



**HIM TEKNOFORGE LTD.**



51<sup>ST</sup> ANNUAL REPORT 2021-22

**HIM TEKNOFORGE LIMITED**

CIN: L29130HP1971PLC000904  
51st ANNUAL REPORT 2021-2022

**Corporate Information****Mr. Vijay Aggarwal**

Chairman cum Managing Director

**Mr. Rajiv Aggarwal**

Joint Managing Director

**Mr. Pradeep Kumar**

Independent Director

**Mr. Purshotam Lal Sharma**

Independent Director

**Mr. Kuldip Narain Gupta**

Independent Director

**Mrs. Kiran Raghuvinder Singh**

Independent Director

**Mr. Sanjay Kumar**

Nominee Director (Canbank Venture Capital Funds Limited)

**Ms. Bhavana Rao**

Nominee Director (IFCI Venture Capital Fund Limited)

**Chief Financial Officer**

Mr. Harsh Khurana (Appointed w.e.f 25.04.2022)

**Company Secretary**

Mr. Abhishek Misra

**Auditors**

M/s PRA Associates, Chandigarh

**Secretarial Auditors**

M/s DRP & Associates.  
Vadodara, Gujarat

**Banker**

State Bank of India

**Registrar and Transfer Agent**

MCS Shares Transfer Agent Limited  
1Floor, Alkapuri Neelam Apartment,  
88 Sampatrao Colony, Above Chhapan Bhog,  
Alkapuri, Vadodara -390007, Tel No.: 0265-2350490  
Email: mcsltdbaroda@gmail.com

**Registered Office**

Village Billanwali, Baddi  
173205, Himachal Pradesh  
Telephone No.: +91(1795) 246351,245466  
Fax No.: +91-1795-245467  
E mail: gujarat.gears@gmail.com Website: www.gagl.net

**Corporate office:**

S.C.O 19, F.F., Sector 7C, Madhya Marg,  
Chandigarh

**Works**

1. Gear Division, Village Billanwali, Baddi, Distt. Solan (HP)
2. Manpura Unit, Distt. Solan (HP)
3. Unit IV- Baddi (HP)
4. Pithampur Unit- I, (MP)
5. Pithampur Unit- II, (MP)
6. Gametha Unit, Vadodara (Gujarat)



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## NOTICE

Notice is hereby given that the Fifty First Annual General Meeting of the members of Him Teknoforge Limited will be held on Thursday, the 29<sup>th</sup> day of September, 2022 at 11:30 A.M. at Registered Office of the Company at Village Billanwali, Baddi, District Solan, Himachal Pradesh-173205 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2022 and report of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the Financial Year ended March 31<sup>st</sup>, 2022.
3. To appoint Mr. Rajiv Aggarwal (DIN 00094198), who retires by rotation and being eligible offers himself for re- appointment.
4. To reappoint the Statutory Auditors of the Company and fix their remuneration.

To consider and if though fit, to pass, following resolution as an Ordinary Resolution.

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to recommendations of Audit Committee and the Board of Directors, M/s PRA Associates, Chartered Accountants having Firm Registration No. 002355N, be and are hereby appointed as the Auditors of the Company, for a period of five years to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 56<sup>th</sup> AGM of the Company to be held in the year 2027, to examine and audit the accounts of the Company, at such remuneration as may be agreed between the Board of Directors and the Auditors."

### SPECIAL BUSINESS:

5. To consider and approve the re-appointment of Mr. Vijay Aggarwal (DIN: 00094141) as Managing Director of the company:

To consider and if though fit, to pass with or without modification, the following resolution as **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof), and subject to approval of shareholders, Mr. Vijay Aggarwal (DIN: 00094141), be and is hereby re-appointed as Managing Director of the Company for a period of three years with effect from 31.01.2023 and the payment of such remuneration as may be determined by the Board or any of its committee from time to time, within the maximum limits of remuneration for Managing Director approved by the members of the company on the terms and conditions as mentioned below:

- A. **Salary: Not Exceeding** Rs. 8,00,000/- (Rupees Eight Lakh only) per month including perquisites and other allowances, if any.

**Gas, electricity, water and furnishing** - Reimbursement of expense incurred for gas, electricity, water and furnishing.

**Medical Reimbursement:** Reimbursement of expenses incurred for the medical treatment for himself and his family.

**Club Fees:** Fee of club subject to a maximum of two clubs, including admission and life membership fees.

**Personal Accident Insurance Premium:** Not exceeding Rs. 4,000/- p.a.

**Leave travel Concession:** First Class air passage for self, wife, dependent children and dependent parents, once in a year to any place within or outside India.

**Telephone:** The Company shall provide telephone at residence for official-cum personal use. However, the valuation of personal use of telephone shall be treated as perquisite.

- B. **Commission:** Mr. Vijay Aggarwal shall also be entitled to commission of such amount as may be decided by the Board of Directors of the Company for each financial year expiring after the date of this revision in remuneration, provided, however, that the

commission paid or payable to him in respect of each financial year shall not exceed 2.5% (two and half percent) of the net profits of the company computed as per the provisions of The Companies Act, 2013.

- i. Contribution to provident fund, superannuation and annuity fund will not be included in the computation of the ceiling on managerial remuneration to the extent these either singly or put together are not taxable under the Income Tax Act. Gratuity payable should not exceed half a month's salary for each completed year of service.
- ii. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisite.
- iii. Provision of car with driver for use on Company's business and telephone at residence will not be considered as perquisites/ remuneration. Personal long distance calls on telephone and use of car for private purpose shall be billed by the company to the individual appointee concerned.

**RESOLVED FURTHER THAT** the total remuneration shall not exceed Rs.12,00,000/- (Rupees Twelve Lakh) per month.

**RESOLVED FURTHER THAT** where in any financial year, during the currency tenure of Mr. Vijay Aggarwal as Managing Director, the Company has no profit or its profits are inadequate, it may pay him with minimum remuneration by way of salary, perquisites and allowances not exceeding the limits specified above.

6. To consider and approve overall remuneration of Mr. Rajiv Aggarwal, Joint Managing Director of the company.

To consider and if though fit, to pass with or without modification, the following resolution as **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 197 read with Part I and Section I of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof), applicable clauses of the Articles of Association of the Company and recommendation of the Nomination and Remuneration Committee and Audit Committee, consent of the Board of Directors of the Company be and is hereby accorded for increase in the overall Remuneration of Mr. Rajiv Aggarwal (DIN: 00094198), Joint Managing Director w.e.f 01.04.2023 till the remaining period of his tenure i.e 13.08.2023.

**RESOLVED FURTHER THAT** total overall remuneration shall not exceed Rs. 12,00,000/- (Rupees Twelve Lakh) per month.

7. Re-appointment of Mr. Rajiv Aggarwal (DIN: 00094198) as Joint Managing Director of the company:

To consider and if though fit, to pass with or without modification, the following resolution as **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof), and subject to approval of shareholders, Mr. Rajiv Aggarwal (DIN: 00094198), be and is hereby re-appointed as Joint Managing Director of the Company for a period of three years with effect from 14.08.2023 and the payment of such remuneration as may be determined by the Board or any of its committee from time to time, within the maximum limits of remuneration for Managing Director approved by the members of the company on the terms and conditions as mentioned below:

- A. **Salary: Not Exceeding** Rs. 8,00,000/- (Rupees Eight Lakh only) per month including perquisites and other allowances, if any.

**Gas, electricity, water and furnishing** - Reimbursement of expense incurred for gas, electricity, water and furnishing.

**Medical Reimbursement:** Reimbursement of expenses

incurred for the medical treatment for himself and his family.

**Club Fees:** Fee of club subject to a maximum of two clubs, including admission and life membership fees.

**Personal Accident Insurance Premium:** Not exceeding Rs. 4,000/- p.a.

**Leave travel Concession:** First Class air passage for self, wife, dependent children and dependent parents, once in a year to any place within or outside India.

**Telephone:** The Company shall provide telephone at residence for official-cum personal use. However, the valuation of personal use of telephone shall be treated as perquisite.

**B. Commission:** Mr. Rajiv Aggarwal shall also be entitled to commission of such amount as may be decided by the Board of Directors of the Company for each financial year expiring after the date of this revision in remuneration, provided, however, that the commission paid or payable to him in respect of each financial year shall not exceed 2.5% (two and half percent) of the net profits of the company computed as per the provisions of The Companies Act, 2013.

- i. Contribution to provident fund, superannuation and annuity fund will not be included in the computation of the ceiling on managerial remuneration to the extent these either singly or put together are not taxable under the Income Tax Act. Gratuity payable should not exceed half a month's salary for each completed year of service.
- ii. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisite.
- iii. Provision of car with driver for use on Company's business and telephone at residence will not be considered as perquisites/ remuneration. Personal long distance calls on telephone and use of car for private purpose shall be billed by the company to the individual appointee concerned.

**RESOLVED FURTHER THAT** the total remuneration shall not exceed Rs. 12,00,000/- (Rupees Twelve Lakh) per month.

**RESOLVED FURTHER THAT** where in any financial year, during the currency tenure of Mr. Rajiv Aggarwal as Joint Managing Director, the Company has no profit or its profits are inadequate, it may pay him with minimum remuneration by way of salary, perquisites and allowances not exceeding the limits specified above.

**8. Ratification of remuneration of Cost Auditors:**

To consider and if thought fit, to pass, following resolution as **ORDINARY RESOLUTION:**

**"RESOLVED THAT** pursuant to the provisions of section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 or any statutory modification or re-enactment thereof, the Company hereby ratifies remuneration of Rs. 30,000/- (Rupees Thirty Thousand only) plus taxes as applicable and re-imbursment of out of pocket expenses, payable to M/s S.K. Jain & Co., Cost Accountants, who have been appointed as Cost Auditor by the Board of Directors of the Company to conduct an audit of the Cost Records of the Company for the financial year ending 31<sup>st</sup> March, 2023.

**9. Approval for Material Related Party Transaction(s) with Globe Precision Industries Pvt. Ltd.**

**To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Regulation 23(4) and such other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations") and applicable provisions of the Companies Act, 2013 and Rules thereunder (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force) and the Company's 'Policy on Materiality of and on dealing with Related Party Transactions' and pursuant to approval and

recommendation of the Audit Committee and Board of Directors, approval of the members of the Company be and is hereby accorded to material related party transaction(s) to be entered into by the Company with Globe Precision Industries Pvt. Ltd., being a 'Related Party' within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the LODR Regulations, during the financial year 2021-22 & 2022-23, for Sale/ Purchase of material, Fixed Assets, Job work charges paid/received etc. time to time, for an aggregate amount of upto Rs. 10050 Lakhs, in the ordinary course of business of the Company and on an arm's length basis, and on such terms and conditions as set out in the explanatory statement to this Resolution.

**"RESOLVED FURTHER THAT** the Board of the Directors of the Company (including any Committee authorised by the Board to exercise its powers including powers conferred on the Board by this resolution) or any Key Managerial Personnel of the Company, be and is hereby authorised to sign, execute, alter and/ or negotiate all such deeds, agreements, contracts, transactions, applications, documents, papers, forms and writings that may be required, for and on behalf of the Company and to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion to give effect to this Resolution and for resolving all such issues, questions, difficulties or doubts whatsoever that may arise in this regard."

By Order of the Board of Directors

Sd/-

**Abhishek Misra**

Company Secretary

Manager

Secretarial and Legal

Dated: 09.08.2022

Place: Baddi

## NOTES

1. Explanatory Statement as required under Section 102 of the Companies Act (Act) is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND A PROXY NEED NOT BE A MEMBER. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. HOWEVER, A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS A PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
3. **PROXY:** A form of proxy is enclosed to this annual report. No instrument of proxy shall be valid unless:
  - a. it is signed by the member or by his / her attorney duly authorised in writing or, in the case of joint holders, the signature of any one holder on proxy form will be sufficient, but names of all the joint holders should be stated or, in the case of body corporate, it is executed under its common seal, if any, or signed by its attorney duly authorised in writing; provided that an instrument of proxy shall be sufficiently signed by any member, who for any reason is unable to write his/her name, if his / her thumb impression is affixed thereto, and attested by a judge, magistrate, registrar or sub-registrar of assurances or other government gazetted officers or any officer of a Nationalised Bank;
  - b. it is duly stamped and deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting i.e. by 4:00 p.m. on Wednesday, 27<sup>th</sup> September, 2022, together with the power of attorney or other authority (if any), under which it is signed or a copy of that power of attorney certified by a notary public or a magistrate unless such a power of attorney or the other authority is previously deposited and registered with the Company / Registrar & Share Transfer Agent;
4. Members / proxies are requested to bring duly filled attendance slips, sent herewith, to attend the Meeting and proxy holder shall prove his identity at the time of attending the meeting;
5. Every member entitled to vote at the Annual General Meeting of the Company can inspect the proxies lodged with the Company at any time during the business hours of the Company during the period beginning twenty-four (24) hours before the time fixed for the commencement of the Annual General Meeting and ending on the conclusion of the meeting. However, a prior notice of not less than three (3) days in writing of the intention to inspect the proxies lodged shall be required to be provided to the Company;
6. **CORPORATE MEMBERS:** Institutional / Corporate Members (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., together with attested specimen signature(s) of the duly authorised representative(s), to attend the AGM on its email id: [cs@gagl.net](mailto:cs@gagl.net) with a copy marked to [mcsltdbaroda@gmail.com](mailto:mcsltdbaroda@gmail.com).
7. **BOOK CLOSURE:** The Register of Members and Transfer Books of the Company will be closed from Friday, September 23, 2022, to Thursday, September 29, 2022 (both days inclusive) for the purpose of Dividend.
8. **DIVIDEND:** The dividend, as recommended by the Board of Directors, if approved at the AGM, would be paid subject to deduction of tax at source, as may be applicable, after 29<sup>th</sup> September, 2022, to those persons or their mandates:
  - a) whose names appear as Beneficial Owners as at the end of the business hours on Thursday, 22<sup>nd</sup> September, 2022 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and b) whose names appear as Members in the Register of Members of the Company as at the end of the business hours on Thursday, 22<sup>nd</sup> September, 2022 after giving effect to valid request(s) received for transmission/ transposition of shares.
9. **DIVIDEND THROUGH ELECTRONIC MODE:** SEBI has made it mandatory for listed companies to make all payments to investors including dividend to Members, by using any RBI approved electronic mode of payment viz. Electronic Clearing Service / Direct Credit / Real Time Gross Settlement / National Electronic Fund Transfer etc. Members are, therefore, requested to add / update their bank account details as under:
  - a) In case of holding of shares in demat form, update your bank account details with your Depository Participant(s) (DP) immediately.
  - b) In case of physical shareholding, submit bank details such as name of the bank, branch details, bank account number, MICR code, IFSC code etc to the MCS Shares Transfer Agent Limited, Registrar & Transfer Agent in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/ CIR/2021/655 dated 3<sup>rd</sup> November, 2021 (SEBI Circular). This will facilitate the remittance of the dividend amount, as and when declared by the Company, in the Bank Account electronically. In case, the Company is unable to pay the dividend to any Member by electronic mode, due to non-availability of the details of the bank account, the Company shall dispatch the dividend warrant / demand draft / cheque to such members by post / speed post/registered post/ courier.
10. **TDS ON DIVIDEND:** Pursuant to the Income-tax Act, 1961, as amended by the Finance Act, 2020, dividend income will be taxable in the hands of Members w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to Members at the prescribed rates. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof.
11. **TRANSFER OF SHARES PERMITTED IN DEMAT FORM ONLY:** In terms of Regulation 40 of LODR Regulations, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, all Members holding shares in physical form are requested to demat their shares at the earliest.
12. **IEPF and Dividend paid:** Under the Act, dividends that are unclaimed/ unpaid for a period of seven years are required to be transferred to the Investor Education and Protection Fund ("IEPF") administered by the Central Government. An amount of `Rs. 80,675/- being unclaimed/unpaid dividend of the Company for the financial year ended 31<sup>st</sup> March, 2014 was transferred in December 2021, to IEPF.  
Members are requested to note that, pursuant to the provisions of section 124 of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the MCA.  
Members whose unclaimed dividends/shares are/will be transferred to the IEPF Authority can claim the same by making an online application to the IEPF Authority in the prescribed Form No. IEPF-5 by following the refund procedure as detailed on the website of IEPF Authority <http://www.iepf.gov.in/IEPF/refund.html>
13. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or KFin, the details of such folios together with the share certificates along with the requisite KYC Documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.
14. **DISPATCH OF ANNUAL REPORT:** Pursuant to Section 101 and 136 of the Act read with relevant Rules made thereunder and Regulation 36(1)(a) of LODR Regulations, soft copy of the Annual

Report and other communications shall be served to members through electronic mode to those members who have registered their e-mail address either with the MCS Shares Transfer Agent Limited (RTA) or with any Depositories. As per provisions of Section 20 of the Act read with Rules made thereunder, a document may be served on any member by sending it to him by post or by registered post or by speed post or by courier or by delivering at his office or address, or by such electronic or other mode as may be prescribed including by facsimile telecommunication or to electronic mail address, which the member has provided to his / her Depository Participant / the Company's Registrar & Share Transfer Agent from time to time for sending communications, provided that a member may request for delivery of any document through a particular mode, for which he shall pay such fees as may be determined by the Company in its Annual General Meeting. In cases, where any member has not registered his / her e-mail address with the Company or with any Depository, the service of documents, etc. will be effected by other modes of service as provided in Section 20 of the Act read with the relevant Rules thereunder. Those members, who desire to receive notice / financial statement / other documents through e-mail, are requested to communicate their e-mail ID and changes thereto, from time to time, to his / her Depository Participant (in case of Shares held in dematerialised form) / MCS Shares Transfer Agent Limited in Form ISR 1 (in case of Shares held in physical form).

Accordingly, soft copy of the Annual Report including the notice of the Fifty One Annual General Meeting of the Company in electronic form, inter-alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form would be sent to all members whose email IDs are registered with the MCS Shares Transfer Agent Limited/ Depository Participant(s). For Members who have not registered their e-mail addresses or have requested for a physical copy, physical copy of the Annual Report including the notice of the Fifty One Annual General Meeting, inter-alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form would be sent by permitted mode. Members may also note that the Notice of the Fifty One Annual General Meeting and the Annual Report for the financial year 2021 - 22 will also be available on the Company's website <https://www.gagl.net> for download. Even after registering for e-communication, members are entitled to receive such communication in printed form, upon making a request for the same to the Company's email id: [cs@gagl.net](mailto:cs@gagl.net).

#### 15. VOTING THROUGH ELECTRONIC MEANS I.E. E-VOTING:

a. In terms of the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 ("the Rules"), as amended and Regulation 44 of LODR Regulations read with SEBI circular dated 9th December, 2020, the Company is providing remote e-voting facility to those members whose names appear in the register of members/list of Beneficial Owners as received from National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") as on Thursday, 22<sup>nd</sup> September, 2022 being the "cut-off date" fixed for the purpose, to exercise their right to vote at the Fifty One AGM by electronic means. Members may transact the business through e-voting. A person who is not a member as on the cut-off date should treat this Notice for information purpose only; b. The facility for voting through electronic voting system shall also be made available and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting. c. The e-voting period commences on Monday, 26<sup>th</sup> September, 2022 (9:00 AM IST) and ends on Wednesday, 28<sup>th</sup> September, 2022 (5:00 PM IST). During the e-voting period, members of the Company, holding shares either in physical form or in dematerialised form, may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting after 5:00 PM IST Wednesday, 28<sup>th</sup> September, 2022. Once the vote on a resolution is cast by a member, whether partially or otherwise, the Member shall not be allowed to change it subsequently or cast vote again. d. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again at the Meeting. e. A member can opt for only single mode of voting, that is, through remote e-voting or voting at the Meeting. If a

member casts vote(s) by both modes, then voting done through remote e-voting shall prevail and vote(s) cast at the Meeting shall be treated as "INVALID". The Members, who have not cast their vote through remote e-voting can exercise their voting rights at the AGM. The facility for voting through electronic voting system ("Insta Poll") shall be made available at the Meeting.

16. **REMOTE E-VOTING:** The manner of remote e-voting by (1) individual Members holding shares of the Company in demat mode, (2) Members (other than individuals holding shares of the Company in demat mode) and Members holding shares of the Company in physical mode, and (3) Members who have not registered their e-mail address are provided hereinbelow:

#### THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING:

**Step 1 :** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2 :** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on Monday, 26th September, 2022 (9:00 AM IST) and ends on Wednesday, 28th September, 2022 (5:00 PM IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Thursday, 22<sup>nd</sup> September, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/ retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Step 1 :** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (iv) [In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 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 advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.](#)

Pursuant to abovesaid SEBI Circular, Login method for e-Voting for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<p>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with NSDL Depository	<p>If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period.</p> <p>If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>

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

**[Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL](#)**

Login type	Helpdesk details
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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33
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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**Step 2** : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.



- (v) Login method for Remote e-Voting for **Physical shareholders and shareholders other than individual holding in Demat form.**
- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - 2) Click on "Shareholders" module.
  - 3) Now enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
  - 4) Next enter the Image Verification as displayed and Click on Login.
  - 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
  - 6) If you are a first-time user follow the steps given below:

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**For Physical shareholders and other than individual shareholders holding shares in Demat.**

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PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
OR Date of Birth (DOB)	<ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Him Teknoforge Limited> on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for

verification.

**(xvii) Additional Facility for Non - Individual Shareholders and Custodians -For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [cs@gagl.net](mailto:cs@gagl.net), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like 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 **Company/RTA email id**.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders - Please update your email id &

mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call at toll free no. 1800 22 55 33

17. Members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company's Registrar and Share Transfer Agent, MCS Shares Transfer Agent Limited, 1st floor, Alkapuri Neelam Apartment, 88 Sampatrao Colony, Above Chhapan Bhog, Alkapuri, Vadodara -390007, Tel No.: 0265-2350490, E-mail: [mcsltbaroda@gmail.com](mailto:mcsltbaroda@gmail.com) or Company's E-mail Id: [cs@gagl.net](mailto:cs@gagl.net).

18. The Scrutinizer shall after the conclusion of AGM, shall unblock the votes cast through remote e-voting and poll in the presence of at least two witnesses not in the employment of the Company and shall make, not later 48 hours from the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

19. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company [www.gagl.net](http://www.gagl.net) and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited.

By Order of the Board of Directors

Sd/-

**Abhishek Misra**

Company Secretary

Manager

Secretarial and Legal

Dated: 09.08.2022

Place: Baddi

## Annexure to Notice:

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****Item No. 4****To re-appoint M/s. PRA Associates as Statutory Auditors of the Company.**

M/s PRA Associates, Chartered Accountants, Chandigarh the existing auditors of the Company, had been appointed as statutory auditors of the Company at the Annual General Meeting held on 30.12.2017 to hold office from the conclusion of this meeting till the conclusion of the next sixth Annual General Meeting. The said term expires on 31.03.2022 and therefore the company is required to appoint auditors after obtaining approval of the members at the ensuing AGM.

The audit committee of the Company has considered the qualifications and experience of M/s PRA Associates and therefore recommended their re-appointment to the Board of Directors of the Company. The Board of Directors of your Company has accepted the recommendation of the audit committee.

The Company has obtained a letter of consent and also a certificate under section 139 and 141 of the Companies Act, 2013 from M/s PRA Associates, to the effect that, their appointment, if made would be within the limits prescribed in the said section.

The Company proposes to pay Rs. 7,00,000 per annum for the statutory audit for FY 2022-23 and earlier auditor was paid Rs. 6,50,000 per annum for FY 2021-22. There was no change in appointment of auditor so required disclosures for major material change on appointment of new auditor in the terms of remuneration payable or paid to the auditors is not mentioned.

The Board recommends the aforesaid ordinary resolution for approval of the shareholders.

None of the Directors including KMP and /or their relatives is concerned or interested in the above resolution.

**Item No. 5:**

Mr. Vijay Aggarwal was appointed for five years in the Annual General Meeting held on 29<sup>th</sup> September, 2018 with effect from 31<sup>st</sup> January, 2018. His term of office is expiring on 30<sup>th</sup> January, 2023 and your Directors, subject to the approval of the shareholders in the General Meeting, has re-appointed him as Managing Director with effect from 31<sup>st</sup> January, 2023 as per resolution passed at the meeting of the Board of Directors of the Company held on 09<sup>th</sup> August, 2022. He is a B.E. (Mechanical Engineering), having 47 years of rich experience in Auto Components & Engineering Goods. He looks after the operational matters of the Company.

The information required as per part II of schedule V of the Companies Act, 2013 is furnished hereunder:

**I. Information about Mr. Vijay Aggarwal, Appointment:**

1. **Background details:** Mr. Vijay Aggarwal is a B.E. (Mechanical Engineering) and having more than 47 years of experience in industry. He is looking after operational, administration, technical, commercial matters of the company.
2. **Past Remuneration:** Rs. 7,30,250/- (Rupees Seven Lakh Thirty Thousand Two Hundred Fifty only) per month.
3. **Recognition or awards:** None
4. **Job profile and his suitability :** He is looking after the operational and commercial matters of the Company. He has rich experience in Auto Components and Engineering Goods Industry The proposed remuneration is low considering his qualification, experience and responsibility as Managing Director of the Company.
5. **Remuneration proposed:**
  - A. **Salary:** Not exceeding Rs. 8,00,000/- (Rupees Eight Lakh only) per month including perquisites and other allowances, if any.
  - B. **Commission:** Mr. Vijay Aggarwal shall also be entitled to

commission of such amount as may be decided by the Board of Directors of the Company for each financial year expiring after the date of this revision in remuneration, provided, however, that the commission paid or payable to him in respect of each financial year shall not exceed 2.5% (two and half percent) of the net profits of the company computed as per the provisions of The Companies Act, 2013.

1. Contribution to provident fund, superannuation and annuity fund will not be included in the computation of the ceiling on managerial remuneration to the extent these either singly or put together are not taxable under the Income Tax Act. Gratuity payable should not exceed half a month's salary for each completed year of service.
2. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisite.
3. Provision of car with driver for use on Company's business and telephone at residence will not be considered as perquisites/remuneration. Personal long distance calls on telephone and use of car for private purpose shall be billed by the company to the individual appointee concerned.

**Total remuneration shall not exceed Rs. 12,00,000/- (Rupees Twelve Lakh only) per month.**

**6. Comparative remuneration profile with respect to industry size, size of company, profile of the person:**

Comparative remuneration figure with respect to industry is not available. However, proposed remuneration payable to Mr. Vijay Aggarwal is low comparing his qualification, experience, efforts and responsibility as Managing Director of the Company.

**7. Pecuniary relationship directly or indirectly with the Company or relationship with managerial personnel:**

Mr. Vijay Aggarwal has no pecuniary relationship directly or indirectly with the Company as managerial personnel except remuneration as Managing Director drawn by him and dividend on equity shares, declared if any, by the Company for his shareholding in the Company.

**II. Other information:**

1. **Reasons for inadequate profits-** Competitive Prices and Increasing Import Costs have affected the profitability of the company adversely. Due to lower Competitive prices, the company has to make their margin of profit lower.
2. **Steps taken or proposed to be taken for improvement:** The Company has initiated various steps to improve its operational performance/liquidity, including lowering its operating cost, augmenting its branded sales and diversifying in profitable ventures. Improved productivity and cost control measures have been put in place. Various realignment initiative ensured reduced debt burden on the Company resulting in overall reduction in finance cost.
3. **Expected increase in productivity and profit in measurable terms:** The Company expects that with the improvement in customer sentiment and increased customer spending will enable the growth momentum to pick up. The management continues to be optimistic towards the external economic environment and expects customers demand to become more consistent and robust in the current financial year. Further, various policy decisions taken would act as growth channel for the Company which would contribute in increased revenues and higher margins.

Name of the Director	Mr. Vijay Aggarwal
Date of Birth	11 <sup>th</sup> October, 1949
Nationality	Indian
Date of Appointment on Board	31 <sup>st</sup> January, 2018
Qualifications	B.E. (Mechanical Engineering)
Nature and Expertise in specific functional areas	47 Years of rich experience in Auto Component & Engineering Goods
Number of shares held in Company	7,46,033
List of Directorship and Committee membership in Listed Companies other than Him Teknoforge Limited	Nil

### III .Disclosures:

Other disclosures have been mentioned in the Board of Directors' report under the heading "Corporate Governance" attached to the annual report.

The Board of Directors recommends the resolution for the approval of the members.

No Director, Key Managerial Personnel or their relatives, except Mr. Vijay Aggarwal, Managing Director for drawing his remuneration and Mr. Rajiv Aggarwal, Joint Managing Director being a relative of Mr. Vijay Aggarwal are directly or indirectly concerned or interested in the above resolution except to the extent of their shareholding (including his relatives), if any, in the Company

#### Item No. 6 & 7:

Mr. Rajiv Aggarwal was appointed for five years in the Annual General Meeting held on 14<sup>th</sup> August, 2018 with effect from 14<sup>th</sup> August, 2018. His term of office is expiring on 13<sup>th</sup> August, 2023 and your Directors, subject to the approval of the shareholders in the General Meeting, has re-appointed him as Joint Managing Director with effect from 14<sup>th</sup> August, 2023 as per resolution passed at the meeting of the Board of Directors of the Company held on 09<sup>th</sup> August, 2022. He is a qualified Chartered Accountant and Company Secretary and having more than 41 years of experience in the industry. He is looking after finance, legal, banking, accounts, corporate strategy and other commercial matters of the Company.

He is paid remuneration of Rs.7,24,500 per month as per special resolution passed at the annual general meeting of the members of the Company held on 30.09.2018. Looking to the responsibilities shouldered by Mr. Rajiv Aggarwal, nomination and remuneration committee of the Company has recommended to take approval of members to increase his overall remuneration a maximum of Rs. 12,00,000 per month from 01.04.2023.

Also, as per recommendation of nomination and remuneration committee, the Company has recommended to take approval of members to increase his overall remuneration to a maximum of Rs. 12,00,000 per month from 14.08.2023 for a period of three years.

The information required as per part II of schedule V of the Companies Act,2013 is furnished hereunder:

#### I. Information about Mr. Rajiv Aggarwal, Appointee :

- Background details:** Mr. Rajiv Aggarwal is a qualified Chartered Accountant and Company Secretary and having more than 41 years of experience in the industry. He is looking after finance, legal, banking, accounts and other commercial matters of the company.
- Past Remuneration:** Rs.7,24,500/- per month as Joint Managing Director of the Company.
- Recognition or awards:** None
- Job profile and his suitability :** He is looking after finance, legal, banking, accounts, marketing and other commercial matters of the company and proposed remuneration is low comparing his qualification, experience, efforts and responsibility as Joint Managing Director of the Company.
- Remuneration proposed:
  - Salary:** Not exceeding Rs. 8,00,000/- (Rupees Eight Lakh only)

per month including perquisites and other allowances, if any.

- Commission:** Mr. Rajiv Aggarwal shall also be entitled to commission of such amount as may be decided by the Board of Directors of the Company for each financial year expiring after the date of this revision in remuneration, provided, however, that the commission paid or payable to him in respect of each financial year shall not exceed 2.5% (two and half percent) of the net profits of the company computed as per the provisions of The Companies Act, 2013.

- Contribution to provident fund, superannuation and annuity fund will not be included in the computation of the ceiling on managerial remuneration to the extent these either singly or put together are not taxable under the Income Tax Act. Gratuity payable should not exceed half a month's salary for each completed year of service.
- Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisite.
- Provision of car with driver for use on Company's business and telephone at residence will not be considered as perquisites/remuneration. Personal long distance calls on telephone and use of car for private purpose shall be billed by the company to the individual appointee concerned.

**Total overall remuneration shall not exceed Rs. 12,00,000/- (Rupees Twelve Lakh only) per month.**

#### 6. Comparative remuneration profile with respect to industry size, size of company, profile of the person:

Comparative remuneration figure with respect to industry is not available. However, proposed remuneration payable to Mr. Rajiv Aggarwal is low comparing his qualification, experience, efforts and responsibility as Joint Managing Director of the Company.

#### 7. Pecuniary relationship directly or indirectly with the Company or relationship with managerial personnel:

Mr. Rajiv Aggarwal has no pecuniary relationship directly or indirectly with the Company as managerial personnel except remuneration as Joint Managing Director drawn by him and dividend on equity shares, declared if any, by the Company for his shareholding in the Company.

#### II. Other information:

- Reasons for inadequate profits-** Competitive Prices and Increasing Import Costs have affected the profitability of the company adversely. Due to lower Competitive prices, the company has to make their margin of profit lower.
- Steps taken or proposed to be taken for improvement:** The Company has initiated various steps to improve its operational performance/liquidity, including lowering its operating cost, augmenting its branded sales and diversifying in profitable ventures. Improved productivity and cost control measures have been put in place. Various realignment initiative ensured reduced debt burden on the Company resulting in overall reduction in finance cost.
- Expected increase in productivity and profit in measurable terms:** The Company expects that with the improvement in customer sentiment and increased customer spending will enable the growth momentum to pick up. The management continues to be optimistic

towards the external economic environment and expects customers demand to become more consistent and robust in the current financial year. Further, various policy decisions taken would act as growth channel for the Company which would contribute in increased revenues and higher margins.

<b>Name of the Director</b>	<b>Mr. Rajiv Aggarwal</b>
<b>Date of Birth</b>	23 <sup>rd</sup> August, 1958
<b>Nationality</b>	Indian
<b>Date of Appointment on Board</b>	14 <sup>th</sup> August, 2018
<b>Qualifications</b>	Chartered Accountant and Company Secretary
<b>Nature and Expertise in specific functional areas</b>	More than 36 years of experience including 15 years as Corporate Finance, Legal, Corporate Communication, Operations, Marketing, Corporate Strategy Development, General Management and 21 years in Auto Industry.
<b>Number of shares held in Company</b>	9,90,306
<b>List of Directorship and Committee membership in Listed Companies other than Him Teknoforge Limited</b>	Nil

### III. Disclosures:

Other disclosures have been mentioned in the Board of Directors' report under the heading "Corporate Governance" attached to the annual report.

The Board of Directors recommends the resolution for the approval of the members.

No Director, Key Managerial Personnel or their relatives, except Mr. Rajiv Aggarwal, Joint Managing Director for drawing his remuneration and Mr. Vijay Aggarwal, Managing Director being a relative of Mr. Rajiv Aggarwal are directly or indirectly concerned or interested in the above resolution except to the extent of their shareholding (including his relatives), if any, in the Company.

#### ITEM NO. 8:

The Board at its meeting held on 11<sup>th</sup> February, 2022, on the recommendations of the Audit Committee has appointed M/s S.K. Jain & Co., Cost Accountants as the Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2023 on a remuneration of Rs. 30,000/- (Rupees thirty thousand only) plus taxes as applicable as recommended by the Audit Committee. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration as mentioned above, payable to the Cost Auditor is required to be ratified by the shareholders of the Company.

The Board recommends the aforesaid resolution for approval of the shareholders.

#### ITEM NO. 9:

The provisions of related party and related party transaction as envisaged under Regulations 2(1)(zb), 2(1)(zc) and 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were amended by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021 effective 1st April, 2022

As per the Regulation 2(1)(zb) of SEBI (Listing Obligations and Disclosure Requirements) 2015 (LODR Regulations), Related Party means and includes related parties as defined under the Companies

Act, 2013 (the Act) and applicable Accounting Standards and, inter-alia, includes an entity forming part of the promoter or promoter group of a company.

Regulation 23(1) of LODR Regulations, as amended, specifies that a transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower. Accordingly, the limit of material related party transactions for the Company, based on the consolidated audited financial statement of the Company as on 31st March, 2022, is Rs. 35.16 crore ("Materiality Threshold"). Regulation 23(4) of LODR Regulations provides for obtaining prior approval of the Members of the Company for all related party transactions which exceeds Materiality Threshold and subsequent material modifications thereof.

Regulation 23(2) provides that the prior approval of the Audit Committee is required for all Related Party Transactions where a listed entity is a party. However, as per Regulation 23(3) of SEBI LODR and Rule 6A of the Companies (Meetings of Board and its Powers) Rules, 2014 (Companies Act Rule), for transaction which are repetitive in nature, Audit Committee may grant omnibus approval for such Related Party Transactions.

Accordingly, Audit Committee of the Company considers and grants omnibus approval to the Related Party Transactions which are repetitive in nature in accordance with Regulation 23(3) of LODR Regulations and Companies Act Rule. The transactions entered into pursuant to the omnibus approval are placed before the Audit Committee on quarterly basis for review. In line with the same, the Audit Committee, at its meeting held on 27<sup>th</sup> May, 2022, has granted omnibus approval for transactions and revised omnibus approval for Globe Precision Industries Pvt. Ltd. in their meeting held on 09<sup>th</sup> August, 2022 which are proposed to be entered into during FY 2022-23 with the Related Parties.

The detail of related party for which material approval is required is listed below:

#### Details of the Related party Transaction for the F.Y. 2022-2023:

			Sale/Purchase of material, Fixed Assets, Job work charges paid/received etc.
Name of the related parties	Relationship	Nature of the transaction	Maximum amount of transactions (net of taxes & duties) (Rs. In Lakhs)
Globe Precision Industries Pvt. Ltd.	Relative of Sh. Vijay Aggarwal & Sh. Rajiv Aggarwal, Directors is a Director	Sale/Purchase of material, Fixed Assets, Job work charges paid/received etc.	10050.00

No Director, Key Managerial Personnel or their relatives, except Mr. Rajiv Aggarwal, Joint Managing Director and Mr. Vijay Aggarwal, Managing Director being a relative of Mr. Vinod Aggarwal, Director of Globe Precision Industries Pvt. Ltd. are directly or indirectly concerned or interested in the above resolution except to the extent of their shareholding (including his relatives), if any, in the Company.

By Order of the Board of Directors

Sd/  
**Abhishek Misra**  
 Company Secretary  
 Manager  
 Secretarial and Legal

Dated: 09.08.2022  
 Place: Baddi

# BOARD'S REPORT

To,

The Members,

Your Directors have pleasure in presenting the Fifty One Annual Report of the Company together with the audited accounts for the Financial Year ended March 31, 2022.

## 1. Financial summary or highlights/ Performance of the Company

### FINANCIAL RESULTS:

(Rupees in lakhs)

Particulars	2021-2022	2020-2021
Revenue from Operation	35164.88	23889.48
Add: Other Income	596.99	251.04
Total Income	35761.87	24140.52
Profit before Depreciation and Tax (PBDT)	2175.14	1664.17
Less: Depreciation & Amortisation	945.50	947.76
Profit Before Tax before Exceptional Item	1229.64	716.41
Exceptional Item	-	-
Profit Before Tax (PBT)	1229.64	716.41
Less: Taxes		
(a) Current Year Tax	250.00	121.00
(b) Tax Relating to Earlier Years	1.93	-
(c) Deferred Tax	94.64	81.51
Profit After Tax	883.07	513.90
Dividend	20%	20%
Earnings per Shares (Rs. 2/- each) (Basic & Diluted)	11.23	6.53

## 2. Dividend.

The Board of Directors of your company is pleased to recommend a dividend of Rs. 0.40/- per equity share of the face value of Rs.2/- each (@ 20%), payable to those Shareholders whose names appear in the Register of Members as on the Book Closure.

## 3. Reserves.

No amount has been transferred to General Reserve.

## 4. Brief description of the Company's working during the year/ State of Company's affair.

Total turnover during the year is Rs. 35164.88 Lakh (Previous Year Rs. 23889.48 Lakh). We have made a Profit after tax of Rs. 883.07 Lakh (Previous Year Profit of Rs. 513.90 Lakh).

## 5. Change in the nature of business, if any.

There is no change in the nature of business during the financial year 2021-2022.

## 6. Material changes and commitments, if any, affecting the Financial Position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of the Report.

There have been no material changes and commitments, which affect 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 this Report.

## 7. Details in respect of adequacy of internal financial controls with reference to the Financial Statements.

The Company has appointed internal auditor for adequacy of internal financial controls and your Board has taken adequate care for financial control.

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

Your Company has no Subsidiary/Joint Ventures/Associate

Companies during the year.

## 9. Performance and financial position of each of the subsidiaries, associates and joint venture companies included in the consolidated financial statement.

No details are given as your Company has no Subsidiary/Joint Ventures/Associate Companies during the year.

## 10. Deposits.

Your Company has not accepted any deposits from public during the year and there was no deposit at the beginning of the year. Therefore the detail relating to deposits, covered under Chapter V of the Act is not applicable.

## 11. Auditors.

### Statutory Auditors:

The present statutory auditor M/s. PRA ASSOCIATES, Chartered Accountants has been appointed for a period five years pursuant to the provisions of section 139 of the Companies Act, 2013 at the AGM held on 30<sup>th</sup> December, 2017 upto financial year ended on 31<sup>st</sup> March, 2022.

The Board of Directors proposes to re-appoint M/s PRA ASSOCIATES., Chartered Accountants, as statutory auditor of the Company at the ensuing Annual General Meeting till 56<sup>th</sup> Annual General Meeting of the company to be held in the year 2027. The Company has received consent and eligibility certificate from the Auditors with regards to the appointment.

## 12. Internal Auditors:

For the year 2022-2023, the Board has appointed M/s Anand Saklecha & Co., M/s S. Lal Bansal & Co, and M/s JHS & Associates Chartered Accountants as Internal Auditors of the Company for Indore Units, Madhya Pradesh, Gear Division, Manpura Unit & Unit-IV, Baddi, Himachal Pradesh and Vadodara Unit, Gujarat respectively in terms of Section 138 of the Companies Act, 2013 and rules & regulations, made there under, for the Financial Year 2022-

2023 by the Board of Directors in its meeting held on 11<sup>th</sup> February, 2022, upon recommendation of the Audit Committee.

### 13. Auditors' Report.

No qualification, reservation or adverse remark or disclaimer has been made by the Auditors in their Auditors' Report for the year 2021-2022.

### 14. Share Capital.

During the year under review, the Company has not issued any securities nor has granted any stock option or sweat equity.

### 15. Annual Return.

As per latest amendment in section 92 of the Companies Act, 2013, a copy of annual return will be displayed on Company's website i.e. [www.gagl.net](http://www.gagl.net) after filing annual return on completion of ensuing Annual General Meeting with the Registrar of Companies within the time stipulated in said section 92 of Act.

Sr. No.	Name of Director/Key Managerial Personnel	Designation	Category	Date of Appointment	Date of Cessation
1.	Mr. Kuldip Narain Gupta	Non-Executive Independent Director	Independent Director	28.09.2021	-
2.	Mrs. Kiran Raghuvinder Singh	Non-Executive Independent Director	Independent Director	28.09.2021	-

### B) Declaration by an Independent Director(s) and re-appointments, if any:

#### Declarations:

Declaration by Mr. Pradeep Kumar, Mr. Purshotam Lal Sharma, Mr. Kuldip Narain Gupta and Mrs. Kiran Raghuvinder Singh, Independent Directors that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 have submitted.

#### Re-appointments, if any:

Mr. Rajiv Aggarwal (DIN 00094198), Director of the Company retiring by rotation and eligible for re-appointment and Mr. Rajiv Aggarwal proposed to be re-appointed as Joint Managing Director have given their consents and declarations under Form DIR-8 pursuant to Section 164(2) read with Rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014.

Details of Mr. Vijay Aggarwal and Mr. Rajiv Aggarwal, Directors seeking re-appointment and Mr. Vijay Aggarwal and Mr. Rajiv Aggarwal proposed to be re-appointed as Managing Director and Joint Managing Director respectively as per Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 with the Bombay stock exchange is attached herewith (Annexure- E).

### C) Formal Annual Evaluation.

The Company has devised a policy for performance evaluation of Independent Directors, Board, Committees and individual Directors which includes criteria for performance evaluation of executive directors and non-executive directors. The Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its committees. The Board of Directors has expressed their satisfaction with the evaluation process.

### D) Opinion of the Board:

Your Board is of opinion that independent directors of the Company, possess requisite qualifications, experience and expertise and they hold good standard of integrity in various fields.

### 19. Meetings.

An agenda of Meetings is prepared and circulated in advance to the Directors. During this year, Four (4) Board meetings, Four (4) Audit Committee Meetings, One (1) CSR Committee meetings, One (1) Stakeholder Committee and One (1) Nomination and

### 16. Conservation of energy, technology absorption and foreign exchange earnings and outgo.

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are attached herewith (Annexure-A).

### 17. Corporate Social Responsibility(CSR).

The Company is required to spend towards corporate social responsibility under Section 135 of the Companies Act, 2013. The details on the CSR activities are enclosed as (Annexure-B).

### 18. Directors.

#### A) Changes in Directors and Key Managerial Personnel (KMP):

During the financial year 2021-2022 following change were made in Directors and Key Managerial Personnel:

Remuneration Committee were convened and held, the details of which are given in the Corporate Governance Report.

The intervening gap between the Meetings was within the period prescribed under Companies Act, 2013 and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with the erst while Listing Agreement.

Statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors has been given in the Corporate Governance Report.

### 20. Nomination and Remuneration Committee:

The policy formulated by nomination and remuneration committee:

The terms of reference of the committee inter alia include succession planning for Board of Directors and Senior Management Employees, identifying and selection of candidates for appointment of Directors/Independent Directors based on certain laid down criteria, identifying potential individuals for appointment of Key Managerial personnel and other senior managerial position and review the performance of the Board of Directors and Senior Management personnel including Key managerial personnel based on certain criteria approved by the Board. While reviewing the performance, the committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talents, remuneration commensurate with the performance of individual/group and also maintains a balance between both short and long term objectives of the company.

### 21. Particulars of loans, guarantees or investments under section 186.

The Company has not given loans or guarantee or made an investment during the financial year 2021-2022.

### 22. Particulars of contracts or arrangements with related parties.

Particulars of contracts or arrangements with related parties are given in Form AOC-2 enclosed as (Annexure-C).

### 23. Managerial Remuneration.

Disclosures pursuant to section 197(12) of the Companies Act, 2013 read with Rule 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are enclosed herewith (Annexure-D).

### 24. Secretarial Audit Report.



The Secretarial Audit Report pursuant to section 204(1) of the Companies Act, 2013 given by M/s. DRP & Associates, Company Secretaries in practice is enclosed herewith (*Annexure- F*).

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## 25. Corporate Governance Report.

The Company has been following the principles and practices of good Corporate Governance and has ensured compliance of the requirements stipulated under Regulation 34 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A detailed report on Corporate Governance as required under Regulation 34 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is

appended along with the certificate on Corporate Governance, issued by M/s. DRP & Associate., Company Secretaries, Vadodara, Gujarat, the Secretarial Auditors, confirming the compliance of conditions on Corporate Governance forms part of the Board Report with(*Annexure-G*).

## 26. Management Discussion and Analysis Report.

A report on Management Discussion and Analysis, as required in terms of Regulation 34(2) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms part of this Report and it deals with the Business Operations and Financial Performance, Research & Development, Expansion & Diversification, Risk Management, Marketing Strategy, Safety & Environment, Human Resource Development, etc is enclosed (*Annexure -H*).

## 27. Risk Management.

The Management has put in place adequate and effective system and man power for the purposes of risk management.

Key Risk	Impact to Company	Mitigation Plans
Commodity Price Risk	Risk of price fluctuation on basic raw materials like steel, components, power as well as finished goods used in the process of manufacturing.	The Company commands excellent business relationship with the buyers. In case of major fluctuation either upwards or downwards, the matter is mutually discussed and compensated both ways. Also on new value-added products help in lowering the impact of price fluctuation in finished goods.
Uncertain global economic environment – slow growth in global economy	Risk of decreasing export revenue due to a slow global economy	Company maintains strong relations with its global customers. Also, Company is constantly developing new products to cater to the export market which helps in reducing this risk.
Foreign Exchange Risk	Any volatility in the currency market can impact the overall profitability.	The Company has a strong customer base in domestic market. Also, the Company takes forward cover for its exports which minimizes the risk. In case of major fluctuation either upwards or downwards, the effect will be minimal.
Human Resources Risk	Your Company's ability to deliver value is dependent on its ability to attract, retain and nurture talent. Attrition and non-availability of the required talent resource can affect the overall performance of the Company	By continuously benchmarking of the best HR practices and carrying out necessary improvements to attract and retain the best talent. Company does not anticipate any major issue for the coming years.
Competition Risk	Every company is always exposed to competition risk. The increase in competition can create pressure on margins, market share etc.	By continuous efforts to enhance the brand image of the Company by focusing on quality, cost, timely delivery and customer service. By introducing new product range commensurate with demands, your company plans to mitigate the risks so involved.
Compliance Risk – Increasing regulatory Requirements.	Any default can attract penal provisions.	By regularly monitoring and review of changes in regulatory framework, and keeping itself fully updated with any changes in the law, the company is able to mitigate the same.
Industrial Safety, Employee Health and Safety Risk.	The engineering industry is exposed to accidents and injury risk due to human negligence.	By development and implementation of critical safety standards across the various departments of the factory, establishing training need identification at each level of employee.  Proper training at regular intervals for the shopfloor employees is carried out at all the facilities.

## 28. Directors' Responsibility Statement.

Your Directors make the following statements in terms of Section 134(3) (c) of the Companies Act, 2013:

- (a) that in the preparation of the annual accounts, the applicable accounting standards has been followed along with proper explanation relating to material departures;
- (b) that the directors has selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- (c) that the directors has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) that the directors has prepared the annual accounts on a going concern basis;
- (e) that the directors has laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) that the directors has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**29. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.**

The Company has zero tolerance towards sexual harassment at the workplace and towards this end, has adopted a policy in line with provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder. All employees (permanent, contractual, temporary, trainees) are covered under the said policy. Internal Complaints Committee has also been set up to redress complaints received on sexual harassment.

During the financial year under review, the committee of all units has not received any complaints of sexual harassment from any of the women employee of the Company.

**30. Investor Education and Protection Fund.**

Pursuant to the provisions of Section 124(5) the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Central Government, after the completion of seven (7) years. Consequently, your Company has transferred Rs.80,675/- during the year to the Investor Education and Protection Fund, lying with it for a period of seven years pertaining to year 2013-14.

**31. Cost Audit.**

M/s. S. K. Jain & Co. Cost Accountants were appointed with the approval of the Board to carry out the cost audit for F.Y. 2021-2022. Based on the recommendation of the Audit Committee, M/s. S. K. Jain & Co., Cost Accountants, being eligible, have also been appointed by the Board of Directors in their meeting held on 11.02.2022 as the Cost Auditors for F.Y. 2022-2023. The Company has received a letter from them to the effect that their appointment would be within the limits prescribed under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for such appointment within the meaning of Section 141 of the Companies Act, 2013. The remuneration to be paid to M/s. S.K. Jain & Co., for F.Y. 2022-2023 is subject to ratification by the shareholders at the ensuing AGM. Cost records as specified by the Central Government under Sub-Section (1) of Section 148 of the Companies Act, 2013 are made and maintained by the Company.

**32. Details of fraud reported by auditors under sub-section (12) of section 143 other than those which are reportable to the Central Government.**

There was no fraud reported by auditors under sub-section (12) of section 143 other than those which are reportable to the Central Government.

**33. Code of Conduct**

The Company has adopted a code of conduct for its directors and senior designated management personnel. All the Board members and senior management personnel have affirmed their compliance of code of conduct.

**34. Details of proceedings under the Insolvency and Bankruptcy Code, 2016**

There was no proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016 during the year under review.

**35. Compliance with Secretarial Standards and SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015:**

The Company has complied with secretarial standards issued by the Institute of Company Secretaries of India and SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015 from time to time.

**36. Acknowledgements.**

The Board of Directors gratefully acknowledges the assistance and co-operation received from the Banks and Financial Institutions and all other statutory and non-statutory agencies for their co-operation.

The Board of Directors also wish to place on record their gratitude and appreciation to the members for their trust and confidence shown in the Company.

The Board of Directors would like to especially thank all the employees of the Company for their dedication and loyalty.

For and on Behalf of Board

Sd/-  
Vijay Aggarwal  
Chairman

DIN:00094141

Dated: 09.08.2022

Place: Baddi

**ANNEXURE - A**

Particulars regarding Conservation of Energy, Technology Absorption and Foreign Exchange Income and Outgo as per rule 8(3) of the Companies (Accounts) Rules, 2014:

**(A) Conservation of energy:**

- (i) The steps taken or impact on conservation of energy: The company has already installed solar plants at its units located at Pithampur Unit-1, Madhya Pradesh of 500 KW and 150 KW at Vadodara, Gujarat.
- (ii) The steps taken by the Company for utilizing alternate sources of energy: The Company had successfully installed solar plants at units mentioned in point (i) above and the same are in running condition.
- (iii) The capital investment on energy conservation equipments: N.A.

**(B) Technology absorption:**

- (i) Efforts, in brief, made towards technology absorption N.A.
- (ii) Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc. N.A.
- (iii) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year) a) Details of technology imported. (b) Year of import (c) Whether the technology been fully absorbed
- (d) If not fully absorbed, areas where absorption has not taken place, and the reasons there of .N.A.
- (iv) The Expenditure incurred on Research and Development N.A.

**(C) Foreign exchange earnings and outgo**

Particulars	FY 2021-2022 (Rs. Lakhs)	FY 2020-2021 (Rs. Lakhs)
Foreign Exchange earned in terms of actual inflows during the year	4992.74	3426.27
Foreign Exchange outgo during the year in terms of actual out flows	368.41	160.44

Place: Baddi  
Dated: 09.08.2022

For and on behalf of Board

Sd/-  
Vijay Aggarwal  
Chairman  
DIN: 00094141

**ANNEXURE - B**  
**Report on Corporate Social Responsibility**

1. **Brief outline on CSR Policy of the Company:** Recognizing that business enterprises are economic organs of society and draw on societal resources, it is Him Teknoforge Limited's (HTL's) belief that a company's performance must be measured by its contribution to building economic, social and environmental capital towards enhancing societal sustainability. In line with this belief, HTL will continue crafting unique models to generate livelihoods and environmental capital. Such Corporate Social Responsibility ("CSR") projects are far more replicable, scalable and sustainable, with a significant multiplier impact on sustainable livelihood creation and environmental replenishment. These initiatives are independent of the normal conduct of HTL's business. Programmes, projects and activities (collectively "CSR Programmes") carried out in this regard are the subject matter of this Policy.

2. **Composition of 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. Rajiv Aggarwal	Chairman/Executive Director	01	01
2.	Mr. Vijay Aggarwal	Member/Executive Director	01	01
3.	Mr. Purshotam Lal Sharma	Member/Independent Director	01	01
4.	Mr. Pradeep Kumar	Member/Independent Director	01	01

CSR Committee Meeting was held on 11.02.2022 during the financial year under review.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: [www.gagl.net](http://www.gagl.net).
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) - Not applicable as average CSR Obligation calculated is less than ten crore rupees.
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set off for the financial year, if any (in Rs)
1.	2020-2021	1,88,631.69	1,88,631.69
	Total	1,88,631.69	1,88,631.69

6. Average net profit of the company as per section 135(5): Rs. 83150875.34.

7. (a) Two percent of average net profit of the company as per section 135(5): Rs. 16,63,017.51.

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Rs. 188631.69

(c) Amount required to be set off for the financial year, if any: Rs. 188631.69

(d) Total CSR obligation for the financial year (7a+7b-7c): Rs. 14,74,385.82

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

Total Amount Spent for the Financial Year. (in Rs. lacs)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
2021-2022	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
16,66,000.00	0	-	-	0	-

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/ No).	Mode of Implementation - Through Implementing Agency	
				State.	Dist.						Name	CSR Registration number.
	Total	NIL										

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/ No).	Mode of implementation -Through implementing agency.	
				State	District			Name.	CSR registration number.
1.	COVID-19 Activities. Eradicating hunger, poverty and malnutrition, 2["promoting health care including	(I)	Yes	Him-achal Pradesh	Solan	1,00,000.00	No	Himachal Pradesh Chief Minister COVID Relief Fund	-
	COVID-19 Activities. Eradicating hunger, poverty and malnutrition, 2["promoting health care including	(I)	No	Haryana	Guru-gram	1,00,000.00	No	Confederation of India Industries Foundation	CSR00001013.
	COVID-19 Activities. Eradicating hunger, poverty and malnutrition, 2["promoting health care including	(I)	No	Gujarat	Va-dodara	8,00,000	No	Motiba Memorial Seva Samaj Trust	CSR00006721.
	COVID-19 Activities. Eradicating hunger, poverty and malnutrition, 2["promoting health care including	(i)	Yes	Him-achal Pradesh	Baddi	33,998.00	Yes	NA	NA
2.	Promoting education including special education and employment enhancing various skills	(ii)	Yes	Him-achal Pradesh	Baddi	6,32,002.00	Yes	NA	NA
	<b>Total</b>					<b>16,66,000.00</b>			

(d) Amount spent in Administrative Overheads: NIL.

(e) Amount spent on Impact Assessment, if applicable: NIL.

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 16,66,000.

(g) Excess amount for set off, if any: NIL.

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	16,63,017.51
(ii)	Total amount spent for the Financial Year	16,66,000.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	1,91,614.18
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.00
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	1,91,614.18

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

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
	2020-21	0.00	0.00	NA	NA	NA	0.00
	2019-20	0.00	0.00	NA	NA	NA	0.00
	2018-19	0.00	0.00	NA	NA	NA	0.00
	Total	0.00	0.00				0.00

Note: CSR Unspent Amount of Rs. 14,84,298/- for financial year 2019-20, was spent in financial year 2020-21 and there was no other unspent CSR amount spent in reporting financial year.

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project -Completed/Ongoing.
NIL								
Total								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

(asset-wise details). NA.

A. Date of creation or acquisition of the capital asset(s). NA

B. Amount of CSR spent for creation or acquisition of capital asset. NA

C. Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. NA

D. Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). NA

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). NA

For and on behalf of Board

Place: Baddi  
Dated: 09.08.2022

Sd/-  
Vijay Aggarwal  
Chairman  
DIN:00094141

## ANNEXURE-C

## 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: NotApplicable

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

i)	Name of the related party :	Globe Precision Industries Pvt. Ltd.	
	Nature of Relationship :	Mr. Vijay Aggarwal, Managing Director and Mr. Rajiv Aggarwal, Joint Managing Director of the Company are relatives of the Directors of the said Company.	
ii)	Nature of contract/ arrangement:	Purchase and sale of Goods, Fixed Assets, Job Work charges paid and received.	
iii)	Date of approval by Board and Duration of Contract.	Date of Approval by Board	Duration of Contract
		11.06.2021	1 year [01.04.2021 to 31.03.2022]
iv)	Salient terms of contracts or arrangements :	As per arrangement made and mutually agreed between the Parties.	
v)	Value of transactions undertaken during the year.	1. Purchase of Goods : Rs. 862.12Lacs 2. Sales of Goods : Rs. 6785.83Lacs 3. Job Work Charges Paid: Rs. 169.01Lacs 4. Job Work Charges Received: Rs. 58.54Lacs 5. Sale of Fixed Assets: Rs.74.20Lacs 6. Purchase of Fixed Asset: Rs. 18.33 Lacs	
vi)	Amount paid in advance, if any :	No advanced is paid.	
i)	Name of the related party :	Himachal Shots & Metals Pvt. Ltd.	
	Nature of Relationship :	Mr. Vijay Aggarwal, Managing Director and Mr. Rajiv Aggarwal, Joint Managing Director of the Company are relatives of the Directors of the said Company.	
ii)	Nature of contract/ arrangement:	Purchase and sale of Goods	
iii)	Date of approval by Board and Duration of Contract.	Date of Approval by Board	Duration of Contract
		11.06.2021	1 year [01.04.2021 to 31.03.2022]
iv)	Salient terms of contracts or arrangements :	As per arrangement made and mutually agreed between the Parties.	
v)	Value of transaction undertaken during the year.	1. Purchase of Goods : Rs. 49.87 Lacs	
vi)	Amount paid in advance, if any :	No advanced is paid.	
i)	Name of the related party :	Him Overseas	
	Nature of Relationship :	Mr. Vijay Aggarwal, Managing Director and Mr. Rajiv Aggarwal, Joint Managing Director of the Company are relatives of the partners of the said Firm.	
ii)	Nature of contract/ arrangement:	Purchase and sale of Goods, Fixed Assets, Job Work charges	
iii)	Date of Contract. approval by Board and Duration of	Date of Approval by Board	Duration of Contract
		11.06.2021	1 year [01.04.2021 to 31.03.2022]
iv)	Salient terms of contracts or arrangements :	As per arrangement made and mutually agreed between the Parties.	
v)	Value of transaction undertaken during the year.	1. Purchase of Goods : Rs. 1.68Lacs 2. Sales of Goods : Rs. 3.15Lacs 3. Job Work Charges paid: Rs. 0.11Lacs 4. Job Work Charges Received: Rs.0.77Lacs	
vi)	Amount paid in advance, if any :	No advanced is paid.	

i)	Name of the related party :	Mr. Manan Aggarwal	
	Nature of Relationship :	Mr. Manan Aggarwal is son of Mr. Vijay Aggarwal, Managing Director of the Company.	
ii)	Nature of contract/ arrangement:	Short Term Benefits	
iii)	Date of Contract. approval by Board and Duration of	Date of Approval by Board	Duration of Contract
		11.06.2021	1 year [01.04.2021 to 31.03.2022]
iv)	Salient terms of contracts or arrangements :	As per arrangement made and mutually agreed between the Parties.	
v)	Value of transaction undertaken during the year.	1. Remuneration Rs. 20.25 Lacs.	
vi)	Amount paid in advance, if any :	No advanced is paid.	
i)	Name of the related party :	Mr. Mrinal Aggarwal	
	Nature of Relationship :	Mr. Mrinal Aggarwal is son of Mr. Vijay Aggarwal, Managing Director of the Company.	
ii)	Nature of contract/ arrangement:	Short Term Benefits	
iii)	Date of Contract. approval by Board and Duration of	Date of Approval by Board	Duration of Contract
		11.06.2021	1 year [01.04.2021 to 31.03.2022]
iv)	Salient terms of contracts or arrangements :	As per arrangement made and mutually agreed between the Parties.	
v)	Value of transaction undertaken during the year.	1. Remuneration Rs. 14.25 Lacs.	
vi)	Amount paid in advance, if any :	No advanced is paid.	
i)	Name of the related party :	Mr. Aditya Aggarwal	
	Nature of Relationship :	Mr. Aditya Aggarwal is son of Mr. Rajiv Aggarwal, Joint Managing Director of the Company.	
ii)	Nature of contract/ arrangement:	Short Term Benefits	
iii)	Date of Contract. approval by Board and Duration of	Date of Approval by Board	Duration of Contract
		11.06.2021	1 year [01.04.2021 to 31.03.2022]
iv)	Salient terms of contracts or arrangements :	As per arrangement made and mutually agreed between the Parties.	
v)	Value of transaction undertaken during the year.	1. Remuneration: Rs. 11.54 Lacs.	
vi)	Amount paid in advance, if any :	No advanced is paid.	

Place:Baddi

Dated: 09.08.2022

For and on behalf of Board

Sd/  
VijayAggarwal  
Chairman DIN:00094141



## ANNEXURE - D

## Disclosure in the Board's Report under Rule 5 of Companies (Appointment &amp; Remuneration of Managerial Personnel) Rules, 2014.

	Name of Directors and KMPs.	The Ratio of the remuneration of each Directors to the median remuneration of the employees of the company for the financial year 2021-2022.	The Percentage increase in remuneration of each Directors, and KMPs, if any in the financial year 2021-2022.	
(i)	Mr. Vijay Aggarwal [Managing Director]	53.38	8.55	
	Mr. Rajiv Aggarwal [Joint Managing Director]	52.96	13.17	
	Mr. Aditya Aggarwal [CFO]	-	30.23	
	Mr. Abhishek Misra [Company Secretary]		21.75	
(ii)	Percentage increase in the median remuneration of employees in the financial year 2021-2022 compared to 2020-2021.		21.09	
(iii)	Number of permanent employees on the rolls of the company as on 31.03.2022.		1250	
	Average percentage increase in salaries of Employees other than managerial personnel.		21.09	
(iv)	Comparison between average percentage increase in salaries of Employees other than managerial personnel in the last financial year and percentage increase in the Managerial Remuneration. And Justification if there any exceptional circumstances for increase in Managerial Remuneration.		Avg % Increase in Managerial Remuneration.	Avg % increase in salaries of Employee other than managerial personnel.
			21.09	
(v)	Key parameter for any variable component of remuneration availed by the Directors.		NA	
(vi)	Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess the highest paid director during theyear.		Nil	

Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the Company as no employee is in receipt of the remuneration exceeding the limits specified in rule 5(2).

It is hereby affirm that the remuneration is as per the remuneration policy of the Company.

Place: Baddi

Dated: 09.08.2022

For and on behalf of Board

Sd/  
Vijay Aggarwal  
Chairman

## (Annexure- E)

## DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AS PER REGULATION 36 OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Name of the Director	Mr. Vijay Aggarwal	Mr. Rajiv Aggarwal
DIN No.	00094141	00094198
Date of Birth	11/10/1949	23/08/1958
Type of appointment	Re-appointment for 3 years	Director retiring by rotation / Re-appointment for 3 years
Date of Appointment/ Reappointment	31/01/2018	11/09/2013 - Appointment 14/08/2018 - Last re-appointment
Areas of Specialization	Administration, Technical, Operational & Commercial.	Taxation, Accounting, Legal, Administrative.
Qualifications	Bachelor of Engineering	Chartered Accountant
No. of Shares Held in the Company	746033	990306
List of Directorship held in other Companies	P C Alloys Private Limited	METALCHEM INDIA PVT LTD DOON INFRASTRUCTURE LIMITED R V NETSOFT PRIVATE LIMITED BADDI INFRASTRUCTURE
Chairman/member of the Committee of the Board of Directors of this Company	1. Member-CSR Committee	1. Member of Audit Committee 2. Member of CSR Committee 3. Member of Stakeholder Relation Committee 4. Member of Share Transfer Committee
Chairman/member of the Committee of the Board of Directors of other Companies	NA	Baddi Infrastructure member of Audit Committee
Relation with Key Managerial Personnel and Directors	Brother of Mr. Rajiv Aggarwal, Joint Managing Director of the Company.	Brother of Mr. Vijay Aggarwal, Managing Director of the Company.
Justification for appointment	Excellent in Administration, Technical, Operational & Commercial fields.	Excellent in Taxation, Accounting, Legal fields.

Place: Baddi  
Dated: 09.08.2022

For and on behalf of Board

Sd/  
Vijay Aggarwal  
Chairman DIN:00094141

## FORM NO. MR-3

## SECRETARIAL AUDIT REPORT

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

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

To,

The Members,

HIM TEKNOFORGE LIMITED

(Previously known as GUJARAT AUTOMOTIVE GEARS LIMITED)

Village Billanwali, Baddi, Solan Himachal Pradesh - 173205, India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by HIM TEKNOFORGE LIMITED (Previously known as Gujarat Automotive 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 the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2022 (audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31<sup>st</sup> March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the company during the audit period)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the company during the audit period)
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the company during the audit period)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the company during the audit period)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the company during the audit period) and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the company during the audit period)
  - (i) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; (Listing Regulations)
- (vi) As informed to us the following other laws specifically applicable to the company are as under:
  1. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
  2. The Factories Act, 1948
  3. The Industrial Employment (Standing Orders) Act, 1946
  4. The Maternity Benefit Act, 1961
  5. The Minimum Wages Act, 1948
  6. The Payment of Wages Act, 1936
  7. The Negotiable Instruments Act, 1881
  8. The Payment of Gratuity act, 1972
  9. The Workmen's Compensation Act, 1922

10. The Contract Labour ( Regulation & Abolition) Act,1970
11. The Industrial dispute Act,1947
12. The Payment of Bonus Act,1965
13. The Employment Exchange Act,1959
14. The Apprentice Act,1961
15. The Equal Remuneration Act, 1976
16. The Employees' State Insurance Act, 1948
17. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

In respect of above laws specifically applicable to the Company, we have relied on information / records produced by the company during the course of our audit on test check basis and limited to that extent, the company has complied with the above laws applicable to the company.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with the Bombay Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. However, the Company had received notice for delay in submission of Regulation 24A of SEBI (LODR) Regulations, 2015 by two days. The Company had made detailed application and explained the situations of technical glitches on BSE website for such late submission. The BSE had considered the application and gave the waiver letter to the Company by email dated 19/07/2022 for the same.

We further report that the Board of Director of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Following is the details of change of Directors in the year under review:

Sr. No.	Name of the Director	Nature	Date of Appointment	Designation
1	KULDIP NARAIN GUPTA	Appointment	28.09.2021	Independent Director
2	KIRAN RAGHUVINDER SINGH	Appointment	28.09.2021	Independent Director

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

All the decisions at the Board meetings and Committee meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors and committees, as the case may be.

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

Place: Vadodara  
Date: 27.07.2022

Sd/-  
Signature:  
DRP & Associates.  
Company Secretaries

Dinesh Mehta  
FCS No.8419  
C P No.: 2127  
PR:1204/2021  
UDIN:F008419D000694051

**Secretarial compliance report of**  
**HIM TEKNOFORGE LIMITED**  
**(Previously known as GUJARAT AUTOMOTIVE GEARS LIMITED)**  
**for the year ended 31<sup>st</sup> March, 2022**

To,

The Board of Directors,

**HIM TEKNOFORGE LIMITED**

(Formerly known as GUJARAT AUTOMOTIVE GEARS LIMITED)

Village Billanwali, Baddi, Solan

Himachal Pradesh - 173205.

I, Dinesh Mehta, Partner of M/s. DRP & Associates, Company Secretaries have examined:

- (a) all the documents and records made available to us and explanation provided by Him Teknoforge Limited (Formerly known as Gujarat Automotive Gears Limited),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended on 31<sup>st</sup> March, 2022 ("Review Period") in respect of compliance with the provisions of :
  - a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
  - b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- a. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- b. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; - Not applicable as there was no issue of capital during the review period.
- c. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- d. Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - Not applicable as there was no buyback of securities during the review period.
- e. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; - Not applicable as there was no Share Based Employee Benefits during the review period.
- f. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - Not applicable as there was no issue and listing of debt securities during the review period.
- g. Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; -Not applicable as there was no issue and listing of non-convertible and redeemable preference shares during the review period.
- h. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- i. Securities and Exchange Board of India ( Depositories and Participant) Regulations, 2018;
- j. ....(other regulations as applicable)

and circulars/ guidelines issued thereunder;

and based on the above examination, I/We hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr.No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
	NIL	NIL	NIL

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.
- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
1	BSE Limited via email dated 29 <sup>th</sup> July, 2021 bearing reference SOP-CReview-July 2021 (Reg. 33 & 24A).	Regulation 24A - Non-compliance due to late submission of secretarial compliance report by 2 days	Rs. 4,720/- (including GST) for delay of 2 day in submission.	In the present case the delay was only due to technical glitches on the BSE portal for which company has emailed and called many times at helpdesk. Due to Covid-19, the BSE as well as company was working with limited resources from home and therefore technical problem was not solved by the technical team. The company has emailed reply by mentioning the reasons of delay and requested for waiver of penalties imposed and thereafter no communication was received from the BSE. The Company is regular in compliance as per our observation and there isn't any non-compliance reported during the year under review.

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended... (The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
	NIL	NIL	NIL	NIL

e) As the statutory auditor of the Company has not resigned during the financial year 2021-22, clause 6A and 6B of the Circular No. CIR/CFD/CMD1/114/2019 dated 18<sup>th</sup> October, 2019 issued by SEBI are not applicable.

**Note:** On account of the COVID 19 Pandemic situations prevailing everywhere and based on the guidelines issued by the Institute of Company Secretaries of India (ICSI), we conducted the audit of secretarial compliance under Regulation 24A of the Securities and Exchange Board of India (LODR) Regulations, 2015 by way of distant / remote / e-audit process and reviewed all the required documents and records pertaining to the period 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022 through virtual data sharing.

Place: Vadodara  
Date: 26/05/2022

Sd/-  
Signature:  
DRP & Associates.  
Company Secretaries

Dinesh Mehta  
FCS No.8419  
C P No.: 2127  
PR:1204/2021  
UDIN: 08419D000392825

## ANNEXURE - G

## CORPORATE GOVERNANCE REPORT

To,  
The Members,

Him Teknoforge Limited (Formerly Known as Gujarat Automotive Gears Limited)

(Pursuant to Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

As a Corporate citizen, our business fosters a culture of ethical behavior and fair disclosures, which aims to build trust of our Stakeholders. The Company has established systems and procedures to ensure that its board is well-informed and well- equipped to fulfill its overall responsibilities and to provide the management with the strategic direction needed to create long- term shareholders value.

Good corporate governance ensures corporate success and economic growth. Strong corporate governance maintains investors' confidence, as a result of which, Company can raise capital efficiently and effectively. The Company's governance framework is based on the appropriate composition and size of the Board with each member having their own expertise in their respective domains. It also includes timely disclosure of all material information to Stakeholders.

As a part of its growth strategy, the Company believes in adopting the 'best practices' in the area of Corporate Governance across various geographies. Effective and transparent corporate governance guarantees that your Company is managed and monitored in a responsible manner to focus on valuecreation.

Company's Philosophy on Code of Governance:

Corporate governance philosophy of the Company is based on appropriate size and composition of the Board with each Director bringing in key expertise in different areas, systematic information flow to the Directors to enable them to effectively discharge their fiduciary duties, ethical business conduct by the management and employees, appropriate systems and processes for internal controls on all operations, risk management and financial reporting and timely and accurate disclosure of all material operational and financial information to the stakeholders.

Company is fully committed to practice sound Corporate Governance and uphold the highest standards in conducting business. We believe that an active, well-informed and independent Board is necessary to ensure highest standards of Corporate Governance. A report on the matters and the practices followed by the Company is detailed hereinbelow:

Composition of the Board for the period from 01<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022

Sr. No.	Name of Director	DIN	Designation	No. of Shares held
1.	Mr. Vijay Aggarwal	00094141	Managing Director	746033
2.	Mr. Rajiv Aggarwal	00094198	Joint Managing Director	990306
3.	Mr. Pradeep Kumar	03052477	Non-Executive Independent Director	0
4.	Mr. Purshotam Lal Sharma	03509280	Non-Executive Independent Director	0
5.	Mr. Kuldip Narain Gupta.	02315331	Non-Executive Independent Director	0
6.	Mrs. Kiran Raghuvinder Singh	09008800	Non-Executive Independent Director	0
7.	Mr. Sanjay Kumar	08805058	Nominee Director	0
8.	Mrs. Bhavana Rao	00956209	Nominee Director	0

#### 1. Board of Directors:

As on March 31, 2022, The Board has eight (8) members comprising of Six (6) Non-Executive Directors out of which four (4) Independent Directors, two (2) Nominee Directors one of which is Woman Director and two (2) Executive Directors. The majority of Board members are Non-Executive Independent Directors as per the requirement of Regulation 17 of SEBI (LODR) Regulations, 2015.

All the Directors have informed to your Company periodically about their Directorship and membership on the Board / Committees of the other Companies. As per disclosure received from Director(s), none of the Director(s) holds membership in more than ten(10) Committees and Chairmanship in more than five (5) Committees.

The details of the composition, nature of directorship, the number of meetings attended and the directorships in other Companies as at March 31, 2022 are detailed herein below:

Name of the Director	Category	No. of Board Meetings held and attended during the year		Attendance at Last AGM held	*No. of other directorships and committee memberships / chairmanships		
		Held	Attended		Other directorships*	Committee Memberships**	Committee Chairmanships**
Mr. Vijay Aggarwal	Managing Director	4	4	Yes	0	0	0
Mr. Rajiv Aggarwal	Joint Managing Director	4	4	Yes	0	2	0

Mr. Pradeep Kumar	Independent Director	4	4	No	0	2	0
Mr. Purshotam Lal Sharma	Independent Director	4	4	Yes	0	2	2
Mr. Kuldip Narain Gupta	Independent Director	4	3	Yes	0	0	0
Mrs. Kiran Raghuvinder Singh	Independent Director	4	3	No	0	0	0
Mr. Sanjay Kumar	Nominee Director	4	4	Yes	0	0	0
Mrs. Bhavana Rao	Nominee Director	4	4	No	0	0	0

\*Other Directorships does not include Directorships of Private limited companies, Companies formed under section 8 of the Companies Act, 2013 and foreign companies.

\*\*Chairmanship/ Membership of Board Committees include only Audit Committee and Stakeholders Relationship Committee as per Regulation 26 of the SEBI (LODR) Regulations, 2015.

Mr. Rajiv Aggarwal & Mr. Vijay Aggarwal are related Directors.

**Number of Board Meetings held during the year 2021-2022:**

Name of the Director	Category of the Director	Date of Board Meeting and attendance			
		11.06.2021	13.08.2021	13.11.2021	11.02.2022
Mr. Vijay Aggarwal	Managing Director	✓	✓	✓	✓
Mr. Rajiv Aggarwal	Joint Managing Director	✓	✓	✓	✓
Mr. Pradeep Kumar	Independent Director	✓	✓	✓	✓
Mr. Purshotam Lal Sharma	Independent Director	✓	✓	✓	✓
Mr. Kuldip Narain Gupta*	Independent Director	✓	✓	Leave	✓
Mrs. Kiran Raghuvinder Singh**	Independent Director	✓	Leave	✓	✓
Mr. Sanjay Kumar	Nominee Director	✓	✓	✓	✓
Mrs. Bhavana Rao	Nominee Director	✓	✓	✓	✓

\* Appointment of Mr. Kuldip Narain Gupta and Mrs. Kiran Raghuvinder Singh was regularized. As Independent director w.e.f 28.09.2021.

**Disclosure of relationships between directors inter-se:**

- i. Mr. Vijay Aggarwal and Mr. Rajiv Aggarwal are brothers.
- ii. None of the other directors are related to any other Director on the Board.

**Number of shares and convertible instruments held by non-executive directors:**

Name of the Director	Designation	Number of shares held
NA		

Confirmation as required under part C of schedule V of SEBI (LODR) Regulations:

- A. The Board of Directors confirm that the independent directors fulfill the conditions specified in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions of the Companies Act, 2013 and are independent of the management of the Company. Further, the Board has obtained a certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of company by the SEBI/Ministry of Corporate Affairs or any such statutory authority.
- B. The list of core skills/expertise/competencies required under sub-clause h of clause 2 of part C of schedule V of SEBI (LODR) Regulations:



The Board of Directors of the Company comprises the expertise in the following skill areas:

Name of the Directors	Skill Area	Description
Mr. Vijay Aggarwal Mr. Rajiv Aggarwal	Strategy and planning	Ability to think strategically; identify and critically assess strategic opportunities and threats. Develop effective strategies in the context of the strategic objectives of the Company, relevant policies and priorities.
Mr. Vijay Aggarwal Mr. Rajiv Aggarwal Mr. Purshotam Lal Sharma Mr. Pradeep Kumar	Policy Development	Ability to identify key issues and opportunities for the Company and develop appropriate policies to define the parameters within which the organization should operate.
Mr. Rajiv Aggarwal Mr. Pradeep Kumar Mr. Purshotam Lal Sharma	Governance, Risk and Compliance	Experience in the application of corporate governance principles as per law. Ability to identify key risks to the Company in a wide range of areas including legal and regulatory compliance. Experience in the appointment and evaluation of a CEO and senior executive managers
Mr. Rajiv Aggarwal Mr. Pradeep Kumar Mr. Sanjay Kumar	Financial Performance	Qualifications and experience in accounting and/or finance and the ability to: Analyze key financial statements; Critically assess financial viability and performance; Contribute to strategic financial planning; Oversee budgets and the efficient use of resources; Oversee funding arrangements and accountability
Mr. Vijay Aggarwal Mr. Rajiv Aggarwal	Government Relations (Policy & Process)	Experience in managing government relations and industry advocacy strategies.
Mr. Vijay Aggarwal Mr. Rajiv Aggarwal	Marketing & Communications	Knowledge of and experience in marketing the product of the Company. Experience in, or a thorough understanding of, communication with industry groups and/or endusers through arrangement of relevant communication channels.
Mr. Vijay Aggarwal Mr. Rajiv Aggarwal Mr. Purshotam Lal Sharma	Member and stakeholder engagement	High level reputation and established networks and the ability to effectively engage and communicate with key stakeholders.
Mr. Vijay Aggarwal Mr. Rajiv Aggarwal Mr. Purshotam Lal Sharma	Commercial Experience	A broad range of commercial/business experience, preferably in the small to medium enterprise context, in areas including communications, marketing, branding and business systems, practices and improvement.
Mr. Rajiv Aggarwal Mr. Purshotam Lal Sharma	Legal	Qualification and experience in legal practice with emphasis on: Commercial laws, Employment laws, Health & Safety legislations
Mr. Rajiv Aggarwal Mr. Purshotam Lal Sharma	Human Resource Management	Qualification and experience in human resource management with an understanding of: Engineering Industry Employment laws
Mr. Vijay Aggarwal Mr. Purshotam Lal Sharma	Information Technology/Digital Skills	Qualification and experience in Information Technology and/or Digital industries with an ability to apply new technology to the Company.

C Detailed reasons for the resignation of Independent Directors as required under sub-clause j of clause 2 of part C of schedule V of SEBI (LODR) Regulations:

Not applicable as no Independent Directors has resigned during F.Y. 2021-2022.

## 2. Committees of the Board:

Recognizing the immense contribution that committees make in assisting the Board of Directors in discharging its duties and responsibilities and with a view to have a close focus on various facets of the business, the Board has constituted the following seven (7) Committees of the Board.

- i. Audit Committee
- ii. Nomination and Remuneration Committee
- iii. Stakeholders' Relationship Committee
- iv. CSR Committee
- v. Share Transfer Committee
- vi. Stakeholder Grievance Committee
- vii. POSH Committee

### i) Audit Committee:

The terms of reference:

Role of the Audit Committee is in accordance with the provisions of Section 177 of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014, and Regulation 18 of the SEBI (LODR) Regulations, 2015 and includes:

- A) Overseeing the Company's financial reporting process;
- B) Approval or any subsequent modification of transactions of the company with related parties;
- C) Reviewing the financial statements and the adequacy of internal audit;
- D) Periodic discussions with the Internal Auditors and the Statutory Auditors about their scope of audit and adequacy of internal control systems;
- E) To evaluate the company's internal financial control and risk management system;
- F) To recommend appointment/ re-appointment of Statutory Auditors and also review and monitor the auditor's independence and performance and effectiveness of audit process.

The Audit Committee of the Company meets as per criteria laid down under Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations, 2015.

**Composition as well as Attendance of Audit Committee:**

Name	Category	Status	No. of Meetings entitled to attend	No. of Meetings Attended
Mr. Rajiv Aggarwal	Joint Managing Director	Member	4	4
Mr. Purshotam Lal Sharma	Independent Director	Member	4	4
Mr. Pradeep Kumar	Independent Director	Member	4	4

During the year from 01.04.2021 to 31.03.2022 the Audit Committee met four (4) times on 11.06.2021, 13.08.2021, 13.11.2021 and 11.02.2022.

**ii) Nomination and Remuneration Committee:** The terms of reference:

In compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR)

Regulations, 2015, the Company has constituted a Nomination & Remuneration Committee of the Board. All members of the Committee are Non-Executive and Independent Directors. The terms of reference of the Committee inter alia, include:

- A) 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;
- B) Formulation of criteria for evaluation of Independent Directors and to the Board;
- C) 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;
- D) Oversee familiarization programs for directors.

Composition as well as Attendance of Nomination and Remuneration Committee:

Name	Category	Status	No. of Meetings Attended
Mr. Purshotam Lal Sharma	Independent Director	Chairman	1/1
Mr. Pradeep Kumar	Independent Director	Member	1/1
Mr. Kuldip Narain Gupta	Independent Director	Member	1/1

During the year from 01.04.2021 to 31.03.2022 the Nomination & Remuneration Committee met One (1) time on 13.08.2021.

**3. The policy formulated by nomination and remuneration committee:**

The terms of reference of the committee inter alia include succession planning for Board of Directors and Senior Management Employees, identifying and selection of candidates for appointment of Directors/Independent Directors based on certain laid down criteria, identifying potential individuals for appointment of Key Managerial personnel and other senior managerial position and review the performance of the Board of Directors and Senior Management personnel including Key managerial personnel based on certain criteria approved by the Board. While reviewing the performance, the committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talents, remuneration commensurate with the performance of individual/group and also maintains a balance between both short and long term objectives of the company.

**Performance Evaluation Criteria of selection of Independent Directors:**

- a. The Independent Directors shall be of high ethical standards and integrity with relevant expertise, experience and particular skills that will complement Board effectiveness.
- b. In case of appointment of Independent Directors, the Nomination and Remuneration Committee shall determine and fulfil the criteria of independence, in accordance with the provisions stipulated under the Companies Act, 2013 as well as SEBI (LODR) Regulations, 2015.
- c. To aid determination, every Independent Director shall, on appointment and subsequently on an annual basis submit to the Board a declaration on his/her independence.
- d. The Nomination and Remuneration Committee shall consider the following criteria while recommending to the Board the candidature for appointment as Director:
  - Professional qualification, appropriate experience and the ability to exercise sound business judgment;
  - An ability and willingness to challenge and probe;
  - Strong interpersonal skills and a willingness to devote the required time;

- A position of leadership or prominence in a specified field.
- e. The Nomination and Remuneration Committee shall ensure that the Director to be appointed is not disqualified for appointment under Section 164 of the Companies Act, 2013.
5. The company has not made any payments to its non-executive director except sitting fees for attending Board of Directors Meeting during the financial year 2021-2022.

iii.) Stakeholders' Relationship Committee:

In compliance with Section 178 of the Companies Act, 2013 and Regulation 20 and Schedule II, Part D of the SEBI (LODR) Regulations, 2015, a Stakeholders' Relationship Committee of the Board has been constituted. The Committee considers redressal of Investors' complaints/grievances. It also considers matters concerning complaints regarding transfer of shares, non-receipt of dividends and Annual Report, dematerialization of share certificates, etc.

iv. Composition as well as attendance of Stakeholders' Relationship Committee:

Stakeholders Relationship Committee comprises of the following Directors of the Board.

Name	Category	Status	No. of Meetings Attended
Mr. Purshotam Lal Sharma	Independent Director	Chairman	1/1
Mr. Pradeep Kumar	Independent Director	Member	1/1
Mr. Rajiv Aggarwal	Jt. Managing Director	Member	1/1

The Committee met once on 11.02.2022 during the year 01.04.2021 to 31.03.2022.

Details of investor complaints received and redressed during the year 2021-2022 are as follow:

Number of shareholders complaints received so far	Number of complaints not solved to the satisfaction of shareholders	Number of pending complaints
0	0	0

Corporate Social Responsibility Committee:

In compliance with the section 135 of the Companies Act, 2013 Corporate Social Responsibility (CSR) Committee of the Board has been constituted. The Committee recommend to the Board, Budget for CSR activities for the particular financial year, monitor the CSR activities undertaken by the Company. The whole details about the CSR committee and activities undertaken during the financial year 2021-2022 has been given in **Annexure-B**.

v. Share Transfer Committee:

The Company has constituted the Share Transfer Committee to consider the matters relating to Share Transfer, Transmission and other matters of Shareholders.

Composition as well as attendance of Share Transfer Committee:

Share Transfer Committee comprises of the following Directors of the Board.

Name	Category	Status
Mr. Rajiv Aggarwal	Joint Managing Director	Chairman
Mr. Vijay Aggarwal	Managing Director	Member
Mr. Pradeep Kumar	Independent Director	Member

During the year from 01.04.2021 to 31.03.2022 the Share Transfer Committee had not met as there were no request received for transfer and transmission of shares.

(vi) Stakeholder's Grievance Committee:

The Company has constituted the Stakeholders' Grievance Committee to consider the matters relating to Queries/Complaints/Issues related to Stakeholders'.

Composition of Stakeholders' Grievance Committee:

Stakeholders' Grievance Committee comprises of the following members:

1. Mr. Purshotam Lal Sharma, Non Executive Independent-Director, Chairperson..
2. Mr. Pradeep Kumar, Non Executive Independent-Director
3. Mr. Rajiv Aggarwal, Executive Director, Joint Managing Director
3. Mr. Abhishek Misra, Compliance Officer, Manager Secretarial and Legal of the company.

S. No.	Particular	Details
1.	Name of Non-Executive Director heading the committee	Mr. Purshotam Lal Sharma
2.	Name and Designation of Compliance Officer:	Mr. Abhishek Misra designated as Manager - Legal and Secretarial of the Company.
3.	Number of Shareholders' Complaints received so far	Nil.
4.	Number not solved to the satisfaction of shareholders	Nil.

**3. Means of Communication:**

- (a) Quarterly Results: 11.06.2021, 13.08.2021, 13.11.2021 and 11.02.2022.
- (b) Newspaper wherein results normally published: Financial Express (English) and Jan Satta (Hindi).
- (c) Website: [www.gagl.net](http://www.gagl.net)
- (d) Whether it also displays official news release: No.
- (e) Presentation made to Institutional Investor or to the analyst: No.

**4. Remuneration of Directors during the F.Y. 2021-2022: (Rs. In Lakhs)**

- a) Pecuniary relationship or transactions of non-executive directors:

The Company did not have any pecuniary relationship with any non-executive directors except sitting fees paid for attending board and committee meetings during the year 2021-22.

- b) Criteria of making payments to non-executive directors:

The company did not make any payments to non-executive directors except sitting fees paid for attending board and committee meetings during the year 2021-22.

- c) Disclosures of remuneration

Sr. No.	Name of Director	Designation	Remuneration (Rs. In Lakhs)
1.	Mr. Vijay Aggarwal	Managing Director	76.20
2.	Mr. Rajiv Aggarwal	Joint Managing Director	75.60

- Terms of Contract:**

Name of the director	Date of appointment	Expiry of the contract
Mr. Vijay Aggarwal	31st January, 2018	30th January, 2023
Mr. Rajiv Aggarwal	14th August, 2018	13th August, 2023

The above Executive Directors are required to give 3 months notice period for resignation as Executive Director. If before expiry of service contract, their tenure of office of the Executive Directors is determined, they will be entitled compensation as per section 202 of the Companies Act, 2013.

Remuneration to Key Managerial Personal during F.Y. 2021-2022 (Rs. In Lakhs)

Sr. No.	Name of Director	Designation	Remuneration (Rs. In Lakhs)
1.	Mr. Aditya Aggarwal**	Chief Financial Officer	11.54
2.	Mr. Abhishek Misra	Company Secretary	5.31

\*\*Remuneration paid to Mr. Aditya Aggarwal is for the part of the year as the appointment was made w.e.f 12.02.2021.

- Non-Executive Directors :**

Sitting fee paid to Non-Executive Directors during the year 2021-22 as under:

Name of the director	Sitting fee to attend Board meetings (Rupees)	Sitting fee to attend committee (Rupees)	Total (Rupees)
Mr. Purshotam Lal Sharma	40,000.00	0	40,000.00
Mr. Pradeep Gupta	40,000.00	0	40,000.00
Mr. Kuldip Narain Gupta	30,000.00	0	30,000.00
Mrs. Kiran Raghuvinder Singh	30,000.00	0	30,000.00
Mr. Sanjay Kumar	40,000.00	0	40,000.00
Mrs. Bhavana Rao	40,000.00	0	40,000.00

**5. General Body Meetings:**

Details of Annual General Meetings (AGM) held during the last three financial years:

AGM No.	Date	Time	Location
48 <sup>th</sup> AGM	28.09.2019	11.30 a.m.	Village Billanwali, Baddi, Himachal Pradesh-173205.
49 <sup>th</sup> AGM	27.10.2020	11.30 a.m.	Held through video conferencing mode
50 <sup>th</sup> AGM	28.09.2021	11.30 a.m.	Held through video conferencing mode

**Details of Special Resolutions passed in the previous three AGM:**

Sr. No.	Particulars
	<b>At the 48<sup>th</sup> AGM</b>
1	Increase in Remuneration of Mr. Rajiv Aggarwal (DIN: 00094198), Joint Managing Director of the Company.
2	Appointment of Mr. Pradeep Kumar (DIN: 03052477) as an Independent Director.
3	Appointment of Mr. Purshotam Lal Sharma (DIN: 03509280) as an Independent Director.
	<b>At the 49<sup>th</sup> AGM</b>
	NIL
	<b>At the 50<sup>th</sup> AGM</b>
1	To consider and approve Remuneration of Mr. Vijay Aggarwal, Managing Director of the Company.
2	Appointment of Mr. Kuldip Narain Gupta (DIN: 02315331) as an Independent Director:
3	Appointment of Mrs. Kiran Raghuvinder Singh (DIN: 09008800) as an Independent Director:

**Detail of special resolution passed through postal ballot:**

No Special resolutions were passed through Postal Ballot in F.Y. 2021-2022.

**6. General Share holders Information:**

[A]	<b>Annual General Meeting</b> Day and Date Venue	51 <sup>st</sup> Annual General Meeting Thursday, 29 <sup>th</sup> September, 2022 Time 11.30 a.m. at Registered Office of the Company
[B]	<b>Financial Calendar</b>	From 01 <sup>st</sup> April, 2022 to 31 <sup>st</sup> March, 2023 1 <sup>st</sup> Quarterly Result - By 14 <sup>th</sup> August, 2022 2 <sup>nd</sup> Quarterly Result - By 14 <sup>th</sup> November, 2022 3 <sup>rd</sup> Quarterly Result - By 14 <sup>th</sup> February, 2023 Audited Results for the year ended on 31 <sup>st</sup> March, 2023 by 30 <sup>th</sup> May, 2023. Note: The dates may get changed due to current scenario prevailing around the world due to Novel Corona Virus (Covid 19). And may for any other reason.
[C]	<b>Dividend payment date which was declared at previous AGM</b>	07 <sup>th</sup> October, 2021 declared at AGM 28 <sup>th</sup> September, 2021.
[D]	<b>Name and Address of Stock Exchange</b>	BSE Limited, Phiroze Jee Jeebhoy Towers, Dalal Street, Mumbai-400 023.
[E]	<b>ISIN Code</b>	INE705G01021

**[F] Monthly high, low prices and number of shares traded from April, 2021 to March, 2022 on the BSE Limited are as follows:**

Month	High (Rs.)	Low (Rs.)	No. of Shares traded
April-21	85.90	67.05	21,465
May-21	98.00	72.10	48,561
June-21	134.95	88.00	2,30,926
July-21	157.80	106.75	1,29,034
August-21	137.40	99.00	86,775
September-21	118.95	105.00	39,388
October-21	128.00	103.15	58,783
November-21	142.00	103.00	3,47,567
December-21	131.30	112.10	1,40,296
January-22	164.65	119.05	9,44,428
February-22	151.90	92.00	1,77,916
March-22	115.00	89.3	2,24,418

[G]	<b>Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index etc.</b>	As mentioned Above.
[H]	<b>In case the Securities are suspended from trading, the directors report shall explain the reason thereof:</b>	The Securities are not suspended from trading. So no disclosures are mentioned explaining the reasons thereof.

[I]	<b>Registrar and Transfer Agents:</b>	MCS SHARE TRANSFER AGENT LIMITED 1 <sup>st</sup> Floor, Neelam Apartment, 88 Sampatrao Colony, Above Chapanbhog Sweet, Alkapuri, Vadodara - 390021 TelNo: 0265-2314757 EmailId:mcsltdbaroda@gmail.com
[J]	<b>Share Transfer System:</b>	The Company's Shares are traded on Bombay Stock Exchange compulsorily in dematerialized mode. Share Transfer requests, which are received in physical form are processed and the share certificates are returned within a period of 15 days from the date of receipt, subject to the documents being in order and complete in all aspects.
[K]	<b>Distribution of Shareholding as on 31<sup>st</sup> March, 2022 :</b>	Annexed with Corporate Governance Report.
[L]	<b>Dematerialization of Share and Liquidity:</b>	99.40% of the paid- up capital of the Company is in dematerialized form as on 31 <sup>st</sup> March, 2022.
[M]	<b>Outstanding GDR's/ADR's/Warrants or any convertible instruments, conversion date and likely impact on equity:</b>	NIL
[N]	<b>Commodity price risk or Foreign exchange risk and hedging Risk</b> <b>Commodity Price Risk</b> <b>Foreign Exchange risk and hedging activities</b>	Mentioned below: Risk of Price fluctuation on basic raw materials as well as finished goods used in the process of manufacturing. Any volatility in the currency market can impact the overall profitability.
[O]	<b>Plant Locations:</b>	<ol style="list-style-type: none"> <li>1. Forging Division, Manpura, Distt. Solan (HP)</li> <li>2. Gear Division, Village Billanwali, Baddi, Dist. Solan (HP)</li> <li>3. Plot No. 30, HPSIDC Industrial Area- I, Baddi, Dist. Solan (HP)</li> <li>4. Plot No. 264-268, MPKVAN, Industrial Area-I, Pithampur, Dist. Dhar (MP)</li> <li>5. Plot No. 95-100, MPKVAN, Industrial Area-II, Pithampur, Dist. Dhar (MP)</li> <li>6. 345 A, Padra Jambusar Road, Village Gametha, Tal Padra, Dist. Vadodra(Gujarat)</li> <li>7. CorporateOffice:SCO.19,FirstFloor,Sector-7C,Chandigarh-160019.</li> </ol>
[P]	<b>Address for Correspondence:</b>	Him Teknoforge Limited ( Formerly known as Gujarat Automotive Gears Limited) Regd. Off: VillageBillanwali, Baddi, Distt: Solan, Himachal Pradesh 173 205.
[q]	<b>List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or Abroad.</b>	This clause is not applicable to company as the company do have not any debt instruments or issued during the financial year 2021-2022.

## 7. OtherDisclosures:

(a)	Disclosures on materially significant related party transactions i.e. Transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries orrelativesetc.thatmayhavepotentialconflictwiththe interests of Company atlarge	<b>As per Annexure-B</b>
(b)	Details of non-compliance by the listed entity, penalties,strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets during the last three years	During the financial year 2021-2022, no penalty has been imposed by BSE on the company.
(c)	Detailsofestablishmentofvigilmechanism,whistleblowerpolicy and affirmation that no personnel has been denied access to the auditcommittee	<ul style="list-style-type: none"> <li>• Whistle Blower Policy: The Company has adopted whistle blowerpolicy.</li> <li>• There was no instance of denying access to audit committee by anypersonnel.</li> </ul>
(d)	Details of compliance with mandatory requirements and adoption of non-mandatory requirements	<ol style="list-style-type: none"> <li>i. The company has complied with all mandatory requirements and the company has not adopted any non-mandatory requirements.</li> <li>ii. The Managing Director has signed declaration stating that members of the Board of Directors and senior management personnel have affirmed compliance with code of conduct of Board of Directors and senior management as required as per para D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation,2015</li> </ol>

		iii. The Managing Director and CFO have given appropriate certification as required under regulation 17(8) read with Schedule II part B of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 to the Board of Directors
(e)	Web link where policy for determining material subsidiaries is disclosed	Not applicable as there is no subsidiary company of the company.
(f)	Web link where policy on dealing with related party transactions	<a href="http://www.gagl.net">www.gagl.net</a>
(g)	Disclosure of commodity price risks and commodity hedging activities	Risk of price fluctuation on basic raw materials as well as finished goods used in the process of manufacturing.
(h)	Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).	Not Applicable
(i)	A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.	Certificate attached with the Corporate Governance Report
(j)	Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof: Provided that the clause shall only apply where recommendation of / submission by the committee is required for the approval of the Board of Directors and shall not apply where prior approval of the relevant committee is required for Undertaking any transaction under these Regulations.	NIL
(k)	Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.	Total fees paid to the statutory auditor during the FY 2021-2022: <b>Rs. 6.50 Lakhs plus taxes</b> Bifurcation of the same is as under: Audit fees: Rs. 5.00 Lakhs Taxation Matters: Rs. 1.00 Lakhs Limited Review : Rs. 0.50 Lakhs
(l)	Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013: Mentioned Below:	
	a. Number of complaints filed during the financial year	NIL
	b. Number of complaints disposed of during the financial year	NIL
	c. Number of complaint spending as at end of the financial year.	NIL
(m)	Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount	No loans and advance in nature of loans granted to firms / companies in which directors are interested during the period under review.

**8. Non-Compliance of any requirement of corporate governance report of sub-para (1) to (7) above, with reasons thereof shall be disclosed:**

The Company during the financial 2021-2022 has not made any non compliance of corporate governance report of sub-para (1) to (7) above

**9. The company has not adopted any discretionary requirements as specified in Part E of Schedule II.**

**10. The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are made in this corporate governance report which is a part of the annual report.**

**11. Distribution Schedule as on March 31,2022:**

Range	Shares	Folios	% Shares	% Holders
1-500	407532	3399	5.1809	88.217
501-1000	157673	197	2.0045	5.11
1001-2000	165780	113	2.1075	2.9328
2001-3000	123913	50	1.5753	1.2977
3001-4000	88241	24	1.1218	0.6229
4001-5000	113741	24	1.446	0.6229
5001-10000	117462	18	1.4933	0.4672
10001-50000	281710	13	3.5814	0.3374
50001-100000	266898	4	3.3931	0.1038
And Above	6143066	11	78.0963	0.2855
<b>Total</b>	<b>7866016</b>	<b>3853</b>	<b>100</b>	<b>100</b>

#### Position of Shares as on 31<sup>st</sup> March,2022:

The Percentage of Shares held in NSDL (91.30%), CDSL (8.10%) and in Physical Form (0.60%).

#### 12. Web Link for details of familiarization programme imparted to Independent Directors: The link for the familiarization programme <https://www.gagl.net/pdf/policies/familiarization-program-of-independent-directors-new.pdf>.

#### 13. Disclosures with respect to demat suspense account / unclaimed suspense account:

There are no shares in demat suspense account or unclaimed suspense account.

#### 14. Green Initiative

As a responsible corporate citizen, your Company welcomes and supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents including the Annual Report etc. to shareholders at their e-mail address registered with their Depository Participants (DPs)/ Company/Registrars & Transfer Agents.

Shareholders who have not registered their e-mail addresses so far are requested to register their e-mail addresses. Those holding shares in demat form can register their e-mail address with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail addresses with our Registrar and Transfer Agent i.e. M/s MCS Share Transfer Agent Limited, by sending a letter, duly signed by the first/sole holder quoting Folio No.

For and on behalf of Board

Place:Baddi  
Dated:09.08.2022

Sd/  
Vijay Aggarwal  
Chairman  
DIN:00094141

#### Distribution of Shareholding as on 31st March, 2022

S. NO.	Description	No. of Equity Shares of Rs.2/- each	%of shareholding
1.	Promoter & Promoter Group	4290989	54.55
<b>Public Shareholding:</b>			
2.	GOVT.	59675	0.76
3.	Public Non-Institutional	1092012	13.88
4.	Bodies Corporate	532145	6.76
5.	NRI	25970	0.33
6.	Trust	1775148	22.57
7.	HUF	90077	1.15
<b>TOTAL</b>		<b>7866016</b>	<b>100</b>



## CONFIRMATION ON CODE OF CONDUCT

[Regulation 34(3) read with Schedule V (Part D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Members

Him Teknoforge Limited (Formerly known as Gujarat Automotive Gears Limited)

This is to confirm that the board has laid down a code of conduct for Board of Directors and senior management of the Company. It is further confirmed that all Directors and senior management of the company have affirmed compliance with the Code of Conduct of the Company as at March 31, 2022, as envisaged in Regulation 34(3) read with Schedule V (Part D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place: Baddi

Dated: 26.05.2022

For and on behalf of Board

Sd/-

Vijay Aggarwal

Chairman DIN:00094141

### CFO Certification

TO WHOM SO EVER IT MAY CONCERN

I, the undersigned, in my respective capacity as Chief Financial Officer of Him Teknoforge Limited (Formerly known as Gujarat Automotive Gears Limited) ("the Company") to the best of our knowledge and belief certify that:

- A. I have reviewed the financial statements and the cash flow statement for the year ended on March 31, 2022 and that to the best of my knowledge and belief:
1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of my 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. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- D. I have indicated to the auditors and the Audit committee:
1. Significant changes in internal control over financial reporting during the year;
  2. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  3. Instances of significant fraud of which I 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.

Date: 26.05.2022

Place: Baddi

Sd/-

Harsh Khurana

Chief Financial Officer

# Certificate on Compliance of the Securities and Exchange Board of India

(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To, Him Teknoforge Limited.

(Previously Known as Gujarat Automotive Gears Limited), Village: Billanwali, Baddi - 173205

District: Solan (HP)

We have reviewed the records concerning the company's compliance of conditions of Corporate Governance as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, for the financial year ended on 31<sup>st</sup> March, 2022.

The compliance of conditions on Corporate Governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the company for ensuring the compliance of the conditions on the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

We have conducted our review on the basis of the relevant records and documents maintained by the company and furnished to us for the review and the information and explanations given to us by the company.

Based on such review, in our opinion, the company has complied with the conditions on Corporate Governance, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Place: Vadodara

Date: 27.07.2022

Sd/-  
Signature:  
DRP & Associates.  
Company Secretaries

Dinesh Mehta  
FCS No.8419  
C P No.: 2127  
PR:1204/2021  
UDIN:F008419D000694115

## 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,

Him Teknoforge Limited.

(Previously Known as Gujarat Automotive Gears Limited),

Village: Billanwali, Baddi - 173205

District: Solan (HP)

On the verification of company information and directors details and records provided to us by the Company and after verifying the details and records of directors on Ministry of Corporate Affairs site, we hereby confirm that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority.

This certificate is issued specifically for disclosures to be required for Corporate Governance.

Place: Vadodara

Date: 27.07.2022

Sd/-

Signature:  
DRP & Associates.  
Company Secretaries

Dinesh Mehta  
FCS No.8419  
C P No.: 2127  
PR: 1204/2021  
UDIN:F008419D000694060

## ANNEXURE- H

# Management Discussion and Analysis Report

Him Teknoforge Limited is a leading name in the manufacture of auto and tractor components in domestic as well as international markets. With consistent commitment to superior quality and on the strength of robust performance of its products, Him Teknoforge Limited has earned national and international acclaim and appreciation.

Our products include transmission gears, pins, axles, shafts, propeller shaft components, non-gears component, fork-lift parts, off-road parts and many more.

## Global Economy

The landscape of the global automobile sector is undergoing a transformation. Intelligent mobility and ACES (trends in Autonomous, Connected, Electric and Shared vehicles) have disrupted business models of automotive companies.

The global automotive industry in previous 2-3 years has witnessed a slowdown amidst these and other disruptions.

## Automobile Industry - Structure & Development

India is considered to be the world's 4th largest automobile industry, ahead of Germany. It is on its way to becoming the 3rd largest, riding on rapid economic development, rising urbanisation, burgeoning middle class, supportive regulations and the Government's strong push for growth in the form of the Aatma Nirbhar Bharat and other initiatives.

The Government aims to develop India as a global manufacturing as well as a research and development (R&D) hub. It has set up National Automotive Testing and R&D Infrastructure Project (NATRiP) centres, as well as a National Automotive Board to act as facilitator between the government and the industry.

The domestic automotive industry has been adopting new technology and capabilities in order to keep pace with the changing global landscape. The diversified nature of the domestic automotive industry not only provides scale, but also the risk-hedging ability to face market vagaries.

## Opportunity and Threats

### Opportunity

The industry is supported by factors such as the availability of low-cost skilled labour and low-cost steel production. India's automobile industry has the potential to generate upto USD 300 billion in revenue by FY 2026, generating 65 million additional jobs and contributing over 12% to India's GDP.

The Government's push to develop India as a global manufacturing and R&D hub is also lending heavy support to the automobile sector.

India is fast being recognised as a hub for high-quality managerial talent too. Domestic players have been leveraging local talent for driving innovation through R&D centres, driving growth in the medium to long-term. In the next few years, the automobile sector is expected to record robust growth, given the infrastructure push from the Government and schemes like PMGSY.

The opportunities generated by the disruptions are changing the competitive game for players willing to step beyond their traditional roles and engage with customers in a new and digital environment.

### Threats

The presence of a large number of players, domestic as well as multinational, in the automobile industry, results in intense competition. Moreover, the Government of India's aim to propel the Indian Automotive Industry to be the engine of the "Make in India" programme will intensify competition as existing entities will have to compete with established as well as new entrants into the market, which enjoy some privileges under the "Make in India" initiative.

## Segment-wise or products-wise performance

The operations of the Company are limited to one segment, namely automotive components.

## Business Operations

The Company has fully functional units located in Vadadora- Gujarat, Baddi- Himachal Pradesh and Pithampur - Madhya Pradesh.

While it continues with its legacy of operational efficiency, factors such as technological advancements and product innovation continue to be its key drivers of differentiation. Enhanced productivity through retrofitting and refurbishing of machines and optimising efficiencies at various levels has enabled the Company to achieve an improved performance and gain a competitive edge.

## Resource Upgradation

The Company has undertaken retrofitting and reconditioning of old conventional machines. This has significantly improved efficiency and considerably enhanced throughput. Besides, investments have been made to replace certain machines with state-of-the-art versions to increase productivity and reduce downtime.

## Technology Upgradation

The Company has undertaken multiple efforts to upgrade its technological base. The plants have commissioned new machines in key areas like gear cutting, forging presses and heat treatment. These latest generation machines have boosted efficiency and the quality of output.

## Outlook

Looking ahead, we plan to continue expanding our portfolio of Automotive products and strategically expand our design and manufacturing capabilities. We are also working specifically on developing our manufacturing capabilities.

In the area of manufacturing, we also envisage implementing additional measures to improve processes and create transparency with the strategic introduction of modern systems. We are also working specifically on developing our manufacturing capabilities and processes to support further growth.

Him Teknoforge continues to maintain its robust reputation among its clients and in the market for its products. The management is confident that with an improvement in the economic environment and further developments within the organization, the ongoing investments will deliver the expected benefits. These developments will form the foundation for the Company's ability to tap into opportunities for continued expansion and positive development of the business over the next few years.

## Risks & Concerns

Your Company regularly evaluates and reviews potential risks on account of various factors such as government policies, natural/ man-made disasters and political risks. Apart from these, the Company is exposed to changes in foreign exchange rates and commodity prices, global competition, technological changes, high dependency on a few customers. Any change in laws & regulations, whether domestically or internationally could also affect the business and financial condition of your Company.

The management of your Company has put in place adequate risk management systems to minimize and/or eliminate the adverse impact, if any, of these risks.

## Internal Control Systems and their adequacy

The Audit of Internal Control Systems is carried out by an independent firm of Chartered Accountants on a quarterly basis and corrective actions are taken where shortcomings are identified. The Internal

Auditors submit their quarterly reports to the Audit Committee and the Board of Directors. All the fixed assets of the company are physically examined and recorded at regular intervals.

#### Discussion on financial performance with respect to operational performance

Your Company has achieved turnover of Rs.35164.88 Lakhs for the financial year 2021-2022 as against turnover of Rs.23889.48 Lakhs in the previous financial year 2020-2021. Further, the Company earned a profit of Rs.883.07 Lakhs in the 2021-2022 as compared to Rs.513.90 Lakhs in FY 2020-2021.

Material Developments in Human resources/Industrial relations front, including number of people employed

We regard human resources as our most valuable asset and proactively review and evolve policies and processes to attract and retain good people. We also make continuous efforts to upgrade the knowledge and skills of our present employees. As new business challenges emerge, we will remain a learning organization that supports operational excellence improvement and rising standards of performance at all levels. During the financial year 2021-2022 the total number of persons employed with us were 1274.

#### Details of significant changes in financial ratios:

Details of significant changes as compared to the immediately previous financial year in key financial ratios, along with detailed explanations therefor, including:

Particulars	F.Y. 2020-2021	F.Y. 2021-2022
(i) Debtors Turnover	6.58	6.66
(ii) Inventory Turnover	1.81	2.46
(iii) Interest Coverage Ratio	2.14	2.35
(iv) Current Ratio	1.30	1.34
(v) Debt Equity Ratio	0.98	0.93
(vi) Operating Profit Margin (%)	13.61	10.77
(vii) Net Profit Margin (%)	2.15%	2.51%

#### Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof:

Particulars	F.Y. 2020-2021	F.Y. 2021-2022
Return on Net Worth	3.47	5.53

#### Disclosure of Accounting Treatment:

The financial statements for the year ended 31st March, 2022 have been prepared as prescribed in accounting standards and accounting policies and have been followed consistently. There is no change in treatment of the said accounting standards & accounting policies, therefore, no explanation by the management is required for the same.

Place: Baddi

Date: 09.08.2022

For and on behalf of Board

Sd/  
Vijay Aggarwal  
Chairman  
DIN:00094141

## INDEPENDENT AUDITOR'S REPORT

To The Members of HIM TEKNOFORGE LIMITED (Formerly known as Gujarat Automotive Gears Limited)

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

#### Opinion

We have audited the accompanying Standalone Ind AS financial statements of HIM TEKNOFORGE LIMITED (Formerly known as Gujarat Automotive Gears Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement, the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

#### Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and 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 Ind AS financial statements.

#### 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.

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

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

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, cash flows and changes in equity of the Company in accordance with 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Company's reporting process.

#### Auditors' Responsibilities for the audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS 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 high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these standalone Ind AS 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 Ind AS 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events

or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS 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 Ind AS 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 of India in terms of sub-section (11) of section 143 of the Act, we give in the '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, 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 purpose 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), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of Companies Act, 2013 read with Companies (Indian Accounting Standard) Rules, 2015 as amended.
- e) On the basis of the written representations received from the directors, as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013.
- 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'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's Internal financial controls over financial reporting.
- g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with schedule-V to 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:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note No.36 to the standalone financial statements;
  - ii. The Company did not have any material foreseeable losses on long term contracts including derivatives contracts;
  - iii. There has been no delay in transferring amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For PRA ASSOCIATES  
Chartered Accountants  
FRN: 2355N

Deepak Gupta  
Partner  
Membership No. 89597  
UDIN: 22089597AJTCIV1927  
Place: Mohali  
Date: 27.05.2022

**ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT**

Referred to in paragraph 1 of 'Report on other Legal and Regulatory Requirements' in our Report of even date on the accounts of **HIM TEKNOFORGE LIMITED (Formerly known as Gujarat Automotive Gears Limited)** for the year ended March 31, 2022

- i. (a) (A) The Company is generally maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (B) The company has maintained proper records showing full particulars of intangible assets.
- (b) The fixed assets are physically verified by the Management in accordance with a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (d) The Company has not revalued any of its property, Plant and Equipment and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 as amended in 2016 and rules made thereunder.
- ii. (a) During the year, the inventories have been physically verified by the management. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventories as compared to the book records were not material and have been properly dealt with in the books of accounts.
- (b) The Company has been sanctioned working capital limits in excess of Rs. 5 crore rupees from banks on the basis of security of current assets. According to information and explanations given to us and based on our test check of the quarterly returns or statements filed by the Company are in agreement with the books of accounts of the Company.
- iii. The Company has made investments in Companies, firms, Limited Liability Partnerships and granted unsecured Loans to other parties, during the year, in respect of which:
- (a) The Company has not provided any loans or advances in the nature of Loans during the year. However the Company has given guarantee for Loans taken by others and the aggregate amount of loan taken by the Entity during the year was Nil and the balance outstanding as at March 31, 2022 was Rs.2.20 Lakhs .
- (b) In our opinion, the investments made and terms and conditions of the guarantee given or security provided are prima facie not prejudicial to the interest of the Company.
- (c) Since the Company has not given any Loan or advance, Clause 3(iii)© of the order is not applicable to the Company.
- (d) Since the Company has not given any Loan or advance, Clause 3(iii)(d) of the order is not applicable to the Company.
- (e) Since the Company has not given any Loan or advance, Clause 3(iii)(e) of the order is not applicable to the Company.
- (f) As informed to us, the Company has not granted loans, secured or unsecured, to promoters and related parties,

Clause 3(iii)(f) of the order is not applicable to the Company.

- iv. The Company has complied with provisions of Section 186 of the Companies Act, 2013 in respect of investments made and guarantees provided for loans taken by others and section 185 of the Companies Act, 2013 is not applicable as there were no such loans, securities or guarantees provided during the year.
- v. The Company has not accepted any deposits or amounts deemed to be deposits. Hence, reporting under clause 3(v) of the order is not applicable.
- vi. The Central Government has prescribed maintenance of cost records for the company under sub section (1) of section 148 of the Companies Act, 2013 and such accounts have been made and maintained by the company. However, no detailed examinations of such records and accounts have been carried out by us.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Customs Duty, Cess, Goods and Services Tax and other statutory dues applicable to it with the appropriate authorities. According to information and explanation given to us, no undisputed amount were in arrears as on March 31, 2022 for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of Service Tax, Cess and Customs Duty which have not been deposited on account of any dispute. The disputed amounts that have not been deposited in respect of Value Added Tax, Income Tax, Sales Tax, Excise Duty are as under:

Sr. No.	Name of the Statute	Nature of Dispute	Amount (Rs. in Lacs)	Period to which dispute relates	Forum where dispute is pending
1	M. P. VAT Act, 2002 and Central Sales Tax Act, 1956	Sales tax demand	152.80	29.03.2004 to 31.03.2007	Honorable Supreme Court of India.
2	M. P. VAT Act, 2002 and Central Sales Tax Act, 1956	CST	0.72	2015-16	Commissioner of Commercial Taxes Appeals

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. (A) According to the records of the Company examined by us and information and explanation given to us, the Company has not defaulted in repayment of dues to financial institutions and banks during the year.
- (B) The Company has not been declared willful defaulter by any bank or financial institution or government or government authority.
- (C) According to information and explanations given to us, term loans have been applied for the purpose for which it were obtained. The Company has not taken any loan or borrowing from government and has not issued debentures during the year.
- (D) According to information and explanations given to us, funds raised for short term purposes have not been applied for Long term purposes.
- (E) On an overall examination of financial statements of the Company funds raised on short term basis have, prima facie not been used during the year for long term purposes by the Company.
- (F) On an overall examination of financial statements of the



Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its associates.

(G) According to information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its associate Companies.

x. (A) The Company has not raised any money by way of public issue/ further offer (including debt instruments) during the year, Hence reporting under clause 3(x)(a) of the order is not applicable.

(B) The Company has not made any preferential allotment or private placement of shares or convertible debentures during the year. Hence reporting under clause 3(x)(b) of the order is not applicable.

xi. (A) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(B) No report under sub section 12 of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and up to the date of this report.

(C) We have taken into consideration the Whistle Blower Complaints received by the Company during the year and up to the date of this report while determining the nature, timing and extent of our audit procedures.

xii. The Company is not a Nidhi Company. Hence, reporting under clause 3(xii) of the order is not applicable.

xiii. According to the information and explanations given to us, and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sec 177 and 188 of Companies Act, 2013 where applicable and details of such transactions have been disclosed in the financial statements as required by the Indian Accounting Standards (Ind AS 24 "Related Party Disclosures") specified under Section 133 of the Act.

xiv. (A) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.

(B) We have considered internal audit reports for the year under audit issued to the Company during the year and till date in determining the nature, timing and extent of our audit procedures.

xv. In our opinion during the year, the Company has not entered any non-cash transactions with its directors and persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

xvi. (A) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence reporting under clause 3(xvi)(a) (b) and (c) of the order is not applicable.

(B) In our opinion, there is no core investment Company with in the

Group as defined in the Core Investment Companies (Reserve Bank) Directions, 2016 and accordingly reporting under clause 3(xvi)(d) of the order is not applicable.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

xviii. There has been no resignation of statutory auditors of the Company during the year.

xix. On the basis of the financial ratios, ageing and expected date of realization of financial assets and payment of financial liabilities, other information, accompanying the financial statements and our knowledge of the Board of Directors and Management Plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of audit report indicating that the Company is not capable of meeting its liabilities existing at the date of the Balance Sheet as and when they fall due within a period of one year from the date of the balance sheet. We, however state that this is not an assurance as to the future viability of the Company. We further state that our report is based on the facts up to the date of audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

xx. There are no unspent amount towards the Corporate Social Responsibility (CSR) on other than ongoing projects requiring transfer to a fund specified in schedule VII to the Companies Act, 2013 in compliance with second proviso to sub-section 5 of section 135 of the Act. Accordingly reporting under clause 3(xx) (a) of the order is not applicable for the year.

**For PRA ASSOCIATES  
Chartered Accountants  
FRN: 2355N**

**Deepak Gupta  
Partner  
Membership No. 89597**

**Place: Mohali  
Date: 27.05.2022**

**‘ANNEXURE B’ TO THE INDEPENDENT AUDITORS’ REPORT****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 HIM TEKNOFORGE LIMITED (Formerly known as Gujarat Automotive Gears Limited) (“the Company”) as of March 31, 2022 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s Board of Directors 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.

**Auditor’s 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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

For PRA ASSOCIATES  
Chartered Accountants  
FRN: 2355N

Deepak Gupta  
Partner  
Membership No. 89597

Place: Mohali  
Date: 27.05.2022

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

**Meaning of Internal Financial Controls over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

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

# Balance Sheet

as at 31st March, 2022

CIN: L29130HP1971PLC000904

₹ in Lakhs

Particulars	Note No.	" As at 31st March, 2022	" As at 31 March, 2021
<b>ASSETS</b>			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	3	14,326.35	14,277.44
(b) Right of Use - Assets (Leasehold Assets)	4	120.74	37.43
(c) Capital work-in-progress	5	51.01	2.58
(d) Other Intangible Assets	6	757.22	1,018.87
(e) Financial Assets			
(i) Investments	7	1.13	0.69
(f) Other non-current assets	8	488.84	511.45
<b>Total Non- Current Assets</b>		<b>15,745.29</b>	<b>15,848.46</b>
(2) Current assets			
(a) Inventories	9	14,677.80	13,898.40
(b) Financial assets			
(i) Trade Receivable	10	6,020.18	4,546.93
(ii) Cash and Cash Equivalents	11	6.02	22.04
(iii) Bank Balances other than above	12	213.16	210.16
(iv) Other Financial Assets	13	47.71	62.54
(c) Other Current Assets	14	482.14	454.95
<b>Total Current Assets</b>		<b>21,447.01</b>	<b>19,195.02</b>
<b>TOTAL ASSETS</b>		<b>37,192.30</b>	<b>35,043.48</b>
<b>EQUITY &amp; LIABILITIES</b>			
(1) Equity		0.00	0.00
(a) Equity Share Capital	15		157.32
(b) Other equity	16	157.32	15,251.30
<b>Total</b>		<b>16,120.29</b>	<b>15,408.62</b>
<b>LIABILITIES</b>		<b>16,277.61</b>	
(2) Non-current Liabilities			
(a) Financial Liabilities			4,472.54
(i) Financial Liabilities - Borrowings	17	4,318.90	(8.24)
(ii) Deferred Tax Liabilities (Net)	18	126.82	409.40
(iii) Provisions	19	369.46	19.64
(iv) Other Non-current Liabilities	20	83.65	4,893.34
<b>Total Non- Current Liabilities</b>		<b>4,898.83</b>	
(3) Current Liabilities			
(a) Financial Liabilities			10,636.40
(i) Borrowings	21	10,742.35	3,116.29
(ii) Trade Payables	22	4,174.98	46.19
(iii) Other Financial Liabilities	23	43.01	838.87
(b) Other Current Liabilities	24	910.98	95.89
(c) Provisions	25	144.54	7.88
(d) Current Tax Liabilities (Net)	26	-	14,741.52
<b>Total Current Liabilities</b>		<b>16,015.86</b>	<b>0.00</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>37,192.30</b>	<b>35,043.48</b>
Summary of significant accounting policies	2		
The accompanying notes form an integral part of the financial statements			

As per our report of even date

On behalf of the Board

## For PRA ASSOCIATES

Chartered Accountants

Firm Registration Number: 2355N

### Deepak Gupta

Partner

Membership No. 89597

Place: Mohali

Date: 27th May, 2022

UDIN: 22089597AJTCIV1927

### Harsh Khurana

Chief Financial Officer

### Abhishek Misra

Company Secretary

### Vijay Aggarwal

Managing Director

DIN: 00094141

### Rajiv Aggarwal

Jt. Managing Director

DIN: 00094198

Date: 27th May, 2022

**HIM TEKNOFORGE LIMITED**

(Formerly Known as Gujarat Automotive Gears Limited)“

CIN: L29130HP1971PLC000904

**Statement of Profit and Loss for year ended 31st March, 2022**

₹ in Lakhs

Particulars	Note No.	" As at 31st March, 2022	" As at 31 March, 2021
<b>Income</b>		35,164.88	23,889.48
Revenue from Operations	27	596.99	251.04
Other Income	28	<b>35,761.87</b>	<b>24,140.52</b>
<b>Total Income</b>			
<b>Expenses</b>		20,855.48	13,102.19
Cost of Materials Consumed		(777.19)	13,102.19
Changes in Inventories of Finished Goods, Work-in-Progress and Traded Goods	29	3,775.28	(706.41)
Employee Benefits Expenses	30	1,610.82	2,916.47
Finance Cost	31	945.50	1,588.28
Depreciation and Amortisation Expenses	32	8,122.34	947.76
Other expenses	33		5,575.80
<b>Total expenses</b>	34	<b>34,532.23</b>	<b>23,424.10</b>
Profit Before Tax & Exceptional Items			
Exceptional Items		1,229.64	716.41
<b>Profit Before Tax</b>		-	-
Less: Tax Expense		1,229.64	716.41
Current Tax			
Tax Relating to Earlier Years		250.00	121.00
Deferred Tax		1.93	-
<b>Profit after tax</b>	A	94.64	81.51
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss		<b>883.07</b>	<b>513.90</b>
i) Remeasurements - On post employment benefit plan - gratuity			
(ii) Income tax relating to items that will not be reclassified to profit or loss			
B (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss		13.32	28.54
<b>Total Other Comprehensive Income for the year</b>	B	3.71	(7.94)
<b>Total Comprehensive Income for the year</b>	(A+B)	0.45	0.40
Earnings per equity share: [Face Value per share: Rs. 2]		(0.12)	(0.11)
-Basic		<b>17.36</b>	<b>20.89</b>
-Diluted			
		<b>900.43</b>	<b>534.79</b>
		11.23	6.53
		11.23	6.53
Summary of significant accounting policies	2		
The accompanying notes form an integral part of the financial statements			

As per our report of even date

On behalf of the Board

**For PRA ASSOCIATES**

Chartered Accountants

Firm Registration Number: 2355N

**Deepak Gupta**

Partner

Membership No. 89597

Place: Mohali

Date: 27th May, 2022

UDIN: 22089597AJTCIV1927

**Harsh Khurana**

Chief Financial Officer

**Abhishek Misra**

Company Secretary

**Vijay Aggarwal**

Managing Director

DIN: 00094141

**Rajiv Aggarwal**

Jt. Managing Director

DIN: 00094198

Date: 27th May, 2022

# HIM TEKNOFORGE LIMITED

(Formerly Known as Gujarat Automotive Gears Limited)"

CIN: L29130HP1971PLC000904

## CASH FLOW STATEMENT AS AT 31ST MARCH, 2022

(Rs. in lakhs)

PARTICULARS	As at 31st March, 2022	As at 31st March, 2021
	Audited	Audited
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax & Extraordinary Items	1,229.64	716.41
Adjustment for:		
Depreciation / Amortisation	945.50	947.76
Interest Income	(14.80)	(21.03)
Finance Cost	1,610.82	1,588.29
(Profit)/Loss on Disposal of Property , Plant & Equipment	39.54	14.45
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>3,810.70</b>	<b>3,245.88</b>
<b>ADJUSTMENTS FOR WORKING CAPITAL CHANGES :</b>		
(Increase)/Decrease Other non - current assets	22.61	(81.43)
(Increase)/Decrease in Inventories	(779.40)	(1,417.99)
(Increase)/Decrease in Trade Receivable	(1,473.25)	(1,831.31)
(Increase)/Decrease in Other Bank Balances	(3.00)	106.87
(Increase)/Decrease in Other Non Current financial assets	-	(4.99)
(Increase)/Decrease in Other financial assets	14.83	(8.37)
(Increase)/Decrease in Other current assets	(27.19)	650.00
Increase/(Decrease) in Other non current liabilities	77.78	26.54
Increase/(Decrease) in Trade payables	1,058.69	(331.96)
Increase/(Decrease) in Other current financial liabilities	0.08	(0.73)
Increase/(Decrease) in Other current liabilities	64.24	98.74
Increase/(Decrease) in Provisions	8.71	4.36
	<b>(1,035.92)</b>	<b>(2,790.25)</b>
Cash Generated from Operations	2,774.78	455.63
Direct Taxes paid	207.93	121.00
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>2,566.86</b>	<b>334.63</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property , Plant & Equipment including Capital Work in Progress	(1,008.53)	(911.25)
Sale of Property , Plant & Equipment	104.48	80.82
(Increase)/Decrease in Non Current Investments	(0.45)	(0.40)
Interest Received	14.80	21.03
<b>NET CASH USED IN INVESTING ACTIVITY</b>	<b>(889.69)</b>	<b>(809.81)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Loans from Banks/FIs	1,472.64	2,552.30
Repayment of Term Loans	(1,835.30)	(1,032.04)
Net (Decrease)/ Increase in Short Term Borrowings	315.02	619.65
Finance Cost	(1,614.09)	(1,648.20)
Dividend Paid	(31.46)	(15.73)
<b>NET CASH USED IN FINANCING ACTIVITY</b>	<b>(1,693.19)</b>	<b>475.98</b>
<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS(A+B+C)</b>	<b>(16.02)</b>	<b>0.80</b>
<b>OPENING BALANCE OF CASH &amp; CASH EQUIVALENTS</b>	<b>22.04</b>	<b>21.24</b>
<b>CLOSING BALANCE OF CASH &amp; CASH EQUIVALENTS</b>	<b>6.02</b>	<b>22.04</b>
	<b>(16.02)</b>	<b>0.80</b>

**HIM TEKNOFORGE LIMITED****(Formerly Known as Gujarat Automotive Gears Limited)“****CIN: L29130HP1971PLC000904**

Notes		
1. Closing Balance of Cash & Cash Equivalents		
Cash and Cash Equivalents Includes: (Refer Note No.11)		
CASH IN HAND	1.26	2.00
BALANCE WITH SCHEDULED BANKS		
- In Current Account	4.76	20.04
	<u>6.02</u>	<u>22.04</u>

**2. Previous year figures have been regrouped and rearranged wherever considered necessary to make them comparable with those of the current year.**

As per our report of even date

**For PRA ASSOCIATES**

Chartered Accountants

Firm Registration Number: 2355N

**Deepak Gupta**

Partner

Membership No. 89597

Place: Mohali

Date: 27th May, 2022

UDIN: 22089597AJTCIV1927

**Harsh Khurana**

Chief Financial Officer

**Abhishek Misra**

Company Secretary

**Vijay Aggarwal**

Managing Director

DIN: 00094141

**Rajiv Aggarwal**

Jt. Managing Director

DIN: 00094198

Date: 27th May, 2022

On behalf of the Board

## HIM TEKNOFORGE LIMITED

(Formerly Known as Gujarat Automotive Gears Limited)"

CIN: L29130HP1971PLC000904

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2022  
(All amounts are in Rs. lakhs, unless otherwise stated)

a. Equity

Particulars	No. of Shares	Amount (Rs. lakhs)
Balance at at 31st March, 2020	78,66,016	157.32
Changes in equity share capital during the year	-	-
Balance at at 31st March, 2021	78,66,016	157.32
Changes in equity share capital during the year	-	-
Balance at at 31st March, 2022	78,66,016	157.32

b. Other Equity

Particulars	Reserves and Surplus								Other items of Other comprehensive income	Total Other Equity
	Capital Reserve	Securities Premium	Other Reserves (Capital Investment Subsidy)	General Reserve	Retained Earning	Reserve Created on Amalgamation	Cash Flow from Hedging Reserve	Other Equity	Remeasurement of net defined benefit plans	
Balance as at March 31, 2021	27.22	3,023.29	75.00	720.32	10,029.09	1,467.53	-	-	(91.15)	15,251.30
Profit for the year	-	-	-	-	883.07	-	-	-	-	883.07
Remeasurements of Defined Benefit Plan	-	-	-	-	-	-	-	-	17.36	17.36
Dividend & Dividend Distribution tax paid	-	-	-	-	(31.46)	-	-	-	-	(31.46)
Balance as at March 31, 2022	27.22	3,023.29	75.00	720.32	10,880.70	1,467.53	-	-	(73.79)	16,120.29

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For PRA ASSOCIATES**

Chartered Accountants

Firm Registration Number: 2355N

**Deepak Gupta**

Partner

Membership No. 89597

Place: Mohali

Date: 27th May, 2022

UDIN: 22089597AJTCIV1927

**Harsh Khurana**

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Company Secretary

**Vijay Aggarwal**

Managing Director

DIN: 00094141

**Rajiv Aggarwal**

Jt. Managing Director

DIN: 00094198

Date: 27th May, 2022

## 1. Company Overview

The Company ("Him Teknoforge Limited - formerly known as Gujarat Automotive Gears Limited, "HTL") is an existing public limited company incorporated on 27/03/1971 under the provisions of the Indian Companies Act, 1956 and deemed to exist within the purview of the Companies Act, 2013, having its registered office at Village Billanwali, Baddi, Dist. Solan (HP) - 173205. Pursuant to the Order dated 9th January, 2018 of Hon'ble National Company Law Tribunal, Chandigarh Bench, M/s Him Teknoforge Limited is merged with M/s Gujarat Automotive Gears Limited with appointed dated 1st April, 2016 and the name of Gujarat Automotive Gears Limited is changed to Him Teknoforge Limited as per the Scheme of Amalgamation. The Company offers a diverse range of products and services including manufacturing, sales, distribution and marketing of automotive, non-automotive and engineering components like Alloy Steel Forgings, Gears, Shafts, Axles, Assemblies & sub-assemblies, etc.. The equity shares of the Company are listed on BSE Limited ("BSE"). The financial statements are presented in Indian Rupee (₹).

## 2. Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

### (A) Basis Of Preparation Of Financial Statement

#### i) Compliance with Ind AS

The financial statements Complies in all material aspects with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the "Act") and other relevant provisions of the Act and other accounting principles generally accepted in India.

The financial statements were authorized for issue by the Company's Board of Directors on 11th June 2021.

These financial statements are presented in Indian Rupees (INR), which is also the functional currency. All the amounts have been rounded off to the nearest lakhs, unless otherwise mentioned.

#### ii) Historical cost convention

The Company follows the mercantile system of accounting and recognizes income and expenditure on an accrual basis. The financial statements are prepared under the historical cost convention, except in case of significant uncertainties and except for the following:

- Certain financial assets and liabilities (Including Derivative Instruments) that are measured at fair value;
- Defined benefit plans where plan assets are measured at fair value.
- Investments are measured at fair value.

#### iii) Current and 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 Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current - non-current classification of assets and liabilities.

### (B) Use of estimates and judgements

"The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively."

## (C) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### (I) Financial Assets

#### (i) Classification

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and
- Those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

- For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.
- For investments in debt instruments, this will depend on the business model in which the investment is held.
- For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

#### (ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not measured at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

#### (a) Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

**Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

**Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income or other expenses (as applicable). Interest income from these financial assets is included in other income using the effective



interest rate method.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other income or other expenses (as applicable) in the period in which it arises. Interest income from these financial assets is included in other income or other expenses, as applicable.

#### (b) Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has selected to present fair value gains and losses on equity investments in other comprehensive income and there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income or other expenses, as applicable in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

#### (iii) Impairment of financial assets

"The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For Trade receivables company provides when there is a significant uncertainty arise for recovery."

#### (iv) Derecognition of financial assets

A financial asset is derecognised only when -

- The Company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

### (II) Financial Liabilities

#### (i) Measurement

Financial liabilities are initially recognised at fair value, reduced by transaction costs (in case of financial liability not at fair value through profit or loss), that are directly attributable to the issue of financial liability. After initial recognition, financial liabilities are measured at amortised cost using effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash outflow (including all fees paid, transaction cost, and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter

period, to the net carrying amount on initial recognition. At the time of initial recognition, there is no financial liability irrevocably designated as measured at fair value through profit or loss.

#### (ii) Derecognition

A financial liability is derecognised 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 derecognition 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

#### (D) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortization, where appropriate.

#### (E) Segment Report

The Company operates in single segment only. The company identifies & monitors Auto Parts as the primary business Segment

#### (F) Inventories Valuation

- Raw materials, components, stores & spares, packing material, semi-finished goods & finished goods are valued at lower of cost and net realisable value.
- Cost of Raw Materials, components, stores & spares and packing material is arrived at FIFO and Cost of semi-finished good and finished good comprises, raw materials, direct labour, other direct costs and related production overheads.
- Scrap is valued at net realisable value.

#### (G) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes outstanding bank overdraft shown within current liabilities in statement of financial balance sheet and which are considered as integral part of company's cash management policy.

#### (H) Income tax, deferred tax and dividend distribution tax

The Income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax is recognised in the profit and loss except to the extent it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income respectively.

#### (i) Current income tax

Current tax charge is based on taxable profit for the year. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and tax liabilities are offset when there

is a legally enforceable right to set off current tax assets against current tax liabilities and Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**(ii) Deferred tax**

Deferred tax is provided using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the Balance Sheet, if and only when, (a) the Company has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) the deferred income tax assets and liabilities relate to income tax levied by the same taxation authority.

Minimum Alternate Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

**(iii) Tax on Dividend**

Company is required to pay/distribute dividend after deducting the applicable withholding income tax as per the extant Income Tax Laws.

**(I) Property, plant and equipment**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and used those carrying value as the deemed cost of the property, plant and equipment.

- (i) Freehold land is carried at historical cost including expenditure that is directly attributable to the acquisition of the land.
- (ii) All other items of property, plant and equipment are stated at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items.
- (iii) Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.
- (iv) Cost of Capital Work in Progress ("CWIP") comprises amount paid towards acquisition of property, plant and equipment outstanding as of each balance sheet date and

construction expenditure, other expenditures necessary for the purpose of preparing the CWIP for its intended use and borrowing cost incurred before the qualifying asset is ready for intended use. CWIP is not depreciated until such time as the relevant asset is completed and ready for its intended use.

- (v) Depreciation methods, estimated useful lives and residual value

(a) Fixed assets are stated at cost less accumulated depreciation.

(b) Depreciation is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets which is as prescribed under Schedule II to the Companies Act, 2013. In respect of Plant and Machinery the management has estimated the useful life as forty years for the Plant & Machinery installed at its Forging Units and thirty years for the Plant & Machinery installed at its Machining Units and for Electrical installation the useful life is taken as twenty five years based on internal assessment and independent technical evaluation carried out by the Chartered Engineer. Management believes that the useful lives considered as mentioned herein, best represent the period over which it expects to use these assets. The depreciation charge for each period is recognised in the Statement of Profit and Loss, unless it is included in the carrying amount of any other asset. The useful life, residual value and the depreciation method are reviewed at least at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

- (vi) Tangible assets which are not ready for their intended use on reporting date are carried as capital work-in-progress."

(vii) The residual values are not more than 5% of the original cost of the asset. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other expenses or other income as applicable."

**(J) Intangible assets**

On transition to Ind AS, The Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016 measured as per the previous GAAP and used those carrying value as the deemed cost of the intangible assets.

- (i) An intangible asset shall be recognised if, and only if: (a) it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and (b) the cost of the asset can be measured reliably.
- (ii) Cost of technical know-how and the expenditure incurred on Product Design and Development has been amortized over a period of ten years.
- (iii) Computer software is capitalised where it is expected to provide future enduring economic benefits. Capitalisation costs include licence fees and costs of implementation / system integration services. The costs are capitalised in the year in which the relevant software is implemented for use. The same is amortised over a period of 3 years on straight-line method for the Units at Vadodra and in respect of other units as per the estimated useful life as per Schedule III to the Companies Act, 2013.

**(K) Leases**

- (i) As a lessee

"Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. The Company's lease asset classes consist primarily of land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases.

For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.

Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows."

**(ii) As a lessor**

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

**(L) Revenue Recognition**

(I) Ind As 115 "Revenue from contracts with customers" provides a control-based revenue recognition model and provides a five step application approach to be followed for revenue recognition.

1. Identify the contract(s) with a customer;
2. Identify the performance obligations;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations;
5. Recognise revenue when an entity satisfies performance obligation.

Revenue from contracts with customers is recognised

when control of goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

**a) Sale of Goods**

For sale of goods, revenue is recognised when control of the goods has transferred at a point in time i.e when the goods have been delivered to the specific location (delivery). Following delivery, the customer has full discretion over the responsibility, manner of distribution, price to sell the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before the payment is due.

**b) Contract Balances**

**Trade receivables:** A receivable represents the Company's right to an amount of consideration that is unconditional (i.e only the passage of time is required before payment of the consideration is due).

**Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due from the customer. If the company transfers goods or services to the customer, a contract liability is recognised when payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company delivers goods.

**c) Cost to obtain a contract**

The Company pays sales commission to its selling agents for each contract that they obtain for the Company, The Company has elected to apply the optional practical expedient for costs to obtain a contract which allows the Company to immediate expense sales commission (included in sales promotion expense under other expenses) because the amortisation period of the asset that the Company otherwise would have used is one year or less.

**(II) Sales of Services**

"Revenue from rendering of services is recognized when the performance of agreed contractual task has been completed.

Revenue from rendering of services is recognized when the performance of agreed contractual task has been completed. The Company recognises income from power generated on accrual basis. However, where the ultimate collection of the same lacks reasonable certainty, revenue recognition is postponed to the extent of uncertainty."

**(III) Other Income**

**(i) Interest Income**

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

**(ii) Dividends**

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the group, and the amount of the dividend can be measured reliably.

**(iii) Export Benefits**

In case of sale made by the Company as manufacturer,

export benefits arising from Duty Drawback scheme, Rebate of state levies (LOSL), and Rebate of State and Central Taxes and Levies (ROSCTL), are recognised on sale of such goods in accordance with the agreed terms and conditions with customers.

Revenue from exports benefits measured at the fair value of consideration received or receivable net of returns and allowances, cash discount, trade discount and volume rebates.

#### (M) Employee Benefit

##### (i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

##### (ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

##### (iii) Post-employment obligations

The group operates the following post-employment schemes:

##### (a) Defined benefit plan:

Defined benefit obligation plans and other long term benefits – The present value of the obligation under such plans is determined based on an actuarial valuation, using the projected Unit Credit Method. Actuarial gains and losses arising on such valuation are recognized immediately in the statement of profit & loss. In case of gratuity, which is combination of funded plan with the Life Insurance Corporation Of India and unfunded plan, the fair value of the plan assets is reduced from the gross obligation under defined benefit plans to recognize the obligation on net basis. The liability for Earned Leave has been provided as per the Actuarial valuation as at the end of the accounting year.

##### (b) Defined Contribution plan:

Employees benefits in the form of contribution to Provident Fund managed by Government Authorities, Employees State Insurance Corporation and Labour Welfare Fund are considered as defined contribution plan and the same are recognized as expenses as and when it accrues and is charged in statement of Profit & Loss of the year. Post employment benefits (e.g. gratuity) is recognized as expense based on actuarial valuation at the year end or elsewhere cash accumulation policy of Life Insurance Corporation of India has been obtained, the premium paid to the Life Insurance Corporation during the year has been treated as an expense.

#### (N) Foreign currency translation

##### (i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

##### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. All the foreign exchange gains and losses are presented in the statement of Profit and Loss on a net basis within other expenses or other income as applicable.

#### (O) Borrowing Cost

(i) Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates."

(ii) Borrowings are classified as current financial liabilities unless the entity has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach."

#### (P) Earnings per share

##### (i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company; and
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

##### (ii) Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares; and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

#### (Q) Impairment of Assets

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which

there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**(R) Provisions, contingent liabilities and contingent assets**

(i) Provisions:

“ Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss. ”

(ii) Contingent liabilities:

“ A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised 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 recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.”

(iii) Contingent Assets: Contingent Assets are disclosed, where an inflow of economic benefits is probable.

**(S) Investments**

On transition to Ind AS, equity investments are measured at fair value, with value changes recognised in Other Comprehensive Income, except for those mutual fund for which the Company has elected to present the fair value changes in the Statement of Profit and Loss.

**(T) Trade receivables**

Trade receivables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

**(U) Trade and other payables**

These amounts represent liabilities for goods and services

provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are recognised, initially at fair value, and subsequently measured at amortised cost using effective interest rate method.

**(V) Operating Cycle**

Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non current.

**(W) Foreign Exchange Risk Management Policy**

Foreign exchange risk refers to the losses that an international financial transaction may incur due to currency fluctuations. Exchange rate volatility is unpredictable since there are many factors that affect the movement of the exchange rates i.e. economic fundamentals, monetary policy, fiscal policy, global economy, speculation, domestic and foreign political issues, market psychology, being some of them. The exchange rate volatility poses a risk, called foreign exchange risk or currency risk, to business sector, in particular, the importers and exporters or those ones who associate with international businesses. Although businesses cannot control the fluctuation of the exchange rates but they can manage the risk by using proper hedging tools e.g. Forward, Futures, and Options, in order to manage their revenues and costs, assets and liabilities, more efficiently.

The company exports Automotive Components to known customers in the overseas market and take forward booking keeping in view the forward markets. In certain position exports are kept in open position, however, the position is reviewed at regular intervals and decision with regard to the hedge is taken based on situation and factors prevalent at the time. For long term commitments, e.g., forex commitments in the nature of term loans, the company has a policy to completely hedge the total exposure.

**(X) Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest rupees lakhs, unless otherwise stated as per the requirement of Schedule III (Division II).

# HIM TEKNOFORGE LIMITED

(Formerly Known as Gujarat Automotive Gears Limited)"

CIN: L29130HP1971PLC000904

Notes forming part of Financial Statements for the Year ended 31st March, 2022

(All amounts are in Rs. lakhs, unless otherwise stated)

Note No.

## 3. PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION				NET CARRYING AMOUNT
	AS AT 01.04.2021	PUR- CHASE DURING THE YEAR	DEDUC- TION DURING THE YEAR	AS AT 31.03.2022	UP TO 01.04.2021	DEP. FOR THE YEAR	DEDUC- TION DURING THE YEAR	AS	AS
								AT 31.03.2022	AT 31.03.2022
<b>Property, Plant and Equipment</b>									
Land - Freehold	510.47	-	-	510.47	-	-	-	-	510.47
Building - Factory	2,298.85	2.58	-	2,301.43	677.14	75.08	-	752.22	1,549.21
Plant & Machinery	13,548.09	657.44	165.40	14,040.13	3,589.77	367.72	22.25	3,935.24	10,104.89
Furniture & Fixture	104.08	1.81	-	105.89	69.22	6.82	-	76.04	29.85
Office Equipment	95.10	1.56	-	96.66	76.00	5.13	-	81.13	15.53
Computers	124.63	9.00	-	133.63	99.70	6.40	-	106.10	27.53
Vehicles	534.68	78.45	25.55	587.58	384.08	40.21	24.67	399.62	187.96
Miscellaneous Fixed Assets	3,175.54	115.46	-	3,291.00	1,218.09	172.00	-	1,390.09	1,900.91
<b>Total</b>	<b>20,391.44</b>	<b>866.30</b>	<b>190.95</b>	<b>21,066.79</b>	<b>6,114.00</b>	<b>673.36</b>	<b>46.93</b>	<b>6,740.44</b>	<b>14,326.35</b>
Previous Year	19,557.10	990.45	156.12	20,391.44	5,533.19	641.66	60.85	6,114.00	14,277.44

## 4. RIGHT TO USE ASSET

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION				NET CARRYING AMOUNT
	AS AT 01.04.2021	PUR- CHASE DURING THE YEAR	DEDUC- TION DURING THE YEAR	AS AT 31.03.2022	UP TO 01.04.2021	DEP. FOR THE YEAR	DEDUC- TION DURING THE YEAR	AS AT 31.03.2022	AS AT 31.03.2022
Right of Asset Use -Leasehold Land	135.64	-	-	135.64	98.20	5.49	-	103.69	31.95
Right of Asset Use -Plant & Machinery	-	92.97	-	92.97	-	4.18	-	4.18	88.79
<b>Total</b>	<b>135.64</b>	<b>92.97</b>	<b>-</b>	<b>228.61</b>	<b>98.20</b>	<b>9.67</b>	<b>-</b>	<b>107.87</b>	<b>120.74</b>
Previous Year	135.64	-	-	135.64	92.72	5.48	-	98.20	37.43

## 5 (i). CAPITAL WORK-IN-PROGRESS

PARTICULARS	AS AT 01.04.2021	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31.03.2022
Capital Work- in- Progress		2.58	51.01	2.58
Previous Year	83.53		2.58	83.53

## HIM TEKNOFORGE LIMITED

(Formerly Known as Gujarat Automotive Gears Limited)"

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### 5 (ii). CAPITAL WORK-IN-PROGRESS - AGEING SCHEDULE

PARTICULARS	Amount in CWIP for a period of				Total- As at 31.03.2022
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Projects in Progress :</b>					
Plant & Machinery	16.50	-	-	-	16.50
Building Under Construction	34.51	-	-	-	34.51
<b>Sub-Total</b>	<b>51.01</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>51.01</b>
<b>Projects Temporarily Suspended</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Sub-Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>51.01</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>51.01</b>

### 6. OTHER INTANGIBLE ASSETS

PARTICULARS	GROSS CARRYING AMOUNT				DEPRECIATION				NET CARRYING AMOUNT
	AS AT 01.04.2021	PURCHASE DURING THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31.03.2022	UP TO 01.04.2021	DEP. FOR THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31.03.2022	AS AT 31.03.2022
<b>Other Intangible Assets</b>									
Product Design & Development	2,789.57	-	-	2,789.57	1,776.42	260.88	-	2,037.30	752.27
Computer Software	34.17	0.83	-	34.99	28.45	1.59	-	30.04	4.95
<b>Total</b>	<b>2,823.74</b>	<b>0.83</b>	<b>-</b>	<b>2,824.56</b>	<b>1,804.87</b>	<b>262.47</b>	<b>-</b>	<b>2,067.34</b>	<b>757.22</b>
Previous Year	2,821.99	1.75	-	2,823.74	1,504.25	300.62	-	1,804.87	1,018.87

# HIM TEKNOFORGE LIMITED

(Formerly Known as Gujarat Automotive Gears Limited)"

Notes forming part of financial statements for the year ended 31st March, 2022

(All amounts are in Rs. lakhs, unless otherwise stated)

₹ in Lakhs

Note No	Particulars	" As at 31st March, 2022	" As at 31 March, 2021
7	<b>Financial asset -Non-Current Investments</b>		
	<b>Non Trade Investments</b>		
	<b>Quoted</b>		
	Equity Instruments (At FVOCI)		
	Nagarjuna Fertilisers & Chemicals Ltd. - Face Value Rs. 10 each	0.71	0.35
	In Other Securities (At FVTPL)		
	SBI Infrastructure Bond - Face Value Rs. 10 each	0.42	0.34
	<b>Total</b>	<b>1.13</b>	<b>0.69</b>
8	<b>Other Non-Current Assets</b>		
	Balance with Government Authorities	11.26	11.24
	Security deposits	376.22	376.99
	Capital Advances	101.36	123.22
	<b>Total</b>	<b>488.84</b>	<b>511.45</b>
9	<b>Inventories</b>		
	Raw Material & Components	1,953.13	1,895.18
	Work-in-progress	7,876.30	7,459.58
	Finished goods (Refer Note No. 10.1)	1,227.16	880.96
	Stores & Packing Materials	3,550.31	3,598.68
	Scrap	70.90	64.00
	<b>Total</b>	<b>14,677.80</b>	<b>13,898.40</b>
	Note No 9.1: Finished Goods Inventory includes Goods in transit of Rs. 238.41 lakhs ( 31 March 2021 Rs.171.64 lakhs)		
10	<b>Financial asset -Current</b>		
	<b>Trade receivables</b>		
	Unsecured :(Refer Note No. 10.1, 10.2, 43 and 52 )		
	- considered good	6,020.18	4,546.93
	- considered doubtful	4.79	4.79
	<b>Sub-total</b>	<b>6,024.97</b>	<b>4,551.72</b>
	Less: Allowance for Expected Credit Loss	(4.79)	(4.79)
	<b>Total</b>	<b>6,020.18</b>	<b>4,546.93</b>
	<b>Movement in the allowance of expected credit loss</b>		
	Balance at the beginning of the year	4.79	4.79
	Less: Amounts written off during the year (net)	-	-
	Balance at end of the year	4.79	4.79
	The average credit period ranges from 30 to 180 days for Sales. No interest is charged.		
	Note No. 10.1: Debts due by Related Parties -Firms/Companies in which directors are interested	2,163.10	551.95
	Note No. 10.2 : Trade Receivables ageing schedule for the year ended on 31.03.2022 and 31.03.2021 is disclosed under Note No. 52 of Notes on Accounts.		
11	<b>Cash and Cash Equivalents</b>		
	Balances with Banks in Current Accounts	4.76	20.04
	Cash in Hand	1.26	2.00
	<b>Total</b>	<b>6.02</b>	<b>22.04</b>



## HIM TEKNOFORGE LIMITED

(Formerly Known as Gujarat Automotive Gears Limited)"

Notes forming part of financial statements for the year ended 31st March, 2022

(All amounts are in Rs. lakhs, unless otherwise stated)

₹ in Lakhs

Note No	Particulars	" As at 31st March, 2022	" As at 31 March, 2021
<b>12</b>	<b>Other Bank Balances</b>		
	Balances with Banks in Fixed Deposits (maturity less than 12 months) (Refer Note No. 12(i) - 12(iii))	149.92	151.04
	Balances with Banks in Fixed Deposits (maturity more than 12 months) (Refer Note No. 12(i) - 12(iii))	60.37	56.32
	Unclaimed Dividend Accounts (Refer Note No. 12(iv))	2.87	2.80
	<b>Total</b>	<b>213.16</b>	<b>210.16</b>
	Note 12(i) : The Fixed Deposit of Rs. 205.93 lakhs (31 March 2021 Rs.203.14 lakhs) are pledged with the State Bank of India being margin money against Letter of Credit & Bank Guarantees issued.		
	Note 12(ii) : Fixed Deposits of Rs. 1.10 lakhs (31 March 2021 Rs. 1.10 lakhs) are pledged with the Sales Tax Authorities.		
	Note 12(iii) :The above fixed deposits of Rs. 3.27 lakhs (31 March 2021 Rs. 3.27 lakhs) are pledged with Siemens Financial Services Pvt. Ltd., against partial disbursement of Loan for Machinery.		
	Note 12 (iv) : The balances can be utilised only towards settlement of the unpaid dividend.		
<b>13</b>	<b>Other Financial Assets</b>		
	Employee Advances	42.82	59.68
	Interest Receivable	4.89	2.86
	<b>Total</b>	<b>47.71</b>	<b>62.54</b>
<b>14</b>	<b>Other Current Assets</b>		
	Prepaid Expenses		
	Advances to Suppliers	85.28	51.72
	Others	74.00	80.49
	<b>Total</b>	<b>322.86</b>	<b>322.74</b>
<b>15</b>	<b>Equity Share Capital</b>		
	(a) Authorised Share Capital		3,042.50
	Equity shares of Rs. 2/- each (31 March 2021: Rs. 2/- each)	No. of shares 15,21,25,000 3,042.50	
	9.5% Cumulative Preference shares of Rs.100/- each (31 March 2021: Rs. 100/- each)	7,500 7.50	7.50
	Unclassified Shares of Rs. 10/- each		
	<b>Total</b>	5,00,000 <b>50.00</b>	50.00 <b>3,100.00</b>
	(b) Issued, Subscribed and Paid Up Capital		
	Equity shares of Rs.2/- each (31 March 2021: Rs. 2/- each)	78,66,016 157.32	157.32
	<b>Total</b>		<b>157.32</b>
	(c) Paid up		
	Equity shares of Rs.2/- (31 March, 2021 Rs.2/-) each with voting rights	78,66,016 157.32	157.32
	<b>Total</b>		<b>157.32</b>
	Note No. 15.1: The reconciliation of the number of shares outstanding at the beginning and at the end of reporting period 31 March, 2022:		
	<b>Balance at at 31st March, 2021</b>		
	Changes in equity share capital during the year	7866016 157.32	157.32
	<b>Balance at at 31st March, 2022</b>	- <b>157.32</b>	- <b>157.32</b>

# HIM TEKNOFORGE LIMITED

(Formerly Known as Gujarat Automotive Gears Limited)“

Notes forming part of financial statements for the year ended 31st March, 2022

(All amounts are in Rs. lakhs, unless otherwise stated)

₹ in Lakhs

Note No	Particulars	" As at 31st March, 2022		" As at 31 March, 2021	
	Note No. 15.2 Details of Shareholders holding more than 5% shares in the Company				
	<b>Name of the Shareholder</b>	No. of Shares held	%	No. of Shares held	%
	Canbank Venture Capital Fund Ltd. - Trustee of Canbank Venture Capital Fund (Emerging India Growth Fund CVCF-V)	17,75,148	22.57%	17,75,148	22.57%
	Sh. Rajiv Aggarwal	9,90,306	12.59%	9,90,306	12.59%
	Sh. Vijay Aggarwal	7,46,033	9.48%	7,46,033	9.48%
	Globe Precision Industries Pvt. Ltd.	5,87,577	7.47%	5,87,577	7.47%
	Sh. Vinod Aggarwal	5,40,980	6.88%	5,40,980	6.88%
	Smt. Asha Aggarwal	4,93,309	6.27%	4,93,309	6.27%
	IFCI Venture Capital Funds Ltd.	4,17,584	5.31%	8,80,787	11.20%

Note :

i) 1438087 equity shares (previous year 1438087 equity shares) of the Company held by the Promoters are pledged with India Automotive Component Manufacturers Private Equity Fund (ICAM-1D)

ii) 615384 equity shares (previous year 615384 equity shares) of the Company held by the Promoters are pledged with State Bank of India for securing credit facilities granted to the Company.

iii) 398804 equity shares (previous year 398804 equity shares) of the Company held by the Globe Precision Industries Pvt. Ltd. -Promoters are pledged with Punjab National Bank for securing credit facilities granted to Globe Precision Industries Pvt. Ltd.

Note no. 15.3 : Please refer note no. 45 for Details of Promoters Shareholding

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## Other Equity

Reserves & Surplus\*

Capital Reserve ( including reserve created on merger)#	1,494.75	1,494.75
Security Premium Reserve ##	3,023.29	3,023.29
Capital Investment Subsidy ###	75.00	75.00
General reserve ####	720.32	720.32
-Remeasurement of net defined benefit plans	17.35	20.89
Retained earning #####	9,937.99	9,418.87
Additions	883.05	513.90
Less: Dividend for FY 2020-2021 (FY 2019-2020)	(31.46)	(15.73)
Total	16,120.29	15,251.30

\* For movement, refer statement of change in equity.

# Capital Reserve

The Company recognise gain on account of merger/amalgamation to capital reserve.

## Securities Premium Reserve

The amount received in excess of the par value of Equity shares issued have been classified as securities premium. In accordance with the provision of Section 52 of Indian Companies Act, 2013, the securities premium account can only be utilised for the purposes of issue bonus shares, repurchasing the Company's shares, redemption of preference shares and debentures, and offsetting direct issue costs and discount allowed for the issue of shares or debentures.

### Capital Investment Subsidy

The Company recognise subsidy received from Government to Capital Investment Subsidy.

#### General Reserve

General reserve forms part of the retained earning and is permitted to be distributed to shareholders as part of dividend and is created out of transfer from retained earnings.

##### Retained earnings

Retained earnings includes the Company's cumulative earning and losses respectively.

## HIM TEKNOFORGE LIMITED

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Notes forming part of financial statements for the year ended 31st March, 2022

(All amounts are in Rs. lakhs, unless otherwise stated)

₹ in Lakhs

Note No	Particulars	" As at 31st March, 2022	" As at 31 March, 2021
17	<b>Borrowings</b>		
	Secured Term Loans :		
	From Banks (refer note on. 17(i), 17(ii), 17(iv), 17(vi) & 17(vii) )	3,437.52	3,226.58
	From Non-Banking Financial Institutions (Refer Note No.18(ii), 18(iii) , 18(v), 18(vi) & 19(viii) )	881.38	1,245.96
		0.00	0.00
	Total	4,318.90	4,472.54

Note 17(i) :Term loans from State Bank of India Rs. 4084.87 lakhs (previous year Rs.3438.10 lakhs) are secured by first pari-passu charge on entire fixed assets of the Company (present & future) excluding i) specific charge on Plant & Machinery against loan from Siemens Financial Servies Pvt. Ltd. , Piramal Capital Housing Finance Ltd., Electronica Finance Ltd. and Mahindra & Mahindra Finance Ltd. ii) value of 10 Flats mortgaged with SIDBI, Land & Building, Plant & Machinery of Gametha Unit specifically charged to SIDBI and second pari-passu charge by Hypothecation of Stocks & receivables and other Current Assets of the company and further secured by equitable mortgage of H.No. 73, Sector 28A, Chandigarh in the name of Sh. Vinod Aggarwal, pledge of 615384 equity shares of the Company held by Promoters, equitable mortgage of land measuring 5 bighas & 2 biswas at Village Billanwali, Baddi in the name of Metalchem India Pvt. Ltd. and personal gaurantees of Sh. Vijay Aggarwal & Sh. Rajiv Aggarwal, Directors, Sh. Vinod Aggarwal, Smt. Anju Aggarwal and Corporate Guarantee of Metalchem India Pvt. Ltd .

16 Note 17(ii) : Vehicle Loans from State Bank of India, HDFC Bank, Kotak Mahindra Bank and Leasing & Finance Companies are secured against hypothecation of vehicles.

Note 17(iii) : Loans from Siemens Financial Services Pvt. Ltd. , Piramal Capital Housing Finance Ltd., Electronica Finance Ltd. and Mahindra & Mahindra Finance Ltd. are secured by first charge on specific Plant & Machinery purchased against these loans.

Note 17 (iv) : Loan from SIDBI for Rs. 285.88 lakhs (previous year Rs.400.84 lakhs) is secured against first charge by way of hypothecation of assets acquired under the loan and first charge by way of mortgage of all immovable properties both present and future situated at Village Gametha, Baroda including factory shed, buildings and structures thereon and covered by personal guarantee of Sh. Rajiv Aggarwal, Director.

Note 17 (v) : Working Capital Term Loan from Tata Capital Financial Services Ltd. Rs.616.08 lakhs (previous year Rs. 919.28 lakhs) is secured by first pari-passu charge with State Bank of India on entire fixed assets of the Company both present and future (other than specifically/exclusively charged to other lenders) and second pari-passu charge on entire current assets with State Bank of India both present and future and personal gaurantee of Sh. Vijay Aggarwal & Sh. Rajiv Aggarwal, Directors, Sh. Vinod Aggarwal & Smt. Anju Aggarwal .

Note 17 (vi) : Maturity profile of Secured Term Loans is set out as below:

1-2 Years	- Rs. 1546.17 lakhs
2-3 Years	- Rs. 1152.18 lakhs
3-4 Years	- Rs. 906.76 lakhs
Above 4 Years	- Rs. 718.65 lakhs

Note 17(vii) : Interest rates on secured loans taken from Banks varies from 7.00% to 11.35% p.a.

Note 17 (viii): Interest on secured Loans taken from Leasing & Finance Companies varies from 6.50% to 12.50% p.a.

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Notes forming part of financial statements for the year ended 31st March, 2022

(All amounts are in Rs. lakhs, unless otherwise stated)

₹ in Lakhs

Note No	Particulars	" As at 31st March, 2022	" As at 31 March, 2021
<b>18</b>	<b>Deferred Tax Liabilities (Net)</b>		
	<b>Deferred Tax Liabilities</b>		
	On account of difference in depreciation as per books and Income Tax Act	1,480.62	1,391.93
	Deferred Tax Assets		
	MAT Credit Entitlement	(1,228.06)	(1,272.06)
	Employee benefits	(124.41)	(126.78)
	Allowance for Doubtful Assets	(1.33)	(1.33)
	Total	<b>126.82</b>	<b>(8.24)</b>
<b>19</b>	<b>Provisions - Non Current</b>		
	Provisions for Employee Benefits		
	Gratuity ( Refer Note No. 38)	329.05	367.03
	Leave Encashment ( Refer Note No. 38)	40.41	42.37
	Total	<b>369.46</b>	<b>409.40</b>
<b>20</b>	<b>Other Non-Current Liabilities</b>		
	Security From Employees	8.69	9.22
	Security From Dealers	4.30	4.30
	Lease Liability (Ind-AS)	70.66	6.12
	Total	<b>83.65</b>	<b>19.64</b>
<b>21</b>	<b>Borrowings</b>		
	Secured (Refer Note No 21(i) & 21(ii) )		
	From Banks		
	Export Packing Credit	765.97	434.44
	Cash Credit	8,403.48	8,420.04
	Total	<b>9,169.45</b>	<b>8,854.48</b>
	Current Maturities of Long Term Debts (Refer Note No. 17(vi))	1,572.90	1,781.92
	Total	<b>10,742.35</b>	<b>10,636.40</b>
	Note 21(i) :Working Capital Borrowings - Cash Credit and EPC are secured by first charge by means of Hypothecation of Stocks & Receivables and other current assets in the name of Company, residual charge on the fixed assets of the company excluding specific charge on plant & machinery in favour of Siemens Financial Services Ltd., Piramal Capital Housing Finance Ltd., Electronica Finance Ltd., Mahindra & Mahindra Finance Ltd., 10 Flats mortgaged with SIDBI and Land & Building, Plant & Machinery and Misc. Fixed Assets of the Company's plant located at Gametha, Vadodra specifically charged to SIDBI and further secured by way of pledge of 615384 Equity Shares of the company held by promoters, by the personal guarantee of Sh. Vijay Aggarwal & Sh. Rajiv Aggarwal, Directors and personal guarantee of Sh. Vinod Aggarwal & Smt. Anju Aggarwal and Corporate Guarantee of Metalchem India Pvt. Ltd., equitable mortgage of House no. 73, Sector 28A, Chandigarh owned by Mr. Vinod Aggarwal.		
	Note 21(ii) : Working Capital Borrowings are repayable on demand and interest on Working Capital Borrowings for Export Credit varied from 7.50% to 7.60% p.a. & in respect of others it varied from 8.95% to 9.05% p.a. during the year.		
<b>22</b>	<b>Trade Payables</b>		
	a) Total outstanding dues of micro enterprises and small enterprises		
	Dues of micro and small enterprises (Refer Note No. 22(i) and 53)	18.49	11.79
	Dues of other than micro enterprises and small enterprises (Refer Note No. 53)	4,156.49	3,104.50
	Total	<b>4,174.98</b>	<b>3,116.29</b>
	Note 22 (i) : The disclosure relating to amount unpaid at the year end to the Vendors covered under Micro, Small & Medium Enterprises Development Act, 2006 is on the basis of information received from the Vendors.		

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Notes forming part of financial statements for the year ended 31st March, 2022

(All amounts are in Rs. lakhs, unless otherwise stated)

₹ in Lakhs

Note No	Particulars	" As at 31st March, 2022	" As at 31 March, 2021
<b>23</b>	<b>Other Financial Liabilities</b>		
	Unclaimed Dividend	2.87	2.79
	Interest Accrued but not Due	40.14	43.40
		<u>43.01</u>	<u>46.19</u>
<b>24</b>	<b>Other Current Liabilities</b>		
	Statutory dues payable	183.99	196.23
	Salary Payables	288.16	260.42
	Outstanding Expenses	365.88	367.64
	Lease Liability (Ind-AS)	26.00	2.30
	Advance from Customers	46.94	12.28
		<u>910.98</u>	<u>838.87</u>
<b>25</b>	<b>Provisions</b>		
	Provisions for Employee Benefits		
	-Gratuity (Refer Note No. 38)	68.75	38.93
	-Leave Encashment (Refer Note No. 38)	8.96	7.34
	Bonus	66.83	49.62
		<u>144.54</u>	<u>95.89</u>
<b>26</b>	<b>Current Tax Liabilities (Net)</b>		
	Provision for taxation (Net of tax payment)	-	7.88
		<u>-</u>	<u>7.88</u>
<b>27</b>	<b>Revenue from Operations</b>		
	<b>A. Sale of Products</b>		
	Sale of Products (Refer Note No. 27.1)	40,267.59	28,272.10
	<b>B. Other Operating Revenue</b>		
	Processing Charges	307.35	276.78
	Scrap Sales	2,642.76	1,546.52
	Sale Others	-	18.00
	Export Incentives	102.18	68.09
	<b>Total (A)+(B)</b>	<u>43,319.88</u>	<u>30,181.49</u>
	<b>Less :</b>		
	Inter-Unit Sale of Products	7,990.82	6,185.80
	Inter- Unit Job Work Income	164.18	106.21
	<b>Sub Total</b>	<u>8,155.00</u>	<u>6,292.01</u>
	<b>Total</b>	<u>35,164.88</u>	<u>23,889.48</u>

# HIM TEKNOFORGE LIMITED

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Notes forming part of financial statements for the year ended 31st March, 2022

(All amounts are in Rs. lakhs, unless otherwise stated)

₹ in Lakhs

Note No	Particulars	" As at 31st March, 2022	" As at 31 March, 2021
	<b>Note No. 27.1 Disaggregated Revenue Information :</b>		
	<b>i) Set out below is the disaggregation of the Company's revenue from contracts with customers :</b>		
	Types of goods and services:		
	<b>Sale/Services of Automotive Parts</b>		
	Sales of manufactured Products.	34,919.53	23,650.82
	Job work Income	143.17	170.58
	Export Incentives	102.18	68.09
	Sale of traded products	-	-
	<b>Revenue from contract with customers</b>	<b>35,164.88</b>	<b>23,889.48</b>
	Revenue within India	30,172.14	20,463.20
	Revenue outside India	4,992.74	3,426.28
	<b>Revenue from contract with customers</b>	<b>35,164.88</b>	<b>23,889.48</b>
	Timing of revenue recognition		
	Goods transferred at a point in time	35,164.88	23,889.48
	Revenue from contracts with customers.	35,164.88	23,889.48
	<b>ii) Contract balances:</b>		
	The following Table provides information about receivables, contract assets and contract Liabilities from contract with customers.		
	<b>Contract Assets</b>		
	<b>Trade Receivables</b>	6,020.18	4,546.93
	<b>Contract Liabilities</b>		
		46.94	12.28
	Advances from customers		
	<b>iii) Reconciling the amount of revenue recognised in the statement of Profit and Loss with the contracted price</b>		
	Revenue as per contracted price	35,618.94	24,171.53
	<b>Adjustments</b>		
	Sales return	454.06	282.05
	<b>Revenue from contract with customers</b>	<b>35,164.88</b>	<b>23,889.48</b>
	<b>iv) The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at March 31 2022 are as follows:</b>		
	Advances from customers	46.94	12.28
28	<b>Other Income</b>		
	Interest Income (Refer Note No 29.1)	14.80	21.03
	Exchange Fluctuation	198.95	8.58
	Profit on Sale of Fixed Assets	7.73	2.62
	Cash Discount	371.86	211.14
	Other Income	3.65	7.67
		<b>596.99</b>	<b>251.04</b>
	<b>Note No. 28.1 : Break-up of Interest Income</b>		
	Interest from Bank Deposits	10.08	15.30
	Interest on security deposits	4.72	4.77
	Interest on Income tax / Service tax /Sales Tax Refund	-	0.96
	Total Interest Income	<b>14.80</b>	<b>21.03</b>
29	<b>Cost of Raw Materials Consumed</b>		
	Opening Stock	1,895.18	1,243.81
	Add: Raw Material & Components Purchased	28,904.25	19,939.36
	Add: Raw Material component purchased	-	-
	Total	<b>30,799.43</b>	<b>21,183.17</b>
	Less : Inter-unit Transfer	7,990.82	6,185.80
	<b>less: Closing Stocks</b>		
	Less: Closing Stock	1,953.13	1,895.18
		<b>20,855.48</b>	<b>13,102.19</b>

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Notes forming part of financial statements for the year ended 31st March, 2022

(All amounts are in Rs. lakhs, unless otherwise stated)

₹ in Lakhs

Note No	Particulars	" As at 31st March, 2022	" As at 31 March, 2021
30	Changes in inventories of finished goods Stock-in-process and Stock-in-Trade	709.32	760.66
	Opening stocks of	142.29	64.25
	<b>Finished Goods</b>	7,459.58	6,786.75
	Goods in Transit - Finished Goods	64.00	57.12
	Stock in Process	<b>8,375.19</b>	<b>7,668.78</b>
	Scrap		
		988.75	709.32
	Closing Stocks of	216.43	142.29
	Finished Goods	7,876.30	7,459.58
	Goods in Transit - Finished Goods	70.90	64.00
	Stock in Process	<b>9,152.38</b>	<b>8,375.19</b>
	Scrap		
		<b>(777.19)</b>	<b>(706.41)</b>
	Changes in inventories of finished goods Stock-in-process and Stock-in-Trade		
31	<b>Employee Benefit Expenses</b>	3,469.47	2,675.85
	Salaries & Wages (including Directors' Remuneration Rs.152.40 lakhs (previous year Rs. 137.00 lakhs)	202.60	147.82
	Contribution to Provident and other fund	103.21	92.80
	Staff Welfare Expenses	<b>3,775.28</b>	<b>2,916.47</b>
32	<b>Finance Cost</b>	278.87	200.19
	Bill Discounting Charges	856.09	926.18
	Interest on Bank Loan	179.29	229.85
	Interest on Loan from Non-Banking Financial Institutions	15.25	19.91
	Interest Others	44.09	46.17
	Other Charges	237.24	165.99
	Foreign Exchange Rate Difference FCNR(B)	<b>1,610.82</b>	<b>1,588.29</b>
33	<b>Depreciation</b>	683.03	647.14
	Depreciation on Property Plant & Equipment	262.47	300.62
	Amortisation on Intangible Assets	<b>945.50</b>	<b>947.76</b>

## HIM TEKNOFORGE LIMITED

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Notes forming part of financial statements for the year ended 31st March, 2022

(All amounts are in Rs. lakhs, unless otherwise stated)

₹ in Lakhs

Note No	Particulars	" As at 31st March, 2022	" As at 31 March, 2021
<b>34</b>	<b>Other Expenses</b>		
	Consumables, Stores & Spare Consumed	1,918.43	987.41
	Consumption of Packing Materials	303.23	225.83
	Freight Inward, Octroi & Loading/Unloading	136.77	88.07
	Power Charges	2,595.91	2,045.83
	Processing Charges (Net of Inter unit)	1,419.63	935.98
	Freight Outward	408.35	296.96
	Vehicle Running & Maintenance	262.89	208.58
	Repairs to Machinery	164.63	127.93
	Repairs to Buildings	3.03	4.35
	Other Maintenance Charges	87.16	58.32
	Rejections & Deduction	21.71	3.01
	Bank Charges	114.86	72.17
	Office Expenses	27.31	19.70
	Printing & Stationery	7.15	3.83
	Telephone Expenses	16.97	16.49
	Travelling & Conveyance Expenses	206.77	144.96
	Advertisement & Publicity	4.74	0.15
	Discount	51.10	31.35
	Rates & Taxes	45.62	49.57
	Insurance	50.73	42.40
	Rent	16.66	17.29
	Legal & Professional Charges	93.83	55.37
	Auditors Remuneration (Refer Note No. 34.1)	6.50	6.50
	CSR Expense	16.66	49.75
	Penalty	0.31	0.44
	Subscription	8.97	8.33
	Balances written off	12.67	-
	Business Promotion & Sales Commission	10.23	3.62
	Loss on Sales / Discard of Assets	47.27	17.07
	Watch & Ward	61.68	54.46
	Charity & Donations	0.58	0.08
		<b>8,122.34</b>	<b>5,575.80</b>
<b>34.1</b>	As auditor :	5.00	5.00
	Audit Fee	1.00	1.00
	Tax Audit Fee	0.50	0.50
	Limited review	-	-
	Other Services	-	-
	Reimbursement of Expenses	<b>6.50</b>	<b>6.50</b>



## HIM TEKNOFORGE LIMITED

(Formerly Known as Gujarat Automotive Gears Limited)"

CIN: L29130HP1971PLC000904

Notes forming part of financial statements for the year ended 31st March, 2022

(All amounts are in Rs. lakhs, unless otherwise stated)

₹ in Lakhs

Note No	Particulars	" As at 31st March, 2022	" As at 31 March, 2021
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### 35 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio and is measured by net debt divided by total equity. Company's Debt is defined as Long-term and short-term borrowings including current maturities of long term borrowings and total equity (as shown in balance sheet) includes issued capital and all other reserves.

Particulars	31st March 2022	31st March 2021
Borrowings (incl. short term borrowings)	15,061.25	15,108.94
Less: Cash and cash Equivalent	6.02	22.04
Net Debt	15,055.22	15,086.90
Total Equity	16,277.61	15,408.61
Total Equity+Net Debt	31,332.83	30,495.51
Gearing ratio( Ideal Ratio < 50%)	48.05%	49.47%

### 36 CONTINGENT LIABILITIES

i. In respect of Bank Guarantee : Rs.216.80 lakhs (Previous year Rs.281.90 lakhs)

ii. Bills Discounted with Banks Rs. 1753.39 lakhs (Previous year Rs. 1437.02 lakhs)

(These represents Bills discounted against confirmed Letters of Credit issued by the customers and no liability is likely to arise against the same)

iii. In respect of Capital commitments Net of Advances : Rs. 293.57 lakhs (Previous year Rs.380.13 lakhs)

iv. Guarantees given by the company on behalf of others Rs.70.00 lakhs (Previous year Rs. 140.00 lakhs)

v. Sales tax liability in respect of matters in appeal - Rs. 152.80 lakhs (Previous Year Rs. 152.80 lakhs)

vi. VAT/Sales Tax Liability in respect of matters in appeals - Rs.0.72 lakhs (previous year Rs.7.34 lakhs) against which Rs. Nil (previous year Rs.1.67 lakhs) have been deposited.

vii. Disputed liability of power expenses demanded by H.P.S.E.B. Rs. 7.10 lakhs (Previous year Rs.7.10 lakhs)

\* Rs. 7.10 lakhs pertains to late payment surcharge erroneously levied by HPSEB in the Power Bill, the company has made the payment under protest. The amount has been shown under the head "Advances recoverable" in the balance sheet.

viii. Claims against the company not acknowledged as debt- Rs. 82.09 lakhs (Previous year Rs. 82.09 lakhs)

ix. Export Obligations against EPCG Licences :The Company has obtained licenses/authorization under the Export Promotion Capital Goods (EPCG) scheme for importing capital goods at a concessional rate of custom duty against submission of bonds. Under the term of the respective license authorization, the Company is required to export goods of FOB value equivalent to eight times duty saved in respective licenses/authorization where export obligation has been fixed by the office of DGFT, Ministry of Commerce and Industry, as applicable. Balance obligation as on 31.03.2022 under the aforesaid licenses/authorizations is Rs. 997.81 lakhs (Previous Year Rs.997.81 lakhs) and the company has fulfilled the export obligation. The company has obtained EODC for Rs. 604.66 lakhs and EODC for the remaining are likely to be obtained in current year.

### 37 Related party disclosures as required under Ind AS 24, "Related Party Disclosures", are given below:

a) Name of the related party and description of relationship.

S.No.	Related Parties	Nature of Relationship
(i)	Globe Precision Industries Pvt. Ltd.	Relative of Sh. Vijay Aggarwal & Sh. Rajiv Aggarwal, Directors is a Director
(ii)	Himachal Shots & Metals Pvt. Ltd.	Relative of Sh. Vijay Aggarwal & Sh. Rajiv Aggarwal, Directors is a Director
(iii)	Him Overseas	Sh. Vijay Aggarwal & Sh. Rajiv Aggarwal, Directors are partners in this Firm
(iv)	Sh. Vijay Aggarwal	Sh. Vijay Aggarwal is Chairman cum Managing Director
(v)	Sh. Rajiv Aggarwal	Sh. Rajiv Aggarwal is Joint Managing Director
(vi)	Smt. Anju Aggarwal	Wife of Sh. Vijay Aggarwal, Managing Director
(vii)	Smt. Asha Aggarwal	Wife of Sh. Rajiv Aggarwal, Jt. Managing Director
(viii)	Sh. Manan Aggarwal	Son of Sh. Vijay Aggarwal, Managing Director
(ix)	Sh. Mrinal Aggarwal	Son of Sh. Vijay Aggarwal, Managing Director
(x)	Sh. Aditya Aggarwal	Son of Sh. Rajiv Aggarwal, Jt. Managing Director & Key Managerial
(xi)	Mr. Abhishek Misra	Key Managerial Person - Company Secretary

**HIM TEKNOFORGE LIMITED****(Formerly Known as Gujarat Automotive Gears Limited)''****CIN: L29130HP1971PLC000904****Notes forming part of financial statements for the year ended 31st March, 2022****(All amounts are in Rs. lakhs, unless otherwise stated)**

b) Details of Transactions during the year with related parties.

S.No.	Related parties	Nature of Transactions during the year	2021-22 (Rs. lakhs)	2020-21 (Rs. lakhs)
(i)	Globe Precision Industries Pvt. Ltd	Sale of Goods	6,785.83	4374.74
		Purchase of Goods	862.12	376.81
		Sale of Property, Plant & Equipment	74.20	48.83
		Purchase of Property, Plant & Equipment	18.33	18.97
		Job Work Charges Received	58.54	112.08
		Job Work Charges Paid	169.01	27.60
(ii)	Himachal Shots & Metals Pvt. Ltd.	Sale of Goods	-	3.68
		Purchase of Goods	49.87	46.07
(iii)	Him Overseas	Sale of Goods	3.15	0.39
		Purchase of Goods	1.68	1.56
		Job Work Charges Received	0.77	0.24
		Job Work Charges Paid	0.11	0.10
		Sale of Property, Plant & Equipment	-	0.15
(iv)	Sh. Vijay Aggarwal	Short Term Benefits	39.60	34.20
		Rent (*)	18.30	18.30
(v)	Sh. Rajiv Aggarwal		39.00	30.80
		Rent (**)	18.00	18.00
(vi)	Sh. Manan Aggarwal	Short Term Benefits	20.25	15.50
(vii)	Sh. Mrinal Aggarwal	Short Term Benefits	14.25	11.25
(viii)	Sh. Aditya Aggarwal (employed for part of the year)	Short Term Benefits	11.54	8.86
(ix)	Sh. Shailesh Gandhi (employed for part of the year)	Short Term Benefits	-	2.38
(x)	Mr. Abhishek Misra	Short Term Benefits	5.31	4.37
(xi)	Smt. Anju Aggarwal	Rent (*)	18.30	18.30
(xii)	Smt. Asha Aggarwal	Rent (**)	18.00	18.00

Note (\*) : Rent paid to Sh. Vijay Aggarwal & Smt. Anju Aggarwal is part of the remuneration to Sh. Vijay Aggarwal towards rent free accomodation provided by the Company.

Note (\*\*): Rent paid to Sh. Rajiv Aggarwal & Smt. Asha Aggarwal is part of the remuneration to Sh. Rajiv Aggarwal towards rent free accomodation provided by the Company.

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c) Balances at end of the year with related parties.

S.No.	Related parties	Nature of Transactions during the year	As at 31st March, 2022 (Rs. lakhs)	As at 31st March, 2021 (Rs. lakhs)
(i)	Globe Precision Industries Pvt. Ltd	Receivables	2,161.51	1,042.92
(ii)	Himachal Shots & Metals Pvt. Ltd.	Payables	58.55	-
(iii)	Him Overseas	Receivables	1.59	1.01
(iv)	Sh. Vijay Aggarwal	Short Term Benefits payable	1.52	2.31
(v)	Sh. Rajiv Aggarwal	Short Term Benefits payable	2.36	1.99
(vi)	Sh. Manan Aggarwal	Short Term Benefits payable	1.43	0.95
(vii)	Sh. Mrinal Aggarwal	Short Term Benefits payable	1.40	1.44
(viii)	Sh. Aditya Aggarwal	Short Term Benefits payable	-	0.79
(ix)	Mr. Abhishek Misra	Short Term Benefits payable	0.50	0.42

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### Employee Benefits

As per IND AS 19 "Employee Benefits", the disclosures of Employee benefits as defined in the said Accounting Standards are given below :

#### (i) Defined Contribution Plan

Contribution to Defined Contribution Plan includes Provident Fund and Superannuation Fund. The expenses recognised for the year are as under :

Particulars	2021-22 (Rs. lakhs)	2020-21 (Rs. lakhs)
Employer's Contribution to Provident Fund	131.22	93.80

#### (ii) Defined Benefit Plan

##### (a) Gratuity:

The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days/one month salary last drawn for each completed year of service depending on the date of joining. The same is payable on termination of service, retirement or death, whichever is earlier. The benefit vests after 5 years of continuous service.

##### (b) Leave encashment:

The Company has a policy on compensated absences which is applicable to its executives joined upto a specified period and all workers. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the Balance Sheet date.

The plans of the Company exposes to actuarial risks such as Investment Risk, Interest rate risk, salary risk and longevity risk. These risks may impact the obligation of the Company

(c) The following tables set out the funded status of the gratuity and leave encashment plans and the amounts recognised in the Company's financial statements as at 31 March 2022 and 31 March 2021.

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Sr.No.	Particulars	2021-22		2020-21	
		Leave Encashment	Gratuity	Leave Encashment	Gratuity
		(Rs. lakhs)	(Rs. lakhs)	(Rs. lakhs)	(Rs. lakhs)
<b>I</b>	<b>Changes in present value of obligations</b>				
(a)	Present value of obligations as at the beginning of year	71.46	427.94	52.98	411.32
(b)	Past Service Cost	-	-	-	-
(c)	Interest cost	5.18	31.03	3.31	25.71
(d)	Current Service Cost	11.77	44.88	36.09	53.58
(e)	Benefits Paid	(21.01)	(43.72)	(13.04)	(34.16)
(f)	Actuarial gain on obligations	(18.02)	(14.81)	(29.61)	(28.50)
<b>(g)</b>	<b>Present value of obligations as at the end of year</b>	<b>49.38</b>	<b>445.32</b>	<b>49.73</b>	<b>427.95</b>
<b>II</b>	<b>Changes in the fair value of plan assets</b>				
(a)	Fair value of plan assets at the beginning of year	-	21.98	-	24.57
(b)	Expected return on plan assets	-	1.59	-	1.54
(c)	Contributions	-	32.08	-	2.83
(d)	Benefits paid	-	(7.41)	-	(6.99)
(e)	Actuarial gain on Plan assets	-	(0.73)	-	0.04
<b>(f)</b>	<b>Fair value of plan assets at the end of year</b>	<b>-</b>	<b>47.52</b>	<b>-</b>	<b>21.99</b>
<b>III</b>	<b>Change in the present value of the defined benefit obligation and fair value of plan assets</b>	<b>49.38</b>	<b>397.80</b>	<b>49.73</b>	<b>405.96</b>
(a)	Present value of obligations as at the end of the year	49.38	445.32	49.73	427.95
(b)	Fair value of plan assets as at the end of the year	-	47.52	-	21.99
<b>(c)</b>	<b>Net liability / (asset) recognized in balance sheet</b>	<b>49.38</b>	<b>397.80</b>	<b>49.73</b>	<b>405.96</b>

(e) Amount for the year ended 31 March, 2022 and 31 March, 2021 recognised in the statement of profit and loss under employee benefit expenses.

Sr.No.	Particulars	2021-22		2020-21	
		Leave Encashment	Gratuity	Leave Encashment	Gratuity
		(Rs. lakhs)	(Rs. lakhs)	(Rs. lakhs)	(Rs. lakhs)
<b>I</b>	<b>Expenses Recognised in statement of Profit &amp; Loss</b>				
(a)	Current Service cost	11.77	44.88	36.09	53.58
(b)	Past Service Cost	-	-	-	(27.16)
(c)	Interest Cost	5.18	31.03	3.31	24.17
(d)	Expected return on plan assets	-	(1.59)	-	-
(e)	Net Actuarial gain recognised in the year	-	-	(29.61)	-
<b>(f)</b>	<b>Expenses recognised in statement of Profit &amp; Loss</b>	<b>16.95</b>	<b>74.31</b>	<b>9.79</b>	<b>50.59</b>

(f) Amount for the year ended March 31, 2022 and March 31, 2021 recognised in the statement of other comprehensive income.

Sr.No.	Particulars	2021-22		2020-21	
		Leave Encashment	Gratuity	Leave Encashment	Gratuity
		(Rs. lakhs)	(Rs. lakhs)	(Rs. lakhs)	(Rs. lakhs)
<b>I</b>	<b>Actuarial Gain/Loss recognized</b>				
(a)	Actuarial gain for the year -Obligation	18.02	(14.81)	-	(28.50)
(b)	Actuarial gain for the year - plan assets	-	0.73	-	(0.04)
(c)	Total gain for the year	18.02	(14.08)	-	(28.54)
<b>(d)</b>	<b>Total actuarial (gain)/ loss included in other comprehensive income</b>	<b>18.02</b>	<b>(14.08)</b>	<b>-</b>	<b>(28.54)</b>

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### 39 Derivatives

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as under.

(a) Amount Receivable in Foreign Currency on account of the following :

Particulars	Foreign Currency	Receivables	
		Amount in Foreign Currency	(Rs. lakhs)
As on 31.03.2022	EURO	4,20,213	349.91
	USD	1,49,599	113.40
	GBP	1,354	1.34
As on 31.03.2021	EURO	2,15,754	185.77
	USD	1,09,926	80.80
	GBP	17,206	17.37

(b) Amount Payable in Foreign Currency on account of the following :

Particulars	Foreign Currency	Payables	
		Amount in Foreign Currency	(Rs. lakhs)
As on 31.03.2022	USD	35,910	27.22
As on 31.03.2021	USD	14,178	12.20

### 40 Financial Risk Management

The Company's activities expose it to credit risk, liquidity risk, market risk and price risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact thereof in the financial statements.

Sl. No.	Risk	Exposure arising from	Measurement	Management
A	Credit Risk	Cash and cash equivalents, trade receivables and financial assets.	Credit ratings, Review of aging analysis, Review of investment on quarterly basis.	Strict credit control and monitoring system, diversification of counterparties, Investment limits, check on counterparties basis credit rating and investment review on quarterly basis.
B	Liquidity Risk	Borrowings, Trade payables and other financial liabilities.	Maturity analysis, cash flow projections.	Maintaining sufficient cash / cash equivalents and marketable security.
C	Market Risk - Foreign Exchange	Highly probable forecast transactions and financial assets and liabilities not denominated in INR.	Foreign currency exposure review and sensitivity analysis.	Forward foreign currency contract, future and option.
D	Price Risk - Commodity Prices	Basic ingredients of company raw materials are various grade of steel and alloy metals where prices are volatile	The company sourcing components from vendors directly, hence it does not hedge its exposure to commodity price risk.	The company is able to pass on substantial price hike to the customers.

The Board provides guiding principles for overall risk management, as well as policies covering specific areas such as credit risk, liquidity risk, price risk, investment of surplus liquidity and other business risks effecting business operation. The company's risk management is carried out by the management as per guidelines and policies approved by the Board of Directors.

#### (A) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses the direct risk of default, risk of deterioration of creditworthiness as well as concentration risks. The Company is exposed to credit risk from its operating activities (primarily trade receivables), deposits with banks and loans given.

#### Credit Risk Management

For financial assets the Company has an investment policy which allows the Company to invest only with counterparties having credit rating equal to or above AAA and AA. The Company reviews the creditworthiness of these counterparties on an ongoing basis. Another source of credit risk at the reporting date is from trade receivables as these are typically unsecured. This credit risk has always been managed through credit approvals, establishing credit limits and continuous monitoring the creditworthiness of customers to whom credit is extended in the normal course of business. The Company estimates the expected credit loss based on past data, available information on public domain and experience. Expected credit losses of financial assets receivable are estimated based on historical data of the Company. The company has provisioning policy for expected credit losses. There is no credit risk in bank deposits which are demand deposits. The creditors risk is minimum in case of entity to whom loan has been given.

The Credit Loss allowances are provided in the case of trade receivables as under (Refer Note No. 10.1):

Loss allowance as on 1 April 2021	4.79
Change in loss allowance	-
Loss allowance as on 31 March 2022	4.79

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### (B) Liquidity Risk

The Company's principal sources of liquidity are "cash and cash equivalents" and cash flows that are generated from operations. The Company has outstanding term borrowings. The Company believes that its working capital is sufficient to meet its current as well as long term borrowing repayment requirements. The company has significant high receivables & liquid inventory compared to payable, hence significantly low liquidity risk.

### (C) Market risk

#### Foreign currency risk

The Company significantly operates in domestic market. Though part of the sales is from Exports, however foreign currency risk towards export is insignificant considering the timely realisation thereof.

The Company also imports certain materials the value of which is also not material as compared to value of total raw materials. Currently, Company does not hedge this exposure. Nevertheless, Company may wish to hedge such exposures.

#### Open exposure

The Company's exposure to foreign currency risk which are unhedged at the end of the reporting period is as follows:

Particulars	Euro	USD	GBP
<b>31 March 2022</b>			
Trade receivables- Foreign Currency	4,20,213	1,49,599	1,354
Trade receivables- Rs. lakhs	349.91	113.40	1.34
Trade Payables - Foreign Currency	-	35,910	-
Trade Payables - Rs. lakhs	-	27.22	-
<b>31 March 2021</b>			
Trade receivables- Foreign Currency	2,15,754	1,09,926	17,206
Trade receivables- Rs. lakhs	185.77	80.80	17.37
Trade Payables - Foreign Currency	-	14,178	-
Trade Payables - Rs. lakhs	-	12.20	-

#### Sensitivity Analysis-

The Company is mainly exposed to changes in USD and Euro. The sensitivity analysis demonstrate a reasonably possible change in USD and Euro exchange rates, with all other variables held constant. 5% appreciation/depreciation of USD and Euro with respect to functional currency of the company will have impact of following (decrease)/increase in Profit & vice versa.

Particulars	31 March 2022 (Rs. lakhs)	31 March 2021 (Rs. lakhs)
Euro	17.50	9.29
USD	4.31	3.43
GBP	0.07	0.87
<b>Total</b>	<b>21.87</b>	<b>13.59</b>

### (D) Price risk

The company is exposed to price risk in basic ingredients of Company's raw material and is procuring finished components and bought out materials from vendors directly. The Company monitors its price risk and factors the price increase in pricing of the products.

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### 41 LEASES:

"Effective April 1, 2019, the Company adopted Ind AS 116- Leases and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the Right of Asset Use (ROU) at its carrying amount, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019. We have applied the exemption not to recognize ROU assets and liabilities for leases with less than 12 months of lease term on the date of initial application. On transition, the adoption of the new standard resulted in recognition of 'Right of Use Asset of Rs. 10.96 lakhs, and Lease Liability of Rs. 7.65 lakhs. The incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 10%."

The movement in Right of Use Asset during the year ended March 31, 2022 is as follows :-

Particulars	ROU Assets -Land and Plant & Mach	ROU Assets -Land and Plant & Mach
	(Rs. lakhs) 2021-22	(Rs. lakhs) 2020-21
Opening Balance	37.43	42.92
Addition	92.97	-
Depreciation	9.67	5.49
<b>Balance as at March 31, 2022</b>	<b>120.73</b>	<b>37.43</b>

The aggregate depreciation expenses on ROU assets is included under depreciation and amortisation expenses in statement of profit & loss account.

The movement in lease liabilities during the year ended March 31, 2022

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
	(Rs. lakhs)	(Rs. lakhs)
<b>Balance at the beginning</b>	8.42	9.75
Non-Current Liability	6.12	7.65
Current Liability	2.30	2.10
Additions	92.97	-
Finance cost accrued during the period	2.91	0.97
Payments of Lease Liabilities	7.63	2.30
<b>Balance at the end :</b>	<b>96.67</b>	<b>8.42</b>
Non-Current Liability	79.63	6.12
Current Liability	17.04	2.30

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

The details of the contractual maturities of lease liabilities as at March 31, 2022 on an undiscounted basis are as follows :

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
	(Rs. lakhs)	(Rs. lakhs)
Less than one year	17.04	2.30
One to five years	78.00	4.50
More than five years	1.62	10.72

Rental Expenses recorded for short term lease was Rs. 16.66 lakhs ( pvs year Rs.17.29 lakhs) for the year ended March 31, 2022

42 Balance of Trade Receivable includes Rs.207.23 lakhs (March 2021: Rs. 205.49 lakhs ) which are overdue for which a provision of Rs.4.79 lakhs is made and for others no provision has been made in the accounts as the Management is hopeful of recovery.

43 Balances of Trade Receivables, Trade Payables and Financial Assets & Liabilities are subject to confirmation and consequential adjustment, if any.

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#### 44 Fair Value measurement-

The fair value of Financial instrument as of March 31,2022 and March 31,2021 were as follows-

Particulars	March 31,2022	March 31,2021	Fair value Hierarchy & Technique
Assets-			
Investment in Equity shares through OCI	0.71	0.35	Level-1(Quoted Market Price)
Investment in Bonds through Profit and Loss	0.42	0.34	Level-1 (Quoted Market Price)
<b>Total</b>	<b>1.13</b>	<b>0.69</b>	

The management assessed that Cash and Cash equivalents, loans, other balances with Banks, trade receivables, trade payables and other Financial liabilities/assets approximate their carrying amounts largely due to the short-term maturities of these instruments.

Borrowings and other non Current Financial Assets / Liabilities are accounted at amortised cost (level - 3).

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#### SHAREHOLDING OF PROMOTERS

Shares held by Promoters as on March 31, 2022				
S.no.	Promoter Name	No. of Shares	% of Total Shares	% change during the year
1	Vijay Aggarwal	7,46,033	9.48%	Nil
2	Vinod Aggarwal	5,40,980	6.88%	Nil
3	Rajiv Aggarwal	9,90,306	12.59%	Nil
4	Daya Rani	1,97,749	2.51%	Nil
5	Nitin Aggarwal	32,661	0.42%	Nil
6	Anju Aggarwal	2,13,592	2.72%	Nil
7	Asha Aggarwal	4,93,309	6.27%	Nil
8	Ankur Aggarwal	31,767	0.40%	Nil
9	Urmil Aggarwal	1,29,327	1.64%	Nil
10	Manan Aggarwal	91,230	1.16%	Nil
11	Medha	3,554	0.05%	Nil
12	Mrinal Aggarwal	6,648	0.08%	Nil
13	Rajiv Aggarwal (HUF)	5,082	0.06%	Nil
14	Vinod Aggarwal (HUF)	4,516	0.06%	Nil
15	Vijay Aggarwal (HUF)	4,823	0.06%	Nil
16	Mukesh Kumar	92	0.00%	Nil
17	Globe Precision Industries Private Limited	5,87,577	7.47%	Nil
18	Him Overseas Pvt. Ltd.	1,60,011	2.03%	Nil
19	Him Chemical and Fertilizers Pvt. Ltd.	369	0.00%	Nil
20	P.C. Alloys Pvt. Ltd.	51,363	0.65%	Nil
<b>Total</b>		<b>42,90,989.00</b>	<b>54.55%</b>	

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#### EARNINGS PER SHARE

Particulars	For the Year ended 31.3.2022	For the Year ended 31.3.2021
(A) Profit attributable to Equity Shareholders (Rs. lakhs)	883.07	513.90
(B) Weighted Average No. of Equity Shares outstanding during the year	78,66,016	78,66,016
(C) Face Value of each Equity Share ( Rs.)	2	2
(D) Basic earning per Share ( Rs.)	11.23	6.53
(E) Diluted earning per Share ( Rs.)	11.23	6.53



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### 47 KEY RATIOS

Particulars	Numerator	Denominator	For the Year ended 31.3.2022	For the Year ended 31.3.2021	% Variance
(a) Current Ratio	Current Assets	Current Liabilities	1.34	1.30	2.84%
(b) Debt-Equity Ratio	Total Debt	Shareholders' Equity	0.93	0.98	-5.64%
(c) Debt Service Coverage Ratio	Earnings available for Debt Service	Debt Service	1.28	1.90	-32.28% (*)
(d) Return on Equity Ratio	Net Profit after Taxes	Shareholders' Equity	5.43%	3.34%	62.65% (**)
(e) Inventory Turnover Ratio	Sales	Average Inventory	2.46	1.81	35.87% (***)
(f) Trade Receivables Turnover Ratio	Sales	Average Receivables	6.66	6.58	1.17%
(g) Trade Payables Turnover Ratio	Purchases	Average Payables	6.35	4.56	39.16% (***)
(h) Net Capital Turnover Ratio	Sales	Working Capital	6.47	5.36	20.70%
(i) Net Profit Ratio	Net Profit after Taxes	Sales	2.51%	2.15%	16.74%
(j) Return on Capital Employed	Earnings before Interest & Taxes	Capital Employed	9.10%	7.55%	20.54%
(k) Return on Investment	No investment made during the year ended 31 March, 2022 and 31 March, 2021				

Note for change in ratio by more than 25% as compared to the ratio of preceding year :

(\*) Debt Service Coverage Ratio : Due to repayment of term loans as per the committed repayment obligations

(\*\*) Return on Equity Ratio : Due to improvement in level of operations thereby resulting in improvement in ROE

(\*\*\*) Trade Payables Turnover Ratio : Due to increased level of operations resulting in variation of ratio

(\*\*\*\*) Inventory Turnover Ratio : Due to improvement in level of operations thereby resulting in improvement in Inventory Turnover Ratio

### 48 SEGMENT REPORTING

The Management information system of the company identifies & monitors Auto Parts as the primary business Segment. In the opinion of the management, the company is primarily engaged in the business of automotive parts, as the basic nature of these activities are governed by the same set of risk and returns; these constitute and have been grouped as single segment as per Ind As 108 dealing with segment report.

### 49 CSR EXPENDITURE

As per Section 135 of the Companies Act, 2013 a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief, COVID-19 relief and rural development projects. A CSR committee has been formed by the company as per the Act. The funds were primarily allocated to a corpus and utilised through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

Particulars	For the Year ended 31.3.2022 (Rs. lakhs)	For the Year ended 31.3.2021 (Rs. lakhs)
i) Amount required to be spent by the Company during the year	14.74	19.03
ii) Amount of expenditure incurred	16.66	35.76 (*)
iii) Shortfall/(Excess) at the end of the year	(1.93)	(1.89)
iv) Total of Previous years shortfall	Nil	Nil
v) Reason for shortfall	NA	NA
vi) Nature of CSR Activities	Eradicating hunger, poverty, malnutrition, preventive health care & sanitation, COVID-19, promoting education including special education and employment enhancing various skills.	
vii) Details of related party transactions e.g. contribution to a trust controlled by the company in relation to CSR expenditure as per the relevant Accounting Standard	Nil	Nil
viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provisions	NA	NA

Note : (\*) : It includes Rs. 14.84 lakhs unspent amount of FY 2019-2020

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Notes forming part of financial statements for the year ended 31st March, 2022

(All amounts are in Rs. lakhs, unless otherwise stated)

### 50 EARNING & EXPENDITURE IN FOREIGN EXCHANGE

Particulars	For the Year ended 31.3.2022 (Rs. lakhs)	For the Year ended 31.3.2021 (Rs. lakhs)
(A) Export of Goods/Services on F.O.B. basis	4,992.74	3,426.27
(B) Value of Imports on C.I.F. basis		
i) Raw Materials/ components	212.06	156.42
ii) Capital Goods	152.11	-
(C) Expenditure in Foreign Currency		
i) Foreign Travel	-	-
ii) Foreign Commission	-	-
iii) Foreign Bank Charges	4.24	4.02

### 51 RELATIONSHIP WITH STRUCK OFF COMPANIES

The Company has entered into following transactions with Companies struck off under section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956 during the year :

Name of Struck off Company	Nature of Transaction	2021-22		2020-21		Relationship with the struck off Company
		Transactions during the year	Balance outstanding	Transactions during the year	Balance outstanding	
Prakant Electronics P Ltd	Purchase	0.54	Nil	0.38	Nil	Vendor
Daksh Quality System P Ltd	Purchase	Nil	0.35	Nil	0.35	Vendor
Ultimate NDT Solutions P Ltd	Advance for machinery	Nil	Nil	Nil	2.50	Vendor

### 52 AGEING SCHEDULE FOR TRADE RECEIVABLES :

Particulars	Outstanding as on 31 March, 2022 for the following periods from the due date of payment					Total
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade Receivables - considered good	5,817.74	17.83	15.53	48.02	121.07	6,020.18
ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	4.79	4.79
iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>5,817.74</b>	<b>17.83</b>	<b>15.53</b>	<b>48.02</b>	<b>125.86</b>	<b>6,024.97</b>

Particulars	Outstanding as on 31 March, 2021 for the following periods from the due date of payment					Total
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade Receivables - considered good	4,346.23	11.36	58.03	12.06	119.25	4,546.94
ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	4.79	4.79
iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>4,346.23</b>	<b>11.36</b>	<b>58.03</b>	<b>12.06</b>	<b>124.04</b>	<b>4,551.73</b>

## HIM TEKNOFORGE LIMITED

(Formerly Known as Gujarat Automotive Gears Limited)"

CIN: L29130HP1971PLC000904

Notes forming part of financial statements for the year ended 31st March, 2022

(All amounts are in Rs. lakhs, unless otherwise stated)

### 53 AGEING SCHEDULE FOR TRADE PAYABLES

Particulars	Outstanding as on 31 March, 2022 for the following periods from the due date of payment				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
i) MSME Creditors	18.49				18.49
ii) Other Creditors	4,094.82	27.32	4.84	29.51	4,156.49
iii) MSME Creditors - Disputed	-	-	-	-	-
iv) Other Creditors - Disputed	-	-	-	-	-
<b>Total</b>	<b>4,113.31</b>	<b>27.32</b>	<b>4.84</b>	<b>29.51</b>	<b>4,174.98</b>
Particulars	Outstanding as on 31 March, 2021 for the following periods from the due date of payment				Total
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
i) MSME Creditors	11.78				11.78
ii) Other Creditors	3,018.04	41.45	12.26	32.75	3,104.51
iii) MSME Creditors - Disputed	-	-	-	-	-
iv) Other Creditors - Disputed	-	-	-	-	-
<b>Total</b>	<b>3,029.82</b>	<b>41.45</b>	<b>12.26</b>	<b>32.75</b>	<b>3,116.29</b>

### 54 The Previous Year Figures Have Been Regrouped/Reclassified, Wherever Necessary To Conform To The Current Presentation As Per The Schedule III Of Companies Act, 2013.

As per our report of even date

#### For PRA ASSOCIATES

Chartered Accountants  
Firm Registration Number: 2355N

**Deepak Gupta**  
Partner

Membership No. 89597  
Place: Mohali  
Date: 27th May, 2022  
UDIN: 22089597AJTCIV1927

**Harsh Khurana**  
Chief Financial Officer

**Abhishek Misra**  
Company Secretary

**Vijay Aggarwal**  
Managing Director  
DIN: 00094141

**Rajiv Aggarwal**  
Jt. Managing Director  
DIN: 00094198  
Date: 27th May, 2022

On behalf of the Board

**HIM TEKNOFORGE LIMITED**  
**CIN: L29130HP1971PLC000904 ATTENDANCE CARD**

Folio No.	
D.P. I.D.	
Client I.D.	

I/We hereby record my/our presence at the **FIFTY FIRST ANNUAL GENERAL MEETING**  
of the Company held at registered office of the Company at **Village Billanwali, Baddi - 173205, Dist. Solan (HP)**  
on **Thursday, 29<sup>th</sup> September 2022 at 11:30 AM.**

Affix  
Revenue  
Stamp Re. 1/-

**HIM TEKNOFORGE LIMITED**

(Formerly known as Gujarat Automotive Gears Limited)

**REGISTERED OFFICE: Village Billanwali, Baddi - 173205, District. Solan (Himachal Pradesh)****E-mail ID: gujarat.gears@gmail.com, website: www.gagl.net****FIFTY FIRST ANNUAL GENERAL MEETING****Thursday, 29<sup>th</sup> September, 2022 at 11:30 a.m.****PROXY FORM**

I/We, being the member(s), holding \_\_\_\_\_ shares of the above named Company, hereby appoint:

- (1) Name \_\_\_\_\_ Address \_\_\_\_\_  
E-mail ID: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him/her
- (2) Name \_\_\_\_\_ Address \_\_\_\_\_  
E-mail ID: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him/her
- (3) Name \_\_\_\_\_ Address \_\_\_\_\_  
E-mail ID: \_\_\_\_\_ Signature \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Forty Eighth Annual General Meeting of the Company, to be held on **Thursday, 29<sup>th</sup> September, 2022 at 11:30 a.m.** at registered office of the company at Village Billanwali, Baddi - 173205, District. Solan (Himachal Pradesh) and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Option*	
		For	Against
<b>Ordinary Business</b>			
1	To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2022 and report of the Board of Directors and Auditors thereon.		
2	To declare dividend on Equity Shares for the Financial Year ended 31st March, 2022.		
3	To appoint Mr. Rajiv Aggarwal (DIN 00094198), who retires by rotation and being eligible offers himself for re- appointment.		
4	To reappoint the Statutory Auditors of the Company and fix their remuneration.		
<b>Special business</b>			
5	To consider and approve the re-appointment of Mr. Vijay Aggarwal (DIN: 00094141) as Managing Director of the Company:		
6	To consider and approve overall remuneration of Mr. Rajiv Aggarwal, Joint Managing Director of the Company.		
7	To consider and approve re-appointment of Mr. Rajiv Aggarwal (DIN: 00094198) as Joint Managing Director of the company:		
8	Ratification of remuneration of Cost Auditors:		
9	Approval for Material Related Party Transaction(s) with Globe Precision Industries Pvt. Ltd.		

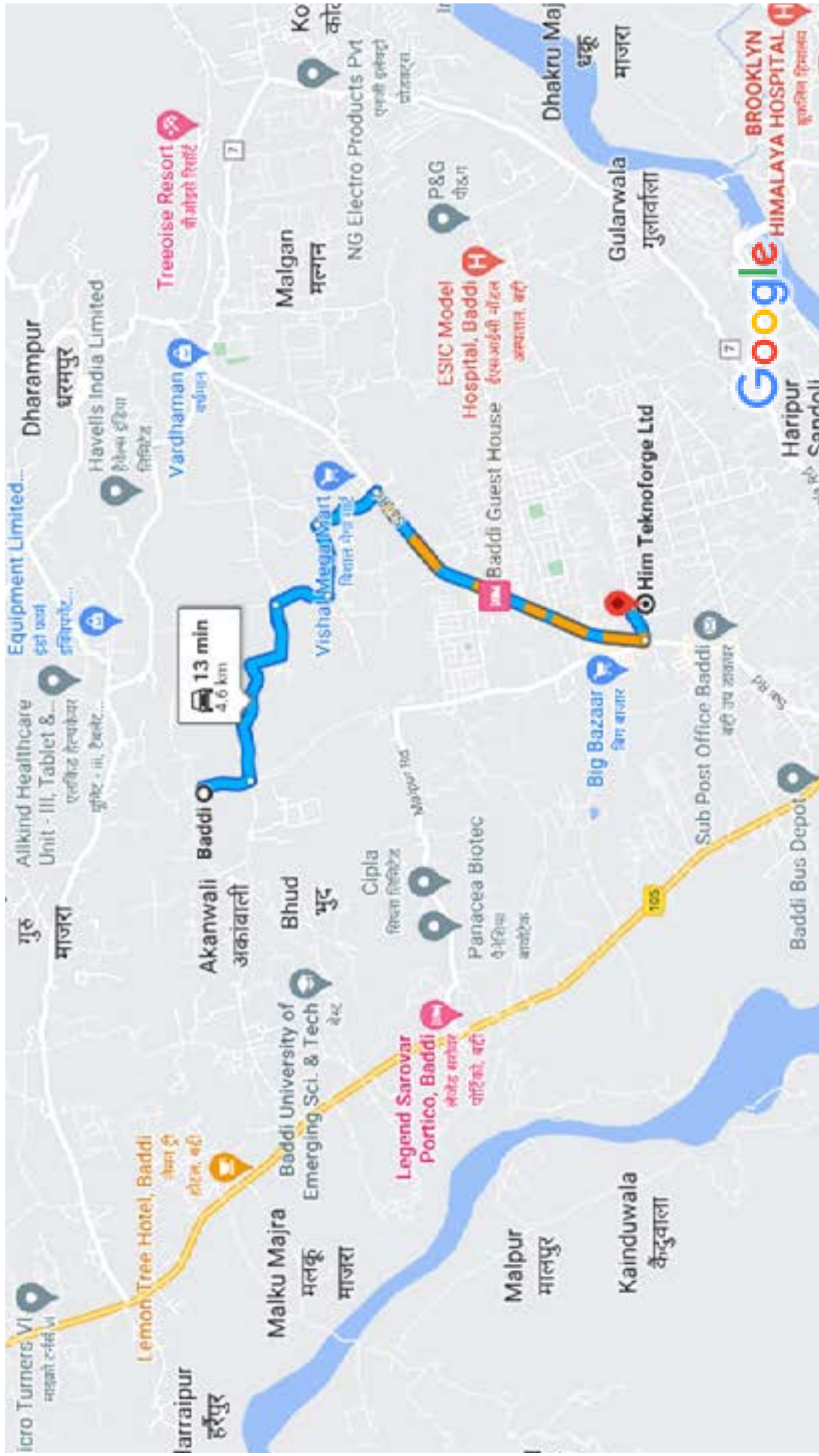
Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2022 Member's Folio/ DP ID- Client ID No. \_\_\_\_\_ Signature of shareholder(s) \_\_\_\_\_  
\_\_\_\_\_  
Signature of Proxy holder(s) \_\_\_\_\_

Note: : 1. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the company, not less than 48 hours before the commencement of the Meeting.

2. For the resolutions, explanatory statement and notes please refer to the notice of 48th Annual General Meeting.

3. It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

4. Please complete all details including details of member(s) in above box before submission.





## **HIM TEKNOFORGE LTD.**

**HIM TEKNOFORGE LIMITED**

Village Billanwali, Sai Road Baddi - 173 205

Himachal Pradesh

E-mail: [gujarat.gears@gmail.com](mailto:gujarat.gears@gmail.com), [info@himgroup.net](mailto:info@himgroup.net)

Web: [www.gagl.net](http://www.gagl.net), [www.himteknoforge.com](http://www.himteknoforge.com)