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

December 03, 2020

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

Dear Sir/Madam,

Subject: Intimation for Submission of Annual Report of the Company for the Financial Year 2019-20

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 2019-20 along with the Notice of 34th 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

The Hi-Tech Gears Limited
Gurugram

Naveen Jain
Company Secretary
M.No. A15237

passion to succeed

passion | innovation | technology

ENGINEERING
MANUFACTURING
ROBOTICS

THE HI-TECH GEARS LTD.

ENGINEERING CONVERGENCE SOLUTIONS FOR A LEAN WORLD

34th ANNUAL REPORT 2019-2020

future engage deliver

THGL next

Corporate Office

14th Floor, Tower – B,
Unitech's Millennium Plaza,
Sushant Lok – 1, Sector – 27,
Gurugram,
Haryana – 122009
Tel : (0124) 4715100,
Fax : (0124) 2806085,
Email : secretarial@thehitechgears.com

Registered Office & Plant II

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

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 and Institutions

Standard Chartered Bank
Citi Bank
State Bank of India
ICICI Bank Ltd.
Kotak Mahindra Bank
HDFC Bank
Bajaj Finance

Registrar & Transfer Agent

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

Board of Directors

Mr. Deep Kapuria
Executive Chairman

Mr. Anant Jaivant Talaulicar
Vice Chairman

Mr. Anil Kumar Khanna
Independent Director

Mr. Pranav Kapuria
Managing Director

Mr. Sandeep Dinodia
Independent Director

Mr. Bidadi Anjani Kumar
Director

Mr. Vinit Taneja
Independent Director

Mr. Anuj Kapuria
Executive Director

Mr. Prosad Dasgupta
Independent Director

Mr. Krishna Chandra Verma
Independent Director

Mr. Ramesh Chandra Jain
Director

Ms. Malini Sud
Independent Director

Mr. Neville D'Souza
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 India, LLP
21st Floor, DLF Square Jacaranda Marg,
DLF Phase-II, Gurugram-122002, India

Cost Auditors

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

Secretarial Auditor

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

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 assumptions, 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, Directors' Report and Business Responsibility Report together with its Annexure 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

Contents

The Hi-Tech Gears Ltd.

MILESTONES

1986 onwards...

1986	Incorporated as a Public Limited company
1988	Production Commencement & 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 Manufactured
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)

TEUTECH

CUSTOMERS

Hero
IFA
DAIMLER
Daimler India Commercial Vehicles Pvt., Ltd.
MAGNA
MEGNA POWERTRAIN
TATA Cummins
JCB
CATERPILLAR®
Cummins
PENTAIR
NEW HOLLAND AGRICULTURE
NAVISTAR
WABCO
GKN SINTER METALS
AAM
BorgWarner

CHAIRMAN's MESSAGE

Dear Shareholders,

I am pleased to write this message to you in the 34th year of the Company. In an era of global uncertainties, your Company continued to pursue its core values of excellence, integrity, commitment and transparency that guide our business conduct and underpin all of our operations.

As the last financial year unfolded, it brought with it several surprises that not only changed the global political and business landscape significantly but also posed a new threat to humanity. It has been more than three quarters since we began discussing the COVID-19 pandemic, it's spread at a global level and the extent of its grave impact. Most of the countries, including India went for a complete lockdown for early two to three months which explains the seriousness of the issue. All of us have been worrying about the growing numbers of mortalities and crave for a solution through development of a vaccine, apart from the usual instructions to stay safe.

Available economic data forecasts indicate an unprecedented decline in global activity due to the COVID-19 pandemic. 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.

While the situations prior to the spread of the pandemic across the globe were not favourable either, yet the spread of COVID-19 as global issue has not only impacted the lives, lifestyles and social structures but also significantly impacted the economic framework. It is difficult to predict when the pandemic will end; hence, the various economies will take even longer to find their way back, along with getting back to a normal life. The Indian scenario is not any different. Even with all the relief packages and relaxations, the setback back to the economy is so significant that it will take its own time to recover.

The global economy continues to struggle; all economies across continents remain in stress due to the economic slowdown. In line with what is happening around the world, FY 20 has been a disappointing year for the Indian economy also with GDP growth coming down to just 4.2 %. In FY 21, all estimates indicate that the GDP growth will be negative, with a return to growth only in FY 22.

Global and Domestic Economic Affairs

The world economy has experienced significant volatility in the past few years and the period under review continued to be challenging due to numerous macro-economic factors, some of which are briefly discussed in my message. The last year and the present one has perhaps been the most tumultuous in terms of global affairs with growth getting impacted by heightened uncertainties. The USA, UK, Japan and other developed countries registered minimal growth, despite expectations of improved economic activity.

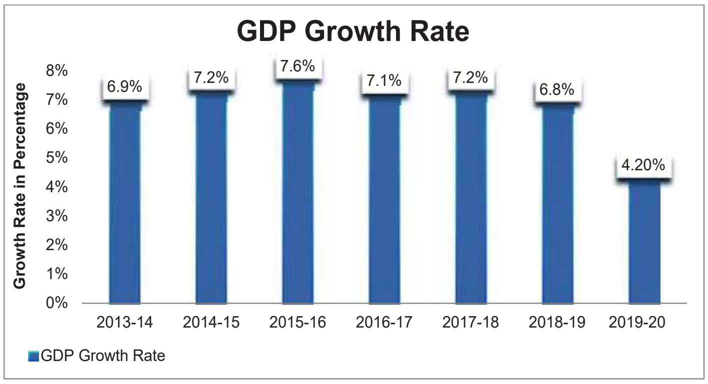
World economic growth in 2019 was just 2.8%, due to the slowdown in global trade caused by both economic and political factors. Emerging and developing economies growth are constrained by sluggish investment, and risks are tilted to the downside. These risks include rising trade barriers, renewed financial stress, currency depreciations as well as sharper slowdowns in several major economies. Growth in emerging markets and developing economies are expected to stabilize in 2021 as some countries are still to move past periods of financial strain due to the global pandemic and other legacy issues. In the era of COVID-19, economists warn that further escalation of trade wars and tension between China and US could slow global growth to a crawl. A full-blown trade war will damage both economies and spill over to other regions, including India, South Korea, Japan and Europe.

Geopolitical tensions are rising, which will result in further trade imbalances. Clashes between Chinese and Indian troops over their disputed border in the Himalayas have resulted in fatalities. American officials have increased their criticisms of China's actions in the South China Sea, calling Beijing's claims to the disputed waters and taking control on Hong Kong's sovereignty completely unlawful.

There is a higher-than-usual degree of uncertainty around any forecast. The baseline projection rests on key assumptions about the fallout from the pandemic. In economies with declining infection rates, the slower recovery path is visible. For economies struggling to control infection rates, a lengthier lockdown will inflict an additional toll on all human activities. To summarise, the COVID-19 pandemic has had a more negative impact on activity in the first half of 2020 than anticipated earlier, and the recovery is projected to be slower than expected as the pandemic is nowhere under control. The adverse impact on low-income households is particularly acute. In view of this, global growth is expected to be negative for sure this year as per the WEO, which projects it at (–) 6.2%. Some stability is expected in 2021, supported by the discovery of a vaccine, easing of lockdowns, improved market sentiments, accommodative financial conditions, and the return of domestic and international confidence.

Despite the above and headwinds from almost two years, India is still enjoying the fastest growing economy tag. Indian GDP represents 2.4% of world's GDP. However, India's gross domestic product (GDP) is estimated to have slowed to a decade low of

3.1 % in the last quarter of FY20, mainly due to poor demand and spending by all stakeholders. Overall, the GDP moderated to 4.2 % in FY 20 from 6.8 % in FY 19 with the Inflation rate at 3.4%.



I had raised a point of concern in my previous messages regarding the financial crisis in our economy; higher NPAs, financial crunch, liquidity problems rose to a new level, as the banks, especially PSBs and NBFCs went into a high risk assessment mode and were reluctant to provide financial support at a reasonable cost to even well managed companies. The challenge before the Government is now that it will be required to find ways to offset the inflationary impact of higher prices for certain essential commodities and relieve the burden especially on the poorer sections of the population , to try and revive demand.

The rupee has hit historic lows against the dollar in recent times, leading to widespread expressions of concern about what that means for the Indian balance of payments and the economy more generally. The consequences of rupee depreciation need to be thought through carefully as this might hamper the growth recovery in short and medium term. The only good news is that India's current account deficit in FY 21 is estimated to be marginal or perhaps even positive, due to the significant drop in import costs. In view of the adverse circumstances, various agencies have forecasted that the Indian Economy is expected to contract by 8% to 14% in FY 21 and then grow by 5.0% in the following year as economic activity normalizes gradually.

The Prime Minister of India laid down the target of making India a $5 trillion economy by 2024-25, something that stimulated debate and discussion among economists and policymakers who sought roadmaps to attain this optimistic economic goal. However, in present situation the discussion garners more significance, and it seems that, Indian economy may attain the $5 trillion mark only by 2027-28, due to the setback caused by the global pandemic.

The long-term growth prospects of the Indian economy remain positive due to its young population, the various reforms being introduced by the government in various sectors including the 'Atma Nirbhar" campaign launched by the government. Improved business processes also make a difference for doing business in India. India is now at the 63rd position as per World Bank's Ease of Doing Business rankings. Similarly, India's Balance of Payments position improved and now the forex reserve is US$ 538 billion as of second week of August 2020.

Fiscal Policies Going Forward

As the great lockdown begins to ease in several parts of the world, fiscal policies have come in to picture, balancing the need to protect people, stabilize demand, and facilitate recovery. Where the pandemic remains acute and stringent lockdowns continue, fiscal policies have accommodated health care services to save lives. The objective of policies is to save jobs, provide employment and facilitate structural shifts in labor markets for a more resilient post COVID-19 economy.

Giving thought to the above principle, more than two-thirds of governments across the world have scaled up their fiscal support to mitigate the economic fallout from the pandemic and the stringent lockdowns as growth is revised further downwards. These measures have helped save lives, protect livelihoods, and preserve employment and business relations. Announced fiscal measures are now estimated at near $12 trillion globally. One-half of these measures are additional spending and forgone revenue, directly affecting government budgets. The remaining is liquidity support, such as loans, equity injections, and guarantees, including through state-owned banks and enterprises, which help maintain cashflows and limit bankruptcies.

In May, the Prime Minister, announced a special economic package of Rs 20 lakh crore (equivalent to 10% of India's GDP) and the 'Atma Nirbhar Bharat' scheme with the aim of making the country independent against the tough competition in the global supply chain and to help in empowering the poor, labourers, migrants who have been adversely affected by COVID. Following this announcement, the Finance Minister, announced the detailed measures under various economic packages.

The RBI Governor also underlined five positive shifts that are underway which will shape the future of the Indian economy, leverage its strengths and position it as a leader in the global growth. The five areas are, the farm sector, global value chains, information and communication technology (ICT), renewable energy, and infrastructure. He also stated the need for both the private and public sector to play an important role in the path to recovery.

Indian Automotive Sector and Future Outlook

The automotive industry makes a significant contribution to the global economy. Overall, the industry's annual turnover is equivalent to the world's sixth largest economy. In 2019, global direct employment in the industry was estimated at nearly 16.5 million workers. The industry has had a roller coaster journey; it recovered from the 2008-09 global financial crisis, enjoyed a boom in 2015 to 2017 and now it is once again faced with great uncertainty. The industry was the first hit, since the global pandemic began in China and the impact of COVID-19 has since become severe in all parts of the world.

The automotive industry is facing a sharp drop in demand and investment. It is also struggling with an abrupt and widespread stoppage of economic activity, as workers are told to stay at home, supply chains grind to a halt and factories close. Restrictions on the movement of people and the sudden stoppage of economic activity are expected to cause a severe contraction in sectoral output and GDP. It is estimated that factory closures in Europe and North America alone have caused some 2.5 million passenger vehicles to be removed from production schedules, at a cost of US$77.7 billion in lost revenue for automotive and parts manufacturing companies.

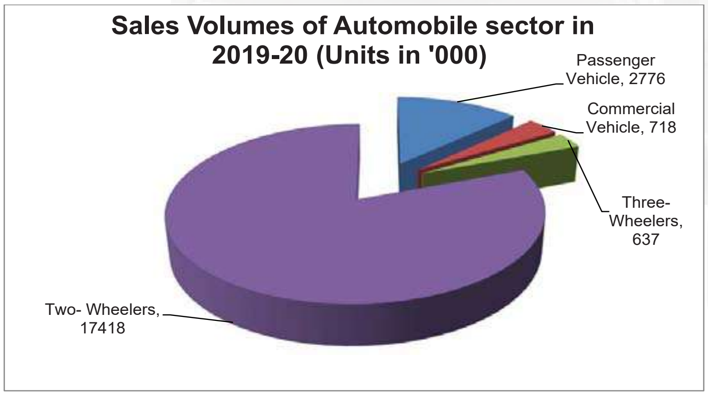
India is one of the most promising global automotive markets, and the size of India's auto component industry is $57 billion. The Indian automobile market made its mark in the world by manufacturing quality products at competitive prices. Similarly, the Indian auto component industry has the potential to become one of the high growth industries in the world, if it receives the right support and incentives. Seen as a significant player in the global automotive supply chain, India is a supplier of a range of high-value and critical automobile components to almost all global automobile manufacturers. The high quality, low priced engine parts, transmission parts, brake systems and other components made in India are amongst the worlds' favorite.

Indian industry has been facing many challenges in recent past, including one for the auto sector on account of various regulatory changes, especially the transition from BS-IV to BS-VI and CAFE regulations. The uncertainty is further compounded by lower consumer sentiments resulting in inventory build-up, and all OEMs are constantly realigning production in line with demand. Also, shared mobility, electric vehicles (EV) are being promoted by the Government which poses a threat to existing production lines in the auto sector. The impact of COVID-19 was also felt in the last quarter of FY 20, when the operations were stalled due to lockdown 1.0.

As such the automotive industry under performed in FY 20; as I explained in previous messages, not only the Indian auto industry, but the entire industry at the world level needs to prepare itself for a paradigm shift and be agile and flexible to face growing uncertainities in various spheres. The industry is at an inflection point where both opportunities and challenges abound in equal measure and will shape the direction of future events in the industry.

According to the data released by SIAM, in FY 20, the industry **manufactured** a total 26,362,284 vehicles including passenger vehicles, commercial vehicles, three wheelers, two wheelers and quadricycles, recording a decline of 14.73 % over the previous year (30,914,874 vehicles). The production trends reveal that there is negative growth in all categories from passenger vehicles, commercial vehicles to two wheelers.

In terms of sales, the domestic Industry **sold** a total 21,548,494 vehicles in FY 20; out of this passenger vehicles declined by 17.82% (2,775,679 vehicles). Also, in commercial vehicle, there is a degrowth by 28.75% (717,688 vehicles). Scooters/ Scooterette sales declined by 16.94% while all time favorite, Motorcycles and Mopeds also registered a negative growth of 17.53% (11,214,640 vehicles) and 27.64% (636,940 vehicles) respectively, taking the total two wheeler sales decline to 17.76% (17,417,616 vehicles) for the year. Overall, three wheelers sales also registered a decline of 9.19% (636,569 units), while Passenger Carrier sales decreased by 8.28% (525,015 units).



The sector's exports were almost flat during the year, with overall automobile exports increasing by only 2.95% (4,765,754 vehicles). Passenger vehicles exports increased by 0.17% (677,311 vehicles), however commercial vehicles exports registered a decline of 39.25% (60,713 vehicles). The exports of three wheelers declined by 11.54% but export of two wheelers recorded an increase of 7.30% (3,520,376 Vehicles).

Since coming to power for the second term, the Government's main concern has been the revival of growth in the Indian economy and crucially enough, it has chosen to give the industrial sector a structural push to achieve its goal. The Government's dream 'Make in India' initiative, which intends to make manufacturing the engine of growth and also generate employment, is still to take full shape. Under this initiative, there is increased focus on new processes, new infrastructure, new sectors and creating a new mindset in order to increase the share of manufacturing in GDP to 25% from the current 17%. The focus of Make in India Program is on 25 sectors out of which one of the important sectors is Automobiles.

Company Performance and Strategy

The performance of your Company was in line with the industry performance, in the year gone by. As expected, sales and profits were down, however we were still able to show profits, mainly due to our operational excellency. 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. 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.

To summarise, the financial results for the year FY 2020 the standalone turnover of the Company decreased by 21.29% and touched Rs. 5155.28 million. As a result of the lower topline, the standalone profit before tax stood at Rs 153.02 million. After consolidating the financials of the Company with its subsidiaries, the consolidated turnover registered a degrowth at 21.19% and stood at Rs. 7334.94 million. Despite the lower profits, the Company still chose to share the profits by declaring an interim dividend of 15 % for the FY 20.

In FY 20 the Company had an export income of INR 1334.44 million (standalone), which decreased by 30.21% over the previous year due to obvious reasons explained in this message. The export programs are also expected to gain momentum in coming years. Going forward, the overall focus will continue to be on manufacturing excellence and quality at optimum costs.

We have enough experience in our portfolio as manufacturers and suppliers of gears and transmission equipment, which will help us in tapping new markets. The Board is competent with both executive and non-executive Directors possessing a wide range of expertise. The Board continued to perform its role of monitoring the Company's performance including its operational & financial performance and progress in delivering new growth. Further, in terms of new strategy your Company is following a consistent and long term approach, to grow cash flow across the cycle and deliver competitive returns through focus on operating efficiencies, quality and timely delivery.

The North American subsidiaries are also facing the same issues, as in all other geographies, however your management is confident that new and improved conditions will lead to growth opportunities by 2021.

COVID-19 will change the way the world works; just like the great depression, industry 3.0, dot-com bubble, and the 2008 financial crash did in the past. I've been pondering, like many have, what fundamental changes will take place in how people, businesses, and economies function. The next 12 months will be difficult. Many businesses will struggle, some may even fold up. However, as with economic adversities of the past, new industries will emerge bringing with it renewed hope of recovery. Eventually, things will go back to normal. Just that we'll have to change the definition of normal.

I, on my behalf and on behalf of my colleagues on the Board would like to thank and record our sincere gratitude to all our stakeholders for the confidence & trust reposed upon us and our deep appreciation to all employees of the Company for their hard work, commitment and whole hearted support for achieving company's goals and targets. I further thank all our customers; our supply chain partners and our bankers for reposing their confidence & support in us.

Deep Kapuria
Chairman

MANAGING DIRECTOR'S MESSAGE

Dear Shareholders,

I am happy as always to connect with you to reflect on the performance of your company, share with you our thoughts and strategy for the future. The FY 2020 was eventful and challenging in terms of the global and domestic scenarios. The economic environment is varying almost on a daily basis for various economic and geo-political reasons and lately due to the outbreak of COVID19.

The performance of the Indian Economy in FY 20 was disappointing in many spheres. The automotive industry was one of them and it declined in almost across the board. Obviously your Company was also adversely impacted and it moved in line with the automotive industry's performance.

Macro-Economic Updates

After considerable growth in previous years, global economic activity slowed down from the last three years, reflecting a confluence of factors affecting major economies, including USA and China. The growth in world output also grew by a marginal 2.8 % in 2019. Ongoing trade tussles are fuelling fears about damage to global economic growth and leaving the world on the brink of a trade war.

The global economy continues to struggle with almost little or no growth in the year gone by. Slower trade liberalization, obstacles to value chain integration, elevated economic policy uncertainty and the likelihood of financial market disruptions and outbreak of pandemic are certainly the main reasons. The continuously increasing impact of the COVID19 global pandemic has the potential to derail a fragile trade recovery expected earlier. The weakness in investment has been most pronounced in the largest emerging markets and commodity-exporting emerging and developing economies. The adverse impact on low-income households is particularly acute, jeopardising the significant progress made in reducing extreme poverty in the world since the 1990s.

Global growth is projected between (–) 5% to (-) 6.5% in 2020. The COVID-19 pandemic has had a more negative impact on activity in the first half of 2020 than anticipated, and the recovery is projected to be more gradual than previously forecast. The baseline projection rests on key assumptions about the fallout from the pandemic. In economies with declining infection rates, the slower recovery path; for economies struggling to control infection rates, a lengthier lockdown will inflict an additional toll on activity. And those economies, that are seemingly reaching a peak in infections, should ensure that their health care systems are adequately resourced.

This outlook is subject to considerable downside risks. The possibility of disorderly financial market volatility has increased, and the vulnerability of some emerging market and developing economies to such disruption has risen. The world is developing and looking for a cure for COVID-19 and a lot of resources have been allocated for it. Trade protectionist sentiments have also mounted, while policy uncertainty and geopolitical risks remain elevated. Saving economies from the aftermaths of the pandemic, and heightened geopolitical tensions continue to cloud the outlook atleast for the next one and half years.

India was one of the first countries to impose a nationwide lockdown to contain COVID19. It started on March 25 and stalled business activity in the country. It was slowly eased, and by June, most non-essential services had also been allowed to operate in non-containment zones in the country, subject to policies made by states. Many curbs on movement have been relaxed, though educational institutions, cinemas, local trains/metro etc are shut. At the same time government has taken prompt policy measures both in the short and long term to revive the economy at the earliest.

The Indian economy faced a huge obstacle due to the lockdowns. Up to 63% of businesses have indicated a severe adverse impact of shutdowns caused due to COVID-19 on operations, as per a survey in June. The unemployment rate had increased to 26% across India and more than 45% households across the nation reported an income drop as compared to the previous year. Various business cut salaries and laid off employees. A number of young startups have been impacted as funding has fallen. Government revenue has been severely affected with tax collection going down, and as a result the government has been trying to find ways of reducing its own costs. India should prepare for a negative growth rate in FY21 as the Indian economy was expected to lose over ₹32,000 crore (US$4.5 billion) every day during the lockdown.

Certain facets of the Indian economy are important, and I would therefore like to share it with you for a better understanding of the situation today:

India's real GDP grew at 4.2 % in FY20, thereby experiencing moderation in growth when compared to FY19. This moderation was mainly on account of decline in all sectors such as manufacturing, mining, agriculture, transport, storage, communication, services & defence sectors.

The pickup in economic activity is contingent upon how long it will take for each sector to return to normalcy. Constraint in consumption demand can be expected to continue for few more quarters given the high unemployment rate and lower income levels. The government will have to continue to play a crucial role for the revival of the economy. As per Finance Ministry India's GDP is expected to contract 4.5% in the FY 2020-21 citing unprecedented Covid-19 induced supply-demand shocks. Other estimates by International Financial institutions and international rating agencies, estimate the decline to be even higher between 8 to 14 %.

The economy has been fraught by idle capacity, low demand, and high cost of production. And, the coronavirus pandemic has pushed it further. India began emerging from the world's longest coronavirus lockdown in early June, but despite ordering its population of 1.35 billion indoors for over two months, it has watched cases rise steadily. There are mixed views on India's decision to gradually open its economy, which was already in the grip of a slowdown before the pandemic struck with devastating force. So, where does India go from here? We'll have to wait and watch.

To bring the economy back on track, and Government's commitment towards structural reforms and social welfare measures, have launched 'Atmanirbhar Bharat' [self-reliance] scheme and released various measures for Rs. 20 lakhs crores. The scheme covers almost all aspect of people and business in any way. Scheme is projected to strengthen with the collective effort of all stakeholders and contribute to rebuilding a strong vibrant Indian economy.

Prompt policy measures have been taken in the scheme to revive the economy at the earliest. The Department of Economic Affairs reported that preliminary readings indicate the emergence of green shoots from July onwards. These green shoots have a conducive policy environment to grow further and nudge the economy early on the path of economic recovery and growth.

As global economies contract because of the COVID19 pandemic, the focus of most of India Inc has now moved back to the home market where demand is expected to pick up in coming times. Despite all the turmoil, the Long-term prospects for the Indian economy still looks good, on the back of the return of a stable and strong government at the Centre with its focus on growth and development, along with ongoing consolidation and restructuring activities. The Government is thinking of various ways to further assist the manufacturing and service sector and we should see positive steps being taken in this financial year.

The Automotive Sector:-

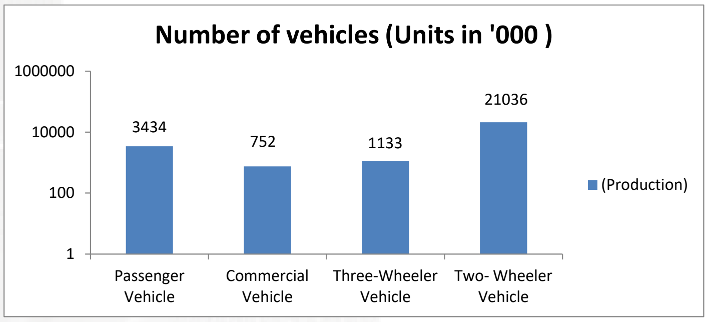
The Automotive sector is one of the most vibrant sectors of the Indian economy. India has emerged as the destination of choice in the world for design and manufacture of automobiles and auto components. The automobile industry in India is the world's 4th largest in numbers. India currently enjoys the tag of the world's 7th largest manufacturer of cars and commercial vehicles respectively.

The domestic industry now has holistic capability to manufacture an entire range of automotive components e.g. engine parts, drive, transmission parts, suspension & braking parts, electricals, body and chassis parts, equipment etc. The auto sector is one of the biggest job creators, both directly and indirectly. It is estimated that every job created in an automotive company leads to three to five indirect ancillary jobs. India's domestic market and its growth potential have been a big attraction for many global automakers.

The last few years have been weak due to low demand, regulatory pressures, increasing the automation requisite for delivering quality products, with a competitive edge over the suppliers from other parts of the world etc. Now, the pandemic has resulted in an unprecedented drop not only in business but in unemployment in the automotive industry across its supply chains. Many more jobs would have been lost, if government, employers and workers had not taken immediate action to control the adverse impact.

In 2019-20, the industry registered a decline of 14.83% over the same period last year with sales of 26,314,248 vehicles compared to 30,895,228 vehicles in the previous year.

Two wheelers have always had a major share of volumes in the total output, however there was a decline during the year. The segment produced and sold 21,036,294 vehicles and 20,937,992 vehicles compared to 24,499,777 vehicles and 24,460,688 vehicles in previous year, thus registering a significant decline of 14.14% in production and 14.40% in sales respectively.



There has also been a further fall in volumes during the last few months. The cumulative domestic sales of all vehicles continued to skid further in first quarter of 2020-21. Recently, the Society of Indian Automobile Manufacturers announced 89.35 % decline in total vehicles sales for April-May period, the lowest in nearly eight years. Looking at the downtrend, the liquidity crunch facing nonbanking vehicle financiers, lack of clarity on technological changes, rural distress etc, the OEMs had also cut their production significantly.

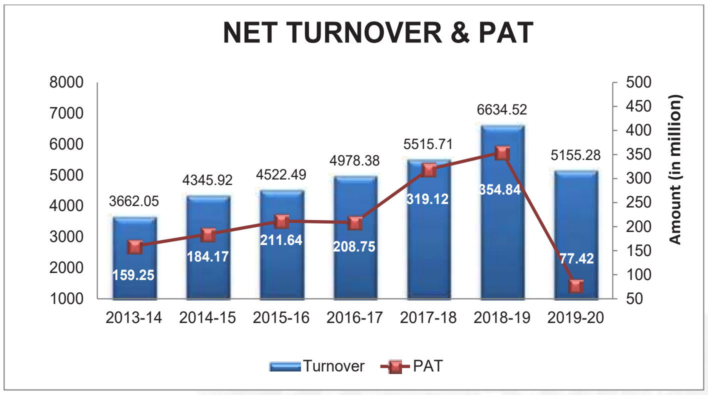
We can expect return in sales in this second half on improving socio economic sentiments, effects of fiscals announced to boost economy as part of Atma Nirbhar Bharat, ease on movement, stable commodity prices, re-start of mining activity and infra projects, and higher industrial activity with an improved investment climate.

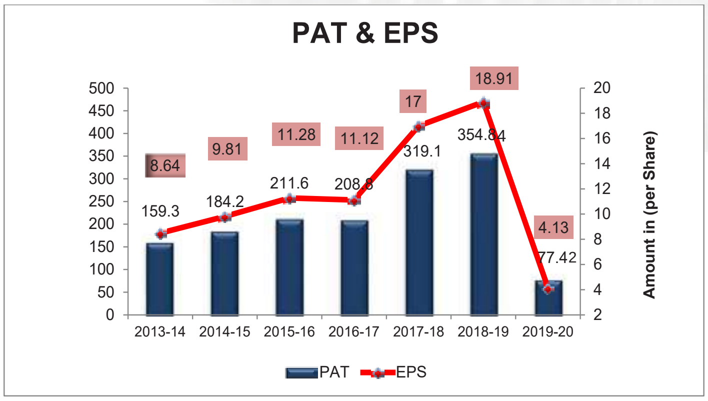
The Indian Auto and Auto component sectors have been working tirelessly in all areas and are geared for further improvements & growth in the coming period. Despite the fact that the first quarter recorded a decline for the auto industry, seeing the green shoots, demand to pick up from the second quarter onwards when dispatches are stronger due to coming festive seasons. Further a normal monsoon and announcement of a higher farm support price also augurs well for automobile sales, especially two- wheelers and tractors.

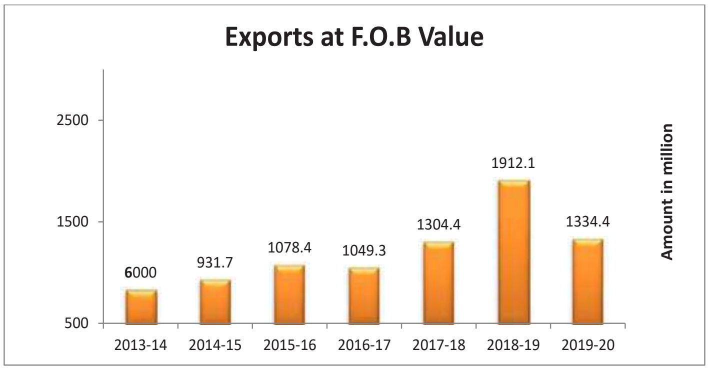
Performance of the company

Your Company is one of the few industrial enterprises which has 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.

In the first half FY20, the Company made reasonable progress in all verticals except in heavy vehicles and off-road vehicles vertical. However, the second half was highly volatile due to low demand, and an increasingly unfavourable economic and business environment. In the last month of the financial year, the impact of the lockdown also adversely affected sales. The total sales turnover of the Company decreased to Rs.5155.28 million, registering a de-growth of 22.29%. Profit before tax was Rs.153.02 million and profit after tax stood at Rs. 77.42 million compared to Rs. 531.22 million and Rs. 354.84 million in FY19. Earnings per Share also decreased to Rs. 4.13 from Rs. 18.91 in the previous year. The Company recorded an export turnover of Rs. 1334.44 million, compared to Rs. 1912.10 million in the previous year, thus recording a decrease of 30.21 %.







Post consolidation with the overseas subsidiaries, the turnover stood at Rs.7334.94 million compared to Rs. 9306.81 million in the previous year, registering de-growth of 21.19 %. The consolidated financials of the Company with its subsidiaries are attached to the 34th Annual Report. Recognizing the importance of sharing the gains with shareholders, who have placed their funds and trust in the Company at all times, an amount of Rs. 28.15 million was paid out as interim dividend for FY 20.

In my entire experience of the auto sector, it was probably during the lockdown period, that the force majeure clause was invoked by major participants in the industry, which shows the severity of the situation faced by the industry in this pandemic. We were all faced with a great shortage of resources. The Promoter / Directors of your company have waived off their remuneration and commission to support the company in this situation. Similarly, the employees came forward and agreed to work on reduced salaries. As I mentioned in my previous messages that the “people are the company’s greatest assets and must be valued, measured and developed”. This is an emotional point and I must state that the statement is hundred percent true with the gesture they have shown. With this strong belief, your company continues to invest in building its most significant asset, its people. The Board of Directors and the entire team is working hard to enable the company to achieve its goals despite the global pandemic.

The management of the company is proactive and took various measures for the safety and security of its employees and society, a brief of some of initiates are mentioned in the Management Discussion Analysis attached to the Directors’ Report.

Going forward, not only the domestic, but the export programs are also expected to gain momentum. Overall, the focus will continue to be on quality delivery at optimum costs. New initiatives are taken by your company 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.

In respect of internal controls, your Company has been working with M/s. Grant Thornton India, LLP, Internal Auditors of the Company with the objective of strengthening internal controls and improving internal processes.

In a vibrant economy, downturns can come and go. Disruptive change opens opportunities for new players who drive innovation, new products and services as some of the entrenched struggle and vacate space. Your company has the capability to achieve excellence in the coming years, because it has both consolidated and diversified its production capacity through significant internal re-organization in both its core and strategic areas to prepare for the future.

On behalf of The HGL team, I thank you for your continued support and assure you of our unceasing efforts to improve your company’s performance and image year after year. I place on record my sincere thanks to our valued customers, supply chain partners, banks and all our employees for their valuable and continuing support in all our endeavours.

Pranav Kapuria
Managing Director

DIRECTORS' REPORT

Dear Members,

Your Directors have great pleasure in presenting the 34th Annual Report of your Company, together with the audited financial statement of accounts of the company for the financial year ended 31st March, 2020. Further, the consolidated performance of the company and its subsidiaries has been referred to wherever required.

Financial Results

The highlights of the standalone and consolidated financial performance of the Company are as under:-

(₹ in Mn except per share data)

Particulars	Standalone		Consolidated	
	2018-19	**2019-20**	**2018-19**	**2019-20**
Revenue from Operation	6472.15	5093.25	9137.22	7220.18
Other Income	162.37	62.03	169.59	114.76
Total Income	**6634.52**	**5155.28**	**9306.81**	**7334.94**
Profit before Depreciation, Interest & Taxes (PBDIT)	986.12	643.52	1301.99	951.45
Depreciation	270.80	274.53	421.91	430.34
Profit before Interest & Taxes (PBIT)	715.32	368.99	880.08	521.11
Financial Charges	184.10	215.97	294.81	331.29
Profit before Taxes (PBT)	531.22	153.02	585.27	189.82
Provision for Taxes	176.38	75.60	229.49	107.06
Profit after Tax (PAT)	**354.84**	**77.42**	**355.78**	**82.76**
Balance of profit brought forward	2216.68	2494.11	2220.69	2529.70
Balance available for appropriation	2573.30	2558.12	2608.89	2653.79
Dividend	65.69	65.69*	65.69	65.69*
Tax on dividend	13.50	13.50*	13.50	13.50*
Balance Surplus in P & L Account	2494.11	2478.94	2529.70	2574.60
Paid-up Equity Share Capital	187.68	187.68	187.68	187.68
Earnings Per Share (EPS)	18.91	4.13	18.96	4.41

* Please refer to dividend para of this Director Report

General Information

Financial Year 2020 was another roller coaster year for domestic automobile industry. Auto industry faced multiple regulatory, geopolitical, and economic disruptions creating both developments and challenges for the Indian economy. However, the outbreak of Coronavirus (COVID-19) pandemic globally is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite period of time. COVID-19 is significantly impacting business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure / lock down of production facilities etc.

Almost all segments of the automobiles categories registered downfall on full year basis. The domestic sales of Commercial Vehicles decreased by 28.75% during April-March 2020 and Three Wheeler registered de-growth by 9.19% for the said period. In Two Wheeler segment, the sales of Scooters/ Scooterette declined by 16.94% including downfall in sales of Motorcycles and Mopeds by 17.53% and 27.64% respectively in FY 2019-20. The Passenger vehicles is the only segment which shows the growth engine of automobile industry, unfortunately during financial year 2020 this segment is also showing downfall by 17.82%.

On export side, the overall automobile exports increased by 2.95%. While Three Wheelers and Two Wheelers registered a downfall/ growth of 11.54% and 7.30% respectively, exports of Passenger Vehicle increased by 0.17% and Commercial Vehicles registered a de-growth of 39.25% in April-March 2020 over April-March 2019.

The Indian auto components industry is going through a transformational period with the concept of mobility changing continuously. The prospects of the Industry is to benefit over next years are good.

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. Your company possesses all the above skills and is appreciated by customers all over the world. Keeping this in mind, your company is today tapping new geographies due to the high potential available in the export markets.

However, the FY 20 was a tough year for the Company. Due to the high volatility in the financial year, there was stress in volumes in all sections of automobile business. The outbreak of COVID-19 also contributed the downside of business.

Detailed information on the operations and on the state of affairs of the Company are majorly covered in the Management Discussion & Analysis Report, forming part of this report. The performance of the Company was in line with the performance of Auto Industries. During the FY 2019-20, the total revenue stood at Rs. 5,155.28 million as compared to Rs. 6,634.52 million in the last FY 2018-19, registering a degrowth of 22.30 %. The profit before tax was drastically decreased to Rs. 153.02 million as compared to Rs 531.22 million in previous year. Similarly, the Net profit after tax of the Company was also on the downside at Rs. 77.42 million in comparison to Rs. 354.84 million in previous year, registering a degrowth of 78.18%.

On a consolidated basis, the total revenue was Rs. 7,334.94 million as compared to Rs. 9,306.81 million in the previous FY. Similarly, the Net profit after tax was Rs. 82.76 million as compared to Rs. 355.78 millions in previous FY.

At the export front, the Company recorded an export turnover of Rs. 1334.44 million as compared to Rs. 1912.10 million in the previous year, hereby recorded degrowth of 30.21% as compared to the percentage during the same period in the previous year. The total export turnover now fall to 26.20% 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 IndAS-110 on Consolidated Financial Statements, read with IndAS-28 on Investments in Subsidiaries outside India, the Audited Consolidated Financial Statements for the FY ended March 31, 2020 are provided in this Annual Report.

Impact of COVID-19 pandemic

Towards the end of financial year 2019-20, the entire global economy including auto industry has been facing with an unprecedented disruption, owing to the COVID-19 pandemic. The COVID-19 outbreak has severely impacted the business of the company with shattered supply chains, halted production and deliveries to the Customers. The Company's manufacturing facilities was closed from March 23, 2020 to May 03, 2020 due to nationwide lockdown announced by the Government of India.

Subsequently, the Company has resumed its operations in limited manner with effect from May 04, 2020, with available workforce, in strict compliance with Standard Operating Protocols (SOPs) issued by the Union Government and State Government from time to time. The health and safety remained the main key focus for the company The Company has put in place stringent monitoring processes for Covid-19 ensuring the following:

- Sanitizing the premises and vehicles on regular basis Maintenance of social distancing at all work places 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
- Promoting awareness through do' and don's posters for all its employees
- All customers and vendors have been communicated with about 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.

Even after the complete lifting of lockdown, the turnaround to take a significantly longer time. However, management is working on planned and concerted response both immediate and medium to long term which will ensure recovery. The management is closely monitoring the situation and to take appropriate action in the interest of all stakeholders.

Share Capital

The paid up Equity Share Capital as on 31st March, 2020 was Rs. 187.68 million. During the year under review, the Company has not issued shares or granted stock options or sweat equity.

Dividend

During the year under review and based on the performance of the company, the Board of Directors, at their meeting held on February 07, 2020, declared an interim dividend @15% i.e. Rs. 1.50 per equity share amounting to Rs. 28.15 million, the same is being confirmed at the forthcoming Annual General Meeting. Further, the Directors have not recommended any final dividend for the financial year 2019-20. The total dividend payout stands at Rs. 65.69 million* (Previous year Rs. 65.69 million) & tax on dividend comes to Rs 13.50 million (Previous year Rs. 13.50 million). During the FY under review, no amount has been transferred to General Reserve 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 2019-20.

Change of the registered office

In order to enhance better administrative and economic control over the company and to streamline & rationalize its operations as well as the management of affairs of the Company, the Registered Office was shifted from the State of Rajasthan to the State of Haryana during the Financial Year 2020. The Regional Director North Western Region approved the move and later, Registrar of Company (ROC) have issued fresh certificate of Incorporation in this regard. The Company's registered office is now situated at Plot No 24, 25, 26, Sector-7, IMT Manesar, Gurugram-122050, Haryana w.e.f. July 19, 2019.

The shifting of the Registered Office as aforesaid is in the best interests of the company, its shareholders and all concerned. The shifting will in no way be detrimental to the interest(s) of any member of the public, employees or other associates of the Company in any manner whatsoever.

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) & 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:

(a) that in preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any,

(b) 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, 2020 and of the profit of the Company for the year ended on that date,

(c) 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,

(d) that the annual financial statements have been prepared on going concern basis,

(e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively, and

(f) 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

** which includes Rs. 37.54 Million as final dividend for the financial year 2019, declared and paid in the AGM of Financial Year 2019*

(IFC). This ensures orderly and efficient conduct of its business, including adherence to Company policies, safeguarding of its assets, accuracy, prevention of errors & 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, 2020, 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 have 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 (LODR) 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 MGT-9 (Extract of Annual Return) & AOC-1 (Statement containing salient features of the financial statement of subsidiaries) attached to this Report, pursuant to section 129 (3) 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 has amended/ made revision in the policy for determining material subsidiaries in order to align with amended listing regulations and other applicable laws. The revised policy is available at www.thehitechgears.com.

Directors, Key Managerial Personnel's and Evaluation

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

Retire by Rotation

Independent Directors are not liable to retire by rotation. Pursuant to the provision of Section 152(6) of the Companies Act, 2013, Mr. R.C. Jain (DIN: 00038529), Non-Executive Director, being longest in the office, retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for the re-appointment. Brief profile of Mr. R.C. Jain is provided in the Notice convening the Annual General Meeting.

a. Key Managerial Personnel's

All Whole Time Directors such as 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 (C.S.).

The Board at its meeting held on November 04, 2019, upon the recommendation of Nomination and Remuneration Committee has appointed Mr. Naveen Jain as Company Secretary (CS) and Key Managerial Personnel of the Company w.e.f. November 18, 2019 in place of Mr. S.K. Khatri, who step down from the post of Company Secretary w.e.f. November 16, 2019.

b. Independent Directors

The Board has 7 (Seven) Independent Directors, including one Woman Independent Director, representing diversified fields and expertise. Details are provided in the appropriate section of the Corporate Governance Report.

During the year, Mr. Neville D'Souza (DIN: 08536411) was appointed as Non-Executive Independent Director of the company, with effect from August 14, 2019, whose appointment was ratified by the members for a terms of 5 years in their previous annual general meeting held in 2019.

The Independent Directors have submitted their declarations of independence, as required pursuant to provisions of section 149 (7) of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), 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 Listing Regulations.

c. Meetings of the Board

The Board met 4 (four) times during the period 2019-20 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 an 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 holders as mandated.

Auditors and their Reports

a) Statutory Auditors

M/s O P Dadu & 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 till the conclusion of 36th Annual General Meeting of the Company to be held in the year 2022-23. They have furnished a certificate confirming the eligibility under section 141 of the Companies Act, 2013 and Rules made thereunder.

Pursuant to the provisions of Companies (Amendment) Act, 2017 read with MCA notification dated 07th May, 2018, the appointment of Statutory Auditors is not required to be ratified at every Annual general Meeting.

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.

b) Cost Auditors

The provisions relating to section 148(1) read with rules are applicable, accordingly cost accounts and records are made and maintained.

The cost audit for the Financial Year 2020 was done by M/s Kabra & 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 on the recommendation of the Audit Committee, approved the re-appointment of M/s. Kabra & Associates, Cost Accountants as the Cost Auditors of the Company for the year ending 2020-2021. 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 & Associates is included in the Notice convening 34th 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.

As per 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 & Associates, Practicing 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 and do not call for any further explanation/ clarification by the Board of Directors under the Act.

Additionally, pursuant to 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 & Associates, Practicing 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. Internal Auditors present 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 declaration of dividend.

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. 14 of Section XI of Corporate Governance Report and Note No. 11 of the Notice of ensuring 34th Annual General Meeting.

In terms of the said Rules and the amendment thereof vide notification dated 28th February, 2017 and 13th 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 and further, the necessary information in this regard is available on the website of the Company i.e. 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 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 2019-20, the Company has transferred 1,000 and 570 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.

Extract of Annual Return

As required pursuant to Section 92(3) & 134 (3) of the Companies Act, 2013, an extract of Annual Return in the prescribed form MGT-9 is annexed to this Report as **Annexure II** and also on company's website on the link: www.thehitechgears.com.

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

Details of Energy Conservation, Technology Absorption, Research & 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 III**, to this Report.

Report on Corporate Governance

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

Management Discussion & Analysis Report

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

Risk Management Policy

Pursuant to Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, provisions of constituting Risk Management Policy are not applicable to the Company. Although 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 have adopted & 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 is provided in **Annexure-IV**.

Your Company has in place a CSR Policy. 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.

Particulars of contracts or arrangements with related parties

All transactions entered by the Company with the parties, which may be regarded with 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 annexed to this report as **Annexure-V**. Disclosures on related party transactions are also set out in Note No. 36 to the financial statements.

The revised Policy on materiality of related party transactions pursuant to Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as approved by the Board may be accessed on the Company's website at the link www.thehitechgears.com.

Electronic Clearing Services (ECS)

As per the circular issued by Securities & 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 are 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 and the Company.

Postal Ballot

During the period under review, no Resolution was required to be passed through postal ballot. Similarly, at the forthcoming Annual General Meeting, there is no item for approval through Postal Ballot is being placed.

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.

During the year, the company has amended the said code of conduct to regulate, monitor and report trading by designated persons and their immediate relatives in pursuance to the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 including the code of practices and procedures of fair disclosure of unpublished price sensitive information. The same has been placed on the Company's Official website i.e. 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 a Code of Conduct for its Board Members and Senior Management personnel in place pursuant to SEBI Listing Regulations. The code of conduct has also been posted on the official 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.

Reconciliation of Share Capital Audit

M/s Grover Ahuja & Associates, practicing Company Secretary carried out the Secretarial 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 31st March, 2020 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 Bombay Stock Exchange India Limited (BSE) Mumbai. Pursuant to Regulation 14 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the annual listing fees for the year 2020-21 has been paid within the prescribed time period.

Fixed 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 there under.

Dematerialization of the equity shares

99.61% 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 the date of this report.

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

Particulars of Employees

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **Annexure VI**.

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 analysing the criteria for determining qualifications, positive attributes and independence of a Director. The said policy available on the website of the Company at www.thehitechgears.com. Salient feature of the policy are provided in attached Corporate Governance Report.

Audit Committee

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.

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 harassment. Complete details are provided in attached Corporate Governance Report.

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

The Company has not given any loans or guarantee covered 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.

Business Responsibility Reporting

As per Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of Business Responsibility Reporting is applicable to the Company. A detailed report is annexed as **Annexure VII**.

Personnel

The Board of Directors place on record their appreciation of the untiring efforts of the employees of the organisation 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 & recognising employees for their long term commitment as & when the opportunity arise.

Trade Relations

The Board of Directors place on record their 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 & 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 : New Delhi **Deep Kapuria**
Dated : August 13, 2020 **Chairman**

ANNEXURES TO THE DIRECTORS' REPORT

ANNEXURE - I

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANICAL YEAR ENDED 31ST MARCH, 2020
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 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 **31st March, 2020**, 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. Further, this audit is on the basis of information provided by the company over the e-mails as due to the COVID-19 pandemic in the whole nation, we are unable to carry out the physical verification of documents.

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 **31st March, 2020** 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.

   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;

   e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

(vi) Factories Act, 1948 and Rajasthan Factory Rules, 1951;

(vii) The Environment (Protection) Act, 1986 and other Environment laws;

(viii) The Employees Provident Fund & 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 & 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 report that:

a) As per the information and explanations provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we report that the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of :

   (i) External Commercial Borrowings were not attracted to the Company under the financial year under report;

   (ii) Foreign Direct Investment (FDI) were not attracted to the Company under the financial year under report;

   (iii) Overseas Direct Investment in Wholly Owned Subsidiary abroad was not attracted to the company under the financial year under report.

b) As per the information and explanations provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.

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. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

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

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

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

For **Grover Ahuja & Associates**
Company Secretaries

Akarshika Goel
(Partner)
ACS No.: 29525
C.P No.: 12770

Place: New Delhi
Date: 26.06.2020
UDIN: A029525B000384990

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

Annexure A

To
The Members
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. Where ever 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

Akarshika Goel
(Partner)
ACS No.: 29525
C.P No.: 12770

Place: New Delhi
Date: 26.06.2020
UDIN: A029525B000384990

ANNEXURE - II

FORM NO. MGT 9

Extract of Annual Return

as on financial year ended on 31.03.2020

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

I. REGISTRATION & OTHER DETAILS:

1.	**CIN**	L29130HR1986PLC081555
2.	**Registration Date**	23/10/1986
3.	**Name of the Company**	The Hi-Tech Gears Limited
4.	**Category/Sub-category of the Company**	Company Limited by Shares/ Indian Non-Government Company
5.	**Address of the Registered office & contact details**	Plot No. 24-26, Sector-7, IMT Manesar, Distt. Gurugram -122050 Haryana, India Tel: (0124) 4715200
6.	**Whether a company is listed or not**	Yes
7.	**Name, Address & contact details of the Registrar & Transfer Agent, if any.**	**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: **info@masserv.com;sm@masserv.com**

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacture of diverse parts and accessories for motor vehicles such as brakes, gearboxes, axles, road wheels, suspension shock absorbers, radiators, silencers, exhaust pipes, catalyser, clutches, steering wheels, steering columns and steering boxes etc.	29301	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1.	2545887 Ontario Inc. 361 Speedvale Ave. West Guelph, Ontario N1H1C7, Canada	Ontario: 2545887	Subsidiary	100	Section 2(87)
2.	The Hi-Tech Gears Canada Inc. (Formerly known as Teutech Industries Inc.) 361, Speedvale Avenue West, Ontario, N1H1C7, Canada	Ontario : 1965796	Step down Subsidiary	100	Section 2(87)
3.	Teutech Holding Corporation Suite 606, 1220 N. Market Street, Wilmington, Delaware, 19801 County of Newcastle, USA	Delaware: 98- 0414627	Step down Subsidiary	100	Section 2(87)
4.	Teutech, L.L.C. 416 Owens Drive, Huntsville, Alabama, 35801, USA	Alabama : 20-0424638	Step down Subsidiary	100	Section 2(87)
5.	Teutech Leasing Corp 400 Meridian Street, Suite 301, Huntsville, Alabama, 35801, USA	Alabama : 20-0504993	Step down Subsidiary	100	Section 2(87)
6.	2504584 Ontario Inc. 361, Speedvale Avenue West, Ontario N1H1C7, Canada	Ontario: 2504584	Step down Subsidiary	100	Section 2(87)
7.	2323532 Ontario Inc. 361, Speedvale Avenue West, Ontario N1H1C7, Canada	Ontario: 2323532	Step down Subsidiary	100	Section 2(87)
8.	Neo-Tech Auto Systemz Inc. 3411 Silverside Road, Rodney Building, Suite 104, Wilmington, De 19810, USA	36-4801889 (EIN)	Subsidiary	100	Section 2(87)
9.	Neo Tech Smart Solutions Inc. 361, Speedvale Avenue West, Ontario N1H1C7, Canada	002635220	Subsidiary	100	Section 2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as %age of Total Equity)

A - Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change During the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
a) Individual/ HUF	5571545	8000	5579545	29.73	5614425	8000	5622425	29.96	0.23
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	4799076	-	4799076	25.57	4799076	-	4799076	25.57	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	**10370621**	**8000**	**10378621**	**55.30**	**10413501**	**8000**	**10421501**	**55.53**	**0.23**
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	23408	900	24308	0.13	400	900	1300	0.01	(0.12)
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-		-
Sub-total (B)(1):-	**23408**	**900**	**24308**	**0.13**	**400**	**900**	**1300**	**0.01**	**(0.12)**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1570787	1072	1571859	8.38	1459758	1072	1460830	7.78	(0.60)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	2401123	66732	2467855	13.15	2450190	63332	2513522	13.39	0.24
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	3787227	-	3787227	20.18	4091504	-	4091504	21.80	1.62
c) Others (NBFCs registered with RBI)	185	-	185	0.00	-	-	-	-	0.00
d) Non Resident Indians including on Repeatriable Basis/Non Repeatriable Basis	233244	-	233244	1.24	235582	-	235582	1.26	0.02
e) Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
f) Foreign Nationals	-	-	-	-	-	-	-	-	-
g) Any Other/ Clearing Members/ IEPF	304701	-	304701	1.62	43761	-	43761	0.24	(1.38)
h) Trusts	-	-	-	-	-	-	-	-	-
i) Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	**8297267**	**67804**	**8365071**	**44.57**	**8280795**	**64404**	**8345199**	**44.46**	**(0.11)**
Total Public Shareholding (B)=(B)(1)+(B)(2)	8320675	68704	8389379	44.70	8281195	65304	8346499	44.47	(0.23)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**18691296**	**76704**	**18768000**	**100.00**	**18694696**	**73304**	**18768000**	**100.00**	**0.00**

B) Shareholding of Promoter

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Vulcan Electro Controls Limited	1082000	5.77	-	1082000	5.77	-	-
2	Olympus Electrical Industries Pvt Ltd	1745200	9.30	-	1745200	9.30	-	-
3	Hi-Tech Portfolio Investments Limited	1971876	10.51	-	1971876	10.51	-	-
4	Veena Kapuria	501120	2.67	-	501120	2.67	-	-
5	Dev Kumari Kapuria	2000	0.01	-	2000	0.01	-	-
6	Anuj Kapuria	844062	4.50	-	844062	4.50	-	-
7	Pranav Kapuria	848102	4.52	-	848102	4.52	-	-
8	Deep Kapuria	3117461	16.61	-	3117461	16.61	-	-
9	Deep Kapuria & Sons (HUF)	220800	1.18	-	231780	1.23	-	0.05
10	Master Abhay Kapuria	8000	0.04	-	8000	0.04	-	-
11	Adhiveer Kapuria	19000	0.10	-	19000	0.10	-	-
12	Adhiraj Kapuria	19000	0.10	-	19000	0.10	-	-
13	Aabha Kapuria	-	-	-	15950	0.09	-	0.09
14	Megha Kapuria	-	-	-	15950	0.09	-	0.09
	Total	**10378621**	**55.30**	**-**	**10421501**	**55.53**	**-**	**0.23**

C) Change in Promoters' Shareholding (please specify, if there is no change)

During the financial year 2019-20, the shareholding of promoters & promoters group was increased from 55.30% to 55.53% (i.e. change in shareholding by 0.23%).

D) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):

Top Ten Shareholders	Shareholding at the beginning of the year (April 1, 2019)		Top Ten Shareholders	Shareholding at the End of the year (March 31, 2020)	
	No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
Nemish S Shah	767049	4.09	Nemish S Shah	767049	4.09
Anuj Anantrai Sheth	759959	4.05	Hiten Anantrai Sheth	621396	3.31
Nemish S Shah(HUF)	580000	3.09	Nemish S Shah(HUF)	580000	3.09
Mukesh Chimanlal Patani	536762	2.86	Mukesh Chimanlal Patani	536762	2.86
Shamyak Investment Private Limited	289600	1.54	Anuj Anantrai Sheth	536000	2.86
Hiten Anantrai Sheth	285000	1.52	Shamyak Investment Private Limited	289600	1.54
Prescient Wealth Management Pvt Ltd	255363	1.36	Prescient Wealth Management Pvt Ltd	255363	1.36
Gagandeep Credit Capital Pvt Ltd.	154376	0.82	Anuj Anantrai Sheth (HUF)	223959	1.19
Prescient Securities Private Limited	142292	0.76	Logus Realty Private Limited	150000	0.80
Zafar Ahmadullah	133000	0.71	Gagandeep Credit Capital Pvt Ltd.	148376	0.79

Note: The shares of the Company are traded on a daily basis at the Stock Exchanges and hence the date wise increase/ decrease in shareholding is not indicated.

E) Shareholding of Directors and Key Managerial Personnel:

S. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-19 to 31-03-20)	% of total shares of the Company
		No. of Shares at the beginning (01-04-19) / end of the year (31-03-20)	% of total shares of the Company				No. of Shares	
A	**DIRECTORS**							
1	Mr. Deep Kapuria	3117461	16.61	1-Apr-19			3117461	16.61
		3117461	16.61	31-Mar-20	-	-	3117461	16.61
2	Mr. Pranav Kapuria	848102	4.52	1-Apr-19			848102	4.52
		848102	4.52	31-Mar-20	-	-	848102	4.52
3	Mr. Anuj Kapuria	844062	4.50	1-Apr-19			844062	4.50
		844062	4.50	31-Mar-20	-	-	844062	4.50
4	Mr. Sandeep Dinodia	0	0.00	1-Apr-19			0	0.00
		0	0.00	31-Mar-20	-		0	0.00
5	Mr. Ramesh Chandra Jain	0	0.00	1-Apr-19			0	0.00
		0	0.00	31-Mar-20	-	-	0	0.00

S. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-19 to 31-03-20)	% of total shares of the Company
		No. of Shares at the beginning (01-04-19) / end of the year (31-03-20)	% of total shares of the Company				No. of Shares	
6	Mr. Anil Kumar Khanna	0	0.00	1-Apr-19			0	0.00
		0	0.00	31-Mar-20	-	-	0	0.00
7	Mr. Bidadi Anjani Kumar	0	0.00	1-Apr-19			0	0.00
		0	0.00	31-Mar-20	-	-	0	0.00
8	Mr. VinitTaneja	5600	0.03	1-Apr-19			5600	0.03
		5600	0.03	31-Mar-20	-	-	5600	0.03
9	Mr. Anant Jaivant Talaulicar	0	0.00	1-Apr-19	-	-	0	0.00
		0	0.00	31-Mar-20	-	-	0	0.00
10	Mr. Krishna Chandra Verma	0	0.00	1-Apr-19	-	-	0	0.00
		0	0.00	31-Mar-20	-	-	0	0.00
11	Mr. Prosad Das Gupta	2000	0.00	1-Apr-19			2000	0.00
		2000	0.00	31-Mar-20	-		2000	0.00
12	Ms. Malini Sud	0	0.00	1-Apr-19			0	0.00
		0	0.00	31-Mar-20	-	-	0	0.00
13	Mr. Neville D'Souza	0	0.00	14-Aug-19			0	0.00
		0	0.00	31-Mar-20	-	-	0	0.00
B	**KEY MANAGERIAL PERSONNEL**							
14	Mr. Dinesh Chand Sharma (CFO)	0	0.00	1-Apr-19			0	0.00
		0	0.00	26-Jun-19	-	-	0	0.00
15	Mr. Vijay Mathur (CFO)	20	0.00	04-Nov-19			20	0.00
		20	0.00	31-Mar-20	-	-	20	0.00
16	Mr. S.K. Khatri (CS)	0	0.00	1-Apr-19			0	0.00
		0	0.00	16-Nov-19	-	-	0	0.00
17	Mr. Naveen Jain (CS)	0	0.00	18-Nov-19	-	-	0	0.00
		0	0.00	31-Mar-20	-	-	0	0.00

V) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment **(₹ in Mn)**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2534.27	-	-	2534.27
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	15.00	-	-	15.00
Total (i+ii+iii)	**2549.27**	**-**	**-**	**2549.27**
Change in Indebtedness during the financial year				
* Addition	190.83	-	-	190.83
* Reduction	(828.74)	-	-	(828.74)
Net Change	**(637.91)**	**-**	**-**	**(637.91)**
Indebtedness at the end of the financial year				
i) Principal Amount	1900.35	-	-	1900.35
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	11.01	-	-	11.01
Total (i+ii+iii)	**1911.36**	**-**	**-**	**1911.36**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: **(₹ in Mn)**

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Deep Kapuria (Chairman)	Mr. Pranav Kapuria (MD)	Mr. Anuj Kapuria (WTD)	
		2019-20	2019-20	2019-20	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	17.19	9.54	9.09	35.82
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.87	0.41	0.64	1.92
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission* - as % of profit - others, specify…	NIL	NIL	NIL	NIL

5	Others, please specify	NIL	NIL	NIL	NIL
	Total (A)	**18.06**	**9.95**	**9.73**	**37.74**
	Ceiling as per the Act	Being 10% of the net profit of the Company as calculated as per section 197, 198 & other applicable provisions of Companies Act, 2013.			

* The annual commission related to 2019-20 was waived off by all the Executive Directors of the Company, therefore no disbursement for the same was paid/payable.

B. Remuneration to other directors (Amount in millions)

S. No.	Name of the Directors & Designation	Commission	Sitting Fees	Total Amount
1	Mr. Sandeep Dinodia, Independent Director	0.087	0.120	0.207
2	Mr. Krishna Chandra Verma, Independent Director	0.087	0.110	0.197
3	Mr. Vinit Taneja, Independent Director	0.087	0.080	0.167
4	Mr. Anil Kumar Khanna, Independent Director	0.087	0.080	0.167
5	Mr. Ramesh Chandra Jain, Non-Executive Director	0.087	0.060	0.147
6	Mr. Bidadi Anjani Kumar, Non-Executive Director	0.087	0.040	0.127
7	Mr. Prosad Dasgupta, Independent Director	0.087	0.040	0.127
8	Ms. Malini Sud, Independent Director	0.087	0.050	0.137
9	Mr. Anant Jaivant Talaulicar, Non-Executive Director	0.087	0.030	0.117
10	Mr. Neville D'Souza, Independent Director	0.052	0.00	0.052
	Total (B)	**0.835**	**0.61**	**1.445**
	Ceiling as per the Act	1% of the net profit of the Company as calculated as per section 197, 198 & other applicable provisions of Companies Act, 2013. However the payout is restricted to 0.5% of the Net Profits calculated in terms of section 197, 198 & other applicable provisions of Companies Act, 2013.		

Total Managerial Remuneration ceiling as per Act, i.e. 11% of the net profit of the Company as calculated as per section 197, 198 & other applicable provisions of Companies Act, 2013. Out of this 10% is utilized for remuneration to whole time directors and 0.5% to Non Executive Directors (other than sitting fee).

Total Managerial Remuneration (Total A+B) is Rs. 39.185 million.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (₹ in Mn)

S. No.	Particulars of Remuneration	Mr. Dinesh Chand Sharma	Mr. Vijay Mathur	Mr. S.K. Khatri	Mr Naveen Jain	Total
		CFO	CFO	CS	CS	
		2019-20 (01.04.2019 to 26.06.2019)	2019-20 (04.11.2019 to 31.03.2020)	2019-20 (01.04.19 to 16.11.19)	2019-20 (18.11.19 to 31.03.20)	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2.99	1.28	1.47	0.84	6.58
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	0.0016	0.0016	0.0016	0.0048
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL	NIL
4	Commission - as % of profit - Others, specify…	NIL	NIL	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total	**2.99**	**1.28**	**1.47**	**0.84**	**6.58**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/ Court)	Appeal made if any (give details)
A. COMPANY					
Penalty	None				
Punishment None					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment None					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment None					
Compounding					

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 DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2020.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & 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/ improved are as under:

- Continuously using IE4 Grade highly energy efficient motor in 90 KW Kaeser Compressor;
- Installation of new air compressor (380 CFM) for energy saving for use in tandom with 570 CFM in place of 1000 CFM compressor;
- Energy Saving by adaptation of Thyristers in Seald Quench Furnaces in Heat Treatment;
- 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 – Air compressors and Forced Duct Ventilators;
- Energy cost saving in FDV's by replacement of pulleys and controlled running;
- Controlling of Air leakages from Air Pressure Gauges unit thru sensors and pneumatic valve;
- Reduction in compressed air consumption by providing air pressure regulator in machine shop operation;
- Maintaining temperature of panel AC's of machines in range of 24 to 28 C;
- Provide Solar Reflexive paint on Roof to reduce the shop floor temp. by 2 Deg C;
- Energy Audits are done on periodic basis and corrective actions taken, wherever required;
- Various Modules are developed to conserve and save the energy. The same are monitored thru Project Management system;
- Adaptation of energy efficient motors for high rated electric motors like compressors & Forced Duct Ventilators;
- Adoption of meters and capacitor banks to maintain overall PF of 0.996, thus improving energy efficiency.

WATER CONSERVATION MEASURES

- 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 of Cooling tower efficiency and elimination of one cooling tower thus saved 15 KL/Day of water extraction;
- Replacement of traditional to sandwich bus bar for reduction of transmission losses;
- Usage of coil coolers for DG sets instead of cooling tower.

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. running as per their 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 & 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 steps initiated by the Company for implementation and absorption of Lean Manufacturing are consistently showing encouraging outcome. Further, 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. Your Company has continuously endeavoured to acquire world-class technology both in hardware and software.

The benefit and impacts 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

Research & 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.

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.

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

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

v. Expenditure on Research & Development

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

C. FOREIGN EXCHANGE EARNINGS & OUTGO

The Company recorded an export turnover of Rs. 1334.44 million as compare to Rs. 1912.10 million in the previous year, thereby recorded a decrease of 30.21 %. The total exports are now 26.20% of the total turnover. The details of Foreign Exchange Inflow and outflow are as under:

(₹ in Mn)

Particulars	**(2019-20)**	**(2018-19)**
Inflow	1334.44	1912.10
Outflow		
Capital Equipment	128.34	325.24
Consumables	12.52	30.60
Raw Material	2.92	44.86
Others	335.11*	112.3*

* It includes ECB Loan repayment amount including interest for F.Y. 2019-20 Rs. 281.12 million and F.Y. 2018-19 Rs. 71.15 million.

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITIES (CSR) ACTIVITIES

CSR is a commitment by business to behave ethically and contribute to economic development and 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 using 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. The same is available on the website of the Company.

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 http://www.thehitechgears.com.

Composition of the CSR Committee

Mr. Krishna Chandra Verma- Chairman-Independent Director

Mr. Deep Kapuria -Member - Executive Director

Mr. Pranav Kapuria - Member - Executive Director

Mr. Ramesh Chandra Jain-Member - Non-Executive Director

The Committee met twice during the year under review. Details of the same are provided in Corporate Governance Report attached to the Annual Report.

Average net profit of the Company for the last three financial years

Average net profit: Rs. 403.96 million

Prescribed CSR expenditure (2% of the average net profit of the last three financial years)

The Company was required to spend Rs. 8.08 million (Approx.) towards CSR during the financial year 2019-20.

Details of CSR spent during the financial year:

a) Total amount spent for the financial year; Rs. 8.15 million

b) Amount unspent, if any; NIL

Manner in which amount spent during the financial year is detailed below:

(₹ in Mn)

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Locations (Unit)	Amount outlay project/ programs wise (Rs)	Amount Spent on the project or programs (Rs)	Cumulative Expenditure upto reporting period (Rs)	Amount spent: Direct or through implementing agency
1	**Education, Technical Education including Research & Development**	Promoting education, including special education and vocation skills.	Local Area i.e. Haryana, Delhi & Rajasthan	5.55	5.55	5.55	Direct
2	**Integrated Community Development**	Building of tube well, water harvesting & women development	Local Area i.e. Rajasthan & Delhi	0.70	0.70	6.25	Direct
3	**Environment**	Ensuring environmental sustainability	Local Area i.e. Haryana, Delhi & Rajasthan	0.70	0.70	6.95	Direct
4	**Disaster Management**	Support to victims of natural calamities & disaster through Prime Minister Relief fund and other agencies	Local Areai.e New Delhi	0.20	0.20	7.15	Direct
5	**Prime Minister National Relief Fund**	Relief Activity	Local Area i.e. New Delhi	1.00	1.00	8.15	Direct

Responsibility Statement by the Corporate Social Responsibility Committee:

The responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

(Company Secretary) **(Managing Director)** **(Chairman CSR Committee)**

ANNEXURE - V

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 arms 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	**Aquarian Fibrecement Private Limited (Aquarian)**	**The Hi-Tech Robotic Systemz Limited (HRSL)**	**Vulcan Electro Controls Limited (Vulcan)**	**The Hi-Tech Eng. Systems Private Limited (HESPL)**
Nature of contracts/ arrangements/ Transactions	Leasing of Property	Receiving of Job Work/ Services	Sale/Purchase/ Receive and Rendering of Job work/ services	Sale/Purchase/ Receiving of services
Duration of the contracts / arrangements/ Transactions	Ongoing	Ongoing	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 Rs. 24.0 million for the financial year 2019-20	In tune with market parameters estimated annual value of Rs. 185.0 million for the financial year 2019-20	In tune with market parameters estimated annual value of Rs. 2000.0 million for all contracts for the financial year 2019-20	In tune with market parameters estimated annual value of Rs. 1250.0 million for all contracts for the financial year 2019-20
Date(s) of approval by the Board	August 03, 2018	August 03, 2018	August 03, 2018	August 03, 2018
Amount paid as advances	Rent is normally paid in Advance of the month	As per normal commercial T&C	As per normal commercial T&C	As per normal commercial T&C

- Above is the statement of all contracts which may be considered as related party transactions.
- Company has taken Omnibus approval from the Audit Committee for the Related Party Transactions for the financial year 2019-20.
- Out of the above contracts with Vulcan & HESPL are considered material Related Party Transactions.
- During the year under review, the Company has certain transaction with wholly owned subsidiaries also. Refer Board Report for brief of transaction. The Investment subsidiaries or other entity(ies) in equity is pursuant to Section 186 is 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 have 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 statement of the Company.

ANNEXURE-VI

Statement of particulars of Employees pursuant to the provision of section 197 of the Companies Act, 2013 read with the Rule 5 of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, forming part of the 34rd Directors' Report for the financial year ended on March 31, 2020.

(₹ in Mn)

Name	Designation	Age	Nature of Employment & other terms and conditions	Nature of Duties	Remuneration received	Qualification	Exp. (Yrs)	Date of Commencement of initial Employment	% of Equity shares held	Last Employment & Designation
Mr. Deep Kapuria	Chairman	71	Contractual appointment for a period of 3 year w.e.f. 01.10.2019	Overall Control and policy formulation	21.23	* BE (Hons) from B.I.T.S., Pilani * Adavance Management Programme from IIM (A) * Lead Assessor Course * Owner Management Programme from Harvard Business School	47	01.01.1987	3117461 (16.61%)	Business
Mr. Pranav Kapuria	Managing Director	45	Contractual appointment for a period of 35 years w.e.f. 01.10.2019	Overall control of day to day management of the Company	10.98	* B. Com (H) from Delhi University * MBA from Cardiff Business School * Certificate Program on Lean Manufacturing from University of Michigan	20	01.08.2000	848102 (4.52%)	With The Hi-Tech Gears Ltd. as Director
Mr. Anuj Kapuria	Whole Time Director	42	Contractual appointment for a period of 3 years w.e.f. 01.10.2019	Overall control of day to day management of the Company	10.25	* BE in Robotic and Automated Manufacture engineering from Sussex university, U.K * Master's Degree in Robotics from Carnegie Mellon University	15	30.05.2005	844062 (4.50%)	With The Hi-Tech Gears Ltd. as Director

Note:

Information has been furnished in respect of all Whole Time Directors. There were no employees who was in receipt of remuneration which in aggregate equal or exceed Rs. 102 Lakhs per annum or Rs. 8.50 Lakhs per month. Remuneration includes salary, allowance, commission, expenditure on perquisites and Company's contribution to provident fund. The annual commission related to 2019-20 was waived off by all the Executive Directors of the Company, therefore no disbursement for the same was paid/payable. None of the Employees was in receipt of remuneration in excess of that drawn by any of the Executive Directors and holds by himself or along with his spouse and dependent children, 2 % or more of the equity shares of the Company. Information pursuant to Rule 5(2) shall be made available to any shareholder on a specific request made by him in writing before the date of Annual General Meeting. Mr. Deep Kapuria, Mr. Pranav Kapuria and Mr. Anuj Kapuria are related to each other. No other employee is a relative of any Director or KMP of the Company.

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

1. 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-40.25; Mr. Pranav Kapuria, Managing Director-24.77; Mr. Anuj Kapuria, Executive Director- 23.85. Remuneration includes basic salary, HRA, Commission. Medical expenses reimbursement, contribution to provident fund & other statutory funds.

b. **Non-Executive Director**

Mr. Anil Kumar Khanna, Independent Director- 0.41; Mr. Sandeep Dinodia, Independent Director-0.50; Mr. Vinit Taneja, Independent Director-0.40; Mr. Prosad Dasgupta, Independent Director- 0.31; Mr. Krishna Chandra Verma, Independent Director- 0.47; Mr. Ramesh Chandra Jain, Non-Executive Director-0.36, Ms. Malini Sud, Independent Director-0.33; Mr. Bidadi Anjani Kumar, Non-Executive Director- 0.31 and Mr. Anant Jaivant Talaulicar, Non-Executive Director-0.30. 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 & Commission.

2. There were 741 numbers of permanent employees on the rolls of company as on 31st March, 2020;

3. The company registered a de-growth of 21.30% in operating income as compared to average percentage increase in median remuneration of employees is 2.88% in financial year 2018-19.

4. Financial Performance of the Company

S. No.	**Particulars**	**2019-20 (Rs. in million)**	**2018-19 (Rs. in million)**	**% Change**
1	Turnover of the Company	5093.25	6472.15	(21.30%)
2	Profit Before Tax	153.02	531.22	(71.19%)
3	Profit After Tax	77.42	354.84	(78.18%)

5. (a) The Market capitalization as on 31st March, 2020 was Rs. 1478.9 million and Rs. 5408 million as on 31st March, 2019 which shown decline of 72.65 %;

(b) Price Earnings ratio of the Company was 18.16 as at 31st March, 2020 and 15.23 as on 31st March, 2019 which shows an increase of 19.23 %;

(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.

6. 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 & Remuneration Committee as per the remuneration policy for Directors, Key Managerial Personnel, Senior Management & other employee.

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

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

Name of Director and DIN	**Designation**	**% Change in remuneration**
Mr. Deep Kapuria	Executive Chairman	(14.89)
Mr. Pranav Kapuria	Managing Director	(9.36)
Mr. Anuj Kapuria	Executive Director	(5.09)
Mr. Sandeep Dinodia	Independent Director	(63.57)
Mr. Krishna Chandra Verma	Independent Director	(63.57)
Mr. Vinit Taneja	Independent Director	(63.57)
Mr. Anil Kumar Khanna	Independent Director	(63.57)
Mr. Ramesh Chandra Jain	Director	(63.57)
Mr. Bidadi Anjani Kumar	Director	(63.57)
Mr. Prosad Dasgupta	Independent Director	(63.57)
Ms. Malini Sud	Independent Director	(63.57)
Mr. Anant Jaivant Talaulicar	Director	(56.91)
Mr. Neville D'Souza	Independent Director	*
Mr. Vijay Mathur (from November 04, 2019)	Chief Financial Officer	*
Mr. Dinesh Chand Sharma (upto June 26, 2019)	Chief Financial Officer	*
Mr. S.K Khatri (upto November 16, 2019)	Company Secretary	*
Mr Naveen Jain (from November 18, 2019)	Company Secretary	*

Note:

*** pl. Refer point no. c) and d) below**

a) 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.

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

c) Mr. Dinesh Chand Sharma resigned as Chief Financial Officer w.e.f. June 26, 2019 and Mr Vijay Mathur appointed as CFO w.e.f. November 04, 2019, hence this section is applicable on proportionate basis. In view of this previous % change in remuneration is not ascertainable for Mr. Sharma and Mr. Mathur

d) Mr. Naveen Jain appointed as Company Secretary w.e.f. November 18, 2019 in place of Mr S.K. Khatri who step down his position as CS w.e.f. November 16, 2019, hence this section is applicable on proportionate basis. In view of this previous % change in remuneration is not ascertainable for Mr. Khatri and Mr. Jain.

e) Mr. Neville D'souza was appointed on August 14, 2019, hence previous % change in remuneration is not ascertainable.

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

BUSINESS RESPONSIBILITY REPORT

[Regulation 34(2)(f)]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company	L29130HR1986PLC081555
2. Name of the Company	The Hi-Tech Gears Limited
3. Registered address	Plot No. 24,25,26, Sector-7, IMT, Manesar, Haryana-122050
4. Website	www.thehitechgears.com
5. E-mail Id	secretarial@thehitechgears.com
6. Financial Year reported	2019-20

7. Sector(s) that the Company is engaged in (industrial activity code-wise) :

29301	Manufacturing of Auto Components such as gears, shafts and transmission components among other similar products.

8. List three key products/services that the Company manufactures/ provides (as in balance sheet)
   a) Engine/Transmission gears
   b) Shafts
   c) Power take off units
9. Total number of locations where business activity is undertaken by the Company:
   a. Number of International Locations (Provide details of major 5) -NIL
   b. Number of National Locations
      1. Haryana – Registered office and Manufacturing Plant II at Manesar & Head office at Gurugram
      2. Delhi – Corporate office
      3. Rajasthan – Manufacturing Plant I & III at Bhiwadi, Alwar
      4. Tamil Nadu- Upcoming Manufacturing Plant at Trichy
10. Markets served by the Company –Local/State/National/International:-

    National and International Markets

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR) : 187.68 Million
2. Total Turnover (INR) : 5155.28 Million
3. Total profit after taxes (INR) : 77.42 Million
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax(%) : Rs. 8.15 Million, which is 2.1%
5. List of activities in which expenditure in 4 above has been incurred:-
   (a) Education
   (b) Environment
   (c) Integrated Community Development
   (d) Disaster Management
   (e) Prime Minister National Relief Fund
   (f) Others

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/Companies?

   Yes, the Company have 9 Wholly Owned Subsidiaries including step-down subsidiaries in Canada and US. Refer Annexure II of Director's Report (Form MGT-9) for complete details.
2. Do the Subsidiary Company/Companies participate in the Business Responsibility Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

   Our Foreign subsidiaries have varied geographical footprint and so respective jurisdictional Business Responsibilities initiatives. Hence, the subsidiaries companies adhere to their applicable initiatives, if any, at the same time they are encouraged to follow Business Responsibility of Parent Company.
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

   The Company actively encourage its suppliers through its Business Responsibility initiatives. However, the Company does not track the actual participation.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR
   (a) Details of the Director/Director responsible for implementation of the BR policy/policies
   1. DIN Number : 00006195
   2. Name : Mr. Pranav Kapuria
   3. Designation : Managing Director

   (b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	00006195
2	Name	Mr. Pranav Kapuria
3	Designation	Managing Director
4	Telephone number	0124-4715100
5	E-mail id	secretarial@thehitechgears.com

2. Principle-wise (as per NVGs) BR Policy/policies:

Principle 1 (P1)	Business should conduct and govern themselves with transparency and accountability
Principle 2 (P2)	Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle
Principle 3 (P3)	Business should promote the wellbeing of all employees
Principle 4 (P4)	Business should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
Principle 5 (P5)	Business should respect and promote Human Rights
Principle 6 (P6)	Business should respect, protect and make Efforts to restore the environment
Principle 7 (P7)	Business when engaged in influencing Public and Regulatory Policy, should do so in a responsible manner
Principle 8 (P8)	Business should support inclusive growth and equitable development
Principle 9 (P9)	Business should engage with and provide value to their customers and consumers in a responsible manner

(a) Details of compliance (Reply in Y/N)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for ….	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/ international standards? If yes, specify? (50 words)*	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?**	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?#	www.thehitechgears.com								
7	Has the policy been formally Communicated to all relevant internal and external stakeholders?#	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house Structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?@	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?$	Y	Y	Y	Y	Y	Y	Y	Y	Y

* The Whistle Blower Policy, Code of Conduct, Prevention of Sexual Harassment Policy and Corporate Social Responsibility are framed as per the requirement of respective legislations of India.

** The Whistle Blower Policy and Code of Conduct are overseen by the Audit Committee of the Board of Directors of the Company and Corporate Social Responsibility Policy is overseen by the CSR Committee of the Board of Directors of the Company. Prevention of Sexual Harassment Policy is being overseen by Internal Complaints Committee (ICC) constituted under the Sexual Harassment of Women policy at workplace (Prevention, Prohibition and Redressal) Act, 2013. The grievance, if any, arising out of Whistle Blower Policy, Code of Conduct and Prevention of Sexual Harassment Policy is being redressed by the respective committee which oversee them.

The policies duly communicated and are available on Company's website. For internal policies, we communicate as and when required using physical and electronic modes.

@ Individual policies by and large prescribe grievance redressal mechanism for the concerned stakeholders. The Whistle Blower Mechanism provides a platform to report any concerns/grievances pertaining to any violation of Code of Policies.

$ Quality, Health and environmental policies are subject to internal and external audits as part of continuation certification processes. Similarly, Audit Committee also review a number of events and provides its report to Board from time to time. No dedicated Business Responsibility Audit is prescribed as of now.

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2options)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles	N.A								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 Months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than one year.

The Complete assessment relating to BR initiative is done on an annual basis as of now. The frequency may increase based on further review.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This is the first Business Responsibility Report and it shall be published as a part of Annual Report.

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1: ETHICS, TRANSPARENCY AND ACCOUNTABILITY

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No.

   Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs/Others?

   Yes, The policy relating to ethics, bribery and corruption covers not only the Company but also extends to the Group Companies, Suppliers, Contractors and others. The Code of Conduct duly covers the requirements and provides the mechanism to evaluate the process.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the Financial Year 19-20, No Stakeholder Complaint have been received by the Company.

PRINCIPLE 2: BUSINESS SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFECYCLE

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

   The Company is engaged in the manufacturing of gears, shafts and power take off units which has negligible health and social, risks and/or opportunities. However, the company takes the appropriate measures to reduce the environmental concerns. The Company has two state of art ECOFAC Plants, which are green building council certified and have Platinum Award. The plants are sustainable green manufacturing with many energy conservation features and helping the environment with minimum wastage and pollution.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

   (a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

   The BSVI technology enables very accurate metering of fuel intake & optimizing combustion process eventually leading to higher fuel efficiency, increased power and significant reduction in exhaust pollutants. As per the International Centre for Automotive Technology (ICAT) report, the percentage reduction in Carbon Monoxide (CO), Hydro Carbons (HC) and Nitrogen oxides (NOX) is of the order of 45%, 80% and 88% respectively thereby ensuring a cleaner emission.

   (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

   The Company always strives for optimum utilization of resources.

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

   It is difficult to quantify the exact percentage of inputs sourced. The Company takes into account the various factors including environmental, social, ethical and economic factors. The Company has an environment and safety policy which are implemented across the supply chain.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors.

   Yes, The Company has number of vendors and Suppliers, located in surrounding areas. The Company has dedicated team who hand hold, mentoring to all supplier partners and evaluate their performance periodically. The team visits their facilities, analyze quality related aspects, safety measures and create action plans jointly with the suppliers, for necessary improvements.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

   The Company is conscious of the environmental impacts across the lifecycle of its products and continuous working on improving the production process sustainably. The Company recycle materials such as consumables, steel etc. wherever possible else disposed off in compliance with applicable statutory provisions. However, quantification is not possible.

PRINCIPLE 3: BUSINESS SHOULD PROMOTE THE WELLBEING OF ALL EMPLOYEES

1. Please indicate the Total number of employees. On roll- 741,casual/contractual-1188
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis- 1188
3. Please indicate the Number of permanent women employees- 05
4. Please indicate the Number of permanent employees with disabilities-02
5. Do you have an employee association that is recognized by management – Work Committee*
6. What percentage of your permanent employees is members of this recognized employee association? 5%
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

- We encourage employees to have associations, however there is no formal employee association other than Work committees and other informal alliances.

8. What percentage of your under mentioned employees were given safety &skill up- gradation training in the last year?

   (a) Permanent Employees
   (b) Permanent Women Employees
   (c) Casual/Temporary/Contractual Employees
   (d) Employees with Disabilities

   All Category of employees have to undergo mandatory induction and Safety Trainings.

PRINCIPLE 4: STAKEHOLDER ENGAGEMENT

1. Has the company mapped its internal and external stakeholders? Yes/No

   Yes

   Our stakeholders both internal and external play a significant role in expressing our values, carrying out our mission developing strategies, implementing processes and fostering long-term relationships. Internal and external stakeholders include Employees, Investors, Customers, Regulatory bodies, Supply chain partners and Government. We have systems in place regularly mapping the requirements.

2. Out of the above, has the company identified the disadvantaged, vulnerable &marginalized stakeholders?

   Yes, The Company is in process of analyzing the requirements aforesaid.

   Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

   The Company has taken various measures as per its CSR Policy including health, education, etc to engage with the disadvantaged, vulnerable and marginalized section of the society. The Company is regular in contributing and monitoring the impact on the underprivileged society.

PRINCIPLE 5: BUSINESS SHOULD RESPECT AND PROMOTE HUMAN RIGHT

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

   We recognize that business has the responsibility to respect human rights and the ability to contribute to positive human rights impacts. It is the responsibility of every employee to maintain a work environment that reflects respect for human rights and is free from all discrimination and harassment. In our business dealings we expect our partners to adhere to business principles consistent with our own. These policies are applicable to employees of the Company including Group Companies, Suppliers etc.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

Stakeholder	Complaints Rec. during FY 2019-20	Complaints Resolved during FY 2019-20	Complaints Resolved (%)
Whistle Blower	NIL	NIL	NIL
Sexual Harassment	NIL	NIL	NIL

PRINCIPLE 6: RESTORATION OF ENVIRONMENT

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

   The Company shall strive to integrate sound environmental practices across the Group's management and governance systems to minimize environmental impacts. Environmental policy forms a part of company's commitment to manage its overall impact on the environment in a responsible way.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

   The Company has been undertaking various initiatives to address environmental issues. The emissions or waste generated by the Company are within the permissible limits specified by the Central Pollution Control Board (CPCB) and/or specific State Pollution Control Board (SPCB). Company's Certain plants are certified under ISO 14001 Standards for Environment Management Systems (EMS)

3. Does the company identify and assess potential environmental risks? Y/N

   Yes, the Company regularly reviews its environmental risks and take necessary steps to mitigate them.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

   The Company continues to work towards development and implementation of climate change mitigation mainly through energy saving projects (including generation of power through solar) across the Company. However, we do not have any registration of CDM projects.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

   The measures introduced by the Company for conservation of energy at its plants locations are contained in the report on Conservation of Energy and Technology Absorption which forms part of Board's Report and the Company has two state of art ECOFAC Plants, which are green building council and the plants are sustainable green manufacturing with many energy conservation features and helping the environment with minimum wastage and pollution.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

   Our System are robust. Our manufacturing process and systems are doing limited emissions, which are well within the limits prescribed by the authority(ies).

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

   NIL

PRINCIPLE 7: BUSINESS WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

   The Company is a member of several leading Industry Associations, including:

   (a) ACMA- Automotive Component Manufacturers Association
   (b) SIAM- Society of Indian Automobile Manufacturers
   (c) CII- Confederation of Indian Industries

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

   The Company is taking up various suggestions/issues related to trade to the relevant authorities through these associations.

PRINCIPLE 8: PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

1. Does the company have specified programmes /initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

   The Company considers social development as an important aspect of its operations. As an organization which upholds and makes significant efforts to ensure good governance, the Company complies with all relevant laws of the land. The focus of our community investment initiatives is on poverty alleviation programs, especially integrated development, which impacts the overall socio-economic growth and empowerment of people. The Group is involved in providing education and various Integrated Community Development Programs.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

   The programs are undertaken by the Company both in-house and external NGO under Corporate Social Responsibility.

3. Have you done any impact assessment of your initiative?

   The CSR Committee review the progress of the initiatives undertaken by the Company at periodic interval.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

   Please refer Annexure IV of Annual Report on CSR Activities to the Board Report for Financial Year 2019-20.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Our initiatives includes providing Promoting education, including special education and vocation skills. Our focus is on building capacities of the next generation to create a long-term sustainable impact. Also the Company is engaged in various Integrated Community Development Programme.

PRINCIPLE 9:- BUSINESS SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

   The Company caters to two, four-wheeler, commercial vehicle and off road vehicle Original Equipment Manufacturers ("OEM"). There is a strong mechanism defined in the Company to deal with issues and complaints reported by OEMs. OEMs communicate issues through their quality rating shared via e-mail communications, during their visits to plants or at meetings for which corrective actions are planned to resolve and eliminate the problems witnessed.

   The Company also considering to caters to retail market on through its aftermarket division. The Complaints for the products sold in aftermarket can be raised through a different complaint resolutions mechanism.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. / Remarks (additional information)

   Yes

   The Company products are OEM specific and as per OEM requirements, the Company display product requirement of OEM. The typical information displayed on product includes detail of manufacturing date, heat treatment, batch number and customer part number. The details other than above which are mandatory as per applicable motor vehicle law are mentioned at specified at specified location

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

   NIL

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

   Company's customers are large OEMs and Engine Manufacturers. They have always appreciated company's product and services and our surveys are always important to know their satisfaction level. It gives us strength to improve upon further.

MANAGEMENT DISCUSSION ANALYSIS

Brief about the Company

The Hi-Tech Gears Ltd. is an auto component manufacturer (Tier 1 supplier) of world class repute. The Company has a foothold in US and Canada with aggregate revenue of Rs. 7334.94 million on consolidated basis in FY 2019-20. It is a listed on country's premier stock exchanges, i.e. BSE and NSE and is regularly traded scrip. It has manufacturing facilities in Bhiwadi and Manesar with some subsidiary companies in North America.

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.

The Micro Economic environment

The world is going through a crisis situation due to trauma commonly known as novel corona virus pandemic ('COVID19). The outbreak of the deadly virus in China was reported first in December 2019 and thereafter it spread in no time to the entire globe. The outbreak was initially recognised as a medical emergency by WHO and soon identified as a pandemic on March 11, 2020. US and Now India have now become the new epicentre of the pandemic after Europe.

To counter the problem of spreading further, various countries took steps to close borders and issued advisories to suspend visits to/from other countries. Effects of the pandemic include social and economic instability, postponement or cancellation of trade & business events along with sporting & cultural events. This viral outbreak posed a major destabilizing threat to world economy that could last for many quarters. Stock markets also behaved in same manner and posted their sharpest falls since 2008 on COVID-19 fears in closing sessions of FY 20.

The economic impact of COVID-19 is very disturbing. No one has been spared of its ill effects. Most economies have been badly impacted out of which some of them have asked for monetary help from IMF. Businesses across the world in manufacturing and service etc have seen a major negative impact. The COVID-19 outbreak led to several instances of non-availability of manpower due to respective governments mandate for complete lockdown of entire nations. Social distancing, supply shortages, panic buying and disruption to factory, logistic operations, delays to shipments and the situation continued to evolve till the end of June quarter.

Covid-19 has disrupted global supply chains, and this is generating spill over effects throughout different levels of supplier networks. Global trade in 2020 will fall in every region of the world and will affect all sectors of the economy. This will impact countries that are strong exporters (no output for their local companies), but also those that are importers (lack of raw materials). WTO expects global trade to fall up to 35% this year due to the coronavirus pandemic.

Growth is projected at 2.8% in 2019 on continued benign global financing conditions and modest recovery in emerging market and developing economies (EMDEs). Global growth in 2020 is expected to be heavily in negative zone due to great slowdown, weaker-than-expected trade and investment, weakness in trade and manufacturing across all economies and effects of COVID-19 on business and humanity. It is expected to further reduce in view of heightened US-China trade tensions, weaker global economic growth, volatility in financial markets.

The outbreak of the Covid-19 pandemic is an unprecedented shock to the entire world, including Indian economy. The economy was already in a parlous state before Covid-19 struck. There are various measures that India as a country taking to curb the spread of the Pandemic. This has resulted into complete Lock down effective from March 24, 2020. The Central and State Governments are into battle mode and taking significant measures in response to contain the virus.

With the prolonged country-wide lockdown, global economic downturn and associated disruption of demand and supply chains, the economy is likely to face a protracted period of slowdown. The magnitude of the economic impact will depend upon the duration and severity of the lockdowns and the manner in which the situation unfolds once the lockdown is lifted. On Government's revenue side, it faced a huge decline in government revenues and growth of the income for at least two quarters as the coronavirus hits economic activity of the country as a whole. A fall in investor sentiment impacts ambitious privatization plans of various government entities.

India's economic slowdown shows very ordinary signs of abating, with a sizeable number of indicators of domestic demand still flashing red upto recent time. Consumption has always been a strong and major driver of growth in the economy, however from last few months, there has been continuous fall. The overall scenario remained unchanged despite some improvement on the external front largely because of fresh incoming data on the current account balance as a share of GDP, which narrowed sharply in the quarter ended June 20 and recorded a severe decline of 23.9% compare to minor 3.1% growth in March quarter and 4.2% growth for the FY20. This decline is the worst since 1996, when the quarterly reporting of GDP first started.

Indian Foreign Trade

India has been the favourite destination for trade since ages. India exports ores and minerals, auto, textile, gems & jewellery, handicrafts, leather, agriculture and food products and at the same time imports, petroleum, crude, gold & silver, coal, capital goods and machineries.

Merchandise April-March 2019-20 (Estimated)	Services April-March 2019-20 (Estimated)	Overall Trade = Merchandise + Services April-March 2019-20 (Estimated)
Exports USD 314.31 Billion	Exports USD 214.14 Billion	Exports USD 528.45 Billion
Imports USD 467.19 Billion	Imports USD 131.41 Billion	Imports USD 598.61 Billion
Trade Deficit USD 152.88 Billion	Net of Services USD 82.72 Billion	Trade Deficit USD 70.02 Billion

On international trade front, India has reasonably done better with decline in trade deficit to US $ 70.02 billion as compared to US $ 103.32 billion last year. The major reason was increase in export of services and fall of oil imports. The worrying reason for economy is that despite fall of oil prices, still the oil bill takes a toll and is valued at US $ 129.43 billion comprising 8.15% of the total import bill.

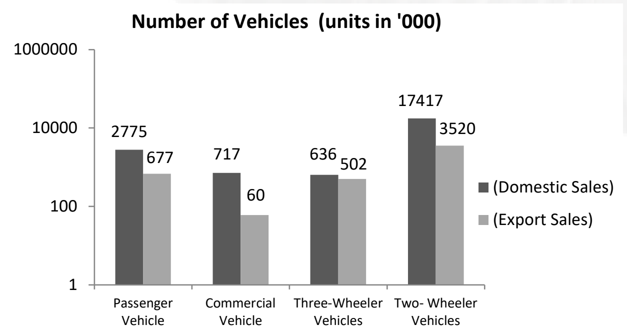
As automobile and component export has a considerable chunk in the total exports, data relating to auto is important for analysis. Overall, automobile export reached 4.77 million vehicles in FY20, growing at 6.94 per cent during FY16-FY20.

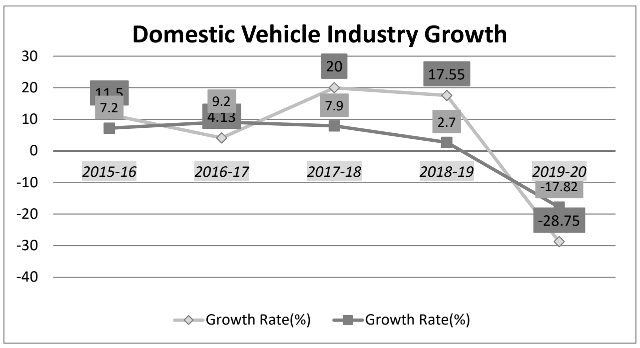
Automobile Sector and Production Trends

The Indian auto industry is one of the largest in the world and is also regarded engine of growth. It roughly accounts 7.5% of national GDP. However, the growth momentum enjoyed by it is grossly disturbed, and the sector is slowing down with unprecedented rate. There are trade and Government policies, which may be responsible for slowing business in addition to continuing, structural slowdown in international growth, technological changes and tensions emerges from US China and India China border face off in recent past.

As per SIAM figures, the performance of the auto industry underperformed in FY20. In the wake of the ongoing crisis, many uncertainties have come into the picture across industries. The repercussions of nationwide lockdown announced in March 2020 was already visible in the March 2020 sales figures of the Indian auto sector.

The industry produced a total of 26,362,284 vehicles in FY 20 as against 30,914,874 vehicles in previous year, registering a decline of 14.73%. The production of Passenger Vehicles declined by 14.76 % (3,434,015 vehicles). Within the Passenger Vehicles segment, Passenger Cars deteriorated by 19.77% with 21,75,242 vehicles, Vans also declined by 38.49% however the Utility Vehicles registered a nominal growth of 2.29% with 11,24,975 vehicles. In 2019-20 there was fall everywhere and in Commercial Vehicle segment, it was the most. It was at 32.40 % with total vehicle production to 752,022 vehicles (PY 1,112,405 vehicles). Again, M&HCVs was affected the most and declined by 47.34% and LCV declined by 22.45 % with 2,33,979 and 5,18,043 vehicles respectively. The Two-Wheeler segment registered a degrowth of 14.14% in FY 20 by recording total production of 21,036,294 units (PY 24,499,777 units). Within this segment, Scooters/ Scooterette also registered a de-growth of (-) 15.05 % and Motorcycles and Mopeds also registered a decline of 12.97 % and 28.23 % respectively in FY 20 over FY 2019. In recent time, the major attraction is the quadricycle, which grew by 13.12% at 6095 units due to its easy maintenance and city driving convenience.





Overall domestic automobiles sales decreased by 17.96% in FY20 with 21,548,494 vehicles. During FY 20, major de-growth in domestic sales among all the categories was recorded in Commercial Vehicles at 28.75% followed by 17.82% de-growth in sales of Passenger Vehicles. The total of India's automotive exports stood at 4,765,754 vehicles in 2019-20 as compared to 4,629,049 vehicles in the year 2018-19 registering a minor growth of 2.95%.

The COVID-19 pandemic has brought forth unprecedented challenges to every sector. The automobile industry, which was already battling its worst slump in two decades, has had its share too. The manufacturers of auto components are unable to manage their working capital as they have to bear fixed costs with stressed short-term viability. The lockdown could further lead to job losses, salary cuts and freeze on hiring over the next few quarters, distressing industry employability.

The crisis further makes it highly concerning for the Indian auto industry. Experts believe the pandemic may not recede in the second half of the year and this could lead to longer containment periods, worsening financial conditions and leading to further breakdowns in global supply chains. According to industry estimates, the lockdown could result in losses to the tune of INR 48,000 crore. Society of Indian Automobile Manufacturers (SIAM) estimates plant closures of various auto OEMs and components companies could lead to a loss of more than INR 2,300 crore in turnover for each day.

Automakers should now review their supplier strategy across geographies and possibly rely more on indigenous suppliers. The impact for India will have to be re-assessed continuously based on spread and containment of COVID-19.

Risk & Concerns in Automobile and Component Segment

The automobile industry is at that point, where it is facing many disruptions at the same time. Though, it just passed the urgent test, i.e meeting the technological changes as BS VI emission norms and now have to apply the Fuel Efficiency norms. This invariably result in increased vehicle's cost on one side and increased period of return of investment on the other side. Fortunately, the confusion of ambition of NITI Aayog and Government's intent is cleared with respect to having only electric vehicles being sold in the country in phased manner. This has been deferred, but the electric vehicles will definitely become popular due the low maintenance and running cost by itself, instead of any mandate.

Vehicle manufacturing is the backbone of many economies and is dependent on China for growth. As trade tensions exacerbate China's economic weakening, manufacturers in other economies, including India pay the price. On the other side, there is an opportunity for 'Make in India' to flourish, post discouragement to import from China.

The auto component industry is regarded as a low operational cost and low margin business. The auto component industry has been battling with its industry specific issues/ challenges such as:

- Infrastructure Challenges & Cost
- Higher cost due to employment and other issues during and post lockdowns
- Problem of counterfeit parts
- Availability of skilled manpower
- Payment of heavy royalty fee to foreign partners on designs and IPRs
- Building R&D competence and Ecosystem
- Fast technological changes
- Heavy capex cost due to fast technological changes for EV.

The auto component industry is not new to the above challenges and it is dealing with them at its best from quite some time. It has almost overpowered the under capacity utilisation and excessive imports of raw material and capital goods. However, from last year it is experiencing the heat of high energy and fuel cost, extreme volatility of currency and availability of finance at competitive rates post emergence of NPAs of Bank and debacle of major NBFCs.

Outlook

The rapidly globalising world is opening newer avenues for the transportation industry, especially while it makes a shift towards electric, electronic and hybrid cars, which are deemed more efficient, safe and reliable modes of transportation. Over the next decade, this will lead to newer verticals and opportunities for auto-component manufacturers, who would need to adapt to the changes via systematic research and development. The Global automotive industry is undergoing a cascade of disruptions that will reshape it in unexpected ways and India is no exception to it.

India is now acting as a global hub for manufacture of commercial vehicles, small & mid size cars and two wheelers. Rapid increase in sales of the small car segment in India has prompted a number of global automobile companies to enhance their capacities for domestic as well as export market.

The effects of demonetisation and teething problems of the initial rollout of GST have been diminishing and are now rather helping the economy and the industry to grow. However, it has to pass the major test of survival and then back to normal post COVID-19 shocks. On oil side, falling oil price during worldwide lockdown due to COVID-19 has brought transportation across to a standstill. Consequently, there's been a fall in oil demand. Weakness in oil prices implies lower fiscal revenues, lower spending by the government, lower support of the non-oil sectors, lower revenues flowing to the sector.

On positive side, India has taken lead in the directions of using the renewal energy. India now stands at 4th in wind power, 5th in solar power. Share of renewables in total electricity generation increased from 6% in to 10% in four years. On liquidity front, benchmark policy rates are reduced by 135 bps to boost the economy. Above normal monsoon will help in sowing and harvesting more yield. Various schemes under the ambitions 'Atmanirbhar Bharat' is expected to further boost the business in post COVID-19 era. Additionally, 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, Threat and Mitigation Strategies

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

Impact of COVID-19: Like any other auto component company, we are also severally impacted, since our manufacturing facilities were stopped due to government mandated lockdown. After easing, we started, but our suppliers, vendors showed their inability to perform due to various restriction. Due to the contractual obligations a lot of fixed expenses had to spent. Additionally, the company had the contractual liabilities towards it customer, which required immediate mitigation.

We are successful to an extent to mitigate the loss and impact. We assessed and kept on watching the situation. We informed our customers, who were also facing the similar situation and together invoked force majeure clause to avoid any contractual liability. We resumed supplies with limited resources of our quality products and do whatever possible to meet, what was required. In doing so many measures were taken, including cutting the establishment and fixed costs. The promoters Directors also waived off their remuneration in order to keep the company going. We expect that the bad time is over, but to become the situation normalised, it may take a longer time than expected.

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 work places
- 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
- Promoting awareness through do' and don's posters for all its employees
- Ensuring use of Arogya setu app
- All customers and vendors have been communicated with about 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 volatility in foreign exchange is now a major concern for the Company for the repayments of the ECB loans. To mitigate the risk, the Company has a natural edge, as the Company is receiving almost 25% to 30% of its revenue in foreign exchange through its export sales. Additionally, 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.

Input material: Steel is the primary source and raw material for the products of the Company. It is an important part of the cost of the final product. Rising steel prices continue to be a challenge & pose a threat to the margins of the Company in this 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. Additionally, 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.

Power: The other major cost in production is the energy cost. Presently the Company is getting power from the State Electricity Board as per the prevailing tariff. The current tariffs are very high and occupy a major portion in the overall costing of the product.

To address the energy cost, the Company has implemented a process, whereby it is purchasing electricity through the Electricity Exchange by getting competitive quotes. Further, solar power plants of 400 KW & 250 KW have been successfully installed to reduce the energy cost. Additionally, there have been major progress for putting up a solar plant under captive consumption scheme, which will reduce the cost considerably.

Customer profile: The Company is primarily a gear & transmission equipment manufacturer and supplier. The Company has a large focus amongst a few groups of customers and industry segment. This limited focus adds to market risks and also highlights the fact that one or some customers moving out could leave a large impact on the operation and financials of the Company. To mitigate this risk the Company is focusing on widening its customer base, entering new user segments and spreading operations across geographies to mitigate the market risks.

Two-Wheeler business: A major share of the Company's business is still generated from the two wheeler segment and is evident from the financials. Competition in the business has also increased significantly. This has had a serious adverse impact on the margins of the component manufacturers. 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.

Technology Risk: One of the major challenges for the industry is to build R&D competence and an ecosystem. OEMs have been working on various technologies simultaneously. OEMs expect Tier-1 suppliers for technology updation and material changes. Thus, the Company needs to continuously stay in touch with such progress & needs to evaluate ways to address these issues as well as develop technologies which are affordable and accessible. To mitigate the risks, the Company has always invested in upgrading its technology to meet the changing customer demand.

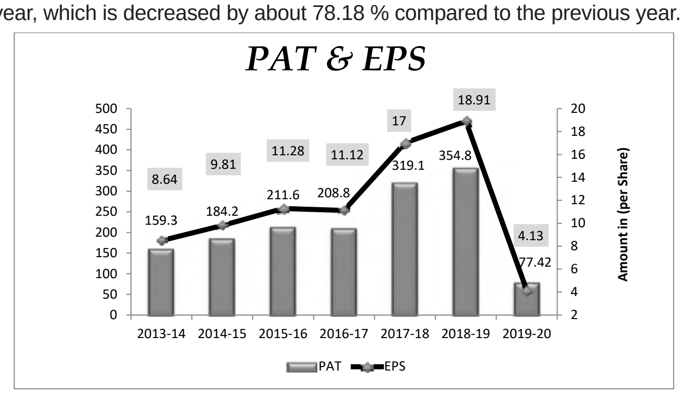
Geographical limitations: Auto component companies have another issue that is geographical limitations. Practically, it is difficult for them to expand beyond certain geographies. Expanding beyond such limits will provide more fruits in terms of revenue and profits. However, tapping into such markets is also not easy due to many factors such as acceptability, quality of the product, regulations, lack of capital, limited manpower and other resources.

To address the above mentioned concern, the Company has been regular in reaching out to other geographies. It has almost achieved the exports to the tune of around 30% of the total exports. We are committed to increase this number. Further, the Company has acquired few entities in the NAFTA region which will be a progressive step in the right direction.

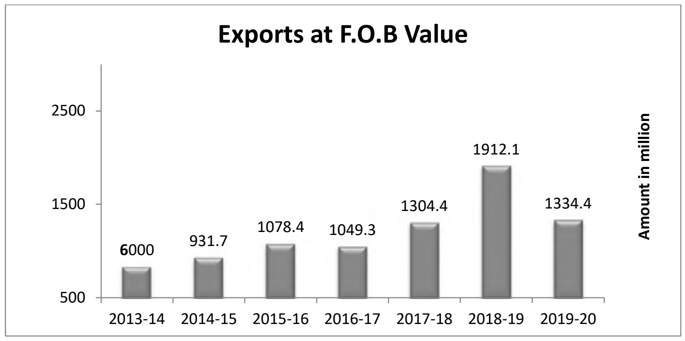
Regulatory Change: Regulations are changing to accommodate the awareness about environmental responsibilities. Stringent emission and safety norms are playing an increasingly important role globally. In the recent past, the government has focused on tighter emission norms. Now, the focus is also coming on to battery and hybrid vehicles to promote green vehicles. Of late, safety has also been attracting governmental attention. The Company is committed to comply with all applicable environmental and related regulations by gearing up for the technological changes in the products, so that it meets the requirements. Keeping this in mind, Company has invested some funds in a South Indian entity in research and advancement of leading edge expertise in the design and manufacturing of high reliability motors, drive system, long battery life for the electrification of road transport, carbon free electric vehicles.

Brief of Financial Results

On standalone basis, the total turnover stood at Rs. 5,155.28 million compared to Rs. 6,634.52 million during the previous year. The total turnover from operations stood at Rs. 5,093.25 million as compared to Rs. 6,472.15 million in FY 2018-19, registering a de-growth of 21.30%. Due low demand and in the absence of clarity on policy regulation, de-growth in all verticals was clearly visible. The profit before tax stood at Rs. 153.02 million as compared to Rs. 531.22 million in the previous year, recording a decrease of 71.19%. EPS stood at Rs. 4.13. Similarly, the net profit after tax stood at Rs. 77.42 million as compared to Rs. 354.84 million in previous year, which is decreased by about 78.18 % compared to the previous year.



The Company recorded an export turnover of Rs. 1,334.44 million compared to Rs. 1,912.1 million during the previous year, recording a sharp decrease of 30.21%. The total exports are now 26.20% of the total turnover.



On the consolidated side, the turnover was recorded till the close of the financial year at Rs.7,334.94 million compared to Rs. 9,306.81 million during the previous year. The profit before tax stood at Rs. 189.82 million as compared to Rs. 585.27 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, industry and company results, still the company was able to release funds towards the dividend. An amount of Rs. 65.69 million was paid out by way of interim dividend for the year 2019-20.

To improve the revenue the company not only the domestic, but new export programs are also being launched to gain momentum. Overall, the focus will continue to be on quality delivery at optimum costs. Company is also considering in launching the 'After Market' division to strengthen the revenue position. 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	2018-19	2019-20	Change over previous year	Reason for material change
Debtors Turnover	Times	5.9	8.6	45%	Decrease in sales volumes in 2nd half of FY due to slow down and Covid 19 in March' 20.
Inventory Turnover	Times	8.7	9.1	4%	Decrease in sales volumes in 2nd half of FY due to slow down and Covid 19 in March' 20. It improved due to control the working capital.
Current Ratio	Times	1.5	1.3	(13%)	Due to decrease in current assets over current liabilities.
Debt Equity Ratio	Times	0.95	0.72	(23%)	Mainly due to repayment of working capital loan.

Particulars	Unit	2018-19	2019-20	Change over previous year	Reason for material change
Interest Coverage Ratio	Times	3.9	1.7	(56%)	Due to decrease in Sales volumes, resulting decrease in profits.
Operating Profit (EBIDTA) Margin	%	15.2	12.6	(17%)	Lower EBITDA is due to lower sales volume and increase in fixed cost.
Net Profit Margin	%	5.5	1.5	(72%)	Lower net profit due to lower sale and increase in fixed cost.
Return on Net worth	%	13.3	2.9	(78%)	due to decrease in PBT

Operational Excellence, Awards & 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 & 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 & 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 & water conservation, & 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. 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+'. 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 is primarily engaged in the business of gears and transmission components, & the inherent nature of both the activities is governed by the same set of risk and returns, & 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 & their adequacy

The Company has a properly designed and consistently enforced system of internal control 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.

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.

The Company has also in place adequate internal financial controls with reference to financial statements. During the year, such controls no reportable material weakness in the design or operation was observed. The Company is committed to strengthen the system in a more stringent manner. Further, the Company has always efficiently used the various components of working capital cycle. It has also effectively controlled the inventories and receivables.

Human Resources

Managing human resources effectively and efficiently plays a critical role in ensuring that a satisfied, motivated work force delivers quality services. It also plays an important role in increasing staff performance and productivity, enhancing an organization's competitive advantage, and contributing directly to organizational goals. Satisfied highly-motivated and loyal employees represent the basis of a competitive company. The growth of satisfaction is to be reflected in the increase of productivity, improvement of the products' quality or rendered services and higher number of innovations. During the period under review cordial relation were maintained at all levels. Detail of number of employees and other material information is provided in Directors' Report.

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.

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 34th Directors' 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 of Directors, 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 & 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 Listing Regulations, 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.

II. Composition of Board of Directors

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

The Board of the Company presently consist of 13 members of whom ten 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, who is assisted by his two able sons, Mr. Pranav Kapuria, Managing Director & 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.

All Directors, Executive or Non-Executive, are professionally competent and experienced in their respective fields. The Details of Directors as on March 31, 2020 are as follows:-

Name of Director and DIN	Designation	Category	Relationship with other directors	No. of Directorships	No. of Board Committees position as Member	No. of Board Committee position as Chairman
Mr. Deep Kapuria (00006185)	Executive Chairman	Promoter, Executive	Father of Mr. Pranav Kapuria and Mr. Anuj Kapuria	Eight	One	Nil
Mr. Anant Jaivant Talaulicar (00031051)*	Vice Chairman	Non-Independent, Non-Executive	-	Six	Four	One
Mr. Anil Kumar Khanna (00207839)	Director	Independent, Non-Executive	-	Twelve	Two	One
Mr. Sandeep Dinodia (00005395)	Director	Independent, Non-Executive	-	Two	Three	Two
Mr. Pranav Kapuria (00006195)	Managing Director	Promoter, Executive	Son of Mr. Deep Kapuria, brother of Mr. Anuj Kapuria	Seven	Nil	Nil
Mr. Anuj Kapuria (00006366)	Executive Director	Promoter, Executive	Son of Mr. Deep Kapuria, borther of Mr. Pranav Kapuria	Ten	Two	Nil
Mr. Vinit Taneja (02647727)	Director	Independent, Non-Executive	-	One	One	Nil
Mr. Bidadi Anjani Kumar (00022417)	Director	Non Independent, Non-Executive	-	Six	Two	Two
Mr. Ramesh Chandra Jain (00038529)	Director	Non Independent Non-Executive	-	Six	Two	One
Mr. Krishna Chandra Verma (03636488)	Director	Independent, Non-Executive	-	One	One	Nil
Mr. Prosad Dasgupta (00243254)	Director	Independent, Non-Executive	-	One	Nil	Nil
Ms. Malini Sud (01297943)	Director	Independent, Non-Executive	-	Four	One	Nil
Mr. Neville D'Souza (08536411)	Director	Independent, Non-Executive	-	One	Nil	Nil

* Mr. Anant Jaivant Talaulicar was appointed as Non-Executive Vice Chairman by the Board of Directors of Company vide a circular resolution dated July 23, 2020.

Note-1 Board Committee for the above purpose means Audit Committee and Stakeholder Relationship Committee (Including Board Committees of The Hi-Tech Gears Limited).

Note-2 Directorship/ Membership of all Companies, whether listed or not, (including The Hi-Tech Gears Limited), Section 8 Companies but excluding foreign companies.

Number of Board Meetings held during the year 2019-20

During the year under review, the members of the Board have met 4 (Four) times to review, discuss and decide about the activities of business of the Company. The dates of the meetings are (1) May 27, 2019, (2) August 14, 2019, (3) November 04, 2019 and (4) February 07, 2020.

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 Delhi.

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	4 (Four)	No
Mr. Anil Kumar Khanna	3 (Three)	No
Mr. Sandeep Dinodia	4 (Four)	Yes
Mr. Bidadi Anjani Kumar	4 (Four)	No
Mr. Vinit Taneja	4 (Four)	Yes
Mr. Pranav Kapuria	4 (Four)	No
Mr. Anuj Kapuria	3 (Three)	Yes
Mr. Ramesh Chandra Jain	4 (Four)	Yes
Mr. Krishna Chandra Verma	4 (Four)	Yes
Mr. Prosad Dasgupta	3 (Three)	Yes
Ms. Malini Sud	4 (Four)	No
Mr. Anant Jaivant Talaulicar	3 (Three)	No
Mr. Neville D'Souza*	NIL	No

* Mr. Neville D'Souza, Independent & Non- Executive Director was appointed as Additional Independent Director effective on August 14, 2019 and thereafter his appointment was confirmed by the shareholders at 33rd Annual General Meeting of the Company.

Directorship of Board Members in other listed entity

Pursuant to the amended SEBI Listing Regulation, the name of the other listed entity where the board members are holding directorship as on March 31, 2020 are given below:

Name of Director	Name of the Listed Entity	Category
Mr. Deep Kapuria	Omax Autos Limited	Non-Executive-Independent Director
Mr. Sandeep Dinodia	Ester Industries Limited	Non-Executive - Independent Director
Mr. Bidadi Anjani Kumar	Kennametal India Limited	Non-Executive - Independent Director
Mr. Ramesh Chandra Jain	Frick India Limited	Non-Executive - Independent Director
	Kamdhenu Limited	Non-Executive - Independent Director
Mr. Anil Kumar Khanna	United Leasing And Industries Limited	Director
Ms. Malini Sud	Sterling Tools Limited	Non-Executive - Independent Director
Mr. Anant Jaivant Talaulicar	Force Motors Limited	Non-Executive - Independent Director
	Birlasoft Limited	Non-Executive - Independent Director
	India Nippon Electricals Limited	Non-Executive - Independent Director
	Everest Industries Limited	Non-Executive - Independent Director, Chairperson
	KPIT Technologies Limited	Non-Executive - Independent Director

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

Mr. Vinit Taneja holds 5600 equity shares and Mr. Prosad Dasgupta holds 2000 equity shares as on March 31, 2020. No other Non-Executive Director holds any equity shares as on that date. Shares held by Executive Directors are mentioned in Directors' Report.

Familiarization Programme

At the time of appointment of an Independent Director, a formal letter of appointment is given to him / her, which inter alia explains the role, functions, duties and responsibilities expected from him/her as a Director of the Company. New Director is also explained in detail the compliances required from him/her under the Companies Act, 2013 and Rules made thereunder, at a separate meeting of the Independent Directors, participants normally discuss, a brief details about the Company, nature of the industry in which Company operates, its business model apart from roles and responsibilities of Independent Directors.

The details of familiarization programs imparted to independent directors can be accessed at www.thehitechgears.com.

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

Pursuant to Schedule V of the SEBI Listing Regulations, 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. Anant Jaivant Talaulicar	Non-Independent, Non-Executive	Mechanical and Engineering Expertise, Quality consciousness, Technical Expertise, Strategic thinking, Active contribution towards Strategy and Planning.
3	Mr. Anil Kumar Khanna	Independent, Non-Executive	Member and stakeholder engagement, Economics and Statistics
4	Mr. Sandeep Dinodia	Independent, Non-Executive	Audit and Risk management, Policy Development, Finance and Taxation,
5	Mr. Bidadi Anjani Kumar	Non Independent, Non-Executive	Finance and Taxation, Economics and Statistics, Policy Development
6	Mr. Vinit Taneja	Independent, Non-Executive	Policy Development, Human Resource Management, Interpersonal Skills
7	Mr. Pranav Kapuria	Promoter, Executive	Management, Strategy and Planning, Governance, Risk and Compliance, Commercial Experience, Global business leadership, Manufacturing, automobile engineering and project management, Vision and value creation
8	Mr. Anuj Kapuria	Promoter, Executive	Commercial Experience, Manufacturing, automobile engineering and project management, Automation & Innovation, New Product Development
9	Mr. Ramesh Chandra Jain	Non Independent Non-Executive	Quality consciousness, Technical Expertise, Critical Thinking and Innovation

S. No	Name of the Director	Designation	Core skills/ Expertise/ Competencies
10	Mr. Krishna Chandra Verma	Independent, Non-Executive	Government Relations (policy & process), Critical Thinking and Innovation, CSR Management, Regulatory, Government and Security matters, CSR matters, Active contribution
11	Mr. Prosad Dasgupta	Independent, Non-Executive	Governance, Risk and Compliance, Strategic thinking, Finance and Taxation
12	Ms. Malini Sud	Independent, Non-Executive	Management and Strategy, Legal & Corporate Laws
13	Mr. Neville D'Souza	Independent, Non-Executive	Management and Strategy, Government Relations (policy & process)

Confirmation of the Board on Independence of Independent Directors

The Hi-Tech Gears Limited has optimum combination of Board of Directors comprises of Three Executive Directors, Three Non-Executive Directors and Seven Independent Directors as on March 31, 2020 under the provisions of SEBI Listing Regulation, as amended from time to time.

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 Listing Regulation, as amended from time to time. Therefore, the Board hereby confirmed that on the basis of such declaration that the independent directors fulfill the conditions as specified in the above said regulations and are independent of the management.

During the year under review, Shareholders of the company approved the re-appointment of Independent Directors for another term of five consecutive years in their meeting held on September 27, 2019. Further, none of the Independent Director of the company has resigned before the expiry of their tenure.

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 & 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, as 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 & 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 & 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 (Listing Obligations and Disclosure Requirements) 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 & Independent Directors and One is an Executive Director i.e., Mr. Sandeep Dinodia and Mr. Anil Kumar Khanna both are Fellow members of the Institute of Chartered Accountants of India & Mr. Krishna Chandra Verma, has immense knowledge of Administration and Mr. Anuj Kapuria has a wide experience and specialization in Computer Vision, Artificial Intelligence. Please refer skills/expertise for detailed competencies. Company Secretary acts as the Secretary of the Audit Committee. The scope, compliances & functions of the Audit committee is in line with the provisions of Regulation 18 of SEBI Listing Regulations, 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 Listing Regulations all the members are financially literate and have accounting or related financial management expertise.

Composition, Meetings and Attendance

The Audit Committee met 4 (Four) times during the financial year 2019-20 on the following dates: (1) May 27, 2019, (2) August 14, 2019 (3) November 04, 2019 (4) February 07, 2020. 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 & Independent Director	4	4
Mr. Anil Kumar Khanna	Member	Non-Executive & Independent Director	4	3
Mr. Krishna Chandra Verma	Member	Non-Executive & Independent Director	4	4
Mr. Anuj Kapuria	Member	Executive Director	4	3

Audit Committee has 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 & Responsibilities:-

Audit Committee performs its duties, roles & responsibilities in terms of the Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 & Section 177 of the Companies Act, 2013, the major are 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. To 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 (Listing Obligations and Disclosure Requirements) Regulations 2015 or any other statutory regulation, document or otherwise.

Invitees

Managing Director, Chief Financial Officer, Statutory Auditors, Internal Auditors & 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 & Remuneration Committee

Brief description of terms of reference

The scope of functions of the Nomination & 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.

Company Secretary acts as the Secretary of the Nomination & Remuneration Committee.

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

Composition, Meetings and Attendance

The Nomination & Remuneration Committee met two (3) times during the financial year 2019-20 on May 25, 2019, August 12, 2019 and November 02, 2019.

This meeting was 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	2

Nomination & Remuneration Committee have following Roles & 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 Listing Regulation, 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 & Remuneration Committee, in Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 or any other statutory regulation, document or otherwise.

Remuneration of Directors

The Company's Nomination & Remuneration Policy for Directors, Key Managerial Personnel and other employees approved by Board of Directors in their 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 Listing Regulations, complete Nomination and Remuneration Policy of your Company can be viewed at the following link: www.thehitechgears.com. The salient features of the Remuneration Policy are as under:

i. To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
ii. To determine remuneration of Directors, KMPs and other senior management personnel, keeping in view all relevant factors including industry trends and practices.
iii. The policy is directed towards rewarding performance based on review of achievements periodically.
iv. The policy is in consonance with the existing industry practice.
v. 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 Chairman, Managing Director and the Whole Time Director are paid remuneration as approved by the Board of Directors on the recommendation of the Nomination & 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 & Committee Meetings & commission @ 0.5% 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 Chairman, Managing Director and Whole Time Director for the year ended March 31, 2020, are as under: -

(₹ in Mn)

Name of Director	Designation	Salary	EPF	Allowances	Total
Mr. Deep Kapuria	Executive Chairman	10.9	0.48	5.22	16.60
Mr. Pranav Kapuria	Managing Director	6.52	0.19	3.48	10.19
Mr. Anuj Kapuria	Executive Director	6.57	0.16	3.07	9.80
Total		**23.99**	**0.83**	**11.77**	**36.59**

Notes:-

a. Salary includes basic salary & HRA, and allowances includes special allowance, medical allowance and education allowance. EPF includes contribution to provident fund and other statutory funds.

b. 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 financial year 2019-20.

2. 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. The details of the remuneration paid/payable to the Non-Executive Directors for the year ended March 31, 2020 are as under: -

(₹ in Mn)

No.	Name of the Non-Executive Directors	Commission	Sitting fees	Total
1.	Mr. Anil Kumar Khanna	0.087	0.080	0.167
2.	Mr. Sandeep Dinodia	0.087	0.120	0.207
3.	Mr. Vinit Taneja	0.087	0.080	0.167
4.	Mr. Ramesh Chandra Jain	0.087	0.060	0.147
5.	Mr. Prosad Dasgupta	0.087	0.040	0.129
6.	Mr. Krishna Chandra Verma	0.087	0.110	0.197
7.	Mr. Bidadi Anjani Kumar	0.087	0.040	0.127
8.	Ms. Malini Sud	0.087	0.050	0.137
9.	Mr. Anant Jaivant Talaulicar	0.087	0.030	0.117
10.	Mr. Neville D'Souza*	0.052	0.00	0.052
	Total	**0.835**	**0.61**	**1.447**

***** Mr. Neville D'Souza was appointed as Independent Director on the Board of the Company with effect from August 14, 2019 in office; therefore the amount of his commission is calculated on the basis of number of days during the financial 2019-20.

Notes:

a. Directors other than Executive Directors were entitled to sitting fee & commission on the Net Profit of the Company.

b. There were no other pecuniary transactions/ relationship with Non-Executive Directors.

c. There is no service contract, notice period, severance fees payable to Non-Executive Directors.

d. No stock option scheme has been launched by the Company till date.

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 & Non-Executive Directors. The scope, compliances & functions of the Stakeholder Relationship Committee is in line with the SEBI Listing Regulations, 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 2019-20 on February 07, 2020. 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

Company Secretary acts as the Secretary of the Committee.

Investors Complaints during the financial year ended March 31, 2020

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

VI. Other Committees

(a) Corporate Social Responsibility Committee

Brief description of terms of reference

The CSR Committee has been formed pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The aforesaid provisions mandate the Roles, Responsibilities, Powers & Scope of the Corporate & Social Responsibility Committee & its members. Therefore, Board of Directors constituted a Corporate & Social Responsibility Committee in April, 2014.

Meetings and Attendance

The Corporate Social Responsibility Committee met Two (2) times during the financial year 2019-20 on May 27, 2019 and November 27, 2019. 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	2	2
Mr. Deep Kapuria	Member	Executive Director	2	2
Mr. Pranav Kapuria	Member	Executive Director	2	1
Mr. Ramesh Chandra Jain	Member	Non-Executive Directors	2	2

Company Secretary acts as the secretary of the Committee.

The following roles & 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 & CSR Policy of Company. During the financial year 2019-20, Company spent a sum of Rs. 8.15 million as per details mentioned in **Annexure IV** to the Directors' 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 Share Transfer Committee met 3 (Three) times during the financial year 2019-20 on April 29, 2019, June 03, 2019, December 26, 2019. 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 (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company has opened a separate Demat Suspense Account.

As on March 31, 2020, no equity shares were pending for transfer.

VII Separate Independent Directors' Meetings

As per the Schedule IV of Companies Act, 2013 and SEBI Listing Regulations, 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. Such meetings are conducted informally to enable Independent Directors to discuss matters pertaining to the Company's affairs.

During the year under review, the Independent Directors met on May 27, 2019, 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
2018-19	September 27, 2019	11.00 A.M	Plot No. 24-26, Sector-7, IMT Manesar, Gurugram-122050, Haryana	Ten
2017-18	September 29, 2018	11.00 A.M.	A-589, Industrial Complex, Bhiwadi - 301019 (Rajasthan)	One
2016-17	September 29, 2017	11.00 A.M.	A-589, Industrial Complex, Bhiwadi - 301019 (Rajasthan)	-

b) During the financial year 2019-20, no resolution was passed by way of Postal Ballot

c) At the forthcoming Annual General Meeting, no resolution to be passed through Postal Ballot.

d) Dividend history of last five years

S. No.	Financial year	Rate of Dividend	Date of Declaration
1	2018-19	Interim-15% Final-20%	February 02, 2019 September 27, 2019
2	2017-18	Interim-15% Final-20%	February 02, 2018 September 29, 2018
3	2016-17	Interim-12.5% Final-12.5%	February 10, 2017 September 29, 2017
4	2015-16	Interim-15% Final-15%	February 12, 2016 September 23, 2016
5	2014-15	Interim-10% Final-15%	February 12, 2015 September 29, 2015

For the year 2019-20, the interim dividend @ 15% was declared on February 07, 2020. The dividend was paid from Special Dividend Account to all the shareholders who are entitled to receive the same within mandated time period.

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 & Rules made thereunder read with Regulation 16 of SEBI (LODR) is must to become the 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

1. The quarterly, half yearly and annual financial results (consolidated and standalone) and quarterly shareholding pattern are updated on the Company's official website i.e. www.thehitechgears.com as per the requirements of SEBI (Listing Obligation & Disclosure Requirements) 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 & Listing Centre (BSE Listing Centre).
2. 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015:-

Financial Calendar for FY 2019-20	Results were announced on	News papers	Date of Publication
Financial Reporting for the 1st quarter ended June 30, 2019	August 14, 2019	Business Standard	August 15, 2019
		Business Standard	August 15, 2019
Financial Reporting for the 2nd quarter and half year ended September 30, 2019	November 04, 2019	Business Standard	November 05, 2019
		Business Standard	November 05, 2019

Financial Calendar for FY 2019-20	Results were announced on	News papers	Date of Publication
Financial Reporting for the 3rd quarter ended December 31, 2019	February 07, 2020	Business Standard	February 09, 2020
		Business Standard	February 10, 2020
* Financial Reporting for the 4th quarter and year ended 31 March, 2020	June 26, 2020		

* In view of COVID-19 pandemic, SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 has provided the relaxation with respect to publication of all events under Regulation 47, of the SEBI (LODR) Regulations, 2015 till June 30, 2020. Company approved its financials for the quarter and year ended March 31, 2020 on June 26, 2020 and availed the above relaxation of not publishing its Audited Financial Results in newspapers.

3. All material information about the Company and documents under the SEBI Listing Regulations are also communicated to the concerned Stock Exchanges, besides being placed on the Company's website i.e. www.thehitechgears.com.
4. The Company has not displayed any official news release during the year under review except as required by the SEBI Listing Regulation as mentioned in point 1 above.
5. The Company generally publishes its financial results in the Business Standard (English) and Business Standard (Hindi). The details are provided in Section XI, Clause 1 herein below.
6. 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 2020-2021 (Tentative and subject to change)

Financial Reporting for the 1st quarter ended June 30, 2020	August 13, 2020
Financial Reporting for the 2nd quarter and half year ended September 30, 2020	November, 2020 (2nd Week)
Financial Reporting for the 3rd quarter ended December 31, 2020	February, 2021 (2nd Week)
Financial Reporting for the year ended March 31, 2021.	May, 20201 (Last week)
Annual General Meeting for the year 2020-21	September , 2021

2. 34th Annual General Meeting (AGM) Schedule

Annual General Meeting:	"34th Annual General Meeting of the Company will be held on Saturday, the 26th Day of December, 2020 at 5:00 P.M. at the Registered Office of the Company situated at Plot No. 24-26, Sector-7, IMT Manesar, Gurugram-122050, Haryana".
Date of Book Closure:	December 20, 2020 to December 26, 2020 (Both days inclusive)
E-Voting Cut-Off Date &	December 19, 2020
E- Voting period	December 23, 2020 (9:00 A.M.) to December 25, 2020 (5:00 P.M.)
Dividend payment	Particulars of interim dividend declaration / payment are disclosed in the Directors' Report. No Final Dividend has been recommended by the Board for the financial year 2019-20

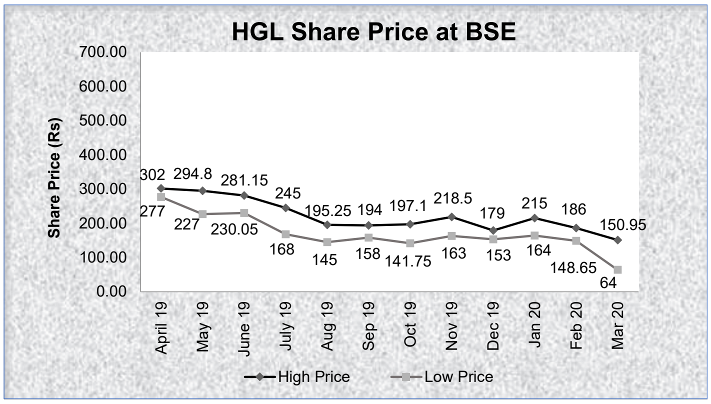
3.	**Listing on Stock Exchanges**	As on March 31, 2020 the equity shares of the Company are listed on the following Stock Exchanges:-
a.)	**National Stock Exchange of India Limited**	Exchange Plaza, 5th Floor, Plot no. C-1, Block G, Bandra-Kurla Complex, Bandra (E), Mumbai - 400051 Stock Code - HITECHGEAR
b.)	**Bombay Stock Exchange Limited**	Phiroze Jeejeebhoy Towers, 25th Floor, Dalal Street, Mumbai - 400001 Scrip Code –522073

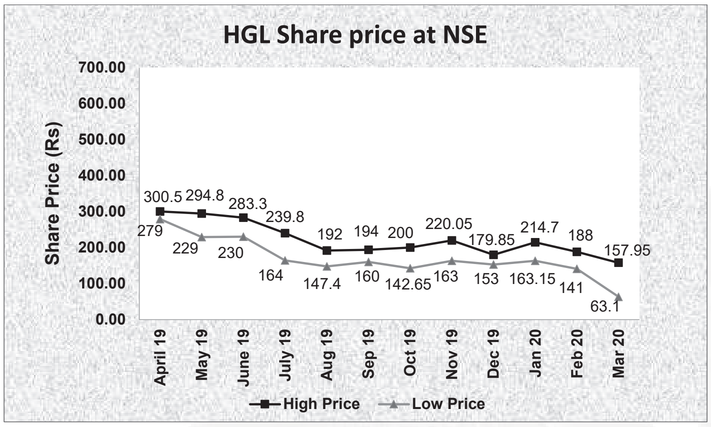
Note: The listing fee for the year 2019-2020 and 2020-21 has been paid to the respective Stock Exchanges within the stipulated time.

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.

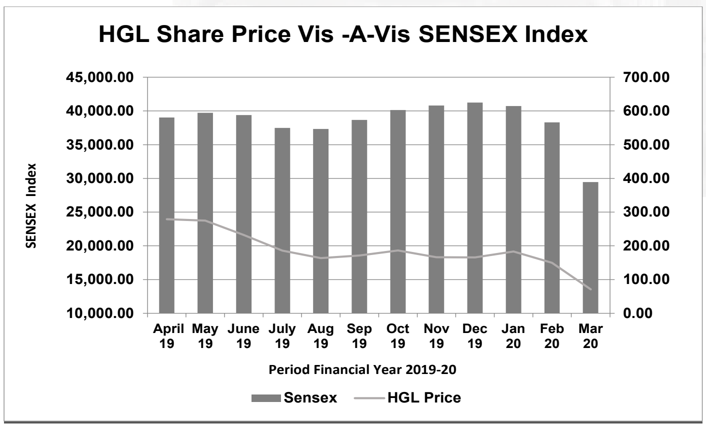
Month	BSE					NSE				
	Share Price (Rs)		Sensex		No. of shares traded	Share Price (Rs)		Nifty		No. of shares traded
	High Price	Low Price	High	Low		High Price	Low Price	High	Low	
April 19	302	277	39,487.45	38,460.25	9,768	300.5	279	11856.15	11549.10	50966
May 19	294.8	227	40,124.96	36,956.10	71,244	294.8	229	12041.15	11108.30	138665
June 19	281.15	230.05	40,312.07	38,870.96	7,140	283.3	230	12103.05	11625.10	56251
July 19	245	168	40,032.41	37,128.26	1,43,716	239.8	164	11981.75	10999.40	149637
Aug 19	195.25	145	37,807.55	36,102.35	3,38,893	192	147.4	11181.45	11062.80	123984
Sep 19	194	158	39,441.12	35,987.80	6,944	194	160	11694.85	10670.25	73930
Oct 19	197.1	141.75	40,392.22	37,415.83	20,812	200	142.65	11945.00	11090.15	145206
Nov 19	218.5	163	41,163.79	40,014.23	82,773	220.05	163	12158.80	11802.65	300959
Dec 19	179	153	41,809.96	40,135.37	14,844	179.85	153	12293.90	11832.30	111337
Jan 20	215	164	42,273.87	40,476.55	27,101	214.7	163.15	12430.50	11929.60	192938
Feb 20	186	148.65	41,709.30	38,219.97	16,666	188	141	12246.70	11175.05	87524
Mar 20	150.95	64	39,083.17	25,638.90	36,913	157.95	63.1	11433.00	7511.10	114853

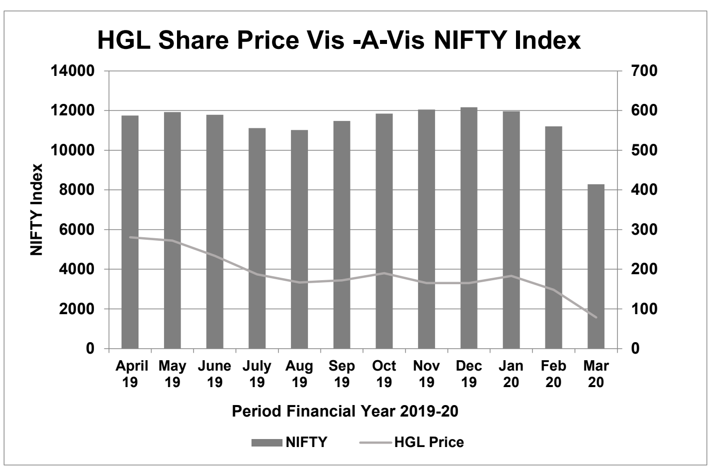




5. **Performance in comparison to Broad Based Indices:-**

Share Price on the last working day of the relevant month





6. **Registrar and Share Transfer Agent**

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:-

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: info@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.

7. **Share Transfer System**

The shares of the Company are traded in the compulsory demat mode for all investors. All physical share transfers, dematerialization etc are handled by 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 15 days.

To expedite the share transfer process, authority has been delegated to the Share Transfer Committee which comprises of 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.

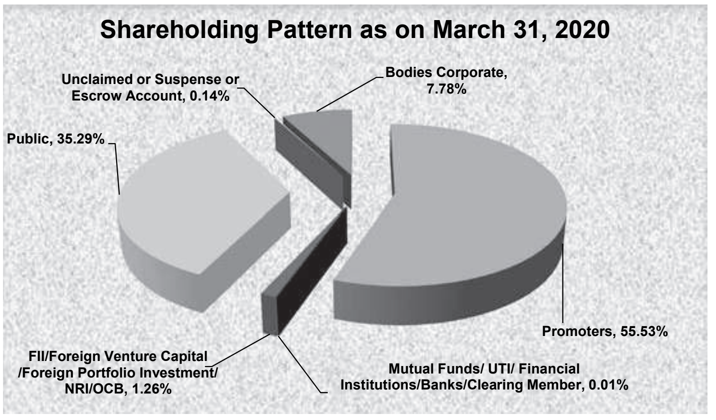
8. (a) **Distribution of shareholding**

As on March 31, 2020 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	503917	2.685	4133	79.435
5,001 to 10,000	372660	1.986	467	8.976
10,001 to 20,000	389349	2.075	256	4.92
20,001 to 30,000	278340	1.483	110	2.114
30,001 to 40,000	205650	1.096	56	1.076
40,001 to 50,000	181409	0.967	39	0.75
50,001 to 100,000	442276	2.357	60	1.153
100,001 and above	16394399	87.353	82	1.576
TOTAL	**18,768,000**	**100.00**	**5203**	**100.00**

(b) **Category wise shareholding as on March 31, 2020**

Category	% of Shareholders	No. of shares held
Promoters	55.53%	10421,501
Mutual Funds/ UTI/ Financial Institutions/ Banks/Clearing Member	0.01%	1300
FII/Foreign Venture Capital /Foreign Portfolio Investment/ NRI/ OCB	1.26%	235582
Public	35.29%	6623024
Unclaimed or Suspense or Escrow Account	0.14%	25763
Bodies Corporate	7.78%	1460830
Total	**100%**	**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, 2020 is given hereunder:

Particulars	As on March 31, 2020	
	No. of Shares	% age
No. of Shares dematerialized		
-NSDL	15854959	84.48
-CDSL	2839737	15.13
No. of shares in physical form	73304	0.39
Total	**18,768,000**	**100.00**

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 the head Risk & Concerns in Automobile and Component Segment Management Discussion Analysis Report form part of the Annual Report.

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, Gurugram-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 amount of unclaimed dividends outstanding 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 year 2019-20 are as follows:

Type of Dividend	Date of Declaration of Dividend	Date of transfer to IEPF	Amount transferred to IEPF
Final Dividend (Financial Year 2011-12)	September 28, 2012	December 05, 2019	Rs. 1,33,618.00
Interim Dividend (Financial Year 2012-13)	February 14, 2013	September 01, 2020	Rs. 57,399.00
The proposed due date for the transfer of unclaimed final dividend for the year 2012-13 to IEPF is 05th November, 2020.			

The details of Shares transferred to IEPF during the year 2019-20 are as follows:

Financial Year	Date of Transfer of Shares to IEPF	No of Shares transferred
2011-12	April 03, 2019	1000
2011-12	December 24, 2019	570

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 Listing Regulation, 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, 2019)	No of shareholders: 68 No of shares: 24,193
2	Number of shareholders who approached listed entity for transfer of shares from IEPF Account during the year	Nil
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, 2020)	No of shareholders: 74 No of shares: 25,763
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 & nor taken any fixed deposit programme or any scheme or proposal involving mobilization of funds, whether in india or abroard. However, the Company has obtained "BBB+/Stable" 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	:	**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: info@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, Gurugram-122002, Haryana Tel No: (0124) – 4715100 Fax No: (0124) – 2806085 Email: 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. In terms of revised Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) 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 (Listing Obligations and Disclosure Requirements) 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 their meeting held on June 26, 2020. A copy of the same certificate is given along with this report.

18. Compliance Certificate

The company has obtained the compliance certificate from 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. 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 strictures 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 & Regulations framed there under during the year 2019-2020.

XII. Other Disclosures:

A. The Contracts/Arrangements with the entities in which the Directors may be directly/indirectly interested were approved by the Audit Committee & Board of Directors. The same are provided below as required under Regulation 34(3) read with Schedule V(A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Related Party Disclosure for the period ended March 31, 2020

(₹ in Mn)

Particulars	Aquarian Fibrecement Pvt. Ltd	Vulcan Electro Controls Ltd.	The Hi-Tech Engineering Systems Pvt. Ltd.	The Hi-Tech Robotic Systemz Ltd.	Subsidiary Companies			KMPs (only WTDs)	Total
					Neo Tech Auto Systemz Inc.	The Hi-Tech Gears Canada Inc. (Formerly known as Teutech Industries Inc.)	Neo Tech Smart Solutions Inc.		
Nature of Relationship									
Rent	18.00	-	-	-	-	-	-	-	18.00
Sale of Goods	-	2.02	60.15	-	-	41.09	-	-	103.26
Rendering of Job Work/ Services	-	3.15	1.29	-	-	-	-	-	4.44
Receiving of Job Work/ Services	-	148.87	-	30.63	16.36	-	-	-	195.86
Purchased of Goods	-	855.15	198.50	-	-	-	-	-	1,053.65
Purchase of Assets	-	0.03	-	-	-	-	-	-	0.03
Director's Remuneration	-	-	-	-	-	-	-	36.59	36.59
Sale of Assets	-	3.30	40.08	-	-	-	-	-	43.38

- The transactions with the above entities are done within normal course of business. Transactions other than those for which approval is sought from shareholders in view of their materiality, are neither materially significant nor they have potential conflict with the interest of the Company at large. The managerial personnel are paid remuneration in term of the approval of shareholders.
- The transactions with Vulcan Electro Controls Limited & The Hi-Tech Engineering Systems Private Limited are regarded material in terms of Companies Act & SEBI Listing Regulations for which the necessary approvals have been obtained.
- Transactions relating to KMPs are remuneration to Whole Time Directors. Remuneration to include salary, HRA, perquisites including

medical reimbursement etc. and contribution towards EPF. Details in Note No. 36 of Notes to Financial Statements may differ due to inclusion/ non-inclusion of certain items. Remuneration to other KMPs, such as Chief Financial Officer & Company Secretary is provided in Form MGT-9.

The Board of Directors has formulated a policy on related party transactions pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, as amended from time to time which has been uploaded and available on the company website at www.thehitechgears.com.

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 Listing Regulations 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 also available on the website at www.thehitechgears.com .

D. The Company has adhered to all the mandatory requirements of Corporate Governance norms as prescribed under the SEBI Listing Regulations, 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 Listing Regulations, as amended from time to time. For further details refer to Form AOC-1 & Form MGT-9 and consolidated Financial Statements.

The company has framed the policy for determining "Material Subsidiaries" and which has been updated/ amended during the year in order to align with the amended provisions of the SEBI Listing Regulations and other applicable Laws. The said amended policy has been placed on the website of the Company at 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, 2020, 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 Listing Regulations, the Company has received a certificate from M/s Grover Ahuja & 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 2019-20 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 Mn)
1	Audit Fees	1.70
2	Reimbursement of expenses	0.04
3	Certification fees	0.08
4	Other Services	0.38
	Total	**2.20**

J. As per the requirement of the Companies Act, 2013 and SEBI Listing Regulations 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 Directors' Report of the Company. In view of this, 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 i.e. www.thehitechgears.com.

Pursuant to the amended SEBI Listing Regulations, details of complaints received, disposed-of and pending in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is given below:

- Number of complaints filed during the financial year: NIL
- Number of complaints disposed of during the financial year: NIL
- Number of complaints pending as on end of the financial year: NIL

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 (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulation") as amended from time to time.

XII During the year under review, the following Discretionary Requirements as specified in Part E of Schedule II of SEBI Listing regulation, 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 report directly to the Audit Committee.

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

Place: New Delhi | **Deep Kapuria**
Dated: August 13, 2020 | **Chairman**

CERTIFICATION BY CEO AND CFO

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

Ref: Certification by CEO and CFO for Financial Year 2019-20

(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 2019-20 and that to the best of our knowledge and belief:

   i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) 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: New Delhi
Date: June 26, 2020

CERTIFICATE FROM PRACTICING COMPANY SECRETARY ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER 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, 2020, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & 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, 2020.

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

Akarshika Goel
(Partner)
COP No. 12770
Membership No. 29525

Place: New Delhi
Date: 19.06.2020
UDIN: A029525B000358348

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,

The Members of
The Hi-Tech Gears Limited
Plot No. 24, 25, 26, Sector-7
IMT Manesar Gurugram-122050

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of The Hi-Tech Gears Limited having CIN L29130HR1986PLC081555 and having registered office at Plot No. 24, 25, 26, Sector-7, IMT Manesar Gurugram-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) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company for the financial year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Director of the 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

Akarshika Goel
(Partner)
COP No.:12770
Membership No. 29525

Date: 18.07.2020
Place: New Delhi
UDIN: A029525B000472836

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,
Gurugram, 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 2019-20.

For The Hi-Tech Gears Limited

Pranav Kapuria
(Chief Executive Officer)

Place: New Delhi
Date: June 26, 2020

SHAREHOLDERS' INFORMATION

Corporate Identification Number: L29130HR1986PLC081555 : **PAN:** AAACH0156K

Registered Office & Work
Plot No. 24-26, Sector-7, IMT Manesar
Gurugram-122050, Haryana
Tel No: (0124) – 4715200
Web site: www.thehitechgears.com

Corporate Office
14th Floor, Tower-B, Unitech's Millennium Plaza,
Sushant Lok-I, Sector – 27, Gurugram,
Haryana-122009
Tel No: (0124) – 4715100
Fax No: (0124) – 2806085
Email: secretarial@thehitechgears.com

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

	Stock Exchange	:	**Stock Code**
(a)	National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai-400051.	:	HITECHGEAR
(b)	Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400001.	:	522073

Interim Dividend for the year 2019-20
The Board of Directors in their meeting held on February 07, 2020 approved an interim dividend of Rs 1.50/- (Rupee One and Paisa Fifty Only) per equity shares of Rs 10/- (Rupees Ten only) each on the paid up Share Capital of the Company. The same was paid within stipulated time period.

34th Annual General Meeting

Date & Time	:	Saturday the 26th Day of December, 2020 at 5:00 P.M.
Venue	:	Plot No. 24-26, Sector-7, IMT Manesar Gurugram-122050, Haryana

Book Closure Dates
December 20, 2020 to December 26, 2020 (both days inclusive)

Cut-off date for e-voting
December 19, 2020

E-Voting
The voting period begins on December 23, 2020 at 09:00 A.M. and ends on December 25, 2020 at 05:00 P.M.

EVEN (Electronic Voting Event Number)
EVEN of The Hi-Tech Gears Limited is 115044.

Final Dividend
No Final Dividend has been recommended by the Board for the financial year 2019-20

Dividend Payment Date
Not Applicable

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
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: info@masserv.com; 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, 2020, 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, 2020, 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
1. Contingent liabilities	
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: • 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. • 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. • Validated the completeness and appropriateness of the related disclosures with regard to the facts and circumstances of the legal and tax matters.
2. Borrowings	
The Company had a borrowing liability (current and non-current) of Rs1898.32 million as at 31st March, 2020. 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: • We have gone through the agreements between the Company and its lenders. • We obtained confirmations from the Company's banks/financial institutions to confirm the outstanding balances. • 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. • We further considered whether the disclosures related to the borrowings in the standalone financial statements are appropriate in all material respects.

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, 2016 ("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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 the requirements of section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:-
      a) 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;
      b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      c) There has been no delay in transferring amount, required to be Transferred, to the Investor Education and Protection Fund by the Company.

For O.P. Dadu & Co.
Chartered Accountants
FRN. 001201N

(Amit Gupta)
Partner
M.No. 094202

Place : New Delhi
Dated : 26th June, 2020
UDIN: 20094202AAAAAX5908

Annexure 'A' To the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2020, we report that:

(i) In respect of Company`s Fixed Assets

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of verification of fixed assets. All the fixed assets 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 fixed assets. No material discrepancies were noticed on such verification.

(c) On the basis of information and explanation provided by the management, the title deeds of immovable properties are held in the name of the Company.

(ii) 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 frequency of such verification is reasonable. No material discrepancies were noticed on physical verification of inventories by the management.

(iii) According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of paragraphs 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has not entered into any transaction covered under Sections 185 of the Act. The company has complied with the provisions of Sections 186 of the Act in respect of investments made. The Company has not granted any loans, and has not provided any guarantees or securities to parties covered under Section 186 of the Act.

(v) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits from the public in accordance with the provisions of Sections 73 to 76 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 subsection (I) of Section 148 of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, duty of customs, goods and service tax, cess and other applicable statutory dues with the appropriate authorities.

There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, duty of excise, duty of customs, goods and service tax, cess and other applicable statutory dues in arrears as at March 31 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, sales tax, value added tax, service tax, goods and service tax, duty of customs, duty of excise which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned as under:

Name of the Statue	Nature of Dues	Period to which the amount relates	Amount (Rs. In Mn)	Forum Where Dispute is Pending
Income Tax Act, 1961	Income Tax	A.Y. 2012-13	0.23	Commissioner of Income Tax, Appeal /ITAT Delhi
Income Tax Act, 1961	Income Tax	A.Y. 2018-19	7.51	Asst-Commissioner of Income Tax, Delhi
Income Tax Act, 1961	Income Tax	A.Y.2012-13	0.23	Commissioner of Income Tax (Appeals), Delhi
Income Tax Act, 1961	Income Tax	A.Y 2019-20	0.05	Assistant Commissioner of Income Tax (TDS)

(viii) Based on our audit procedures and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to any bank or to any financial institution. The Company has not borrowed any loan from Government. The Company has not issued any debentures.

(ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments). Based on our audit procedures and on the information given by the management, we report that term loans have been utilized for the purpose, for which they have been raised.

(x) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our Audit.

(xi) The Company has paid or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to Act.

(xii) 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 explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For O.P. Dadu & Co.
Chartered Accountants
FRN. 001201N

(Amit Gupta)
Partner
M.No. 094202

Place : New Delhi
Dated : 26th June, 2020
UDIN: 20094202AAAAAX5908

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, 2020 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 over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, 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, 2020, 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

(Amit Gupta)
Partner
M.No. 094202

Place : New Delhi
Dated : 26th June, 2020
UDIN: 20094202AAAAAX5908

THE HI-TECH GEARS LIMITED
Standalone balance sheet as at 31 March 2020

(₹ in Mn)

	Note	31 March 2020	31 March 2019
Assets			
Non-current assets			
Property, plant and equipment	6	1,860.23	1,740.67
Capital work-in-progress	6	115.94	138.04
Right-of-use assets	7	108.42	-
Intangible assets	7 A	13.46	9.76
Financial assets			
Investments	8	1,631.42	1,584.65
Loans	9 A	44.59	33.29
Other financial assets	10 A	0.08	5.22
Other non-current assets	11 A	172.44	324.40
Total non-current assets		**3,946.58**	**3,836.03**
Current assets			
Inventories	12	561.95	739.73
Financial assets			
Trade receivables	13	589.95	1,090.31
Cash and cash equivalents	14	145.90	293.69
Other bank balances	15	300.51	124.11
Loans	9 B	7.46	10.46
Other financial assets	10 B	62.95	66.34
Current tax assets (net)	16	37.69	19.71
Other current assets	11 B	127.67	144.99
Total current assets		**1,834.08**	**2,489.34**
Total assets		**5,780.66**	**6,325.37**
Equity and liabilities			
Equity			
Equity share capital	17	187.68	187.68
Other equity	18	2,478.94	2,494.11
Total equity		**2,666.62**	**2,681.79**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	19 A	1,596.90	1,641.25
Provisions	20 A	39.12	46.32
Deferred tax liabilities (net)	21	28.07	13.70
Other non-current liabilities	22 A	17.51	23.13
Total non-current liabilities		**1,681.60**	**1,724.40**
Current liabilities			
Financial liabilities			
Borrowings	19 B	2.03	715.59
Trade payables	23		
- total outstanding dues of micro enterprises and small enterprises		29.83	35.81
- total outstanding dues of creditors other than micro enterprises and small enterprises		653.42	594.78
Other financial liabilities	24	632.28	459.25
Other current liabilities	22 B	77.55	77.96
Provisions	20 B	37.33	35.79
Total current liabilities		**1,432.44**	**1,919.18**
Total equity and liabilities		**5,780.66**	**6,325.37**

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

For and on behalf of
The Hi-Tech Gears Limited

CA. Amit Gupta
Partner
Membership No. 094202

Deep Kapuria
Executive Chairman
DIN 00006185

Pranav Kapuria
Managing Director
DIN 00006195

Vijay Mathur
Chief Financial Officer

Naveen Jain
Company Secretary

Place: New Delhi
Date: June 26, 2020
UDIN : 20094202AAAAAX5908

THE HI-TECH GEARS LIMITED

Standalone statement of profit and loss for the year ended 31 March, 2020

(₹ in Mn)

	Note	31 March 2020	31 March 2019
Revenue			
Revenue from operations	25	5,093.25	6,472.15
Other income	26	62.03	162.37
Total revenue		**5,155.28**	**6,634.52**
Expenses			
Cost of materials consumed	27	2,346.33	3,234.03
Purchase of traded goods	28	252.45	316.20
Changes in inventories of finished goods and work-in-progress	29	2.41	(90.46)
Employee benefits expenses	30	956.96	1,005.41
Finance costs	31	215.97	184.10
Depreciation and amortisation expense	6, 7 & 7A	274.53	270.80
Other expenses	32	953.61	1,183.22
Total expenses		**5,002.26**	**6,103.30**
Profit before tax		**153.02**	**531.22**
Tax expense			
Current tax	33	44.28	166.00
Deferred tax charged/(credit)	21	34.07	10.38
Earlier years tax adjustments (net)		(2.75)	-
Profit for the year		**77.42**	**354.84**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gain on defined benefit plans		10.11	2.51
Equity Instruments through Other Comprehensive Income		46.76	0.15
Income tax relating to items that will not be reclassified to profit and loss		(19.96)	(0.88)
Items that will be reclassified to profit or loss			
Effective portion of gain/ (loss) on fair value hedge		(77.33)	-
Income tax relating to items that will be reclassified to profit and loss		27.02	-
Other comprehensive income net of tax		**(13.40)**	**1.78**
Total comprehensive income for the year		**64.02**	**356.62**
Earnings per equity share (₹ 10 per share)	34		
Basic (₹)		4.13	18.91
Diluted (₹)		4.13	18.91

Summary of significant accounting policies and accompanying notes form an integral part of these financial statements.
This is the 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

Deep Kapuria
Executive Chairman
DIN 00006185

Pranav Kapuria
Managing Director
DIN 00006195

Vijay Mathur
Chief Financial Officer

Naveen Jain
Company Secretary

Place: New Delhi
Date: June 26, 2020
UDIN : 20094202AAAAAX5908

THE HI-TECH GEARS LIMITED

Standalone statement of changes in equity for the year ended 31 March 2020

A. Equity share capital* **(₹ in Mn)**

Particulars	Opening balance as at 1 April 2018	Changes during the year	Balance as at 31 March 2019	Changes during the year	Balance as at 31 March 2020
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	
Balance as at 1 April 2018	**308.08**	**1,908.12**	**0.48**	**-**	**2,216.68**
Profit for the year	-	354.84	-	-	**354.84**
Other comprehensive income (net of tax impact)	-	1.63	0.15	-	**1.78**
Dividend paid during the year including tax impact, refer note no. 39	-	(79.19)	-	-	**(79.19)**
Balance as at 31 March 2019	**308.08**	**2,185.40**	**0.63**	**-**	**2,494.11**
Profit for the year	-	77.42	-	-	**77.42**
Other comprehensive income (net of tax impact)	-	6.58	30.33	(50.31)	**(13.40)**
Dividend paid during the year including tax impact, refer note no. 39	-	(79.19)	-	-	**(79.19)**
Balance as at 31 March 2020	**308.08**	**2,190.21**	**30.96**	**(50.31)**	**2,478.94**

**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 statement of equity 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

Deep Kapuria
Executive Chairman
DIN 00006185

Pranav Kapuria
Managing Director
DIN 00006195

Place: New Delhi
Date: June 26, 2020
UDIN : 20094202AAAAAX5908

Vijay Mathur
Chief Financial Officer

Naveen Jain
Company Secretary

THE HI-TECH GEARS LIMITED

Standalone cash flow statement for the year ended 31 March 2020

(₹ in Mn)

	PARTICULARS	31 March 2020	31 March 2019
A	**Cash flow from operating activities**		
	Profit before tax	153.02	531.22
	Adjustments for:		
	Depreciation and amortisation expense	274.53	270.80
	Gain on disposal of property, plant and equipment (net)	(13.21)	(91.42)
	Interest income classified as investing cash flows	(26.49)	(35.11)
	Income recognised on account of government assistance	(5.61)	(13.62)
	Provisions written back	(16.71)	(21.87)
	Provision for doubtful debts	-	6.72
	Unrealised foreign exchange rate difference (net)	26.28	16.01
	Unrealised loss on mark to market of forward contracts	4.21	-
	Finance cost	215.97	184.10
	Operating profit before working capital changes	**611.99**	**846.83**
	Movement in working capital		
	Decrease/(increase) in inventories	177.78	(282.68)
	(Increase)/decrease in other financial assets	3.39	4.08
	Decrease/(increase) in trade receivables	513.35	(112.71)
	Decrease/(increase) in other non-current assets	151.96	(0.61)
	(Increase) in other current assets	17.32	(40.08)
	Increase in other financial liability	(32.51)	20.84
	Increase/(decrease) in other current liability	(2.41)	(12.47)
	Increase in provision	21.17	38.63
	(Decrease)/increase in trade and other payables	52.06	74.67
	Cash flow from operating activities post working capital changes	**1,514.10**	**536.50**
	Income tax paid (net)	(72.18)	(165.46)
	Net cash flows from operating activities (A)	**1,441.92**	**371.04**
B	**Cash flows from investing activities**		
	Payment for acquisition of subsidiary, net of cash acquired	-	(35.01)
	Purchase of non-current investments	-	(13.78)
	Payments for property, plant and equipment and capital work-in-progress	(441.59)	(957.06)
	Proceeds from sale of property, plant and equipment	56.55	320.16
	(Payments)/proceeds for/of margin money and bank deposits	(145.25)	44.40
	Repayment of loans and advances	(8.31)	(18.49)
	Interest received	26.49	27.36
	Net cash used in investing activities (B)	**(512.11)**	**(632.42)**
C	**Cash flows from financing activities***		
	Finance cost paid	(176.36)	(150.74)
	Proceeds from borrowings	111.11	768.37
	Repayment of borrowings	(912.32)	(58.57)
	Payment of lease liabilities	(20.84)	-
	Dividends paid (including tax)	(79.19)	(79.19)
	Net cash (used)/flow from financing activities (C)	**(1,077.60)**	**479.87**
	Net increase (decrease) in cash and cash equivalents (A+B+C)	(147.79)	218.49
	Cash and cash equivalents at the beginning of the year	293.69	75.20
	Cash and cash equivalents at the end of the year	**145.90**	**293.69**

**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 Rs. 8.15Mn (31 March 2019 Rs. 7.78 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

Deep Kapuria
Executive Chairman
DIN 00006185

Pranav Kapuria
Managing Director
DIN 00006195

Vijay Mathur
Chief Financial Officer

Naveen Jain
Company Secretary

Place: New Delhi
Date: June 26, 2020
UDIN : 20094202AAAAAX5908

Notes to the standalone financial statements for the year ended 31 March 2020

1. Nature of operations

The Hi Tech Gears Limited ('the Company') is an auto component manufacturer (a Tier 1 supplier). The Company is domiciled in India and its corporate office is situated at 14th Floor, Tower-B, Millennium Plaza, Sushant Lok-I, Sector-27,Gurugram-122002,Haryana, India.

2. General information and compliance with Ind AS

These financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies for the periods presented.

These financial statements are separate financial statements of the Company. The Company has also prepared consolidated financial statements for the year ended 31 March 2020 in accordance with Ind AS 110 and the same were also approved for issue by the Board of Directors on 26 June 2020.

3. Basis of preparation

The financial statements have been prepared on going concern basis in accordance with generally accepted accounting principles in India. Further, the financial statements have been prepared on a historical cost basis except for following items:

Items	**Measurement basis**
Certain financial assets and liabilities	Fair value
Net defined benefits (assets)/liability	Fair value of plan assets less present value of defined benefits obligations.

4. Summary of significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These were used throughout all periods presented in the financial statements.

4.1 Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Companies Act, 2013.

4.2 Property, plant and equipment (PPE)

Recognition and initial measurement

Properties plant and equipment are stated at their cost of acquisition. Any trade discount and rebates are deducted in arriving at the purchase price. Property, plant and equipment purchased on deferred payment basis are recorded at equivalent cash price. The difference between the cash price equivalent and the amount payable is recognised as interest expense over the deferred payment period.

Spares having useful life of more than one year and having material value in each case, are capitalised under the respective heads as and when available for use.

Subsequent measurement (depreciation and useful lives)

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on Buildings and Plant and Equipment is charged on pro-rata basis on Straight Line Method based on the life assigned to each asset in accordance with Schedule II of Companies Act, 2013.Depreciation on rest of the property, plant and equipment has been provided on Written Down Value basis based on the life assigned to each asset in accordance with Schedule II of Companies Act, 2013.

De-recognition

An item of property, plant and equipment and any significant component initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset/ significant component (calculated as the difference between the net disposal proceeds and the carrying amount of the asset/significant component) is recognised in statement of profit and loss, when the asset is derecognised.

4.3 Intangible assets

Recognition and initial measurement

Intangible assets are stated at their cost of acquisition. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent measurement (amortisation)

Intangible assets are amortized over their respective individual estimated useful life on written down value basis commencing from the date, the asset is available to the company for its use

4.4 Inventories

Inventories are valued as follows:

Raw materials, loose tools and stores and spares

Raw materials, loose tools and stores and spares are valued at lower of cost and net realizable value. Cost of raw materials, loose tools and stores and spares is determined on a FIFO (First in first out) basis.

Work-in-progress and finished goods

Work-in-progress and finished goods is measured at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

Scrap

Scrap is measured at net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

4.5 Revenue recognition

Revenue arises mainly from the sale of manufactured and traded goods.

To determine whether to recognise revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is measured at fair value of consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and service tax, etc.

Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers.

Sale of goods

Revenue from sale of goods is recognised when the control of goods is transferred to the buyer as per the terms of the contract, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods. Control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods.

Sale of services

Revenue from services is recognised when Company satisfies the performance obligations by transferring the promised services to its customers.

Export benefits

Export benefits constituting Duty Draw back and Export Promotion Capital Goods scheme (EPCG) are accounted for on accrual basis when there is reasonable assurance that the company will comply with the conditions attached to them and the export benefits will be received. Export benefits under Duty Draw back scheme and EPCG are considered as other operating income.

Interest

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

Dividend income

Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

4.6 Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged as expense to the statement of profit and loss in the period for which they relate to.

4.7 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

a) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

b) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expensesin the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

c) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

4.8 Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the recoverable amount of the asset or the cash generating unit is estimated. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount. The carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.

4.9 Foreign currency

Functional and presentation currency

The financial statements are presented in Indian Rupee (₹) which is also the functional and presentation currency of the Company.

Initial recognition

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange difference

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognised in the statement of profit and loss in the year in which they arise.

4.10 Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below.

Non-derivative financial assets

Subsequent measurement

i. **Financial assets carried at amortised cost– A 'financial asset' is measured at the amortised cost if both the following conditions are met:**

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

ii. **Investments in equity instruments of subsidiary**– Investments in equity instruments of subsidiaryare accounted for at cost in accordance with Ind AS 27 Separate Financial Statements.

iii. **Investments in other equity instruments –** Investments in equity instruments which are held for trading are classified at Fair Value Through Profit or Loss (FVTPL). For all other equity instruments, the Company makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at Fair Value through Other Comprehensive Income (FVOCI) or Fair Value Through Profit or Loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Company transfers the cumulative gain or loss within equity. Dividends on such investments are recognized in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

De-recognition of financial assets

A financial asset is primarily de-recognised when the contractual rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Non-derivative financial liabilities

Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Forward contracts

The Company has entered into certain forward (derivative) contracts to hedge risks which are not designated as hedges. These derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. Any profit or loss arising on cancellation or renewal of such derivative contract is recognised as income or as expense in statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.11 Impairment of financial assets

In accordance with IndAS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.The Company assesses on forward looking basis the expected credit losses associated with its assets and impairment methodology applied depends on whether there has been a significant increase in credit risk.

Trade receivables

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Other financial assets

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, , the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort..

4.12 Income taxes

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity).

4.13 Cash and cash equivalents

Cash and cash equivalents include cash in hand, balance with banks in current in current accounts and other short term highly liquid investments with original maturity of three months and less.

4.14 Research and Development Costs

Revenue expenditure incurred on research and development has been charged to the statement of profit and loss for the year in which it is incurred. Capital expenditure is included in respective heads under Property, plant and equipment.

4.15 Employee benefits

Short term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short term employee benefits to be paid in exchange for employee services are recognised as an expense as the related service is rendered by employees.

Defined Contribution Plan

Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Company has no further obligations. Payments to defined contribution retirement benefit schemes (such as Provident Fund, Employee's State Insurance Corporation) are charged to the statement of profit and loss of the year in which contribution to such schemes becomes due.

Defined Benefit Plan

For defined benefit schemes, the cost of providing benefits is determined using Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligations as adjusted for unrecognized past service cost, and as reduced by the fair value of scheme assets.

The Company makes annual contribution to the Employee's Company Gratuity-cum-Life Assurance scheme of the Life Insurance Corporation of India, a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of 6 months. Vesting occurs upon completion of 5 years of continued service.

Other long-term employee benefits

Liability in respect of leave encashment becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of discounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of leave encashment becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to statement of profit and loss in the year in which such gains or losses are determined.

4.16 Provisions

Provisions are recognized when the Company has a present obligation as a result of past events, for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions required to settle are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation. Provisions are discounted to their present values, where the time value of money is material.

4.17 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

4.18 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

4.19 Derivative financial instruments and hedge accounting

Derivative financial instruments are accounted for at fair value through profit and loss (FVTPL) except for derivatives designated as hedging instruments in cash flow hedge relationships, which require a specific accounting treatment. To qualify for hedge accounting, the hedging relationship must meet all the following requirements:

'- there is an economic relationship between the hedged item and the hedging instrument

'- the effect of credit risk does not dominate the value changes that result from that economic relationship

'- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

The Company has designated certain derivative contracts as hedging instruments in cash flow hedge relationships.

The Company applied hedge accounting requirements in Ind AS 109 prospectively from 1 April 2019 to derivative instruments which could be designated as effective cash flow hedges. These arrangements had been entered into to mitigate foreign currency exchange risk and interest rate risk arising from highly probable forecasted sales and debt instruments denominated in foreign currency, in accordance with the Company's risk management policy.

All derivative financial instruments used for hedge accounting are recognised initially at fair value and reported subsequently at fair value in the balance sheet.

To the extent that the hedge is effective, changes in the fair value of derivatives designated as hedging instruments in cash flow hedges are recognised in other comprehensive income and included within the cash flow hedge reserve in equity. Any ineffectiveness in the hedge relationship is recognised immediately in profit or loss.

At the time the hedged item affects profit or loss, any gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and presented as a reclassification adjustment within other comprehensive income.

4.20 Significant management judgement and estimates

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements.

Recognition of deferred tax assets– The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Contingent liabilities– At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Significant estimates

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Government grants – Grants receivables are based on estimates for utilisation of grant as per the regulations as well as analysing actual outcomes on a regular basis and compliance with stipulated conditions. Changes in estimates or non-compliance of stipulated conditions could lead to significant changes in grant income and are accounted prospectively over the balance life of asset.

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Useful lives of depreciable/amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utilisation of assets.

Provisions – estimate for provisions recognised is based on management best estimate of the expenditure required to settle the present obligation at the year end and is based on historical experience, expected changes in economic conditions, changes in exchange rates.

Fair value measurements– Management applies valuation techniques to determine the fair value of financial instruments such as derivatives. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

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Note - 6

Property, plant and equipment

(₹ in Mn)

Particulars	Freehold land	Leasehold land	Residential flats	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Total	Capital work-in-progress
Gross carrying amount										
At 1 April 2018	412.82	18.59	5.76	402.61	3,330.53	27.88	74.67	38.27	4,311.13	21.13
Additions	1.63	-	-	5.55	509.99	4.47	4.15	30.47	556.26	673.17
Disposals	(218.64)	-	(1.21)	-	(173.52)	-	(2.40)	(5.18)	(400.95)	(556.26)
Balance as at 31 March 2019	**195.81**	**18.59**	**4.55**	**408.16**	**3,667.00**	**32.35**	**76.42**	**63.56**	**4,466.44**	**138.04**
Reclassified on adoption of Ind AS 116	-	(18.59)	(4.55)	-	(30.76)	-	-	-	(53.90)	-
Additions	-	-	-	7.60	450.42	1.20	1.62	0.75	461.59	439.49
Disposals	(38.02)	-	-	-	(31.15)	-	(0.19)	(1.61)	(70.97)	-
Capitalised during the year	-	-	-	-	-	-	-	-	-	(461.59)
Balance as at 31 March 2020	**157.79**	**-**	**-**	**415.76**	**4,055.51**	**33.55**	**77.85**	**62.70**	**4,803.16**	**115.94**
Accumulated depreciation										
At 1 April 2018	-	0.95	1.73	119.32	2,389.26	24.94	63.51	33.34	2,633.05	-
Charge for the year	-	0.19	0.08	11.86	242.87	0.70	5.94	3.29	264.93	-
Adjustments for disposals	-	-	(0.40)	-	(164.64)	-	(2.27)	(4.90)	(172.21)	-
Balance as at 31 March 2019	**-**	**1.14**	**1.41**	**131.18**	**2,467.49**	**25.64**	**67.18**	**31.73**	**2,725.77**	**-**
Reclassified on adoption of Ind AS 116	-	(1.14)	(1.41)	-	(1.58)	-	-	-	(4.13)	-
Charge for the year	-	-	-	12.17	226.46	1.66	4.29	4.37	248.95	-
Adjustments for disposals	-	-	-	-	(26.11)	-	(0.04)	(1.51)	(27.65)	-
Balance as at 31 March 2020	**-**	**-**	**-**	**143.35**	**2,666.26**	**27.30**	**71.43**	**34.59**	**2,942.94**	**-**
Net carrying amount as at 31 March 2019	**195.81**	**17.45**	**3.14**	**276.98**	**1,199.51**	**6.71**	**9.24**	**31.83**	**1,740.67**	**138.04**
Net carrying amount as at 31 March 2020	**157.79**	**-**	**-**	**272.41**	**1,389.25**	**6.25**	**6.42**	**28.11**	**1,860.23**	**115.94**

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.

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Note - 7

Right-of-use assets

(₹ in Mn)

Particulars	Land	Residential flats	Buildings	Plant and equipment	Total
Gross carrying amount					
At 1 April 2019	**-**	**-**	**-**	**-**	**-**
Transition impact of Ind AS 116	18.59	4.55	87.04	30.76	140.94
Additions	-	-	-	-	-
Adjustments/disposals	-	-	(7.32)	-	(7.32)
Balance as at 31 March 2020	**18.59**	**4.55**	**79.72**	**30.76**	**133.62**
Accumulated depreciation					
At 1 April 2019	**-**	**-**	**-**	**-**	**-**
Transition impact of Ind AS 116	1.14	1.41	-	1.58	4.13
Charge for the year	0.19	0.07	19.63	1.17	21.07
Adjustments for disposals	-	-	-	-	-
Balance as at 31 March 2020	**1.33**	**1.48**	**19.63**	**2.75**	**25.20**
Net carrying amount as at 31 March 2020	**17.26**	**3.07**	**60.09**	**28.01**	**108.42**

Note: The company has adopted Ind AS 116 "Leases" using modified retrospective approach. Hence, previous year figures have not been disclosed.

Note - 7 A

Intangible assets

(₹ in Mn)

Particulars	Software's	Total
Gross carrying amount		
At 1 April 2018	95.88	95.88
Additions	0.39	0.39
Disposals	-	-
Balance as at 31 March 2019	**96.27**	**96.27**
Additions	8.22	8.22
Balance as at 31 March 2020	**104.49**	**104.49**
Accumulated amortisation		
At 1 April 2018	80.64	80.64
Charge for the year	5.87	5.87
Balance as at 31 March 2019	**86.51**	**86.51**
Charge for the year	4.52	4.52
Balance as at 31 March 2020	**91.03**	**91.03**
Net carrying amount as at 31 March 2019	**9.76**	**9.76**
Net carrying amount as at 31 March 2020	**13.46**	**13.46**

Note - 8

(₹ in Mn)

Particulars	31 March 2020	31 March 2019
A. Investments - non-current		
Equity instruments		
Investment in subsidiary companies (unquoted, measured at cost)		
2545887 Ontario Inc., Canada		
29,864,225 common shares of CAD $1 each	1,534.55	1,534.55
(previous year 31 March 2019: 29,864,225 common shares) fully paid up.		
Neo-Tech Auto System Inc., USA		
1,000,000 common shares of USD $0.01 each	0.64	0.64
(previous year 31 March 2019: 1,000,000 common shares) fully paid up.		
Neo Tech Smart Solutions Inc., Canada*		
250,000 common shares of CAD $ 1 each	13.78	13.78
(previous year 31 March 2019: 2,50,000 common shares) fully paid up		
Other investment		
(quoted, measured at FVOCI)		
2100 Equity shares of Rs. 1/- each fully paid up of State Bank of India	0.41	0.67
(previous year 31 March 2019 : 2100 Equity shares of Rs. 1/- each fully paid up).		
(unquoted, measured at FVOCI)		
8200 Equity shares of Rs. 1/- each fully paid up of Altigreen Propulsion Labs Pvt. Ltd.	82.04	35.01
(previous year 31 March 2019 : 8200 Equity shares of Rs. 1/- each fully paid up) **		
	1,631.42	**1,584.65**
Aggregate market value of quoted investments	0.41	0.67
Aggregate amount of unquoted investments and market value thereof	1,631.01	1,583.98
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%	

*During the previous financial year, the Company had incorporated a Wholly Owned Subsidiary Company in Canada viz. Neo-Tech Smart Solutions Inc. by acquiring its 100% common shares on 22 October 2018.
** During the previous financial year, the Company had made investment in equity shares of Altigreen Propulsion Labs Pvt. Ltd. amounting to Rs. 35.01 Mn (including a security premium of Rs. 35.01 Mn)

Note - 9

(₹ in Mn)

Particulars	31 March 2020	31 March 2019
A Loans - non current		
(Unsecured, considered good)		
Security deposits with government bodies	42.13	32.36
Loan to employees	2.46	0.93
	44.59	**33.29**
B Loans - current		
(Unsecured, considered good)		
Security deposits - others	4.16	4.05
Loan to employees	3.30	6.41
	7.46	**10.46**

Note - 10

Particulars	31 March 2020	31 March 2019
A Other financial assets - non current		
Balance held as margin money (against letter of credit and bank guarantees)*	0.08	5.22
	0.08	**5.22**
*Margin money deposits having remaining maturity of more than 12 months.		
B Other financial assets - current		
Earnest money deposit	-	0.04
Other receivable*		
Considered good	62.95	66.30
Considered credit impaired (refer note below)	2.05	2.05
Less: Impairment allowance (allowance for bad and doubtful debts)	(2.05)	(2.05)
	62.95	**66.34**

*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 Rs.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 Rs.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)

Particulars	31 March 2020	31 March 2019
A Other non-current assets		
Capital advance*	164.09	322.11
Prepaid expenses	8.35	2.29
	172.44	**324.40**
*For capital commitments refer note - 38(B)		
B Other current assets		
Advances to suppliers	50.04	46.66
Advances to employees	1.75	1.02
Prepaid expenses	16.85	21.64
Balance with statutory authorities	59.03	75.67
	127.67	**144.99**

Note - 12

(₹ in Mn)

Particulars	31 March 2020	31 March 2019
Inventories		
(Valued at lower of cost or net realisable value)		
Finished goods (including goods in transit)	98.16	61.37
Raw materials and components	77.80	238.33
Stock in trade	11.07	-
Stores and spares	170.00	195.38
Work-in-progress	204.92	244.11
Scrap (at realisable value)	0.00	0.54
	561.95	**739.73**

Note - 13

(₹ in Mn)

Particulars	31 March 2020	31 March 2019
Trade receivables*		
(Unsecured)		
Considered good	589.60	1,095.60
Having significant increase in credit risk	2.81	6.45
Credit impaired	4.06	4.06
Less: Impairment loss allowance	(6.52)	(15.80)
	589.95	**1,090.31**

*for related party balances refer note 36

Note - 14

(₹ in Mn)

Particulars	31 March 2020	31 March 2019
Cash and cash equivalents		
Cash on hand	0.32	0.51
Balances with banks		
In current accounts	113.82	69.49
Bank deposits with original maturity less than three months	31.76	223.69
	145.90	**293.69**

Note - 15

(₹ in Mn)

Particulars	31 March 2020	31 March 2019
Other bank balances		
Margin money	4.19	0.00
Deposits with Standard Chartered Bank (DSRA) maturity of more than three months and upto twelve months**	93.69	77.40
Bank deposits with maturity of more than three months and upto twelve months	201.42	45.52
Unclaimed dividend	1.21	1.19
	300.51	**124.11**

** Amount deposited in fixed deposits of Rs.93.69 Mn (previous year Rs.77.40 Mn) which is Charged to Lender persuant to the facility agreement (refer note 19 borrowings current for details).

Note - 16

(₹ in Mn)

Particulars	31 March 2020	31 March 2019
Current tax assets (net)		
Advance income tax	261.49	186.59
Less: Provision for taxation	(223.80)	(166.88)
	37.69	**19.71**

Note - 17

(₹ in Mn)

Particulars	31 March 2020		31 March 2019	
Equity share capital				
i Authorised	**Number**	**Amount**	**Number**	**Amount**
20,000,000 equity shares of ₹ 10/- each with voting rights	20,000,000	200.00	20,000,000	200.00
		200.00		**200.00**
ii Issued, subscribed and fully paid up				
Equity share capital of face value of ₹ 10/- each	18,768,000	187.68	18,768,000	187.68
		187.68		**187.68**
iii Reconciliation of number of equity shares outstanding at the beginning and at the end of the year				
Equity shares				
Balance at the beginning of the year	18,768,000	187.68	18,768,000	187.68
Add : Shares issued during the year	-	-	-	-
Balance at the end of the year	**18,768,000**	**187.68**	**18,768,000**	**187.68**

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

Particulars	31 March 2020		31 March 2019	
Name of the equity shareholders	**Number**	% Held	**Number**	% Held
Vulcan Electro Controls Limited	1,082,000	5.77%	1,082,000	5.77%
Olympus Electrical Industries Private Limited	1,745,200	9.30%	1,745,200	9.30%
Hi Tech Portfolio Investments Limited	1,971,876	10.51%	1,971,876	10.51%
Mr. Deep Kapuria	3,117,461	16.61%	3,117,461	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.

Note - 18
Other Equity

Reserve & Surplus			
General Reserve			
Balance as per last Balance sheet		308.08	308.08
Add: Transfer from retained earnings		-	-
	Total (A)	**308.08**	**308.08**
Retained earnings			
Balance as per last Balance sheet		2,185.40	1,908.12
Add: Profit/(Loss) for the year		77.42	354.84
Add: Other comprehensive income (net of tax impact)		6.58	1.63
Less: Dividend paid during the year including tax impact, refer note no. 39		(79.19)	(79.19)
	Total (B)	**2,190.21**	**2,185.40**
	Total (C=A+B)	**2,498.29**	**2,493.48**
Other Comprehensive Income (OCI)			
Equity instrument through Other Comprehensive Income			
Balance as per last Balance sheet		0.63	0.48
Add: Movement in OCI (Net) during the year		30.33	0.15
	Total (D)	**30.96**	**0.63**
Cash flow hedge reserve			
Balance as per last Balance sheet		-	-
Add: Movement in OCI (Net) during the year		(50.31)	-
	Total (E)	**(50.31)**	**-**
	Total (F=D+E)	**(19.35)**	**0.63**
	Total Other Equity (C+F)	**2,478.94**	**2,494.11**

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.

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)

Particulars	31 March 2020	31 March 2019
A **Borrowings non-current**		
Secured		
Term loans		
From banks		
External commercial borrowing	964.29	1,101.30
Rupee Loan	554.72	503.83
From others- vehicle loan	14.47	19.51
Lease liabilities	63.42	16.61
	1,596.90	**1,641.25**

(₹ in Mn)

Particulars	Nature of security	Terms of repayment	Maturity	31 March 2020	31 March 2019
Secured **External commercial borrowing** 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, Gurugram, 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.	February, 2024	804.92	828.49
Interest rate				**3 Month LIBOR+3.29%**	**3 Month LIBOR+3.29%**
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, Gurugram, 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	February, 2024	417.92	505.38
Interest rate				**3 Month LIBOR+3.00%**	**3 Month LIBOR+3.00%**
Term loan					
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, Gurugram, 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.	Repayment in 16 quarterly instalment starts from December, 2020	December, 2024	616.11	505.00
Interest Rate				**9.2%/9.3%/9.35%**	**9.2%/9.3%/9.35%**

Vehicle loan BMW Financial Service **Interest rate**	Hypothecation of specific car.	47 monthly equal instalments of ₹ 132,801 & 48the instalment of ₹ 30,21,700.	August, 2022	5.70 **9.75%**	6.69 **9.75%**
Daimler Financial Services Pvt Ltd **Interest rate**	Hypothecation of specific car.	35 monthly equal instalments of ₹ 4,51,854 & 48the instalment of ₹ 82,25,900.	October, 2021	13.81 **11.74%**	17.33 **11.74%**
Finance lease obligation **Interest rate**	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		84.34 **6.25%**	19.36 **6.25%**
Unamortised upfront fees on borrowing				(44.48)	(63.57)
Total borrowings				**1,898.32**	**1,818.68**
Less : Current maturity of long term loan				301.42	177.43
Non current borrowings				**1,596.90**	**1,641.25**

(₹ in Mn)

	31 March 2020	31 March 2019
B. Borrowings - current		
Secured		
Working capital loans repayable on demand from banks	2.03	715.59
	2.03	**715.59**

Particulars	Nature of security	Interest rate	31 March 2020	31 March 2019
Citi bank, N.A.	• First parri passu charge on present and future stocks and book debts of the Company. • Second pari passu charge on present and future fixed assets excluding assets specifically charged to other lenders. • Second pari passu charge by way of equitable mortgage on land and building located at A-589, Industrial Complex, Dist Alwar, Bhiwadi.	9.75% p.a (previous year 9.75% p.a)	-	158.57
Citi bank-packing credit		6.10% p.a (previous year 5.20% p.a)	-	50.00
Standard chartered bank-packing credit	• First pari passu charge over stock and book debts of the borrower both present and future. • Second pari passu charge on movable Fixed assets (excluding the assets specifically charged to other lenders). • Second pari passu charge on immovable fixed assets at A-589, Industrial Complex, Dist Alwar, Bhiwadi.	6.00% p.a (previous year 5.20% p.a)	-	11.22
Standard chartered bank-Working capital loan		10.95% p.a (previous year 10.95% p.a)	-	37.88
Standard chartered bank- Working capital demand loan		9.40% p.a (previous year 9.40% p.a)	-	60.00
State Bank of India-packing credit	• First pari passu charge on all the current assets with working capital lender banks under multiple banking arrangement. • 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.	8.30% p.a (previous year 5.55% p.a)	-	120.00
State Bank of India-Working capital loan		9.25% p.a (previous year 9.25% p.a)	2.03	-
Kotak Mahindra bank-PCRE	• First pari passu charge on all existing and future current assets of the Company. • Second pari passu charge on all existing and future Movable Fixed Assets (other than those exclusively charged to other lenders, (if any) of the Company. • Second pari passu charge on immovable property being land and building situated at A-589, Industrial Complex, Bhiwadi, Rajasthan-3010019 belonging to the Company.	8.65% p.a (previous year 8.65% p.a)	-	50.00

HDFC Bank Ltd-Working capital loan	• First pari pasucharge by way of hypothecation on entire current assets of the Company, both present and future. • 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. * Second pari passu charge over A-589, Industrial Complex, Bhiwadi, Rajasthan-3010019 * The Memorandum of Entry is still to execute.	9.2% p.a. (previous year 9.2% p.a)	-	192.70
ICICI Bank Limited-Working capital loan	• First charge by way of hypothecation of the Company's entire stocks of raw materials, semi finished and finished goods, consumables stores and spares and such other movables including book-debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the Bank, ranking pari passu with other participating banks. • Second pari passu charge on immovable fixed assets of the company by way of equitable mortgage on property situated at A-589, Industrial Complex, Bhiwadi.	9.75% p.a (previous year 9.75%)	-	35.22
Total			**2.03**	**715.59**

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
01 April 2018	**1,226.12**	**568.70**	**24.68**	**1,819.50**
Cash flows:				
- Repayment	(53.25)	(4.09)	(5.32)	(62.66)
- Proceeds	529.62	150.98		680.60
- Foreign exchange	75.36	-	-	75.36
- Amortisation of upfront fees and others	21.47	-		21.47
31 March 2019	**1,799.32**	**715.59**	**19.36**	**2,534.27**
Cash flows:				
- Repayment	(198.76)	(713.56)	(20.84)	(933.16)
- Proceeds	111.10	-	-	111.10
- Foreign exchange	84.41	-	-	84.41
- Amortisation of upfront fees and others	17.90	-	85.82	103.72
31 March 2020	**1,813.98**	**2.03**	**84.34**	**1,900.34**

Note - 20

(₹ in Mn)

Particulars	31 March 2020	31 March 2019
A Provisions - non current		
Employees' post retirement/long-term benefits		
Compensated absences	39.12	46.32
	39.12	**46.32**

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

B Provisions - current	**31 March 2020**	**31 March 2019**
Employees' post retirement/long-term benefits		
Gratuity	1.61	1.32
Compensated absences	6.01	6.67
Provision on rate difference	29.71	27.80
	37.33	**35.79**

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

Note - 21

(₹ in Mn)

	31 March 2020	31 March 2019
Deferred tax liabilities (net)		
Deferred tax liabilities arising on account of :		
Property, plant & equipment	93.61	60.46
Fair valuation of equity instruments	16.43	-
Deferred government grant	1.96	13.62
Deferred tax asset arising on account of :		
Cash flow hedge reserve	(36.88)	-
Right-of-use asset and lease liabilities	(2.26)	-
Provision for rate difference	(10.38)	(9.71)
Provision for leave encashment	(15.77)	(18.52)
Plant and machinery recognised on account of government grant	(1.96)	(13.62)
Derivatives not designated as hedges	(1.47)	-
Provision for bonus	(12.22)	(12.29)
Provision for doubtful debts and advances	(2.99)	(6.24)
	28.07	**13.70**

(i) Movement in deferred tax liabilities (net)

(₹ in Mn)

Particulars	01 April 2019	Recognised/ reversed through profit and loss	Recognised/ reversed through other comprehensive income	31 March 2020
Deferred tax liabilities arising on account of :				
Property, plant & equipment	60.46	33.15	-	93.61
Fair valuation of equity instruments	-	-	16.43	16.43
Deferred government grant	13.62	(11.66)	-	1.96
Deferred tax asset arising on account of :				
Cash flow hedge reserve	-	(0.74)	(36.14)	(36.88)
Right-of-use asset and lease liabilities	-	(2.26)	-	(2.26)
Provision for rate difference	(9.71)	(0.67)	-	(10.38)
Provision for leave encashment	(18.52)	2.75	-	(15.77)
Plant and machinery recognised on account of government grant	(13.62)	11.66	-	(1.96)
Derivatives not designated as hedges	-	(1.47)	-	(1.47)
Provision for bonus	(12.29)	0.07	-	(12.22)
Provision for doubtful debts and advances	(6.24)	3.25	-	(2.99)
Total	**13.70**	**34.08**	**(19.71)**	**28.07**

(₹ in Mn)

Particulars	01 April 2018	Recognised/ reversed through profit and loss	31 March 2019
Deferred tax liabilities arising on account of :			
Property, plant & equipment	40.71	19.75	60.46
Deferred government grant	5.22	8.40	13.62
Derivatives not designated as hedges	0.10	(0.10)	-
Deferred tax asset arising on account of :			
Provision for rate difference	(9.62)	(0.09)	(9.71)
Provision for leave encashment	(13.38)	(5.14)	(18.52)
Plant and machinery recognised on account of government grant	(5.22)	(8.40)	(13.62)
Provision for bonus	(10.64)	(1.65)	(12.29)
Provision for doubtful debts and advances	(3.85)	(2.39)	(6.24)
Total	**3.32**	**10.38**	**13.70**

Note - 22

(₹ in Mn)

Particulars		31 March 2020	31 March 2019
A	**Other non - current liabilities**		
	Deferred income*	17.51	23.13
		17.51	**23.13**

* 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**		
	Payable to statutory authorities	24.61	27.71
	Advance received from customers	52.94	50.25
		77.55	**77.96**

Note - 23

(₹ in Mn)

Particulars	31 March 2020	31 March 2019
Trade payables		
- total outstanding dues of micro enterprises and small enterprises	29.83	35.81
- total outstanding dues of creditors other than micro enterprises and small enterprises	653.42	594.78
	683.25	**630.59**

*Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 (“MSMED Act, 2006”) as at 31 March 2020 and 31 March 2019:

(₹ in Mn.)

Particulars		31 March 2020	31 March 2019
i	Principal amount remaining unpaid to any supplier as at the end of the accounting year;	29.83	35.81
ii	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year;	-	-
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.)

Particulars	31 March 2020	31 March 2019
Other financial liabilities		
Current maturities of long term borrowings	280.51	174.68
Current maturities of lease liabilities	20.92	2.75
Interest accrued but not due	11.01	15.00
Earnest money and security deposits	2.58	2.15
Unclaimed dividend	1.21	1.19
Derivative liability	109.75	-
Others*	206.30	263.48
	632.28	**459.25**

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

Note - 25

(₹ in Mn.)

Particulars	31 March 2020	31 March 2019
Revenue from operations		
Sale of products		
Transmission gears and shafts-domestic	3,601.71	4,336.85
Transmission gears and shafts-export	1,331.12	1,906.34
Sale of services		
Software export	3.32	5.76
Sales job work	5.71	8.12
Other operating income		
Export incentives	53.02	72.24
Sales scrap	98.37	142.84
	5,093.25	**6,472.15**

Note - 26

(₹ in Mn)

Particulars	31 March 2020	31 March 2019
Other income		
Interest income		
Bank deposits	24.41	11.85
Others	2.08	23.25
Provisions written back - trade receivables	9.28	-
Provision written back	7.43	21.87
Net gain on sale of property, plant and equipment	13.21	91.42
Fair value gain on derivatives not designated as hedges	-	0.25
Income recognised on account of government assistance	5.61	13.62
Miscellaneous income	0.01	0.11
	62.03	**162.37**

Note - 27

(₹ in Mn)

Particulars	31 March 2020	31 March 2019
Cost of materials consumed		
Opening stock of raw material (steel rod and forgings)	238.33	104.78
Add: Purchase during the year (net of discount)	2,185.80	3,367.58
	2,424.13	3,472.36
Less: Closing stock of raw material (steel rod and forgings)	77.80	238.33
	2,346.33	**3,234.03**

Note - 28

(₹ in Mn)

Particulars	31 March 2020	31 March 2019
Purchase of traded goods		
Opening stock of purchase of traded goods (transmission gears and shafts)	-	-
Add: Purchase during the year (transmission gears and shafts)	252.45	316.20
	252.45	316.20
Less: Closing stock of purchase of traded goods (transmission gears and shafts)	-	-
	252.45	**316.20**

Note - 29

(₹ in Mn)

Particulars	31 March 2020	31 March 2019
Changes in inventories of finished goods and work-in-progress		
Inventories at the end of the year:		
Finished goods (transmission gears and shafts)	98.16	61.37
Work-in-progress (transmission gears and shafts)	204.91	244.11
Inventories at the beginning of the year:		
Finished goods (transmission gears and shafts)	61.37	48.11
Work-in-progress (transmission gears and shafts)	244.11	166.91
	2.41	**(90.46)**

Note - 30

(₹ in Mn)

Particulars	31 March 2020	31 March 2019
Employee benefits expense		
Salaries and incentives	869.65	904.28
Contributions to provident and other funds	34.32	33.64
Gratuity fund contributions	11.91	12.18
Staff welfare expenses	41.08	55.31
	956.96	**1,005.41**

Note - 31

(₹ in Mn)

Particulars	31 March 2020	31 March 2019
Finance costs		
Interest on		
Loan from bank	179.80	139.54
Lease liabilities	6.00	-
Others	2.73	4.02
Bank commission and charges	5.74	6.74
Loss on exchange rate fluctuation	21.70	33.80
	215.97	**184.10**

Note - 32

(₹ in Mn)

Particulars	31 March 2020	31 March 2019
Other expenses		
Water, electricity and allied charges	287.86	333.75
Stores and spares consumed	339.26	425.03
Professional expenses	56.02	72.25
Repair and maintenance		
Plant and machinery	16.39	25.27
Buildings	1.23	7.72
Rent	4.73	20.57
Insurance	21.71	20.80
Corporate social responsibility expenses	8.15	7.78
Rates and taxes	3.04	3.56
Provision for doubtful debts	-	6.72
Auditor's remuneration*	2.20	1.65
Balance written off	6.52	0.49
Director's sitting fee	0.61	0.69
Freight and handling expenses	68.37	87.31
Charity and donation	0.06	0.46
Fair value loss on derivatives not designated as hedges	4.21	-
Loss on exchange fluctuation other than finance cost	6.99	7.83
Miscellaneous expenses	126.26	161.34
	953.61	**1,183.22**

***Remuneration to auditors comprises of:**		
Audit fees	1.70	1.20
Reimbursement of expenses	0.04	0.07
Certification fees	0.08	0.08
Other services	0.38	0.30
	2.20	**1.65**

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) Gross amount required to be spent by the Company during the year is Rs. 8.08 Mn (previous year 7.65 Mn).

b) Amount spent during the financial year ended 31 March 2020 and 31 March 2019 on:

(₹ in Mn.)

Particulars	Period	Bank payment	Yet to be paid in cash	Total
Education, technical education including research and development	**31 March 2020**	5.55	-	**5.55**
	31 March 2019	4.75	-	**4.75**
Health	**31 March 2020**	-	-	**-**
	31 March 2019	0.50	-	**0.50**
Integrity community development	**31 March 2020**	0.70	-	**0.70**
	31 March 2019	1.33	-	**1.33**
Disaster management	**31 March 2020**	0.20	-	**0.20**
	31 March 2019	0.20	-	**0.20**
Prime Minister National Relief Fund	**31 March 2020**	1.00	-	**1.00**
	31 March 2019	1.00	-	**1.00**
Others	**31 March 2020**	0.70	-	**0.70**
	31 March 2019	-	-	**-**
Total	**31 March 2020**	**8.15**	**-**	**8.15**
	31 March 2019	**7.78**	**-**	**7.78**

Note - 33

(₹ in Mn.)

Particulars	31 March 2020	31 March 2019
Income tax		
Tax expense comprises of:		
Current tax	44.28	166.00
Deferred tax charge	34.07	10.38
Earlier years tax adjustments (net)	(2.75)	-
Income tax expense reported in the statement of profit and loss	**75.60**	**176.38**

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 34.944% (31 March 2019: 34.944%) and the reported tax expense in profit or loss are as follows:

(₹ in Mn.)

Accounting profit before income tax	**153.02**	**531.22**
At India's statutory income tax rate of 34.944% (31 March 2019: 34.944%)	53.47	185.63
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Tax impact of exempted income	-	(0.00)
Effect of tax incentive	(1.59)	-
Impact of different tax rate on certain items	-	(35.74)
Tax impact of expenses which will never be allowed	26.27	27.78
Earlier years tax adjustments (net)	(2.75)	0.14
Others	0.20	(1.43)
Income tax expense	**75.60**	**176.38**

Note - 34

(₹ in Mn.)

Particulars	**31 March 2020**	**31 March 2019**
Earnings per share		
Net profit attributable to equity shareholders		
Net profit for the year	77.42	354.84
Nominal value of equity share (₹)	10	10
Total number of equity shares outstanding at the beginning of the year	18,768,000	18,768,000
Total number of equity shares outstanding at the end of the year	18,768,000	18,768,000
Weighted average number of equity shares	18,768,000	18,768,000
(1) Basic (₹)	4.13	18.91
(2) Diluted (₹)	4.13	18.91

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 2020**			**31 March 2019**		
	FVTPL	**FVOCI**	**Amortised cost**	**FVTPL**	**FVOCI**	**Amortised cost**
Financial assets						
Investment in equity instrument through OCI	-	82.46	-	-	35.68	-
Trade receivables	-	-	589.95	-	-	1,090.31
Loans	-	-	5.75	-	-	7.33
Cash and cash equivalents	-	-	145.90	-	-	293.69
Other bank balances		-	300.51			124.11
Other financial assets	-	-	63.03	-	-	71.55
Security deposits	-	-	46.30	-	-	36.42
Total financial assets	**-**	**82.46**	**1,151.44**	**-**	**35.68**	**1,623.41**
Financial liabilities						
Borrowings	-	-	1,900.36	-	-	2,534.27
Trade payables	-	-	683.25	-	-	630.59
Other financial liabilities	4.21	105.54	221.10	-	-	281.82
Total financial liabilities	**4.21**	**105.54**	**2,804.71**	**-**	**-**	**3,446.68**

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:

(a) the use of quoted market prices for quoted equity instruments.

(b) 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.

(c) 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 2020	31 March 2019		31 March 2020	31 March 2019
Unquoted equity investments	82.04	35.01	Earnings growth rate	4.50%	5.00%
			Risk adjusted discount rate	18.45%	21.18%

Sensitivity analysis **(₹ in Mn)**

Description	31 March 2020	31 March 2019
Impact on fair value if change in earnings growth rate		
- Impact of increase in discount rate by 0.5 %	85.46	36.28
- Impact of decrease in discount rate by 0.5 %	78.84	33.83
Impact on fair value if change in risk adjusted discount rate		
- Impact of increase in discount rate by 0.5 %	77.47	33.17
- Impact of decrease in discount rate by 0.5 %	86.98	37.00

The following table presents the changes in level 3 items for the period ended 31 March 2020 and 31 March 2019: **(₹ in Mn)**

Particulars	Unquoted equity shares
As at 31 March 2018	**-**
Acquisition	35.01
As at 31 March 2019	**35.01**
Acquisition	-
Gain recognised in other comprehensive income	47.03
As at 31 March 2020	**82.04**

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 2020, 31 March 2019:

(₹ in Mn)

Particulars	Period	Level 1	Level 2	Level 3	Total
Financial assets					
Investments at fair value through other comprehensive income					
Equity investments	31 March 2020	0.42	-	82.04	**82.46**
	31 March 2019	0.67	-	35.01	**35.68**
Financial Liabilities					
Derivative financial liabilities	31 March 2020	-	109.75	-	**109.75**
	31 March 2019	-	-	-	**-**

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 2020		31 March 2019	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Loans	Level 3	44.59	44.59	33.29	33.29
Other financial assets	Level 3	0.08	0.08	5.22	5.22
Total financial assets		**44.67**	**44.67**	**38.51**	**38.51**
Financial liabilities					
Borrowings	Level 3	1,900.36	1,900.36	2,534.27	2,534.27
Total financial liabilities		**1,900.36**	**1,900.36**	**2,534.27**	**2,534.27**

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 2020 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

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 2020	31 March 2019
A: Low	Cash and cash equivalents, investments, other bank balances, loans and other financial assets	643.95	568.78
B: Medium	Trade receivables and other financial asset	589.60	1,095.60
C: High	Trade receivables and other financial asset	8.92	12.56

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 2020	31 March 2019
Original equipment manufacturer	296.20	705.64
Others	300.27	400.47
Total	**596.47**	**1,106.11**

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 2020 **(₹ in Mn)**

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	145.90	-	145.90
Investment	82.46	-	82.46
Other bank balances	300.60	-	300.60
Loans	52.05	-	52.05
Other financial assets	65.00	2.05	62.95

As at 31 March 2019 **(₹ in Mn)**

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	293.69	-	293.69
Investment	35.68	-	35.68
Other bank balances	129.32	-	129.32
Loans	43.75	-	43.75
Other financial assets	68.39	2.05	66.34

ii) Expected credit loss for trade receivables under simplified approach

As at 31 March 2020 **(₹ in Mn)**

Period	Gross carrying value	Expected credit loss (provision)	Carrying amount (net of impairment)
0 - 90 Days	486.79	1.25	485.54
90 - 180 Days	80.58	0.12	80.46
180 - 270 Days	20.24	0.18	20.06
270 - 360 Days	2.03	0.23	1.80
More than 360 Days	6.83	4.75	2.08

As at 31 March 2019 **(₹ in Mn)**

Period	Gross carrying value	Expected credit loss (provision)	Carrying amount (net of impairment)
0 - 90 Days	934.74	2.99	931.75
90 - 180 Days	128.36	2.80	125.56
180 - 270 Days	28.35	3.30	25.05
270 - 360 Days	4.18	0.42	3.76
More than 360 Days	10.48	6.30	4.18

Reconciliation of loss provision – lifetime expected credit losses **(₹ in Mn)**

Reconciliation of loss allowance	Trade receivables	Other financial asset
Loss allowance as on 31 March 2018	11.13	-
Impairment loss recognised/reversed during the year	4.67	2.05
Amounts written off	-	-
Loss allowance on 31 March 2019	**15.80**	**2.05**
Impairment loss recognised/reversed during the year	(9.28)	-
Amounts written off	-	-
Loss allowance on 31 March 2020	**6.52**	**2.05**

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 2020	Less than 1 year	More than 1 year	Total
Non-derivatives			
Borrowings	451.80	1,840.55	2,292.35
Trade payable	683.25	-	683.25
Other financial liabilities	210.09	-	210.09
Derivatives			
Derivative liability	109.75	-	109.75
Total	**1,454.89**	**1,840.55**	**3,295.44**

(₹ in Mn)

31 March 2019	Less than 1 year	More than 1 year	Total
Non-derivatives			
Borrowings	989.93	1,842.65	2,832.58
Trade payable	630.59	-	630.59
Other financial liabilities	266.82	-	266.82
Total	**1,887.34**	**1,842.65**	**3,729.99**

The Company had access to following funding facilities :

As at 31 March 2020 (₹ in Mn)

Funding facilities	Total facility	Drawn	Undrawn
Less than 1 year	825.00	2.03	822.97
Total	**825.00**	**2.03**	**822.97**

As at 31 March 2019 (₹ in Mn)

Funding facilities	Total facility	Drawn	Undrawn
Less than 1 year	825.00	715.59	109.41
Total	**825.00**	**715.59**	**109.41**

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.

a) Fair value hedge

The fair value hedges relate to forward covers taken to hedge currency exposure risks.

The Company 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 Company 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.

(₹ in Mn)

Derivative financial instruments	31 March 2020	31 March 2019
Current		
Non qualifying hedges		
Derivative liabilities	4.21	-
Total	**4.21**	**-**

Foreign currency risk exposure: (₹ in Mn)

Particulars	Currency	Amount in foreign currency		Amount in INR	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019
Receivables					
Export trade receivable and advances	USD	2.84	4.20	214.58	284.61
	EURO	0.59	0.70	49.40	53.04
	GBP	0.04	0.04	3.56	3.36
	CAD	0.06	-	3.23	-
Payables					
Payable for imports and others	USD	(0.93)	(0.13)	(70.91)	(8.84)
	EURO	(0.05)	(0.03)	(3.77)	(2.66)
	GBP	(0.00)	-	(0.09)	-
Foreign currency loans					
	USD	(10.65)	(11.73)	(804.93)	(828.49)
	USD	(5.53)	(7.16)	(417.92)	(505.38)
Interest on foreign currency loans	USD	(0.08)	(0.08)	(6.22)	(5.32)
	USD	(0.04)	(0.04)	(3.08)	(3.09)

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 2020	31 March 2019	31 March 2020	31 March 2019
Receivables					
Export trade receivable	USD	10.73	14.23	(10.73)	(14.23)
	EURO	2.47	2.65	(2.47)	(2.65)
	GBP	0.18	0.17	(0.18)	(0.17)
	CAD	0.16	-	(0.16)	-
Payables					
Payable for imports and others	USD	3.55	0.44	(3.55)	(0.44)
	EURO	0.19	0.13	(0.19)	(0.13)
	GBP	0.00	-	(0.00)	-
Foreign currency loans					
	USD	40.25	41.42	(40.25)	(41.42)
	USD	20.90	25.27	(20.90)	(25.27)
Interest on foreign currency loans					
	USD	0.31	0.27	(0.31)	(0.27)
	USD	0.15	0.15	(0.15)	(0.15)

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 2020	31 March 2019
Variable rate borrowing	1,181.39	1,275.99
Fixed rate borrowing	718.96	1,258.29
Total borrowings	**1,900.35**	**2,534.28**

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 2020	31 March 2019
Interest rates – increase by 50 basis points	(5.91)	(6.38)
Interest rates – decrease by 50 basis points	5.91	6.38

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 2020	31 March 2019
Price sensitivity		
Price increase by (5%) - FVOCI*	0.02	0.03
Price decrease by (5%) - FVOCI	(0.02)	(0.03)

* For sensitivity analysis in equity investment in shares of Altigreen, refer note 35 A, level 3 disclosure.

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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.
(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. Pranav Kapuria (Managing Director)
(iii) Mr. Anuj Kapuria (Whole Time Director)
(iv) Mr. Sandeep Dinodia (Independent Director)
(v) Mr. Anil Kumar Khanna (Independent Director)
(vi) Mr. Krishna Chandra Verma (Independent Director)
(vii) Ms. Malini Sud (Independent Director)
(viii) Mr. Prosad Dasgupta (Independent Director)
(ix) Mr. Vinit Taneja (Independent Director)
(x) Mr. Ramesh Chandra Jain (Non Executive Director)
(xi) Mr. Bidadi Anjani Kumar (Non Executive Director)
(xii) Mr. Anant Jaivant Talaulicar (Non Executive Director)
(xiii) Mr. Neville D'Souza (Independent Director)#
(xiv) Mr. Vijay Mathur (Chief Financial Officer)*
(xv) Mr. Naveen Jain (Company Secretary)**
(xvi) Mr. S.K Khatri (Company Secretary)**
(xvii) Mr. Dinesh Chand Sharma (Chief Financial Officer)*

Mr. Neville D'Souza appointed from 14/08/2019 as Independent Director.
* *Mr. Vijay Mathur has been appointed (from 04/11/2019) as Chief Financial Officer in place of Mr. Dinesh Chand Sharma (till 26/06/2019)*
** *Mr. S. Khatri Stepped down from the post of Company Secretary (from 16/11/2019) and Mr. Naveen Jain appointed (from 18/11/2019) as 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

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(b) Transactions with related parties carried out in the ordinary course of business: **(₹ in Mn.)**

S. No	Particulars	Year	Subsidiary Company			Step down Subsidiary	Enterprise over which Key Management personnel and their relatives exercise significant influence				Key Management Personnel and its relatives	Total
			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 2020	-	-	-	-	-	855.15	198.50	-	-	**1,053.65**
		31 March 2019	-	-	-	-	-	1,358.50	329.05	-	-	**1,687.55**
2	Sale of goods	31 March 2020	-	-	-	41.09	-	2.02	60.15	-	-	**103.26**
		31 March 2019	-	-	-	77.55	-	1.68	117.94	-	-	**197.18**
3	Rendering of job work/ services	31 March 2020	-	-	-	-	-	3.15	1.29	-	-	**4.44**
		31 March 2019	-	-	-	-	-	4.55	3.54	-	-	**8.08**
4	Sale of assets	31 March 2020	-	-	-	-	-	3.30	40.08	-	-	**43.38**
		31 March 2019	-	-	-	-	-	1.00	-	-	-	**1.00**
5	Purchase of asset	31 March 2020	-	-	-	-	-	0.03	-	-	-	**0.03**
		31 March 2019	-	-	-	-	-	-	-	-	-	**-**
6	Receiving of job work/ services	31 March 2020	-	-	16.36	-	-	148.87	-	30.63	-	**195.86**
		31 March 2019	-	-	-	-	-	173.31	-	46.20	-	**219.51**
7	Leasing or hire purchase arrangements	31 March 2020	-	-	-	-	18.00	-	-	-	-	**18.00**
		31 March 2019	-	-	-	-	18.00	-	-	-	-	**18.00**
8	Remuneration paid*	31 March 2020	-	-	-	-	-	-	-	-	47.15	**47.15**
		31 March 2019	-	-	-	-	-	-	-	-	53.01	**53.01**
9	Sitting fees	31 March 2020	-	-	-	-	-	-	-	-	0.61	**0.61**
		31 March 2019	-	-	-	-	-	-	-	-	0.69	**0.69**
10	Re-imbursement paid	31 March 2020	-	-	-	-	-	0.12	-	-	-	**0.12**
		31 March 2019	-	-	-	3.71	-	4.40	-	-	-	**8.12**
11	Re-imbursement received	31 March 2020	-	-	-	10.94	27.03	1.38	1.51	0.79	-	**41.65**
		31 March 2019	-	-	-	1.60	-	0.24	1.17	-	-	**3.01**
12	Investment in equity instrument	31 March 2020	-	-	-	-	-	-	-	-	-	**-**
		31 March 2019	-	13.78	-	-	-	-	-	-	-	**13.78**

***The remuneration of Key Managerial Personnel included in various schedules to statement of profit and loss is as under:**

(₹ in Mn)

Particulars*	31 March 2020	31 March 2019
Short term employee benefits	45.03	51.34
Defined contribution plan	2.12	1.67

* 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	Related Parties										Total
		Year	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	Trade receivable	31 March 2020	3.23	-	-	17.11	22.17	-	-	-	-	**42.51**
		31 March 2019	3.05	-	-	1.04	-	-	-	-	-	**4.09**
2	Trade payable	31 March 2020	-	-	-	-		203.63	21.96	7.23	-	**232.82**
		31 March 2019	-	-	-	-	1.62	64.42	72.12	2.80	-	**140.96**
3	Other payable	31 March 2020	-	-	-	-	-	-	-	-	3.21	**3.21**
		31 March 2019	-	-	-	-	-	-	-	-	20.07	**20.07**

Terms and conditions of transactions with related parties

i) All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis

ii) For the year ended 31 March, 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2018-19: 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 2020	31 March 2019
Net debt*	1,765.47	2,255.58
Total equity	2,666.62	2,681.79
Net debt to equity ratio	**0.66**	**0.84**

**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 2020	31 March 2019
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	The Assessing Authority Sales Tax Department, Haryana	-	0.05
8	Deputy Commissioner of Customs	0.84	0.84
9	The Assessing Authority Sales Tax Department, Haryana	-	0.05
10	JCB India Ltd	0.25	-
11	Rajasthan Renewable Energy Corp Ltd	3.30	-
12	Rajasthan Rajya Vidyut Prasaran	1.43	-
13	UCAM Pvt Ltd	9.63	-
	Total	**17.48**	**2.97**

2) Contingent liabilities on account of disputed statutory demands not provided for in the books of account are in appeals, as follows:-

(₹ in Mn)

S. No	Particulars	Period to which the amount relates	31 March 2020	31 March 2019
1	Income Tax Act, 1961 (Commissioner of Income Tax/Income Tax Appellate Tribunal)	Assessment Year 2012-13	0.23	0.23
2	Income Tax Act, 1961 (Asst. Commissioner of Income Tax)	Assessment Year 2018-19	7.51	-
3	Income Tax Act, 1961 (Income Tax Appellate Tribunal, Delhi)	Assessment Year 2010-11	-	2.54
4	Income Tax Act, 1961(Commissioner of Income Tax (Appeals), Delhi-4)	Assessment Year 2012-13	0.23	0.23
5	Income Tax Act, 1961(Commissioner of Income Tax (Appeals), Delhi-4)	Assessment Year 2016-17	-	0.60
6	Income Tax Act, 1961 (Assistant Commissioner of Income Tax(TDS))	Assessment Year 2019-20	0.05	0.08
	Total		**8.02**	**3.68**

Statistical demands for which show cause notice issued to the Company: **(₹ in Mn)**

S. No.	Particulars	Period to which the amount relates	31 March 2020	31 March 2019
1	Central Excise Act, 1944 (Additional Commissioner, Central Excise, Gurugram, Haryana)	April 2005 to March 2008	1.04	1.04
2	Central Excise Act, 1944 (Additional Commissioner, Central Excise, Gurugram, Haryana)	August 2014 to July 2015	2.02	2.02
3	Central Excise Act, 1944 (Joint Commissioner, Central Excise, Gurugram, 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	1.60
5	Central Goods & Service Tax Act, 2017 (Deputy Commissioner, State GST Circle-B-Bhiwadi)	July 2017 to September 2017	16.95	-
	Total		**25.23**	**8.28**

3) There are four 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 and one case is pending at District Court, Gurugram, 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:*

"Capital commitments (Net of advances)"

Estimated amount of contracts remaining to be executed on capital accounts Rs 405.90 Mn after adjusting advances (Previous years: 31 March 2019: Rs 582.39 Mn).

Note - 39
Dividends

A During the quarter ended March 31, 2020, the Board of Directors has declared an interim dividend of ₹ 1.50/- per equity share at its meeting held on February 07, 2020 (previous year: ₹ 1.5 per sharefor financial year 31 March 2019) and the same is paid to eligible shareholders on March 04, 2020. The interim dividend has been considered as final dividend for the year ended 31 March 2020 (previous year: ₹ 2 per sharefor financial year 31 March 2019).

B Dividend declared and paid in earlier years are as follows –

(₹ in Mn)

Nature	31 March 2020	31 March 2019
Interim dividend (including dividend tax)	33.94	33.94
Final dividend (including dividend tax)	45.25	45.25

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 2020	31 March 2019
Present value of the obligation	45.14	52.99
Fair value of plan assets	-	-
Net obligation recognised in balance sheet as provision	45.14	52.99
Current liability (amount due within one year)	**6.01**	**6.67**
Non-current liability (amount due over one year)	**39.13**	**46.32**

ii) Expenses recognised in statement of profit and loss: (₹ in Mn)

Particulars	31 March 2020	31 March 2019
Current service cost	10.15	15.99
Interest cost	4.06	2.99
Actuarial (gain)/loss net on account of:		
-Changes in demographic assumptions	0.02	-
-Changes in financial assumptions	0.53	1.77
-Changes in experience adjustment	(3.63)	3.77
Cost recognised during the year	**11.13**	**24.52**

iii) Movement in the liability recognised in the balance sheet is as under: (₹ in Mn)

Particulars	31 March 2020	31 March 2019
Present value of defined benefit obligation at the beginning of the year	52.99	38.65
Current service cost	10.15	15.99
Interest cost	4.06	2.99
Actuarial (gain)/loss net	(3.07)	5.54
Benefits paid	(18.99)	(10.18)
Present value of defined benefit obligation at the end of the year	**45.14**	**52.99**

iv) (a) For determination of the liability of the Company the following actuarial assumptions were used:

Particulars	31 March 2020	31 March 2019
Discount rate	6.80%	7.66%
Salary escalation rate	8.50%	9.25%
Retirement Age (years)	58.00	58.00
Ages	**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%
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 2020	31 March 2019
0 to 1 year	6.01	6.67
1 to 2 year	1.91	1.57
2 to 3 year	1.46	2.02
3 to 4 year	1.45	1.60
4 to 5 year	2.92	1.56
5 to 6 year	2.41	3.09
6 year onwards	28.97	36.47

v) Sensitivity analysis for compensated absences liability (₹ in Mn)

Particulars	31 March 2020	31 March 2019
a) Impact of the change in discount rate		
Present value of obligation at the end of the year	45.14	52.99
Impact due to increase of 0.50 %	(2.14)	(2.76)
Impact due to decrease of 0.50 %	2.32	3.00
b) Impact of the change in salary increase		
Present value of obligation at the end of the year	45.14	52.99
Impact due to increase of 0.50 %	2.27	2.94
Impact due to decrease of 0.50 %	(2.12)	(2.73)

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 2020	31 March 2019
Present value of the obligation	139.92	137.14
Fair value of plan assets	138.31	135.82
Net obligation recognised in balance sheet as provision	1.61	1.32
Current liability (amount due within one year)	**1.61**	**1.32**
Non-current liability (amount due over one year)	**-**	**-**

ii) Gain recognised in other comprehensive income: **(₹ in Mn)**

Particulars	31 March 2020	31 March 2019
Actuarial gain/(loss) on asset	(0.34)	(0.02)
Actuarial gain on PBO	10.45	2.54
Gain recognised in other comprehensive income	**10.11**	**2.51**

iii) Actuarial (gain)/loss on obligation: **(₹ in Mn)**

Particulars	31 March 2020	31 March 2019
Actuarial (gain)/loss net on account of:		
-Changes in demographic assumptions	0.07	-
-Changes in financial assumptions	1.71	3.31
-Changes in experience adjustment	(12.22)	(5.85)

iv) Expenses recognised in statement of profit and loss **(₹ in Mn)**

Particulars	31 March 2020	31 March 2019
Current service cost	11.81	12.46
Interest cost	0.10	(0.53)
Cost recognised during the year	**11.91**	**11.93**

v) Major categories of plan assets (as percentage of total plan assets)

Particulars	31 March 2020	31 March 2019
Government of India Securities	0%	0%
State Government securities	0%	0%
High Quality Corporate Bonds	0%	0%
Equity Shares of listed companies	0%	0%
Property	0%	0%
Funds managed by insurer	100%	100%
Bank Balance	0%	0%
Total	**100%**	**100%**

vi) Change in plan assets is as under: **(₹ in Mn)**

Particulars	31 March 2020	31 March 2019
Fair value of plan assets at the beginning of the period	135.82	120.68
Difference in opening fund	-	8.34
Actual return on plan assets	10.07	9.95
Employer contributions	1.89	1.44
Fund management charges	(0.38)	(0.25)
Benefits paid	(9.08)	(4.34)
Fair value of plan assets at the end of the period	**138.32**	**135.81**

vii) Movement in the liability recognised in the balance sheet is as under: **(₹ in Mn)**

Particulars	31 March 2020	31 March 2019
Present value of defined benefit obligation at the beginning of the year	137.14	122.12
Current service cost	11.81	12.46
Past service cost	-	-
Interest cost	10.50	9.44
Actuarial gain net	(10.45)	(2.54)
Benefits paid	(9.08)	(4.34)
Present value of defined benefit obligation at the end of the year	**139.92**	**137.14**

viii) (a) For determination of the liability of the Company the following actuarial assumptions were used:

Particulars	31 March 2020	31 March 2019
Discount rate	6.80%	7.66%
Salary escalation rate	8.50%	9.25%
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	12.80	14.24

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 2020	31 March 2019
0 to 1 year	17.67	16.78
1 to 2 year	4.56	1.87
2 to 3 year	6.63	1.97
3 to 4 year	8.90	2.35
4 to 5 year	11.00	2.02
5 to 6 year	8.50	2.31
6 year onwards	82.64	109.83

ix) Sensitivity analysis for gratuity liability: **(₹ in Mn)**

Particulars	31 March 2020	31 March 2019
a) Impact of the change in discount rate		
Present value of obligation at the end of the year	139.92	137.14
Impact due to increase of 0.50 %	(5.30)	(5.49)
Impact due to decrease of 0.50 %	5.65	5.88
b) Impact of the change in salary increase		
Present value of obligation at the end of the year	139.92	137.14
Impact due to increase of 0.50 %	5.24	5.47
Impact due to decrease of 0.50 %	(4.98)	(5.24)

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 2020	31 March 2019
America	772.49	749.62
India	3,759.05	4,568.31
Others	561.71	1,154.22
Total	**5,093.25**	**6,472.15**

Information about major customer

During the year ended 31 March 2020 revenue of approximately 44.74% (previous year: 43.40%) are derived from one external customer.

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*
As at 31 March 2018	**27.80**
Additional provision recognised	-
As at 31 March 2019	**27.80**
Additional provision recognised	1.91
As at 31 March 2020	**29.71**

*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 year and other changes, as summarised below:

(₹ in Mn)

Description	Year ended 31 March 2020	Year ended 31 March 2019
Contract liabilities at the beginning of the year	50.25	62.65
Less: performance obligations satisfied in current year	(45.1)	(17.57)
Add: advance received during the year.	47.81	5.17
Contract liabilities at the end of the year	**52.95**	**50.25**

Disaggregation of revenue

Revenue arises mainly from the sale of manufactured and traded goods, sale of software, and job work services.

(₹ in Mn)

Description	Year ended 31 March 2020	Year ended 31 March 2019
Sale of goods	5,084.22	6,458.27
Sale of software's	3.32	5.76
Job work	5.71	8.12
	5,093.25	**6,472.15**

(₹ in Mn)

Geographical Segment	Year ended 31 March 2020	Year ended 31 March 2019
Other	561.71	1,154.22
America	772.49	749.62
India	3,759.05	4,568.31
	5,093.25	**6,472.15**

Reconcile the amount of revenue recognised in the statement of profit and loss with the contracted price (₹ in Mn)

Description	Year ended 31 March 2020	Year ended 31 March 2019
Revenue recognised during the year	5,106.60	6,487.04
Less: Discount, rebates, credits etc.	(13.35)	(14.89)
Add/Less: Any adjustment during the year	-	-
Revenue as per the contact	**5,093.25**	**6,472.15**

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 at 31 March 2020

(₹ in Mn)

Type of hedge and risks	Notional amount	Carrying amount of hedging instruments		Maturity dates	Hedge ratio	Weighted average strike price/ interest 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)					
Cash flow hedge								
Foreign exchange risk								
(i) Cross currency swaps	EUR 6.46	-	33.57	Dec 2020 - Dec 2024	1:1	78.18	(7.28)	7.28
Interest rate risk								
(ii) Interest rate swaps	USD 18.21	-	71.97	May 2020 - Feb 2024	1:1	3.18%	(81.67)	81.67

(b) Disclosure of effects of hedge accounting on statement of profit and loss for the year ended 31 March 2020

(₹ 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
Cash flow hedge				
Foreign exchange risk	(7.28)	-	(0.21)	Revenue
Interest rate risk	(81.67)	-	11.83	Finance cost

(c) Movement in cash flow hedging reserve

(₹ in Mn)

	Foreign currency and interest rate risk
Cash flow hedge reserve	
Balance as at 1 April 2019	**-**
Add: Changes in fair value of hedging instruments	(88.95)
Less: Amounts reclassified to profit or loss	11.62
Less: Deferred tax relating to above (net)	27.02
Balance as at 31 March 2020	**(50.31)**

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.

For leases previously classified as finance leases the entity recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of Ind-AS 116 are only applied after that date.

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 2020**
Short-term leases	3.60
Leases of low value assets	-
Variable lease payments	1.13

B Total cash outflow for leases for the year ended 31 March 2020 was Rs. 26.85 Mn.

C The Company has total commitment for short-term leases of Rs. 3.67 Mn as at 31 March 2020.

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 2020	**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	21.61	23.48	25.53	14.62	2.61	10.75	**98.60**
Interest expense	4.79	3.52	2.36	0.96	0.62	2.10	**14.35**
Net present values	**16.82**	**19.96**	**23.17**	**13.66**	**1.99**	**8.65**	**84.25**

E Variable lease payments are expensed in the period they are incurred. Expected future cash outflow as at 31 March 2020 is of Rs. 1.00 Mn

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	4	65-96 years	81 years	0	4	0
Residential flat	7	75-80 years	78 years	0	7	0
Office premises	1	4 years	4 years	1	0	1
Solar plants	2	12-13 years	12 years	0	2	2

G Impact on transition

1 Effective 1 April 2019, the Company has adopted Ind AS 116 “Leases” and applied modified retrospective approach to all lease contracts existing as at 1 April 2019. On transition, the adoption of new standard resulted in recognition of lease liability of Rs. 87.04 Mn and corresponding right of use asset of Rs. 87.04 Mn.

2 For contracts in place as at 1 April 2019, Company has elected to apply the definition of a lease from Ind AS 17 and has not applied Ind AS 116 to arrangements that were previously not identified as lease under Ind AS 17.

3 The Company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of Ind AS 116, being 1 April 2019.

4 Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Company has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of Ind AS 116.

5 On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Company has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.

6 For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under Ind AS 17 immediately before the date of initial application. Accordingly, an amount of Rs 49.77 Mn has been reclassified from property, plant and equipment to right-of-use assets.

7 The Company has benefited from the use of hindsight for determining the lease term when considering options to extend and terminate leases.

8 On transition to Ind AS 116 the weighted average incremental borrowing rate applied to lease liabilities recognised was 6.75%.

9 The following is a reconciliation of total operating lease commitments at 31 March 2019 (as disclosed in the financial statements for the year ended 31 March 2019) to the lease liabilities recognised at 1 April 2019:

	(₹ in Mn)
Total operating lease commitments disclosed as at 31 March 2019	**83.63**
Recognition exemptions:	
Leases of low value assets	-
Leases with remaining lease term of less than 12 months	(2.70)
Variable lease payments not recognised	-
Effect of different treatment on extension and termination options	19.96
Operating lease liabilities before discounting	100.89
Discounting impact (using incremental borrowing rate)	(13.85)
Operating lease liabilities	87.04
Finance lease obligations under Ind AS 17	19.36
Total lease liabilities recognised under Ind AS 116 at 1 April 2019	**106.40**

Note - 46
Impact of COVID-19

The outbreak of COVID-19 pandemic globally and in India has severely 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
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

For and on behalf of
The Hi-Tech Gears Limited

CA. Amit Gupta
Partner
Membership No. 094202

Deep Kapuria
Executive Chairman
DIN 00006185

Pranav Kapuria
Managing Director
DIN 00006195

Place: New Delhi
Date: June 26, 2020
UDIN : 20094202AAAAAX5908

Vijay Mathur
Chief Financial Officer

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, 2020, 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, 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, 2020, 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
1. Contingent liabilities	
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 require Refer to the note no.40 "Contingent liabilities" to the notes to the consolidated financial statements.	Audit procedures in respect of this area: • 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. • 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. • Validated the completeness and appropriateness of the related disclosures with regard to the facts and circumstances of the legal and tax matters.
2. Borrowings	
The Group had a borrowing liability (current and non-current) of Rs. 3520.84 million as at 31st March, 2020. 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: • We have gone through the agreements between the Holding Company and its lenders. • We obtained confirmations from the Holding Company's banks/financial institutions to confirm the outstanding balances. • 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. • We further considered whether the disclosures related to the borrowings in the consolidated financial statements are appropriate in all material respects.

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. 3682.25 million as at 31 March 2020, as well as the total revenue of Rs. 2240.39 million, and net cash inflow Rs. 74.41 million for the year ended 31 March 2020, 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 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 31st March, 2020 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31st March, 2020 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 the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and 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 did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

For O.P. Dadu & Co.
Chartered Accountants
FRN. 001201N

(Amit Gupta)
Partner
M.No. 094202

Place : New Delhi
Dated : 26th June, 2020
UDIN: 20094202AAAAAY6227

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, 2020, 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 over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the 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, 2020, 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.3,682.25 million as at March 31, 2020, total revenue of Rs.2,240.39 million and net cash inflows amounting to Rs. 74.41 million for the year ended March 31, 2020, as considered in the consolidated financial statements.

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

(AMIT GUPTA)
PARTNER
M.NO. 094202

PLACE : NEW DELHI
DATED : 26TH JUNE, 2020
UDIN: 20094202AAAAAY6227

THE HI-TECH GEARS LIMITED

Consolidated balance sheet as at 31 March 2020

(₹ in Mn)

	Note	31 March 2020	31 March 2019
Assets			
Non-current assets			
Property, plant and equipment	6	3,244.00	3,334.44
Capital work-in-progress	6	339.05	194.23
Right-of-use assets	7 A	108.42	-
Goodwill	7	491.83	472.88
Other intangible assets	7	614.20	633.92
Financial assets			
Investments	8	82.45	35.68
Loans	9 A	44.59	35.07
Other financial assets	10 A	0.08	5.21
Deferred tax assets (net)	21	-	2.41
Other non-current assets	11 A	172.44	324.40
Total non-current assets		**5,097.06**	**5,038.24**
Current assets			
Inventories	12	851.38	1,070.25
Financial assets			
Trade receivables	13	912.10	1,692.91
Cash and cash equivalents	14	396.17	469.55
Other bank balances	15	300.51	124.11
Loans	9 B	9.13	10.46
Other financial assets	10 B	63.37	66.34
Current tax assets (net)	16	39.21	22.97
Other current assets	11 B	223.16	181.19
Total current assets		**2,795.03**	**3,637.78**
Total assets		**7,892.09**	**8,676.02**
Equity and liabilities			
Equity			
Equity share capital	17	187.68	187.68
Other equity	18	2,574.60	2,529.70
Total equity		**2,762.28**	**2,717.38**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	19 A	3,003.05	3,093.81
Provisions	20 A	39.12	46.32
Deferred tax liabilities (net)	21	120.14	94.21
Other non-current liabilities	22 A	17.51	23.13
Total non-current liabilities		**3,179.82**	**3,257.47**
Current liabilities			
Financial liabilities			
Borrowings	19 B	2.03	927.44
Trade payables	23		
- total outstanding dues of micro enterprises and small enterprises		29.83	35.81
- total outstanding dues of creditors other than micro enterprises and small enterprises		908.38	934.82
Other financial liabilities	24	877.95	683.90
Other current liabilities	22 B	94.47	83.41
Provisions	20 B	37.33	35.79
Total current liabilities		**1,949.99**	**2,701.17**
Total equity and liabilities		**7,892.09**	**8,676.02**

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

For and on behalf of
The Hi-Tech Gears Limited

CA. Amit Gupta
Partner
Membership No. 094202

Deep Kapuria
Executive Chairman
DIN 00006185

Pranav Kapuria
Managing Director
DIN 00006195

Place: New Delhi
Date: June 26, 2020
UDIN: 20094202AAAAAY6227

Vijay Mathur
Chief Financial Officer

Naveen Jain
Company Secretary

THE HI-TECH GEARS LIMITED
Consolidated statement of profit and loss for the year ended 31 March 2020

(₹ in Mn)

	Note	31 March 2020	31 March 2019
Revenue			
Revenue from operations	25	7,220.18	9,137.22
Other income	26	114.76	169.59
Total revenue		**7,334.94**	**9,306.81**
Expenses			
Cost of materials consumed	27	3,074.30	4,334.60
Purchase of traded goods	28	252.45	323.72
Changes in inventories of finished goods and work-in-progress	29	45.02	(165.71)
Employee benefits expense	30	1,769.74	1,921.71
Finance costs	31	331.29	294.81
Depreciation and amortisation expense	6 ,7 & 7A	430.34	421.91
Other expenses	32	1,241.98	1,590.50
Total expenses		**7,145.12**	**8,721.54**
Profit before tax		**189.82**	**585.27**
Tax expense			
Current tax	33	65.44	176.56
Deferred tax charge/(credit)	21	44.37	52.93
Earlier years tax adjustments (net)		(2.75)	-
Profit for the year		**82.76**	**355.78**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gain on defined benefit plans		10.11	2.51
Equity Instruments through Other Comprehensive Income		46.76	0.15
Income tax relating to items that will not be reclassified to profit and loss		(19.96)	(0.88)
Items that will be reclassified to profit or loss			
Effective portion of gain/ (loss) on fair value hedge		(77.33)	-
Exchange differences on translating foreign operations		54.73	35.70
Income tax relating to items that will be reclassified to profit and loss		27.02	(5.06)
Other Comprehensive Income, net of tax		**41.33**	**32.42**
Total comprehensive income for the year		**124.09**	**388.20**
Earnings per equity share (₹ 10 per share)	34		
Basic (₹)		4.41	18.96
Diluted (₹)		4.41	18.96

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

Deep Kapuria
Executive Chairman
DIN 00006185

Pranav Kapuria
Managing Director
DIN 00006195

Place: New Delhi
Date: June 26, 2020
UDIN: 20094202AAAAAY6227

Vijay Mathur
Chief Financial Officer

Naveen Jain
Company Secretary

THE HI-TECH GEARS LIMITED
Consolidated statement of changes in equity as at 31 March 2020

The Hi-Tech Gears Limited

Consolidated statement of changes in equity for the year ended 31 March 2020

A Equity share capital*

(₹ in Mn)

Particulars	Opening balance as at 1 April 2018	Changes during the year	Balance as at 31 March 2019	Changes during the year	Balance as at 31 March 2020
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	
Balance as at 1 April 2018	308.08	1,924.00	(11.87)	-	0.48	2,220.69
Profit for the year	-	355.78	-	-	-	355.78
Other comprehensive income for the year (net of tax impact)	-	1.63	30.64	-	0.15	32.42
Dividend paid during the year including tax impact refer note no.41	-	(79.19)	-	-	-	(79.19)
Balance as at 31 March 2019	**308.08**	**2,202.22**	**18.77**	**-**	**0.63**	**2529.70**
Profit for the year	-	82.76	-	-	-	82.76
Other comprehensive income (net of tax impact)	-	(87.18)	132.06	(50.31)	46.76	41.33
Dividend paid during the year including tax impact (refer note no.41)	-	(79.19)	-	-	-	(79.19)
Balance as at 31 March 2020	**308.08**	**2,118.61**	**150.83**	**(50.31)**	**47.39**	**2,574.60**

**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

For and on behalf of
The Hi-Tech Gears Limited

CA. Amit Gupta
Partner
Membership No. 094202

Deep Kapuria
Executive Chairman
DIN 00006185

Pranav Kapuria
Managing Director
DIN 00006195

Place: New Delhi
Date: June 26, 2020
UDIN: 20094202AAAAAY6227

Vijay Mathur
Chief Financial Officer

Naveen Jain
Company Secretary

THE HI-TECH GEARS LIMITED

Consolidated cash flow statement for the year ended 31 March 2020

(₹ in Mn)

	Particulars	31 March 2020	31 March 2019
A	**Cash flow from operating activities**		
	Profit before tax	189.82	585.27
	Adjustments for:		
	Depreciation and amortisation expense	430.34	421.91
	Gain on disposal of property, plant and equipment (net)	(0.57)	(91.42)
	Interest income classified as investing cash flows	(29.80)	(36.27)
	Income recognised on account of government assistance	(5.61)	(13.62)
	Dividend income classified as investing cash flows	-	-
	Provisions written back	(7.43)	(21.87)
	Provision for doubtful debts	(9.28)	6.72
	Unrealised foreign exchange rate difference (net)	24.34	(67.71)
	Unrealised (profit)/loss on mark to market of forward contracts	2.95	3.80
	Finance costs	331.29	294.81
	Operating profit before working capital changes	**926.05**	**1,081.62**
	Movement in working capital		
	Decrease/(increase) in inventories	218.87	(400.62)
	(Increase)/decrease in other financial assets	0.02	0.31
	Decrease/(increase) in trade receivables	809.99	(53.37)
	(Increase)/decrease in other non-current assets	(6.06)	(0.61)
	(Increase)/decrease in other current assets	(41.97)	(37.71)
	(Decrease) in other financial liability	(20.99)	(206.42)
	(Decrease)/increase in other current liability	9.06	(17.14)
	Decrease in provision	66.61	74.32
	(Decrease)/increase in trade and other payables	(37.98)	171.55
	Cash flow from operating activities post working capital changes	**1,923.60**	**611.93**
	Income tax paid (net)	(87.90)	(140.31)
	Net cash flows from operating activities (A)	**1,835.70**	**471.62**
B	**Cash flows from investing activities**		
	Purchase of non-current investments	-	(35.01)
	Payments for property, plant and equipment and capital work-in-progress	(613.23)	(1,183.40)
	Proceeds from sale of property, plant and equipment	337.31	320.16
	Payment for margin money and bank deposits	(145.25)	36.66
	Repayment of loans and advances	(8.19)	(19.81)
	Interest received	29.80	36.27
	Net cash used in investing activities (B)	**(399.56)**	**(845.13)**
C	**Cash flows from financing activities***		
	Finance cost paid	(283.60)	(261.44)
	Payment of lease liability	(20.84)	-
	Proceeds from borrowings	211.14	1,201.54
	Repayment of borrowings	(1,337.03)	(263.19)
	Dividends paid (including tax)	(79.19)	(79.19)
	Net cash flow from financing activities (C)	**(1,509.52)**	**597.72**
	Net (decrease)/increase in cash and cash equivalents (A+B+C)	(73.38)	224.21
	Cash and cash equivalents at the beginning of the year	469.55	245.34
	Cash and cash equivalents at the end of the year	**396.17**	**469.55**

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 Rs. 8.15 Mn (31 March 2019 Rs. 7.78 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

Deep Kapuria
Executive Chairman
DIN 00006185

Pranav Kapuria
Managing Director
DIN 00006195

Place: New Delhi
Date: June 26, 2020
UDIN: 20094202AAAAAY6227

Vijay Mathur
Chief Financial Officer

Naveen Jain
Company Secretary

Notes to the consolidated financial statements for the year ended 31 March 2020

1. Nature of operations

The Hi-Tech Gears Limited ('the Company') together with its subsidiaries (collectively referred to as 'Group') is an auto component manufacturer (a Tier 1 supplier).The Company is domiciled in India and its corporate office is situated at 14th Floor, Tower-B, Millennium Plaza, Sushant Lok-I, Sector-27, Gurugram-122002, Haryana, India.

2. General information and compliance with Ind AS

The consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Group has uniformly applied the accounting policies for the periods presented.

The consolidated financial statements for the year ended 31 March 2020 along with the comparative financial information were authorized and approved for issue by the Board of Directors on 26 June 2019. The revisions to the consolidated financial statements are permitted by the Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

3. Basis of preparation

The consolidated financial statements have been prepared on going concern basis in accordance with generally accepted accounting principles in India. Further, the consolidated financial statements have been prepared on a historical cost basis except for following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefits (assets)/liability	Fair value of plan assets less present value of defined benefits obligations.

4. Basis of consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. The Group can have power over the investee even if it owns less than majority voting rights i.e. rights arising from other contractual arrangements. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Statement of profit and loss (including other comprehensive income ('OCI')) of subsidiaries acquired or disposed of during the period are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group combines the financial statements of the Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests, presented as part of equity, represents the portion of a subsidiary's statement of profit and loss and net assets that is not held by the Group. Statement of profit and loss (including other comprehensive income ('OCI')) is attributed to the equity holders of the Company and to the non-controlling interests' basis their respective ownership interests and such balance is attributed even if this results in controlling interests having a deficit balance.

Non-controlling interests, presented as part of equity, represents the portion of a subsidiary's statement of profit and loss and net assets that is not held by the Group. Statement of profit and loss (including other comprehensive income ('OCI')) is attributed to the equity holders of the Company and to the non-controlling interests' basis their respective ownership interests and such balance is attributed even if this results in controlling interests having a deficit balance.

5. Summary of significant accounting policies

The consolidated financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These were used throughout all periods presented in the consolidated financial statements.

5.1 Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's operating cycle and other criteria set out in the Companies Act, 2013.

5.2 Property, plant and equipment (PPE)

Recognition and initial measurement

Properties plant and equipment are stated at their cost of acquisition. Any trade discount and rebates are deducted in arriving at the purchase price. Property, plant and equipment purchased on deferred payment basis are recorded at equivalent cash price. The difference between the cash price equivalent and the amount payable is recognised as interest expense over the deferred payment period.

Spares having useful life of more than one year and having material value in each case, are capitalised under the respective heads as and when available for use.

Subsequent measurement (depreciation and useful lives)

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses.Taking into account these factors, the Group have decided to applydepreciation on Buildings and Plant and Equipment on pro-rata basis on Straight Line Method based on the life assigned to each asset in accordance with Schedule II of Companies Act, 2013 and on rest of the property, plant and equipment has been provided on Written Down Value basis based on the life assigned to each asset in accordance with Schedule II of Companies Act, 2013.

De-recognition

An item of property, plant and equipment and any significant component initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset/ significant component (calculated as the difference between the net disposal proceeds and the carrying amount of the asset/significant component) is recognised in statement of profit and loss, when the asset is derecognised.

In respect of subsidiary companies, Property, plant and equipment are recorded at cost less applicable investment tax credits and accumulated amortisation.

Depreciation is recorded over the estimated useful lives of the assets at the following annual rates:

Buildings	-	4% declining balance
Automobiles	-	20% declining balance
Dies and tooling	-	10% declining balance
Manufacturing equipment	-	10% declining balance
Office equipment	-	20% declining balance

Leasehold improvements	-	As per term of the lease
Furniture & Fixtures	-	20% declining balance

1.3 Intangible assets

Goodwill

Goodwill is an asset that represents the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. Goodwill is assigned as of the date of acquisition. Goodwill is not amortized. Goodwill is tested for impairment at least annually. When the carrying amount exceeds its recoverable amount, which is the higher of fair value less cost of disposal and value-in-use, an impairment loss is recognized in an amount equal to the excess. The impairment loss, however, cannot exceed the carrying amount of goodwill.

Other intangible assets

Recognition and initial measurement

Intangible assets purchased, including those acquired in business combinations, are measured at cost or fair value as of the date of acquisition where applicable less accumulated amortization and accumulated impairment, if any.

Subsequent measurement (amortisation)

Computer Software are amortized over their respective individual estimated useful life on written down value basis commencing from the date, the asset is available to the Group for its use. In respect of subsidiary companies, Customer relationships, non-competition arrangements and brand names are recorded at cost less accumulated amortisation and are amortised on a straight line basis over their estimated useful lives as follows:

Estimated useful lives of assets are as follows:

Type of asset	Estimated useful life
Computer software	5 years
Customer relationship	16 years
Non-compete arrangement	5 years
Brand name	2 years

5.4 Inventories

Inventories are valued as follows:

Raw materials, loose tools and stores and spares

Raw materials, loose tools and stores and spares are valued at lower of cost and net realizable value. Cost of raw materials, loose tools and stores and spares is determined on a FIFO (First in first out) basis.

Work-in-progress and finished goods

Work-in-progress and finished goods is measured at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

Scrap

Scrap is measured at net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

5.5 Revenue recognition

Revenue arises mainly from the sale of manufactured and traded goods.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is measured at fair value of consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and service tax, etc.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Sale of goods

Revenue from sale of goods is recognised when the control of goods is transferred to the buyer as per the terms of the contract, in an amount that reflects the consideration the Group expects to be entitled to in exchange for those goods. Control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods.

Sale of services

Revenue from services is recognised when Group satisfies the performance obligations by transferring the promised services to its customers.

Export benefits

Export benefits constituting Duty Draw Back and Export Promotion Capital Goods Scheme (EPCG) are accounted for on accrual basis when there is reasonable assurance that the Group will comply with the conditions attached to them and the export benefits will be received. Export benefits under Duty Draw back scheme and EPCG are considered as other operating income.

Interest income

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

Dividend income

Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

5.6 Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged as expense to the statement of profit and loss in the period for which they relate to.

5.7 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

a) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

b) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

c) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

5.8 Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the recoverable amount of the asset or the cash generating unit is estimated. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount. The carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.

1.9 Foreign currency

Functional and presentation currency

The consolidated financial statements are presented in Indian Rupee (‘`’) which is also the functional and presentation currency of the Company.

Initial recognition

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange difference

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognised in the statement of profit and loss in the year in which they arise.

5.10 Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below.

Non-derivative financial assets

Subsequent measurement

i. **Financial assets carried at amortised cost**– A ‘financial asset’ is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

ii. **Investments in equity instruments –** Investments in equity instruments which are held for trading are classified at Fair Value Through Profit or Loss (FVTPL). For all other equity instruments, the Group makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at Fair Value through Other Comprehensive Income (FVOCI) or Fair Value Through Profit or Loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Group transfers the cumulative gain or loss within equity. Dividends on such investments are recognized in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

De-recognition of financial assets

A financial asset is primarily de-recognised when the contractual rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

Non-derivative financial liabilities

Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Forward contracts

The Group has entered into certain forward (derivative) contracts to hedge risks which are not designated as hedges. These derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. Any profit or loss arising on cancellation or renewal of such derivative contract is recognised as income or as expense in statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

5.11 Impairment of financial assets

In accordance with IndAS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. The Group assesses on forward looking basis the expected credit losses associated with its assets and impairment methodology applied depends on whether there has been a significant increase in credit risk.

Trade receivables

In respect of trade receivables, the Group applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Other financial assets

In respect of its other financial assets, the Group assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Group compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort.

5.12 Income taxes

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity).

5.13 Cash and cash equivalents

Cash and cash equivalents include cash in hand, balance with banks in current in current accounts and other short term highly liquid investments with original maturity of three months and less.

5.14 Research and Development Costs

Revenue expenditure incurred on research and development has been charged to the statement of profit and loss for the year in which it is incurred. Capital expenditure is included in respective heads under Property, plant and equipment.

5.15 Employee benefits

Short term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services are recognised as an expense as the related service is rendered by employees.

Defined Contribution Plan

Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Group has no further obligations. Payments to defined contribution retirement benefit schemes (such as Provident Fund, Employee's State Insurance Corporation) are charged to the statement of profit and loss of the year in which contribution to such schemes becomes due.

Defined Benefit Plan

For defined benefit schemes, the cost of providing benefits is determined using Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

The retirement benefit obligation recognized in the Consolidated Balance Sheet represents the present value of the defined benefit obligations as adjusted for unrecognized past service cost, and as reduced by the fair value of scheme assets.

The Companyin India makes annual contribution to the Employee's Gratuity-cum-Life Assurance scheme of the Life Insurance Corporation of India, a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of 6 months. Vesting occurs upon completion of 5 years of continued service.

Other long-term employee benefits

Liability in respect of leave encashment becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of discounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of leave encashment becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to statement of profit and loss in the year in which such gains or losses are determined.

5.16 Provisions

Provisions are recognized when the Group has a present obligation as a result of past events, for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions required to settle are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation. Provisions are discounted to their present values, where the time value of money is material.

5.17 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

5.18 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

5.19 Derivative financial instruments and hedge accounting

Derivative financial instruments are accounted for at fair value through profit and loss (FVTPL) except for derivatives designated as hedging instruments in cash flow hedge relationships, which require a specific accounting treatment. To qualify for hedge accounting, the hedging relationship must meet all the following requirements:

- there is an economic relationship between the hedged item and the hedging instrument
- the effect of credit risk does not dominate the value changes that result from that economic relationship
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

The Company has designated certain derivative contracts as hedging instruments in cash flow hedge relationships.

The Company applied hedge accounting requirements in Ind AS 109 prospectively from 1 April 2019 to derivative instruments which could be designated as effective cash flow hedges. These arrangements had been entered into to mitigate foreign currency exchange risk and interest rate risk arising from highly probable forecasted sales and debt instruments denominated in foreign currency, in accordance with the Company's risk management policy.

All derivative financial instruments used for hedge accounting are recognised initially at fair value and reported subsequently at fair value in the balance sheet.

To the extent that the hedge is effective, changes in the fair value of derivatives designated as hedging instruments in cash flow hedges are recognised in other comprehensive income and included within the cash flow hedge reserve in equity. Any ineffectiveness in the hedge relationship is recognised immediately in profit or loss.

At the time the hedged item affects profit or loss, any gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and presented as a reclassification adjustment within other comprehensive income.

5.20 Significant management judgement and estimates

When preparing the consolidated financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the consolidated financial statements.

Identification and Classification of leases-The Group enters into take or pay arrangements and leasing arrangements for use of various assets. The identification of arrangement as a lease and subsequent classification of leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

Recognition of deferred tax assets– The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilized.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Contingent liabilities– At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Significant estimates

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Government grants – Grants receivables are based on estimates for utilisation of grant as per the regulations as well as analysing actual outcomes on a regular basis and compliance with stipulated conditions. Changes in estimates or non-compliance of stipulated conditions could lead to significant changes in grant income and are accounted prospectively over the balance life of asset.

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Useful lives of depreciable/amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utilisation of assets.

Provisions – estimate for provisions recognised is based on management best estimate of the expenditure required to settle the present obligation at the year end and is based on historical experience, expected changes in economic conditions, changes in exchange rates.

Fair value measurements– Management applies valuation techniques to determine the fair value of financial instruments such as derivatives. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

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Note - 6

Property, plant and equipment

(₹ in Mn)

Particulars	Freehold land	Leasehold land	Residential flats	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Total	Capital work in progress
Gross carrying amount										
At 1 April 2018	847.59	18.59	5.76	919.77	4,652.96	33.45	100.86	65.50	6,644.48	129.08
Additions	1.63	-	-	9.49	751.43	4.53	5.84	30.47	803.39	735.63
Net exchange differences	9.43	-	-	14.16	35.33	0.11	0.56	0.56	60.15	1.82
Disposals	(218.64)	-	(1.21)	-	(173.52)	-	(2.40)	(5.18)	(400.95)	(672.30)
Balance as at 31 March 2019	**640.01**	**18.59**	**4.55**	**943.42**	**5,266.20**	**38.09**	**104.86**	**91.35**	**7,107.07**	**194.23**
Reclassified on adoption of Ind AS 116	-	(18.59)	(4.55)	-	(30.76)	-	-	-	(53.90)	-
Additions	-	-	-	7.60	568.92	1.20	2.19	0.75	580.66	707.44
Net exchange differences	18.69	-	-	27.92	79.27	0.23	1.12	1.11	128.34	2.53
Disposals	(139.28)	-	-	(214.77)	(31.15)	-	(0.19)	(1.61)	(387.00)	-
Capitalised during the year	-	-	-	-	-	-	-	-	-	(565.15)
Balance as at 31 March 2020	**519.42**	**-**	**-**	**764.17**	**5,852.48**	**39.52**	**107.98**	**91.60**	**7,375.17**	**339.05**
Accumulated depreciation										
At 1 April 2018	-	0.95	1.73	192.45	3,203.51	26.05	88.93	46.96	3,560.58	-
Charge for the year	-	0.19	0.08	31.83	310.19	1.81	7.46	6.84	358.40	-
Net exchange differences	-	-	-	2.47	22.49	0.03	0.55	0.32	25.86	-
Adjustments for disposals	-	-	(0.40)	-	(164.64)	-	(2.27)	(4.90)	(172.21)	-
Balance as at 31 March 2019	**-**	**1.14**	**1.41**	**226.75**	**3,371.55**	**27.89**	**94.67**	**49.22**	**3,772.63**	**-**
Reclassified on adoption of Ind AS 116	-	(1.14)	(1.41)	-	(1.58)	-	-	-	(4.13)	-
Charge for the year	-	-	-	29.40	312.18	2.81	4.84	8.02	357.25	-
Net exchange differences	-	-	-	5.79	47.88	0.11	1.13	0.77	55.68	-
Adjustments for disposals	-	-	-	(22.60)	(26.11)	-	(0.04)	(1.51)	(50.26)	-
Balance as at 31 March 2020	**-**	**-**	**-**	**239.34**	**3,703.92**	**30.81**	**100.60**	**56.50**	**4,131.17**	**-**
Net carrying amount as at 31 March 2019	**640.01**	**17.45**	**3.14**	**716.67**	**1,894.65**	**10.20**	**10.19**	**42.13**	**3,334.44**	**194.23**
Net carrying amount as at 31 March 2020	**519.42**	**-**	**-**	**524.83**	**2,148.56**	**8.71**	**7.38**	**35.10**	**3,244.00**	**339.05**

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.

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Notes to the consolidated financial statements for the year ended 31 March 2020

Note - 7A
Right of use

(₹ in Mn)

Particulars	Land	Residential flats	Buildings	Plant and equipment	Total
Gross block					
At 1 April 2019	**-**	**-**	**-**	**-**	**-**
Transition impact of Ind AS 116	18.59	4.55	87.04	30.76	140.94
Additions	-	-	-	-	-
Adjustments/disposals	-	-	(7.32)	-	(7.32)
Balance as at 31 March 2020	**18.59**	**4.55**	**79.72**	**30.76**	**133.62**
Accumulated depreciation					
At 1 April 2019	**-**	**-**	**-**	**-**	**-**
Transition impact of Ind AS 116	1.14	1.41	-	1.58	4.13
Charge for the year	0.20	0.07	19.63	1.17	21.07
Adjustments for disposals	-	-	-	-	-
Balance as at 31 March 2020	**1.34**	**1.48**	**19.63**	**2.75**	**25.20**
Net block as at 31 March 2020	**17.25**	**3.07**	**60.09**	**28.01**	**108.42**

Note: The company has adopted Ind AS 116 “Leases” using modified retrospective approach. Hence, previous year figures have not been disclosed.

Note - 7
Goodwill & Other Intangible Assets

(₹ in Mn)

Particulars	Other intangible assets				Goodwill
	Customer relationship and brand name	Non-compete fees	Softwares	Total	
Gross carrying amount					
At 1 April 2018	721.57	10.09	95.89	827.55	463.33
Additions	-	-	0.39	0.39	-
Net exchange differences	14.87	0.21	-	15.08	9.55
Balance as at 31 March 2019	**736.44**	**10.30**	**96.28**	**843.02**	**472.88**
Additions	-	-	8.22	8.22	-
Net exchange differences	29.52	0.41	-	29.93	18.95
Balance as at 31 March 2020	**765.96**	**10.71**	**104.50**	**881.17**	**491.83**
Accumulated amortisation					
At 1 April 2018	60.87	2.19	80.64	143.70	-
Amortisation charge for the year	55.60	2.04	5.87	63.51	-
Net exchange differences	1.82	0.07	-	1.89	-
Balance as at 31 March 2019	**118.29**	**4.30**	**86.51**	**209.10**	**-**
Amortisation charge for the year	45.40	2.11	4.52	52.03	-
Net exchange differences	5.63	0.21	-	5.84	-
Balance as at 31 March 2020	**169.32**	**6.62**	**91.03**	**266.97**	**-**
Net carrying amount as at 31 March 2019	**618.15**	**6.00**	**9.77**	**633.92**	**472.88**
Net carrying amount as at 31 March 2020	**596.64**	**4.09**	**13.47**	**614.20**	**491.83**

Note - 8

(₹ in Mn)

	Particulars	31 March 2020	31 March 2019
A	**Investments - non current**		
	Investment in Equity Instrument (quoted, measured at FVOCI)		
	2100 Equity shares of Rs. 1/- each fully paid up of State Bank of India (previous year 31 March 2019 : 2100 Equity shares of Rs. 1/- each fully paid up)	0.41	0.67
	Other Investment (un quoted, at measured at fair value)		
	8200 Equity shares of Rs. 1/- each fully paid up of Altigreen Propulsion Labs Pvt. Ltd. (previous year 31 March 2019 : 8200 Equity shares of Rs. 1/- each fully paid up) **	82.04	35.01
		82.45	**35.68**
	Aggregate amount of quoted investments	-	0.04
	Aggregate market value of quoted investments	0.41	0.67
	Aggregate amount of unquoted investments	82.04	35.01
	Aggregate value of impairment in the value of investments	-	-

** During the previous financial year, the Company had made investment in equity shares of Altigreen Propulsion Labs Pvt. Ltd. amounting to Rs. 35.01 Mn (including a security premium of Rs. 35.01 Mn)

Note - 9

(₹ in Mn)

	Particulars	31 March 2020	31 March 2019
A	**Loans - non current**		
	(Unsecured, considered good)		
	Security deposits with government bodies	42.13	32.36
	Loan to employees	2.46	2.71
		44.59	**35.07**
B	**Loans - current**		
	(Unsecured, considered good)		
	Security deposits - others	4.16	4.05
	Loan to employees	4.97	6.41
		9.13	**10.46**

Note - 10

	Particulars	31 March 2020	31 March 2019
A	**Other financial assets - non-current**		
	Balance held as margin money (against letter of credit and bank guarantees)*	0.08	5.21
		0.08	**5.21**

*Margin money deposits having remaining maturity of more than 12 months.

B	**Other financial assets - current**		
	Earnest money deposit	0.04	0.04
	Other receivable*		
	Considered good	62.95	66.30
	Considered credit impaired (refer note below)	2.05	2.05
	Less: Impairment loss allowance	(2.05)	(2.05)
	Amount receivable	0.38	-
		63.37	**66.34**

*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 Rs.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 Rs.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)

	Particulars	31 March 2020	31 March 2019
A	**Other non-current assets**		
	(Unsecured, considered good)		
	Capital advance*	164.09	322.11
	Prepaid expenses	8.35	2.29
		172.44	**324.40**

*For capital commitments refer Note - 40

B	**Other current assets**		
	Advances to suppliers	50.04	46.66
	Advances to employees	1.75	1.02
	Prepaid expenses	92.26	34.37
	Balance with statutory authorities	79.11	99.14
		223.16	**181.19**

Note - 12

Particulars	31 March 2020	31 March 2019
Inventories		
(Valued at lower of cost or net realisable value)		
Finished goods (Goods in transit)	139.40	96.22
Raw materials and components	154.08	325.87
Stock in trade	11.07	-
Stores and spares	267.23	279.83
Work-in-progress	279.60	367.79
Scrap (at realizable value)	0.00	0.54
	851.38	**1,070.25**

Note - 13

(₹ in Mn)

`	31 March 2020	31 March 2019
Trade receivables*		
(Unsecured)		
Considered good	911.75	1,698.20
Having significant increase in credit risk	2.81	6.45
Credit impaired	4.06	4.06
Less: Impairment loss allowance	(6.52)	(15.80)
	912.10	**1,692.91**

*For related party balances refer note Note - 37

Note - 14

Cash and cash equivalents		
Cash on hand	0.34	0.56
Balances with banks		
In current accounts	364.07	245.30
Bank deposits with original maturity less than three months	31.76	223.69
	396.17	**469.55**

Note - 15

Other bank balances		
Margin money	4.19	0.00
Deposits with Standard Chartered Bank (DSRA) maturity having more than three months and up to twelve months**	93.69	77.40
Bank deposits with maturity of more than three months and up to twelve months	201.42	45.52
Unpaid dividend	1.21	1.19
	300.51	**124.11**

**Amount deposited in fixed deposits of Rs.93.69 Mn (previous year Rs.77.40 Mn) which is Charged to Lender persuant to the facility agreement (refer note es borrowings current for details)

Note - 16

Current tax assets (net)		
Advance income tax	263.01	189.85
Less: Provision for taxation	(223.80)	(166.88)
	39.21	**22.97**

Note - 17

		31 March 2020		'31 March 2019	
	Equity share capital				
i	**Authorised**	**Number**	**Amount**	**Number**	**Amount**
	20,000,000 Equity shares of ₹ 10/- each with voting rights	20000000	200.00	20000000	200.00
			200.00		**200.00**
ii	**Issued, subscribed and fully paid up**				
	Equity share capital of face value of ₹ 10 /- each	18768000	187.68	18768000	187.68
			187.68		**187.68**
iii	**Reconciliation of number of equity shares outstanding at the beginning and at the end of the year**				
	Equity shares				
	Balance at the beginning of the year	18768000	187.68	18768000	187.68
	Add : Shares issued during the year	-	-	-	-
	Balance at the end of the year	**18768000**	**187.68**	**18768000**	**187.68**

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

	31 March 2020		31 March 2019	
Name of the equity shareholders	**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.

Note - 18
Other Equity

Reserve & Surplus	**31 March 2020**	**31 March 2019**
General Reserve		
Balance as per last Balance sheet	308.08	308.08
Add: Transfer from retained earnings	-	-
Total (A)	**308.08**	**308.08**
Retained earnings		
Balance as per last Balance sheet	2,202.22	1,924.00
Add: Profit/(Loss) for the year	82.76	355.78
Add: Other comprehensive income (net of tax impact)	(87.18)	1.63
Less: Dividend paid during the year including tax impact, refer note no. 41	(79.19)	(79.19)
Total (B)	**2,118.61**	**2,202.22**
Total (C=A+B)	**2,426.69**	**2,510.30**
Other Comprehensive Income (OCI)		
Equity instrument through Other Comprehensive Income		
Balance as per last Balance sheet	0.63	0.48
Add: Movement in OCI (Net) during the year	46.76	0.15
Total (D)	**47.39**	**0.63**
Foreign currency translation reserve		
Balance as per last Balance sheet	18.77	(11.87)
Add: Movement in OCI (Net) during the year	132.06	30.64
Total (E)	**150.83**	**18.77**
Cash flow hedge reserve		
Balance as per last Balance sheet	-	-
Add: Movement in OCI (Net) during the year	(50.31)	-
Total (F)	**(50.31)**	**-**
Total (G=D+E+F)	**147.91**	**19.40**
Total Other Equity (C+G)	**2,574.60**	**2,529.70**

(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 2020	31 March 2019
A	**Borrowings non-current**		
	Secured		
	Term loans		
	From banks		
	External commercial borrowing	2,191.83	2,480.08
	Rupee Loan	554.72	503.83
	Housing loan	104.73	73.78
	From others		
	Vehicle loan	14.47	19.51
	Lease liabilities	63.42	16.61
	Unsecured		
	Loan From Director	73.88	-
		3,003.05	**3,093.81**

Particulars	Nature of security	Terms of repayment	Interest Rate	Maturity	31 March 2020	31 March 2019
Secured						
External commercial borrowing						
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, Gurugram, 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	804.93	828.49
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.	108 equal monthly instalments of CAD 3,24,074.00 starting from March 2018	6 % p.a. (previous year 6 % p.a.)	‘February, 2027	1,450.63	1,585.53
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, Gurugram, 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	417.92	505.38
Housing Loan						
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	99.46	70.87

Particulars	Nature of security	Terms of repayment	Interest Rate	Maturity	31 March 2020	31 March 2019
Loan From Director	Unsecured	-	6.00 % p.a	-	73.88	-
Term Loan						
HDFC Bank Ltd - Rupee 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, Gurugram, 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.	Repayment in 16 quarterly instalment starts from December,2020	9.2%/9.3%/ 9.35% p.a.	Dec, 2024	616.11	505.00
Vehicle loan						
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	2.98	4.14
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	2.30	3.15
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	5.70	6.69
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	13.81	17.33
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			84.34	19.36
Unamortised upfront fees on borrowing					(51.22)	(72.03)
Total borrowings					**3,520.83**	**3,473.91**
Less: Current maturities of long term borrowings					517.79	380.09
Non current borrowings					**3,003.05**	**3,093.81**

(₹ in Mn)

B	Borrowings - current	31 March 2020	31 March 2019
	Secured loans		
	Working capital loans repayable on demand		
	From banks	2.03	927.44
		2.03	**927.44**

Particulars	Nature of security	Interest rate	31-Mar-20	31 March 2019
Citi bank, N.A.	·First parri passu charge on present and future stocks and book debts of the Company. ·Second pari passu charge on present and future fixed assets excluding assets specifically charged to other lenders. ·Second pari passu charge by way of equitable mortgage on land and building located at A-589, Industrial Complex, Dist Alwar, Bhiwadi.	9.75% p.a (previous year 9.75% p.a.)	-	158.57
Citi bank - Packing credit		6.10% p.a (previous year 5.20% p.a)	-	50.00
Standard chartered bank - Packing credit	·First pari passu charge over stock and book debts of the borrower both present and future. ·Second pari passu charge on movable Fixed assets (excluding the assets specifically charged to other lenders). ·Second pari passu charge on immovable fixed assets at A-589, Industrial Complex, Dist Alwar, Bhiwadi.	6.00% p.a (previous year 5.20% p.a)	-	11.22
Standard chartered bank - Working capital loan		10.95% p.a (previous year 10.95% p.a)	-	37.88
Standard chartered bank - Working capital demand loan		9.40% p.a (previous year 9.40% p.a)	-	60.00
State Bank of India - Packing credit	·First pari passu charge on all the current assets with working capital lender banks under multiple banking arrangement. ·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.	8.30% p.a (previous year 5.55% p.a)	-	120.00
State Bank of India - Working capital loan		9.25% p.a (previous year 9.25% p.a)	2.03	-
Kotak Mahindra bank - PCRE	· First pari passu charge on all existing and future current assets of the Company. · Second pari passu charge on all existing and future Movable Fixed Assets (other than those exclusively charged to other lenders, (if any) of the Company. · Second pari passu charge on immovable property being land and building situated at A-589, Industrial Complex, Bhiwadi, Rajasthan-3010019 belonging to the Company.	8.65% p.a (previous year 8.65% p.a)	-	50.00
HDFC Bank Ltd - Working capital loan	·First pari pasucharge by way of hypothecation on entire current assets of the Company, both present and future. ·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. *Second pari passu charge over A-589, Industrial Complex, Bhiwadi, Rajasthan-3010019] * The Memorandum of Entry is still to execute.	9.2% p.a. (previous year 9.2% p.a)	-	192.70
ICICI Bank Limited - Working capital loan	·First charge by way of hypothecation of the Company's entire stocks of raw materials, semi finished and finished goods, consumables stores and spares and such other movables including book-debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the Bank, ranking pari passu with other participating banks. ·Second pari passu charge on immovable fixed assets of the company by way of equitable mortgage on property situated at A-589, Industrial Complex, Bhiwadi.	9.75% p.a (Previous year 9.75% p.a)	-	35.22
CIBC Canada -	First charge on accounts receivable and inventory of The Hi-Tech Gears Canada Inc.	Prime rate +0.5%. currently prime rate is around 3.45% p.a. (Previous year prime rate +0.5%. currently prime rate is around 3.45% p.a.)	-	211.85
Total			**2.03**	**927.44**

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
1 April 2018	3,046.22	585.19	24.68	**3,656.09**
Cash flows:				
- Repayment	(268.51)	(4.09)	(5.32)	(277.92)
- Proceeds	529.62	346.33	-	875.95
- Foreign exchange	123.50	-	-	123.50
- Amortisation charge of transaction cost	23.71	-	-	23.71
31 March 2019	**3,454.54**	**927.43**	**19.36**	**4,401.33**
Cash flows:				
- Repayment	(411.63)	(925.41)	(20.84)	(1,357.88)
- Proceeds	211.14		-	211.14
- Foreign exchange	162.46	-	-	162.46
- Amortisation charge of transaction cost	19.98	-	85.82	105.80
31 March 2020	**3,436.49**	**2.02**	**84.34**	**3,522.85**

Note - 20

(₹ in Mn)

	31 March 2020	31 March 2019
A Provisions - non current		
Provisions for employee benefits		
Compensated absences	39.12	46.32
	39.12	**46.32**

For movements in each class of provision during the financial year, refer note 43

	31 March 2020	31 March 2019
B Provisions - current		
Provisions for employee benefits		
Gratuity	1.61	1.32
Compensated absences	6.01	6.67
Provision on rate difference	29.71	27.80
	37.33	**35.79**

For movements in each class of provision during the financial year, refer note 43 & 44

Note - 21

(₹ in Mn)

	31 March 2020	31 March 2019
Deferred tax assets (net)		
Deferred tax asset arising on account of :		
Processing fee netted off from borrowing	-	1.34
Derivatives not designated as hedges	-	0.77
Foreign currency translation reserve	-	0.30
	-	**2.41**

Deferred tax liabilities (net)

Deferred tax liabilities arising on account of :	**31 March 2020**	**31 March 2019**
Property, plant & equipment	188.07	140.97
Fair valuation of equity instruments	16.43	
Deferred government grant	1.96	13.62
Deferred tax asset arising on account of :		
Cash flow hedge reserve	(36.88)	-
Right-of-use asset and lease liabilities	(2.26)	-
Provision for rate difference	(10.38)	(9.71)
Provision for leave encashment	(15.77)	(18.52)
Plant and machinery recognised on account of government grant	(1.96)	(13.62)
Derivatives not designated as hedges	(1.47)	-
Provision for bonus	(12.22)	(12.29)
Provision for doubtful debts and advances	(2.99)	(6.24)
Provision for profit elimination on unsold inventory	(0.45)	-
Foreign currency translation reserve	(0.00)	-
Processing fee netted off from borrowing	(1.94)	-
	120.14	**94.21**

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

Particulars	1 April 2019	Recognised/ reversed through profit and loss	Recognised/ reversed in other comprehensive income	Exchange differences on foreign operation	31 March 2020
Deferred tax liabilities arising on account of :					
Property, plant & equipment	140.97	43.66	-	3.43	188.07
Fair valuation of equity instruments	-	-	16.43		16.43
Deferred government grant	13.62	(11.65)	-	-	1.96
Deferred tax asset arising on account of :					
Cash flow hedge reserve	-	(0.74)	(36.14)	-	(36.88)
Right-of-use asset and lease liabilities	-	(2.26)			(2.26)
Provision for rate difference	(9.71)	(0.67)	-	-	(10.38)
Provision for leave encashment	(18.52)	2.74	-	-	(15.77)
Plant and machinery recognised on account of government grant	(13.62)	11.65	-	-	(1.96)
Derivatives not designated as hedges	(0.77)	(0.69)	-	(0.02)	(1.47)
Provision for bonus	(12.29)	0.07	-	-	(12.22)
Provision for doubtful debts and advances	(6.24)	3.24	-	-	(2.99)
Foreign currency translation reserve	(0.30)	0.00	-	0.30	(0.00)
Provision for profit elimination on unsold inventory	-	(0.45)			(0.45)
Processing fee netted off from borrowing	(1.33)	(0.55)	-	(0.06)	(1.94)
Total	**91.81**	**44.36**	**(19.71)**	**3.65**	**120.14**

Particulars	1 April 2018	Recognised/ reversed through profit and loss	Recognised/ reversed in other comprehensive income	Exchange differences on foreign operation	31 March 2019
Deferred tax liabilities arising on account of :					
Property, plant & equipment	77.90	63.07	-	(1.19)	140.97
Deferred government grant	5.22	8.40	-	-	13.62
Derivatives not designated as hedges	(1.64)	0.87	-	0.03	(0.77)
Deferred tax asset arising on account of :					
Provision for rate difference	(10.35)	0.64	-	-	(9.71)
Provision for leave encashment	(13.37)	(5.15)	-	-	(18.52)
Plant and machinery recognised on account of government grant	(5.22)	(8.40)	-	-	(13.62)
Provision for bonus	(10.64)	(1.65)	-	-	(12.29)
Provision for doubtful debts and advances	(3.85)	(2.39)	-	-	(6.24)
Foreign currency translation reserve	(5.36)	-	5.06	-	(0.30)
Processing fee netted off from borrowing	-	(1.33)	-	0.02	(1.33)
Total	**32.69**	**54.06**	**5.06**	**(1.14)**	**91.81**

Note - 22

(₹ in Mn)

	31 March 2020	31 March 2019
A Other non - current liabilities		
Deferred income*	17.51	23.13
	17.51	**23.13**

* 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.

(₹ in Mn)

B Other current liabilities	31 March 2020	31 March 2019
Payable to statutory authorities	41.53	33.16
Advance from customers	52.94	50.25
	94.47	**83.41**

Note - 23
Trade payables

(₹ in Mn)

	31 March 2020	31 March 2019
- total outstanding dues of micro enterprises and small enterprises	29.83	35.81
- total outstanding dues of creditors other than micro enterprises and small enterprises	908.38	934.82
	938.21	**970.63**

*Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") as at 31 March 2020 and 31 March 2019

(₹ in Mn)

	Particulars	31 March 2020	31 March 2019
i	Principal amount remaining unpaid to any supplier as at the end of the accounting year;	29.83	35.81
ii	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year;	-	-
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
Other financial liabilities - current

(₹ in Mn)

	31 March 2020	31 March 2019
Current maturities of long term debts	496.87	377.34
Current maturities of lease obligations	20.92	2.75
Interest accrued but not due	15.60	19.13
Earnest money and security deposits	2.58	2.15
Derivative liability	109.75	2.89
Unpaid dividend	1.21	1.19
Others*	231.02	278.45
	877.95	**683.90**

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

Note - 25
Revenue from operations

(₹ in Mn)

	31 March 2020	31 March 2019
Sale of products:		
Transmission gears and shafts - domestic	4,114.50	4,903.80
Transmission gears and shafts - export	2,933.78	3,978.81
Sale of Services:		
Software export	3.32	5.76
Sales job work	5.71	8.12
Other operating income:		
Export incentives	53.02	72.24
Scrap sales	109.85	168.49
	7,220.18	**9,137.22**

Note - 26
Other income

(₹ in Mn)

	31 March 2020	31 March 2019
Interest income		
Bank deposits	27.72	13.02
Security deposits	2.08	23.25
Provision written Back	7.43	21.87
Rent	1.33	5.68
Provisions written back - trade receivables	9.28	-
Gain on foreign exchange fluctuations (Net)	18.16	-
Gain on sale of property, plant and equipment (Net)	0.57	91.42
Fair value gain on derivatives not designated as hedges	-	0.25
Income recognised on account of government assistance	5.61	13.62
Miscellaneous income	42.58	0.48
	114.76	**169.59**

Note - 27
Cost of materials consumed

Opening stock of raw material (steel rod and forgings)	325.87	154.41
Add: Purchase during the year (net of discount)	2,902.51	4,506.06
	3,228.38	4,660.47
Less: Closing stock of raw material (steel rod and forgings)	154.08	325.87
	3,074.30	**4,334.60**

Note - 28
Purchase of traded goods

Opening stock of purchase of traded goods (transmission gears and shafts)	-	-
Add: Purchase during the year (transmission gears and shafts)	252.45	323.72
	252.45	323.72
Less: Closing stock of purchase of traded goods (transmission gears and shafts)	-	-
	252.45	**323.72**

Note - 29
Changes in inventories of finished goods and work-in-progress

Inventories at the end of the year:		
Finished goods (transmission gears and shafts)	139.40	96.22
Work-in-progress (transmission gears and shafts)	279.59	367.79
Inventories at the beginning of the year:		
Finished goods (transmission gears and shafts)	96.22	57.96
Work-in-progress (transmission gears and shafts)	367.79	240.34
	45.02	**(165.71)**

Note - 30
Employee benefits expense

(₹ in Mn)

	31 March 2020	31 March 2019
Salaries, wages and other benefits	1,679.81	1,818.27
Contributions to provident and other funds	34.32	33.64
Gratuity fund contributions	11.91	12.18
Staff welfare expenses	43.70	57.62
	1,769.74	**1,921.71**

Note - 31
Finance costs

Interest on:		
Term and working capital loans from banks	278.63	244.80
Lease liabilities	6.00	-
Others	3.88	4.56
Bank commission and charges	21.08	11.65
Loss on exchange rate fluctuation	21.70	33.80
	331.29	**294.81**

Note - 32
Other expenses

Water electricity and allied charges	347.65	409.81
Stores and spares consumed	474.38	620.42
Professional charges	54.53	72.25
Repair and maintenance		
Plant and machinery	44.54	66.78
Buildings	1.23	7.72
Insurance	39.66	36.19
Rates and taxes	17.39	24.34
Rent	4.73	20.60
Loss on mark to market of forward contracts	-	2.86
Corporate social responsibility expenses	8.15	7.78
Provision for doubtful debts	-	6.72
Auditor's remuneration*	2.20	1.65
Balance written off	6.52	0.49
Director's sitting fee	0.61	0.69
Freight and handling expenses	68.37	87.31
Charity and donation	0.18	0.56
Fair value loss on derivatives not designated as hedges	4.21	-
Miscellaneous expenses	167.63	209.48
	1,241.98	**1,590.50**

***Remuneration to auditors comprises of:**

Audit fees	1.70	1.20
Reimbursement of expenses	0.04	0.07
Certification Fees	0.08	0.08
Other services	0.38	0.30
	2.20	**1.65**

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) Gross amount required to be spent by the Company during the year is Rs. 8.08 Mn (previous year 7.65 Mn).

b) Amount spent during the financial year ended '31 March 2020 and '31 March 2019 on:

(₹ in Mn)

Particulars	Period	Bank payment	Yet to be paid in cash	Total
Education, technical education including research and development	**31 March 2020**	5.55	-	5.55
	31 March 2019	4.75	-	4.75
Health	**31 March 2020**	-	-	-
	31 March 2019	0.50	-	0.50
Integrity community development	**31 March 2020**	0.70	-	0.70
	31 March 2019	1.33	-	1.33
Disaster Management	**31 March 2020**	0.20	-	0.20
	31 March 2019	0.20	-	0.20
Prime Minister National Relief Fund	**31 March 2020**	1.00	-	1.00
	31 March 2019	1.00	-	1.00
Others	**31 March 2020**	0.70	-	0.70
	31 March 2019	-	-	**-**
Total	**31 March 2020**	**8.15**	-	**8.15**
	31 March 2019	**7.78**	-	**7.78**

Note-33
Income tax

Tax expense comprises of:	**31 March 2020**	**31 March 2019**
Current tax	65.44	176.56
Deferred tax credit	44.37	52.93
Earlier years tax adjustments (net)	(2.75)	-
Income tax expense reported in the statement of profit and loss	**107.06**	**229.49**

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 34.944% (31 March 2019: 34.944%) and the reported tax expense in profit or loss are as follows:

Accounting profit before income tax	**189.82**	**585.27**
At India's statutory income tax rate of 34.944% ('31 March 2019: 34.944%)	66.43	204.52
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Tax impact of exempted income	-	7.88
Effect of tax incentive	(1.59)	-
Impact of different tax rate on certain items	-	(35.73)
Tax impact of expenses which will never be allowed	55.54	49.60
Earlier years tax adjustments (net)	(2.75)	0.14
Others	(13.77)	(1.43)
Difference in overseas tax rate	3.20	4.51
Income tax expense	**107.06**	**229.49**

Note - 34
Earnings per share

	31 March 2020	31 March 2019
Net profit attributable to equity shareholders		
Net profit for the year	82.76	355.78
Nominal value of equity share (₹)	10	10
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 (₹)	4.41	18.96
(2) Diluted (₹)	4.41	18.96

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 2020			31 March 2019		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investment in equity instrument through OCI	-	82.46	-	-	35.68	-
Trade receivables	-	-	912.10	-	-	1,692.91
Loans	-	-	7.44	-	-	9.12
Cash and cash equivalents	-	-	396.17	-	-	469.55
Other bank balances	-	-	300.51	-	-	124.11
Other financial assets	-	-	63.45	-	-	71.55
Security deposits	-	-	46.29	-	-	36.42
Total financial assets	**-**	**82.46**	**1,725.96**	**-**	**35.68**	**2,403.66**
Financial liabilities						
Borrowings	-	-	3,522.86	-	-	4,401.34
Trade payables	-	-	938.21	-	-	970.63
Other financial liabilities	4.21	105.54	355.95	2.89	-	300.92
Total financial liabilities	**4.21**	**105.54**	**4,817.02**	**2.89**	**-**	**5,672.89**

Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

(a) the use of quoted market prices for quoted equity instruments.

(b) 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.

(c) 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 2020	31 March 2019		31 March 2020	31 March 2019
Unquoted equity investments	82.04	35.01	Earnings growth rate	4.50%	5.00%
			Risk adjusted discount rate	18.45%	21.18%

Sensitivity analysis **(₹ in Mn)**

Description	31 March 2020	31 March 2019
Impact on fair value if change in earnings growth rate		
- Impact of increase in discount rate by 0.5 %	85.46	36.28
- Impact of decrease in discount rate by 0.5 %	78.84	33.83
Impact on fair value if change in risk adjusted discount rate		
- Impact of increase in discount rate by 0.5 %	77.47	33.17
- Impact of decrease in discount rate by 0.5 %	86.98	37.00

The following table presents the changes in level 3 items for the periods ended 31 March 2020 and 31 March 2019: **(₹ in Mn)**

Particulars	Unquoted equity shares
As at 31 March 2018	**-**
Acquisition	35.01
As at 31 March 2019	**35.01**
Acquisition	-
Gain/(loss) recognised in other comprehensive income	47.03
As at 31 March 2020	**82.04**

(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 2020 and 31 March 2019 :

(₹ in Mn)

Particulars	Period	Level 1	Level 2	Level 3	Total
Financial assets					
Investments at fair value through other comprehensive income					
Equity investments	31 March 2020	0.41	-	82.04	**82.46**
	31 March 2019	0.67	-	35.01	**35.68**
At fair value through profit or loss					
Derivative financial liability	31 March 2020	-	109.75	-	**109.75**
	31 March 2019	-	2.89	-	**2.89**

(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 2020		31 March 2019	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Loans	Level 3	44.59	44.59	35.07	35.07
Other financial assets	Level 3	0.08	0.08	5.21	5.21
Total financial assets		**44.67**	**44.67**	**40.28**	**40.28**
Financial liabilities					
Borrowings	Level 3	3,522.86	3,522.86	4,401.34	4,401.34
Total financial liabilities		**3,522.86**	**3,522.86**	**4,401.34**	**4,401.34**

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 2020 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, investments, other bank balances, loans, trade receivables and other financial assets	Life time expected credit loss or 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 2020	31 March 2019
A: Low credit risk	Cash and cash equivalents, other bank balances, loans and other financial assets	813.86	710.74
B: Moderate credit risk	Trade receivables and other financial asset	911.75	1,698.20
C: High credit risk	Trade receivables and other financial asset	8.92	12.56

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 2020	31 March 2019
Original equipment manufacturer	296.20	705.64
Other	622.42	1,003.08
Total	**918.62**	**1,708.72**

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 2020 (₹ in Mn)

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	396.17	-	396.17
Other bank balances	300.60	-	300.60
Loans	53.73	-	53.73
Other financial assets	65.42	2.05	63.37

As at 31 March 2019 (₹ in Mn)

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	469.55	-	469.55
Other bank balances	129.32	-	129.32
Loans	45.54	-	45.54
Other financial assets	68.39	2.05	66.34

(ii) Expected credit loss for trade receivables under simplified approach

As at 31 March 2020 (₹ in Mn)

Period	Gross carrying value	Expected credit loss (provision)	Carrying amount (net of impairment)
0 - 90 Days	801.25	1.25	800.01
90 - 180 Days	80.67	0.12	80.55
180 - 270 Days	20.24	0.18	20.06
270 - 360 Days	2.03	0.23	1.80
More than 360 Days	14.43	4.75	9.68

As at 31 March 2019 (₹ in Mn)

Period	Gross carrying value	Expected credit loss (provision)	Carrying amount (net of impairment)
0 - 90 Days	1,524.18	2.99	1,521.19
90 - 180 Days	139.69	2.80	136.89
180 - 270 Days	30.19	3.30	26.89
270 - 360 Days	4.18	0.42	3.76
More than 360 Days	10.48	6.30	4.18

Reconciliation of loss provision – lifetime expected credit losses **(₹ in Mn)**

Reconciliation of loss allowance	Trade receivables	Other financial asset
Loss allowance on 01 April 2018	**11.13**	-
Impairment loss recognised/reversed during the year	4.67	2.05
Loss allowance on 31 March 2019	**15.80**	**2.05**
Impairment loss recognised/reversed during the year	(9.28)	-
Loss allowance on 31 March 2020	**6.52**	**2.05**

(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 2020	Less than 1 year	More than 1 year	Total
Borrowings	747.77	3,390.48	4,138.25
Trade payable	938.21	-	938.21
Derivative financial liabilities	109.75	-	109.75
Other financial liabilities	234.81	-	234.81
Total	**2,030.54**	**3,390.48**	**5,421.02**

(₹ in Mn)

31 March 2019	Less than 1 year	More than 1 year	Total
Borrowings	1,286.50	3,617.41	4,903.91
Trade payable	970.63	-	970.63
Derivative financial liabilities	2.89	-	2.89
Other financial liabilities	281.79	-	281.79
Total	**2,541.81**	**3,617.41**	**6,159.22**

The Group had access to following funding facilities :

As at 31 March 2020 **(₹ in Mn)**

Funding facilities	Total facility	Drawn	Undrawn
Less than 1 year	1,143.11	2.03	1,141.08
Above 1 year	-	-	-
Total	**1,143.11**	**2.03**	**1,141.08**

As at 31 March 2019 **(₹ in Mn)**

Funding facilities	Total facility	Drawn	Undrawn
Less than 1 year	1,159.75	927.44	232.31
Above 1 year	-	-	-
Total	**1,159.75**	**927.44**	**232.31**

(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.

(₹ in Mn)

Derivative financial instruments	31 March 2020	31 March 2019
Current		
Non qualifying hedges		
Derivative liability	4.21	2.89
Total	**4.21**	**2.89**

Foreign currency risk exposure: **(₹ in Mn)**

Particulars	Currency	Amount in foreign currency (in Mn)		Amount in ₹ in Mn	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019
Receivables					
Export trade receivable	USD	2.84	4.20	214.58	284.61
	EURO	0.59	0.70	49.40	53.04
	GBP	0.04	0.04	3.56	3.36
	CAD	0.06	-	3.23	-
Payables					
Payable for imports and others	USD	(0.93)	(0.13)	(70.91)	(8.84)
	EURO	(0.05)	(0.03)	(3.77)	(2.66)
	GBP	(0.00)	-	(0.09)	-
Foreign currency loans					
	USD	(10.65)	(11.73)	(804.93)	(828.49)
	USD	(5.53)	(7.16)	(417.92)	(505.38)
Interest on foreign currency loans					
	USD	(0.08)	(0.08)	(6.22)	(5.32)
	USD	(0.04)	(0.04)	(3.08)	(3.09)

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 2020	31 March 2019	31 March 2020	31 March 2019
Receivables					
Export trade receivable	USD	10.73	14.23	(10.73)	(14.23)
	EURO	2.47	2.65	(2.47)	(2.65)
	GBP	0.18	0.17	(0.18)	(0.17)
	CAD	0.16	-	(0.16)	-
Payables					
Payable for imports and others	USD	3.55	0.44	(3.55)	(0.44)
	EURO	0.19	0.13	(0.19)	(0.13)
	GBP	0.00	-	(0.00)	-
Foreign currency loans					
	USD	40.25	41.42	(40.25)	(41.42)
	USD	20.90	25.27	(20.90)	(25.27)
Interest on foreign currency loans					
	USD	0.31	0.27	(0.31)	(0.27)
	USD	0.15	0.15	(0.15)	(0.15)

(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 2020**	**31 March 2019**
Variable rate borrowing	2,688.70	2,857.42
Fixed rate borrowing	834.16	1,543.92
Total borrowings	**3,522.86**	**4,401.34**

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 2020**	**31 March 2019**
Interest rates – increase by 50 basis points	13.44	(14.29)
Interest rates – decrease by 50 basis points	(13.44)	14.29

(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 2020**	**31 March 2019**
Price sensitivity		
Price increase by (5%) - FVOCI*	0.02	0.03
Price decrease by (5%) - FVOCI	(0.02)	(0.03)
Price increase by (5%) - FVTPL	5.49	0.14
Price decrease by (5%) - FVTPL	(5.49)	(0.14)

* For sensitivity analysis in equity investment in shares of Altigreen, refer note 35 A, level 3 disclosure.

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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 2020 and 31 March 2019.

(₹ in Mn)

Particulars	India		Canada		Others		Total	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Revenue								
Sales to external customers	4,941.86	6,257.07	1,895.27	2,490.90	289.87	226.08	7,127.00	8,974.05
Inter-segment sale	(41.08)	(77.55)	-	-	(28.60)	-	(69.68)	(77.55)
Segment revenue	**4,900.78**	**6,179.52**	**1,895.27**	**2,490.90**	**261.27**	**226.08**	**7,057.32**	**8,896.50**
Interest revenue	26.49	35.11	3.32	1.17	-	-	29.80	36.28
Interest expense	188.53	143.57	99.98	105.80	-	-	288.52	249.37
Depreciation and amortisation	274.53	270.80	142.39	141.59	13.42	9.51	430.34	421.90
Reversal of provisions	7.43	21.87	-	-	-	-	7.43	21.87
Disposals of property, plant and equipment	13.21	91.42	(12.64)	-	-	-	0.57	91.42
Segment result (profit before tax)	**140.53**	**531.21**	**12.08**	**34.84**	**37.22**	**19.22**	**189.83**	**585.27**
Income tax expense	75.60	176.38	30.89	53.10	0.57	-	107.05	229.48
Segment assets	**4,231.69**	**4,772.32**	**3,406.66**	**3,336.20**	**253.74**	**567.53**	**7,892.09**	**8,676.05**
Segment liabilities	**3,114.04**	**3,643.59**	**1,967.62**	**1,954.01**	**48.14**	**361.04**	**5,129.80**	**5,958.64**
Additions to non-current assets other than financial instruments, deferred tax assets, net defined benefit assets.	469.81	556.65	119.06	247.13	-	-	588.87	803.78

Information about major customer

During the year ended 31 March 2020 revenue of approximately 58.35% are derived from three external customers (previous year: 63.49% 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. Pranav Kap uria (Managing Director)
(iii) Mr. Anuj Kapuria (Whole Time Director)
(iv) Mr. Sandeep Dinodia (Independent Director)
(v) Mr. Anil Kumar Khanna (Independent Director)
(vi) Mr. Krishna Chandra Verma (Independent Director)
(vii) Ms. Malini Sud (Independent Director)
(viii) Mr. Prosad Dasgupta (Independent Director)
(ix) Mr. Vinit Taneja (Independent Director)
(x) Mr. Ramesh Chandra Jain (Non Executive Director)
(xi) Mr. Bidadi Anjani Kumar (Non Executive Director)
(xii) Mr. Anant Jaivant Talaulicar (Non Executive Director)
(xiii) Mr. Neville D'Souza (Independent Director)#
(xiv) Mr. Vijay Mathur (Chief Financial Officer)*
(xv) Mr. Naveen Jain (Company Secretary)**
(xvi) Mr. S.K Khatri (Company Secretary)**
(xvii) Mr. Dinesh Chand Sharma (Chief Financial Officer)*

 # Mr. Neville D'Souza appointed (from 14/08/2019 as Independent Director
* *Mr. Vijay Mathur has been appointed(from 04/11/2019) as Chief Financial Officer in place of Mr. Dinesh Chand Sharma (till 26/06/2019)*
** *Mr. S. Khatri Stepped down from the post of Company Secretary(from 16/11/2019) and Mr. Naveen Jain appointed (from 18/11/2019) as 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	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 Systemz Limited		
1	Purchase of goods	31 March 2020	-	855.15	198.50	-	-	**1,053.65**
		31 March 2019	-	1,358.50	329.05	7.51	-	**1,695.06**
2	Sale of goods	31 March 2020	-	2.02	60.15	-	-	**62.17**
		31 March 2019	-	1.68	117.94	-	-	**119.62**
3	Rendering of job work/services	31 March 2020	-	3.15	1.29	-	-	**4.44**
		31 March 2019	-	4.55	3.54	-	-	**8.09**
4	Sale of assets	31 March 2020	-	3.30	40.08	-	-	**43.38**
		31 March 2019	-	1.00	-	-	-	**1.00**
5	Purchase of asset	31 March 2020	-	0.03	-	-	-	**0.03**
		31 March 2019	-	-	-	-	-	**-**
6	Receiving of job work/services	31 March 2020	-	148.87	-	30.63		**179.50**
		31 March 2019	-	173.31	-	46.20	-	**219.51**
7	Leasing or hire purchase arrangements	31 March 2020	18.00	-	-	-	-	**18.00**
		31 March 2019	18.00	-	-	-	-	**18.00**
8	Remuneration paid*	31 March 2020	-	-	-	-	60.86	**60.86**
		31 March 2019	-	-	-	-	70.02	**70.02**
9	Sitting fees	31 March 2020	-	-	-	-	0.61	**0.61**
		31 March 2019	-	-	-	-	0.69	**0.69**
10	Re-imbursement paid	31 March 2020	-	0.12	-	-	-	**0.12**
		31 March 2019	-	4.40	-	-	-	**4.40**
11	Re-imbursement received	31 March 2020	27.03	1.38	1.51	0.79	-	**30.71**
		31 March 2019	-	0.24	1.17	-	-	**1.41**
12	Loan Received/(Repayment)	31 March 2020	-	-	-	-	73.88	**73.88**
		31 March 2019	-	-	-	-	-	**-**
13	Interest Paid	31 March 2020	-	-	-	-	1.04	**1.04**
		31 March 2019	-	-	-	-	-	**-**

*** The remuneration of Key Managerial Personnel included in various schedules to statement of profit and loss is as under:**

(₹ in Mn)

Particulars*	31 March 2020	31 March 2019
Short term employee benefits	58.74	68.35
Defined contribution plan	2.12	1.67

* 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	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 Systemz Limited		
1	Trade receivable	31 March 2020	22.17	-	-	0.38	-	**22.55**
		31 March 2019	-	-	-	-	-	**-**
2	Trade payable	31 March 2020	-	203.63	21.96	7.23	-	**232.82**
		31 March 2019	1.62	64.42	72.12	5.46	-	**143.62**
3	Other payable	31 March 2020	-	-	-	-	3.21	**3.21**
		31 March 2019	-	-	-	-	20.07	**20.07**
4	Loan payable	31 March 2020	-	-	-	-	73.88	**73.88**
		31 March 2019	-	-	-	-	-	**-**

Terms and conditions of transactions with related parties

i) All Related Party Transactions entered during the year were in ordinary course of the business and are on arm’s length basis

ii) For the year ended 31 March, 2020, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2018-19: 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 2020 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 2020	31 March 2019	
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 2020	31 March 2019
Net debt*	3,142.30	3,950.92
Total equity	2,762.28	2,717.38
Net debt to equity ratio	**1.14**	**1.45**

**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 2020	31 March 2019
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	The Assessing Authority Sales Tax Department, Haryana	-	0.05
8	Deputy Commissioner of Customs	0.84	0.84
9	The Assessing Authority Sales Tax Department, Haryana	-	0.05
10	JCB India Ltd	0.25	-
11	Rajasthan Renewable Energy Corp Ltd	3.30	-
12	Rajasthan Rajya Vidyut Prasaran	1.43	-
13	UCAM Pvt Ltd	9.63	-
	Total	**17.48**	**2.97**

(2) Contingent liabilities on account of disputed statutory demands not provided for in the books of account are in appeals, as follows:-

(₹ in Mn)

S. No	Particulars	Period to which the amount relates	31 March 2020	31 March 2019
1	Income Tax Act, 1961 (Deputy Commissioner of Income Tax (Appeals), Delhi)	Assessment year 2012-13	0.23	0.23
2	Income Tax Act, 1961 (Income Tax Appellate Tribunal, Delhi)	Assessment year 2010-11	-	2.54
3	Income Tax Act, 1961 (Commissioner of Income Tax (Appeals), Delhi-4)	Assessment Year 2012-13	0.23	0.23
4	Income Tax Act, 1961 (Commissioner of Income Tax (Appeals), Delhi-4)	Assessment Year 2016-17	-	0.60
5	Income Tax Act, 1961 (Commissioner of Income Tax/Income Tax Appellate Tribunal)	Assessment Year 2018-19	7.51	-
6	Income Tax Act, 1961 (Assistant Commissioner of Income Tax (TDS))	Assessment Year 2019-20	0.05	0.08
	Total		**8.02**	**3.68**

Statistical demands for which show cause notice issued to the Group: **(₹ in Mn)**

S. No	Particulars	Period to which the amount relates	31 March 2020	31 March 2019
1	Central Excise Act, 1944 (Additional Commissioner, Central Excise, Gurugram, Haryana)	April 2005 to March 2018	1.04	1.04
2	Central Excise Act, 1944 (Additional Commissioner, Central Excise, Gurugram, Haryana)	August 2014 to July 2015	2.02	2.02
3	Central Excise Act, 1944 (Additional Commissioner, Central Excise, Gurugram, 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	1.60
5	Central Goods & Service Tax Act, 2017 (Deputy Commissioner, State GST Circle-B,-Bhiwadi)	July 2017 to September 2017	16.95	-
	Total		**25.23**	**8.28**

(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, Gurugram, 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 ₹ 575.71 Mn after adjusting advances (Previous years: 31 March 2019: ₹ 589.08 Mn).

Note - 41
Dividends

A During the quarter ended March 31, 2020, the Board of Directors has declared an interim dividend of ₹1.50/- per equity share at its meeting held on February 07, 2020 (previous year ₹1.50/- per share for financial year 31 March 2019) and the same is paid to eligible shareholders on March 04, 2020. The interim dividend has been considered as final dividend for the year ended 31 March 2020 (previous year ₹2.00/- per share for financial year 31 March 2019).

B Dividend declared and paid in earlier years are as follows –

(₹ in Mn)

Particulars	31 March 2020	31 March 2019
Interim dividend (including dividend tax)	33.94	33.94
Final dividend (including dividend tax)	45.25	45.25

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.

For leases previously classified as finance leases the entity recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of Ind-AS 116 are only applied after that date.

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 2020
Short-term leases	3.60
Leases of low value assets	-
Variable lease payments	1.13

B Total cash outflow for leases for the year ended 31 March 2020 was Rs. 26.85 Mn.

C The Group has total commitment for short-term leases of Rs. 3.67 Mn as at 31 March 2020.

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 2020	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	21.61	23.48	25.53	14.62	2.61	10.75	**98.60**
Interest expense	4.79	3.52	2.36	0.96	0.62	2.10	**14.35**
Net present values	**16.82**	**19.96**	**23.17**	**13.66**	**1.99**	**8.65**	**84.25**

E Variable lease payments are expensed in the period they are incurred. Expected future cash outflow as at 31 March 2020 is of Rs. 1.00 Mn

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	4	65-96 years	81 years	0	4	0
Residential flat	7	75-80 years	78 years	0	7	0
Office premises	1	4 years	4 years	1	0	1
Solar plants	2	12-13 years	12 years	0	2	2

G Impact on transition

1 Effective 1 April 2019, the Group has adopted Ind AS 116 “Leases” and applied modified retrospective approach to all lease contracts existing as at 1 April 2019. On transition, the adoption of new standard resulted in recognition of lease liability of Rs. 87.04 mn and corresponding right of use asset of Rs. 87.04 mn.

2 For contracts in place as at 1 April 2019, Group has elected to apply the definition of a lease from Ind AS 17 and has not applied Ind AS 116 to arrangements that were previously not identified as lease under Ind AS 17.

3 The Group has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of Ind AS 116, being 1 April 2019.

4 Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Group has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of Ind AS 116.

5 On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Group has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.

6 For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under Ind AS 17 immediately before the date of initial application. Accordingly, an amount of Rs 49.77 mn has been reclassified from property, plant and equipment to right-of-use assets.

7 The Group has benefited from the use of hindsight for determining the lease term when considering options to extend and terminate leases.

8 On transition to Ind AS 116 the weighted average incremental borrowing rate applied to lease liabilities recognised was 6.75%.

9 The following is a reconciliation of total operating lease commitments at 31 March 2019 (as disclosed in the financial statements for the year ended 31 March 2019) to the lease liabilities recognised at 1 April 2019:

	(₹ in Mn)
Total operating lease commitments disclosed as at 31 March 2019	**83.63**
Recognition exemptions:	
Leases of low value assets	-
Leases with remaining lease term of less than 12 months	(2.70)
Variable lease payments not recognised	-
Effect of different treatment on extension and termination options	19.96
Operating lease liabilities before discounting	100.89
Discounting impact (using incremental borrowing rate)	(13.85)
Operating lease liabilities	87.04
Finance lease obligations under Ind AS 17	19.36
Total lease liabilities recognised under Ind AS 116 at 1 April 2019	**106.40**

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 2020**	**31 March 2019**
Present value of the obligation at end	45.14	52.99
Fair value of plan assets	-	-
Net obligation recognised in balance sheet as provision	45.14	52.99
Current liability (amount due within one year)	**6.01**	**6.67**
Non-current liability (amount due over one year)	**39.13**	**46.32**

ii) Expenses recognized in consolidated statement of profit and loss **(₹ in Mn)**

Particulars	**31 March 2020**	**31 March 2019**
Current service cost	10.15	15.99
Interest cost	4.06	2.99
Actuarial (gain)/loss net on account of:		
Changes in demographic assumptions	0.02	-
Changes in financial assumptions	0.53	1.77
Changes in experience adjustment	(3.63)	3.77
Cost recognized during the year	**11.13**	**24.52**

iii) Movement in the liability recognized in the consolidated balance sheet is as under: **(₹ in Mn)**

Particulars	**31 March 2020**	**31 March 2019**
Present value of defined benefit obligation at the beginning of the year	52.99	38.65
Current service cost	10.15	15.99
Interest cost	4.06	2.99
Actuarial (gain)/loss net	(3.07)	5.54
Benefits paid	(18.99)	(10.18)
Present value of defined benefit obligation at the end of the year	**45.14**	**52.99**

iv) (a) For determination of the liability of the Group the following actuarial assumptions were used:

Particulars	31 March 2020	31 March 2019
Discount rate	6.80%	7.66%
Salary escalation rate	8.50%	9.25%
Retirement Age (Years)	58.00	58.00
Ages	**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%
Leave		
Leave availment rate	5.00%	5.00%
Leave lapse rate while in service	-	-
Leave lapse rate on exit	-	-
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 2020	31 March 2019
0 to 1 year	6.01	6.67
1 to 2 year	1.91	1.57
2 to 3 year	1.46	2.02
3 to 4 year	1.45	1.60
4 to 5 year	2.92	1.56
5 to 6 year	2.41	3.09
6 year onwards	28.97	36.47

v) Sensitivity analysis for compensated absences liability **(₹ in Mn)**

Particulars	31 March 2020	31 March 2019
a) Impact of the change in discount rate		
Present value of obligation at the end of the year	45.14	52.99
Impact due to increase of 0.50 %	(2.14)	(2.76)
Impact due to decrease of 0.50 %	2.32	3.00
b) Impact of the change in salary increase		
Present value of obligation at the end of the year	45.14	52.99
Impact due to increase of 0.50 %	2.27	2.94
Impact due to decrease of 0.50 %	(2.12)	(2.73)

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 2020	31 March 2019
Present value of the obligation	139.92	137.14
Fair value of plan assets	138.31	135.82
Net obligation recognised in balance sheet as provision	1.61	(1.32)
Current liability (amount due within one year)	**1.61**	(1.32)
Non-Current liability (amount due over one year)	**-**	-

ii) Gain recognised in other comprehensive income: **(₹ in Mn)**

Particulars	31 March 2020	31 March 2019
Actuarial gains/(loss) on asset	(0.34)	(0.02)
Actuarial gains/(loss) on PBO	10.45	2.54
Gain recognised in other comprehensive income	**10.11**	**2.52**

iii) Actuarial (gain)/loss on obligation **(₹ in Mn)**

Particulars	31 March 2020	31 March 2019
Actuarial (gain)/loss net on account of:		
Changes in demographic assumptions	0.07	-
Changes in financial assumptions	1.71	3.31
Changes in experience adjustment	(12.22)	(5.85)

iv) Expenses recognized in consolidated statement of profit and loss **(₹ in Mn)**

Particulars	31 March 2020	31 March 2019
Current service cost	11.81	12.46
Interest cost	0.10	(0.53)
Cost recognized during the year	**11.91**	**11.93**

v) Major categories of plan assets (as percentage of total plan assets)

Particulars	31 March 2020	31 March 2019
Funds managed by insurer	100%	100%
Total	**100%**	**100%**

vi) Change in plan assets is as under: **(₹ in Mn)**

Particulars	31 March 2020	31 March 2019
Fair value of plan assets at the beginning of the period	135.82	120.68
Difference in Opening Fund	-	8.34
Actual return on plan assets	10.07	9.95
Employer contribution	1.89	1.44
Fund management charges	(0.38)	(0.25)
Benefits paid	(9.08)	(4.34)
Present value of defined benefit obligation at the end of the year	**138.32**	**135.82**

vii) Movement in the liability recognised in the consolidated balance sheet is as under: **(₹ in Mn)**

Particulars	31 March 2020	31 March 2019
Present value of defined benefit obligation at the beginning of the year	137.14	122.12
Current service cost	11.81	12.46
Past service cost	-	-
Interest cost	10.50	9.44
Actuarial (gain)/loss net	(10.45)	(2.54)
Benefits paid	(9.08)	(4.34)
Present value of defined benefit obligation at the end of the year	**139.92**	**137.14**

viii) (a) For determination of the liability of the Group the following actuarial assumptions were used:

Particulars	31 March 2020	31 March 2019
Discount rate	6.80%	7.66%
Salary escalation rate	8.50%	9.25%
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	12.80	14.24

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 2020	31 March 2019
0 to 1 year	17.67	16.78
1 to 2 year	4.56	1.87
2 to 3 year	6.63	1.97
3 to 4 year	8.90	2.35
4 to 5 year	11.00	2.02
5 to 6 year	8.50	2.31
6 year onwards	82.64	109.83

ix) Sensitivity analysis for compensated absences liability **(₹ in Mn)**

Particulars	31 March 2020	31 March 2019
a) Impact of the change in discount rate		
Present value of obligation at the end of the year	139.92	137.14
Impact due to increase of 0.50 %	(5.30)	(5.49)
Impact due to decrease of 0.50 %	5.65	5.88
b) Impact of the change in salary increase		
Present value of obligation at the end of the year	139.92	137.14
Impact due to increase of 0.50 %	5.24	5.47
Impact due to decrease of 0.50 %	(4.98)	(5.24)

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*
As at 1 April 2018	**27.80**
Amounts used during the year	-
As at '31 March 2019	**27.80**
Additional provision recognised	1.91
As at '31 March 2020	**29.71**

*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 year and other changes, as summarised below:

(₹ in Mn)

Description	31 March 2020	31 March 2019
Contract liabilities at the beginning of the year	50.25	62.66
Less: performance obligations satisfied in current year	(45.12)	(17.58)
Add: advance received during the year.	47.81	5.17
	52.94	**50.25**

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 2020	31 March 2019
Sale of goods	7,211.15	9,123.34
Sale of software's	3.32	5.76
Job work	5.71	8.12
	7,220.18	**9,137.22**

(₹ in Mn)

Description	31 March 2020	31 March 2019
America	2,014.58	2,745.86
India	3,759.05	4,568.31
Others	1,446.55	2,030.15
	7,220.18	**9,344.32**

Reconcile the amount of revenue recognised in the consolidated statement of profit and loss with the contracted price **(₹ in Mn)**

Description	31 March 2020	31 March 2019
Revenue recognised during the year	7,233.52	9,359.21
Less: Discount, rebates, credits etc.	(13.35)	(14.89)
Add/Less: Any adjustment during the year	-	-
Revenue as per the contact	**7,220.18**	**9,344.32**

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 at 31 March 2020

(₹ in Mn)

Type of hedge and risks	Notional amount	Carrying amount of hedging instruments		Maturity dates	Hedge ratio	Weighted average strike price/ interest 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)					
Cash flow hedge								
Foreign exchange risk								
(i) Cross currency swaps	EUR 6.46	-	33.57	Dec 2020 - Dec 2024	1:1	78.18	(7.28)	7.28
Interest rate risk								
(ii) Interest rate swaps	USD 18.21	-	71.97	May 2020 - Feb 2024	1:1	3.18%	(81.67)	81.67

(b) Disclosure of effects of hedge accounting on statement of profit and loss for the year ended 31 March 2020

(₹ 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
Cash flow hedge				
Foreign exchange risk	(7.28)	-	(0.21)	Revenue
Interest rate risk	(81.67)	-	11.83	Finance cost

(c) Movement in cash flow hedging reserve

(₹ in Mn)

	Foreign currency and interest rate risk
Cash flow hedge reserve	
Balance as at 1 April 2019	-
Add: Changes in fair value of hedging instruments	(88.95)
Less: Amounts reclassified to profit or loss	11.62
Less: Deferred tax relating to above (net)	27.02
Balance as at 31 March 2020	**(50.31)**

Note - 46
Notes to the consolidated financial statements for the year ended 31 March 2020

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	2545887 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 19 to March 20	April 19 to March 20	April 19 to March 20	April 19 to March 20	April 19 to March 20	April 19 to March 20	April 19 to March 20	April 19 to March 20	April 19 to March 20
2	Reporting currency	CAD	CAD	CAD	CAD	USD	USD	USD	USD	CAD
3	Exchange rate	Rs 53.56/CAD for BS Rs 52.53/CAD for PL	Rs 53.56/CAD for BS Rs 52.53/CAD for PL	Rs 53.56/CAD for BS Rs 52.53/CAD for PL	Rs 53.56/CAD for BS Rs 52.53/CAD for PL	CAD 1.42/USD and then Rs 53.56/CAD for BS Rs 52.53/CAD for PL	CAD 1.42/USD and then Rs 53.56/CAD for BS Rs 52.53/CAD for PL	CAD 1.42/USD and then Rs 53.56/CAD for BS Rs 52.53/CAD for PL	Rs 75.57/USD for BS Rs 72.39/USD for PL	Rs 53.56/CAD for BS Rs 52.53/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	(169.94)	0.00	66.79	(743.77)	196.05	16.95	(117.68)	1.77	(28.32)
6	Total Liabilities	1,655.36	-	95.50	558.00	0.17	88.24	261.30	2.51	17.05
7	Total Assets	3,019.96	0.01	162.29	2,271.22	358.25	105.19	143.62	4.93	2.52
8	Investments	2,724.98	0.01	-	168.52	-	-	-	-	-
9	Turnover	87.57	-	30.97	1,929.10	-	31.31	261.31	28.60	0.00
10	Profit/(Loss) before Taxation	(40.45)	-	9.69	93.37	(0.21)	25.99	37.78	2.28	(3.47)
11	Provision for Taxation	-	-	2.65	27.34	1.24	2.50	9.35	0.57	-
12	Profit/(Loss) after Taxation	(40.45)	-	7.04	66.03	(1.46)	23.49	28.43	1.71	(3.47)
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 18-19

S. No	Name of Subsidiary	2545887 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 18 to March 19	April 18 to March 19	April 18 to March 19	April 18 to March 19	April 18 to March 19	April 18 to March 19	April 18 to March 19	April 18 to March 19	April 18 to March 19
2	Reporting currency	CAD	CAD	CAD	CAD	USD	USD	USD	USD	CAD
3	Exchange rate	Rs 51.5/CAD for BS Rs 50.98/CAD for PL	Rs 51.5/CAD for BS Rs 50.98/CAD for PL	Rs 51.5/CAD for BS Rs 50.98/CAD for PL	Rs 51.5/CAD for BS Rs 50.98/CAD for PL	CAD 1.34/USD and then Rs 51.5/CAD for BS Rs 50.98/CAD for PL	CAD 1.34/USD and then Rs 51.5/CAD for BS Rs 50.98/CAD for PL	CAD 1.34/USD and then Rs 51.5/CAD for BS Rs 50.98/CAD for PL	Rs 69.21/USD for BS Rs 67.08/USD for PL	Rs 51.5/CAD for BS Rs 50.98/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	(182.88)	-	57.32	(874.53)	163.53	(6.40)	(112.67)	(0.06)	(24.05)
6	Total Liabilities	1,746.34	-	102.85	633.00	-	116.05	243.77	-	22.36
7	Total Assets	3,098.01	0.01	160.18	2,215.46	325.56	109.65	131.10	0.58	12.09
8	Investments	2,619.96	0.01	-	162.03	-	-	-	-	-
9	Turnover	35.72	-	29.95	2,514.45	-	32.58	226.10	-	7.57
10	Profit/(Loss) before Taxation	(73.63)	-	25.78	157.64	(0.03)	26.89	25.04	(0.03)	(23.22)
11	Provision for Taxation	-	-	6.99	63.05	-	4.43	-	-	-
12	Profit/(Loss) after Taxation	(73.63)	-	18.79	94.59	(0.03)	22.46	25.04	(0.03)	(23.22)
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:

a) Subsidiary Company(ies) do no have any investment in the Holding Company.

b) 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.

c) 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 2020

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	**Holding**	96.54%	2,666.62	93.55%	77.42	-32.43%	(13.40)	51.59%	64.02
2	**Subsidiaries**								
	Neo-Tech Auto System, Inc., USA	0.06%	1.77	2.06%	1.71	0.31%	0.13	1.48%	1.84
	Neo-Tech Smart Solutions Inc., Canada	-1.03%	(28.32)	-4.20%	(3.47)	-1.92%	(0.79)	-3.44%	(4.27)
	2545887 Ontario Inc.	-9.45%	(260.90)	-48.91%	(40.48)	155.12%	64.10	19.04%	23.62
3	**Step down subsidiaries**								
	The Hi-Tech Gears Canada Inc	9.50%	262.38	-11.97%	(9.91)	0.00%	-	-7.99%	(9.91)
	Teutech Holding Corporation	0.89%	24.46	-1.76%	(1.46)	49.71%	20.54	15.38%	19.09
	Teutech LLC	1.14%	31.48	34.35%	28.42	-69.96%	(28.91)	-0.39%	(0.49)
	Teutech Leasing Corporation	1.75%	48.21	28.38%	23.49	-0.82%	(0.34)	18.66%	23.15
	2504584 Ontario Inc	0.00%	-	0.00%	-	0.00%	-	0.00%	-
	2323532 Ontario Inc	0.60%	16.58	8.51%	7.04	0.00%	-	5.68%	7.04
	Total	**100.00%**	**2,762.28**	**100.00%**	**82.76**	**100.00%**	**41.33**	**100.00%**	**124.09**

For the year ended 31 March 2019

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	**Holding**	98.69%	2,681.78	99.73%	354.83	5.50%	1.78	91.86%	356.61
2	**Subsidiaries**								
	Neo-Tech Auto System, Inc., USA	0.00%	0.00	-0.01%	(0.03)	0.11%	0.04	0.00%	0.00
	Neo-Tech Smart Solutions Inc., Canada	-0.89%	(24.11)	-6.52%	(23.21)	-2.59%	(0.84)	-6.19%	(24.05)
	2545887 Ontario Inc.	-10.47%	(284.52)	-20.69%	(73.63)	84.53%	27.41	-11.91%	(46.22)
3	**Step down subsidiaries**								
	The Hi-Tech Gears Canada Inc.	10.02%	272.29	8.88%	31.58	0.00%	-	8.14%	31.58
	Teutech Holding Corporation	0.20%	5.37	-0.01%	(0.04)	25.07%	8.13	2.08%	8.09
	Teutech LLC	1.18%	31.97	7.04%	25.04	-11.94%	(3.87)	5.45%	21.17
	Teutech Leasing Corporation	0.92%	25.06	6.31%	22.46	-0.70%	(0.23)	5.73%	22.24
	2504584 Ontario Inc	0.00%	-	0.00%	-	0.00%	-	0.00%	-
	2323532 Ontario Inc	0.35%	9.54	5.28%	18.78	0.00%	-	4.84%	18.78
	Total	**100.00%**	**2,717.39**	**100.00%**	**355.78**	**100.00%**	**32.42**	**100.00%**	**388.20**

Note - 48

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 - 49

Impact of COVID-19

The outbreak of COVID-19 pandemic globally and in India has severely 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. Although the disruption from the virus is expected to be temporary and most of the operations have resumed, post lifting the lockdown. Further the dynamic nature of these circumstances, the duration of business disruption and the related financial impact cannot be reasonably estimated at this time.

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

CA. Amit Gupta
Partner
Membership No. 094202

Place: New Delhi
Date: June 26, 2020
UDIN: 20094202AAAAAY6227

For and on behalf of
The Hi-Tech Gears Limited

Deep Kapuria
Executive Chairman
DIN 00006185

Pranav Kapuria
Managing Director
DIN 00006195

Vijay Mathur
Chief Financial Officer

Naveen Jain
Company Secretary

NOTICE

NOTICE is hereby given that the Thirty Fourth Annual General Meeting of the Members of M/s The Hi-Tech Gears Limited will be held on Saturday, December 26, 2020 at 5.00 P.M at the registered office of the Company at Plot No. 24,25,26, Sector-7, IMT Manesar, Gurugram, Haryana to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2020, together with the Reports of the Director's and Auditor's thereon.

2. To appoint a director in place of Mr. Ramesh Chandra Jain (DIN-00038529), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. Approval of remuneration of Cost Auditor for the financial year 2020-21

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 ending March 31, 2021, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all steps as may be necessary, proper or expedient to give effect to the above Resolution."

By order of the Board of Directors
The Hi-Tech Gears Limited

Naveen Jain
Company Secretary
Membership No: - A15237

Place: New Delhi
Date : August 13, 2020

Registered Office:
Plot No. 24,25,26, Sector-7,
IMT Manesar, Gurugram
Haryana 122050

Note: Pursuant to General Circular dated May 05,2020 read with circulars dated April 08,2020 and April 13,2020 issued by the Ministry of Corporate Affairs (MCA) and SEBI (LODR) Regulations, 2015, the Annual General Meeting (AGM) of the Company can be attended by the members through VC or OAVM mode.

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 (ten) % 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 In view of the continuous adverse impact of the Covid-19 pandemic, Government have mandated for Social distancing norms and the continuing restriction on movement of persons at several places in the Country. 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 & other applicable provisions of the Companies Act, 2013 & 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.

5. National Securities Depositories Limited ("NSDL") will be providing facility for voting through remote e-Voting, or e-voting during the Annual General Meeting for participation in the meeting through VC/ OVAM,

6. The facility of joining the AGM through VC/OAVM mode, will be opened 15 minutes before and will be open upto 15 minutes after the scheduled start time of the AGM i.e. from 4.45 PM to 5.15 PM and will be available for 1,000 members 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. 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 December 20, 2020 to December 26, 2020 (both days inclusive) for annual closing

8. During the period under review, an interim dividend of Rs.1.50/- per equity share (i.e. @15% on paid-up share capital of the company) was declared by the Board of Directors at its meeting held on February 07, 2020. It is confirmed that the Interim Dividend was paid within the time period mandated under the Companies Act, 2013.

9. 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.

10. Pursuant to the SEBI Circular No SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018, every listed company has to update the Bank Account details and PAN of all the members of the Company.

i. In view of above, members are requested to intimate changes, if any, pertaining to their name, postal address, email address (if any) telephone and mobile number, Permanent Account Number (PAN), mandates, nomination, power of attorney, Bank details such as, Name of the Bank and Branch, Bank Account Number, MICR code, IFSC code etc. to their respective Depository Participants (DPs) in case if share are held in electronic form. The Company or its Register and Share Transfer Agent (RTA) (Mas Services Limited) cannot act on any request received directly from members for any change of bank particulars. Such changes are to be intimated only to the Depository Participants of the members.

ii. In case, members holding shares in physical form are requested to submit the changes in above particulars to the Company's RTA. The request form for providing the above details (in case if shares are in physical form) is available on website of the Company i.e. www. thehitechgears.com

11. Pursuant to the provision of SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 dated June 08, 2018, which provides that with effect from **December 05, 2018**, no request for transfer of securities shall be processed by the Company or RTA, as the case may be, until and unless the securities are held in the dematerialized form with a depository.

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.

12. 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.

13. The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2012-13 (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.

14. Adhering to various requirements set out in the 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 Suspense Account on its website at www.thehitechgears.com

15. Pursuant to Finance Act, 2020 Dividend income will be taxable in the hands of the shareholder w.e.f 1st 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 for the ensuing period, when the Board may consider it appropriate to consider dividend, 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 .

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 Registrar 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 May 12, 2020, Notice of AGM along with the Annual Report 2019-20 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 2019-20 will also be available on the Company's website at www.thehitechgears.com, website of the Stock Exchanges i.e. BSE Ltd. at www.bseindia.com and National Stock Exchange of India Ltd. at www.nseindia.com.

20. 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 notice could not be serviced, For receiving all communications(including Annual Report) members may send signed copy of the 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 info@masserv.com or secretarial@thehitechgears.com for obtaining the Annual Report and Notice of AGM

21. For ease of conduct, members who would like to ask questions/ express their views on the items of the businesses to be transacted at the meeting can send in their questions/comments in advance mentioning their name, demat account no./ Folio no., e-mail Id, mobile number etc at secretarial@thehitechgears.com. The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the meeting

22. The physical copies of the documents will also be available at the Company's Registered Office for inspection during 11:00 A.M. to 1:00 P.M on any working day except Saturdays and Sundays upto the date of the meeting. 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.

23. 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.

24. 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 meeting 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 meeting.

25. Route Map and details of Prominent Landmarks of the venue of the meeting is annexed with this notice.

26. **Instruction for e-voting 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 34th 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 December 19, 2020 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, December 19, 2020 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 December 23, 2020 (9:00 A.M. IST) and ends on December 25, 2020 (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 of December 19, 2020, 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 December 25, 2020.

   d. Ms. Akarshika Goel and/or Mr. Alok Jain, partners of M/s Grover Ahuja & Associates, Practicing Company Secretaries and/or Mr. Chetan Bhadouria, Partner of Corporates Doctor LLP 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 Form or remote e-voting or through e-Voting (where the members attending the meeting though 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.

A. For Remote e- voting:

1. (I) In case of Members receiving e-mail from NSDL/RTA/ Company (For those members whose e- mail addresses are registered with Company/Depositories):

   i. Launch internet browser and open https://www.evoting.nsdl. com

   ii. Click on Shareholder – Login.

   iii. If you are already registered with NSDL for remote e-voting then you can use your existing User Id and Password/PIN for casting your vote.

   iv. If you are logging in for the first time, please enter the 'User Id' and 'Initial Password' then click on 'Login'.

   v. Home page of remote e-voting will open. Click on remote e-voting: Active Voting Cycles.

   vi. Select 'EVEN' i.e. 115044 of '**THE HI-TECH GEARS LIMITED'**.

   vii. Now you are ready for remote e-voting as 'Cast Vote' page opens.

   viii. Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'Confirm' when prompted.

   ix. Upon confirmation, the message 'Vote cast successfully' will be displayed.

   x. Once you have confirmed your vote on the resolution, you cannot modify your vote.

   xi. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter, etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to scrutinizer@thehitechgears. com with a copy marked to evoting@nsdl.co.in.

Note: If you forgot your password, you can reset your password ***by using "Forgot User*** *Details/Password" or "Physical User Reset Password" option directly available on www.evoting.nsdl. com or contact NSDL at the following toll free no.: 1800-222-990.*

Manner of Holding	*User ID*
a) For Members who hold shares in Demat Account	*DPID+ ClientID*
b) For Members who hold shares in Physical Mode	*Even No+ Folio No*

2. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

3. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through electronic mode.

4. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by

   a. Use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility;

   b. Voting through VC or OAVM who are attending the AGM through this mode.

5. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the

AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

6. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.thehitechgears.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing and communicated to the Stock Exchanges.

B. E-Voting during AGM

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

Procedure for joining the AGM through VC/OAVM

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at https://www.evoting.nsdl.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members 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. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
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/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at secretarial@thehitechgears.com.
6. Shareholders, who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at secretarial@thehitechgears.com. The same will be replied by the company suitably.
7. 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 IN RESPECT OF THE SPECIAL BUSINESSES PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

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 2020-21 at a fee of upto Rs. 0.125 million plus Service 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 ending March 31, 2021.

Your Directors recommend the resolution set forth in item no. 3 for approval of the members as an **Ordinary Resolution.**

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. 3 of the Notice.

By order of the Board of Directors
The Hi-Tech Gears Limited

Place: New Delhi
Date : August 13, 2020

Naveen Jain
Company Secretary
Membership No: - A15237

Registered Office:
Plot No. 24,25,26, Sector-7,
IMT Manesar, Gurugram
Haryana 122050

Annexure A

Particulars	Mr. Ramesh Chandra Jain
Directors Identification Number (DIN)	00038529
Date of Birth & Age	22/12/1946, 74 years
Date of Initial appointment	10/08/2011
Date of current re-appointment	At the 31st AGM held on September 29, 2017, he was re-appointed as Non-Executive Director, liable to retire by rotation. Being eligible, he has now offered himself for re-appointment.
Experience & Expertise	Mr. Jain possesses a combination of the strategic thinking and perspective, along with sound operations experience. • He was rated the best student of the session 1972-73 and was awarded 'Society of British Aerospace Company Award' at Cranfield University. • He served as Vice Chairman of Eicher Group and he has rich experience of 42 years. He has worked for Eicher Group at various senior levels for 25 years. • He was Chairman, Haryana State Council for one year; Chairman, Manufacturing subcommittee for four years; and Chairman HR subcommittee for year 2007-08 and 2008-09. He has been invited by UNIDO and FAO on consultative Committees and also as a guest speaker to South Korea, Italy, etc.
Qualification	**1.** B. Tech (Honors) in Mechanical Engineering (1968) from IIT. **2.** Masters in Industrial Management (1973) from Cranfield University, UK
Board Membership of other Companies as on 31/03/2020.	**1.** The Hi-Tech Robotic Systemz Limited **2.** Minda Sai Limited **3.** Frick India Limited **4.** Indoi Systems Private Limited **5.** Modern Automotives Limited **6.** Titagarh Agrico Private Limited **7.** Kamdhenu Limited
Chairman/ Member of the Committee of the Board of Directors as on 31/03/2020	**Frick India Limited** • Audit Committee (Member) • Nomination and Remuneration Committee (Chairman) • Corporate Social Responsibility (Chairman) • Stakeholder Relationship Committee (Chairman) **Minda Sai Limited** • Audit Committee (Member) • Corporate Social Responsibility (Member) **The Hi-Tech Gears Limited** • Corporate Social Responsibility Committee (Member) **The Hi-Tech Robotic Systemz Limited** • Corporate Social Responsibility Committee (Member)
Number of shares held in the Company as on 31/03/2020	-
Relationship with Directors	None

1. For the purpose of Board and Membership of Committees/ Chairman, Indian Companies are considered.

THE HI-TECH GEARS LIMITED

Registered Office: - Plot No. 24-26, Sector-7,IMT Manesar, Gurugram Haryana 122050
CIN- L29130HR1986PLC081555, Website: - www.thehitechgears.com
Tel.: +91(124)4715100, Fax: +91(124)2806085, e-mail id: 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 34th Annual General Meeting of the Company, to be held on Saturday the 26th Day of December, 2020 at 5:00 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*
Ordinary Business:				
1	To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the financial year ended March 31, 2020, together with the reports of the Director's and Auditor's thereon–- Ordinary Resolution			
2	To appoint a director in place of Mr. Ramesh Chandra Jain (DIN-00038529) who retires by rotation and being eligible has offered himself for re-appointment– Ordinary Resolution			
Special Business:				
3	Approval of remuneration of Cost Auditor for the financial year 2020-21 – Ordinary Resolution			

Signed this .... day of…................................ 2020.
(Date) (Month)

Affix Revenue Stamp

Signature of the Shareholder(s)

Signatures of:

....	....	....
First Proxy Holder	**Second Proxy Holder**	**Third Proxy Holder**

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
Tel.: +91(124)4715100 **Fax:** +91(124)2806085 **e-mail id:** 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 e-voting	**From 09:00 A.M. (IST) on December 23, 2020**
End of e-voting	**Upto 05:00 P.M. (IST) on December 25, 2020**

The cut-off date (i.e. the record date) for the purpose of e-voting is December 19, 2020

✂…………………✂…………✂…………✂…………✂………. **TEAR HERE** …………✂…………✂…………✂…………✂…………………✂

THE HI-TECH GEARS LIMITED

Registered Office: - Plot No. 24-26, Sector-7, IMT Manesar, Gurugram Haryana 122050
CIN- L29130HR1986PLC081555 Website: - www.thehitechgears.com
Tel.: +91(124)4715100 **Fax:** +91(124)2806085 **e-mail id:** secretarial@thehitechgears.com

ATTENDANCE SLIP

I/We hereby record my presence at the 34th Annual General Meeting held on Saturday, December 26, 2020 at 5.00 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 ………………………………………………………………

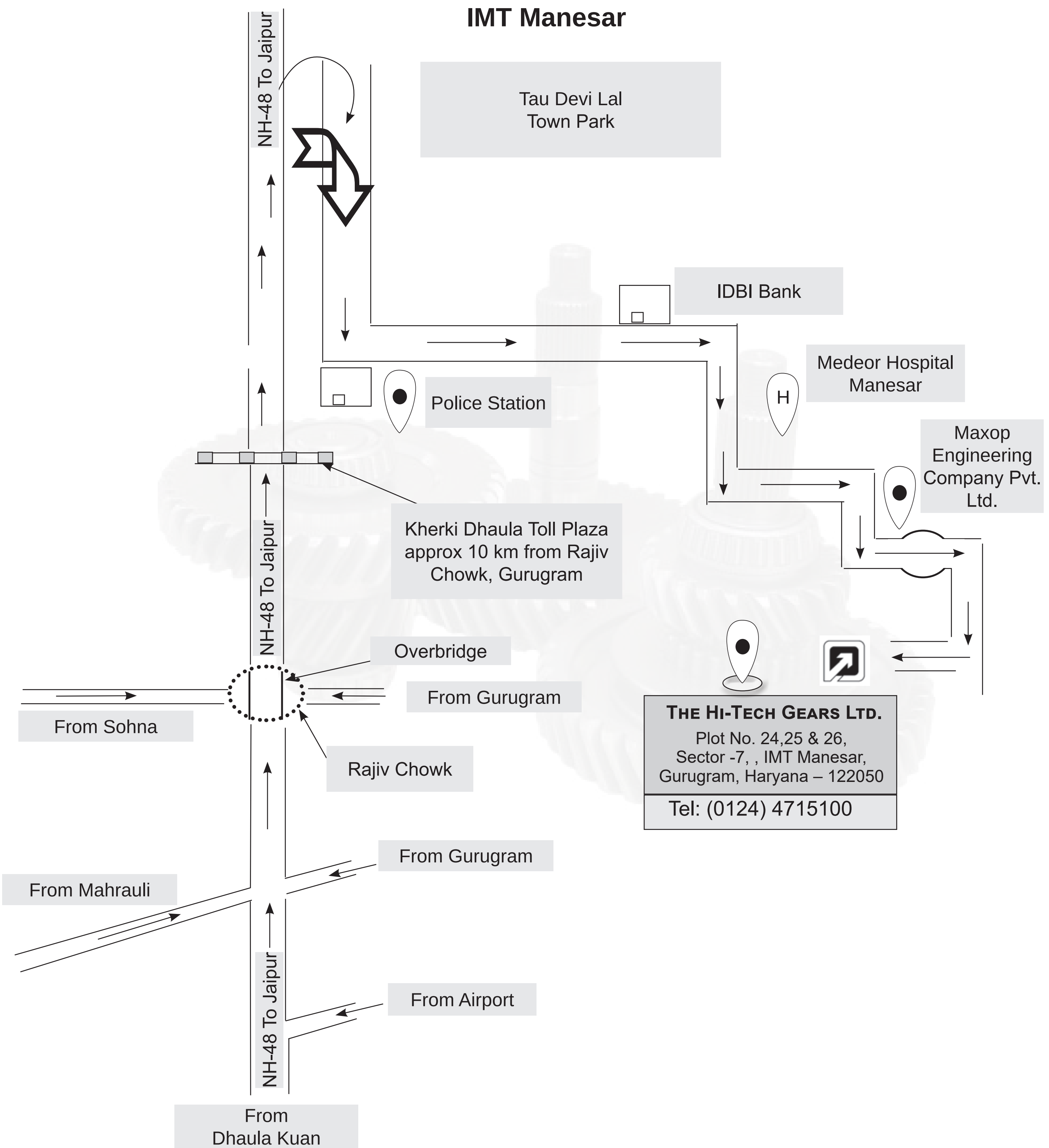
…………………………………………

(Signature of the Shareholder/Proxy)

Note:

PLEASE COMPLETE THIS ATTENDENCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL.

ROUTE MAP



IMT Manesar
NH-48 To Jaipur
Tau Devi Lal
Town Park
IDBI Bank
Medeor Hospital
Manesar
H
Police Station
Maxop
Engineering
Company Pvt.
Ltd.
Kherki Dhaula Toll Plaza
approx 10 km from Rajiv
Chowk, Gurugram
NH-48 To Jaipur
Overbridge
From Gurugram
From Sohna
Rajiv Chowk
THE HI-TECH GEARS LTD.
Plot No. 24,25 & 26,
Sector -7, , IMT Manesar,
Gurugram, Haryana – 122050
Tel: (0124) 4715100
From Gurugram
From Mahrauli
From Airport
NH-48 To Jaipur
From
Dhaula Kuan

NOTES

NOTES

Safety First...

A Glimpse of CSR Events

आईटीआई में छात्राओं को वितरित की साइकिलें

उपायुक्त ने कार्यक्रम का किया शुभारंभ

पायनियर समाचार सेवा। हथीन

हथीन। आईटीआई हथीन में स्कल डेवलपमेंट व साइकिल वितरण समारोह का शुभारंभ उपायुक्त मनी राम शर्मा ने कार्यक्रम में दीप जलाकर किया। कार्यक्रम में आईटीआई में विभिन्न ट्रेडों में प्रशिक्षण ले रहीं दो दर्जन छात्राओं को हाईटैक गियर कंपनी की तरफ से निःशुल्क साइकिल वितरण की गईं। ताकि बच्चियां आराम से घर से आईटीआई आ जा सकें। कार्यक्रम में मारुति उद्योग के पूर्व प्रबंधक डॉ. जगदीश खट्टर मुख्य अतिथि थे। इस मौके पर आईटीआई के बच्चों ने सांस्कृतिक कार्यक्रम पेश कर समां बांध दिया।

इस मौके पर बोलते हुए उपायुक्त मनीराम शर्मा ने कहा कि हथीन आईटीआई में कोशल विकास कार्यक्रम के तहत काफी संख्या में प्रशिक्षण प्राप्त कर चुके बच्चों को रोजगार देने का काम किया है। उन्होंने मारुति उद्योग के पूर्व प्रबंधक से आग्रह किया कि हथीन की आईटीआई में स्पेशल एक जॉब मेला लगाकर यहां के बच्चों को रोजगार देने का कार्य किया जाए। कार्यक्रम में मुख्य अतिथि डॉ. जगदीश खट्टर ने कहा कि आईटीआई में रोजगार परख प्रशिक्षण दिया जा रहा है। जिससे बच्चों को कंपनियों में भी रोजगार के साधन उपलब्ध हो सकते हैं। उन्होंने आईटीआई के इंचार्ज विनोद खनगवाल की कार्यशैली की जमकर तारीफ की। हाइटैक गियर कंपनी के चेयरमैन दीप कपूरिया ने प्रशिक्षण ले रहे बच्चों को महत्वपूर्ण ज्ञान की बातें बताई। उन्होंने कहा कि समय व अनुशासन मनुष्य की सफलता की सबसे बड़ी सीढ़ी है।

उन्होंने प्रशिक्षण ले रहे बच्चों को अपने विदेशी अनुभवों से भी अवगत कराया। आईटीआई के प्रिंसिपल विनोद खनगवाल ने बताया कि हथीन की आईटीआई प्रदेश ही नहीं देश भर में अपना अलग स्थान रखती है। यहां के कई छात्र अपने प्रशिक्षण के बल पर विदेशों में नाम कमा रहे हैं। कार्यक्रम में छात्र-छात्राओं ने सांस्कृतिक कार्यक्रम भी पेश किए। कार्यक्रम में डॉ. केसी वर्मा, आईएमटी चेयरमैन ब्रिगेडियर वेद प्रकाश, विनोद खनगवाल ने भी अपने विचार रखे।

इस मौके पर ग्रुप इंचार्ज राजबीर सिंह, विजय पाल, प्रशिक्षक कर्मबीर, इंद्रराज रावत, ब्रह्मदत्त, अजीत कुमार, मिनाक्षी, देवेंद्र डागर, आरसी गुप्ता, मनोहर लाल, दिनेश कुमार, प्रमोद कुमार व नायब तहसीलदार के अलावा काफी संख्या में अभिभावक व गणमान्य लोग व प्रशिक्षण ले रहे छात्र मौजूद थे।

आईटीआई में छात्राओं को साइकिल प्रदान करते मारुति उद्योग के पूर्व प्रबंधक डॉ. जगदीश खट्टर व अन्य अधिकारी।

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