THE HI-TECH GEARS LTD.

CIN - L29130HR1986PLC081555

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

Date: September 03, 2021

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 2020-21

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 2020-21 along with the Notice of 35th 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 Gurgaon

Naveen Jain
Company Secretary
Membership No. A15237

passion to succeed

passion | innovation | technology

THE HI-TECH GEARS LTD.

ENGINEERING

MANUFACTURING

ROBOTICS

35th ANNUAL REPORT 2020-2021

ENGINEERING CONVERGENCE SOLUTIONS FOR A LEAN WORLD

future engage deliver

THGL next

Vision

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

Mission

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

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

Forward Looking Statement & Disclaimer

In our report we have disclosed forward looking information so that investor can better understand the company's future prospects and make informed decisions. This Annual report and other written and oral statements that we make from time to time contain such forward looking statements that set out anticipated results based on management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'projects' 'intends', 'plans', 'believes', and words and terms of similar substance in connection with any discussion of future operating or financial performance. We cannot guarantee that any forward looking statement will be realized, although we believe we have been prudent in our plans and assumptions. Achievement of future results is subject to risks, uncertainties and inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate assumptions, 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. Similarly, the Messages, Management Discussion Analysis, Directors' Report together with its Annexures are the statement of the financial figures, hence are provided in Rupees in million, unless specifically mentioned.

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

Contents

1.	Milestones	02
2.	Chairman's Message	03
3.	Managing Director's Message	06
4.	Directors' Report	09
5.	Management Discussion & Analysis	24
6.	Corporate Governance Report	28
7.	Shareholder's Information	41
8.	Standalone Auditor's Report	42
9.	Standalone Balance Sheet	46
10.	Standalone Statement of Profit & Loss	47
11.	Standalone Cash Flow Statement	49
12.	Standalone Notes to Financial Statements	50
13.	Consolidated Auditor's Report	89
14.	Consolidated Balance Sheet	93
15.	Consolidated Statement of Profit & Loss	94
16.	Consolidated Cash Flow Statement	96
17.	Consolidated Notes to Financial Statements	97
18.	Notice	141
19.	Proxy Form	153
20.	Attendance Sheet	154
21.	Route Map	155

Corporate Office
14th Floor, Tower – B,
Unitech's Millennium Plaza,
Sushant Lok – 1, Sector – 27,
Gurugram,
Haryana - 122002
Tel : (0124) 4715100,
Email : secretarial@thehitechgears.com

Registered Office & Plant II
Plot No. 24,25 & 26,
Sector -7, IMT Manesar, Gurgaon,
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
Standard Chartered Bank
Citi Bank
State Bank of India
ICICI Bank Ltd.
Kotak Mahindra Bank
HDFC Bank
Bajaj Finance

Registrar & Transfer Agent
M/s 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

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

Board of Directors

Mr. Deep Kapuria
Executive Chairman

Mr. Anant Jaivant Talaulicar
Vice Chairman

Mr. Pranav Kapuria
Managing Director

Mr. Anuj Kapuria
Executive Director

Mr. Anil Kumar Khanna
Independent Director

Mr. Sandeep Dinodia
Independent Director

Mr. Bidadi Anjani Kumar
Director

Mr. Vinit Taneja
Independent Director

Mr. Krishna Chandra Verma
Independent Director

Mr. Ramesh Chandra Jain
Director

Ms. Malini Sud
Independent Director

Mr. 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 Bharat LLP
(formerly known as Grant Thornton India LLP)
21st Floor, DLF Square Jacaranda Marg,
DLF Phase-II, Gurugram-122002, India

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

THE HI-TECH GEARS LTD.

MILESTONES

1986 ONWARDS...

1986	Incorporated as a Public Limited company
1988	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 & obtainedEnvironment Certification ISO 4001: • Occupational Health & Safety Certification OHSAS 18001:1999
2004	Prototyping/Productionsing Precision Components for Robert Bosch, GM, Volvo and Daimler Chrysler
2005	State-of-the-art Manufacturing Facility set up at Manesar
2007	Hi-Tech eSoft (division of HGL) Certified for ISO 9001:2000
2008	ACMA Export Award 2006-07
2009	Excellence Award for Manufacturing and Export
2010	TPM Excellence Awards Category A & Shingo Silver Medallion
2011	New State of Art "ECOFAC" Plant setup in Bhiwadi
2012	Award for excellence in Consistent TPM Commitment
2013	ACMA Export Award
2014	ACMA Export Award (Large Category)
2015	Name of the Company changed to "The Hi-Tech Gears Ltd."
2017	Acquisition of Teutech Industries INC, Canada and Teutech LLC, USA.
2019	Achieved a Turnover of INR 9,000 Million (on Consolidated Basis)

CUSTOMERS

Hero
IFA
DAIMLER
Daimler India Commercial Vehicles Pvt. Ltd.
MAGNA
MEGNA POWERTRAIN
TATA
JCB
CATERPILLAR®
Cummins
PENTAIR
NEW HOLLAND
AGRICULTURE
NAVISTAR
WABCO
GKN SINTER METALS
AAM
BorgWarner
2Tk
TEUTECH

CHAIRMAN's MESSAGE



Dear Shareholders,

The F.Y. 2020-21 was eventful and most challenging in terms of humanity as well as at economic activities. Let me begin by extending my sincere concern towards all those who have been impacted by this pandemic. I am deeply worried and pray to God to ease the situation and face the challenges posed with combined strength. I would also take this moment to extend my deepest condolences to the families of the departed souls across the nation, who lost their lives in this pandemic and pray for the well-being of their families.

I hope and believe that we shall come out of this pandemic with strong force and grit.

Global and Domestic Economic Affairs

The outbreak of the Covid-19 pandemic is an unprecedented shock to the entire world, including Indian economy. The world trade was already in a parlous state before Covid-19 struck, however during the second wave, the situation got worsened. The global pandemic has tuned into world's blistering hotspot of pandemic with virulent whirlwind crippling the life.

The Covid-19 pandemic is inflicting high and rising human costs worldwide. Protecting lives and allowing health care systems to cope have required isolation, lockdowns, and widespread closures to slow the spread of the virus. The health crisis is therefore having a severe impact on economic activities.

There is an extreme uncertainty around the global growth forecast. The economic fallout depends on factors that interact in ways that are hard to predict, including the pathway of the pandemic, the intensity and efficacy of containment efforts, the extent of supply disruptions, the repercussions of the dramatic tightening in global financial market conditions, shifts in spending patterns and volatile commodity prices. Many countries face a multi-layered crisis comprising a health shock, domestic economic disruptions, plummeting external demand, capital flow reversals and a collapse in commodity prices.

Effective policies are essential to forestall worse outcomes. Necessary measures to reduce contagion and protect lives will take a short-term toll on economic activity but should also be seen as an important investment in long-term human and economic health. The immediate priority is to contain the fallout from the Covid-19 outbreak, especially by increasing health care expenditures to strengthen the capacity and resources of the health care sector while adopting measures that reduce contagion. Economic policies will also need to cushion the impact of the decline in activity on people, firms and the financial system, reduce persistent scarring effects from the unavoidable severe slowdown and ensure that the economic recovery can begin quickly once the pandemic fades.

As a result of the pandemic, the global economy is projected to contract sharply to almost 4% in 2020, much worse than during the 2008–09 financial crisis. The contraction for 2020 is 1.25% points smaller than projected in the October 2020 World Economic Outlook (WEO), reflecting the higher-than-expected growth outturns in the second half of the year for most regions after lockdowns were eased and as economies adapted to new ways of working. However, emerging market economies and low-income developing countries have been hit harder and are expected to suffer more significant medium-term losses. Similarly, output losses have been particularly large for countries that rely on tourism and commodity exports and for those with limited policy space to respond. Income inequality is likely to increase significantly because of the pandemic. Moreover, learning losses have been more severe in low-income and developing countries, which have found it harder to cope with school closures. In a baseline scenario, which assumes that the pandemic fades in the second half of 2021 and containment efforts can be gradually unwound, the global economy is projected to grow by 6% in 2021 as economic activity normalizes, helped by low base and policy support by respective governments.

Unfortunately, the other contributors of slow growth in international trade prevailing in the previous years are common beside the severe impact of Covid-19 such as sluggish investment, low reforms, availability of capital, geo-political cross border tensions, trade war between world's biggest economy and terror-activities.

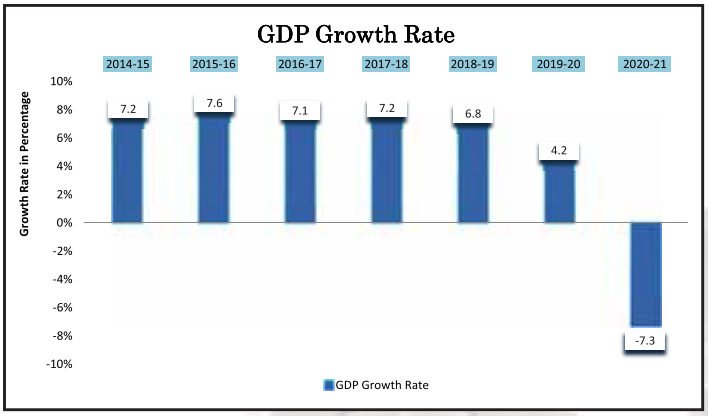
India amidst the ongoing pandemic is audaciously moving forward by taking all possible measures to combat this lethal virus. The second wave is very different from the first wave with exponential spread of disease and painful loss of several lives. After one full year from the time when stringent lockdown was first put in place, various States had to again impose restrictions, curbs and curfews to restrict interaction as a measure to stop spread of the disease, which mounted 4 lac a day during its peak. Disruption of work, academic pursuits and loss of employment/professional opportunities are a few concerns which many people in economy are facing.

There are various measures that India as a country taking to curb the spread of the Pandemic, including the complete lockdowns. Fortunately, various measures undertaken by government till now are bringing positive results and in the past few days there has been gradual reduction in number of daily Corona positive cases.

During previous year, India's economic slowdown showed good signs of abating, with a sizeable number of indicators of domestic demand flashing green during Q3 and Q4. Consumption has always been a strong and major driver of growth in the economy. The overall scenario remained

unchanged despite some improvement on the external front largely because of fresh incoming data on the current account balance trade as a share of GDP, which narrowed sharply to around $ 100 Bn.

Despite the above and headwinds from almost three years, India still have the potential to have the tag of the fastest growing economy. India's gross domestic product (GDP) is estimated to have contracted to have record low of 7.3 % in F.Y. 2020-21, mainly due to reasons discussed above in my report from 4.2 % in F.Y. 2019-20. This is nevertheless a marginal improvement from the earlier estimates of 8% to 14% by different organisations.



The uptick was mainly in third and fourth quarters driver by manufacturing in addition to the agricultural activities, though the service sector remained sluggish.

After a long period of strong control by government, the inflation is increasing, causing another reason of concern. On the other side, even after having great concerns, Indian foreign exchange reserves stood at $ 618 bn with per capita income at $ 2,191.

The long term growth prospects of the Indian economy remain positive due to the strong demand post listing of lockdowns, robust vaccination programs, people understanding their obligations towards covid appropriate behaviour, supportive fiscal policies, various reforms including the "Atma Nirbhar Bharat" 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.

Fiscal Policies Going Forward

We have discussed the impacts of pandemic on the entire globe. The growth of emerging & developing economies were brought to halt due to sluggish investment and risks. These risks include rising trade barriers, renewed financial stress, currency depreciations as well as sharper than expected slowdowns in several major economies. Sharp currency depreciations are more common in emerging and developing economies like India than in advanced economies and central banks are often required to respond to these fluctuations to maintain price stability.

To my view, future developments will depend on the path of the health crisis, including whether the new Covid-19 strains prove susceptible to vaccines or they prolong the pandemic, the effectiveness of policy actions to limit persistent economic damage, the evolution of financial conditions and commodity prices and the adjustment capacity of the economy. The flow of these drivers and their interaction with country-specific characteristics will determine the pace of the recovery and the extent of medium-term scarring across countries. In many aspects, this crisis is unique.

Considering the large uncertainty surrounding the outlook, policymakers should prioritize policies that would be prudent, regardless of the state of the world that prevails, such as strengthening social protection with wider eligibility for unemployment insurance to cover the self-employed and informally employed, ensuring adequate resources for health care, early childhood development programs, education and vocational training and investing in green infrastructure to hasten the transition to lower carbon dependence. Moreover, they should be prepared to flexibly adjust policy support.

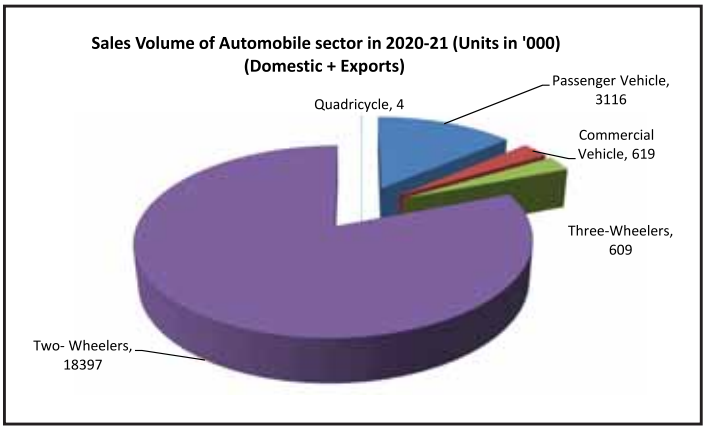
Indian Automotive Sector and Future Outlook

The Automobile Sector in our country is one of the major contributors in manufacturing and nation GDP. It is also providing employment to over 30 million people through direct/indirect opportunities. India has become a preferred place for world OEMs for production of their vehicles due to many cost benefits, such as skilled labour, availability of raw material and world class equipment beside incentives and encouragement from the State and Central Government.

Given the current scenario, the automotive industry under performed in F.Y. 2020-21; the situation improved in the second half, in which the Two wheeler as usual took the lead. As I referred 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 uncertainties 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, including smooth transition to EV.

According to the data released by SIAM, in F.Y. 2020-21, the industry manufactured a total 22,652,108 vehicles including passenger vehicles, commercial vehicles, three wheelers, two wheelers and quadricycles, recording a decline of 14.04% over the previous year (26,353,293 vehicles). The production trends reveal that there is negative growth in all categories from passenger vehicles, commercial vehicles to two wheelers.

In terms of total sales including both domestic and export, the industry sold a total 22,744,516 vehicles in F.Y. 2020-21; out of this passenger vehicles declined by 9.31% (3,115,857 vehicles). Also, in commercial vehicle, there is a degrowth by 20.45% (618,893 vehicles). Scooters/ Scooterettee sales declined by 20.62% (4,711,820) while all time favourite, Motorcycles and Mopeds also registered a negative growth of 9.00% (13,057,275 vehicles) and 3.86% (625,560 vehicles) respectively, taking the total two wheeler sales decline to 12.13% (18,397,111 vehicles) for the year. Also in Quadricycle vehicle category, there was decline of 42.60% from 6127 vehicles to 3517 vehicles in this financial year.



Due to the disruption caused by Covid-19 pandemic, the overall automobile exports declined by 13.05% (4,128,928 vehicles). Passenger vehicles and commercial vehicle export decreased by 38.92% (404,400 vehicles) and 16.64% (50,334 vehicles) respectively. The exports of three wheelers declined by 21.67% (392,941). Similarly, export of two wheelers decreased by 6.87% (3,277,724 Vehicles).

As per the current data, automakers are counting on a rebound towards from Q2 onwards and foresee strong growth with easing of lockdown and the support of demand. Those hopes rest in large part on the expectation that the distribution of Covid-19 vaccines will accelerate in the coming months after a slow start in the recent weeks. I also expect that slowing spread rate and restarting of economic activities, supported by government should enable consumers and businesses to return to a more normal range of activities, lifting the job market, consumer sentiment and auto demand.

Company Performance and Strategy

Till the Q1, we were in depressing state, due to the complete stoppage of business. However, as the time progressed, we worked very hard and God has been kind to us that the demand started showing growth. We responded in the same manner and due to our manufacturing excellency, we were able to sail through the tough time. Each one in the orgnisation contributed for the conservation of cash. Whole Time Directors renounced commission for the previous year, further did not draw any remuneration for the first half of the period under review and staff also agreed to sacrifice their part salaries. Achieving our goals with discipline has been our unchanging focus.

I am happy to share that your Company together with its subsidiary companies in US and Canada have done well in all spheres, despite the tough time due to Covid-19. We were able to match the previous year turnover and record profits, mainly due to our operational competence.

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

To summarise the financial results for the year F.Y. 2020-21, I must mention that there was growth in all the key areas. The standalone turnover of the Company grew marginally by 3.31 % and touched ₹ 5,326.38 million. As a result of this and our enhanced operating efficiencies, the standalone profit before tax grew even higher to ₹ 496.40 million. After consolidating the financials of the Company with its subsidiaries, the consolidated turnover stood at ₹ 7,560.33 million. Impressed with the performance, the Board have recommended a final dividend of 20% for your approval with a total payout of ₹ 37.53 million.

In F.Y. 2020-21 the Company had an export income of ₹ 1,245.65 million (standalone), which was decreased by 6.65% 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.

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

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

With the second wave abating in most parts of the country and state governments lifting the restrictions in phases, there are visible signs of economic rejuvenation since the second half of May. To conclude, I say that the economy and society are at a crucial inflection point where sustenance of economic recovery, vaccination progress and Covid-19 appropriate behavioural strategies are needed in close synergy with each other.

We are sure that India will also be able to withstand the economic fallout of the pandemic. Indian Economy is one of the most resilient, adaptable and robust economies, across the length and breadth of the globe with its indomitable spirit, fierce will and firm economic foundation. It has not only emerged as the fastest growing emerging nations but also paved its way to the fast recovery.

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



This 35th Annual Report of the Company provides me another opportunity to interact with you and update you on the affairs of the economy, business and Company.

Before I start, I must mention that India is unarguably facing world's most severe health crisis since the beginning of the first wave of Covid-19 pandemic last year which impacted everyone and in April-May 2021 this year, the second wave struck like tsunami. The number of new cases broke historic global records each day. The numbers were stunningly high, i.e. to the extent of 4 lac cases per day. The enormous flood of infection put the healthcare sector under severe pressure, with shortages in hospital beds and oxygen cylinders, resulting severe fatalities. Government immediately flung into action, however due to its highly infectious character, it was difficult to control the pandemic. The Government put all its resources, including taking help from other countries and spending money heavily to contain the virus and help those who are infected. Luckily, situation was controlled once the cases started reducing and vaccination drive opened for all above 18 years of age.

I am deeply concerned about the health and wellbeing of all the people and wish that this period be over at the earliest.

Macroeconomic Scenario

It is being almost one & half year into the Covid-19 pandemic, the accumulating human toll continues to raise concerns, even as growing vaccine coverage lifts sentiment. High uncertainty surrounds the global economic outlook, primarily related to the path of the pandemic. The contraction of economic activities resulting downward in all possible sectors in 2020 throughout the globe was unprecedented in living memory in its speed and synchronized nature.

Different governments are tackling the situation through most suitable and tailored policies. The factors shaping the appropriate stance of policy vary by country, especially progress toward normalization. Once vaccination becomes widespread and spare capacity in health care systems is generally restored to pre Covid-19 levels, restrictions can be eased for the economic activities. Strong international cooperation is vital for achieving these objectives and ensuring that emerging market economies and low-income developing countries continue to narrow the gap between their living standards and those of high-income countries.

The global economy continues to struggle with heavy negative growth in the year gone by. The year observed life threat to humanity throughout with only limited economic activities. It was a year of mixed fortunes for the world economy at least as per my memory goes by. While advanced economies reflected a pick-up in growth in second half of the year, emerging market & developing economies witnessed a slowdown. China and India also saw a sigh of revival in second half of the year due to the internal demand and upon the lifting of lockdown. Further, the continued increase in oil prices, frequent quick adjustments in exchange rates and threat of terrorism in many countries had a major impact on global trade.

Almost all major economies gave fiscal stimulus in this era, responding to this the Indian economy performed comparatively well in later part of the year due to factors such as improvement in domestic demand and an accommodative monetary policy.

At the domestic front, growth in India contracted to 7.3% from positive growth of 4.2 % in previous year due to the reasons stated above. At the start of the F.Y. 2020-21, many international organizations were batting for much lower expectations, i.e. de-growth upto 14%. The RBI, however was optimistic with forecast of moderate contraction. Thanks to the internal demand and timely stimulus packages, supported by good monsoon and lifting of lockdown post first wave of Covid-19, the demand generated and growth came back and had some damage control by the Q4. It is projected to increase to 9.5% in F.Y. 2021-22, lifted by strong private consumption provided that the transitory effects of pandemic are faded. Over the medium term, growth is expected to gradually back and rise with continued implementation of structural reforms that raise productivity and incentivize private investment.

The Automotive Sector & Growth prospects

The Automotive sector is one of the most vibrant sectors of the Indian economy. The sector was badly impacted with the first wave of Covid-19, however it still gave some chance to recovery but the second wave of the pandemic in the country has derailed the recovery momentum of the domestic automotive.

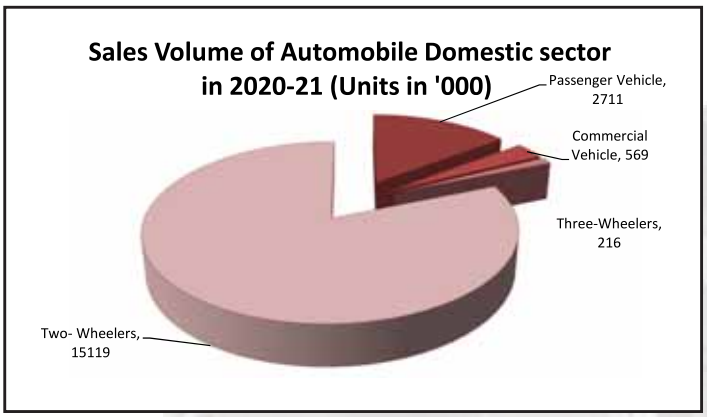
Auto manufacturers and auto ancillaries resorted to plant shutdowns as a restrictive measure. The automotive dealerships across regions were not operational in light of regional restrictions for a quite long time. The significant medical spends have eroded the purchasing power of individuals and families to a greater extent, which would impact large-ticket discretionary purchases like vehicles, at least over the near term in my view. Additionally, the rural spread of the pandemic would also act as a dampener. While growth prospects primarily hinge on how the monsoon would pan out and stable crop prices will offer some comfort regarding stability of farm cash flows.

Overall, it is expected that the auto sector to grow at least 5% due to the favourable low base in F.Y. 2020-21 and friendly polices by the government.

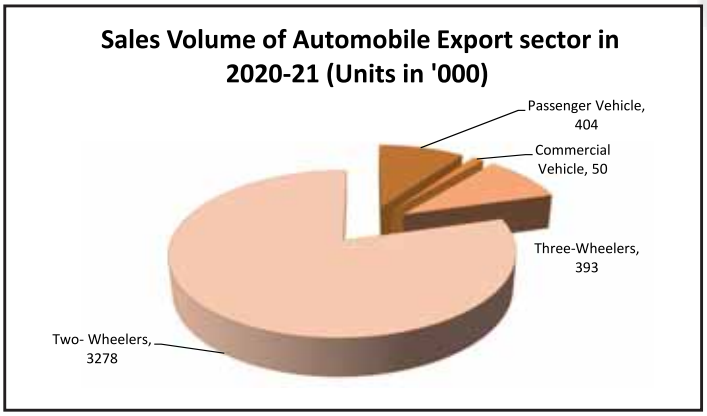
According to the data released by SIAM in F.Y. 2020-21, the industry manufactured a total 22,652,108 vehicles including passenger vehicles, commercial vehicles, three wheelers, two wheelers and quadricycles, recording a decline of 14.04% over the previous year (26,353,293 vehicles).

The production trends reveal that there is negative growth in all categories from passenger vehicles, commercial vehicles to two wheelers.

The domestic industry sold a total 18,615,588 vehicles in F.Y. 2020-21, out of this passenger vehicles declined by 2.24% (2,711,457 vehicles). Also, in commercial vehicle, there is a de-growth by 20.77% (5,685,598 vehicles). Two wheelers have always had a major share of volumes in the total output, however this segment also registered a de-growth. Scooters/ Scooterettee sales declined by 19.51% (4,479,848 vehicles). Similarly, Motorcycles and Mopeds also registered a negative growth of 10.65% (10,019,836 vehicles) and 3.07% (617,247 vehicles) respectively, taking the total two wheeler sales decline to 13.19% (15,119,387 vehicles) for the year. Overall, three wheelers sales also registered a decline of 66.06% (216,197 vehicles), while Passenger Carrier sales decreased by 74.49% (134,087 vehicles).



Similarly, if we see exports in isolation, then 4,128,928 units were exported compare to 4,748,738 units in previous years, thereby recording a de-growth of 13.05%. The passenger vehicles's export dropped by 38.92% at 404,400 units in comparison to 662,118 units in the previous year. Similarly, the two wheeler export declined by 6.87% (3,277,724 vehicles) for the year. The commercial vehicles and three-wheeler vehicles also recorded a drop of 16.64% (50,334 vehicles) and 21.67% (3,92,941 vehicles) respectively.



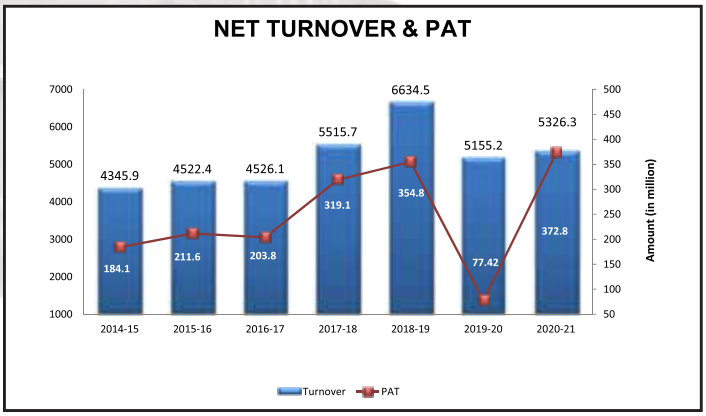
The Electric Revolution

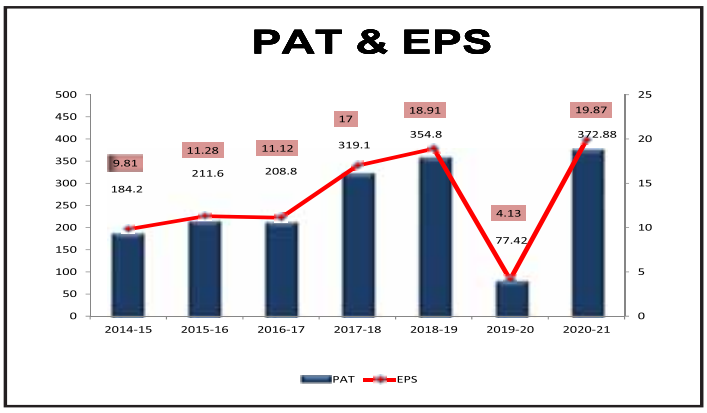
With lofty global zero emission goal, it will be the decade of the EV and 2021 is a critical year in that step change. We will see every major OEM begin or increase marketing EVs across their vehicle line-up, with many scaling and recalibrating their business models to sell EVs at scale. Both new and old automakers will launch much awaited vehicles in next two to three years. The government is also supporting EVs by way of providing tax emptions, waiver of road tax on vehicle etc. However, due to limited technology and lithium battery cost, the initial price of the vehicle is high, though the running cost is economical. Your company is future ready and already keeping an eye on the development in the change of technology.

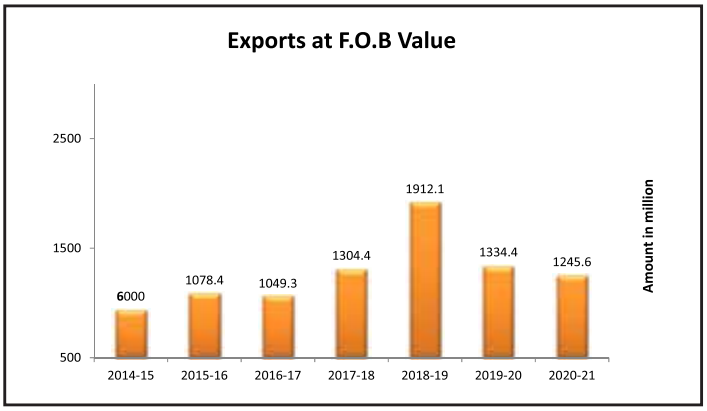
Your Company's Performance

The Automotive Industry has been ripe for disruption for many years, but the survival during the global pandemic means for us in implementing new processes and technologies that likely would not have been considered in normal times. Keeping this theory in mind, performance of the Company in F.Y. 2020-21 has proved to be satisfactory, despite the highly volatile spheres within and outside the macroeconomic parameters including the Covid-19 pandemic. This was made possible despite the many concerns being raised about the global and domestic economic environment.

In the first half of F.Y. 2020-21, the impact of the lockdown adversely affected sales of the Company. For almost 2 months there was hardly any movement, once the lockdown was eased, 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 sudden demand, supportive government policies in the economic and business environment. The total sales turnover of the Company marginally increased to ₹ 5,326.38 million, registering a growth of 3.31%. Profit before tax ('PBT') was ₹ 496.40 million and profit after tax stood at ₹ 372.88 million compared to ₹153.02 million and ₹ 77.42 million in F.Y. 2019-20 respectively. Earnings per share (EPS) also increased tremendously to ₹ 19.87 from ₹ 4.13 in the previous year. Although the overall performance was quite well against the industry flow, however the Company recorded an export turnover of ₹ 1,245.65 million, compared to ₹ 1,334.44 million in the previous year, thus recording a decrease of 6.65%.







Post consolidation with the overseas subsidiaries, the turnover stood at ₹ 7,560.33 million compared to ₹ 7,334.94 million in the previous year, registering a minor growth of 3.07%. PBT on consolidated basis stood at ₹ 340.13 million.

The consolidated financials of the Company with its subsidiaries are attached to the 35th Annual Report with necessary disclosures as per the appliable accounting standards and regulations. Recognizing the importance of sharing the gains with shareholders, who have always placed their funds and trust in the Company, an amount of ₹ 37.53 million is recommended as final dividend by your Board for F.Y. 2020-21. The matter in this regard will be placed at the ensuing Annual General Meeting for your approval. Shareholders are requested to adhere to the new dividend guidelines issued by the government with respect to tax on dividend.

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

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. Secondly, it has proved its excellence in cutting edge innovation and technology to cater to both its domestic and international clients. Most importantly, it has renewed its commitment towards green manufacturing with its Green 'ECOFAC' plant which has been awarded the Gold level of certification by the India Green Building Council.

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

Further, I am pleased to inform you that the journey of growth which began in a small way has been gathering momentum with each passing day, adding new dimensions and venturing into pioneering pathways. In this eventful journey of 35 years, each year has been packed with achievements that underline our committed performance.

Given the success of our initiatives, I truly and sincerely hope and believe that our dedicated efforts towards skill upgradation, adopting new processes and structures, shall not only strengthen the foundation of our Company as well as our bonds with each other, but more importantly these shall contribute in building brand "The Hi-Tech". On behalf of Company, Directors and management team. I thank you for your continued support and assure you of our unceasing efforts to grow your Company's performance and image year after year.

I hope by the time we meet at the ensuing Annual General Meeting (AGM), more than half of the population will be vaccinated. Accelerated vaccinations coupled with a strict enforcement of masks and social distancing will soon bring this pandemic under control and to drive optimistic growth and recovery for the industry.

Stay safe and stay blessed.

Pranav Kapuria
Managing Director

DIRECTORS' REPORT

Dear Members,

Your Directors have great pleasure in presenting the 35th Annual Report of your Company, together with the Audited Financial Statements of the Company for the financial year ended March 31, 2021. 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 million except per share data)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Revenue from Operation	5,223.79	5,093.25	7,455.42	7,220.18
Other Income	102.59	62.03	104.91	114.76
Total Income	**5,326.38**	**5,155.28**	**7,560.33**	**7,334.94**
Profit before Depreciation, Interest & Taxes (PBDIT)	926.86	643.52	1,003.70	951.45
Depreciation	251.52	274.53	430.77	430.34
Profit before Interest & Taxes (PBIT)	675.34	368.99	572.93	521.11
Financial Charges	178.94	215.97	232.80	331.29
Profit before Taxes (PBT)	496.40	153.02	340.13	189.82
Provision for Taxes	123.52	75.60	52.26	107.06
Profit after Tax (PAT)	**372.88**	**77.42**	**287.87**	**82.76**
Balance of profit brought forward	2,478.94	2,494.11	2,574.60	2,529.70
Balance available for appropriation	2,889.76	2,558.12	3,019.68	2,653.79
Dividend	*	65.69	*	65.69
Tax on dividend	-	13.50	-	13.50
Balance Surplus in P & L Account	2,889.76	2,478.94	3,019.68	2,574.60
Paid-up Equity Share Capital	187.68	187.68	187.68	187.68
Earnings Per Share (EPS)	19.87	4.13	15.34	4.41

*Please refer to dividend para of this Directors' Report

General Information

Financial Year 2020-21 was full of various challenges for Indian domestic automobile industry. Automobile industry faced multiple regulatory, geopolitical and economic disruptions during the previous year. Corona virus (Covid-19) pandemic shaping up through second wave proved to be more fatal to humanity and hence medical emergency was declared in recent time. It caused significant disturbance and slowdown of economic activities. The after-effects of a strict but necessary countrywide lockdown and a slowdown halted the growth engine. 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.

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.

The second half of the period under review was still better in terms of economic activities. Post lifting of lockdown the business consolidated its position and demand started generating. Government also provided required support by business-friendly policies. Taking the benefit of the situation, the auto industry behaved in positive manner, when the demand generated.

Almost all segments of the automobiles categories registered downfall on full year basis. The domestic sales of Commercial Vehicles decreased by 20.77% during April-March 2021 and Three Wheeler registered de-growth by 66.06% for the said period. In Two Wheeler segment, the sales of Scooters/ Scooterette declined by 19.51% including downfall in sales of Motorcycles and Mopeds by 10.65% and 3.07% respectively in FY 2020-21. The Passenger vehicles is the only segment which shows the growth engine of automobile industry. This segment has improved significantly from the de-growth of 17.82% in Financial Year 2019-20 to de-growth of only 2.24% in F.Y. 2020-21.

On export side, the overall automobile exports decreased by 13.05%. While Three Wheelers and Two Wheelers registered a downfall of 21.67% and 6.87% respectively, exports of Passenger Vehicle drastically decreased by 38.92% and Commercial Vehicles registered a de-growth of 16.64% in April-March 2021 over the last F.Y. 2019-20.

On a positive note, your Company showed tremendous agility and foresight by quickly pivoting to take actions that addressed challenges posed by the Covid-19 pandemic. The Company topmost priority was to serve our customers by providing them our services and ensuring the well being of our employees and workers during this pandemic by meticulous planning, deploying remote services for customers, providing the IT infrastructure to the employees to work from home etc.

The Indian auto components industry is going through a transformational period with the concept of mobility changing continuously. The prospects of the Industry looks good of the next year.

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.

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 far better than the performance of Auto Industry. During the F.Y. 2020-21, the total revenue stood at ₹ 5,326.38 million as compared to ₹ 5,155.28 million in the last F.Y. 2019-20, registering a minimal growth of 3.32 %. The profit before tax has significantly increased to ₹ 496.40 million as compared to ₹ 153.02 million in previous year due to the operational excellency. Similarly, the Net profit after tax of the Company is also on the upside at ₹ 372.88 million in comparison to ₹ 77.42 million in previous year, registering a significant growth of 381.63 %.

On a consolidated basis, the total revenue is ₹ 7,560.33 million in F.Y. 2020-21 as compared to ₹ 7,334.94 million in the previous F.Y. 2019-20. Similarly, the Net profit after tax is ₹ 287.87 million as compared to ₹ 82.76 millions in previous F.Y.

At the export front, on standalone basis, the Company recorded an export turnover of ₹ 1,245.65 million as compared to ₹ 1334.44 million in the previous year, thereby recorded degrowth of 6.65% as compared to the percentage during the same period in the previous year. The total export turnover now fall to 23.39% of the total turnover of the Company.

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

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

Consolidated Financial Statements

In accordance with the provisions of the Companies Act, 2013 ('the Act') and Ind AS-110 on Consolidated Financial Statements, read with Ind AS-28 on Investments in Subsidiaries outside India, the Audited Consolidated Financial Statements for the F.Y. ended March 31, 2021 are provided in this Annual Report.

Impact of COVID-19 pandemic

India witnessed one of the most stringent lockdowns in history, in the aftermath of the novel coronavirus outbreak. With all major sectors completely closed down for two months, Q1 was a complete washout for the economy. On the positive side, India dealt effectively with the first wave of Covid-19 infections while the country was faced by a calamitous second wave of the pandemic.

In view of the above, F.Y. 2020-21 has been an unparalleled year, marked by a major disruptions caused by the Covid-19 pandemic. Your Company's resilience and underlying ability to adapt to an evolving business environment has aided the Company to sustain and improved its position in the market.

The swiftness and intensity of the second wave and possible third wave have overwhelmed health systems, devastated lives and livelihoods. It is a health crisis of the kind we have not seen in generations. Given the scientific progress we have made over the past year, vaccination is the most effective control tool, more we are vaccinated, more we are safe.

For your Company too, it was a challenging year. The pandemic resulted in muted consumer demand along with disruptions in production, supply chain and retail networks. The Company's took various steps in securing the safety of our people, the viability of the ecosystem and for securing the health of the business through a laser focus on cash flows. The Company constituted a rigorous review mechanism to reach pre-Covid production levels in a coherent and sustainable manner. It efficiently collaborated with all stakeholders, including its workforce, supply chain partners & their associates to restore the distribution network and enable a seamless pipeline of supplies. This helped us navigate the crisis well. After the lockdown was lifted, the Company focused on meeting the growing demand. Gradually, as demand started coming back from the second quarter of last year, the company swiftly shifted gear, significantly ratcheted up capacities, moved fast to serve customer demand and ended the year on a strong note.

As the research fraternity came together to develop the coronavirus vaccine in record time, it offered a clear peek into the strength and agility of humankind in a manner never witnessed before. Going ahead, rapid vaccination remains the key to control the pandemic and bounce the economy back to pre-Covid growth levels, and upwards. We are supporting the Government initiatives, wherein it is committed to vaccinate as many as people at earliest. It is estimated that 50% of our population will have atleast one shot of vaccine, by the time our we meet at the ensuing General Meeting.

Share Capital

The paid up Equity Share Capital as on March 31, 2021 stood at ₹ 187.68 million. During the year under review, the Company has not issued shares or granted stock options or sweat equity. However, during the F.Y. 2021-22, your Company's Board of Directors have passed the resolution for implementing the "The Hi-Tech Gears Limited Stock Incentive Plan, 2021" to reward, attract, motivate and retain employees and Directors of the Company and its existing or future subsidiary companies, in or outside India, subject to the approval of the shareholders at the ensuing 35th Annual General Meeting of the Company.

Dividend

During the year under review and based on the performance of the company, the Board of Directors, at their meeting held on June 29, 2021, recommended a final dividend @ 20% i.e. ₹ 2/- per equity share amounting to ₹ 37.53 million, the same is to be approved by the shareholders at the forthcoming Annual General Meeting.

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

During the F.Y. under review, no amount has been transferred to 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 2020-21.

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, 2021 and of the profit and loss 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 (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, 2021, 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 attached AOC-1 form (Statement containing salient features of the financial statement of subsidiaries), 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's policy for determining material subsidiaries in terms of applicable listing regulations and other applicable laws 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, Woman Independent Director and Whole Time Directors. No new Director or Key Managerial Personnel has been appointed or resigned during the year under review.

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. Anant Jaivant Talaulicar (DIN: 00031051), Non-Executive Non Independent 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. Anant Jaivant Talaulicar is provided in the Notice convening the Annual General Meeting.

Further, Mr. Ramesh Chandra Jain, Non-Executive Director is completing the age of 75 years during this Financial Year, a resolution is being proposed in the Notice of the ensuing Annual General Meeting, with respect to his continuation as the Director of the Company.

a. Key Managerial Personnel's

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

b. Independent Directors

The Board has 7 (Seven) Independent Directors including one Woman Independent Director as on March 31, 2021, representing diversified fields and expertise. Details are provided in the appropriate section of the Corporate Governance Report.

During the F.Y. 2021-22 Mr. Prosad Dasgupta resigned from the position of Independent Director w.e.f. June 29, 2021.

The Independent Directors have submitted their declarations of independence, as required pursuant to provisions of section 149 (7) of the Companies Act, 2013, The Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of SEBI (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 5 (five) times during the period 2020-21 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 had 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. further, there were no frauds reported by the Statutory Auditors to the Audit Committee or the Board under Section 143(12) of the act.

b) Cost Auditors

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

The cost audit for the Financial Year 2020-21 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 approved the re-appointment of M/s. Kabra & Associates, Cost Accountants, as the Cost Auditors of the Company for the F.Y. 2021-2022, upon the recommendation of the Audit Committee. The remuneration proposed to be paid to them requires ratification of the shareholders of the Company. In view of this, your approval for payment of remuneration to Cost Auditors is being sought at the ensuing Annual General Meeting. Accordingly, a resolution seeking approval by members for the remuneration payable to M/s Kabra & Associates is included in the Notice convening 35th 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 except one observation of clerical mistake in filing of IEPF-1 form. Your company has submitted necessary intimation to IEPF Authority for rectification of the aforesaid error. Further due to Covid pandemic, your Company has filed APR (Annual Performance Report) for F.Y. 2019-20 in extended period of time.

Additionally, pursuant to Regulation 24 (A) of the SEBI (LODR), 2015 Regulations read with SEBI circular dated CIR/CFD/CMD1/27/2019 dated February 08, 2019, the Company has undertaken and received an Annual Secretarial Compliance Report from M/s Grover Ahuja & 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. **M/s. Grant Thornton Bharat LLP** (formerly known as Grant Thornton India LLP) is the continuing Internal Auditors, who regularly presents their quarterly report to the Audit Committee, highlighting various observations, system and procedure related lapses, if any and corrective actions being taken to address them.

Investor Education and Protection Fund ('IEPF')

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

In terms of the said Rules and the amendment thereof vide notification dated February 28th, 2017 and October 13th, 2017, the necessary communications have been made to the respective shareholders whose shares were required to be transferred to the IEPF so as to enable them to claim their dividend attached to such shares before such dividend and shares are transferred to IEPF Authority and further, the necessary information in this regard is available on the website of the Company 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 A/c can only be claimed by the concerned shareholder from IEPF Authority after complying with the procedure prescribed under the Rules and any amendment thereof.

Accordingly, during the financial year 2020-21, the Company has transferred 400 and 1600 equity shares to the IEPF Authority, in two tranches in respect of which the amount of dividend has not been claimed or unpaid for the consecutive seven years to the concerned shareholders from the date of declaration respectively. A list of such cases is also available at the company website.

Annual Return

As required pursuant to Section 92(3) & 134 (3) (a) of the Companies Act, 2013, the Annual Return of the Company for the F.Y. 2020-21 shall be filed within 60 days from the ensuing AGM. The Annual Return for the F.Y. 2019-20 filed with the Ministry of Corporate Affairs after the 34th AGM held in the year 2020 is available on the Company's website at 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-II**, 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 activities are provided in **Annexure-III.**

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

Particulars of contracts or arrangements with related parties

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

The Policy on materiality of related party transactions pursuant to Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as approved by the Board may be accessed on the Company's website 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 holding shares in dematerialized form, may kindly note that their bank account details as furnished to their depositories will be taken for the purpose of ECS by the Company.

Postal Ballot

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

Code of Conduct of Insider Trading

The Company has adopted a Code of Conduct to regulate, monitor and report trading by insiders. This Code of Conduct is intended to prevent misuse of Unpublished Price Sensitive Information ("UPSI") by designated persons. The same has been placed on the Company's 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 adopted a Code of Conduct for its Board Members and Senior Management personnel 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.

Share Capital Audit

M/s Grover Ahuja & Associates, practicing Company Secretaries carried out the Share Capital Audit on quarterly basis to reconcile the total issued and listed share capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Board of Directors confirms that the total issued and paid up capital as on 31st March, 2021 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 2021-22 has been paid within the prescribed time period.

Deposits

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

Dematerialization of the equity shares

99.62% of the total equity shares of the Company are held in dematerialized form with the participants of National Securities Depository Limited (NSDL) and Central Depository Securities (India) Limited as on March 31, 2021.

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-V**. The information as per Rule 5(2) of the Rules forms part of this report. However, as per first proviso to Section 136(1) of the Act and second proviso of Rule 5(2) of the Rules, the report and Financial Statements are being sent to the members of the Company excluding the statement of particulars of employees under Rule 5(2) of the Rules. Any member interested in obtaining a copy of the said statement may write to the Company Secretary at the registered office of the Company.

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 is 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. However your Company's Board of Directors have approved the "The Hi-Tech Gears Limited Stock Incentive Plan, 2021" to reward, attract, motivate and retain employees and Directors of the Company and its existing or future subsidiary companies, in or outside India, subject to the approval of the shareholders at the ensuing 35th Annual General Meeting of the Company.

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

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

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

Following are the details of proceedings and their status thereof at the end of the F.Y. 2020-21:

Sl No.	Name of the Applicant	Status
1.	Amrop India Pvt. Ltd.	Amrop India Pvt. Ltd. filed an application in F.Y. 2018-19. The matter basically relates to commercial dispute between parties on the terms of contract. However the same is at argument stage for its admissibility due to privity of contract with the Applicant.
2.	Happy Forgings Ltd.	Happy Forgings Pvt. Ltd. filed an application in F.Y. 2020-21. However this was preferred as withdrawn by Applicant. The Hon'ble NCLT rejected accordingly. Applicant filed another CP (Company Petition) before Hon'ble NCLT against which the notice was issued to the Company. The Company is in process to file reply to this notice.

Business Responsibility Reporting

As per Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Business Responsibility Reporting is not applicable to the Company.

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

Acknowledgement

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

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

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

Place: Gurugram **Deep Kapuria**
Dated: August 09, 2021 **Chairman**

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE-I

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANICAL YEAR ENDED 31ST MARCH, 2021

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

To

The Members,

The Hi-Tech Gears Limited

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

Based on our verification of Company's Books, Papers, Minutes Books, Forms and Returns filed and other records maintained and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended **31st March, 2021**, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2021** 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 subject to the following:

1. The Company has filed e-form IEPF-1 on 17-06-2020 vide SRN R42111211 wherein the date of transfer of amount to unpaid dividend account was mentioned as 22-03-2020 instead of 22-03-2013 due to clerical mistake.

2. During the financial year 2020-21, the Company has filed the required monthly ECB (External Commercial Borrowing) returns within the

prescribed time period and the APR (Annual Performance Report) for financial year 2019-20 was filed with extended period of time.

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

We further report that:

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

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

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

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

For **Grover Ahuja & Associates**
Company Secretaries

Akarshika Goel
(Partner)
ACS No.: 29525
C.P. No .: 12770
UDIN: A029525C000537934

Place: New Delhi
Date: 29.06.2021

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. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

For **Grover Ahuja & Associates**
Company Secretaries

Akarshika Goel
(Partner)
ACS No.: 29525
C.P. No .: 12770
UDIN: A029525C000537934

Place: New Delhi
Date: 29.06.2021

ANNEXURE-II

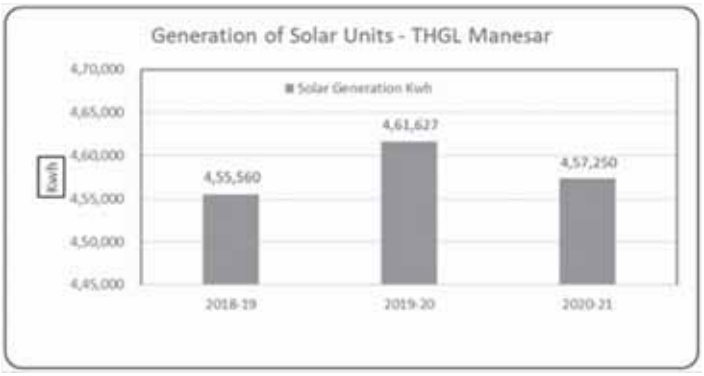
INFORMATION AS PER SECTION 134 (3) (m) OF THE COMPANIES ACT, 2013, READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2021

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/ improvement done are as under:

- Usage of renewable energy solar Power from Solar power plants of 400 KW and 250KW capacity
- Auto shut off when machines not operating during shift change & breaks @ 1.5 hrs per day, for 3 shifts, 150 machines
- Energy saving by adaptation of Variable Frequency Drive on 1000 CFM Air Compressor (31000 kwh per month)
- Installation of new air compressor (35 Kw) for energy saving for use in tandem with 90 Kw in place of 160 Kw compressor;
- Energy Saving by adaptation of Thyresters in Seald Quench Furnaces in Heat Treatment by temperature controls;
- Energy cost saving by temperature control of Fan motor and pumps in Cooling Tower;
- Use of high energy efficient motors for high rated electric motors in Forced Duct Ventilators;
- Energy cost saving in FDV's by controlling pulleys alignment & belt tightness and controlled running;
- 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;
- Adoption of Automatic Power factor control panels to maintain overall PF of 0.99, thus improving energy costs.



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;
- 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.

Company's commitment towards Total Productivity Maintenance (TPM) has yielded excellent results in quality and design of the products. These efforts shall ensure that the above said technology and the work culture is harnessed and percolated down to the entire organization. The steps initiated by the Company for implementation and absorption of Lean

Manufacturing are consistently showing encouraging outcome. Further, Your Company has continuously 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

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

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

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

iv. Future plan of Action

- Development of new products
- Run the Plant on Solar Power thru bilateral Capex model, there has been considerable progress on the project. 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 another 100 KW roof top solar plant to reduce energy cost
- Reduction in process losses by continues identifying the area of operation.
- New measures required for the utilization of the renewable energy
- Project adopted for optimizing the motor capacity in machines.

v. Expenditure on Research & 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 ₹ 1,245.65 million in F.Y. 2020-21 as compare to ₹ 1334.44 million in the previous year 2019-20, thereby recorded decrease of 6.65%, the reason for such reduction in export turnover is explained in the Management Discussion Analysis . The total exports are now 23.85% of the total turnover. The details of Foreign Exchange Inflow and outflow are as under:

(Amount in ₹ million)

Particulars	**(2020-21)**	**(2019-20)**
Inflow	1,245.65	1,334.44
Outflow		
Capital Equipment	0.46	128.34
Consumables	7.06	12.52
Raw Material	25.67	2.92
Others	370.14*	335.11*

*It includes ECB Loan repayment amount including interest of ₹ 281.12 million for F.Y. 2019-20 and ₹ 307.59 million for F.Y. 2020-21 respectively.

ANNEXURE-III

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 use resources, to engage in activities that increase their profits. They have to be socially responsible corporate citizens and also contribute to the social good.

We have assumed the above requirement to act in socially diligent manner. We have explored its impact on the economic, social and environmental sector which directly affects the relationships with employees, society, environment and other stake holders. The Company has developed and implemented a policy pursuant to the provisions of section 135 of Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy), Rules 2014.

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

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

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

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

3. **Weblink of Composition of the CSR Committee and CSR Policy-** https://thehitechgears.com/Content/pdf/Corporate_Social_Responsibility_policy.pdf.

   Weblink of CSR Projects approved by the Board of Directors: www.thehitechgears.com.

4. **Impact Assessment of CSR projects carried out in pursuance of sub rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if any-** Not Applicable

5. **Amount required for set off for the financial year 2020-21, in pursuance of sub rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014**: ₹ 38,504/- (Rupees Thirty Eight Thousand Five Hundred and Four only)

6. **Average net profit of the Company for the last three financial years:** Average net profit: ₹ 35,82,74,800/- (Rupees Thirty Five Crore Eighty Two Lakhs Seventy Four Thousand Eight Hundred only)

7. **(a) Two percent of average net profit of the Company as per Section 135(5):** ₹ 71,65,496/- (Rupees Seventy One Lakh Sixty Five Thousand Four Hundred and Ninety Six only)

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

   (c) Amount required to be set off for the financial year 2020-21: ₹ 38,504 (Rupees Thirty Eight Thousand Five Hundred and Four only)

   (d) Total CSR obligation for the financial year 2020-21: **₹ 71,65,496/-** (Rupees Seventy One Lakh Sixty Five Thousand Four Hundred and Ninety Six only)

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

Total Amount spent for the financial year (In ₹)	Amount unspent (In ₹)				
	Total Amount transferred to unspent CSR Account as per Section 135 (6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135 (5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 72,04,000	Not Applicable				

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

   (c) Details of CSR amount spent against **other than ongoing projects** for the financial year: **₹ 72,04,000/-** (Rupees Seventy Two Lakh and Four Thousand only)

   (d) Amount spent in Administrative Overheads: Nil

   (e) Amount spent on Impact Assessment: Not applicable

   (f) Total amount spent for the financial year 2020-21 (8b+8c+8d+8e): ₹ 72,04,000/- (Rupees Seventy Two Lakh and Four Thousand only)

(g) Excess amount for set off, if any: ₹ 38,504/- **(Rupees Thirty Eight Thousand Five Hundred and Four only)**

Sl no.	Particulars	Amount (in ₹)
1.	Two percent of average net profit of the Company as per Section 135(5)	71,65,496/-
2.	Total amount spent for the F.Y. 2020-21	72,04,000/-
3.	Excess amount spent for the F.Y. 2020-21	38,504/-
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
5.	Amount available for set off in succeeding financial years (iii-iv)	38,504/-

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

   (b) Details of CSR amount spent in the F.Y. 2020-21 for ongoing projects of the preceding financial year(s): Not Applicable

10. In case of creation or acquisition of capital asset, the details relating to the asset so created or acquired through CSR spent in the F.Y. 2020-21- Not Applicable

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

Responsibility Statement by the Corporate Social Responsibility Committee:

The 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.

Krishna Chandra Verma	**Pranav Kapuria**	**Naveen Jain**
(Chairman CSR Committee)	**(Managing Director)**	**(Company Secretary)**

ANNEXURE-IV

Form No. AOC-2

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

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

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

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

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

Name(s) of the related party and nature of relationship	**Aquarian Fibrecement Private Limited ('Aquarian')**	**The Hi-Tech Robotic Systemz Limited ('THRSL')**	**Vulcan Electro Controls Limited ('Vulcan')**	**The Hi-Tech Eng. Systems Private Limited ('THESPL')**
Nature of contracts/ arrangements/ Transactions	Leasing of Property	Sale/Purchase/ Receiving of Job Work/ Services and leasing of property	Sale/Purchase/ Receiving and Rendering of Job work/ services	Sale/Purchase/ Receiving/Rendering 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 ₹ 29.10 million for the financial year 2020-21	In tune with market parameters estimated annual value of ₹ 198.40 million for the financial year 2020-21	In tune with market parameters estimated annual value of ₹ 2,645.00 million for all contracts for the financial year 2020-21	In tune with market parameters estimated annual value of ₹ 1,322.50 million for all contracts for the financial year 2020-21
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 2020-21.
- Out of the above contracts with Vulcan & HESPL are considered material Related Party Transactions.
- During the year under review, the Company also have certain transactions with wholly owned subsidiaries. The brief of transactions can be viewed in Board Report. The Investment in subsidiaries or other entity(ies) in equity are pursuant to Section 186 are well within the sanctioned limit by the Shareholders. Further Related Party Transactions with the overseas wholly owned subsidiaries, if any is exempt within the purview of taking shareholders approval pursuant to Section 188.
- For Material related party transactions, approval of the Shareholders 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 statements and note 37 of the consolidated financial statements of the Company.

ANNEXURE-V

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 35th Directors' Report for the financial year ended on March 31, 2021.

(₹ In Millions)

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	72	Contractual appointment for a period of 3 year w.e.f. 01.10.2019	Overall Control and policy formulation	₹ 15.51	• BE (Hons) from B.I.T.S., Pilani • Adavance Management Programme from IIM (A) • Lead Assessor Course • Owner Management Programme from Harvard Business School	48	01.01.1987	3117461 (16.61%)	With The Hi-Tech Gears Ltd. as Chairman
Mr. Pranav Kapuria	Managing Director	46	Contractual appointment for a period of 35 years w.e.f. 01.10.2019	Overall control of day to day management of the Company	₹ 10.31	• B. Com (H) from Delhi University • MBA from Cardiff Business School • Certificate Program on Lean Manufacturing from University of Michigan	21	01.08.2000	848102 (4.52%)	With The Hi-Tech Gears Ltd. as Director
Mr. Anuj Kapuria	Whole Time Director	43	Contractual appointment for a period of 3 years w.e.f. 01.10.2019	Overall control of day to day management of the Company	₹ 10.31	• BE in Robotic and Automated Manufacture engineering from Sussex university, U.K • Master's Degree in Robotics from Carnegie Mellon University	16	30.05.2005	844062 (4.50%)	With The Hi-Tech Gears Ltd. as Director

Note:

1. 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 ₹ 102 Lakhs per annum or ₹ 8.50 Lakhs per month.
2. Remuneration includes salary, allowance, commission, expenditure on perquisites and Company's contribution to provident fund.
3. The Executive Directors of the Company waived off their remuneration from April 2020 - September 2020 to conserve the resources in the wake of Covid-19.
4. 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.
5. Information pursuant to Rule 5(2) & 5(3) shall be made available to any shareholder on a specific request made by him in writing before the date of Annual General Meeting.
6. Mr. Deep Kapuria, Mr. Pranav Kapuria and Mr. Anuj Kapuria are related to each other.
7. 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. **The median annual remuneration of all permanent employees at the end of F.Y. 2020-21 was ₹ 4,41,521/- which was 3.58% increase on the identical figure for 2019-20;**

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

   a. **Executive Directors**

   Mr. Deep Kapuria, Executive Chairman-35.13; Mr. Pranav Kapuria, Managing Director-23.36; Mr. Anuj Kapuria, Executive Director- 23.36. 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- 0.58; Mr. Sandeep Dinodia, Independent Director- 0.87; Mr. Vinit Taneja, Independent Director- 0.76; Mr. Prosad Dasgupta, Independent Director- 0.71; Mr. Krishna Chandra Verma, Independent Director- 0.85; Mr. Ramesh Chandra Jain, Non-Executive Director- 0.71, Ms. Malini Sud, Independent Director- 0.71; Mr. Bidadi Anjani Kumar, Non-Executive Director- 0.69, Mr. Anant Jaivant Talaulicar, Non-Executive Director- 0.69 and Mr. Neville D'souza, Independent Director-0.58. 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.

3. There were 679 numbers of permanent employees on the rolls of company as on March 31, 2021;

4. (a) The Market capitalization as on March 31, 2020 was ₹ 1,478.90 million and ₹ 3,252.49 million as on March 31, 2021 which shows incline of 143.91%;

   (b) Price Earnings ratio of the Company was 18.16 as at March 31, 2020 and 8.72 as on March 31, 2021 which shows decrease of 49.30%;

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

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

6. Taking into account the total remuneration of all employees on the pay roll of the Company in the financial year 2020-21 and dividing it by the number of such employees as at the end of the year, we arrive at the average remuneration per employee during the said year. When we compare the average remuneration per employee this derived for 2020-21 with the identical computation for 2019-20, we get the percent increase/decrease in financial year 2020-21 over its previous year.

   The said comparison for employees other than the three Executive Directors in 2020-21 was a decrease of 17.05%. The comparison for three Executive Directors is not comparable as the Executive Directors have waived off their respective remuneration for first 6 months i.e. April 2020-September 2020.

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

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

Name of Director	Designation	% Change in remuneration
Mr. Deep Kapuria	Executive Chairman	(14%)
Mr. Pranav Kapuria	Managing Director	4%
Mr. Anuj Kapuria	Executive Director	6%
Mr. Sandeep Dinodia	Independent Director	191%
Mr. Krishna Chandra Verma	Independent Director	191%
Mr. Vinit Taneja	Independent Director	191%
Mr. Anil Kumar Khanna	Independent Director	191%
Mr. Ramesh Chandra Jain	Director	191%
Mr. Bidadi Anjani Kumar	Director	191%
Mr. Prosad Dasgupta	Independent Director	191%
Ms. Malini Sud	Independent Director	191%
Mr. Anant Jaivant Talaulicar	Vice Chairman	191%
Mr. Neville D'Souza	Independent Director	381%
Mr. Vijay Mathur	Chief Financial Officer	*c
Mr. Naveen Jain	Company Secretary	*c

Note:

*

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. Further, % change in remuneration of directors other than WTD's are attributable to payment of commission for the F.Y. 2020-21.

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. Naveen Jain & Mr. Vijay Mathur were appointed for part of the financial year 2019-20. Hence this section is not comparable for their terms with full financial year 2020-21.

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

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 ₹ 7,560.33 million on consolidated basis in F.Y. 2020-21. It is a listed-on country's premier stock exchanges, ie BSE & NSE and is regularly traded scrip. Details of the trading during the period under review can be referred in Corporate Governance Report annexed in the Annual Report. It has manufacturing facilities in Bhiwadi and Manesar with 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 Customer of the company ranges from the manufacturers of two wheelers, four wheelers, off road equipment, generator manufacturers, medium and heavy vehicles etc.

The Micro Economic Environment

The world economy has been experiencing volatility due to its inherent characters, such as geo-political situation, numerous macro-economic factors, trade & border tensions among major economies etc. on the business landscape, however from almost one & half years the level of unpredictability is increased due to new reason, i.e. novel corona virus pandemic (Covid-19). The world is going through a catastrophe state due to pain by the unwarranted spread of virus since its outbreak.

The pandemic has taken a turn for the worse in some parts of the world by way of 'second wave or in some parts as 'third wave'. To counter the problem of spreading further, various countries took harsh steps to close borders and issued advisories to suspend visits to/from other countries and imposed various series of complete lockdowns in their territories. Businesses across the world in manufacturing and service etc have seen a major negative impact due to this. Lockdown led to several instances of non-availability of manpower, material and disruption in supply chain affecting severally the economic activities impacting all sphere of human life.

During the time between first wave and next waves, the trade and economies showed improvement and economic activities started supported by the policies of responsible countries, however it could not catch the growth path as it was earlier. Growth is projected to contract by 4% in 2020 on continued benign of Covid-19 impact, great lockdowns, global financing conditions and modest recovery in emerging market and developing economies (EMDEs). Global growth in 2021 is expected to improve to 5% - 6 % range due to lower base of 2020.

However, we must be mindful for the impacts of Covid-19, great slowdowns, weaker-than-expected trade and investment, weakness in trade and manufacturing across all economies on business and humanity, continuation of US-China trade tensions, weaker global economic growth, volatility in financial markets in coming period and need to find solution on an urgent requirement.

India is no exception to shocks as discussed above, India's growth contracted to 7.3% during FY 2021 due to aforesaid reasons. The fall was there in segments of the economy; however the second half of the FY was still better in terms of the economy post lifting of lockdown during first wave of Covid-19. The prospects for the next year remain positive for majorly for reasons such as, impact of second wave seemingly on the verge of completion, Half of the population is having atleast one shot of vaccination, low base in all segments of economy of FY 2021, determination of people to fight covid, improved consumer sentiment, return of adequate liquidity in the financial system and support from government. However, rising oil prices pose the biggest downside risk besides the currency volatility and other continuing domestic concerns in addition to the threat of third wave.

Indian Foreign Trade

India used to be a protectionist state for a long time, but the country has become progressively more open to international trade. India's main partners are the United States, China, the United Arab Emirates, Saudi Arabia, Iraq, Hong Kong, and Singapore. Currently, trade represents almost 40% of the country's GDP. The country mainly exports petroleum oils (13.2%), diamonds (6.8%), medicaments (4.5%), articles of jewellery (4.2%), and motor vehicles (2.2%), while it imports petroleum oils (21.3%), gold (6.5%), coal and similar solid fuels (4.7%), diamonds (4.6%), petroleum gas and other gaseous hydrocarbons (3.6%).

The unprecedented fall in volume of imports and exports in current period was due to the global economic crisis following the outbreak of the Covid-19 pandemic, with imports plunging as the pandemic decreased domestic demand for crude oil, gold and other industrial products, and exports decreasing due to a reduced demand for textiles, clothing, transportation, and jewellery.

As per the latest estimates for F.Y. 2020-21, India's overall exports are to be USD 493.19 billion, exhibiting a negative growth of 6.66%. Overall imports are USD 506 billion with negative growth of 16.53% over the same period last year.



Though, the Covid-19 impact is very severe, still India trade has reasonably done better and managed marginal decline due to support form partner country and trade policy of government. The trade deficit is USD 12.74 billion, which is lowest in many decades. The major reason was increase in export of services and fall of oil imports due to the lower demand of petroleum products.

As automobile and component export has a considerable chunk in the total exports, data relating to auto is important for analysis.

Automobile Sector and Production Trends

The Indian automobile market made its mark in the world by manufacturing quality products at competitive prices. The Automobile & Auto Component sectors go hand in hand. The Indian auto component industry is amongst the country's rising industries, with tremendous growth prospects. The high quality, low priced engine parts, transmission parts, brake systems and other components made In India are amongst the worlds' favorite. A major contributor in achieving this status is also the technology support extended by India's auto component companies to the automotive manufacturers.

The industry currently accounts for a sizable amount of India's GDP and employs about 30 million people, both directly and indirectly. However, there are certain factors that stand as challenges before the automobile industry. The most immediate challenge is the unevenness of domestic and global markets due to the ongoing outbreak of Covid-19.

The automotive industry makes a significant contribution to the global economy. However, 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, is not spared either. The second wave proved to be more fatal and claimed more lives Factory closures, supply chain disruption and diminishing demand have all taken toll on the industry. 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.

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.

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 by respective state governments from April 2021 onward was already visible in the June 2021 sales figures of the Indian auto sector.

The industry produced a total of 22,652,108 vehicles in financial year 2020-21 as against 26,353,293 vehicles in previous year, registering a decline of 14.04%. The production of Passenger Vehicles declined by 10.58 % (3,062,221vehicles). Within the Passenger Vehicles segment, Passenger Cars deteriorated by 17.80% with 17,72,972 vehicles, Vans also declined by 18.50% however the Utility Vehicles registered a nominal growth of 4.04% with 11,82,085 vehicles.

In financial year 2020-21 there was fall everywhere and in Commercial Vehicle segment, it was the most. It was at 17.42 % with total vehicle production to 624,939 vehicles (PY 756,725 vehicles). Again, M&HCVs was affected the most and declined by 22.02% and LCV declined by 15.38 % with 1,81,242 and 4,34,697 vehicles respectively. The Two-Wheeler segment registered a degrowth of 12.76% in FY 21 by recording total production of 18,349,941units (PY 21,032,927 units). Within this segment, Scooters/ Scooterette also registered a de-growth of 24.40 % and Motorcycles and Mopeds also registered a decline of 8.37 % and 2.07 % respectively in FY 21 over FY 2020. The quadricycle, also registered degrowth by 37.06% at 3,836 units (PY 6095 units). In recent time, the major attraction is the Electric Two Wheelers which grown significantly by 517.94 % at 2,824 units in FY 21as against 457 units in previous year due to its lower costs and advanced technologies.

Overall domestic automobiles sales decreased by 13.60% in financial year 2020-21 with 18,615,588 vehicles. The total of India's automotive exports stood at 4,128,928 in financial year 2020-21 as compared to 4,748,738 in the financial year 2019-20 registering a de-growth of 13.05%.

Risk & Concerns in Automobile and Component Segment

The calamity further makes it highly concerning for the Indian auto industry. Experts believe the pandemic may not decline in the foreseeable time this could lead to longer disturbed periods containment periods, worsening financial conditions and leading to further breakdowns in global supply chains.

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
- Hight freight costs
- 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 & teething problems of the initial rollout of GST have been diminishing over 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. Another cause of concern is the increased fuel prices. This will not only increase the freight, cartages etc. but will also impact the sales of vehicles, as the consumer will look for EV options.

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, as and when the Covid-19 related worries are controlled. 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 impacted, since our manufacturing facilities were stopped due to government mandated lockdowns. After easing, we started, but our suppliers, but 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 workplaces.
- Enforcing wearing of masks and regular cleaning of hands
- Strictly following the social distancing at workplaces, factories, canteen etc.
- Regular health updates of all the employees and their families
- 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.

As the vaccination is identified as best tool to contain the deadly virus, Company is organising mass vaccination drive for the general public living in the vicinity of the factory area. Additionally, the company has sponsored in establishment of a fully loaded ICU ward in a nearby hospital, which will serve to the needy people in case of distress.

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% 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. Further, there was no instance where Company had to engage in commodity hedging activities

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, the Company has put up a a solar plant under captive consumption scheme, which is not only green certification but also reducing 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.

The attraction of the consumer is slowly shifting to Electric Vehicles. The Company sees this as the opportunity instead of threat. We are keeping a watch and necessary R&D is being done in this direction.

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.

Increased Freight Cost – since the outbreak of Covid-19, the freight cost is increased due to various reasons. Some of them are, restriction on non-essential movement, non availability of trucks, skilled drivers and support staff, frequent closure of major routes and ports etc.

Though, the company does not have control over the reasons as aforesaid, as these are general and impacting all industries, still the company is taking all possible measures to reduce the impact of increased cost, such as bulk booking orders, requesting customers to share the cost as pass through.

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 ₹ 5,326.38 million compared to ₹ 5,155.28 million during the previous year. The total turnover from operations stood at ₹ 5,223.79 million as compared to ₹ 5093.25 million in F.Y. 2019-20, registering a growth of 2.56%. 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 ₹ 496.40 million as compared to ₹ 153.02 million in the previous year, recording a increase of 224.40%. EPS stood at ₹ 19.87. Similarly, the net profit after tax stood at ₹ 372.88 million as compared to ₹ 77.42 million in previous year, registering a significant growth of 381.63 %.

The Company recorded an export turnover of ₹ 1,245.65 million compared to ₹ 1,334.44 million during the previous year, recording a decrease of 6.65% The total exports are now 23.85% of the total turnover.

On the consolidated side, the turnover was recorded till the close of the financial year at ₹ 7,560.33 million compared to ₹ 7,334.94 million during the previous year. The profit after tax stood at ₹ 287.87 million as compared to ₹ 82.76 million in previous year. The consolidated financials of the Company with its subsidiaries are attached at the relevant part of this Report.

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

In the current year, we will focus on quality delivery at optimum costs to achieve the lost place at the earliest. Company is also considering strengthening the 'After Market' division to have more revenues. 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 financial year 2020-21, 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	F.Y. 2020-21	F.Y. 2019-20	Change over previous year	Reason for material change
Debtors Turnover	Times	6.3	8.6	(27%)	Increase in sale in 2nd half of the FY 20-2021, however there was no sales in last 10 days of fourth quarter of F.Y. 2019-20 due to stringent lockdown caused by Covid-19.
Inventory Turnover	Times	9.2	9.1	1%	No Material Change
Current Ratio	Times	1.2	1.3	(4%)	No Material Change
Debt Equity Ratio	Times	0.65	0.72	(9%)	Due to repayment of Debt and increase in retained earnings.
Interest Coverage Ratio	Times	3.8	1.7	121%	Due to Increase in profit.
Operating Profit (EBIDTA) Margin	%	17.7	12.6	40%	Higher EBITDA due to higher sale and decrease in fixed cost
Net Profit Margin	%	7.1	1.5	370%	Higher net profit due to higher sale and decrease in fixed cost
Return on Net worth	%	12.1	2.9	317%	Due to increase 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. as explained above, the Company has put up a solar plant under captive consumption scheme, which is not only green certification but also reducing the cost considerably.

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

CRISIL Limited has rated The Hi-Tech Gears Ltd. (HGL) as 'BBB+'. 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 35th 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, 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 of the company. Directors occupy dual responsibility, i.e., Agent & Fiduciary. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors including (Independent Directors) and Woman Independent Director.

As on March 31, 2021, the Board of the Company consists of 13* members of whom 10 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.

** Mr. Prosad Dasgupta, Independent Director of the Company, resigned from the Board w.e.f. June 29, 2021.*

All Directors, Executive or Non-Executive, are professionally competent and experienced in their respective fields. The Details of Directors as on March 31, 2021 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	-	Nine	Four	NIL
Mr. Anil Kumar Khanna (00207839)	Director	Independent, Non-Executive	-	Thirteen	One	One
Mr. Sandeep Dinodia (00005395)	Director	Independent, Non-Executive	-	Two	One	Two
Mr. Pranav Kapuria (00006195)	Managing Director	Promoter, Executive	Son of Mr. Deep Kapuria, brother of Mr. Anuj Kapuria	Six	Nil	Nil
Mr. Anuj Kapuria (00006366)	Executive Director	Promoter, Executive	Son of Mr. Deep Kapuria, brother of Mr. Pranav Kapuria	Ten	Two	Nil
Mr. Vinit Taneja (02647727)	Director	Independent, Non-Executive	-	One	One	Nil
Mr. Bidadi Anjani Kumar (00022417)	Director	Non Independent, Non-Executive	-	Seven	NIL	Four
Mr. Ramesh Chandra Jain (00038529)*	Director	Non Independent Non-Executive	-	Six	One	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

**1. Mr. Anant Jaivant Talaulicar was appointed on the Board of Endurance Technologies Limited as Independent Director w.e.f. July 12, 2021 and Chairman of Audit Committee in KPIT Technologies Limited w.e.f. June 21, 2021 during the F.Y. 2021-22;*

2. Mr. Ramesh Chandra Jain was appointed on the Board as Independent Director and Chairman of Audit Committee of S.J.S. Enterprises Limited w.e.f. July 6, 2021 & Independent Director of Exotech Plastics Private Limited w.e.f. July 20, 2021;

3. Mr. Prosad Dasgupta, Independent Director of the Company resigned from the Board w.e.f. June 29, 2021.

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 including listed and public companies (including The Hi-Tech Gears Limited), Section 8 Companies but excluding foreign companies.

Number of Board Meetings held during the F.Y. 2020-21

During the year under review, the members of the Board have met 5 (Five) times to review, discuss and decide about the activities of business of the Company. The dates of the meetings are (1) June 11, 2020 (2) June 26, 2020 (3) August 13, 2020 (4) November 12, 2020 and (5) February 09, 2021.

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

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

Name of Director	Attendance in the Board Meetings	Attendance in the last Annual General Meeting
Mr. Deep Kapuria	5	Yes
Mr. Anil Kumar Khanna	2	Yes
Mr. Sandeep Dinodia	5	Yes
Mr. Bidadi Anjani Kumar	5	Yes
Mr. Vinit Taneja	5	Yes
Mr. Pranav Kapuria	5	Yes
Mr. Anuj Kapuria	5	Yes
Mr. Ramesh Chandra Jain	5	Yes
Mr. Krishna Chandra Verma	5	Yes
Mr. Prosad Dasgupta	5	No
Ms. Malini Sud	5	Yes
Mr. Anant Jaivant Talaulicar	5	Yes
Mr. Neville D'Souza	2	Yes

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, 2021 are given below:

Name of Director	Name of the Listed Entity	Category
Mr. Deep Kapuria	Omax Autos 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
Mr. Bidadi Anjani Kumar	Kennametal India Limited	Non-Executive - Independent Director, Chairperson
Mr. Sandeep Dinodia	Ester Industries 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

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

Mr. Vinit Taneja holds 5600 equity shares, Mr. Prosad Dasgupta holds 2000 equity shares and Mr. Krishna Chandra Verma holds 3200 equity shares as on March 31, 2021. 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 an Independent 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

S. No	Name of the Director	Designation	Core skills/ Expertise/ Competencies
9	Mr. Ramesh Chandra Jain	Non Independent Non-Executive	Quality consciousness, Technical Expertise, Critical Thinking and Innovation
10	Mr. Krishna Chandra Verma	Independent, Non-Executive	Government Relations (policy & 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, 2021 under the provisions of SEBI Listing Regulation, as amended from time to time.

** Mr. Prosad Dasgupta, Independent Director has resigned from the Board w.e.f. June 29, 2021.*

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 fulfil the conditions as specified in the above said regulations and are independent of the management.

Mr. Prosad Dasgupta, Independent Director of the company has resigned before the expiry of their tenure.

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

"consequent to my post Covid infirmities, which has impacted me severely to the extent of even my eyesight."

Further he also confirmed in his resignation letter there is no material reasons other than as mentioned above.

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, and also resolutions passed by circulation
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order, which may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Annual Operating plans of Business, Capital Budgets and any updates, duly reviewed by the Audit Committee.
- Quarterly, Half yearly & 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 viz Mr. Sandeep Dinodia, 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. One is an Executive Director viz. Mr. Anuj Kapuria has wide experience and specialization in Computer Vision, Articial 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 5 (Five) times during the financial year 2020-21 on the following dates: (1) June 11, 2020 (2) June 26, 2020 (3) August 13, 2020 (4) November 12, 2020 and (5) February 09, 2021. 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	5	5
Mr. Anil Kumar Khanna	Member	Non-Executive & Independent Director	5	5
Mr. Krishna Chandra Verma	Member	Non-Executive & Independent Director	5	5
Mr. Anuj Kapuria	Member	Executive Director	5	5

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 One (1) time during the financial year 2020-21 on February 08, 2021.

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	1	1
Mr. Sandeep Dinodia	Member	Non-executive & Independent Director	1	1
Mr. Anil Kumar Khanna	Member	Non-executive & Independent Director	1	1

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, 2021, are as under:

(Amount in Millions)

Name of Director	Designation	Salary	EPF	Allowances	Total
Mr. Deep Kapuria	Executive Chairman	8.59	0.64	6.27	15.51
Mr. Pranav Kapuria	Managing Director	5.66	0.42	4.22	10.31
Mr. Anuj Kapuria	Executive Director	5.66	0.42	4.22	10.31
Total		**19.91**	**1.48**	**14.71**	**36.13**

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 remuneration for first half year of F.Y. 2020-21 i.e. April 2020 to September 2020.

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, 2021 are as under:

(Amount in Millions)

No.	Name of the Non-Executive Directors	Commission	Sitting fees	Total
1.	Mr. Anil Kumar Khanna*	0.254	0.00	0.254
2.	Mr. Sandeep Dinodia	0.254	0.130	0.384
3.	Mr. Vinit Taneja	0.254	0.080	0.334
4.	Mr. Ramesh Chandra Jain	0.254	0.060	0.314
5.	Mr. Prosad Dasgupta	0.254	0.060	0.314
6.	Mr. Krishna Chandra Verma	0.254	0.120	0.374
7.	Mr. Bidadi Anjani Kumar	0.254	0.050	0.304
8.	Ms. Malini Sud	0.254	0.060	0.314
9.	Mr. Anant Jaivant Talaulicar	0.254	0.050	0.304
10.	Mr. Neville D'Souza*	0.254	0.00	0.254
	Total	**2.54**	**0.61**	**3.15**

** Mr. Neville D'Souza and Mr. Anil Kumar Khanna waived off their respective sitting fees for the financial year 2020-2021.*

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. However Company's Board of Directors have passed the resolution for implementing the "The Hi-Tech Gears Limited Stock Incentive Plan, 2021" to reward, attract, motivate and retain employees and Directors of the Company and its existing or future subsidiary companies, in or outside India, subject to the approval of the shareholders at the ensuing 35th Annual General Meeting of the Company.

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 2020-21 on February 08, 2021. 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

Mr. Naveen Jain, Company Secretary to act as Compliance Officer of the Committee.

Investors Complaints during the financial year ended March 31, 2021

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 One (1) time during the financial year 2020-21 on November 12, 2020. The meeting was attended by members as detailed below:

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

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 2020-21, Company spent a sum of ₹ 7.20 million also mentioned in **Annexure III** 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 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, 2021, 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 February 09, 2021, 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
2019-20	December 26, 2020	05.00 P.M.	Plot No. 24-26, Sector-7, IMT Manesar, Gurgaon-122050, Haryana	NIL
2018-19	September 27, 2019	11.00 A.M.	Plot No. 24-26, Sector-7, IMT Manesar, Gurgaon-122050, Haryana	10
2017-18	September 29, 2018	11.00 A.M.	A-589, Industrial Complex, Bhiwadi –301019 (Rajasthan)	One

b) During the financial year 2020-21, 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	2019-20	Interim Dividend-15%	February 07, 2020
2	2018-19	Interim-15% Final-20%	February 02, 2019 September 27, 2019
3	2017-18	Interim-15% Final- 20%	February 02, 2018 September 29, 2018
4	2016-17	Interim-12.5% Final- 12.5%	February 10, 2017 September 29, 2017
5	2015-16	Interim-15% Final- 15%	February 12, 2016 September 23, 2016

For the F.Y. 2020-21, the final dividend @ 20% was recommended by the Board of Directors on June 29, 2021.

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 2020-21	Results were announced on	Newspapers	Date of Publication
*Financial Reporting for the 1st quarter ended June 30, 2020	August 13, 2020	NA	NA
		NA	NA
Financial Reporting for the 2nd quarter and half year ended September 30, 2020	November 12, 2020	Business Standard	November 13, 2020
		Business Standard	November 13, 2020
Financial Reporting for the 3rd quarter ended December 31, 2020	February 09, 2021	Business Standard	February 10, 2021
		Business Standard	February 10, 2021
Financial Reporting for the 4th quarter and year ended 31 March, 2021	June 29, 2021	Business Standard	June 30, 2021
		Business Standard	June 30, 2021

*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 ended June 30, 2020 on August 13, 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 released 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 2021-2022

(Tentative and subject to change)

Financial Reporting for the 1st quarter ended June 30, 2021	August 09, 2021
Financial Reporting for the 2nd quarter and half year ended September 30, 2021	November, 2021 (2nd Week)
Financial Reporting for the 3rd quarter ended December 31, 2021	February, 2022 (2nd Week)
Financial Reporting for the year ended March 31, 2022	May, 2022 (Last week)
Annual General Meeting for the year 2021-22	September, 2022

2. 35th Annual General Meeting (AGM) Schedule

Annual General Meeting:	35th Annual General Meeting of the Company will be held on Wednesday, the 29th Day of September, 2021 at 05:00 P.M. at the Registered Office of the Company situated at Plot No. 24-26, Sector-7, IMT Manesar, Gurugram-122050, Haryana Company is also providing the facility to attend the meeting through Audio/ Video Conferencing means.
Date of Book Closure:	September 23, 2021 to September 29, 2021 (Both days inclusive)
E-Voting Cut-Off Date &	September 22, 2021
E- Voting period	September 26, 2021 (9:00 A.M.) to September 28, 2021 (5:00 P.M.)
Dividend payment	Particulars of Final dividend declaration/recommendation are disclosed in the Directors' Report. No Interim Dividend has been declared by the Board for the financial year 2020-21.

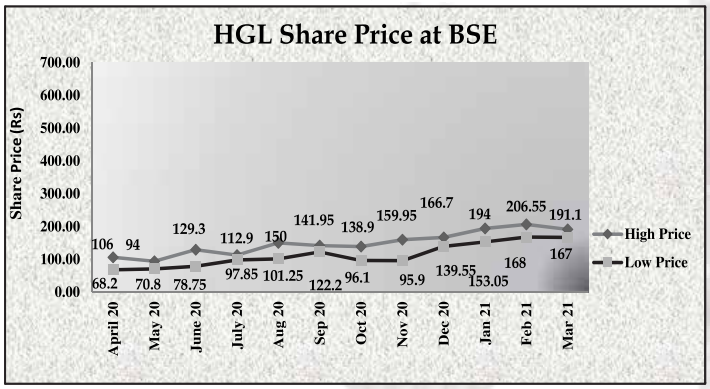
3.	**Listing on Stock Exchanges**	As on March 31, 2021 the equity shares of the Company are listed on the following Stock Exchanges:-
a.)	**National Stock Exchange of India Limited**	Exchange Plaza, 5th Floor, Plot no. C-1, Block G, Bandra – Kurla Complex, Bandra (E), Mumbai – 400051 Stock Code- HITECHGEAR
b.)	**Bombay Stock Exchange Limited**	Phiroze Jeejeebhoy Towers, 25th Floor, Dalal Street, Mumbai-400001 Scrip Code –522073

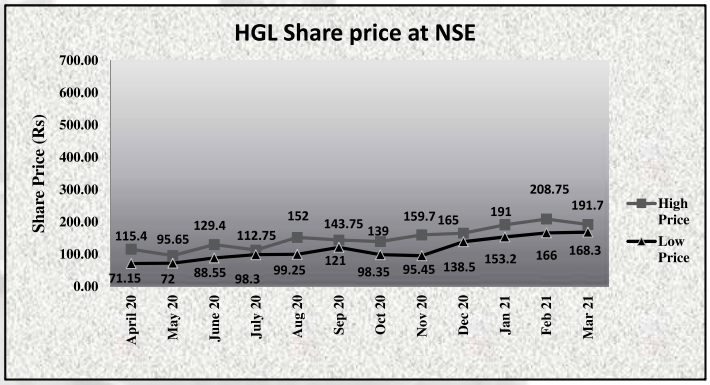
Note: The listing fee for the F.Y. 2020-21 and 2021-22 has been paid to the respective Stock Exchanges within the stipulated time.

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.

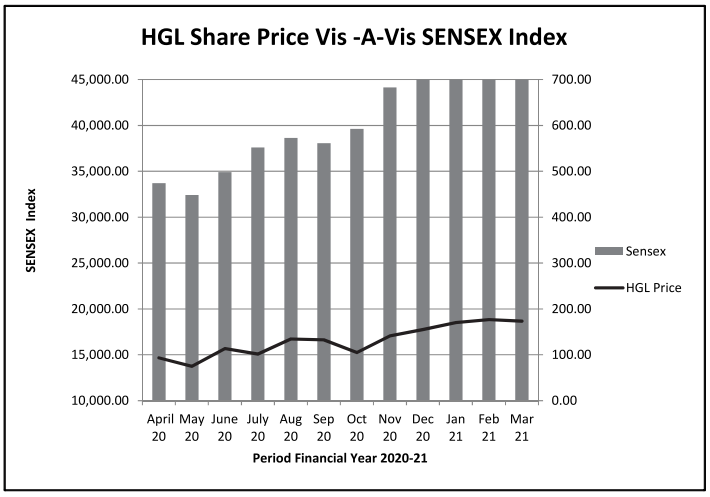
Month	BSE					NSE				
	Share Price (Rs)		Sensex			Share Price (Rs)		Nifty		
	High Price	Low Price	High	Low	No. of shares traded	High Price	Low Price	High	Low	No. of shares traded
April 20	106.00	68.20	33,887.25	27,500.79	4,735	115.40	71.15	9,889.05	8,055.80	73,349
May 20	94.00	70.80	32,845.48	29,968.45	8,662	95.65	72.00	9,598.85	8,806.75	61,254
June 20	129.30	78.75	35,706.55	32,348.10	2,822	129.40	88.55	10,553.15	9,706.95	1,59,168
July 20	112.90	97.85	38,617.03	34,927.20	25,387	112.75	98.30	11,341.40	10,299.60	1,36,374
Aug 20	150.00	101.25	40,010.17	36,911.23	80,498	152.00	99.25	11,794.25	10,882.25	3,19,012
Sep 20	141.95	122.20	39,359.51	36,495.98	15,003	143.75	121.10	11,618.10	10,790.20	75,476
Oct 20	138.90	96.10	41,048.05	38,410.20	12,944	139.00	98.35	12,025.45	11,347.05	1,08,134
Nov 20	159.95	95.90	44,825.37	39,334.92	60,018	159.70	95.45	13,145.85	11,557.40	3,48,045
Dec 20	166.70	139.55	47,896.97	44,118.10	29,379	165.00	138.50	14,024.85	12,962.80	1,37,572
Jan 21	194.00	153.05	50,184.01	46,160.46	29,280	191.00	153.20	14,753.55	13,596.75	1,34,971
Feb 21	206.55	168.00	52,516.76	46,433.65	36,871	208.75	166.00	15,431.75	13,661.75	1,81,891
Mar 21	191.10	167.00	51,821.84	48,236.35	67,882	191.70	168.30	15,336.30	14,264.40	1,86,011

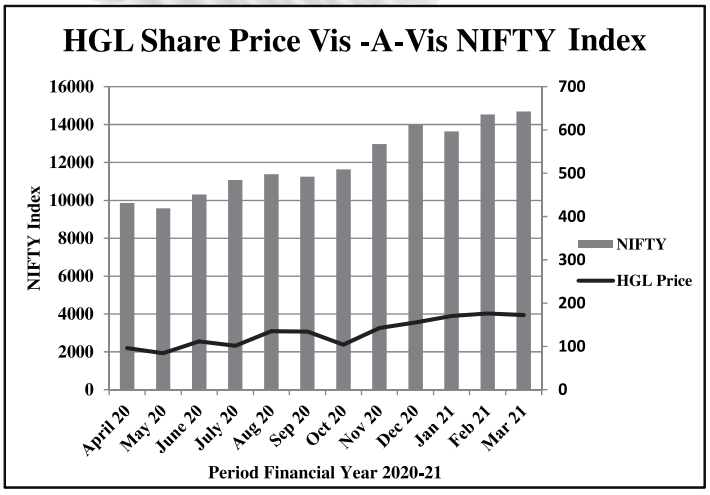




6. Performance in comparison to Broad Based Indices:-

Share Price on the last working day of the relevant month





7. Registrar and Share Transfer Agent

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

M/s MAS Services Limited

(Unit: The Hi-Tech Gears Limited)

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

Phase –II, New Delhi – 110020

Ph.: 011 – 26387281, 82, 83

Fax: 011 – 26387384

Web site: www.masserv.com

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

8. 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 M/s MAS Services Ltd, Registrar and Share Transfer Agent (RTA) of the Company and the request for physical share transfer and dematerialization of shares (if found in order and complete in all respect) are processed and confirmed within a period of 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.

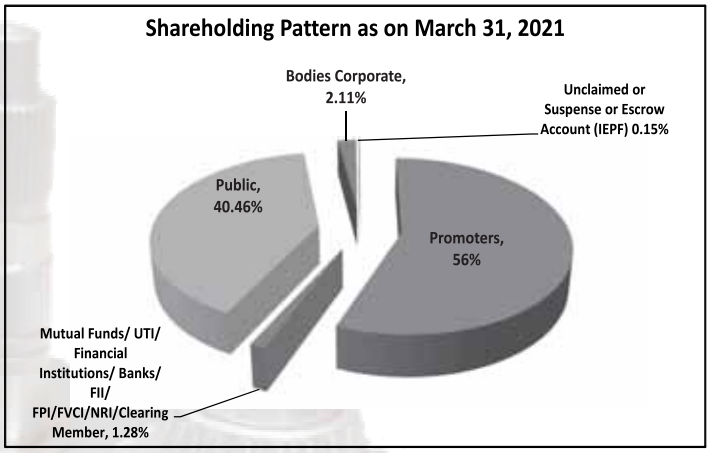
9. (a) Distribution of shareholding

As on March 31, 2021 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	19,32,582	10.30	5104	97.35
5,001 to 10,000	4,54,132	2.42	62	1.18
10,001 to 20,000	4,45,593	2.37	31	0.59
20,001 to 30,000	3,06,493	1.63	12	0.23
30,001 to 40,000	2,57,238	1.37	7	0.13
40,001 to 50,000	1,47,950	0.79	3	0.06
50,001 to 100,000	3,89,630	2.08	5	0.10
100,001 and above	1,48,34,382	79.04	19	0.36
TOTAL	**1,87,68,000**	**100.00**	**5243**	**100.00**

(b) Category wise shareholding as on March 31, 2021

Category	% of Shareholders	No. of shares held
Promoters & Promoters Group	56.00%	1,05,10,521
Mutual Funds/ UTI/ Financial Institutions/Banks/Clearing Member FII/Foreign Venture Capital /Foreign Portfolio Investment/ NRI/ OCB	1.28%	2,39,347
Public	40.46%	75,93,842
Unclaimed or Suspense or Escrow Account	0.15%	27,763
Bodies Corporate	2.11%	3,96,527
Total	**100%**	**1,87,68,000**



10. 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, 2021 is given hereunder:

Particulars	As on March 31, 2021	
	No. of Shares	% age
No. of Shares dematerialized		
-NSDL	1,58,30,887	84.35
-CDSL	28,65,409	15.27
No. of shares in physical form	71,704	0.38
Total	**18,768,000**	**100.00**

Note: 71 Shareholders are common in Demat and Physical

Liquidity

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

11. 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.

12. 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.

13. Plant Locations

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

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

14. 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 F.Y. 2020-21 are as follows:

Type of Dividend	Date of Declaration of Dividend	Date of transfer to IEPF	Amount transferred to IEPF
Final Dividend (Financial Year 2012-13)	30.09.2013	04.12.2020	₹ 77,424/-
Interim Dividend (Financial Year 2013-14)	14.02.2014	31.03.2021	₹ 55,083/-
The proposed due date for the transfer of unclaimed final dividend for the year 2013-14 to IEPF is 24.10.2021			

The details of Shares transferred to IEPF during the year 2020-21 are as follows:

Financial Year	Date of Transfer of Shares to IEPF	No of Shares transferred
2011-12	September 02, 2020	1600
2011-12	January 11, 2021	400

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, 2020)	No of shareholders: 74 No of shares: 25,763
2	Number of shareholders who approached listed entity for transfer of shares from IEPF Account during the year	01
3	Number of shareholders to whom shares were transferred from IEPF Account during the year	Nil
4	Aggregate number of shareholders and the outstanding shares in the IEPF Account lying at the end of the year(i.e. March 31, 2021)	No of shareholders: 76 No of shares: 27,763
5	Voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares	Voting Rights frozen

15. 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 abroad. However, the Company has obtained "BBB+/Stable" for the banking facilities of the Company from CRISIL for its loans from the Banks/Financial Institutions.

16. Address for correspondence

A. Transfer/ dematerialization of shares and any other queries relating to Shares : **M/s MAS Services Limited**
(Unit: The Hi-Tech Gears Limited)
T-34, 2nd Floor, Okhla Industrial Area,
Phase -II, New Delhi - 110020.
Ph. : 011 - 26387281, 82, 83
Fax : 011 - 26387384
Web site: www.masserv.com
Email: 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,
Gurgaon-122002, Haryana
Tel No: (0124) - 4715100
Email : secretarial@thehitechgears.com

17. 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.

18. 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 29, 2021. A copy of the same certificate is given along with this report.

19. 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.

20. 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.

21. Legal Compliance

There were no cases of non-compliance by the Company and no material penalties or structures have been imposed on or proposed against the Company by the stock exchange (s) and/or SEBI and/or any other statutory authorities on matters relating to capital market. The Company has complied with the provisions of relevant Acts, Rules & Regulations framed there under during the F.Y. 2020-21.

XII. Other Disclosures:

A. The Related Party Transaction Policy duly approved by the Board of Directors has been placed on the Company's website at www.thehitechgears.com. There were no transactions of a material nature during the F.Y. 2020-21 with the Promoters, the Directors or the Management or relatives that may have any potential conflict with the interest of the Company at large. Transactions with related parties as per the requirements of Ind AS 24 are disclosed in Note 36 of the Standalone Financial Statements and note 37 of the Consolidated Financial Statements forming part of the Financial Statements.

B. There has neither been any non-compliance of any legal provision of applicable laws, nor any penalty or stricture imposed by the Stock Exchanges or Securities and Exchange Board of India (SEBI) or any other authorities, on any matters related to capital markets, during the last three years.

C. As per the requirement of the Companies Act, 2013 and SEBI 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.

Further it is affirmed that no personnel has been denied access to the Audit Committee.

D. The Company has adhered to all the mandatory requirements of Corporate Governance norms as prescribed under the SEBI 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 and consolidated Financial Statements.

The company has framed the policy for determining "Material Subsidiaries" in order to align with the provisions of the SEBI Listing Regulations and other applicable Laws. The said policy as amended from time to time 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, 2021, 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 2020-21 by the company and its subsidiaries, on consolidated basis to such auditor including all entities in the network firm/ entity of which such auditor is a part, are given below:

S. No.	Particulars	Amount (In Rupees Mn)
1	Audit Fees	1.70
2	Reimbursement of expenses	0.04
3	Certification fees	-
4	Other Services	0.30
	Total	**2.04**

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.

XIII 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 directly report to the Audit Committee.

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

Place: Gurugram **Deep Kapuria**
Dated: August 09, 2021 **Chairman**

CERTIFICATION BY CEO AND CFO

The Board of Directors

The Hi-Tech Gears Limited

Plot No. 24,25,26, Sector-7, IMT Manesar

Gurgaon-122050

Haryana

Ref: Certification by CEO and CFO for Financial Year 2020-21

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 2020-21 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

Place: Gurugram
Date: June 29, 2021

Pranav Kapuria
Chief Executive Officer

Place: Canada
Date: June 29, 2021

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

To

The Members of

The Hi-Tech Gears Limited

We have examined the compliance of the conditions of Corporate Governance by The Hi-Tech Gears Limited ('the Company') for the year ended on March 31, 2021, 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, 2021.

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
UDIN: A029525C000537802
Membership No. 29525

Place: New Delhi
Date: 29.06.2021

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,

The Members

The Hi-Tech Gears Limited

Plot No. 24, 25, 26, Sector-7, IMT

Manesar, Gurgaon, Haryana 122050

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. The Hi-Tech Gears Limited having CIN: L29130HR1986PLC081555 and having registered office at Plot No. 24, 25, 26, Sector-7, IMT, Manesar, Gurgaon Haryana 122050 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) 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 ended on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

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

For Grover Ahuja & Associates
Company Secretaries

Akarshika Goel
(Partner)
COP No. 12770
UDIN: A029525C000537714
Membership No. 29525

Place: New Delhi
Date: 29.06.2021

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

The Board of Directors
The Hi-Tech Gears Limited
Plot No. 24,25,26, Sector-7,
IMT Manesar, Gurgaon
Haryana-122050

I, Pranav Kapuria, Chief Executive Officer of the Company hereby certify that the Board of Directors and the Sr. Management Personnel have affirmed compliance with the code of conduct for Board of Directors and Sr. Management Personnel for the financial year 2020-21.

For The Hi-Tech Gears Limited

Place: Canada
Date: June 29, 2021

Pranav Kapuria
(Chief Executive Officer)

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-122002
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 2020-21

No Interim Dividend has been declared/paid by the Board for the financial year 2020-21

35th Annual General Meeting

Date & Time : Wednesday, the 29th Day of September, 2021 at 5:00 P.M.
Venue : Plot No. 24-26, Sector-7, IMT Manesar, Gurugram-122050, Haryana

Book Closure Dates

September 23, 2021 to September 29, 2021

Cut-off date for e-voting

September 22, 2021

E-Voting

The voting period begins on September 26, 2021 (9:00 A.M.) and ends on September 28, 2021 (5:00 P.M.)

Final Dividend

The Board of Directors in their meeting held on June 29, 2021 recommended Final Dividend of ₹ 2.00/- (Rupee Two Only) per equity shares of ₹ 10/- (Rupees Ten only) each on the paid up Share Capital of the Company.

Dividend Payment Date

The management will organize the necessary documentations & manage the Schedule for payment of final dividend, if declared by the shareholders. Estimate period of disbursement is 3rd week of October, 2021.

Depository System

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

Registrar and Share Transfer Agent

M/s MAS Services Limited
(Unit: The Hi-Tech Gears Limited)
T-34, 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, 2021, 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, 2021, 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 ₹ 2,036.52 million as at 31st March, 2021. 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 sheet 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 44 to the Financial Statements.
      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

PLACE : NEW DELHI
DATED: 29TH JUNE, 2021

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

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, 2021, 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 not granted any loans, and has not provided any guarantees or securities, the company has complied with the provisions of Section 186 of the Act in respect of investments made.

(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 sub-section (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 2021 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 (₹ In Mn)	Forum Where Dispute is Pending
Income Tax Act, 1961	Income Tax	A.Y. 2017-18	9.48	Deputy Commissioner of Income Tax, New Delhi
Income Tax Act , 1961	Income Tax	A.Y.2017-18	0.12	Deputy Commissioner of Income Tax, New Delhi
Income Tax Act, 1961	Income Tax	A.Y. 2018-19	7.51	Deputy Commissioner of Income Tax New Delhi
Income Tax Act, 1961	Income Tax	A.Y 2019-20	2.66	Deputy Commissioner of Income Tax, New Delhi
Goods & Service Tax	Goods & Service Tax	July 2017 to September, 2017	16.95	Deputy Commissioner (Appeals) Estate GST Alwar Rajasthan
Finance Act, 1994	Service Tax	December 2015 to August 2016	0.03	Deputy Commissioner (Appeals) Estate GST Alwar Rajasthan
Finance Act, 1994	Service Tax	November 2016 to June 2017	0.01	Deputy Commissioner (Appeals) Estate GST Alwar Rajasthan
Finance Act, 1994	Service Tax	June 2016	0.10	Deputy Commissioner (Appeals) Estate GST Alwar Rajasthan

(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

PLACE : NEW DELHI
DATED: 29TH JUNE, 2021

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

Annexure 'B' To the Independent Auditors' Report

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

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

We have audited the internal financial controls over financial reporting of **The Hi-Tech Gears Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

PLACE : NEW DELHI
DATED: 29TH JUNE, 2021

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

The Hi-Tech Gears Limited

Standalone balance sheet as at 31 March 2021

(₹ in Mn)

	Note		31 March 2021	31 March 2020
Assets				
Non-current assets				
Property, plant and equipment	6		1,736.69	1,860.23
Capital work-in-progress	6		245.10	115.94
Right-of-use assets	7		303.17	108.42
Intangible assets	7	A	9.73	13.46
Financial assets				
Investments	8		1,643.98	1,631.42
Loans	9	A	39.66	44.59
Other financial assets	10	A	1.07	0.08
Other non-current assets	11	A	164.59	172.44
Total non-current assets			**4,143.99**	**3,946.58**
Current assets				
Inventories	12		569.58	561.95
Financial assets				
Trade receivables	13		824.71	589.95
Cash and cash equivalents	14		336.82	145.90
Other bank balances	15		258.85	300.51
Loans	9	B	11.11	7.46
Other financial assets	10	B	97.48	62.95
Current tax assets (net)	16		21.28	37.69
Other current assets	11	B	144.07	127.67
Total current assets			**2,263.90**	**1,834.08**
Total assets			**6,407.89**	**5,780.66**
Equity and liabilities				
Equity				
Equity share capital	17		187.68	187.68
Other equity	18		2,889.76	2,478.94
Total equity			**3,077.44**	**2,666.62**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	19	A	1,451.17	1,596.90
Provisions	20	A	35.32	39.12
Deferred tax liabilities (net)	21		10.01	28.07
Other non-current liabilities	22	A	15.09	17.51
Total non-current liabilities			**1,511.59**	**1,681.60**
Current liabilities				
Financial liabilities				
Borrowings	19	B	51.18	2.03
Trade payables	23			
- total outstanding dues of micro enterprises and small enterprises			58.72	29.83
- total outstanding dues of creditors other than micro enterprises and small enterprises			701.31	653.42
Other financial liabilities	24		857.83	632.28
Other current liabilities	22	B	76.96	77.55
Provisions	20	B	72.86	37.33
Total current liabilities			**1,818.86**	**1,432.44**
Total equity and liabilities			**6,407.89**	**5,780.66**

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

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

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

Place: New Delhi
Date: June 29, 2021

Deep Kapuria
Executive Chairman
DIN 00006185

Vijay Mathur
Chief Financial Officer

For and on behalf of
The Hi-Tech Gears Limited

Pranav Kapuria
Managing Director
DIN 00006195
Place: Canada

Naveen Jain
Company Secretary

The Hi-Tech Gears Limited

Standalone statement of profit and loss for the year ended 31 March 2021

(₹ in Mn)

	Note	31 March 2021	31 March 2020
Revenue			
Revenue from operations	25	5,223.79	5,093.25
Other income	26	102.59	62.03
Total revenue		**5,326.38**	**5,155.28**
Expenses			
Cost of materials consumed	27	2,512.39	2,346.33
Purchase of traded goods	28	187.31	252.45
Changes in inventories of finished goods and work-in-progress	29	(2.38)	2.41
Employee benefits expenses	30	800.64	956.96
Finance costs	31	178.94	215.97
Depreciation and amortisation expense	6, 7 & 7A	251.52	274.53
Other expenses	32	901.56	953.61
Total expenses		**4,829.98**	**5,002.26**
Profit before tax		**496.40**	**153.02**
Tax expense			
Current tax	33	129.95	44.28
Deferred tax charged/(credit)	21	(29.68)	34.07
Earlier years tax adjustments (net)		23.25	(2.75)
Profit for the year		**372.88**	**77.42**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gain on defined benefit plans		8.73	10.11
Equity Instruments through Other Comprehensive Income		12.54	46.76
Income tax relating to items that will not be reclassified to profit and loss		(0.67)	(19.96)
Items that will be reclassified to profit or loss			
Effective portion of gain/ (loss) on fair value hedge		36.38	(77.33)
Income tax relating to items that will be reclassified to profit and loss		(19.04)	27.02
Other comprehensive income net of tax		**37.94**	**(13.40)**
Total comprehensive income for the year		**410.82**	**64.02**
Earnings per equity share (10 per share)	34		
Basic (₹)		19.87	4.13
Diluted (₹)		19.87	4.13

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
UDIN: 21094202AAAAAU8038

Deep Kapuria
Executive Chairman
DIN 00006185

Pranav Kapuria
Managing Director
DIN 00006195
Place: Canada

Place: New Delhi
Date: June 29, 2021

Vijay Mathur
Chief Financial Officer

Naveen Jain
Company Secretary

The Hi-Tech Gears Limited

Standalone statement of changes in equity for the year ended 31 March 2021

A Equity share capital* **(₹ in Mn)**

Particulars	Opening balance as at 1 April 2019	Changes during the year	Balance as at 31 March 2020	Changes during the year	Balance as at 31 March 2021
Equity share capital	187.68	-	187.68	-	187.68

B Other equity** **(₹ in Mn)**

Particulars	Reserves and surplus		Other Comprehensive Income		
	General reserve	Retained earnings	Equity instrument through Other Comprehensive Income	Cash flow hedge reserve	Total
Balance as at 1 April 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**
Profit for the year	-	372.88	-	-	**372.88**
Other comprehensive income (net of tax impact)	-	6.52	14.07	17.35	**37.94**
Dividend paid during the year including tax impact, refer note no. 39	-	-	-	-	**-**
Balance as at 31 March 2021	**308.08**	**2,569.61**	**45.03**	**(32.96)**	**2,889.76**

**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 change in equity referred to in our report of even date.

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

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

Place: New Delhi
Date: June 29, 2021

For and on behalf of
The Hi-Tech Gears Limited

Deep Kapuria
Executive Chairman
DIN 00006185

Vijay Mathur
Chief Financial Officer

Pranav Kapuria
Managing Director
DIN 00006195
Place: Canada

Naveen Jain
Company Secretary

The Hi-Tech Gears Limited

Standalone cash flow statement for the year ended 31 March 2021

(₹ in Mn)

		31 March 2021	31 March 2020
A	**Cash flow from operating activities**		
	Profit before tax	496.40	153.02
	Adjustments for:		
	Depreciation and amortisation expense	251.52	274.53
	Gain on disposal of property, plant and equipment (net)	(0.13)	(13.21)
	Interest income classified as investing cash flows	(32.76)	(26.49)
	Income recognised on account of government assistance	(2.42)	(5.61)
	Provisions written back	(0.47)	(16.71)
	Provision for doubtful debts	12.65	-
	Unrealised foreign exchange rate difference (net)	(33.69)	26.28
	Unrealised (gain)/loss on mark to market of forward contracts	(4.96)	4.21
	Finance cost	178.94	215.97
	Operating profit before working capital changes	**865.08**	**611.99**
	Movement in working capital		
	(Increase)/decrease in inventories	(7.63)	177.78
	(Increase)/decrease in other financial assets	(34.53)	3.39
	(Increase)/decrease in trade receivables	(245.77)	513.35
	(Increase)/decrease in other non-current assets	7.85	151.96
	(Increase)/decrease in other current assets	(16.40)	17.32
	Increase/(decrease) in other financial liability	34.64	(32.51)
	Increase/(decrease) in other current liability	(0.59)	(2.41)
	Increase in provision	40.93	21.17
	Increase/(decrease) in trade and other payables	76.42	52.06
	Cash flow from operating activities post working capital changes	**720.00**	**1,514.10**
	Income tax paid (net)	(144.85)	(72.18)
	Net cash flows from operating activities (A)	**575.15**	**1,441.92**
B	**Cash flows from investing activities**		
	Payments for property, plant and equipment and capital work-in-progress	(230.98)	(441.59)
	Proceeds from sale of property, plant and equipment	3.57	56.55
	Proceeds/(payments) for of margin money and bank deposits	40.86	(145.25)
	Proceeds/(repayment) of loans and advances	1.28	(8.31)
	Interest received	32.74	26.49
	Net cash used in investing activities (B)	**(152.53)**	**(512.11)**
C	**Cash flows from financing activities***		
	Finance cost paid	(160.92)	(176.36)
	Proceeds from borrowings	249.15	111.11
	Repayment of borrowings	(304.06)	(912.32)
	Payment of lease liabilities	(15.87)	(20.84)
	Dividends paid (including tax)	-	(79.19)
	Net cash (used)/flow from financing activities (C)	**(231.70)**	**(1,077.60)**
	Net increase (decrease) in cash and cash equivalents (A+B+C)	190.92	(147.79)
	Cash and cash equivalents at the beginning of the year	145.90	293.69
	Cash and cash equivalents at the end of the year	**336.82**	**145.90**

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

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

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

Cash flows from operating activities include ₹ 7.20 Mn (31 March 2020 ₹ 8.15 Mn) being expenses towards Corporate Social Responsibility initiatives.

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

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

Place: New Delhi
Date: June 29, 2021

Deep Kapuria
Executive Chairman
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Vijay Mathur
Chief Financial Officer

For and on behalf of
The Hi-Tech Gears Limited

Pranav Kapuria
Managing Director
DIN 00006195
Place: Canada

Naveen Jain
Company Secretary

Notes to the financial statements for the year ended 31 March 2021

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,Gurgaon-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 March 31, 2021 in accordance with Ind AS 110 and the same were also approved for issue by the Board of Directors on June 29, 2021.

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 whenavailable 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 backand 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 EPCGare 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 whenright 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-derivativefinancial 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 IndAS 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 recognisedon 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 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:

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, estimatesand 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 recognitionand measurement of assets, liabilities, income and expenses is provided below. Actual resultsmay 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.

5. Recent pronouncement–

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2021. MCA issued notifications dated 24 March, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. The amendments are extensive and the Company will evaluate the same to give effect to them from the financial year starting 1 April, 2021 as required by law.

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Note - 6

Property, plant and equipment **(₹ in Mn)**

Particulars	Freehold land	Leasehold land	Residential flats	Buildings	Plant and machinery	Furniture and fixtures	Office equipment	Vehicles	Total	Capital work-in-progress
Gross carrying amount										
At 1 April 2019	195.81	18.59	4.55	408.16	3,667.00	32.35	76.42	63.56	4,466.44	138.04
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)	(461.59)
Reclassified on adoption of Ind AS 116	-	(18.59)	(4.55)	-	(30.76)	-	-	-	(53.90)	-
Balance as at 31 March 2020	**157.79**	**-**	**-**	**415.76**	**4,055.51**	**33.55**	**77.85**	**62.70**	**4,803.16**	**115.94**
Additions	-	-	-	-	97.90	-	1.28	0.54	99.72	228.88
Disposals	-	-	-	-	(39.23)	-	-	(16.63)	(55.87)	
Capitalised during the year	-	-	-	-	-	-	-	-	-	(99.72)
Balance as at 31 March 2021	**157.79**	**-**	**-**	**415.76**	**4,114.18**	**33.55**	**79.13**	**46.61**	**4,847.01**	**245.10**
Accumulated depreciation										
At 1 April 2019	-	1.14	1.41	131.18	2,467.49	25.64	67.18	31.73	2,725.77	-
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)	-
Reclassified on adoption of Ind AS 116	-	(1.14)	(1.41)	-	(1.58)	-	-	-	(4.13)	-
Balance as at 31 March 2020	**-**	**-**	**-**	**143.35**	**2,666.26**	**27.30**	**71.43**	**34.59**	**2,942.94**	**-**
Charge for the year	-	-	-	12.20	199.98	1.40	2.12	4.10	219.81	-
Adjustments for disposals	-	-	-	-	(36.72)	-	-	(15.71)	(52.43)	-
Balance as at 31 March 2021	**-**	**-**	**-**	**155.55**	**2,829.52**	**28.70**	**73.55**	**22.98**	**3,110.32**	**-**
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**
Net carrying amount as at 31 March 2021	**157.79**	**-**	**-**	**260.21**	**1,284.66**	**4.85**	**5.58**	**23.63**	**1,736.69**	**245.10**

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	Leasehold Land	Residential flats	Buildings	Plant and machinery	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**
Additions	4.14	-	-	235.43	239.56
Adjustments/disposals	-	-	(13.96)	(5.08)	(19.04)
Balance as at 31 March 2021	**22.73**	**4.55**	**65.76**	**261.11**	**354.14**
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**
Charge for the year	0.28	0.07	19.91	6.14	26.40
Adjustments for disposals	-	-	-	(0.63)	(0.63)
Balance as at 31 March 2021	**1.61**	**1.55**	**39.54**	**8.26**	**50.97**
Net carrying amount as at 31 March 2020	**17.26**	**3.07**	**60.09**	**28.01**	**108.42**
Net carrying amount as at 31 March 2021	**21.12**	**3.00**	**26.22**	**252.85**	**303.17**

Note - 7 A

Intangible assets

(₹ in Mn)

Particulars	Software's	Total
Gross carrying amount		
At 1 April 2019	96.27	96.27
Additions	8.22	8.22
Disposals	-	-
Balance as at 31 March 2020	**104.49**	**104.49**
Additions	1.59	1.59
Disposals	-	-
Balance as at 31 March 2021	**106.08**	**106.08**
Accumulated amortisation		
At 1 April 2019	86.51	86.51
Charge for the year	4.52	4.52
Impairment charge	-	-
Balance as at 31 March 2020	**91.03**	**91.03**
Charge for the year	5.32	5.32
Impairment charge	-	-
Balance as at 31 March 2021	**96.35**	**96.35**
Net carrying amount as at 31 March 2020	**13.46**	**13.46**
Net carrying amount as at 31 March 2021	**9.73**	**9.73**

Note - 8

(₹ in Mn)

	31 March 2021	31 March 2020
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 (previous year 31 March 2020: 29,864,225 common shares) fully paid up.	1,534.55	1,534.55
Neo-Tech Auto System Inc., USA		
1,000,000 common shares of USD $0.01 each (previous year 31 March 2020: 1,000,000 common shares) fully paid up.	0.64	0.64
Neo Tech Smart Solutions Inc., Canada		
250,000 common shares of CAD $ 1 each (previous year 31 March 2020: 2,50,000 common shares) fully paid up	13.78	13.78
Other investment		
(quoted, measured at FVOCI)		
2100 Equity shares of ₹ 1/- each fully paid up of State Bank of India (previous year 31 March 2020 : 2100 Equity shares of ₹ 1/- each fully paid up).	0.77	0.41
(unquoted, measured at FVOCI)		
8200 Equity shares of ₹ 1/- each fully paid up of Altigreen Propulsion Labs Pvt. Ltd. (previous year 31 March 2020 : 8200 Equity shares of ₹ 1/- each fully paid up)	94.24	82.04
	1,643.98	**1,631.42**
Aggregate market value of quoted investments	0.77	0.41
Aggregate amount of unquoted investments and market value thereof	1,643.21	1,631.01
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
Neo-Tech Auto System Inc.	USA	100%	Financial Statements'
Neo-Tech Smart Solutions Inc.	Canada	100%	

Note - 9

(₹ in Mn)

	31 March 2021	31 March 2020
A Loans - non current		
(Unsecured, considered good)		
Security deposits with government bodies	37.30	42.13
Loan to employees	2.36	2.46
	39.66	**44.59**
B Loans - current		
(Unsecured, considered good)		
Security deposits - others	8.29	4.16
Loan to employees	2.82	3.30
	11.11	**7.46**

Note - 10

(₹ in Mn)

	31 March 2021	31 March 2020
A Other financial assets - non current		
Balance held as margin money (against letter of credit and bank guarantees)*	1.07	0.08
	1.07	**0.08**
*Margin money deposits having remaining maturity of more than 12 months.		
B Other financial assets - current		
Other receivable*		
Considered good	97.48	62.95
Considered credit impaired (refer note below)	2.05	2.05
Less: Impairment allowance (allowance for bad and doubtful debts)	(2.05)	(2.05)
	97.48	**62.95**

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

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

Note - 11

(₹ in Mn)

	31 March 2021	31 March 2020
A Other non-current assets		
Capital advance*	158.57	164.09
Prepaid expenses	6.02	8.35
	164.59	**172.44**

*For capital commitments refer note - 38(B)

B Other current assets		
Advances to suppliers	43.46	50.04
Advances to employees	0.57	1.75
Prepaid expenses	18.82	16.85
Balance with statutory authorities	81.22	59.03
	144.07	**127.67**

Note - 12

(₹ in Mn)

	31 March 2021	31 March 2020
Inventories		
(Valued at lower of cost or net realisable value)		
Finished goods (including goods in transit)	126.94	98.16
Raw materials and components	88.23	77.80
Stock in trade	8.04	11.07
Stores and spares	166.83	170.00
Work-in-progress	178.51	204.92
Scrap (at realisable value)	1.03	0.00
	569.58	**561.95**

Note - 13

(₹ in Mn)

	31 March 2021	31 March 2020
Trade receivables*		
(Unsecured)		
Considered good	831.68	589.60
Having significant increase in credit risk	8.14	2.81
Credit impaired	4.06	4.06
Less: Impairment loss allowance	(19.17)	(6.52)
	824.71	**589.95**

*for related party balances refer note 36

Note - 14

(₹ in Mn)

	31 March 2021	31 March 2020
Cash and cash equivalents		
Cash on hand	0.24	0.32
Balances with banks		
In current accounts	81.68	113.82
Bank deposits with original maturity less than three months	254.90	31.76
	336.82	**145.90**

Note - 15

(₹ in Mn)

	31 March 2021	31 March 2020
Other bank balances		
Margin money	3.65	4.19
Deposits with Standard Chartered Bank (DSRA) maturity of more than three months and upto twelve months**	93.86	93.69
Bank deposits with maturity of more than three months and upto twelve months	160.31	201.42
Unclaimed dividend	1.03	1.21
	258.85	**300.51**

**Amount deposited in fixed deposits of ₹ 93.86 Mn (previous year ₹ 93.69 Mn) which is Charged to Lender persuant to the facility agreement (refer note 19 borrowings current for details).

Note - 16

(₹ in Mn)

	31 March 2021	31 March 2020
Current tax assets (net)		
Advance income tax	159.30	261.49
Less: Provision for taxation	(138.02)	(223.80)
	21.28	**37.69**

Note - 17

(₹ in Mn)

	31 March 2021		31 March 2020	
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

	31 March 2021		31 March 2020	
Name of the equity shareholders	**No. of shares**	**% of holding**	**No. of shares**	**% of holding**
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

(₹ in Mn)

	31 March 2021	31 March 2020
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	2,190.21	2,185.40
Add: Profit/(Loss) for the year	372.88	77.42
Add: Other comprehensive income (net of tax impact)	6.52	6.58
Less: Dividend paid during the year including tax impact, refer note no. 39	-	(79.19)
Total (B)	**2,569.61**	**2,190.21**
Total (C=A+B)	**2,877.69**	**2,498.29**
Other Comprehensive Income (OCI)		
Equity instrument through Other Comprehensive Income		
Balance as per last Balance sheet	30.96	0.63
Add: Movement in OCI (Net) during the year	14.07	30.33
Total (D)	**45.03**	**30.96**
Cash flow hedge reserve		
Balance as per last Balance sheet	(50.31)	-
Add: Movement in OCI (Net) during the year	17.35	(50.31)
Total (E)	**(32.96)**	**(50.31)**
Total (F=D+E)	**12.07**	**(19.35)**
Total Other Equity (C+F)	**2,889.76**	**2,478.94**

(i) Nature and purpose of other reserves

General reserve

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

Retained earnings

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

Other comprehensive income

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

Cash flow hedge reserve

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

Note - 19

(₹ in Mn)

	31 March 2021	31 March 2020
A Borrowings non-current		
Secured		
Term loans		
From banks		
External commercial borrowing	626.64	964.29
Rupee Loan	576.24	554.72
From others- vehicle loan	3.42	14.47
Lease liabilities	244.87	63.42
	1,451.17	**1,596.90**

(₹ in Mn)

Particulars	Nature of security	Terms of repayment	Maturity	31 March 2021	31 March 2020
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, Gurgaon, Haryana 122050 3) SPL-146, Industrial Complex, Bhiwadi-301019, District Alwar, Rajasthan *4) Plot No. A-7 & A-8, G K Industrial Park, Trichy District Tamil Nadu * The Memorandum of Entry is still to execute.	Quarterly repayment starts from February 2019. 5 instalments @ 2.25% of loan amount 4 instalments @ 3.00% of loan amount. 12 instalment @ 6.40% of loan amount.	February, 2024	673.39	804.92
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, Gurgaon, Haryana 122050 3) SPL-146, Industrial Complex, Bhiwadi-304019, District Alwar, Rajasthan *4) Plot No. A-7 & A-8, G K Industrial Park, Trichy District Tamil Nadu * The Memorandum of Entry is still to execute.	Quarterly repayment starts from February 2019. 5 instalments @ 5.375% of loan amount 4 instalments @ 5.5% of loan amount 12 instalments @4.26% of loan amount	February, 2024	282.66	417.92
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, Gurgaon, Haryana 122050 c) SPL-146, Industrial Complex, Bhiwadi-304019, District Alwar, Rajasthan d) Plot No. A-7 & A-8, G K Industrial Park, Trichy District Tamil Nadu	Repayment in 16 quarterly instalment starts from December, 2020	December, 2024	551.66	616.11
Interest Rate				**7.7%/7.8%/ 7.85%/7.90%**	**9.2%/9.3%/ 9.35%**

Particulars	Nature of security	Terms of repayment	Maturity	31 March 2021	31 March 2020
TERM LOAN					
Bajaj Finance Limited	a) First pari passu charge on movable fixed assets of the company both present and future. b) First pari pasu charge on the following immovable fixed assets of the company: 1) A-589, Industrial Complex, Bhiwadi, District, Alwar, Rajasthan-301019*. 2) Plot No 24-26, Sector 7, IMT Manesar, Gurgaon, Haryana 122050 3) SPL-146, Industrial Complex, Bhiwadi-304019, District Alwar, Rajasthan The Memorandum of Entry of the above still to be executed.	20 equal quarterly instalments starting from the 15th month from the date of first disbursement	August, 2026	200.00	-
Interest Rate				**9.00%/ 8.50%**	-
Vehicle loan					
BMW Financial Service	Hypothecation of specific car.	47 monthly equal instalments of 132,801 & 48th instalment of 30,21,700.	August, 2022	4.62	5.70
Interest rate				**9.75%**	**9.75%**
Daimler Financial Services Pvt Ltd	Hypothecation of specific car.	35 monthly equal instalments of 4,51,854 & 48th instalment of 82,25,900.	October, 2021	9.85	13.81
Interest rate				**11.74%**	**11.74%**
Finance 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		289.63	84.34
Interest rate				**6%/9.17%**	**6.25%**
Unamortised upfront fees on borrowing				(26.47)	(44.48)
Total borrowings				**1,985.34**	**1,898.32**
Less : Current maturity of long term loan				534.16	301.42
Non current borrowings				**1,451.18**	**1,596.90**

(₹ in Mn)

	31 March 2021	31 March 2020
B Borrowings - current		
Secured		
Working capital loans repayable on demand from banks	51.18	2.03
	51.18	**2.03**

Particulars	Nature of security	Interest rate	31 March 2021	31 March 2020
Citi bank-packing credit	• First parri passu charge on all stock present and future of the Company. • First pari passu charge on All Debtors Present & Future of the Company; • Second pari passu charge on 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.	PCRE- 6.50% p.a (previous year 6.10% p.a) PCFC- 2.48% p.a (previous year Nil)	36.56	-

Particulars	Nature of security	Interest rate	31 March 2021	31 March 2020
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 8.30% p.a)	13.33	-
State Bank of India-Working capital loan		8.40% p.a (previous year 9.25% p.a)	1.29	2.03
Total			**51.18**	**2.03**

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 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	-	-	111.09
- 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**
Cash flows:				
- Repayment	(304.06)	-	(15.87)	(319.92)
- Proceeds	200.00	49.15	-	249.15
- Foreign exchange	(32.23)	-	-	(32.23)
- Amortisation of upfront fees and others	18.02	-	221.16	239.18
31 March 2021	**1,695.71**	**51.18**	**289.63**	**2,036.52**

Note - 20

(₹ in Mn)

	31 March 2021	31 March 2020
A Provisions - non current		
Employees' post retirement/long-term benefits		
Compensated absences	35.32	39.12
	35.32	**39.12**

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

B Provisions - current		
Employees' post retirement/long-term benefits		
Gratuity	4.70	1.61
Compensated absences	5.37	6.01
Provision on rate difference	62.79	29.71
	72.86	**37.33**

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

Note - 21

(₹ in Mn)

	31 March 2021	31 March 2020
Deferred tax liabilities (net)		
Deferred tax liabilities arising on account of :		
Opening balance		
Property, plant & equipment	63.32	93.61
Fair valuation of equity instruments	14.91	16.43
Deferred government grant	0.82	1.96

(₹ in Mn)

	31 March 2021	31 March 2020
Deferred tax asset arising on account of :		
Cash flow hedge reserve	(23.29)	(36.88)
Right-of-use asset and lease liabilities	(4.30)	(2.26)
Provision for rate difference	(15.80)	(10.38)
Provision for leave encashment	(10.24)	(15.77)
Plant and machinery recognised on account of government grant	(0.82)	(1.96)
Derivatives not designated as hedges	-	(1.47)
Provision for bonus	(9.25)	(12.22)
Provision for doubtful debts and advances	(5.34)	(2.99)
	10.01	**28.07**

(i) Movement in deferred tax liabilities (net)

(₹ in Mn)

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

Particulars	31 March 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**

Note - 22

(₹ in Mn)

	31 March 2021	31 March 2020
A Other non - current liabilities		
Deferred income*	15.09	17.51
	15.09	**17.51**

* 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	29.11	24.61
Advance received from customers	47.85	52.94
	76.96	**77.55**

Note - 23

(₹ in Mn)

	31 March 2021	31 March 2020
Trade payables		
- total outstanding dues of micro enterprises and small enterprises	58.72	29.83
- total outstanding dues of creditors other than micro enterprises and small enterprises	701.31	653.42
	760.03	**683.25**

*Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") as at 31 March 2021 and 31 March 2020:

(₹ in Mn)

Particulars		31 March 2021	31 March 2020
i	Principal amount remaining unpaid to any supplier as at the end of the accounting year;	58.72	29.83
ii	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year;	0.01	-
iii	The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
iv	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-
v	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
vi	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

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

Note - 24

(₹ in Mn)

	31 March 2021	31 March 2020
Other financial liabilities		
Current maturities of long term borrowings	489.41	280.51
Current maturities of lease liabilities	44.76	20.92
Interest accrued but not due	8.77	11.01
Earnest money and security deposits	2.85	2.58
Unclaimed dividend	1.02	1.21
Derivative liability	92.52	109.75
Others*	218.50	206.30
	857.83	**632.28**

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

Note - 25

(₹ in Mn)

	31 March 2021	31 March 2020
Revenue from operations		
Sale of products		
Transmission gears and shafts-domestic	3,808.49	3,601.71
Transmission gears and shafts-export	1,245.65	1,331.12
Sale of services		
Software export	-	3.32
Sales job work	12.31	5.71
Other operating income		
Export incentives	43.89	53.02
Sales scrap	113.45	98.37
	5,223.79	**5,093.25**

Note - 26

(₹ in Mn)

	31 March 2021	31 March 2020
Other income		
Interest income		
Bank deposits	29.94	24.41
Others	2.82	2.08
Provisions written back - trade receivables	-	9.28
Provision written back	0.47	7.43
Net gain on exchange fluctuations	59.00	-
Net gain on sale of property, plant and equipment	0.13	13.21
Fair value gain on derivatives not designated as hedges	4.96	-
Income recognised on account of government assistance	2.42	5.61
Miscellaneous income	2.85	0.01
	102.59	**62.03**

Note - 27

(₹ in Mn)

	31 March 2021	31 March 2020
Cost of materials consumed		
Opening stock of raw material (steel rod and forgings)	77.80	238.33
Add: Purchase during the year (net of discount)	2,522.82	2,185.80
	2,600.62	2,424.13
Less: Closing stock of raw material (steel rod and forgings)	88.23	77.80
Net consumption	**2,512.39**	**2,346.33**

Note - 28

(₹ in Mn)

	31 March 2021	31 March 2020
Purchase of traded goods		
Purchase during the year (transmission gears and shafts)	187.31	252.45
	187.31	**252.45**

Note - 29

(₹ in Mn)

	31 March 2021	31 March 2020
Changes in inventories of finished goods and work-in-progress		
Inventories at the end of the year:		
Finished goods (transmission gears and shafts)	126.94	98.16
Work-in-progress (transmission gears and shafts)	178.51	204.91
Inventories at the beginning of the year:		
Finished goods (transmission gears and shafts)	98.16	61.37
Work-in-progress (transmission gears and shafts)	204.91	244.11
Net (increase)/decrease	**(2.38)**	**2.41**

Note - 30

(₹ in Mn)

	31 March 2021	31 March 2020
Employee benefits expense		
Salaries and incentives	721.56	869.65
Contributions to provident and other funds	30.80	34.32
Gratuity fund contributions	11.62	11.91
Staff welfare expenses	36.66	41.08
	800.64	**956.96**

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

Note - 31

(₹ in Mn)

	31 March 2021	31 March 2020
Finance costs		
Interest on		
Loan from bank	155.45	179.80
Lease liabilities	15.42	6.00
Others	2.77	2.73
Bank commission and charges	5.30	5.74
Loss on foreign exchange rate fluctuation	-	21.70
	178.94	**215.97**

Note - 32

(₹ in Mn)

	31 March 2021	31 March 2020
Other expenses		
Water, electricity and allied charges	258.22	287.86
Stores and spares consumed	338.26	339.26
Professional expenses	34.04	56.02
Repair and maintenance		
Plant and machinery	22.04	16.39
Buildings	5.00	1.23
Rent (refer note 45)	4.52	4.73
Insurance	23.97	21.71
Corporate social responsibility expenses (refer note (i) below)	7.30	8.15
Rates and taxes	3.59	3.04
Provision for doubtful debts	12.65	-
Auditor's remuneration*	2.04	2.20
Balance written off	11.74	6.52
Director's sitting fee	0.61	0.61
Freight and handling expenses	97.87	68.37
Charity and donation	0.02	0.06
Fair value loss on derivatives not designated as hedges	-	4.21
Loss on exchange fluctuation other than finance cost	-	6.99
Miscellaneous expenses	79.69	126.26
	901.56	**953.61**

***Remuneration to auditors comprises of:**		
Audit fees	1.70	1.70
Reimbursement of expenses	0.04	0.04
Certification fees	-	0.08
Other services	0.30	0.38
	2.04	**2.20**

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 ₹ 7.17 Mn (previous year ₹ 8.08 Mn).

b) Amount spent during the financial year ended 31 March 2021 and 31 March 2020 on:

(₹ in Mn)

Particulars	Period	Bank payment	Yet to be paid in cash	Total
Education, technical education including research and development	**31 March 2021**	4.95	-	**4.95**
	31 March 2020	5.55	-	**5.55**
Integrity community development	**31 March 2021**	-	-	**-**
	31 March 2020	0.70	-	**0.70**
Disaster management	**31 March 2021**	0.10	-	**0.10**
	31 March 2020	0.20	-	**0.20**
Prime Minister National Relief Fund	**31 March 2021**	1.00	-	**1.00**
	31 March 2020	1.00	-	**1.00**
Others	**31 March 2021**	1.15	-	**1.15**
	31 March 2020	0.70	-	**0.70**
Total	**31 March 2021**	**7.20**	**-**	**7.20**
	31 March 2020	**8.15**	**-**	**8.15**

Note - 33

(₹ in Mn)

	31 March 2021	31 March 2020
Income tax		
Tax expense comprises of:		
Current tax	129.95	44.28
Deferred tax (credit)/charge	(29.68)	34.07
Earlier years tax adjustments (net)	23.25	(2.75)
Income tax expense reported in the statement of profit and loss	**123.52**	**75.60**

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 25.167% (31 March 2020: 34.944%) and the reported tax expense in profit or loss are as follows:

Accounting profit before income tax	**496.40**	**153.02**
At India's statutory income tax rate of 25.167% (31 March 2020: 34.944%)	124.93	53.47
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Effect of tax incentive	-	(1.59)
Tax impact of expenses which will never be allowed	(7.56)	26.27
Earlier years tax adjustments (net)	23.25	(2.75)
Others	(17.10)	0.20
Income tax expense	**123.52**	**75.60**

Note - 34

(₹ in Mn)

	31 March 2021	31 March 2020
Earnings per share		
Net profit attributable to equity shareholders		
Net profit for the year	372.88	77.42
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 (₹)	19.87	4.13
(2) Diluted (₹)	19.87	4.13

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 2021			31 March 2020		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investment in equity instrument through OCI	-	95.00	-	-	82.46	-
Trade receivables	-	-	824.71	-	-	589.95
Loans	-	-	5.17	-	-	5.75
Cash and cash equivalents	-	-	336.82	-	-	145.90
Other bank balances	-	-	258.85	-	-	300.51
Other financial assets	-	-	98.55	-	-	63.03
Security deposits	-	-	45.59	-	-	46.30
Total financial assets	**-**	**95.00**	**1,569.69**	**-**	**82.46**	**1,151.44**
Financial liabilities						
Borrowings	-	-	2,045.28	-	-	1,911.36
Trade payables	-	-	760.03	-	-	683.25
Derivative liability	92.52	-	-	109.75	-	-
Other financial liabilities	-	-	222.38	-	-	210.10
Total financial liabilities	**92.52**	**-**	**3,027.69**	**109.75**	**-**	**2,804.71**

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 2021	31 March 2020		31 March 2021	31 March 2020
Unquoted equity investments	94.24	82.04	Earnings growth rate	4.50%	4.50%
			Risk adjusted discount rate	19.48%	18.45%

Sensitivity analysis **(₹ in Mn)**

Description	31 March 2021	31 March 2020
Impact on fair value if change in earnings growth rate		
- Impact of increase in discount rate by 0.5 %	109.32	85.46
- Impact of decrease in discount rate by 0.5 %	101.14	78.84
Impact on fair value if change in risk adjusted discount rate		
- Impact of increase in discount rate by 0.5 %	89.53	77.47
- Impact of decrease in discount rate by 0.5 %	99.29	86.98

The following table presents the changes in level 3 items for the period ended 31 March 2021 and 31 March 2020: **(₹ in Mn)**

Particulars	Unquoted equity shares
As at 31 March 2019	**35.01**
Acquisition	-
Gain recognised in other comprehensive income	47.03
As at 31 March 2020	**82.04**
Acquisition	-
Gain recognised in other comprehensive income	12.20
As at 31 March 2021	**94.24**

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 2021, 31 March 2020:

(₹ 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 2021	0.77	-	94.24	**95.01**
	31 March 2020	0.42	-	82.04	**82.46**
Financial Liabilities					
Derivative financial liabilities	31 March 2021	-	92.52	-	**92.52**
	31 March 2020	-	109.75	-	**109.75**

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 2021		31 March 2020	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Loans	Level 3	50.77	50.77	52.05	52.05
Other financial assets	Level 3	98.55	98.55	63.03	63.03
Total financial assets		**149.32**	**149.32**	**115.08**	**115.08**
Financial liabilities					
Borrowings	Level 3	2,045.28	2,045.28	1,911.36	1,911.36
Total financial liabilities		**2,045.28**	**2,045.28**	**1,911.36**	**1,911.36**

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 2021 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 2021	31 March 2020
A: Low	Cash and cash equivalents, investments, other bank balances, loans and other financial assets	839.99	643.95
B: Medium	Trade receivables and other financial asset	831.68	589.60
C: High	Trade receivables and other financial asset	14.25	8.92

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 2021	31 March 2020
Original equipment manufacturer	525.10	296.20
Others	318.78	300.27
Total	**843.88**	**596.47**

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 2021 **(₹ in Mn)**

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	336.82	-	336.82
Investment	95.00	-	95.00
Other bank balances	258.85	-	258.85
Loans	50.77	-	50.77
Other financial assets	100.60	2.05	98.55

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

ii) Expected credit loss for trade receivables under simplified approach

As at 31 March 2021 **(₹ in Mn)**

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

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

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 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**
Impairment loss recognised/reversed during the year	12.65	-
Amounts written off	-	-
Loss allowance on 31 March 2021	**19.17**	**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 2021	Less than 1 year	More than 1 year	Total
Non-derivatives			
Borrowings	661.33	1,898.54	2,559.87
Trade payable	760.03	-	760.03
Other financial liabilities	222.36	-	222.36
Derivatives			
Derivative liability	92.52	-	92.52
Total	**1,736.24**	**1,898.54**	**3,634.78**

(₹ 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**

The Company had access to following funding facilities :

As at 31 March 2021 **(₹ in Mn)**

Funding facilities	Total facility	Drawn	Undrawn
Less than 1 year	825.00	51.18	773.82
Total	**825.00**	**51.18**	**773.82**

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**

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) 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 2021**	**31 March 2020**
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 2021	**31 March 2020**	**31 March 2021**	**31 March 2020**
Receivables					
Export trade receivable and advances	USD	4.06	2.84	296.70	214.58
	EURO	0.56	0.59	48.26	49.40
	GBP	0.04	0.04	3.83	3.56
	CAD	-	0.06	-	3.23
	JPY	0.95	-	0.63	-
Payables					
Payable for imports and others	USD	(1.19)	(0.93)	(87.35)	(70.91)
	EURO	(0.04)	(0.05)	(3.26)	(3.77)
	GBP	(0.00)	(0.00)	(0.10)	(0.09)
Foreign currency loans	USD	(9.21)	(10.65)	(673.39)	(804.93)
	USD	(3.87)	(5.53)	(282.66)	(417.92)
Interest on foreign currency loans	USD	(0.07)	(0.08)	(5.20)	(6.22)
	USD	(0.03)	(0.04)	(2.09)	(3.08)

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 2021	31 March 2020	31 March 2021	31 March 2020
Receivables					
Export trade receivable	USD	14.84	10.73	(14.84)	(10.73)
	EURO	2.41	2.47	(2.41)	(2.47)
	GBP	0.19	0.18	(0.19)	(0.18)
	CAD	-	0.16	-	(0.16)
	JPY	0.03	-	(0.03)	-
Payables					
Payable for imports and others	USD	4.37	3.55	(4.37)	(3.55)
	EURO	0.16	0.19	(0.16)	(0.19)
	GBP	0.00	0.00	(0.00)	(0.00)
Foreign currency loans	USD	33.67	40.25	(33.67)	(40.25)
	USD	14.13	20.90	(14.13)	(20.90)
Interest on foreign currency loans	USD	0.26	0.31	(0.26)	(0.31)
	USD	0.10	0.15	(0.10)	(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 2021	31 March 2020
Variable rate borrowing	939.35	1,181.39
Fixed rate borrowing	1,105.93	718.96
Total borrowings	**2,045.28**	**1,900.35**

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 2021	31 March 2020
Interest rates – increase by 50 basis points	(4.70)	(5.91)
Interest rates – decrease by 50 basis points	4.70	5.91

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 2021	31 March 2020
Price sensitivity		
Price increase by (5%) - FVOCI*	0.04	0.02
Price decrease by (5%) - FVOCI	(0.04)	(0.02)

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

Note - 36

Related party disclosures

a) List of related parties and relationships

i) Parties where control exists:

Subsidiary Company:

(a) 2545887 Ontario Inc., Canada

Step down subsidiaries:

(i) The Hi-Tech Gears Canada Inc.
(ii) Teutech Holding Corporation, USA
(iii) Teutech LLC, USA
(iv) Teutech Leasing Corporation, USA
(v) 2504584 Ontario Inc., Canada
(vi) 2323532 Ontario Inc., Canada

(b) Neo Tech Auto Systems Inc., USA

(c) Neo Tech Smart Solutions Inc., Canada

ii) Key Management Personnel (KMP) and their Relatives

(i) Mr. Deep Kapuria (Executive Chairman and Whole Time Director)
(ii) Mr. Anant Jaivant Talaulicar (Vice Chairman and Non Executive Director)
(iii) Mr. Pranav Kapuria (Managing Director)
(iv) Mr. Anuj Kapuria (Whole Time Director)
(v) Mr. Sandeep Dinodia (Independent Director)
(vi) Mr. Anil Kumar Khanna (Independent Director)
(vii) Mr. Krishna Chandra Verma (Independent Director)
(viii) Ms. Malini Sud (Independent Director)
(ix) Mr. Prosad Dasgupta (Independent Director)
(x) Mr. Vinit Taneja (Independent Director)
(xi) Mr. Ramesh Chandra Jain (Non Executive Director)
(xii) Mr. Bidadi Anjani Kumar (Non Executive Director)
(xiii) Mr. Neville D'Souza (Independent Director)
(xiv) Mr. Vijay Mathur (Chief Financial Officer)
(xv) Mr. Naveen Jain (Company Secretary)

iii) Enterprises over which key management personnel and relatives of such personnel exercise significant influence with whom transactions has been undertaken:-

(i) Aquarian Fibrecement Private Limited
(ii) Vulcan Electro Controls Limited
(iii) The Hi-Tech Robotic Systemz Limited
(iv) The Hi-Tech Engineering Systems Private Limited

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

S.No	Particulars	Year	Related Parties									Total
			Subsidiary Company			Step down Subsidiary	Enterprise over which Key Management personnel and their relatives exercise significant influence				Key Management Personnel and its relatives	
			2545887 Ontario Inc., Canada	Neo Tech Smart Solutions Inc. Canada	Neo Tech Auto Systems Inc. USA	The Hi-Tech Gears Canada Inc.	Aquarian Fibrecement Private Limited	Vulcan Electro Controls Limited	The Hi-Tech Engineering Systems Private Limited	The Hi-Tech Robotic Systems Limited		
1	Purchase of goods	31 March 2021	-	-	-	-	-	979.11	193.73	-	-	**1,172.84**
		31 March 2020	-	-	-	-	-	855.15	198.50	-	-	**1,053.65**
2	Sale of goods	31 March 2021	-	-	-	86.38	-	27.37	29.27	-	-	**143.02**
		31 March 2020	-	-	-	41.09	-	2.02	60.15	-	-	**103.26**
3	Rendering of job work/services	31 March 2021	-	-	-	-	-	0.72	0.74	-	-	**1.46**
		31 March 2020	-	-	-	-	-	3.15	1.29	-	-	**4.44**
4	Sale of assets	31 March 2021	-	-	-	-	-	1.41	-	-	-	**1.41**
		31 March 2020	-	-	-	-	-	3.30	40.08	-	-	**43.38**
5	Purchase of asset	31 March 2021	-	-	-	-	-	-	-	-	-	**-**
		31 March 2020	-	-	-	-	-	0.03	-	-	-	**0.03**
6	Receiving of job work/services	31 March 2021	-	-	4.21	-	-	150.27	-	31.02	-	**185.50**
		31 March 2020	-	-	16.36	-	-	148.87	-	30.63	-	**195.86**
7	Leasing or hire purchase arrangements	31 March 2021	-	-	-	-	15.75	-	-	1.65	-	**17.40**
		31 March 2020	-	-	-	-	18.00	-	-	-	-	**18.00**
8	Security deposits given	31 March 2021	-	-	-	-	5.20	-	-	-	-	**5.20**
		31 March 2020	-	-	-	-	-	-	-	-	-	**-**
9	Remuneration paid*	31 March 2021	-	-	-	-	-	-	-	-	44.76	**44.76**
		31 March 2020	-	-	-	-	-	-	-	-	47.15	**47.15**
10	Sitting fees	31 March 2021	-	-	-	-	-	-	-	-	0.61	**0.61**
		31 March 2020	-	-	-	-	-	-	-	-	0.61	**0.61**
11	Re-imbursement paid	31 March 2021	-	-	-	0.24	-	-	0.01	-	-	**0.25**
		31 March 2020	-	-	-	-	-	0.12	-	-	-	**0.12**
12	Re-imbursement received	31 March 2021	-	-	-	26.25	-	0.51	0.50	0.00	-	**27.26**
		31 March 2020	-	-	-	10.94	27.03	1.38	1.51	0.79	-	**41.65**

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

(₹ in Mn)

Particulars*	31 March 2021	31 March 2020
Short term employee benefits	43.27	42.64
Defined contribution plan	1.49	2.12

* 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
			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 2021	-	-	-	20.95	-	-	-	-	-	**20.95**
		31 March 2020	3.23	-	-	17.11	22.17	-	-	-	-	**42.51**
2	Trade payable	31 March 2021	-	-	-	-	1.04	291.61	54.10	9.14	-	**355.89**
		31 March 2020	-	-	-	-	-	203.63	21.96	7.23	-	**232.82**
3	Other payable	31 March 2021	-	-	-	-	-	-	-	-	6.44	**6.44**
		31 March 2020	-	-	-	-	-	-	-	-	3.21	**3.21**
4	Other receivable	31 March 2021	-	-	-	-	7.50	-	-	-	-	**7.50**
		31 March 2020	-	-	-	-	2.30	-	-	-	-	**2.30**

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, 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2019-20: 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 - 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 2021	31 March 2020
Net debt*	1,708.46	1,765.47
Total equity	3,077.44	2,666.62
Net debt to equity ratio	**0.56**	**0.66**

**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 2021	31 March 2020
1	Dy. Commissioner Customs Export, Tughlakabad, Delhi	0.15	0.15
2	Deputy Commissioner of Customs	1.18	1.18
3	The President of India (Through Asstt./Dy Commissioner of Customs)	0.06	0.06
4	Commissioner of Custom	0.03	0.03
5	Dy. Commissioner Customs Export	0.13	0.13
6	The President of India (Through Asstt./Dy Commissioner of Customs)	0.48	0.48
7	Deputy Commissioner of Customs	0.84	0.84
8	Rajasthan Rajya Vidut Prasaran Nigam Limited	0.03	-
9	JCB India Ltd	-	0.25
10	Rajasthan Renewable Energy Corp Ltd	-	3.30
11	Rajasthan Rajya Vidyut Prasaran	1.43	1.43
12	UCAM Pvt Ltd	-	9.63
	Total	**4.33**	**17.48**

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

a) Direct Tax **(₹ in Mn)**

S.No	Particulars	Period to which the amount relates	31 March 2021	31 March 2020
1	Income Tax Act, 1961	Assessment Year 2012-13	-	0.23
2	Income Tax Act, 1961	Assessment Year 2012-13	-	0.23
3	Income Tax Act, 1961	Assessment Year 2018-19	7.51	7.51
4	Income Tax Act, 1961	Assessment Year 2017-18	0.12	-
5	Income Tax Act, 1961	Assessment Year 2017-18	9.48	-
6	Income Tax Act, 1961	Assessment Year 2019-20	2.66	0.05
	Total		**19.77**	**8.02**

b) Indirect Tax **(₹ in Mn)**

S.No	Particulars	Period to which the amount relates	31 March 2021	31 March 2020
1	Central Excise Act, 1944	April 2005 to March 2008	1.04	1.04
2	Central Excise Act, 1944	August 2014 to July 2015	2.02	2.02
3	Central Excise Act, 1944	August 2015 to February 2017	3.62	3.62
4	Central Excise Act, 1944	March 2017 to June 2017	1.60	1.60
5	Central Goods & Service Tax Act, 2017	July 2017 to September 2017	16.95	16.95
6	Service Tax	December 2015 to August 2016	0.03	-
7	Service Tax	November 2016 to June 2017	0.01	-
8	Service Tax	June 2016 to June 2016	0.10	-
	Total		**25.37**	**25.23**

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. 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 ₹ 276.67 Mn after adjusting advances (Previous years: 31 March 2020: ₹ 405.90 Mn).

Note - 39

Dividends

A The Board of Directors at its meeting held on June 29, 2021 have recommended a final dividend for Financial year ended as on 31st March 2021, of 2 (Rupees Two Only) per equity shares of ₹ 10/- (Rupees Ten only) each, i.e. 20 % on the paid up share capital of the Company subject to the approval of the members at their Annual General Meeting, (Previous Year interim dividend of ₹ 1.50/- per equity share).

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

(₹ in Mn)

Nature	31 March 2021	31 March 2020
Interim dividend (including dividend tax)	-	33.94
Final dividend (including dividend tax)	-	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 2021	31 March 2020
Present value of the obligation	40.69	45.14
Fair value of plan assets	-	-
Net obligation recognised in balance sheet as provision	40.69	45.14
Current liability (amount due within one year)	**5.37**	**6.01**
Non-current liability (amount due over one year)	**35.32**	**39.13**

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

Particulars	31 March 2021	31 March 2020
Current service cost	7.44	10.15
Interest cost	3.07	4.06
Actuarial (gain)/loss net on account of:		
-Changes in demographic assumptions	-	0.02
-Changes in financial assumptions	-	0.53
-Changes in experience adjustment	(12.73)	(3.63)
Cost recognised during the year	**(2.22)**	**11.13**

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

Particulars	31 March 2021	31 March 2020
Present value of defined benefit obligation at the beginning of the year	45.14	52.99
Current service cost	7.44	10.15
Interest cost	3.07	4.06
Actuarial (gain)/loss net	(12.73)	(3.07)
Benefits paid	(2.23)	(18.99)
Present value of defined benefit obligation at the end of the year	**40.69**	**45.14**

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

Particulars	31 March 2021	31 March 2020
Discount rate	6.80%	6.80%
Salary escalation rate	8.50%	8.50%
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 2021	31 March 2020
0 to 1 year	5.37	6.01
1 to 2 year	1.67	1.91
2 to 3 year	1.38	1.46
3 to 4 year	2.97	1.45
4 to 5 year	2.46	2.92
5 to 6 year	1.38	2.41
6 year onwards	25.47	28.97

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

Particulars	31 March 2021	31 March 2020
a) Impact of the change in discount rate		
Present value of obligation at the end of the year	40.69	45.14
Impact due to increase of 0.50 %	(1.79)	(2.14)
Impact due to decrease of 0.50 %	1.93	2.32
b) Impact of the change in salary increase		
Present value of obligation at the end of the year	40.69	45.14
Impact due to increase of 0.50 %	1.89	2.27
Impact due to decrease of 0.50 %	(1.77)	(2.12)

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 2021	31 March 2020
Present value of the obligation	145.72	139.92
Fair value of plan assets	141.01	138.31
Net obligation recognised in balance sheet as provision	4.70	1.61
Current liability (amount due within one year)	**4.70**	**1.61**
Non-current liability (amount due over one year)	**-**	**-**

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

Particulars	31 March 2021	31 March 2020
Actuarial gain/(loss) on asset	0.45	(0.34)
Actuarial gain on PBO	8.27	10.45
Gain recognised in other comprehensive income	**8.72**	**10.11**

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

Particulars	31 March 2021	31 March 2020
Actuarial (gain)/loss net on account of:		
-Changes in demographic assumptions	-	0.07
-Changes in financial assumptions	-	1.71
-Changes in experience adjustment	(8.27)	(12.22)

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

Particulars	31 March 2021	31 March 2020
Current service cost	11.36	11.81
Interest cost	0.26	0.10
Cost recognised during the year	**11.62**	**11.91**

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

Particulars	31 March 2021	31 March 2020
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 2021	31 March 2020
Fair value of plan assets at the beginning of the year	138.32	135.82
Difference in opening fund	(2.23)	-
Actual return on plan assets	9.71	10.07
Employer contributions	2.31	1.89
Fund management charges	(0.27)	(0.38)
Benefits paid	(6.81)	(9.08)
Fair value of plan assets at the end of the year	**141.03**	**138.32**

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

Particulars	31 March 2021	31 March 2020
Present value of defined benefit obligation at the beginning of the year	139.92	137.14
Current service cost	11.36	11.81
Past service cost	-	-
Interest cost	9.51	10.50
Actuarial gain net	(8.27)	(10.45)
Benefits paid	(6.81)	(9.08)
Present value of defined benefit obligation at the end of the year	**145.71**	**139.92**

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

Particulars	31 March 2021	31 March 2020
Discount rate	6.80%	6.80%
Salary escalation rate	8.50%	8.50%
Retirement age (years)	58.00	58.00
Withdrawal rate		
Up to 30 years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%
Weighted average duration of PBO	11.80	12.80

Mortality rates inclusive of provision for disability -100% of IALM 2012-14 (P.Y. 2012 – 14)

(b) Maturity profile of defined benefit obligation: **(₹ in Mn)**

Particulars	31 March 2021	31 March 2020
0 to 1 year	16.25	17.67
1 to 2 year	7.37	4.56
2 to 3 year	9.67	6.63
3 to 4 year	12.07	8.90
4 to 5 year	10.36	11.00
5 to 6 year	7.99	8.50
6 year onwards	82.01	82.64

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

Particulars	31 March 2021	31 March 2020
a) Impact of the change in discount rate		
Present value of obligation at the end of the year	145.72	139.92
Impact due to increase of 0.50 %	(5.18)	(5.30)
Impact due to decrease of 0.50 %	5.51	5.65
b) Impact of the change in salary increase		
Present value of obligation at the end of the year	145.72	139.92
Impact due to increase of 0.50 %	5.19	5.24
Impact due to decrease of 0.50 %	(4.94)	(4.98)

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 2021	31 March 2020
India	3,978.15	3,759.05
America	702.52	772.49
Others	543.12	561.71
Total	**5,223.79**	**5,093.25**

Information about major customer

During the year ended 31 March 2021 revenue of approximately 57.64% are derived from 2 external customer (previous year: 44.74% was derived from single external customer) having more than 10% share independently.

Note - 42

Disclosure under Ind AS - 37 "Provisions, Contingent Liabilities and Contingent Assets": Movements in each class of provision during the financial year, are set out below:

(₹ in Mn)

Particulars	Provision on rate differences*
As at 31 March 2019	**27.80**
Additional provision recognised	1.91
As at 31 March 2020	**29.71**
Additional provision recognised	33.08
As at 31 March 2021	**62.79**

*This provision reflects the amount that could be payable on account of foreign exchange adjustment on export.

Note - 43

Revenue recognised in relation to contract liabilities

Ind AS 115 requires disclosure of major changes on account of revenue recognised in the reporting period from the contract liability balance at the beginning of the period and other changes, as summarised below:

(₹ in Mn)

Description	Year ended 31 March 2021	Year ended 31 March 2020
Contract liabilities at the beginning of the year	52.95	50.25
Less: performance obligations satisfied in current year	(7.4)	(45.1)
Add: advance received during the year.	2.30	47.81
Contract liabilities at the end of the year	**47.85**	**52.95**

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 2021	Year ended 31 March 2020
Sale of goods	5,211.48	5,084.22
Sale of software's	-	3.32
Job work	12.31	5.71
	5,223.79	**5,093.25**

(₹ in Mn)

Description	Year ended 31 March 2021	Year ended 31 March 2020
India	3,978.15	3,759.05
America	702.52	772.49
Others	543.12	561.71
	5,223.79	**5,093.25**

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

Description	Year ended 31 March 2021	Year ended 31 March 2020
Revenue recognised during the year	5,233.32	5,106.60
Less: Discount, rebates, credits etc.	(9.53)	(13.35)
Add/Less: Any adjustment during the year	-	-
Revenue as per the contact	**5,223.79**	**5,093.25**

Note - 44

Derivative financial instruments and hedge accounting

The Company is exposed to foreign currency risk from foreign currency borrowings and highly probable forecasted sales, primarily denominated in USD and EURO. The Company has a risk management policy which aims to hedge foreign currency and interest rate arising from its borrowings denominated in a currency other than the functional currency of the Company. The Company uses cross currency swap and interest rate swaps to hedge its exposure to foreign currency and interest rate risk. The Company designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in cash flow hedges.

Hedge ineffectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company uses dollar offset method using a hypothetical derivatives, dollar offset method is a quantitative method that consists of comparing the change in fair value or cash flows of the hedging instrument with the change in fair value or cash flows of the hedged item attributable to the hedged risk.

The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk and notional amount of the hedging instruments are identical to the hedged items.

Impact of hedging activities

(a) Disclosures of effects of hedge accounting on balance sheet:

As on 31 March 2021 **(₹ in Mn)**

Type of hedge and risks	Notional amount	Carrying amount of hedging instruments		Maturity dates	Hedge ratio	Weighted average strike price/rate	Change in fair value of hedging instruments	Change in value of hedged item used as the basis for recognising hedge effectiveness
		Assets (₹ in mn)	Liabilities (₹ in mn)					
Cash flow hedge								
Foreign exchange risk								
(i) Cross currency swaps	EUR 6.46	-	47.43	Jun 2020 - Dec 2024	1:1	78.18	8.92	(8.92)
Interest rate risk								
(ii) Interest rate swaps	USD 18.21	-	45.09	May 2020 - Feb 2024	1:1	3.18%	(2.19)	2.19

As on 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/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 2021 **(₹ in Mn)**

Type of hedge	Change in value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised	Amount reclassified from cash flow hedge reserve	Line item affected on reclassification
Cash flow hedge				
Foreign exchange risk	8.92	-	(0.62)	Revenue
Interest rate risk	(2.19)	-	30.28	Finance cost

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 (foreing currency and interest rate risk)

(₹ in Mn)

	Year ended 31 March 2021	Year ended 31 March 2020
Cash flow hedge reserve		
Balance as at 1 April 2020	**(50.31)**	**-**
Add: Changes in fair value of hedging instruments	6.73	(88.95)
Less: Amounts reclassified to profit or loss	29.66	11.62
Less: Deferred tax relating to above (net)	(19.04)	27.02
Balance	**(32.96)**	**(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.

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 2021	31 March 2020
Short-term leases	3.47	3.60
Leases of low value assets	-	-
Variable lease payments	1.05	1.13

B Total cash outflow for leases for the year ended 31 March 2021 was ₹ 33.57 Mn (previous year 31 March 2020 was ₹ 26.85 Mn).

C The Company has total commitment for short-term leases of ₹ 1.75 Mn as at 31 March 2021 (previous year 31 March 2020 was ₹ 3.67 Mn).

D Maturity of lease liabilities

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows: **(₹ in Mn)**

31 March 2021	Minimum lease payments due						
	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
Lease payments	46.85	46.66	36.71	23.73	23.55	423.16	**600.66**
Interest expense	22.96	21.21	19.31	18.52	18.07	210.95	**311.02**
Net present values	**23.89**	**25.45**	**17.40**	**5.21**	**5.48**	**212.21**	**289.64**

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 March 31, 2021 is Nil (March 31, 2020 is of ₹ 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	5	44-96 years	66 years	1	5	1
Residential flat	7	75-80 years	77 years	0	7	0
Office premises	1	3 years	3 years	1	0	1
Solar plants	3	3-25 years	14 years	1	3	3

Note - 46

Impact of COVID-19

The outbreak of Covid-19 pandemic globally and in India has impacted businesses and economies. There has been disruption to regular business operations due to the measures taken to curb the impact of the pandemic. The Company's plants, warehouses and offices were shut post announcement of lockdown. The operations have resumed post lifting of the lockdown but due to the dynamic nature of these circumstances, the duration of business disruption & the related financial impact can not be reasonably estimated at this time.

Note - 47

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
UDIN: 21094202AAAAAU8038

Deep Kapuria
Executive Chairman
DIN 00006185

Pranav Kapuria
Managing Director
DIN 00006195
Place: Canada

Place: New Delhi
Date: June 29, 2021

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, 2021, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditors on separate financial statements of subsidiaries the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, 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 required. 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 ₹ 4,271.40 million as at March 31, 2021. 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 sheet 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 ₹ 4,384.34 million as at March 31, 2021, as well as the total revenue of ₹ 2,351.47 million, total net loss after tax of ₹ (109.53) million, total comprehensive income of ₹ 9.75 million and net cash inflow ₹ (74.98) million for the year ended March 31, 2021, which have not been audited by us. These financial statements/ financial information have been audited by other auditors whose report has been furnished to us by Management of the Company, and our opinion on the consolidated financial Statement, to the extent they have been derived from such annual financial statements is based solely on the report of such other auditors. Our opinion on the consolidated financial Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

   Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the basis of consideration of report of the auditor on a separate financial statement and the other information of the subsidiaries, as noted in the Other Matters paragraph, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021 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, 2021 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 has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 45A to the Financial Statements.

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

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

PLACE : NEW DELHI
DATED: 29TH JUNE, 2021

(AMIT GUPTA)
PARTNER
M.NO. 094202
UDIN : 21094202AAAAAV5158



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, 2021, we have audited the internal financial controls over financial reporting of The Hi-Tech Gears Limited (hereinafter referred to as "the Company" or the "Holding Company") which is a company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to Financial Statements

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

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

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

Opinion

In our opinion, the Holding Company, which is a company incorporated in India, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, 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 ₹ 4384.34 million as at March 31, 2021, total revenue of ₹ 2351.47 million total net loss after tax of ₹ (109.53) million, total comprehensive income of ₹ 9.75 million and net cash inflows amounting to ₹ (74.98) million for the year ended March 31, 2021, as considered in the consolidated financial statements.

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

PLACE : NEW DELHI
DATED: 29TH JUNE, 2021

(AMIT GUPTA)
PARTNER
M.NO. 094202
UDIN : 21094202AAAAAV5158

The Hi-Tech Gears Limited

Consolidated Balance Sheet as at 31 March 2021

(₹ in Mn)

	Note	31 March 2021	31 March 2020
Assets			
Non-current assets			
Property, plant and equipment	6	3,235.73	3,244.00
Capital work-in-progress	6	710.85	339.05
Right-of-use assets	7A	303.18	108.42
Goodwill	7	534.48	491.83
Other intangible assets	7	610.07	614.20
Financial assets			
Investments	8	95.01	82.45
Loans	9 A	39.66	44.59
Other financial assets	10 A	1.07	0.08
Other non-current assets	11 A	164.59	172.44
Total non-current assets		**5,694.64**	**5,097.06**
Current assets			
Inventories	12	911.17	851.38
Financial assets			
Trade receivables	13	1,487.19	912.10
Cash and cash equivalents	14	512.11	396.17
Other bank balances	15	258.85	300.51
Loans	9 B	13.37	9.13
Other financial assets	10 B	129.49	63.37
Current tax assets (net)	16	23.26	39.21
Other current assets	11 B	192.21	223.16
Total current assets		**3,527.65**	**2,795.03**
Total assets		**9,222.29**	**7,892.09**
Equity and liabilities			
Equity			
Equity share capital	17	187.68	187.68
Other equity	18	3,019.68	2,574.60
Total equity		**3,207.36**	**2,762.28**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	19 A	3,314.09	3,003.05
Provisions	20 A	35.32	39.12
Deferred tax liabilities (net)	21	41.49	120.14
Other non-current liabilities	22 A	15.09	17.51
Total non-current liabilities		**3,405.99**	**3,179.82**
Current liabilities			
Financial liabilities			
Borrowings	19 B	406.79	2.03
Trade payables	23		
- total outstanding dues of micro enterprises and small enterprises		58.72	29.83
- total outstanding dues of creditors other than micro enterprises and small enterprises		1,066.18	908.38
Other financial liabilities	24	917.89	877.95
Other current liabilities	22 B	86.50	94.47
Provisions	20 B	72.86	37.33
Total current liabilities		**2,608.94**	**1,949.99**
Total equity and liabilities		**9,222.29**	**7,892.09**

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

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

CA. Amit Gupta
Partner
Membership No. 094202
UDIN: 21094202AAAAAV5158

Place: New Delhi
Date: June 29, 2021

Deep Kapuria
Executive Chairman
DIN 00006185

Vijay Mathur
Chief Financial Officer

For and on behalf of
The Hi-Tech Gears Limited

Pranav Kapuria
Managing Director
DIN 00006195
Place: Canada

Naveen Jain
Company Secretary

The Hi-Tech Gears Limited

Consolidated statement of profit and loss for the year ended 31 March 2021

(₹ in Mn)

	Note	31 March 2021	31 March 2020
Revenue			
Revenue from operations	25	7,455.42	7,220.18
Other income	26	104.91	114.76
Total revenue		**7,560.33**	**7,334.94**
Expenses			
Cost of materials consumed	27	3,462.26	3,074.30
Purchase of traded goods	28	187.31	252.45
Changes in inventories of finished goods and work-in-progress	29	22.05	45.02
Employee benefits expense	30	1,599.33	1,769.74
Finance costs	31	232.80	331.29
Depreciation and amortisation expense	6 ,7 & 7A	430.77	430.34
Other expenses	32	1,285.68	1,241.98
Total expenses		**7,220.20**	**7,145.12**
Profit before tax		**340.13**	**189.82**
Tax expense			
Current tax	33	135.96	65.44
Deferred tax charge/(credit)	21	(95.81)	44.37
Earlier years tax adjustments (net)		12.11	(2.75)
Profit for the year		**287.87**	**82.76**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gain on defined benefit plans		8.73	10.11
Equity Instruments through Other Comprehensive Income		12.54	46.76
Income tax relating to items that will not be reclassified to profit and loss		(0.67)	(19.96)
Items that will be reclassified to profit or loss			
Effective portion of gain/ (loss) on fair value hedge		36.38	(77.33)
Exchange differences on translating foreign operations		119.28	54.73
Income tax relating to items that will be reclassified to profit and loss		(19.04)	27.02
Other Comprehensive Income, net of tax		**157.22**	**41.33**
Total comprehensive income for the year		**445.09**	**124.09**
Earnings per equity share (10 per share)	34		
Basic (₹)		15.34	4.41
Diluted (₹)		15.34	4.41

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

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

For and on behalf of
The Hi-Tech Gears Limited

CA. Amit Gupta
Partner
Membership No. 094202
UDIN: 21094202AAAAAV5158

Deep Kapuria
Executive Chairman
DIN 00006185

Pranav Kapuria
Managing Director
DIN 00006195
Place: Canada

Place: New Delhi
Date: June 29, 2021

Vijay Mathur
Chief Financial Officer

Naveen Jain
Company Secretary

The Hi-Tech Gears Limited

Consolidated statement of changes in equity for the year ended 31 March 2021

A Equity share capital* **(₹ in Mn)**

Particulars	Balance as at 1 April 2019	Changes during the year	Balance as at 31 March 2020	Changes during the year	Balance as at 31 March 2021
Equity share capital	187.68	-	187.68	-	187.68

B Other equity** **(₹ in Mn)**

Particulars	Reserves and surplus		Other Comprehensive Income			
	General reserve	Retained earnings	Foreign currency translation reserve	Cash flow hedge reserve	FVOCI - equity investments	Total
Balance as at 1 April 2019	308.08	2,202.22	18.77	-	0.63	2,529.70
Profit for the year	-	82.76	-	-	-	82.76
Other comprehensive income for the year (net of tax impact)	-	(87.18)	132.06	(50.31)	46.76	41.33
Reclassification	-	93.76	(77.33)	-	(16.43)	-
Dividend paid during the year including tax impact refer note no.41	-	(79.19)	-	-	-	(79.19)
Balance as at 31 March 2020	**308.08**	**2,212.37**	**73.50**	**(50.31)**	**30.96**	**2,574.60**
IND AS 116	-	-	-	-	-	
Profit for the year	-	287.87	-	-	-	287.87
Other comprehensive income (net of tax impact)	-	6.52	119.28	17.34	14.07	157.21
Balance as at 31 March 2021	**308.08**	**2,506.76**	**192.78**	**(32.97)**	**45.03**	**3,019.68**

**Refer note 17 for details*

***Refer note 18 for details*

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

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

CA. Amit Gupta
Partner
Membership No. 094202
UDIN: 21094202AAAAAV5158

Place: New Delhi
Date: June 29, 2021

For and on behalf of
The Hi-Tech Gears Limited

Deep Kapuria
Executive Chairman
DIN 00006185

Vijay Mathur
Chief Financial Officer

Pranav Kapuria
Managing Director
DIN 00006195
Place: Canada

Naveen Jain
Company Secretary

The Hi Tech Gears Limited

Consolidated cash flow statement for the year ended 31 March 2021

(₹ in Mn)

		31 March 2021	31 March 2020
A	**Cash flow from operating activities**		
	Profit before tax	340.13	189.82
	Adjustments for:		
	Depreciation and amortisation expense	430.77	430.34
	Gain on disposal of property, plant and equipment (net)	(0.13)	(0.57)
	Interest income classified as investing cash flows	(33.42)	(29.80)
	Income recognised on account of government assistance	(2.42)	(5.61)
	Provisions written back	(0.47)	(7.43)
	Provision for doubtful debts	12.65	(9.28)
	Unrealised foreign exchange rate difference (net)	(39.07)	24.34
	Unrealised (profit)/loss on mark to market of forward contracts	-	2.95
	Finance costs	232.80	331.29
	Operating profit before working capital changes	**940.84**	**926.05**
	Movement in working capital		
	(Increase)/decrease in inventories	(59.78)	218.87
	(Increase)/decrease in other financial assets	(66.12)	0.02
	(Increase)/decrease in trade receivables	(578.75)	809.99
	(Increase)/decrease in other non-current assets	2.33	(6.06)
	(Increase)/decrease in other current assets	30.95	(41.97)
	Increase/(decrease) in other financial liability	43.59	(20.99)
	Increase/(decrease) in other current liability	(7.97)	9.06
	Increase/(decrease) in provision	18.06	66.61
	Increase/(decrease) in trade and other payables	184.50	(37.98)
	Cash flow from operating activities post working capital changes	**507.65**	**1,923.60**
	Income tax paid (net)	(134.67)	(87.90)
	Net cash flows from operating activities (A)	**372.98**	**1,835.70**
B	**Cash flows from investing activities**		
	Payments for property, plant and equipment and capital work-in-progress	(587.03)	(613.23)
	Proceeds from sale of property, plant and equipment	3.56	337.31
	Proceeds/(Payments) for of margin money and bank deposits	40.68	(145.25)
	Proceeds/(Repayment) of loans and advances	0.70	(8.19)
	Interest received	33.42	29.80
	Net cash used in investing activities (B)	**(508.67)**	**(399.56)**
C	**Cash flows from financing activities***		
	Finance cost paid	(198.58)	(283.60)
	Payment of lease liability	(15.87)	(20.84)
	Proceeds from borrowings	790.42	211.14
	Repayment of borrowings	(324.34)	(1,337.03)
	Dividends paid (including tax)	-	(79.19)
	Net cash flow from financing activities (C)	**251.63**	**(1,509.52)**
	Net increase (decrease) in cash and cash equivalents (A+B+C)	115.94	(73.38)
	Cash and cash equivalents at the beginning of the year	396.17	469.55
	Cash and cash equivalents at the end of the year	**512.11**	**396.17**

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

This is the consolidated cash flow statement referred to in our report of even date.

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

Cash flows from operating activities include ₹ 7.20 Mn (31 March 2020 ₹ 8.15 Mn) being expenses towards Corporate Social Responsibility initiatives.

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

CA. Amit Gupta
Partner
Membership No. 094202
UDIN: 21094202AAAAAV5158

Place: New Delhi
Date: June 29, 2021

For and on behalf of
The Hi-Tech Gears Limited

Deep Kapuria
Executive Chairman
DIN 00006185

Vijay Mathur
Chief Financial Officer

Pranav Kapuria
Managing Director
DIN 00006195
Place: Canada

Naveen Jain
Company Secretary

Notes to the consolidated financial statements for the year ended 31 March 2021

1. 19119 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,Gurgaon-122002,Haryana, India.

2. General information and compliance with Ind AS

The consolidated financial statements of the Grouphave 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 June 26, 2019. The revisions to the consolidated financial statements arepermitted by the Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

2a. Recent pronouncement –

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2021. MCA issued notifications dated 24 March, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. The amendments are extensive and the Company will evaluate the same to give effect to them from the financial year starting 1 April, 2021 as required by law.

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 whenavailable 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 andon 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

5.3 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 Groupfor 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 Backand 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 EPCGare 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 whenright 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 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.

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.

5.9 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 Groupbecomes 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-derivativefinancial 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 IndAS 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 recognisedon 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 theGroup that have the most significant effect on the consolidated financial statements.

Identification and Classification of leases-The Groupenters intotake 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 recognitionand measurement of assets, liabilities, income and expenses is provided below. Actual resultsmay 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 mayvary from the actual prices that would be achieved in an arm's length transaction at the reportingdate.

Note - 6

Property, plant and equipment **(₹ in Mn)**

Particulars	Freehold land	Leasehold land	Residential flats	Buildings	Plant and machinery	Furniture and fixtures	Office equipment	Vehicles	Total	Capital work-in-progress
Gross carrying amount										
At 1 April 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**
Additions	-	-	-	(0.28)	236.32	-	1.35	0.54	237.93	452.17
Net exchange differences	29.49	-	-	16.75	135.68	0.52	2.59	2.51	187.54	19.35
Disposals	-	-	-	-	(39.23)	-	-	(16.63)	(55.86)	-
Capitalised during the year	-	-	-	-	-	-	-	-	-	(99.72)
Balance as at 31 March 2021	**548.91**	**-**	**-**	**780.64**	**6,185.25**	**40.04**	**111.92**	**78.02**	**7,744.78**	**710.85**
Accumulated depreciation										
At 1 April 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**	**-**
Charge for the year	-	-	-	25.05	313.92	2.62	2.77	4.10	348.46	-
Net exchange differences	-	-	-	4.92	72.13	0.35	2.52	1.93	81.85	-
Adjustments for disposals	-	-	-	-	(36.72)	-	-	(15.71)	(52.43)	-
Balance as at 31 March 2021	**-**	**-**	**-**	**269.31**	**4,053.25**	**33.78**	**105.89**	**46.82**	**4,509.05**	**-**
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**
Net carrying amount as at 31 March 2021	**548.91**	**-**	**-**	**511.33**	**2,132.00**	**6.26**	**6.03**	**31.20**	**3,235.73**	**710.85**

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

Refer Note 40(B) for disclosure of contractual commitment for acquisition of property, plant and equipment.

Note - 7

Goodwill & Other Intangible Assets

(₹ in Mn)

Particulars	Other intangible assets				Goodwill
	Customer relationship and brand name	Non-compete fees	Softwares	Total	
Gross carrying amount					
At 1 April 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**
Additions	-	-	1.59	1.59	-
Disposals	-	-	-	-	-
Net exchange differences	66.43	0.93	-	67.36	42.65
Balance as at 31 March 2021	**832.39**	**11.64**	**106.09**	**950.12**	**534.48**
Accumulated amortisation					
At 1 April 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**	**-**
Amortisation charge for the year	48.34	2.24	5.32	55.90	-
Net exchange differences	16.52	0.66	-	17.18	-
Balance as at 31 March 2021	**234.18**	**9.52**	**96.35**	**340.05**	**-**
Net carrying amount as at 31 March 2020	**596.64**	**4.09**	**13.47**	**614.20**	**491.83**
Net carrying amount as at 31 March 2021	**598.21**	**2.12**	**9.74**	**610.07**	**534.48**

Note - 7A

Right of use

(₹ in Mn)

Particulars	Leasehold Land	Residential flats	Buildings	Plant and machinery	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**
Additions	4.14	-	-	235.43	239.57
Adjustments/disposals	-	-	(13.96)	(5.08)	(19.04)
Balance as at 31 March 2021	**22.73**	**4.55**	**65.76**	**261.11**	**354.15**
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
Balance as at 31 March 2020	**1.34**	**1.48**	**19.63**	**2.75**	**25.20**
Charge for the year	0.28	0.07	19.91	6.14	26.40
Adjustments for disposals	-	-	-	(0.63)	(0.63)
Balance as at 31 March 2021	**1.62**	**1.55**	**39.54**	**8.26**	**50.97**
Net carrying amount as at 31 March 2020	**17.25**	**3.07**	**60.09**	**28.01**	**108.42**
Net carrying amount as at 31 March 2021	**21.11**	**3.00**	**26.22**	**252.85**	**303.18**

Note - 8

(₹ in Mn)

		31 March 2021	31 March 2020
A	**Investments - non current**		
	Equity instruments		
	2100 Equity shares of ₹ 1/- each fully paid up of State Bank of India (previous year 31 March 2020 : 2100 Equity shares of ₹ 1/- each fully paid up)	0.77	0.41
	Other Investment (unquoted, at measured at fair value)		
	8200 Equity shares of ₹ 1/- each fully paid up of Altigreen Propulsion Labs Pvt. Ltd. (previous year 31 March 2020 : 8200 Equity shares of ₹ 1/- each fully paid up) **	94.24	82.04
		95.01	**82.45**
	Aggregate market value of quoted investments	0.77	0.41
	Aggregate amount of unquoted investments	94.24	82.04
	Aggregate value of impairment in the value of investments	-	-

Note - 9

(₹ in Mn)

		31 March 2021	31 March 2020
A	**Loans - non current**		
	(Unsecured, considered good)		
	Security deposits with government bodies	37.30	42.13
	Loan to employees	2.36	2.46
		39.66	**44.59**
B	**Loans - current**		
	(Unsecured, considered good)		
	Security deposits - others	8.29	4.16
	Loan to employees	5.08	4.97
		13.37	**9.13**

Note - 10

(₹ in Mn)

		31 March 2021	31 March 2020
A	**Other financial assets - non-current**		
	Balance held as margin money (against letter of credit and bank guarantees)*	1.07	0.08
		1.07	**0.08**
	*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	97.48	62.95
	Considered credit impaired (refer note below)	2.05	2.05
	Less: Impairment loss allowance	(2.05)	(2.05)
	Amount receivable	32.01	0.38
		129.49	**63.37**

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

Note: One employee (Mr. K. P. Yadav, Assistant Manager in finance & accounts) had embezzled money by making unauthorised withdrawal of ₹ 2.23 Mn in his personal account during the period December 2017 to April 2018. On detecting the above fraud, the Company immediately terminated him from his services and lodged the FIR against him. Till now, the Company has made recovery of ₹ 0.18 Mn out of above amount and created the provision for the balance amount as on 31.03.2019. Appropriate actions for discovery, prevention of fraud and strengthening of Internal controls has been put in place by the Company.

Note - 11

(₹ in Mn)

	31 March 2021	31 March 2020
A Other non-current assets		
(Unsecured, considered good)		
Capital advance*	158.57	164.09
Prepaid expenses	6.02	8.35
	164.59	**172.44**

*For capital commitments refer Note - 40

B Other current assets		
Advances to suppliers	43.46	50.04
Advances to employees	0.57	1.75
Prepaid expenses	44.15	92.26
Balance with statutory authorities	104.03	79.11
	192.21	**223.16**

Note - 12

(₹ in Mn)

	31 March 2021	31 March 2020
Inventories		
(Valued at lower of cost or net realisable value)		
Finished goods (Goods in transit)	137.53	139.40
Raw materials and components	212.65	154.08
Stock in trade	8.04	11.07
Stores and spares	292.50	267.23
Work-in-progress	259.42	279.60
Scrap (at realizable value)	1.03	0.00
	911.17	**851.38**

Note - 13

(₹ in Mn)

	31 March 2021	31 March 2020
Trade receivables*		
(Unsecured)		
Considered good	1,494.16	911.75
Having significant increase in credit risk	8.14	2.81
Credit impaired	4.06	4.06
Less: Impairment loss allowance	(19.17)	(6.52)
	1,487.19	**912.10**

*For related party balances refer note Note - 37

Note - 14

(₹ in Mn)

	31 March 2021	31 March 2020
Cash and cash equivalents		
Cash on hand	0.25	0.34
Balances with banks		
In current accounts	256.96	364.07
Bank deposits with original maturity less than three months	254.90	31.76
	512.11	**396.17**

Note - 15

(₹ in Mn)

	31 March 2021	31 March 2020
Other bank balances		
Margin money	3.65	4.19
Deposits with Standard Chartered Bank (DSRA) maturity having more than three months and up to twelve months**	93.86	93.69
Bank deposits with maturity of more than three months and up to twelve months	160.31	201.42
Unpaid dividend	1.03	1.21
	258.85	**300.51**

**Amount deposited in fixed deposits of ₹ 93.86 Mn (previous year ₹ 93.69 Mn) which is Charged to Lender persuant to the facility agreement (refer note 19 borrowings current for details)

Note - 16

(₹ in Mn)

	31 March 2021	31 March 2020
Current tax assets (net)		
Advance income tax	161.28	263.01
Less: Provision for taxation	(138.02)	(223.80)
	23.26	**39.21**

Note - 17

(₹ in Mn)

	31 March 2021		31 March 2020	
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
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 2021		31 March 2020	
Name of the equity shareholders	**No. of shares**	% of holding	**No. of shares**	% of holding
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

(₹ in Mn)

	31 March 2021	31 March 2020
Reserve & Surplus		
General Reserve		
Balance as per last Balance sheet	308.08	308.08
Total (A)	**308.08**	**308.08**
Retained earnings		
Balance as per last Balance sheet	2,212.37	2,202.22
Add: Profit/(Loss) for the year	287.87	82.76
Add: Other comprehensive income (net of tax impact)	6.52	(87.18)
Add: Reclassification	-	93.76
Less: Dividend paid during the year including tax impact, refer note no. 41	-	(79.19)
Total (B)	**2,506.76**	**2,212.37**
Total (C=A+B)	**2,814.84**	**2,520.45**
Other Comprehensive Income (OCI)		
Equity instrument through Other Comprehensive Income		
Balance as per last Balance sheet	30.96	0.63
Add: Movement in OCI (Net) during the year	14.07	46.76
Add: Reclassification	-	(16.43)
Total (D)	**45.03**	**30.96**
Foreign currency translation reserve		
Balance as per last Balance sheet	73.50	18.77
Add: Movement in OCI (Net) during the year	119.28	132.06
Add: Reclassification	-	(77.33)
Total (E)	**192.78**	**73.50**
Cash flow hedge reserve		
Balance as per last Balance sheet	(50.31)	(50.31)
Add: Movement in OCI (Net) during the year	17.34	-
Total (F)	**(32.97)**	**(50.31)**
Total (G=D+E+F)	**204.84**	**54.15**
Total Other Equity (C+G)	**3,019.68**	**2,574.60**

(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 2021	31 March 2020
A Borrowings non-current		
Secured		
Term loans		
From banks		
External commercial borrowing	626.64	964.29
Rupee Loan	763.77	554.72
Housing loan	72.47	104.73
Others	1,529.79	1,227.54
From others		
Vehicle loan	4.14	14.47
Lease liabilities	244.87	63.42
Unsecured		
Loan From Director	72.41	73.88
	3,314.09	**3,003.05**

(₹ in Mn)

Particulars	Nature of security	Terms of repayment	Interest Rate	Maturity	31 March 2021	31 March 2020
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, Gurgaon, Haryana 122050 3) SPL-146, Industrial Complex, Bhiwadi-301019, District Alwar , Rajasthan* 4) Plot No. A-7 & A-8, G K Industrial Park, Trichy District Tamil Nadu * The Memorandum of Entry is still to execute.	Quarterly repayment starts from February 2019. 5 instalments @ 2.25% of loan amount 4 instalments @ 3.00% of loan amount. 12 instalment @ 6.40% of loan amount.	3 Month LIBOR+3.29% p.a. (previous year 3 Month LIBOR+3.29% p.a.)	'February, 2024	673.39	804.93
IAM - Security assets dealt along with their value as on closing date.	First fixed charge on all fixed assets of the Company, 2545887 Ontario Inc. and working capital assets except that bank operating facility will rank senior on accounts receivable and Inventory.	26 equal monthly instalments of CAD 3,24,074.00 starting from March 2018 & 45 instalments of CAD 3,24,074.00 Apr-20 to Jan 24 will be paid at maturity date And 63 installment of CAD 1,90,329.22 From Feb 24 to Apr-29 . For 36 month from 15 Feb-21 to Jan-24 only interest is to be paid.	2 % p.a for period Feb-21 to Jan-24 and the reafter 4 % p.a (previous year 6 % p.a.)	'April, 2029	1,546.87	1,450.63
Standard Chartered Bank (USD 7,561,789) through IDBI Trusteeship Limited.	a) First pari passu charge on movable fixed assets of the company both present and future. b) First pari pasu charge on the following immovable fixed assets of the company: 1) A-589, Industrial Complex, Bhiwadi, District, Alwar, Rajasthan-301019. 2) Plot No 24-26, Sector 7, IMT Manesar, Gurgaon, Haryana 122050 3) SPL-146, Industrial Complex, Bhiwadi-304019, District Alwar , Rajasthan* 4) Plot No. A-7 & A-8, G K Industrial Park, Trichy District Tamil Nadu * The Memorandum of Entry is still to execute.	Quarterly repayment starts from February 2019. 5 instalments @ 5.375% of loan amount 4 instalments @ 5.5% of loan amount 12 instalments @4.26% of loan amount	3 Month LIBOR+3.00% p.a. (previous year 3 Month LIBOR+3.00% p.a.)	February, 2024	282.66	417.92

Particulars	Nature of security	Terms of repayment	Interest Rate	Maturity	31 March 2021	31 March 2020
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	75.09	99.46
Loan From Director	Unsecured	-	6.00 % p.a	-	72.41	73.88
Term Loan						
Equipment Finance-20000660	Hypothecation of specified assetsat 6 Carlaw Place, Guelph, Ontario, Canada.	60 monthly installment of CAD 3333.84 @ fixed interest rte @ 4.17% p.a starting Feb'20	4.17 % p.a	Jan, 2025	10.36	-
Equipment Finance-20001790	Hypothecation of specified assetsat 6 Carlaw Place, Guelph, Ontario, Canada.	36 monthly installment of CAD 5984.11 @ fixed interest rte @ 4.01% p.a starting Mar'20	4.01 % p.a	Feb, 2023	9.68	-
Equipment Finance-20001040	Hypothecation of specified assetsat 6 Carlaw Place, Guelph, Ontario, Canada.	60 monthly installment of CAD 3214.96 @ fixed interest rte @ 4.17% p.a starting Feb'20	4.17 % p.a	Jan, 2025	10.19	-
Equipment Finance-Scotia Bank	Hypothecation of specified assetsat 6 Carlaw Place, Guelph, Ontario, Canada.	No repayment Schedule is yet defined as total disbursmnent is pending from bank	Prime rate + 0.50% p.a		168.53	-
'Bajaj Finance Limited	a) First p ari passu charge on movable fixed assets of the company both present and future. b) First pari pasu charge on the following immovable fixed assets of the company: 1) A-589, Industrial Complex, Bhiwadi, District, Alwar, Rajasthan-301019*. 2) Plot No 24-26, Sector 7, IMT Manesar, Gurgaon, Haryana 122050 3) SPL-146, Industrial Complex, Bhiwadi-304019, District Alwar , Rajasthan The Memorandum of Entry of the above still to be executed.	20 equal quarterly instalments starting from the 15th month from the date of first disbursement	9.00%/ 8.50% p.a	Aug, 2026	200.00	-
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 comp any 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 p ari 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.	Repayment in 16 quarterly instalment starts from December,2020	7.7%/7.8%/ 7.85%/7.90% (Previous year 9.2%/9.3%/ 9.35%)	Dec, 2024	551.66	616.11

Particulars	Nature of security	Terms of repayment	Interest Rate	Maturity	31 March 2021	31 March 2020
	4) First pari passu charge over the present and future immovable fixed assets of the company as given below: * a) A-589, Industrial Complex, Bhiwadi, District, Alwar, Rajasthan-301019. b) Plot No 24-26, Sector 7, IMT Manesar, Gurgaon, Haryana 122050 c) SPL-146, Industrial Complex, Bhiwadi-304019, District Alwar, Rajasthan d) Plot No. A-7 & A-8, G K Industrial Park, Trichy District Tamil Nadu * The Memorandum of Entry is still to execute.					
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	1.80	2.98
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	1.43	2.30
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	4.62	5.70
Daimler Financial Services Pvt Ltd	Hypothecation of specific car.	35 monthly equal instalments of 4,51,854 & 36th instalment of 82,25,900.	11.74% p.a.	Oct, 2021	9.85	13.81
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			289.63	84.34
Unamortised upfront fees on borrowing					(43.55)	(51.22)
Total borrowings					**3,864.61**	**3,520.83**
Less: Current maturities of long term borrowings					550.52	517.79
Non current borrowings					**3,314.09**	**3,003.05**

(₹ in Mn)

	31 March 2021	31 March 2020
B Borrowings - current		
Secured loans		
Working capital loans repayable on demand		
From banks	406.79	2.03
	406.79	**2.03**

Particulars	Nature of security	Interest rate	31 March 2021	31 March 2020
Citi bank-Packing credit	• 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.	6.10% p.a (previous year 5.20% p.a)	36.56	-

Particulars	Nature of security	Interest rate	31 March 2021	31 March 2020
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 8.30% p.a)	13.33	-
State Bank of India - Working capital loan		8.40% p.a (previous year 9.25% p.a)	1.29	2.03
TD Asset Finance	*First charge on accounts receivable and inventory of The Hi-Tech Gears Canada Inc. Second charge on all other assets existing and future of borrower and guarnter including intelectual property and equipment registered in all appropriate jurisdiction.	Prime rate + 25bps/ BA+150bps.Currently prime rate is around 2.45% p.a.(Previous year Prime rate + 25bps/ BA+150bps)	355.61	-
Total			**406.79**	**2.03**

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
April 01, 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**
Cash flows:				
- Repayment	(324.34)	-	(15.87)	(340.21)
- Proceeds	400.48	404.75	-	805.23
- Foreign exchange	43.36	-	-	43.36
- Amortisation charge of transaction cost	18.99	-	221.16	240.15
31 March 2021	**3,574.98**	**406.77**	**289.63**	**4,271.38**

Note - 20

(₹ in Mn)

	31 March 2021	31 March 2020
A Provisions - non current		
Provisions for employee benefits		
Compensated absences	35.32	39.12
	35.32	**39.12**

For movements in each class of provision during the financial year, refer note 43

B Provisions - current		
Provisions for employee benefits		
Gratuity	4.70	1.61
Compensated absences	5.37	6.01
Provision on rate difference	62.79	29.71
	72.86	**37.33**

For movements in each class of provision during the financial year, refer note 43 & 44

Note - 21

(₹ in Mn)

	31 March 2021	31 March 2020
Deferred tax liabilities (net)	**41.49**	**120.14**
Deferred tax liabilities arising on account of :		
Property, plant & equipment	90.87	188.07
Fair valuation of equity instruments	14.91	16.43
Deferred government grant	0.82	1.96
Deferred tax liabilities - Ind AS adjustments	4.53	-

(₹ in Mn)

	31 March 2021	31 March 2020
Deferred tax asset arising on account of :		
Cash flow hedge reserve	(23.29)	(36.88)
Right-of-use asset and lease liabilities	(4.30)	(2.26)
Provision for rate difference	(15.80)	(10.38)
Provision for leave encashment	(10.24)	(15.77)
Plant and machinery recognised on account of government grant	(0.82)	(1.96)
Derivatives not designated as hedges	-	(1.47)
Provision for bonus	(9.25)	(12.22)
Provision for doubtful debts and advances	(5.34)	(2.99)
Provision for profit elimination on unsold inventory	(0.60)	(0.45)
Foreign currency translation reserve	(0.00)	(0.00)
Processing fee netted off from borrowing	-	(1.94)
	41.49	**120.14**

(i) Movement in deferred tax liabilities (net)

(₹ in Mn)

Particulars	01 April 2020	Recognised/ reversed through profit and loss	Recognised/ reversed in other comprehensive income	Exchange differences on foreign operation	31 March 2021
Deferred tax liabilities arising on account of :					
Property, plant & equipment	188.07	(89.01)	-	(8.19)	90.87
Fair valuation of equity instruments	16.43	0.01	(1.53)	-	14.91
Deferred government grant	1.96	(1.14)	-	-	0.82
Deferred tax asset arising on account of :					
Cash flow hedge reserve	(36.88)	0.44	13.15	(0.00)	(23.29)
Right-of-use asset and lease liabilities	(2.26)	(2.04)	-	-	(4.30)
Provision for rate difference	(10.38)	(5.42)	-	-	(15.80)
Provision for leave encashment	(15.77)	5.53	-	-	(10.24)
Plant and machinery recognised on account of government grant	(1.96)	1.14	-	-	(0.82)
Deferred tax liabilities - Ind AS adjustments	(1.47)	6.00	-	0.00	4.53
Provision for bonus	(12.22)	2.97	-	-	(9.25)
Provision for doubtful debts and advances	(2.99)	(2.35)	-	-	(5.34)
Foreign currency translation reserve	(0.00)	(2.50)	-	2.50	(0.00)
Provision for profit elimination on unsold inventory	(0.45)	(0.15)	-	-	(0.60)
Processing fee netted off from borrowing	(1.94)	1.77	-	0.17	-
Total	**120.14**	**(84.75)**	**11.62**	**(5.52)**	**41.49**

Particulars	01 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**

Note - 22

(₹ in Mn)

	31 March 2021	31 March 2020
A Other non - current liabilities		
Deferred income*	15.09	17.51
	15.09	**17.51**

* 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	38.65	41.53
Advance from customers	47.85	52.94
	86.50	**94.47**

Note - 23

(₹ in Mn)

	31 March 2021	31 March 2020
Trade payables		
- total outstanding dues of micro enterprises and small enterprises	58.72	29.83
- total outstanding dues of creditors other than micro enterprises and small enterprises	1,066.18	908.38
	1,124.90	**938.21**

*Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") as at 31 March 2021, 31 March 2020:

(₹ in Mn)

Particulars		31 March 2021	31 March 2020
i	Principal amount remaining unpaid to any supplier as at the end of the accounting year;	58.72	29.83
ii	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year;	0.01	-
iii	the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
iv	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-
v	the amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
vi	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

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

Note - 24

(₹ in Mn)

	31 March 2021	31 March 2020
Other financial liabilities - current		
Current maturities of long term borrowings	505.76	496.87
Current maturities of lease obligations	44.76	20.92
Interest accrued but not due	14.97	15.60
Earnest money and security deposits	2.85	2.58
Derivative liability	92.52	109.75
Unpaid dividend	1.02	1.21
Others*	256.00	231.02
	917.89	**877.95**

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

Note - 25

(₹ in Mn)

	31 March 2021	31 March 2020
Revenue from operations		
Sale of products:		
Transmission gears and shafts - domestic	4,446.69	4,114.50
Transmission gears and shafts - export	2,816.52	2,933.78
Sale of Services:		
Software export	-	3.32
Sales job work	12.31	5.71
Other operating income:		
Export incentives	43.89	53.02
Scrap sales	136.01	109.85
	7,455.42	**7,220.18**

Note - 26

(₹ in Mn)

	31 March 2021	31 March 2020
Other income		
Interest income		
Bank deposits	30.60	27.72
Security deposits	2.82	2.08
Provision written Back	0.47	7.43
Rent	0.67	1.33
Provisions written back - trade receivables	-	9.28
Gain on foreign exchange fluctuations (Net)	27.84	18.16
Gain on sale of property, plant and equipment (Net)	0.13	0.57
Fair value gain on derivatives not designated as hedges	4.96	-
Income recognised on account of government assistance	2.42	5.61
Miscellaneous income	35.00	42.58
	104.91	**114.76**

Note - 27

(₹ in Mn)

	31 March 2021	31 March 2020
Cost of materials consumed		
Opening stock of raw material (steel rod and forgings)	154.08	325.87
Add: Purchase during the year (net of discount)	3,520.83	2,902.51
	3,674.91	3,228.38
Less: Closing stock of raw material (steel rod and forgings)	212.65	154.08
	3,462.26	**3,074.30**

Note - 28

(₹ in Mn)

	31 March 2021	31 March 2020
Purchase of traded goods		
Add: Purchase during the year (transmission gears and shafts)	187.31	252.45
	187.31	252.45
	187.31	**252.45**

Note - 29

(₹ in Mn)

	31 March 2021	31 March 2020
Changes in inventories of finished goods and work-in-progress		
Inventories at the end of the year:		
Finished goods (transmission gears and shafts)	139.22	139.40
Work-in-progress (transmission gears and shafts)	259.42	279.59
Inventories at the beginning of the year:		
Finished goods (transmission gears and shafts)	141.10	96.22
Work-in-progress (transmission gears and shafts)	279.59	367.79
	22.05	**45.02**

Note - 30

(₹ in Mn)

	31 March 2021	31 March 2020
Employee benefits expense		
Salaries, wages and other benefits	1,519.37	1,679.81
Contributions to provident and other funds	30.80	34.32
Gratuity fund contributions	11.62	11.91
Staff welfare expenses	37.54	43.70
	1,599.33	**1,769.74**

Note - 31

(₹ in Mn)

	31 March 2021	31 March 2020
Finance costs		
Interest on:		
Term and working capital loans from banks	170.72	278.63
Lease liabilities	15.42	6.00
Others	3.76	3.88
Bank commission and charges	42.90	21.08
Loss on foreign exchange rate fluctuation	-	21.70
	232.80	**331.29**

Note - 32

(₹ in Mn)

	31 March 2021	31 March 2020
Other expenses		
Water electricity and allied charges	325.12	347.65
Stores and spares consumed	552.98	474.38
Professional charges	9.97	54.53
Repair and maintenance		
Plant and machinery	54.31	44.54
Buildings	7.37	1.23
Insurance	43.88	39.66
Rates and taxes	18.90	17.39
Rent	4.52	4.73
Loss on derecognition of financial liability	6.27	-
Corporate social responsibility expenses	7.30	8.15
Provision for doubtful debts	12.65	-
Auditor's remuneration*	3.38	2.20
Balance written off	11.74	6.52
Director's sitting fee	0.61	0.61
Freight and handling expenses	106.64	68.37
Charity and donation	0.03	0.18
Fair value loss on derivatives not designated as hedges	-	4.21
Miscellaneous expenses	120.01	167.63
	1,285.68	**1,241.98**

***Remuneration to auditors comprises of:**		
Audit fees	2.14	1.70
Reimbursement of expenses	0.04	0.04
Certification Fees	-	0.08
Other services	0.30	0.38
	2.48	**2.20**

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 ₹ 7.17 Mn (previous year ₹ 8.08 Mn).

b) Amount spent during the financial year ended 31 March 2021 and 31 March 2020 on:

(₹ in Mn)

Particulars	Period	Bank payment	Yet to be paid in cash	Total
Education, technical education including research and development	**31 March 2021**	4.95	-	4.95
	31 March 2020	5.55	-	5.55
Integrity community development	**31 March 2021**	-	-	-
	31 March 2020	0.70	-	0.70
Disaster Management	**31 March 2021**	0.10	-	0.10
	31 March 2020	0.20	-	0.20
Prime Minister National Relief Fund	**31 March 2021**	1.00	-	1.00
	31 March 2020	1.00	-	**1.00**
Others	**31 March 2021**	1.15	-	1.15
	31 March 2020	0.70	-	**0.70**
Total	**31 March 2021**	**7.20**	-	**7.20**
	31 March 2020	**8.15**	-	**8.15**

Note-33

(₹ in Mn)

	31 March 2021	31 March 2020
Income tax		
Tax expense comprises of:		
Current tax	135.96	65.44
Deferred tax (credit)/charged	(95.81)	44.37
Earlier years tax adjustments (net)	12.11	(2.75)
Income tax expense reported in the statement of profit and loss	**52.26**	**107.06**

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 25.167% (31 March 2020: 34.944%) and the reported tax expense in profit or loss are as follows:

Accounting profit before income tax	**340.13**	**189.82**
At India's statutory income tax rate of 25.167% ('31 March 2020: 34.944%)	85.60	66.43
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Effect of tax incentive	-	(1.59)
Tax impact of expenses which will never be allowed	(7.56)	55.54
Earlier years tax adjustments (net)	12.11	(2.75)
Others	(35.81)	(13.77)
Difference in overseas tax rate	(2.08)	3.20
Income tax expense	**52.26**	**107.06**

Note - 34

(₹ in Mn)

	31 March 2021	31 March 2020
Earnings per share		
Net profit attributable to equity shareholders		
Net profit for the year	287.87	82.76
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 ( )	15.34	4.41
(2) Diluted ( )	15.34	4.41

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 2021			31 March 2020		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investment in equity instrument through OCI	-	95.00	-	-	82.46	-
Trade receivables	-	-	1,487.19	-	-	912.10
Loans	-	-	7.44	-	-	7.44
Cash and cash equivalents	-	-	512.11	-	-	396.17
Other bank balances	-	-	258.85	-	-	300.51
Other financial assets	-	-	130.56	-	-	63.45
Security deposits	-	-	45.59	-	-	46.29
Total financial assets	**-**	**95.00**	**2,441.74**	**-**	**82.46**	**1,725.96**
Financial liabilities						
Borrowings	-	-	4,271.40	-	-	3,522.86
Trade payables	-	-	1,124.90	-	-	938.21
Other financial liabilities	92.52	-	274.84	4.21	105.54	355.95
Total financial liabilities	**92.52**	**-**	**5,671.14**	**4.21**	**105.54**	**4,817.02**

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 2021	31 March 2020		31 March 2021	31 March 2020
Unquoted equity investments	94.24	82.04	Earnings growth rate	4.50%	4.50%
			Risk adjusted discount rate	18.45%	18.45%

Sensitivity analysis **(₹ in Mn)**

Description	31 March 2021	31 March 2020
Impact on fair value if change in earnings growth rate		
- Impact of increase in discount rate by 0.5 %	109.32	85.46
- Impact of decrease in discount rate by 0.5 %	101.14	78.84
Impact on fair value if change in risk adjusted discount rate		
- Impact of increase in discount rate by 0.5 %	89.53	77.47
- Impact of decrease in discount rate by 0.5 %	99.29	86.98

The following table presents the changes in level 3 items for the periods ended 31 March 2021 and 31 March 2020: **(₹ in Mn)**

Particulars	Unquoted equity shares
As at 31 March 2019	**35.01**
Gain/(loss) recognised in other comprehensive income	47.03
As at 31 March 2020	**82.04**
Gain/(loss) recognised in other comprehensive income	12.19
As at 31 March 2021	**94.24**

(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 2021 and 31 March 2020 :

(₹ 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 2021	0.77	-	94.24	**95.01**
	31 March 2020	0.41	-	82.04	**82.46**
At fair value through profit or loss					
Derivative financial liability	31 March 2021	-	92.52	-	**92.52**
	31 March 2020	-	109.75	-	**109.75**

(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 2021		31 March 2020	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Loans	Level 3	53.03	53.03	44.59	44.59
Other financial assets	Level 3	130.56	130.56	0.08	0.08
Total financial assets		**183.59**	**183.59**	**44.67**	**44.67**
Financial liabilities					
Borrowings	Level 3	4,271.40	4,271.40	3,522.86	3,522.86
Total financial liabilities		**4,271.40**	**4,271.40**	**3,522.86**	**3,522.86**

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 2021 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

A: Low

B: Medium

C: High

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

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

Life time expected credit loss is provided for trade receivables.

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

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

(₹ in Mn)

Credit rating	Particulars	31 March 2021	31 March 2020
A: Low credit risk	Cash and cash equivalents, other bank balances, loans and other financial assets	954.55	813.86
B: Moderate credit risk	Trade receivables and other financial asset	1,494.16	911.75
C: High credit risk	Trade receivables and other financial asset	14.25	8.92

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 2021	31 March 2020
Original equipment manufacturer	525.10	296.20
Other	981.26	622.42
Total	**1,506.37**	**918.62**

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 2021 **(₹ in Mn)**

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	512.11	-	512.11
Other bank balances	259.92	-	259.92
Loans	53.03	-	53.03
Other financial assets	131.54	2.05	129.49

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

(ii) Expected credit loss for trade receivables under simplified approach

As at 31 March 2021 **(₹ in Mn)**

Period	Gross carrying value	Expected credit loss (provision)	Carrying amount (net of impairment)
0 - 90 Days	1,368.28	1.92	1,366.37
90 - 180 Days	101.53	0.17	101.36
180 - 270 Days	15.50	0.27	15.23
270 - 360 Days	7.22	0.53	6.69
More than 360 Days	14.29	5.60	8.69

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

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

Reconciliation of loss allowance	Trade receivables	Other financial asset
Loss allowance on 1 April 2019	**15.80**	2.05
Impairment loss recognised/reversed during the year	(9.28)	-
Loss allowance on 31 March 2020	**6.52**	**2.05**
Impairment loss recognised/reversed during the year	12.65	-
Loss allowance on 31 March 2021	**19.17**	**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 2021	Less than 1 year	More than 1 year	Total
Borrowings	1,033.30	3,761.46	4,794.76
Trade payable	1,124.91	-	1,124.91
Derivative financial liabilities	92.52	-	92.52
Other financial liabilities	259.87	-	259.87
Total	**2,510.59**	**3,761.46**	**6,272.06**

(₹ 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**

The Group had access to following funding facilities :

As at 31 March 2021 **(₹ in Mn)**

Funding facilities	Total facility	Drawn	Undrawn
Less than 1 year	1,407.10	406.79	1,000.31
Above 1 year	-	-	-
Total	**1,407.10**	**406.79**	**1,000.31**

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**

(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 2021**	**31 March 2020**
Current		
Non qualifying hedges		
Derivative liability	-	4.21
Total	**-**	**4.21**

Foreign currency risk exposure: **(₹ in Mn)**

Particulars	**Currency**	**Amount in foreign currency**		**Amount in INR**	
		31 March 2021	**31 March 2020**	**31 March 2021**	**31 March 2020**
Receivables					
Export trade receivable and advances	USD	12.96	2.84	814.71	214.58
	EURO	0.56	0.59	48.26	49.40
	GBP	0.04	0.04	3.83	3.56
	CAD	-	0.06	-	3.23
	JPY	0.95	-	0.63	-
Payables					
Payable for imports and others	USD	(4.33)	(0.93)	(87.35)	(70.91)
	EURO	(0.04)	(0.05)	(3.26)	(3.77)
	GBP	(1.68)	(0.00)	(0.10)	(0.09)
Foreign currency loans					
	USD	(9.21)	(10.65)	(673.39)	(804.93)
	USD	(3.87)	(5.53)	(282.66)	(417.92)
Interest on foreign currency loans					
	USD	(0.07)	(0.08)	(5.20)	(6.22)
	USD	(0.03)	(0.04)	(2.09)	(3.08)

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 2021	31 March 2020	31 March 2021	31 March 2020
Receivables					
Export trade receivable	USD	40.74	10.73	(40.74)	(10.73)
	EURO	2.41	2.47	(2.41)	(2.47)
	GBP	0.19	0.18	(0.19)	(0.18)
	CAD	-	0.16	-	(0.16)
	JPY	0.03	-	(0.03)	-
Payables					
Payable for imports and others	USD	4.37	3.55	(4.37)	(3.55)
	EURO	0.16	0.19	(0.16)	(0.19)
	GBP	0.00	0.00	(0.00)	(0.00)
Foreign currency loans					
	USD	33.67	40.25	(33.67)	(40.25)
	USD	14.13	20.90	(14.13)	(20.90)
Interest on foreign currency loans					
	USD	0.26	0.31	(0.26)	(0.31)
	USD	0.10	0.15	(0.10)	(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 2021	31 March 2020
Variable rate borrowing	939.35	2,688.70
Fixed rate borrowing	3,332.05	834.16
Total borrowings	**4,271.40**	**3,522.86**

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 2021	31 March 2020
Interest rates – increase by 50 basis points	4.70	(13.44)
Interest rates – decrease by 50 basis points	(4.70)	13.44

(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 2021	31 March 2020
Price sensitivity		
Price increase by (5%) - FVOCI*	0.04	0.02
Price decrease by (5%) - FVOCI	(0.04)	(0.02)
Price increase by (5%) - FVTPL	4.63	5.49
Price decrease by (5%) - FVTPL	(4.63)	(5.49)

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

Note - 36

Disclosures as per Indian Accounting Standard (Ind AS) 108 "Operating Segments"

a) Operating segments

Management currently identifies the Group's two service areas as its operating segments as follows:

India

Canada

b) Segment revenue and expenses

Revenue and expenses directly attributable to the segment is considered as 'Segment Revenue and Segment Expenses'.

c) Segment assets and liabilities

Segment assets and liabilities include the respective directly identifiable to each of the segments.

These operating segments are monitored by the chief operating decision maker and strategic decisions are made on the basis of segment operating results. Segment performance is evaluated based on the profit of each segment.

The following tables present revenue and profit information and certain asset and liability information regarding the reportable segments for the F.Y. ended March 31, 2021 and March 31, 2020.

(₹ in Mn)

Particulars	India		Canada		Others		Total	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Revenue								
Sales to external customers	5,066.46	4,941.86	2,116.07	1,895.27	203.18	289.87	7,385.71	7,127.00
Inter-segment sale	(86.38)	(41.08)	-	-	(23.81)	(28.60)	(110.19)	(69.68)
Segment revenue	**4,980.08**	**4,900.78**	**2,116.07**	**1,895.27**	**179.37**	**261.27**	**7,275.52**	**7,057.32**
Interest revenue	32.76	26.49	0.65	3.32	(0.00)	-	33.41	29.80
Interest expense	173.65	188.53	16.27	99.98	-	-	189.92	288.52
Depreciation and amortisation	251.52	274.53	169.73	142.39	9.51	13.42	430.76	430.34
Reversal of provisions	0.47	7.43	-	-	-	-	0.47	7.43
Disposals of property, plant and equipment	0.13	13.21	-	(12.64)	-	-	0.13	0.57
Segment result (profit before tax)	**387.85**	**140.53**	**(57.69)**	**12.08**	**9.96**	**37.22**	**340.12**	**189.83**
Income tax expense	123.51	75.60	(71.15)	30.89	(0.09)	0.57	52.27	107.05
Segment assets	**4,858.93**	**4,231.69**	**4,092.53**	**3,406.66**	**270.83**	**253.74**	**9,222.29**	**7,892.09**
Segment liabilities	**3,330.44**	**3,114.04**	**2,667.30**	**1,967.62**	**17.18**	**48.14**	**6,014.92**	**5,129.80**
Additions to non-current assets other than financial instruments, deferred tax assets, net defined benefit assets.	340.88	469.81	138.21	119.06	-	-	479.09	588.87

Information about major customer

During the year ended 31 March 2021 revenue of approximately 58.78% are derived from three external customers (previous year: 58.35% 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

(b) Neo Tech Auto Systems Inc., USA

(c) Neo Tech Smart Solutions Inc., Canada

(iv) Teutech Leasing Corporation, USA

(v) 2504584 Ontario Inc., Canada

(vi) 2323532 Ontario Inc., Canada

ii) Key Management Personnel (KMP) and their relatives

(i) Mr. Deep Kapuria (Executive Chairman and Whole Time Director)

(ii) Mr. Anant Jaivant Talaulicar (Vice Chairman and Non Executive Director)

(iii) Mr. Pranav Kapuria (Managing Director)

(iv) Mr. Anuj Kapuria (Whole Time Director)

(v) Mr. Sandeep Dinodia (Independent Director)

(vi) Mr. Anil Kumar Khanna (Independent Director)

(vii) Mr. Krishna Chandra Verma (Independent Director)

(viii) Ms. Malini Sud (Independent Director)

(ix) Mr. Prosad Dasgupta (Independent Director)

(x) Mr. Vinit Taneja (Independent Director)

(xi) Mr. Ramesh Chandra Jain (Non Executive Director)

(xii) Mr. Bidadi Anjani Kumar (Non Executive Director)

(xiii) Mr. Neville D'Souza (Independent Director)

(xiv) Mr. Vijay Mathur (Chief Financial Officer)

(xv) Mr. Naveen Jain (Company Secretary)

iii) Enterprises over which key management personnel and relatives of such personnel exercise significant influence with whom transactions has been undertaken:-

(i) Aquarian Fibrecement Private Limited

(ii) Vulcan Electro Controls Limited

(iii) The Hi-Tech Robotic Systemz Limited

(iv) The Hi-Tech Engineering Systems Private Limited

(This space has been intentionally left blank)

(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 Systems Limited		
1	Purchase of goods	31 March 2021	-	979.11	193.73	-	-	**1,172.84**
		31 March 2020	-	855.15	198.50	-	-	**1,053.65**
2	Sale of goods	31 March 2021	-	27.37	29.27	-	-	**56.64**
		31 March 2020	-	2.02	60.15	-	-	**62.17**
3	Rendering of job work/services	31 March 2021	-	0.72	0.74	-	-	**1.46**
		31 March 2020	-	3.15	1.29	-	-	**4.44**
4	Sale of assets	31 March 2021	-	1.41	-	-	-	**1.41**
		31 March 2020	-	3.30	40.08	-	-	**43.38**
5	Purchase of asset	31 March 2021	-	-	-	-	-	**-**
		31 March 2020	-	0.03	-	-	-	**0.03**
6	Receiving of job work/services	31 March 2021	-	150.27	-	31.02	-	**181.29**
		31 March 2020	-	148.87	-	30.63	-	**179.50**
7	Leasing or hire purchase arrangements	31 March 2021	15.75	-	-	1.65	-	**17.40**
		31 March 2020	18.00	-	-	-	-	**18.00**
8	Security deposits given	31 March 2021	5.20	-	-	-	-	**5.20**
		31 March 2020	-	-	-	-	-	**-**
9	Remuneration paid*	31 March 2021	-	-	-	-	49.98	**49.98**
		31 March 2020	-	-	-	-	60.86	**60.86**
10	Sitting fees	31 March 2021	-	-	-	-	0.61	**0.61**
		31 March 2020	-	-	-	-	0.61	**0.61**
11	Re-imbursement paid	31 March 2021	-	-	0.01	-	-	**0.01**
		31 March 2020	-	0.12	-	-	-	**0.12**
12	Re-imbursement received	31 March 2021	-	0.51	0.50	0.00	-	**1.01**
		31 March 2020	27.03	1.38	1.51	0.79	-	**30.71**
13	Loan Received/(Repayment)	31 March 2021	-	-	-	-	-	**-**
		31 March 2020	-	-	-	-	73.88	**73.88**
14	Interest Paid	31 March 2021	-	-	-	-	-	**-**
		31 March 2020	-	-	-	-	1.04	**1.04**

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

(₹ in Mn)

Particulars	31 March 2021	31 March 2020
Short term employee benefits	48.48	58.74
Post employee defined benefit	-	-
Defined contribution plan	1.49	2.12

* 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 Systems Limited		
1	Trade receivable	31 March 2021	-	-	-	-	-	**-**
		31 March 2020	22.17	-	-	0.38	-	**22.55**
2	Trade payable	31 March 2021	1.04	291.61	54.10	9.14	-	**355.89**
		31 March 2020	-	203.63	21.96	7.23	-	**232.82**
3	Other payable	31 March 2021	-	-	-	-	6.44	**6.44**
		31 March 2020	-	-	-	-	3.21	**3.21**
4	Loan payable	31 March 2021	-	-	-	-	72.41	**72.41**
		31 March 2020	-	-	-	-	73.88	**73.88**
5	Other receivable	31 March 2021	7.50	-	-	-	-	**7.50**
		31 March 2020	2.30	-	-	-	-	**2.30**

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, 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2019-20: 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.

Note - 38

Interest in other entities

The Group's subsidiaries at 31 March 2021 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 2021	31 March 2020	
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 2021	31 March 2020
Net debt*	3,774.26	3,142.30
Total equity	3,207.36	2,762.28
Net debt to equity ratio	**1.18**	**1.14**

**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 2021	31 March 2020
1	Dy. Commissioner Customs Export, Tughlakabad, Delhi	0.15	0.15
2	Deputy Commissioner of Customs	1.18	1.18
3	The President of India (Through Asstt. / Dy Commissioner of Customs)	0.06	0.06
4	Commissioner of Custom	0.03	0.03
5	Dy. Commissioner Customs Export	0.13	0.13
6	The President of India (Through Asstt. / Dy Commissioner of Customs)	0.48	0.48
7	Deputy Commissioner of Customs	0.84	0.84
8	JCB India Ltd	-	0.25
9	Rajasthan Renewable Energy Corp Ltd	0.03	3.30
10	Rajasthan Rajya Vidyut Prasaran	1.43	1.43
11	UCAM Pvt Ltd	-	9.63
	Total	**4.33**	**17.48**

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

a) Direct Tax **(₹ in Mn)**

S.No	Particulars	Period to which the amount relates	31 March 2021	31 March 2020
1	Income Tax Act, 1961 (Deputy Commissioner of Income Tax (Appeals), Delhi)	Assessment year 2012-13	-	0.23
2	Income Tax Act, 1961 (Commissioner of Income Tax (Appeals), Delhi-4)	Assessment Year 2012-13	-	0.23
3	Income Tax Act, 1961	Assessment year 2017-18	0.12	-
4	Income Tax Act, 1961	Assessment year 2017-18	9.48	-
5	Income Tax Act, 1961 (Commissioner of Income Tax/Income Tax Appellate Tribunal)	Assessment Year 2018-19	7.51	7.51
6	Income Tax Act, 1961 (Assistant Commissioner of Income Tax(TDS))	Assessment Year 2019-20	2.66	0.05
	Total		**19.76**	**8.02**

b) Indirect Tax **(₹ in Mn)**

S.No	Particulars	Period to which the amount relates	31 March 2021	31 March 2020
1	Central Excise Act, 1944 (Additional Commissioner, Central Excise, Gurgaon, Haryana)	April 2005 to March 2018	1.04	1.04
2	Central Excise Act, 1944 (Additional Commissioner, Central Excise, Gurgaon, Haryana)	August 2014 to July 2015	2.02	2.02
3	Central Excise Act, 1944 (Additional Commissioner, Central Excise, Gurgaon, Haryana)	August 2015 to February 2017	3.62	3.62
4	Central Excise Act, 1944 (Deputy Commissioner, CGST, Gurugram, Haryana)	March 2017 to June 2017	1.60	1.60
5	Central Goods & Service Tax Act, 2017 (Deputy Commissioner, State GST Circle-B,-Bhiwadi)	July 2017 to September 2017	16.95	16.95
6	Central Goods & Service Tax Act, 2017 (Deputy Commissioner, State GST Circle-B,-Bhiwadi)	December 2015 to August 2016	0.03	-
7	Central Goods & Service Tax Act, 2017 (Deputy Commissioner, State GST Circle-B,-Bhiwadi)	November 2016 to June 2017	0.01	-
8	Central Goods & Service Tax Act, 2017 (Deputy Commissioner, State GST Circle-B,-Bhiwadi)	June 2016 to June 2016	0.10	-
	Total		**25.36**	**25.23**

(3) There are five legal cases filed by past employees against the Company for re-instatement/settlement of their dues/remuneration related matters. Out of the aforesaid five cases, four cases are pending at various stages at Camp Court, Bhiwadi, Rajasthan and one case is pending at District Court, Gurgaon, Haryana. The financial impact of these cases, if any, is not identifiable and hence the same has not been provided in the financial statements of the Company.

B *Commitments (net of advance):*

Estimated amount of contracts remaining to be executed on capital accounts ₹ 276.67 Mn after adjusting advances (Previous year: March 31, 2020: ₹ 589.08 Mn).

Note - 41

Dividends

A The Board of Directors at its meeting held on June 29, 2021 have recommended a final dividend for Financial year ended as on 31st March 2021,of ₹ 2 (Rupees Two Only) per equity shares of ₹ 10/- (Rupees Ten only) each, i.e.20 % on the paid up share capital of the Company subject to the approval of the members at their Annual General Meeting.(Previous Year interim dividend of ₹ 1.50/- per equity share).

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

(₹ in Mn)

Nature	31 March 2021	31 March 2020
Interim dividend (including dividend tax)	-	33.94
Final dividend (including dividend tax)	-	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.

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 2021	31 March 2020
Short-term leases	3.47	3.60
Variable lease payments	1.05	1.13

B Total cash outflow for leases for the year ended 31 March 2021 was 33.57 Mn (previous year 31 March 2020 was 26.85 Mn).

C The Company has total commitment for short-term leases of 1.75 Mn as at 31 March 2021 (previous year 31 March 2020 was 3.67 Mn).

D Maturity of lease liabilities

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

(₹ in Mn)

31 March 2021	Minimum lease payments due						
	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
Lease payments	46.85	46.66	36.71	23.73	23.55	423.16	**600.66**
Interest expense	22.96	21.21	19.31	18.52	18.07	210.95	**311.02**
Net present values	**23.89**	**25.45**	**17.40**	**5.21**	**5.48**	**212.21**	**289.64**

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 2021 is Nil (31 March 2020 is of ₹ 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	5	44-96 years	71 years	1	5	1
Residential flat	7	75-80 years	77 years	0	7	0
Office premises	1	3 years	3 years	1	0	1
Solar plants	3	3-25 years	14 years	1	3	3

Note - 43

Employee benefits

A *Compensated absences-earned leave*

Risk

Salary increases	Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment risk	If plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality and disability	Actual deaths & 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 2021	31 March 2020
Present value of the obligation at end	40.69	45.14
Net obligation recognised in balance sheet as provision	40.69	45.14
Current liability (amount due within one year)	**5.37**	**6.01**
Non-current liability (amount due over one year)	**35.32**	**39.13**

ii) Expenses recognized in consolidated statement of profit and loss **(₹ in Mn)**

Particulars	31 March 2021	31 March 2020
Current service cost	7.44	10.15
Interest cost	3.07	4.06
Actuarial (gain)/loss net on account of:		
Changes in demographic assumptions	-	0.02
Changes in financial assumptions	-	0.53
Changes in experience adjustment	(12.73)	(3.63)
Cost recognized during the year	**(2.22)**	**11.13**

iii) Movement in the liability recognized in the consolidated balance sheet is as under: **(₹ in Mn)**

Particulars	31 March 2021	31 March 2020
Present value of defined benefit obligation at the beginning of the year	45.14	52.99
Current service cost	7.44	10.15
Interest cost	3.07	4.06
Actuarial (gain)/loss net	(12.73)	(3.07)
Benefits paid	(2.23)	(18.99)
Present value of defined benefit obligation at the end of the year	**40.69**	**45.14**

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

Particulars	31 March 2021	31 March 2020
Discount rate	6.80%	6.80%
Salary escalation rate	8.50%	8.50%
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 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 2021	31 March 2020
0 to 1 year	5.37	6.01
1 to 2 year	1.67	1.91
2 to 3 year	1.38	1.46
3 to 4 year	2.97	1.45
4 to 5 year	2.46	2.92
5 to 6 year	1.38	2.41
6 year onwards	25.47	28.97

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

Particulars	31 March 2021	31 March 2020
a) Impact of the change in discount rate		
Present value of obligation at the end of the year	40.69	45.14
Impact due to increase of 0.50 %	(1.79)	(2.14)
Impact due to decrease of 0.50 %	1.93	2.32
b) Impact of the change in salary increase		
Present value of obligation at the end of the year	40.69	45.14
Impact due to increase of 0.50 %	1.89	2.27
Impact due to decrease of 0.50 %	(1.77)	(2.12)

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 & 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 2021	31 March 2020
Present value of the obligation	145.72	139.92
Fair value of plan assets	141.01	138.31
Net obligation recognised in balance sheet as provision	4.70	1.61
Current liability (amount due within one year)	**4.70**	**1.61**

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

Particulars	31 March 2021	31 March 2020
Actuarial gains/(loss) on asset	0.45	(0.34)
Actuarial gains/(loss) on PBO	8.27	10.45
Gain recognised in other comprehensive income	**8.72**	**10.11**

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

Particulars	31 March 2021	31 March 2020
Actuarial (gain)/loss net on account of:		
Changes in demographic assumptions	-	0.07
Changes in financial assumptions	-	1.71
Changes in experience adjustment	(8.27)	(12.22)

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

Particulars	31 March 2021	31 March 2020
Current service cost	11.36	11.81
Interest cost	0.26	0.10
Cost recognized during the year	**11.62**	**11.91**

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

Particulars	31 March 2021	31 March 2020
Funds managed by insurer	100%	100%
Total	**100%**	**100%**

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

Particulars	31 March 2021	31 March 2020
Fair value of plan assets at the beginning of the year	138.32	135.82
Difference in Opening Fund	(2.23)	-
Actual return on plan assets	9.71	10.07
Employer contribution	2.31	1.89
Fund management charges	(0.27)	(0.38)
Benefits paid	(6.81)	(9.08)
Present value of defined benefit obligation at the end of the year	**141.03**	**138.32**

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

Particulars	31 March 2021	31 March 2020
Present value of defined benefit obligation at the beginning of the year	139.92	137.14
Current service cost	11.36	11.81
Interest cost	9.51	10.50
Actuarial (gain)/loss net	(8.27)	(10.45)
Benefits paid	(6.81)	(9.08)
Present value of defined benefit obligation at the end of the year	**145.71**	**139.92**

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

Particulars	31 March 2021	31 March 2020
Discount rate	6.80%	6.80%
Salary escalation rate	8.50%	8.50%
Retirement age (Years)	58.00	58.00
Withdrawal rate		
Up to 30 Years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%
Weighted average duration of PBO	11.80	12.80

Mortality rates inclusive of provision for disability -100% of IALM (2006 – 08)

viii) (b) Maturity profile of defined benefit obligation **(₹ in Mn)**

Particulars	31 March 2021	31 March 2020
0 to 1 year	16.25	17.67
1 to 2 year	7.37	4.56
2 to 3 year	9.67	6.63
3 to 4 year	12.07	8.90
4 to 5 year	10.36	11.00
5 to 6 year	7.99	8.50
6 year onwards	82.01	82.64

ix) Sensitivity analysis for compensated absences liability **(₹ in Mn)**

Particulars	31 March 2021	31 March 2020
a) Impact of the change in discount rate		
Present value of obligation at the end of the year	145.72	139.92
Impact due to increase of 0.50 %	(5.18)	(5.30)
Impact due to decrease of 0.50 %	5.51	5.65
b) Impact of the change in salary increase		
Present value of obligation at the end of the year	145.72	139.92
Impact due to increase of 0.50 %	5.19	5.24
Impact due to decrease of 0.50 %	(4.94)	(4.98)

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 F.Y. 2020-21, are set out below:

(₹ in Mn)

Particulars	Provision on rate differences*
As at 1 April 2019	**27.80**
Amounts used during the year	1.91
As at '31 March 2020	**29.71**
Additional provision recognised	33.08
As at '31 March 2021	**62.79**

*This provision reflects the amount that could be payable on account of foreign exchange adjustment on export.

Note - 45

Revenue recognised in relation to contract liabilities

Ind AS 115 also requires disclosure of major changes on account of revenue recognised in the reporting period from the contract liability balance at the beginning of the period and other changes, as summarised below:

(₹ in Mn)

Description	31 March 2021	31 March 2020
Contract liabilities at the beginning of the year	52.94	50.25
Less: performance obligations satisfied in current year	(7.38)	(45.12)
Add: advance received during the year.	2.30	47.81
	47.86	**52.94**

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 2021	31 March 2020
Sale of goods	7,443.11	7,211.15
Sale of software's	-	3.32
Job work	12.31	5.71
	7,455.42	**7,220.18**

(₹ in Mn)

Description	31 March 2021	31 March 2020
America	1,993.77	2,014.58
India	3,978.15	3,759.05
Others	1,483.50	1,446.55
	7,455.42	**7,220.18**

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

Description	31 March 2021	31 March 2020
Revenue recognised during the year	7,464.95	7,233.52
Less: Discount, rebates, credits etc.	(9.53)	(13.35)
Revenue as per the contact	**7,455.42**	**7,220.18**

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 2021 (₹ in Mn)

Type of hedge and risks	Notional amount	Carrying amount of hedging instruments		Maturity dates	Hedge ratio	Weighted average strike price/rate	Change in fair value of hedging instruments	Change in value of hedged item used as the basis for recognising hedge effectiveness
		Assets (₹ in mn)	Liabilities (₹ in mn)					
Cash flow hedge								
Foreign exchange risk								
(i) Cross currency swaps	EUR 6.46	-	47.43	Dec 2020 - Dec 2024	1:1	78.18	8.92	(8.92)
Interest rate risk								
(ii) Interest rate swaps	USD 18.21	-	45.09	May 2020 - Feb 2024	1:1	3.18%	(2.19)	2.19

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/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 2021 **(₹ in Mn)**

Type of hedge	Change in value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised	Amount reclassified from cash flow hedge reserve	Line item affected on reclassification
Cash flow hedge				
Foreign exchange risk	8.92	-	(0.62)	Revenue
Interest rate risk	(2.19)	-	30.28	Finance cost

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)

	Year ended 31 March 2021	Year ended 31 March 2020
Cash flow hedge reserve		
Balance as at 1 April 2020	(50.31)	-
Add: Changes in fair value of hedging instruments	6.73	(88.95)
Less: Amounts reclassified to profit or loss	29.65	11.62
Less: Deferred tax relating to above (net)	(19.04)	27.02
Balance as at 31 March 2021	(32.97)	(50.31)

Note - 46

Notes to the consolidated financial statements for the year ended 31 March 2021

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 20 to March 21	April 20 to March 21	April 20 to March 21	April 20 to March 21	April 20 to March 21	April 20 to March 21	April 20 to March 21	April 20 to March 21	April 20 to March 21
2	Reporting currency	CAD	CAD	CAD	CAD	USD	USD	USD	USD	CAD
3	Exchange rate	Rs 58.21/CAD for BS Rs 56.09/CAD for PL	Rs 58.21/CAD for BS Rs 56.09/CAD for PL	Rs 58.21/CAD for BS Rs 56.09/CAD for PL	Rs 58.21/CAD for BS Rs 56.09/CAD for PL	CAD 1.27/USD and then Rs 58.21/CAD for BS Rs 56.09/CAD for PL	CAD 1.27/USD and then Rs 58.21/CAD for BS Rs 56.09/CAD for PL	CAD 1.27/USD and then Rs 58.21/CAD for BS Rs 56.09/CAD for PL	Rs 73.30/USD for BS Rs 74.11/USD for PL	Rs 58.21/CAD for BS Rs 56.09/CAD for PL
4	Share Capital	1,534.55	0.01	0.01	2,456.99	162.03	0.00	-	0.64	13.78
5	Reserves & Surplus	(51.31)	0.00	79.98	(692.11)	180.52	40.67	(93.97)	1.25	(30.22)
6	Total Liabilities	1,727.62	-	90.13	1,228.95	2.52	69.86	251.47	0.88	19.08
7	Total Assets	3,210.86	0.01	170.11	2,993.82	345.07	110.54	157.51	2.77	2.63
8	Investments	2,961.30	0.01	-	183.14	-	-	-	-	-
9	Turnover	20.36	-	33.06	2,156.54	-	29.62	185.16	23.81	-
10	Profit/(Loss) before Taxation	0.27	-	9.86	(149.99)	(0.86)	24.37	(0.90)	(0.55)	(0.62)
11	Provision for Tax/Earlier year Tax Adj	-	-	2.74	(61.01)	1.53	0.91	(8.74)	(0.09)	-
12	Profit/(Loss) after Taxation	0.27	-	7.12	(88.98)	(2.39)	23.46	7.84	(0.46)	(0.62)
13	Proposed dividend	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
14	% of shareholding	100%	100% (step down subsidiary)	100% (step down subsidiary)	100% (step down subsidiary)	100% (step down subsidiary)	100% (step down subsidiary)	100% (step down subsidiary)	100%	100%

Comparative period 19-20 **(₹ 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%

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 2021

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**	95.95%	3,077.45	129.54%	372.89	24.13%	37.94	92.30%	410.83
2	**Subsidiaries**								
	Neo-Tech Auto System, Inc., USA	0.04%	1.25	(0.16%)	(0.46)	(0.04%)	0.07	(0.12%)	0.53
	Neo-Tech Smart Solutions Inc., Canada	(0.94%)	(30.22)	(0.21%)	(0.62)	(0.82%)	(1.29)	(0.43%)	(1.91)
	2545887 Ontario Inc.	(3.75%)	(120.36)	0.10%	0.27	89.23%	140.28	31.58%	140.55
3	**Step down subsidiaries**								
	The Hi-Tech Gears Canada Inc	4.43%	142.15	(41.77%)	(120.24)	0.00%	-	(27.01%)	(120.24)
	Teutech Holding Corporation	(0.64%)	(20.41)	(0.83%)	(2.39)	(27.02%)	42.48	(10.08%)	44.87
	Teutech LLC	2.00%	64.17	2.72%	7.84	15.80%	24.84	7.34%	32.69
	Teutech Leasing Corporation	2.17%	69.65	8.15%	23.46	(1.28%)	(2.01)	4.82%	21.44
	2504584 Ontario Inc	0.00%	-	0.00%	-	0.00%	-	0.00%	-
	2323532 Ontario Inc	0.74%	23.70	2.47%	7.12	0.00%	-	1.60%	7.12
	Total	**100.00%**	**3,207.37**	**100.00%**	**287.87**	**100.00%**	**157.22**	**100.00%**	**445.09**

For the year ended March 31, 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**

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 impacted businesses and economies. There has been disruption to regular business operations due to the measures taken to curb the impact of the pandemic. The Group plants, warehouses and offices were shut post announcement of lockdown. The operations have resumed post lifting of the lockdown but due to the dynamic nature of these circumstances, the duration of business disruption & the related financial impact can not be reasonably estimated at this time.

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

CA. Amit Gupta
Partner
Membership No. 094202
UDIN: 21094202AAAAAV5158

Place: New Delhi
Date: June 29, 2021

Deep Kapuria
Executive Chairman
DIN 00006185

Vijay Mathur
Chief Financial Officer

For and on behalf of
The Hi-Tech Gears Limited

Pranav Kapuria
Managing Director
DIN 00006195
Place: Canada

Naveen Jain
Company Secretary

NOTICE

NOTICE is hereby given that the 35Th Annual General Meeting ('AGM') of the Members of M/s The Hi-Tech Gears Limited will be held on Wednesday, September 29, 2021 at 05:00 P.M. at the registered office of the Company at Plot No. 24,25,26, Sector-7, IMT Manesar, Gurugram-122050, Haryana along with the facility to attend the AGM through VC/OVAM mode to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2021, together with the Reports of the Director's and Auditor's thereon.
2. To declare the final dividend on equity shares for the financial year 2020-2021.
3. To appoint a director in place of Mr. Anant Jaivant Talaulicar (DIN-00031051), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. Approval of remuneration of Cost Auditor for the financial year 2021-22

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 2021-22, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting.

RESOLVED FURTHER THAT the Board or Company Secretary be and is hereby authorized to take all steps as may be necessary, proper or expedient to give effect to the above Resolution."

5. Continuation of directorship of Mr. Ramesh Chandra Jain, Director (DIN: 00038529) in terms of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

"RESOLVED THAT pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the applicable provisions of the Companies Act, 2013 and relevant Rules framed thereunder (including any statutory modification(s) / amendment(s) / re-enactment(s) thereto), the approval of the shareholders of the Company be and is hereby accorded for continuation of directorship of Mr. Ramesh Chandra Jain (DIN: 00038529), who will attain the age of 75 years during his term of his directorship, as a 'Non-Executive, Non-Independent Director' of the Company, liable to retire by rotation"

RESOLVED FURTHER THAT the Board or Company Secretary be and is hereby authorized to take all steps as may be necessary, proper or expedient to give effect to the above Resolution."

6. Approval of "The Hi-Tech Gears Limited Stock Incentive Plan, 2021" ("THGL SIP 2021"/ "Plan")and grant of employee stock options to the eligible employees of the Company

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

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), read with the rules framed thereunder, including the Companies (Share Capital and Debentures) Rules, 2014, and in accordance with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time or as re-enacted by the SEBI and the relevant provisions of Circular No. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 issued by the Securities and Exchange Board of India (collectively Referred to as the "**SEBI SBEB Regulations**"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**SEBI LODR Regulations**"), the Foreign Exchange Management Act, 1999, read with the relevant rules, regulations, directions, notifications and clarifications issued thereunder **("FEMA")**, and other applicable laws, rules and regulations, including in each case any modifications thereof or supplements thereto (collectively, "**Applicable Laws**"), and the provisions of the Memorandum and Articles of Association of the Company and subject to such approvals, permissions and sanctions of any regulatory or other authorities as may be necessary from time to time and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board"**, which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee, which the Board has constituted or may hereafter constitute to act as the "Compensation Committee" under the SEBI SBEB Regulations, to exercise its powers including the powers conferred by this Resolution), the consent and approval of the members of the Company be and is hereby accorded to the Board to introduce and implement the **THGL SIP 2021**, the salient features of which are detailed in the Explanatory Statement to this resolution, and to create, grant, offer, issue and allot at any time, in one or more tranches, to or for the benefit of such person(s) who are permanent employees of the Company, whether working in India or outside India, and/or Directors of the Company, whether whole-time or otherwise, and to such other person(s) as may be decided by the Board and/ or permitted under the SEBI SBEB Regulations and other Applicable Laws (other than promoters or persons belonging to the promoter group of the Company, independent directors and directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company) selected on the basis of criteria decided by the Board in terms of the THGL SIP 2021 (hereinafter collectively referred to as the **"Eligible Employees**"), up to 600,000 (Six Lakh) stock options exercisable into equity shares of the Company (such stock options, the "**Options**"), in one or more tranches, not exceeding 600,000 (Six Lakh)equity shares of face value of INR 10 (Rupees Ten Only) each of the Company, at such price or prices, and on such terms and conditions as may be fixed or determined by the Board in accordance with the THGL SIP 2021 and in compliance with the SEBI SBEB Regulations and other Applicable Laws.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot equity shares of the Company directly to the Eligible Employees upon exercise of Options from time to time in accordance with the THGL SIP 2021and such equity shares shall rank *pari-passu* in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division or other re-organization of the capital structure of the Company, as applicable from time to time, the number, class and kind of equity shares and/or the number of Options and/or the exercise price under the THGL SIP 2021 shall be appropriately adjusted by the Board, along with such approvals as may be necessary to preserve the benefits or potential benefits intended to be made available under the THGL SIP 2021or with respect to any outstanding Options or otherwise necessary to reflect any such change, in a manner that the Board deems fit and accordingly, if any additional Options are granted by the Company for the purpose of making a fair and reasonable adjustment to the Options granted earlier, the above ceiling of 600,000 (Six Lakh) shall be deemed to be increased to the extent of such additional number of Options granted.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of

equity shares to be issued and allotted on exercise of Options granted under the THGL SIP 2021and the exercise price of Options granted under the THGL SIP 2021shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of INR 10 (Rupees Ten Only) per equity share bears to their revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the Eligible Employees who have been granted Options under the THGL SIP 2021.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the Board be and is hereby authorized on behalf of the Company, to formulate, evolve, decide upon and implement the THGL SIP 2021, determine the detailed terms and conditions of the THGL SIP 2021 including but not limited to the quantum of the Options to be granted per Eligible Employee, the number of Options to be granted in each tranche, the terms or combination of terms subject to which the said Options are to be granted, the exercise period, the vesting period, the vesting conditions, instances where such Options shall lapse and to grant such number of Options, to such Eligible Employees of the Company, at such price, at such time and on such terms and conditions as set out in the THGL SIP 2021and as the Board may in its absolute discretion think fit.

RESOLVED FURTHER THAT the Board shall take necessary steps for listing of the equity shares allotted under the THGL SIP 2021 on the stock exchanges where the equity shares of the Company are listed in accordance with the provisions of the SEBI SBEB Regulations, the SEBI LODR Regulations and other Applicable Laws.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under SEBI SBEB Regulations and any other Applicable Laws to the extent relevant and applicable to the THGL SIP 2021.

RESOLVED FURTHER THAT the Board be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend, withdraw, terminate or revive the THGL SIP 2021, subject to compliance with Applicable Laws and to do all such acts, deeds, matters and things, as it may deem fit at its absolute discretion, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the members and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension, withdrawal, termination or revival of the THGL SIP 2021and to do all other things incidental and ancillary thereof in conformity with the provisions of the Companies Act, the Memorandum and Articles of Association of the Company, the SEBI SBEB Regulations, the SEBI LODR Regulations and any other Applicable Laws in force.

"RESOLVED FURTHER THAT any Director and/or Mr. Vijay Mathur, Chief Financial Officer and/or Mr. Naveen Jain, Company Secretary and/or Mr. S.K. Khatri, Sr. General Manager of the Company be and is hereby authorized to do all such acts, deeds and things, as it may, at its absolute discretion, deems necessary to give effect to this Resolution, including authorizing or directing the appointment of intermediaries, professionals, experts, independent agencies, registered valuers, attorney (ies), Merchant Bankers, any other advisors, consultants or representatives, being incidental to the effective implementation and administration of the THGL SIP 2021including payment of their remuneration/fee as may be mutually agreed, as also to make applications to the appropriate authorities, parties and institutions for their requisite approvals and all other documents required to be filed in connection with the above, further to settle all such questions, difficulties or doubts whatsoever which may arise, to give such directions and/or instructions as may be necessary or expedient and to delegate all or any of its powers herein conferred to the Nomination and Remuneration Committee and/or any other Committee of directors and/or any director(s) and/or officer(s) of the Company."

7. Grant of employee stock options under the Approval of "The Hi-Tech Gears Limited Stock Incentive Plan, 2021" ("THGL SIP 2021" / "Plan") to the employees of the Subsidiary Company (ies) of the Company

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

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), read with the rules framed thereunder, including the Companies (Share Capital and Debentures) Rules, 2014, and in accordance with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time or as re-enacted by the SEBIand the relevant provisions of Circular No. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 issued by the Securities and Exchange Board of India (collectively referred to as the "**SEBI SBEB Regulations**"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**SEBI LODR Regulations**"), the Foreign Exchange Management Act, 1999, read with the relevant rules, regulations, directions, notifications and clarifications issued thereunder **("FEMA")**, and other applicable laws, rules and regulations, including in each case any modifications thereof or supplements thereto (collectively, "**Applicable Laws**"), and the provisions of the Memorandum and Articles of Association of the Company and subject to such approvals, permissions and sanctions of any regulatory or other authorities as may be necessary from time to time and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board"**, which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee, which the Board has constituted or may hereafter constitute to act as the "Compensation Committee" under the SEBI SBEB Regulations, to exercise its powers including the powers conferred by this Resolution), the consent and approval of the members of the Company be and is hereby accorded to the Board to extend the scope and coverage of "THGL SIP 2021", to or for the benefit of such person(s) who are the permanent employees of existing and / or future subsidiary company(ies) of the Company, whether working in India or outside India and/or directors of such subsidiary company(ies) of the Company, whether whole-time or otherwise and to such other person(s) as may be decided by the Board and/ or permitted under the SEBI SBEB Regulations and other Applicable Laws (other than promoters or persons belonging to the promoter group of the Company, independent directors and directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company) selected on the basis of criteria decided by the Board in terms of the THGL SIP 2021, and to create, grant, offer, issue and allot at any time, in one or more tranches, to or for the benefit of such Eligible Employees stock options exercisable into equity shares of the Company, in one or more tranches, at such price or prices, and on such terms and conditions, as may be fixed or determined by the Board in accordance with the THGL SIP 2021 and in compliance with the SEBI SBEB Regulations and other Applicable Laws.

RESOLVED FURTHER THAT the total number of Options granted to Eligible Employees of the Company and / or the Subsidiary(ies), and the number of underlying equity shares of the Company issued upon exercise of the Options, in aggregate, shall not exceed the overall ceiling of 600,000 (Six Lakh), to be read with the explanatory statement to this item.

RESOLVED FURTHER THAT the terms, powers and provisions of the THGL SIP 2021, and all provisions of the Resolution relating to approval of THGL SIP 2021, read with the explanatory statement and the THGL SIP 2021, shall be applicable in relation to the Eligible Employees to the extent relevant, with any variation as the Board thinks fit.

"RESOLVED FURTHER THAT any Director and/or Mr. Vijay Mathur, Chief Financial Officer and/or Mr. Naveen Jain, Company Secretary and/or Mr. S.K. Khatri, Sr. General Manager of the Company be and is hereby authorized to do all such acts, deeds and things, as it may, at its absolute discretion, deems necessary to give effect to this Resolution, including authorizing or directing the appointment of intermediaries, professionals, experts, independent agencies, registered valuers, attorney (ies), Merchant Bankers, any other advisors, consultants or representatives, being incidental to the effective implementation and administration of the THGL SIP 2021including payment of their remuneration/fee as may be mutually agreed, as also to make applications to the appropriate authorities, parties and institutions for their requisite approvals and all other documents required to be filed in connection with the above, further to settle all such questions, difficulties or doubts whatsoever which may arise, to give such directions and/or instructions as may be necessary or expedient and to delegate all or any of its powers herein conferred to the Nomination and Remuneration Committee and/or any other Committee of directors and/or any director(s) and/or officer(s) of the Company."

By order of the Board of Directors
The Hi-Tech Gears Limited

Naveen Jain
Company Secretary
Membership No: - A15237

Place: Gurugram
Date : August 09, 2021

Registered Office:
Plot No. 24,25,26, Sector-7,
IMT Manesar, Gurugram,
Haryana 122050

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE (ON A POLL ONLY) INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT TO BE A MEMBER OF THE COMPANY.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10 % of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy, provided that the person does not act as proxy for any other shareholder. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate certified copy of the Board resolution to the Company

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 (forty eight) hours before the commencement of the meeting. A proxy form for the AGM is enclosed.

1A In view of Ongoing Covid-19 pandemic, pursuant to General Circular dated January 13, 2021 read with circulars dated May 05, 2020, April 08, 2020 and April 13, 2020 issued by the Ministry of Corporate Affairs (MCA) and SEBI Circular dated January 15,2021 and May 12,2020 the Annual General Meeting (AGM) of the Company can be attended by the members through VC or OAVM mode.

Hence, those shareholders who are unable to attend the meeting physically may attend the meeting through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM").

2. A Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto**.**

3. Participation of Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act along with members physically present at the AGM Venue.

4. Corporate Members are requested to send the details of their authorized representatives along with a duly certified copy of the Board Resolution to attend this meeting and to vote through remote e-voting in pursuant to Section 113 & 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 and 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 P.M. to 5.15 P.M. and will be available on a first-come first-served basis. This rule would however not apply to participation of shareholders holding 2% or more shareholding, promoters, institutional investors, directors, key managerial personnel, senior personnel, auditors etc.

7. The Board of Directors of the Company have recommended to the shareholders a final dividend @20%, i.e. ₹ 2.00 per equity share. If final dividend on shares is approved at the ensuing AGM, payment of such dividend will be made to those members, whose names appear in the Register of Members on September 22, 2021. In respect of the shares held in electronic form, the dividend will be payable to the beneficial owners of the shares as on the closing hours of business on September 22, 2021 as per the details furnished by the depositories.

8. Pursuant to Section 91 of the Companies Act, 2013 and Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and the Share Transfer books of the Company shall remain closed from September 23, 2021 to September 29, 2021 (both days inclusive) for the purpose of payment of final dividend, if approved by the shareholders.

9. Pursuant to Finance Act, 2020 Dividend income will be taxable in the hands of the shareholder w.e.f 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 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. The Company has also sent an email to all the shareholders at their registered email Ids in this regard. Members are requested to write to the RTA at info@masserv.com for any queries/ questions in this regard.

10. The relevant details under Regulation 36(3) of SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015 in respect of the Directors seeking appointment/reappointment at the Annual General Meeting, forms integral part of the Notice. The Directors have furnished the requisite declarations for their appointment/ reappointment.

11. 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.

12. In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form with effect from April 01,2019, except in case of request received for transmission or transposition of securities.

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.

13. Pursuant to the provision of Section 124, 125 and other applicable provisions, if any, of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the amount of dividend which remains unpaid or unclaimed for a period of 7 (Seven) years from the date of transfer of the amount to unpaid dividend account would be eligible for transfer to the "Investor Education and Protection Fund (IEPF)" constituted by the Central Government and thereafter, the shareholders would not be able to make any claims as to the amount of dividend so transferred to the fund from the Company.

14. The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2013-14 (Interim Dividend) to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Subsequently, all shares in respect of which dividends remain unclaimed/ unpaid for seven consecutive years or more are also transferred to IEPF Authority.

15. Adhering to various requirements set out in the Rules, the Company has taken appropriate action for transferring the shares to the Demat Account opened by the IEPF Authority. The Company has also uploaded details of such members whose shares are transferred to IEPF Account on its website at www.thehitechgears.com.

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 January 15, 2021 and May 12, 2020, notice of AGM along with the Annual Report 2020-21 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 2020-21 will also be available on the Company's website at www.thehitechgears.com, website of the Stock Exchanges where the shares of the company are listed 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. 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.

22. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have mandated that for making dividend payments, companies whose securities are listed on the stock exchanges shall use electronic clearing services (local, regional or national), direct credit, real time gross settlement, national electronic funds transfer etc. The companies and the registrar and share transfer agents are required to seek relevant bank details of shareholders from depositories/ investors for making payment of dividends in electronic mode. It is also mandatory to print the bank details on the physical instrument if the payment is made in physical mode. Accordingly, shareholders are requested to provide or update (as the case may be) their bank details with the respective Depository Participants for the shares held in dematerialized form and with the Registrar in respect of shares held in physical form.

23. A member can inspect the proxies lodged at any time during the business hours of the Company from the period beginning 24 (twenty four) hours before the time fixed for the commencement of the 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.

24. Route Map and details of Prominent Landmarks of the venue of the meeting is annexed with this notice.

25. Instruction for e-voting/ voting through ballot paper and joining the AGM are as follows:-

a. Pursuant to section 108 of the Companies Act, 2013 and the Rules framed thereunder and as per Regulation 44 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this 35th AGM Notice of the Company. The members may cast their votes using an electronic voting system from a place other than the venue of the meeting ('remote e-voting').

b. The Company has fixed September 22, 2021, as the Cut–off Date for remote e-voting. The remote e-voting / voting rights of the shareholders/ beneficial owners shall be reckoned on the equity shares held by them as at close of business hours on the Cut-off date i.e. September 22, 2021 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 Sunday, September 26, 2021 (9:00 A.M. IST) and ends on Tuesday, September 28, 2021 (5:00 P.M. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the Cut-off date i.e. Wednesday, September 22, 2021, 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 Tuesday, September 28, 2021.

d. Mr. Nirbhay Kumar, proprietor of M/s Nirbhay Kumar & Associates, Practicing Company Secretary have been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

e. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

f. Members can opt for only one mode of voting, i.e., either by Ballot paper or remote e-voting or through E-Voting during the AGM (where the members attending the meeting 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.

STEP 1:- Access to NSDL e-Voting system

(A) Login method for e-voting and joining the AGM for individual shareholders holding securities in demat mode

In terms of SEBI Circular dated December 09,2020, on e-voting facility provided by Listed Companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email id in their demat accounts in order to access e-voting facility.

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

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. If the user is already registered for **NSDL IDeAS facility**, please visit the e-services website of NSDL Viz. https://eservices.nsdl.com either on a personal computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under "IDeAS" section, this will prompt you to enter your existing User Id and Password. After successful authentication, you will be able to see e-Voting page, click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e- Voting period or joining meeting through Video Conferencing & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	1) Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2) After successful login of Easi/Easiest the user will be also able to see the E-voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3) If the user is not registered for Easi/Easiest ,option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective E-voting Service Provider (ESP) i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their Depository Participant	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

LOGIN TYPE	HELPDESK DETAILS
Individual Shareholders holding securities in demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL)	Your User ID is:
a) Members who hold shares in demat account with **NSDL**.	**8 Character DP ID followed by 8 Digit Client ID** For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) Members who hold shares in demat account with **CDSL**.	**16 Digit Beneficiary ID** For example if your Beneficiary ID is 12********** then your user ID is 12**********

(B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to e-voting websites?

1) Visit the e-Voting website of NSDL. Open web browser by typing the following https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2) Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

3) A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

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

4) **Your User ID details are given below:**

For Members holding shares in Physical Form	Your User ID is:
	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 117267 then user ID is 117267001***

5) Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) **How to retrieve your 'initial password'?**

      i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      ii. If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6) If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7) After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8) Now, you will have to click on "Login" button.

9) After you click on the "Login" button, Home page of e-Voting will open.

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

1) After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2) Select "EVEN" 117267 of the "The High Tech Gears Limited" cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

3) Now you are ready for e-Voting as the Voting page opens

4) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5) Upon confirmation, the message "Vote cast successfully" will be displayed.

6) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to secretarial@thehitechgears.com With a copy marked to evoting@nsdl.co.in.

2) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Amit Vishal at evoting@nsdl.co.in or to our RTA at info@masserv.com.

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

1) In case shares are held in physical mode please send a signed request letter with Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to info@masserv.com or secretarial@thehitechgears.com.

2). In case shares are held in demat mode, please update your email ID with your depository and provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, updated client master to info@masserv.com or secretarial@thehitechgears.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A**) i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.

3). Alternatively shareholder/members may send a request to evoting@nsdl.co.infor procuring user id and password for e-voting by providing above mentioned documents.

4). In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

Instructions for members for attending the meeting through VC/OVAM are as under:-

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

2) Members are encouraged to join the Meeting through Laptops for better experience.

3) Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5) Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at secretarial@thehitechgears.com. The same will be replied by the company suitably.

6) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

STATEMENT ANNEXED TO THE NOTICE IN RESPECT OF THE SPECIAL BUSINESSES PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

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 2021-22 at a fee of upto ₹ 0.125 million plus applicable tax and out of pocket expenses.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors, has to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution for ratification of the remuneration payable to the Cost Auditors for the financial year 2021-22.

Your Directors recommend the resolution set forth in item no. 4 for approval of the members as an **Ordinary Resolution.**

None of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the agenda as set out at Item No. 4 of the Notice.

Item No. 5

As per Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), with effect from April 1, 2019, no listed company shall appoint or continue the directorship of a Non-Executive Director who has attained the age of 75 (Seventy Five) years, unless a Special Resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed to the Notice for such appointment.

Mr. Ramesh Chandra Jain is a Non-Executive Director of the Company liable to retire by rotation. Mr. Ramesh Chandra Jain has been a Director of the Company since August 10, 2011. Since, Mr. Jain if attaining the age of 75 years in coming period hence it is necessary to approve continuation of his directorship on the Board of Directors of the Company.

Mr. Ramesh Chandra Jain holds a Bachelor's and a Master's degree from in Mechanical Engineering (1968) from IIT and Industrial Management (1973) from Cranfield University, UK respectively.

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.

The brief profile of Mr. Ramesh Chandra Jain is mentioned in Annexure-I of this notice

The Nomination and Remuneration Committee and the Board of Directors of the Company have recommended the continuation of directorship of Mr. Ramesh Chandra Jain as a "Non-Executive Director" of the Company, considering his rich experience, expertise and immense contribution in the growth of the Company.

The Members are, therefore, requested to grant their approval by way of passing a Special Resolution for the continuation of directorship of Mr. Ramesh Chandra Jain (DIN: 00038529) as a 'Non-Executive Director' of the Company, liable to retire by rotation.

None of the Directors, Key Managerial Personnel of the Company or their relatives (except Mr. Ramesh Chandra Jain) is in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

Your Directors recommend the resolution set forth in item no. 5 for approval of the members as an **Special Resolution.**

ITEM No. 6 &7

As the members are aware that stock options have long been recognized as an effective instrument to attract and retain the best talent and also serves to attract, incentivize and motivate professionals and reward exceptional performance. Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives by participating in the ownership of the Company through stock based compensation scheme.

Accordingly, the Company intends to reward, attract, motivate and retain employees and directors of the Company and its existing or future subsidiary companies, in or outside India, for their high level of individual performance/ contribution and for their efforts to improve the overall performance of the Company with the objective of achieving sustained growth of the Company and creation of shareholder's value by aligning the interests of the eligible employees/ directors with the long-term interests of the Company.

With the above objective, the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee ("NRC"), which the Board has constituted or may hereafter constitute to act as the "Compensation Committee" under (the SEBI SBEB Regulations) intend to implement an employee stock option plan namely "The Hi-Tech Gears Limited Stock Incentive Plan, 2021" **("THGL SIP 2021" / "Plan")** seeking to cover eligible employees/directors of the Company and its existing or future subsidiary companies, in or outside India, under the Scheme.

Keeping in line with the above, the THGL SIP 2021has been formulated by the Company, which is to be implemented by the NRC constituted under Section 178 of the Companies Act, 2013, as amended (the "Companies Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended **(the "SEBI LODR Regulations")** and in accordance with the requirements of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended **(the "SEBI SBEB Regulations")** and as amended from time to time or re-enacted by the SEBI and other applicable laws. Accordingly, the NRC and the Board at their respective meetings held on April 12, 2021 had approved the introduction of the THGL SIP 2021, subject to approval of members of the Company. The Scheme will be operated and administered under the superintendence of the NRC.

The salient features of the THGL SIP 2021are set out below:

(a) Brief description of "The Hi-Tech Gears Limited Stock Incentive Plan, 2021" ("THGL SIP 2021" / "Plan")

The THGL SIP 2021 contemplates grant of stock options to the employees / Directors of the Company and its existing or future subsidiary company(ies), in or outside India, that are eligible under the THGL SIP 2021 ("Eligible Employees").

After vesting of options, the Eligible Employees earn a right, but not an obligation, to exercise the vested options within the exercise period and subscribe to equity shares of the Company subject to compliance with the requirements of the THGL SIP 2021, including payment of exercise price and satisfaction of any tax obligation arising thereon.

(b) Total number of stock options to be granted

The total number of options to be granted under the THGL SIP 2021 shall not exceed 600,000 (Six Lakh) representing 3.20% of the paid up capital of the Company. Each option when exercised would be converted into one equity share of INR 10 (Indian Rupee Ten) each fully paid-up.

Further, the SEBI SBEB Regulations require that in case of any corporate action(s) such as rights issue, bonus issue, merger, sale of division etc., a fair and reasonable adjustment needs to be made to the options granted. In this regard, the Company shall adjust the number, class and kind of equity shares, the number of stock options and/or the exercise price of the options granted in such a manner that the total value of the options granted under the THGL SIP 2021 remains the same after any such corporate action. Accordingly, if any additional options are granted by the Company to the option grantees for making such fair and reasonable adjustment, the ceiling of 600,000 (Six Lakh), shall be deemed to be increased to the extent of such additional options issued.

Vested options and unvested options that have lapsed due to non-exercise, surrender and/or cancellation under the THGL SIP 2021, would be available for being re-granted at a future date in accordance with the provisions of THGL SIP 2021.

(c) Implementation and administration of the THGL SIP 2021

The existing NRC shall act as Compensation Committee for the administration and implementation of THGL SIP 2021 in terms of SEBI SBEB Regulations.

All questions of interpretation of the THGL SIP 2021 or any option under the Scheme shall be determined by the NRC and such determination shall be final and binding upon all persons having an interest in the THGL SIP 2021 or in any option issued thereunder.

(d) Identification of classes of employees entitled to participate and be beneficiaries in THGL SIP 2021

The options may be granted by the Board / NRC to the Eligible Employees as may be decided by the Board at its own discretion. For the purpose of THGL SIP, "Eligible Employee" mean the following employees:

(a) all permanent employees, present and / or future of The Hi-Tech Gears Limited and / or its Subsidiary(ies), working in or out of India;

(b) all Directors, whether whole time or not of The Hi-Tech Gears Limited and / or its Subsidiary(ies), but does not include independent director;

Provided that an Eligible Employee who is a Promoter or forms part of the Promoter Group of the Company shall not be eligible to participate in the Plan.

Provided further that a Director who either by himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% of the outstanding Equity Shares of the Company shall not be eligible to participate in the Plan.

(e) Requirements of vesting and period of vesting

There should be a minimum period of one year between the grant of options and vesting of options and such maximum period as may be determined by the Board, but not exceeding four years. Unless otherwise decided by the Board, the options granted shall vest over four years in the manner as under:

On completion of Year 3 from the date of Grant	50% of options granted
On completion of Year 4 from the date of Grant	50% of options granted

Options shall vest essentially based on continuation of employment / service with the Company or its subsidiary company(ies), as applicable, and as per requirement of the SEBI SBEB Regulations. Apart from that the NRC may prescribe achievement of any performance condition(s) / contribution or other criteria for vesting.

(f) Maximum period within which the options shall be vested

All the options granted on any date shall vest not later than the maximum period of 4 (four) years from the date of grant.

(g) Exercise price or pricing Formula

The Options granted to the Employees under this Plan shall carry an Exercise Price, which may be such discounted price to the Market Price of the Shares of the Company as may be determined by the Committee. However in any case the Exercise Price shall not be less than the par value of the Shares of the Company.

In case of a fall in market value of Shares between the Offer Date and the date of Exercise, the Committee may re-price the Options that have not been vested while ensuring such re-pricing is not detrimental to the interest of the Grantees.

(h) Exercise period and exercise Process

The Exercise period will commence from the date of vesting and extend up to not later than five years from the date of the vesting of the Options or such lesser period as may be decided by the Committee, from time to time.

The vested option shall be exercisable by the option grantees by submitting a written exercise notice specifying the number of options to be exercised to the Company in such format as may be prescribed by the NRC from time to time.

Exercise of options shall be considered only after payment of requisite exercise price and satisfaction of applicable taxes by the option grantee. The options shall lapse if not exercised within the specified exercise period.

(i) Appraisal process for determining the eligibility of employees for the THGL SIP 2021

The options may be granted by the Board / NRC to the Eligible Employees as may be decided by the Board at its own discretion, including, but not limited to the date of joining of the Eligible Employee with the Company or the Subsidiary(ies), performance evaluation, current compensation, criticality or any other criteria, contribution to the growth of the Company, future potential, such Eligible Employees, as determined by the Board, may participate in the Plan. Employees joining the Company after the date of implementation of the Plan will be entitled to participate in the Plan, on a case to case basis and subject to such criteria as may be decided solely by the Board.

(j) Maximum number of options to be issued per employee and in aggregate

The NRC shall decide the number of options /equity shares that may be granted / issued to any specific employee / director of the Company or its subsidiary(ies) under the THGL SIP 2021, in any financial year and in aggregate, but the same shall not exceed 1% of the issued capital in any one financial year.

(k) Maximum quantum of benefits to be provided per employee under the THGL SIP

The maximum quantum of benefits underlying the options issued to an eligible employee shall depend upon the market price of the equity shares as on the date of sale of equity shares arising out of exercise of options.

(l) Whether the THGL SIP 2021 is to be implemented and administered directly or through a trust

The THGL SIP 2021 shall be implemented and administered directly by the Company, under the superintendence of the NRC.

(m) Whether the THGL SIP 2021 involves new issue of equity shares or secondary acquisition of equity shares or both

The THGL SIP 2021 contemplates issue of fresh equity shares by the Company.

(n) Lock-in Period

The equity shares arising out of exercise of vested options shall not be subject to any lock-in period from the date of allotment of such equity shares under the THGL SIP 2021, provided that the sale or transfer of equity shares allotted on such exercise will be subject to the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time) and the Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons of the Company framed thereunder.

(o) Transferability of Stock Options

The options granted to an employee shall not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner.

However, in the event of the death of the employee while in employment, all the stock options granted to him/her till such date shall forthwith vest in his/her designated nominee or nominees (who may be named contingently or successively), or such employee's legal heir, and can be exercisable by them within the time period as may be prescribed under the THGL SIP 2021.

(p) Amount of loan to be provided for implementation of the scheme(s) by the Company to the trust, its tenure, utilization, repayment terms, etc.

This is currently not contemplated under the present THGL SIP 2021

(q) Maximum percentage of secondary acquisition that can be made by the trust for purposes of the THGL SIP 2021

Not applicable

(r) Accounting and Disclosure Policies

The Company shall follow the IND AS 102 on Share based Payments and/ or any relevant Accounting Standards and the disclosure requirements of the Accounting Standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including any 'Guidance Note on Accounting for employee sharebased Payments' issued in that regard from time to time.

(s) Method of option valuation

The Company shall use the fair value method or such valuation method as may be prescribed from time to time in accordance with applicable laws for valuation of the Stock Options granted, to calculate the employee compensation cost.

(t) Variation of terms of Scheme

Subject to compliance with the requirements of the SEBI SBEB Regulations and other applicable laws, the Company may, from time to time, amend or vary the Scheme or any terms and conditions in the Scheme or alter any options granted in such respects as the NRC may deem necessary or desirable, provided that approval of the shareholders of the Company is taken by way of a special resolution in a general meeting for effecting such change, if such approval is required under applicable law and such change is not detrimental or prejudicial to the interests of the grantees, provided that the Company shall be entitled to vary the terms of the Scheme to meet any regulatory requirements.

(u) Declaration

The Company will use fair value method for option valuation and therefore declaration regarding disclosure for difference between the employee compensation cost based on intrinsic value and fair value is not applicable.

(v) Certificate from the Statutory Auditors

The Board of Directors shall at each annual general meeting place before the members a certificate from the auditors of the Company that the Scheme(s) has been implemented in accordance with the prescribed regulations and in accordance with the resolution of the Company in the general meeting.

(w) Rights of the option holder

The option holder shall not have right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of option granted to him/her, till equity shares are allotted upon exercise of such option.

Regulation 6(1) of the SEBI SBEB Regulations requires that every employee stock option scheme shall be approved by the members of the Company by passing a special resolution in a general meeting.

Further, as the THGL SIP 2021 will entail further issue of equity shares, consent of the members is required by way of a special resolution pursuant to Section 62(1)(b) of the Companies Act. Accordingly, the Special Resolutions set out at Item No. 6 & 7 of this Notice are proposed for approval by the members.

The Board, accordingly, recommends passing of the Special Resolutions as set out at Item No. 6 & 7 of this Notice, for the approval of the members.

None of the Directors, Promoters, Key Managerial Persons of the Company or any of their relatives, shall be considered to be concerned or interested, financially or otherwise, in the proposed Special Resolutions at Item No. 6 & 7, except to the extent of their respective shareholding, if any, in the Company and number of options which may be granted to them, if any, pursuant to the THGL SIP 2021.

By order of the Board of Directors
The Hi-Tech Gears Limited

Naveen Jain
Company Secretary
Membership No: - A15237

Place: Gurugram
Date : August 09, 2021

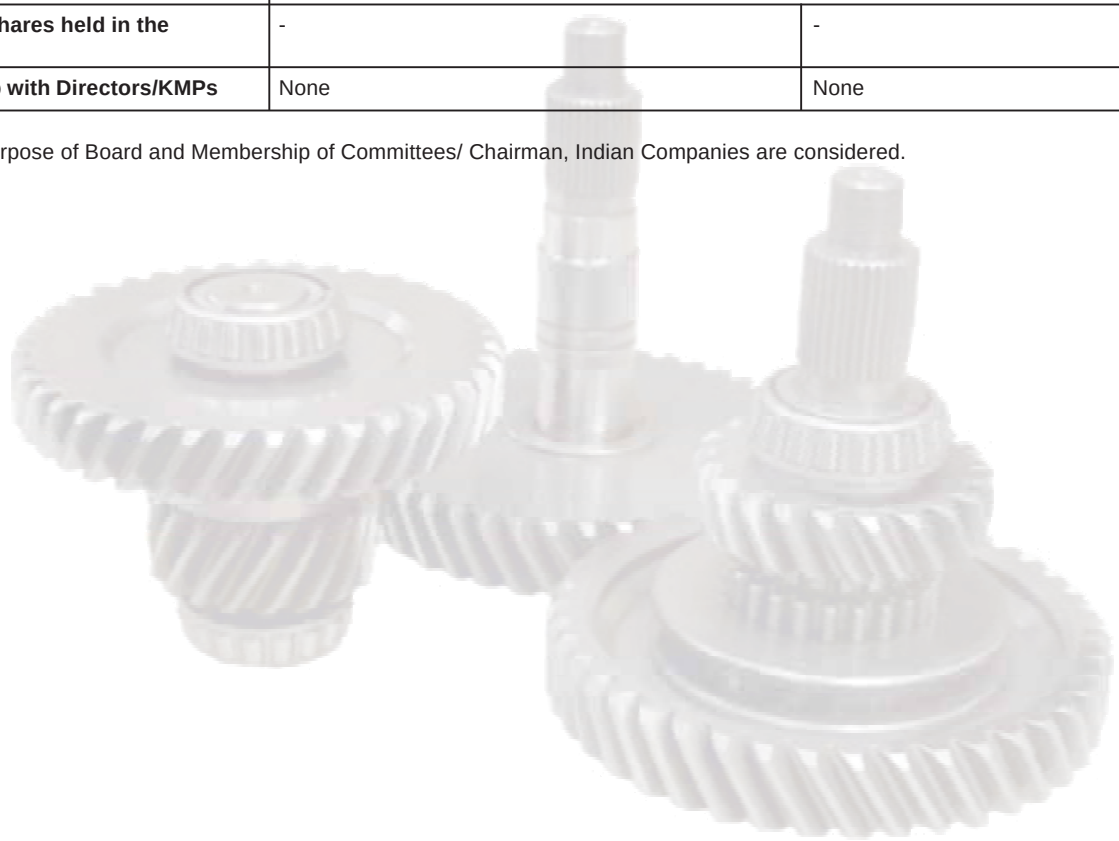
Registered Office:
Plot No. 24,25,26, Sector-7,
IMT Manesar, Gurugram,
Haryana 122050

Annexure 1

Particulars	Mr. Anant Jaivant Talaulicar	Mr. Ramesh Chandra Jain
Directors Identification Number (DIN)	00031051	00038529
Date of Birth & Age	11/07/1961, 60 years	22/12/1946,74 years
Date of Initial appointment	21/05/2018	10/08/2011
Date of current re-appointment	Mr. Anant Jaivant Talaulicar was appointed in the Board on May 21, 2018 and regularized in the 32nd AGM held on September 29, 2018. Being eligible, he has now offered himself for re-appointment.	At the 34th AGM held on December 26,2020, he was re-appointed as Non-Executive Director, liable to retire by rotation.
Experience & Expertise .	• Mr. Anant Jaivant Talaulicar is a Master of Mechanical Engineering and Master of Business Administration. He has rich experience in the Engineering field, Corporate Strategy and General Management. He served as a financial analyst and held manufacturing engineering and product management positions in the Engine Business Unit. The Company stands to benefit from his experience and expertise. • He became Chairman & Managing Director of Cummins India in 2004. • He also served as a member of the Confederation of Indian Industries, Society of Indian Automobile Manufacturers and Automobile Components Manufacturers Association.	• 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. Masters in Engineering from the University of Michigan. 2. Masters in Business Administrationfrom Tulane University.	**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	1. KPIT Technologies Limited 2. Force Motors Limited 3. Birlasoft Limited 4. India Nippon Electricals Limited 5. Everest Industries Limited 6. Jakson Engineers Limited 7. Jakson Limited 8. Endurance Technologies Ltd. 9. Ushajaivant Foundation	**1.** The Hi-Tech Robotic Systemz Limited **2.** Frick India Limited **3.** Indoi Systems Private Limited **4.** Modern Automotives Limited **5.** Kamdhenu Limited **6.** S.J.S. Enterprises Limited **7.** Exotech Plastics Private Limited
Chairman/ Member of the Committee of the Board of Directors	**KPIT Technologies Limited** • Audit Committee (Chairman) • Nomination & Remuneration Committee (Chairman) • Corporate Social Responsibility Committee (Chairman) • Risk Management Committee (Chairman) **Birlasoft Limited** • Audit Committee (Member) • Risk Management Committee (Member) • Nomination & Remuneration Committee (Chairman) • Corporate Social Responsibility Committee (Member) **Everest Industries Limited** • Audit Committee (Member) • Nomination & Remuneration Committee (Member)	**Frick India Limited** • Audit Committee (Member) • Nomination and Remuneration Committee (Chairman) • Corporate Social Responsibility (Chairman) • Stakeholder Relationship Committee (Chairman) **The Hi-Tech Gears Limited** • Corporate Social Responsibility Committee (Member) **The Hi-Tech Robotic Systemz Limited** • Corporate Social Responsibility Committee (Member) **S.J.S. Enterprises Limited** • Audit Committee (Member) • Nomination and Remuneration Committee (Member)

Particulars	Mr. Anant Jaivant Talaulicar	Mr. Ramesh Chandra Jain
	India Nippon Electricals Limited • Audit Committee (Member) **Jakson Engineers Limited** • Nomination & Remuneration Committee (Chairman) • Audit Committee (Member) **Jakson Limited** • Nomination & Remuneration Committee (Chairman) • Audit Committee (Member)	**Kamdhenu Limited** • Audit Committee (Member) • Nomination and Remuneration Committee (Member)
Details of Remuneration and remuneration last drawn	Details mentioned in the Corporate Governance Report	
Number of Board meetings attended during the year	Details mentioned in the Corporate Governance Report	
Number of shares held in the Company	-	-
Relationship with Directors/KMPs	None	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 35th Annual General Meeting of the Company, to be held on Wednesday the 29th day of September, 2021 at 05:00 P.M. at registered office at Plot No. 24-26, Sector-7, IMT Manesar, Gurugram, Haryana 122050 and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Resolutions	No. of shares	For*	Against*
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, 2021, together with the reports of the Director's and Auditor's thereon—Ordinary Resolution			
2	To declare the final dividend on equity shares for the financial year 2020-2021- Ordinary Resolution			
3	To appoint a director in place of Mr. Anant Jaivant Talaulicar (DIN-00031051), who retires by rotation and being eligible, offers himself for re-appointment.– Ordinary Resolution			
Special Business:				
4	Approval of remuneration of Cost Auditor for the financial year 2021-22 – Ordinary Resolution			
5	Continuation of directorship of Mr. Ramesh Chandra Jain, Director (DIN: 00038529) in terms of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Special Resolution			
6	Approval of "The Hi-Tech Gears Limited Stock Incentive Plan, 2021" ("THGL SIP 2021"/ "Plan")and grant of employee stock options to the eligible employees of the Company – Special Resolution			
7	Grant of employee stock options under the Approval of "The Hi-Tech Gears Limited Stock Incentive Plan, 2021" ("THGL SIP 2021" / "Plan") to the employees of the Subsidiary Company (ies) of the Company- Special Resolution			

Signed this ..... day of..... 2021.

(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 remote e-voting	**From 09:00 A.M. (IST) on September 26, 2021**
End of remote e-voting	**Upto 05:00 P.M. (IST) on September 28, 2021**

The cut-off date (i.e. the record date) for the purpose of e-voting is September 22, 2021

✂.....✂.....✂.....**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 35th Annual General Meeting held on Wednesday, September 29, 2021 at 05.00 P.M. at the registered office of the Company at Plot No. 24-26, Sector-7,IMT Manesar, Gurugram, Haryana 122050

Name of the Shareholders or Proxy (In Block Letters) .....

No. of Shares Held .....

Regd. Folio No./DPID-CLID .....

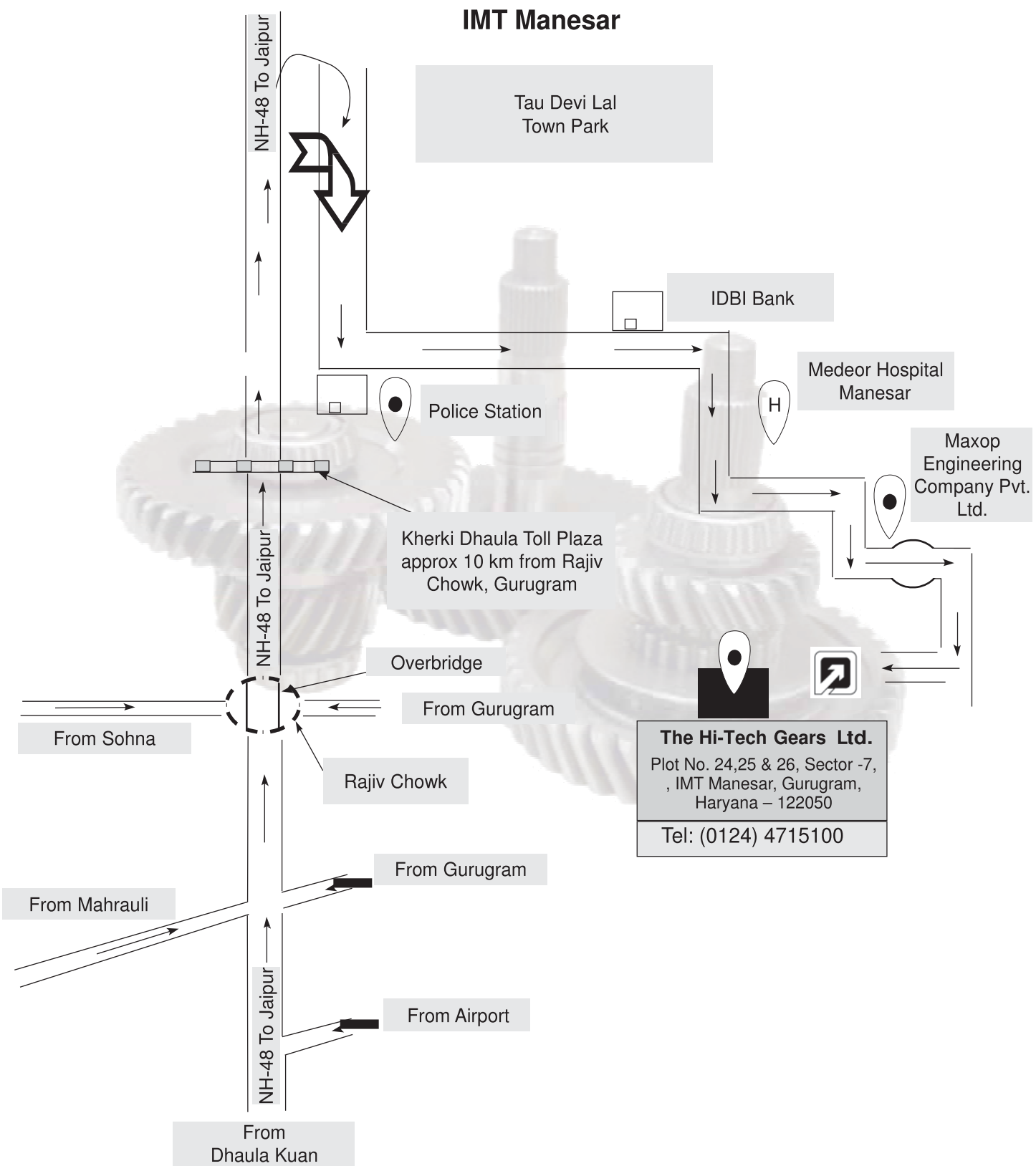
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(Signature of the Shareholder/Proxy)

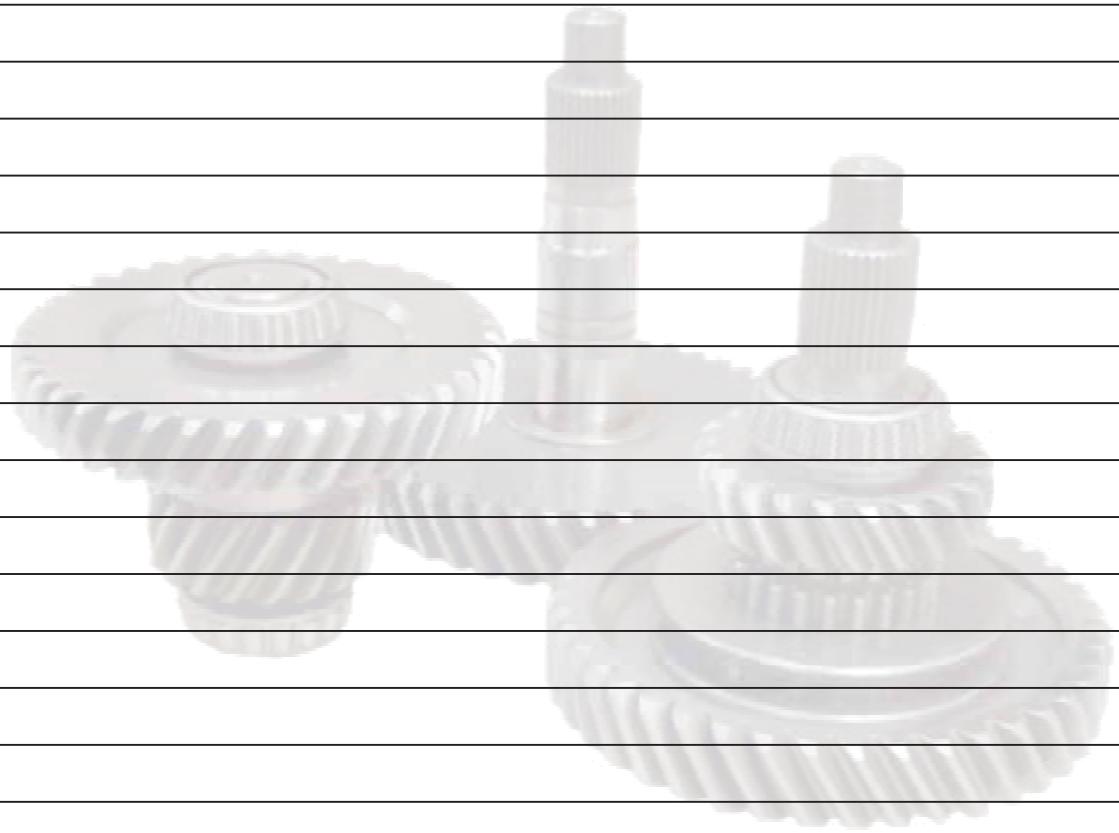
Note:

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



Safety First...













THE HI-TECH GEARS LTD.

CIN- L29130HR1986PLC081555

Regd. Off. : Plot No. 24, 25 & 26, Sector -7, IMT Manesar, Gurugram, Haryana - 122050
Corp. Off. : Millennium Plaza, Tower-B, Sushant Lok-I, Sector-27
Gurugram-122002, Haryana. **Tel.:** +91(124) 4715100
Website : www.thehitechgears.com **E-mail**: secretarial@thehitechgears.com