33.97</td> </tr> </tbody> </table>	Financial year	Amount in million	2019-20*	21.23	2020-21*	15.51	2021-22	33.97	<p>The remuneration drawn by Mr. Pranav Kapuria during the past three financial years is as under:</p> <table border="1"> <thead> <tr> <th>Financial year</th> <th>Amount in million</th> </tr> </thead> <tbody> <tr> <td>2019-20*</td> <td>10.98</td> </tr> <tr> <td>2020-21*</td> <td>10.31</td> </tr> <tr> <td>2021-22</td> <td>22.69</td> </tr> </tbody> </table>	Financial year	Amount in million	2019-20*	10.98	2020-21*	10.31	2021-22	22.69	<p>The remuneration drawn by Mr. Anuj Kapuria during the past three financial years is as under:</p> <table border="1"> <thead> <tr> <th>Financial year</th> <th>Amount in million</th> </tr> </thead> <tbody> <tr> <td>2019-20*</td> <td>10.25</td> </tr> <tr> <td>2020-21*</td> <td>10.31</td> </tr> <tr> <td>2021-22</td> <td>22.69</td> </tr> </tbody> </table>	Financial year	Amount in million	2019-20*	10.25	2020-21*	10.31	2021-22	22.69
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	*In view of the COVID-19 outbreak and hardship faced by the Company and in the prime interest of all stakeholders and sustainability of the Company, Executive Directors have renounced their Commission for the FY 19-20 and renounced their remuneration for first half year of FY 2020-2021 i.e. April 2020 to September 2020.																										
<b>Recognition and Awards</b>	<p>Mr. Deep Kapuria has the distinction of being Chairman CII Northern Region, President of ACMA twice and has led various overseas CII/ACMA Delegations including at WTO ministerial.</p> <p>He regularly represents Indian Industry at the Indian Government/Ministerial Business Delegation across the globe.</p> <p>He was Co Chairman for task force on "Digital Economy &amp; Industry 4.0" at B20 Argentina.</p> <p>He is the Chairman of National Accreditation Board for Certification Bodies (NABCB) under Quality Council of India</p> <p>Is Chairman, Global Innovation &amp; Technical Alliance a joint venture between CII &amp; Govt of India &amp; is a member of Apex Council to decide award of PM Fellowship.</p> <p>He is the Co-Chairman of CII National Committee on International Trade &amp; Trade Policy.</p> <p>He has been Chairman of CII MSME Council, CII Trade Fair Council &amp; CII Design Council.</p> <p>He is a non-government member on various Govt committees including Make in India, Skill Council &amp; is a member of the PM fellowship Apex Council.</p>	<p>Under Mr. Pranav Kapuria leadership, manufacturing facilities of The Hi-Tech Gears have been awarded many internationally coveted awards and recognitions e.g., "Award for Excellence in Consistent TPM Commitment" by Japan Institute of Plant Maintenance (JIPM) for Excellence in Total Productive Maintenance (TPM), Shingo Silver Medallion for Manufacturing Excellence (first time in India), and Green Factory / Green Building awards by Indian Green Building Council (IGBC) for all the manufacturing facilities. Has been instrumental in getting ACMA Export Award for the Company.</p> <p>In addition, he has held following appointments:</p> <ul style="list-style-type: none"> <li>Executive Committee member of Automotive Component Manufactures Association of India (ACMA)</li> <li>Core member &amp; Mentor of Manufacturing Cluster of ACMA Centre for Technology</li> <li>Automotive Component Manufactures Association of India (ACMA) - Member of Pillar 1- Business Development for 2021-22</li> <li>ACMA - Co-Chairman, Pillar-4 – 2018-2019</li> <li>Member of YPO since 2016</li> <li>ACMA - Chairman Raw Material Committee – 2015-16</li> <li>Chairman ACMA Aerospace, Defence &amp; Railway Committee 2013-14.</li> <li>He has been Young Business Leader Forum (YBLF) Coordinator for ACMA from 2008-09</li> </ul>	<p>Under Mr. Anuj Kapuria the company have 100+ patents, over 60 granted in various geographies. He has been instrumental in Company winning many accolades that include:</p> <ul style="list-style-type: none"> <li>Most Innovative MSME company by Govt of India (awarded by Prime Minister of India)</li> <li>Most innovative company by NITI Aayog &amp; CII</li> <li>Served on Prime Minister Modi's Artificial Intelligence Task Force at Niti Aayog and co-authored white paper, developing the National AI vision.</li> <li>Frost &amp; Sullivan Best Practices Award: India Commercial Vehicles Safety &amp; ADAS Technology</li> <li>Safety Technology Award by Auto Tech Review</li> <li>Listed by Gartner as Top AI companies in India in their Cool Vendor Report</li> <li>Design Excellence Award by CII for Autonomous Mobile Robots</li> <li>FICCI National Road Safety Award</li> <li>Excellence in Innovation-Supplier Award by Daimler</li> </ul> <p>Mr. Anuj Kapuria is the member of CII Trade Fair Council for current year. He is also the member of India Japan Business Leaders Forum (IJBLF), constituted under the guidance of The Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce &amp; Industry.</p>																								



Particulars	Mr. Deep Kapuria	Mr. Pranav Kapuria	Mr. Anuj Kapuria																		
<b>Job Profile &amp; Suitability</b>	<p>Mr. Deep Kapuria is member of Board of Director since October 23, 1986. He has vast experience of decades in the field of business strategy and development, planning, marketing and distribution, finance, production technology etc.</p> <p>He has wholesome exposure on all aspects of business of the Company and is engaged in supervision &amp; conduct of business of all the industrial units of Company.</p> <p>Mr Deep Kapuria plays a major role in providing thought leadership and strategic inputs to the Company.</p> <p>Under his vision and leadership, company has made its presence globally thru successful acquisition of some entities in Canada and the US. Due to his able guidance, Company is not confined to only domestic manufacturing facilities and exposure to global environment will lead to strong growth opportunities.</p>	<p>Mr. Pranav Kapuria, Managing Director is vested with substantial powers of the Company under the Superintendence, control and directions of the Board of Directors.</p> <p>The Company has been substantially benefitted by his vision, professional knowledge and managerial expertise and has made enormous progress.</p> <p>Your Company is exploring new avenues of further inorganic growth by way of mergers and also tapping new geographies, such as Canada and US. Despite headwinds being faced, your company made continued progress under his leadership.</p> <p>Considering the performance of existing projects and expansion plans, the Company is expected to register a growth in the years to come.</p> <p>He is devoting his full time in managing the business of the Company. He is, therefore, best suitable for the job.</p>	<p>Mr. Anuj Kapuria has been instrumental in keeping abreast with the latest technology for delivering the highest quality of products. He has inherited an enormous legacy and shouldered higher assignments during his tenure with the Company.</p> <p>His sincerity, commitment and ideas have resulted in opening up of new opportunities of the Company in the area of automatic Supply Chain Management and latest technologies in manufacturing sustainability.</p> <p>In view of his enriched experience, appreciable contribution and enlarged leadership, he is proposed by the Board of Directors for re-appointment.</p>																		
<b>Remuneration Proposed (01/10/2022 to 30/09/2025)</b>	<p><b>Salary, Allowances &amp; Perquisites (all together) not to exceed as under:</b></p> <table border="1"> <tr> <td>From 01.10.2022 to 30.09.2023</td> <td>Rs.39.60 million per annum</td> </tr> <tr> <td>From 01.10.2023 to 30.09.2024</td> <td>Rs. 43.56 million per annum</td> </tr> <tr> <td>From 01.10.2024 to 30.09. 2025</td> <td>Rs. 47.91 million per annum</td> </tr> </table>	From 01.10.2022 to 30.09.2023	Rs.39.60 million per annum	From 01.10.2023 to 30.09.2024	Rs. 43.56 million per annum	From 01.10.2024 to 30.09. 2025	Rs. 47.91 million per annum	<p><b>Salary, Allowances &amp; Perquisites (all together) not to exceed as under:</b></p> <table border="1"> <tr> <td>From 01.10.2022 to 30.09.2023</td> <td>Rs. 26.40 million per annum</td> </tr> <tr> <td>From 01.10.2023 to 30.09.2024</td> <td>Rs. 29.04 million per annum</td> </tr> <tr> <td>From 01.10.2024 to 30.09. 2025</td> <td>Rs.31.94 million per annum</td> </tr> </table>	From 01.10.2022 to 30.09.2023	Rs. 26.40 million per annum	From 01.10.2023 to 30.09.2024	Rs. 29.04 million per annum	From 01.10.2024 to 30.09. 2025	Rs.31.94 million per annum	<p><b>Salary, Allowances &amp; Perquisites (all together) not to exceed as under:</b></p> <table border="1"> <tr> <td>From 01.10.2022 to 30.09.2023</td> <td>Rs. 26.40 million per annum</td> </tr> <tr> <td>From 01.10.2023 to 30.09.2024</td> <td>Rs. 29.04 million per annum</td> </tr> <tr> <td>From 01.10.2024 to 30.09. 2025</td> <td>Rs.31.94 million per annum</td> </tr> </table>	From 01.10.2022 to 30.09.2023	Rs. 26.40 million per annum	From 01.10.2023 to 30.09.2024	Rs. 29.04 million per annum	From 01.10.2024 to 30.09. 2025	Rs.31.94 million per annum
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<b>Comparative Remuneration Profile with respect to industry, size of the Company, profile of the position and person</b>	<ol style="list-style-type: none"> <li>Keeping in view their job profiles, positions and responsibilities remuneration being given or proposed is not even close to or higher than that prevailing in the overall market.</li> <li>However, the remuneration proposed to be paid to the above appointees are in line with the remuneration paid to the managerial personnel in other Companies engaged in the similar auto component Industry.</li> <li>The Nomination and Remuneration Committee while recommending the proposed resolution has taken into account all these factors.</li> </ol>																				
<b>Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any</b>	<p>Besides the remuneration proposed herein, Mr. Deep Kapuria has no other pecuniary relationship with the Company other than the dividend to the extent of his shareholding and rental income from a property leased to Company at market rate</p> <p>Further, he is related to Mr. Pranav Kapuria, Managing Director and Mr. Anuj Kapuria, Whole Time Director of the Company as per the Companies Act, 2013 read with Rules made thereunder.</p>	<p>Besides the remuneration proposed herein, Mr. Pranav Kapuria has no other pecuniary relationship with the Company other than the dividend to the extent of his shareholding and rental income from a property leased to Company at market rate</p> <p>Further, he is related to Mr. Deep Kapuria, Executive Chairman and Mr. Anuj Kapuria, Whole Time Director of the Company as per the Companies Act, 2013 read with Rules made thereunder.</p>	<p>Besides the remuneration proposed herein, Mr. Anuj Kapuria has no other pecuniary relationship with the Company other than the dividend to the extent of his shareholding and rental income from a property leased to Company at market rate</p> <p>Further, he is related to Mr. Deep Kapuria, Executive Chairman and Mr. Pranav Kapuria, Managing Director of the Company as per the Companies Act, 2013 read with Rules made thereunder.</p>																		
<b>Board Meeting Attended and Shareholding</b>	<p>During the year 2021-22, he attended 6 Board Meetings and is holding 3119461 (16.62%) equity shares of Rs. 10/- each.</p>	<p>During the year 2021-22, he attended 6 board Meetings and is holding 848102 (4.52%) equity shares of Rs. 10/- each.</p>	<p>During the year 2021-22, he attended 6 board Meetings and is holding 844062 (4.50%) equity shares of Rs. 10/- each.</p>																		

<b>III.</b>	<b>Other Information</b>
<b>Reasons of Loss or Inadequate Profits</b>	Financial Year 2021-22 was full of challenges for Indian domestic automobile industry. Automobile industry faced multiple regulatory, geopolitical and economic disruptions during the previous year. Financial Year started with Second Wave of COVID-19 and Country wide lockdown despite that, the Company due to its operational excellence has a consistent profit and dividend track record. The Company has registered a net profit of Rs. 385.19 million for the F.Y. March 31, 2022 despite the turmoil in the auto component segment. Currently, the Company is into growth phase and investing on additional capacity & technical knowledge build up.
<b>Steps taken or proposed to be taken for improvement</b>	The Company is taking series of strategic and operational measures to tackle the adverse market scenario and to improve the profitability. Following measures has been adopted to improve the profitability: <ul style="list-style-type: none"> <li>• Widening of customer base and better market penetration, especially in overseas market.</li> <li>• Conscious effort to develop products/customers base in alternate market segments.</li> <li>• Technology upgradation by way of investing in state of the art machinery to meet stringent quality requirements of customers.</li> <li>• Focus on significant improvements in operating costs.</li> <li>• Cost control in all areas</li> <li>• Modernisation of existing facilities to improve overall operating efficiency and gear up for catering to higher demand from OEMs</li> <li>• Improvement in export sales</li> <li>• Improving the quality of product to make to competitive in Indian and overseas market</li> <li>• Bring best talent to overlook operations and market</li> </ul>
<b>Expected increase in Productivity and Profits in Measurable Terms</b>	The aforesaid steps being taken by the Company would increase the productivity, scales and profits of the Company. The Company would continue its endeavour to increase the revenues to improve the Profitability in the coming years.
<b>IV.</b>	<b>DISCLOSURES</b>
The requisite disclosures of remuneration package, details of fixed component and performance linked incentive etc are duly disclosed in the Board of Director under the heading of 'Corporate Governance' forming part of Board's Report. Board of Directors had passed the resolution for implementing "The Hi-Tech Gears Limited Stock Incentive Plan, 2021" to reward, attract, motivate and retain employees and Directors of the Company and its existing or future subsidiary companies, in or outside India which was subsequently approved by Shareholders in its meeting held on September 29, 2021.	



## Annexure- C

### Details of Director seeking appointment at the Meeting (Refer Item No. 10): -

<b>Particulars</b>	<b>Mr. Rajiv Batra</b>
<b>Directors Identification Number (DIN)</b>	00082866
<b>Age</b>	67 years
<b>Date of Initial appointment</b>	02/11/2021
<b>Date of current re-appointment</b>	To be regularized in the ensuing annual general meeting.
<b>Experience &amp; Expertise</b>	Mr. Rajiv Batra is a seasoned and successful Finance professional. He is a passionate, accountable strategic business partner matured into a Business Leader. He has been a financial mentor to key suppliers, helping them with their plans to scale up, guiding them with strategic business inputs, as well as providing them with timely interventions and support, including cost effective sources of funding.
<b>Qualification</b>	1. Economics Honors graduate from Shriram College Delhi 2. Fellow member of The Institute of Chartered Accountants of India
<b>Board Membership of other Companies as on 31/03/2022**</b>	1. Minda Industries Limited (appointed w.e.f 01.04.2022) 2. UFO Moviez India Ltd (appointed w.e.f 15.06.2022)
<b>Chairman/Member of the Committee of the Board of Directors as on 31/03/2022</b>	NIL
<b>Details of Remuneration and remuneration last drawn</b>	Details mentioned in the Corporate Governance Report forming part of Board's Report
<b>Number of Board meetings attended during the year</b>	Details mentioned in the Corporate Governance Report forming part of Board's Report
<b>Number of shares held in the Company as on 31/03/2022</b>	NIL
<b>Relationship with Directors</b>	None

By order of the Board of Directors  
The Hi-Tech Gears Limited

Naveen Jain  
Company Secretary  
Membership No: - A15237

Place: Gurugram  
Date : August 08, 2022

**Registered Office:**  
Plot No. 24,25,26, Sector-7,  
IMT Manesar, Gurugram,  
Haryana 122050



## The Hi-Tech Gears Limited

Registered Office: - Plot No. 24-26, Sector-7, IMT Manesar, Gurugram Haryana 122050  
 CIN- L29130HR1986PLC081555, Website: - [www.thehitechgears.com](http://www.thehitechgears.com)  
 Tel.: +91(124)4715100, e-mail id: [secretarial@thehitechgears.com](mailto:secretarial@thehitechgears.com)

### FORM NO. MGT-11 PROXY FORM

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

Name of the member(s): .....

Registered Address: .....

E-mail id:..... Folio No. / DP ID-Client ID.....

I/We, being the member (s) of ..... shares of the The Hi-Tech Gears Limited, hereby appoint:

- 1.Name:.....of.....having an E-mail id: ..... failing him / her;
- 2.Name:.....of.....having an E-mail id: ..... failing him / her;
- 3.Name:.....of.....having an E-mail id: ..... failing him / her;

whose signatures are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 36<sup>th</sup> Annual General Meeting of the Company, to be held on Thursday the 29<sup>th</sup> day of September, 2022 at 05:00 P.M. at registered office at Plot No. 24-26, Sector-7, IMT Manesar, Gurugram, Haryana 122050 and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Resolutions	No. of shares	For*	Against*
<b>Ordinary Business:</b>				
1	To consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the financial year ended March 31, 2022, together with the reports of the Director's and Auditor's thereon- Ordinary Resolution			
2	To declare the final dividend @ 15% i.e. Rs. 1.5/- (Rupees One and fifty paise only) per equity share for the financial year 2021-2022- Ordinary Resolution			
3	To appoint a director in place of Mr. Bidadi Anjani Kumar (DIN-00022417), who retire by rotation and being eligible, offers himself for re-appointment. - Ordinary Resolution			
4	To appoint a director in place of Mr. Pranav Kapuria (DIN-00006195), who retire by rotation and being eligible, offers himself for re-appointment. - Ordinary Resolution			
5	To appoint M/s YAPL & Co., Chartered Accountants as statutory auditors of the Company for a period of 5 years. - Ordinary Resolution			
<b>Special Business:</b>				
6	Approval of remuneration of Cost Auditor for the financial year 2022-23 - Ordinary Resolution			
7	Re-appointment & Remuneration of Mr. Deep Kapuria (DIN-00006185) as Chairman & Whole Time Director of the Company designated as Executive Chairman of the Company - Special Resolution			
8	Re-appointment & Remuneration of Mr. Pranav Kapuria (DIN-00006195) as Managing Director - Special Resolution			
9	Re-appointment & Remuneration of Mr. Anuj Kapuria (DIN-00006366) as Executive Director - Special Resolution			
10	Appointment of Mr. Rajiv Batra (DIN- 00082866) as an Independent Director of the Company- Special Resolution			
11	Approval for Material Related Party Transaction(s) with M/s The Hi-Tech Engineering Systems Private Limited- Ordinary Resolution			
12	Approval for Material Related Party Transaction(s) with M/s Vulcan Electro Controls Limited- Ordinary Resolution			

Signed this ..... day of..... 2022.  
 (Date) (Month)

Signature of the Shareholder(s)

Signatures of:

.....  
**First Proxy Holder**

.....  
**Second Proxy Holder**

.....  
**Third Proxy Holder**

Affix Revenue Stamp
---------------------------



**Notes:-**

- \*1. Please put a“” in the Box in the appropriate column. If you leave 'For' or 'Against' column blank in respect of any or all of the resolutions, your proxy will be entitled to vote in the matter as he/she thinks appropriate.
2. Proxy needs not to be a member of the Company. A person can act as proxy on behalf of for a maximum of fifty members and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Provided that a member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. This form of proxy in order to be effective should be duly executed and deposited at the Registered Office of the Company at Plot No. 24-26, Sector-7, IMT Manesar, Gurugram, Haryana 122050 at least 48 hours before the time of the Meeting.



## The Hi-Tech Gears Limited

Registered Office: - Plot No. 24-26, Sector-7,IMT Manesar, Gurugram Haryana 122050  
CIN- L29130HR1986PLC081555, Website: - [www.thehitechgears.com](http://www.thehitechgears.com)  
Tel.: +91(124)4715100, e-mail id: [secretarial@thehitechgears.com](mailto:secretarial@thehitechgears.com)



### ELECTRONIC VOTING PARTICULARS

EVEN (Electronic Voting Event Number)	USER ID	PASSWORD	NO. OF SHARES

The e-voting facility will be available during the following voting period:

Commencement of remote e-voting	From 09:00 A.M. (IST) on September 26, 2022
End of remote e-voting	Upto 05:00 P.M. (IST) on September 28, 2022

The cut-off date (i.e. the record date) for the purpose of e-voting is September 22, 2022

✂.....✂.....✂.....**TEAR HERE**.....✂.....✂.....✂

## The Hi-Tech Gears Limited

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Tel.: +91(124)4715100, e-mail id: [secretarial@thehitechgears.com](mailto:secretarial@thehitechgears.com)

### ATTENDANCE SLIP

I/We hereby record my presence at the 36th Annual General Meeting held on Thursday, September 29, 2022 at 05.00 P.M. at the registered office of the Company at Plot No. 24-26, Sector-7,IMT Manesar, Gurugram, Haryana 122050

Name of the Shareholders or Proxy (In Block Letters) .....

No. of Shares Held .....

Regd. Folio No./DPID-CLID .....

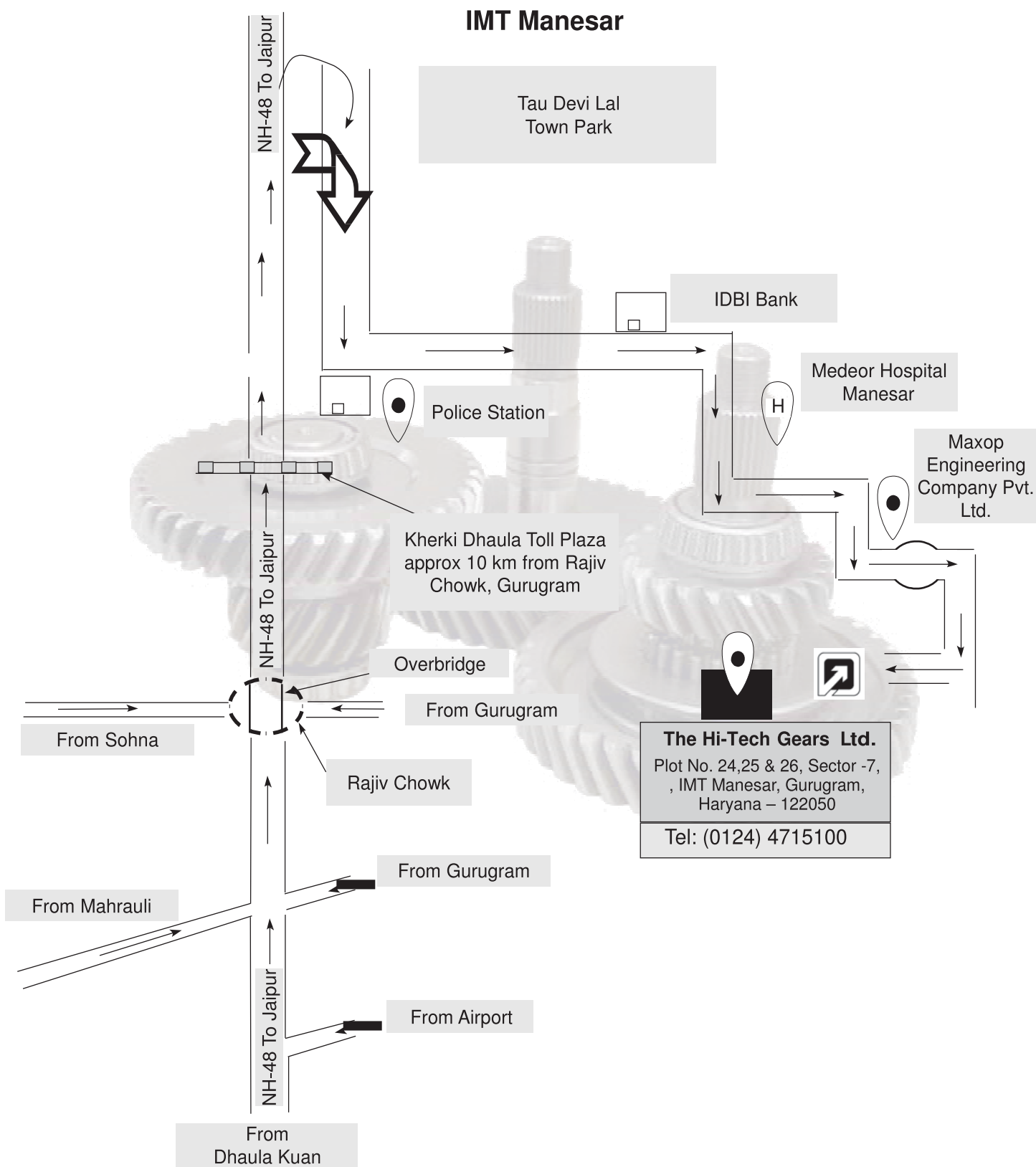
.....  
(Signature of the Shareholder/Proxy)

Note:

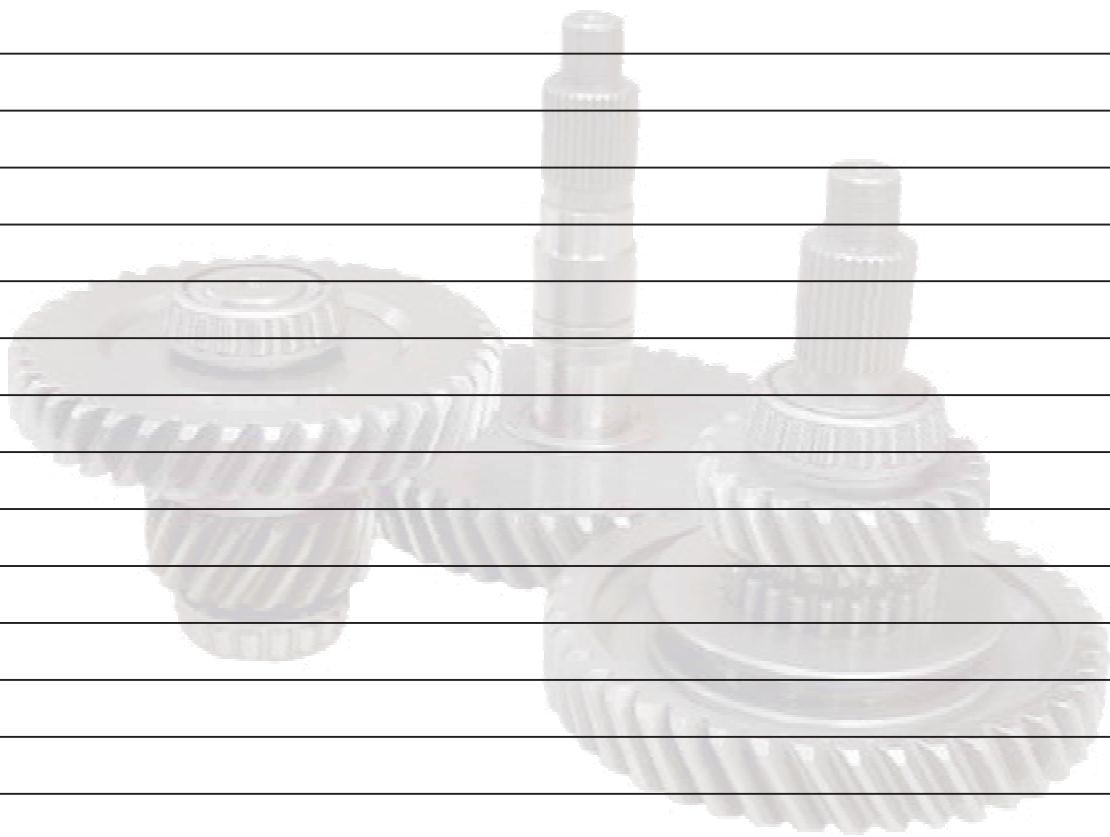
PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL.



# ROUTE MAP

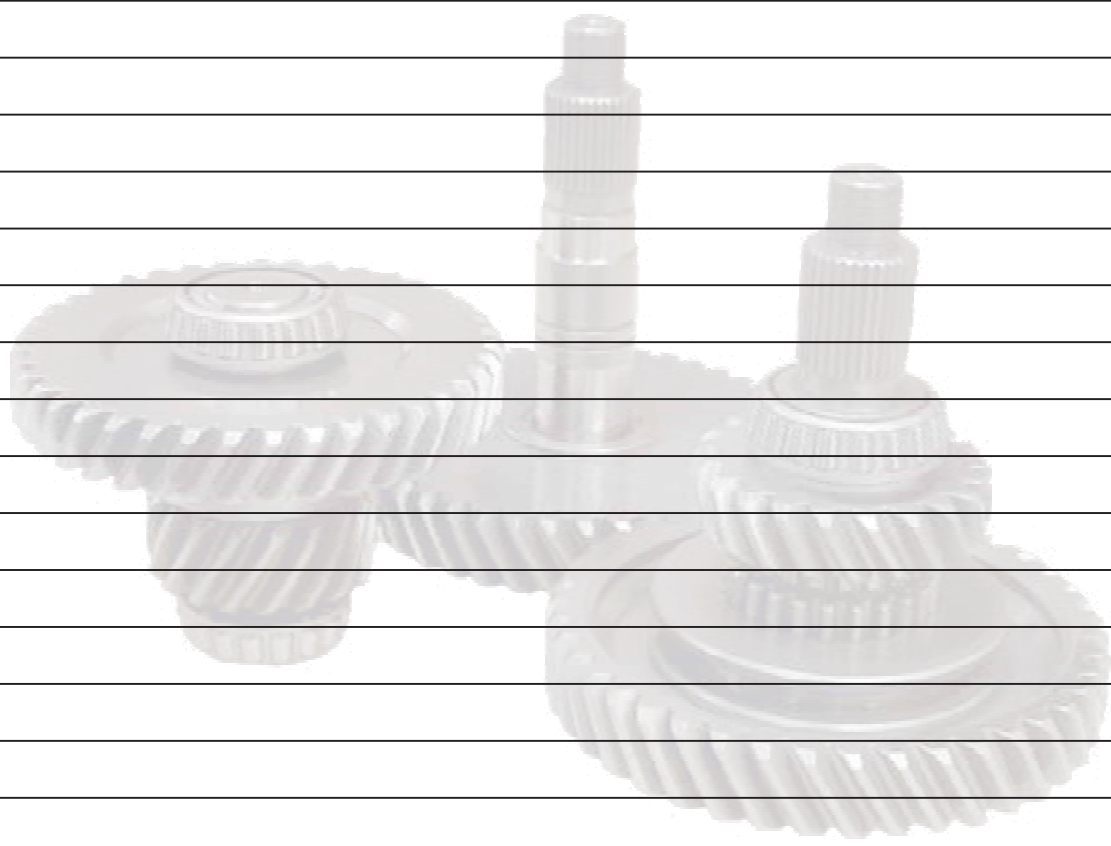


# NOTES

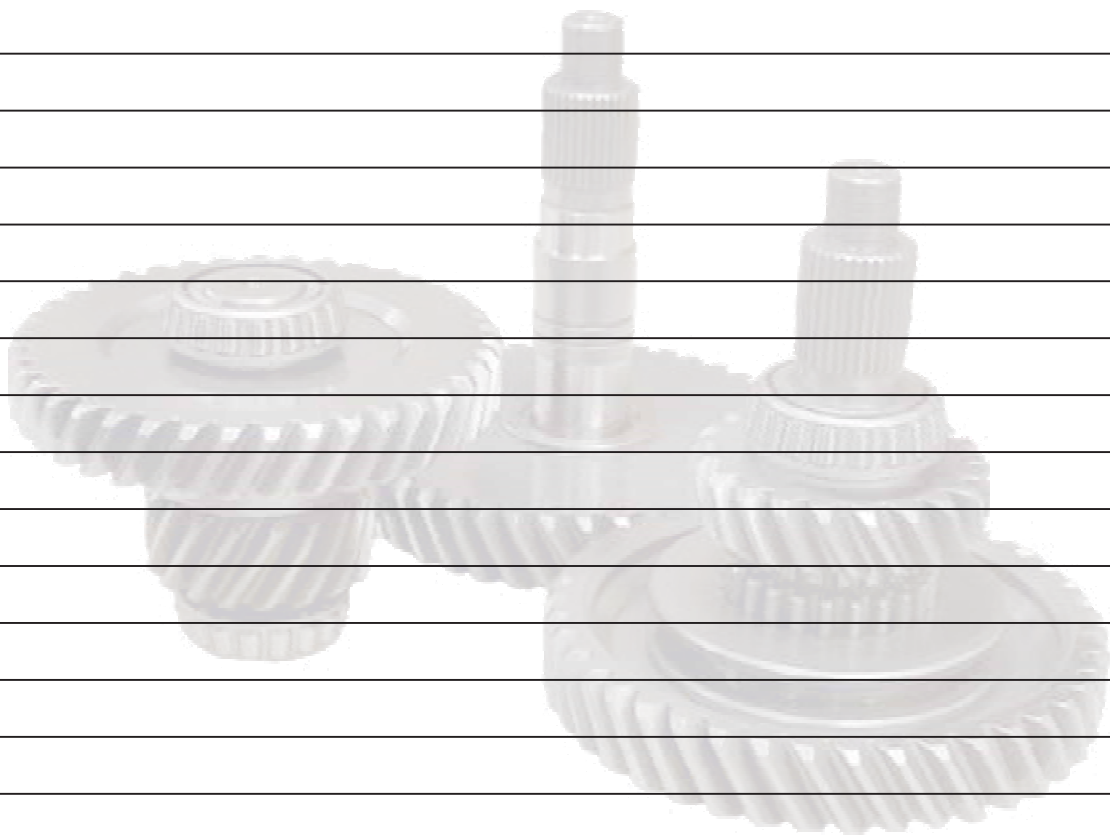




# NOTES



# NOTES



# Safety First...



 <p><b>STRATEGY FOR COVID-19</b></p> <p>Facilitated through COVID-19 Task Force</p>	<p><b>A</b></p>  <p><b>SOCIAL DISTANCING</b></p> <ul style="list-style-type: none"> <li>Working with allowed manpower</li> <li>Markings at all crowd gathering places to facilitate social distancing</li> </ul>	<p><b>B</b></p>  <p><b>SCREENING &amp; MONITORING</b></p> <ul style="list-style-type: none"> <li>Usage of <i>Aarogya-Setu</i> by all</li> <li>Continuous monitoring of Employee health</li> <li>Mandatory non-contact body temperature scanning- thrice a day</li> </ul>
<p><b>C</b></p>  <p><b>DISINFECTION &amp; SANITIZATION</b></p> <ul style="list-style-type: none"> <li>Regular Sanitization of all common / large areas, touch prone areas</li> <li>Disinfection Tunnel at Entry (SFO)</li> </ul>	<p><b>D</b></p>  <p><b>CONTAINMENT PLAN</b></p> <ul style="list-style-type: none"> <li>Isolation/ area</li> </ul>	<p><b>E</b></p>  <p><b>PREVENTION &amp; AWARENESS</b></p> <ul style="list-style-type: none"> <li>Masks use by employees</li> <li>Awareness through Trainings, Visual and daily checks and audits</li> </ul>







# THE HI-TECH GEARS LTD.

**CIN- L29130HR1986PLC081555**

**Regd. Off.** : Plot No. 24, 25 & 26, Sector -7, IMT Manesar, Gurugram, Haryana - 122050

**Corp. Off.** : Millennium Plaza, Tower-B, Sushant Lok-I, Sector-27

Gurugram-122002, Haryana. **Tel.:** +91(124) 4715100

**Website** : [www.thehitechgears.com](http://www.thehitechgears.com) **E-mail:** [secretarial@thehitechgears.com](mailto:secretarial@thehitechgears.com)