



**MITSUBISHI HEAVY INDUSTRIES
INDIA PRECISION TOOLS LTD.**

**Annual Report
2019 - 2020**

MITSUBISHI HEAVY INDUSTRIES INDIA PRECISION TOOLS LIMITED

Board of Directors

Mr. Munetaka Nomura
Chairman & Managing Director (from 01.01.2020)
Mr. Masuzo Terada
Chairman & Managing Director (upto 31.12.2019)
Mr. S.Srinivasan - Director (Operations)
Mr. K.N.Dilip Kumar - Director (Sales) (upto 11.09.2019)
Mr. N.Valliappan - Director (Sales) (from 11.09.2019)
Mr. Kazunori Konishi (upto 31.03.2020)
Mr. Yoshinao Miyoshi
Mr. Shusuke Suto (from 01.04.2020)

General Manager (Finance) & Secretary

Mr. V. Sridhar (upto 16.10.2019)

Bankers

M/s. Bank of Tokyo Mitsubishi UFJ Ltd., Chennai.
M/s. Indian Bank. Ranipet.
M/s. Citi Bank NA, Chennai.

Auditors

M/s. Srikanth & Shanthi Associates.
Chartered Accountants,
No.17, Desika Road, First Floor
Mylapore, Chennai - 600 004.

Regd. Office

2, SIPCOT Industrial Complex,
Ranipet- 632 403, Tamilnadu,
Ph : 04172 - 244361
e-mail : accounts@mhi-ipt.in
web : www.mhi-ipt.in

Registrar & Transfer Agent

KFIN Technologies Pvt.Ltd.,
Karvy Selenium Tower B,
Plot No. 31&32, Gachirabowli Financial District,
Nanakramguda Serilingampally,
Hyderabad - 500 032.
Ph : +91 040 67161500
Email : einward.ris@karvy.com

Corporate Identification No.

U29130TN1963PLC004990

MITSUBISHI HEAVY INDUSTRIES INDIA PRECISION TOOLS LTD

Regd. Office: 2, SIPCOT Industrial Complex, Ranipet 632 403

NOTICE

Notice is hereby given that the Fifty -Seventh Annual General Meeting of the Company will be held at Hotel Emerald Inn, A22,23, Opposite to TCL ,Emerald Nagar, SIPCOT, Ranipet 632 403 on 28th September 2020 at 10.15 A.M to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31st March 2020 together with the Reports of the Directors and the Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of a Director retiring by rotation:

Mr. S.Srinivasan, Director retires by rotation at the conclusion of this Annual General Meeting and being eligible, offers himself for re-appointment.

4. To appoint Auditors to hold office until the conclusion of the next Annual General Meeting and to fix their remuneration: Messrs. Srikanth & Shanthy Associates are to retire at the conclusion of this Annual General Meeting and are eligible for re-appointment.

SPECIAL BUSINESS:

5. **To consider and if thought fit, to pass the following as an Ordinary Resolution with or without modification:-**

“Resolved that in accordance with the provisions of Section 160, 161 of the Companies Act 2013 and subject to other applicable provisions of the Companies Act, 2013, if any, Mr. Shusuke Suto (DIN 08416350) who was appointed as an Additional Director of the Company under Section 161 of the Companies Act, 2013 at the meeting of the Board of Directors held on 09.03.2020 and the Board of Directors have proposed the candidature of Mr. Shusuke Suto for the office of Director, be and is hereby appointed as a Director of the Company and the said Director shall be liable to retire by rotation.”

6. **To consider and if thought fit, to pass the following as an Special Resolution with or without modification:-**

“Resolved that in pursuance of Sections 196,197,203 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act, Mr. S Srinivasan (DIN 01688627) appointed as “Director Operations” with revised remuneration at the meeting of the Board held on 24.06.2020 Who has attained the age of 70 years in October 2019, be and is hereby approved and his term of office will be for a period ending with the close of the next ensuing Annual General Meeting or 30.09.2021, whichever is earlier, on the following terms and conditions:

Particulars of Remuneration:

- Salary : Rs. 75,000/- (Rupees Seventy five thousand only) per month
- Special Allowance : Rs. 55,000/- (Rupees Fifty Five thousand only) per month
(increased from 27,500 to 55,000 with effect from 01.04.2020)

Commission:

Commission shall be payable on Net Profits calculated as per the provisions of Sections 197 and 198 .of the Companies Act 2013, subject to the overall payments limit of 2.5 % of the Net Profits, that is the total payments including salary, commission and perquisites shall not exceed the overall limit of 2.5% of Net Profits during the financial year.

PERQUISITES:

I. Housing:

Either

- a) Free furnished residential accommodation, owned or leased out by the Company
- Or
- b) House Rent Allowance subject to a ceiling of Rs. 22,500 per month.
- c) The expenditure incurred by the Company on Gas, Electricity, Water and furnishings will be valued as per Income Tax Rules, 1962.

II Medical Reimbursement:

Reimbursement of medical expenses incurred for self and family up to one month's salary.

III Leave Travel Concession:

One month's salary as per rules of the Company

IV Personal Accident Insurance:

As per the rules of the Company the insurance will be provided.

V Other perquisites:

Encashment of leave at the end of the tenure.

Leave:

One month privilege leave provided as per rules of the Company.

Telephone & Car:

Provision of Telephone at residence and mobile phone, Provision of Car for use on Company's business

Minimum Remuneration:

In the event of loss or inadequacy of profits in any financial year, Mr. S. Srinivasan shall be paid remuneration by way of salary and perquisites as per provisions of Schedule V to the Companies Act 2013.

Termination:

Either party may terminate the Agreement by giving to the other party one months' notice or pay equivalent of one month's salary to the other party, in lieu thereof."

"Further resolved that the Board of Directors be and are hereby authorised to do all such acts, deeds, matters and things, as in its absolute discretion, may consider, necessary, expedient or desirable, in order to give effect to this resolution."

7. To consider and if thought fit, to pass the following as an Ordinary Resolution with or without modifications:-

"Resolved that in pursuance of Sections 196,197,203 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act, the appointment of Mr. N. Valliappan (DIN 08493628) as "Director Sales" with revised remuneration at the Board Meeting held on 24.06.2020 be and is hereby approved and his term of office will be for a period ending with the close of the next ensuing Annual General Meeting or 30.09.2020, whichever is earlier, on the following terms and conditions:

Particulars of Remuneration:

Salary : Rs. 67,000/- (Rupees Sixty seven thousand only) per month
Special Allowance : Rs. 49,000/- (Rupees Forty Nine thousand only) per month (increased from 24,500 to 49,000 with effect from 01.04.2020)

Statutory Payments :

The company will provide Provident Fund, Gratuity and other statutory benefits as applicable under the statute.

Commission:

Commission shall be payable on Net Profits calculated as per the provisions of Sections 197 and 198 of the Companies Act 2013, subject to the overall payments limit of 1.6 % of the Net Profits, that is the total payments including salary, commission and perquisites shall not exceed the overall

PERQUISITES:

I. Housing:

Either

a) Free furnished residential accommodation, owned or leased out by the Company

Or

b) House Rent Allowance subject to a ceiling of Rs. 20,100 per month.

c) The expenditure incurred by the Company on Gas, Electricity, Water and furnishings will be valued as per Income Tax Rules, 1962.

II Medical Reimbursement:

Reimbursement of medical expenses incurred for self and family up to one month's salary.

III Leave Travel Concession:

One month's salary per annum as per rules of the Company

IV Personal Accident Insurance:

As per the rules of the Company the insurance will be provided.

V Other perquisites:

Encashment of leave at the end of the tenure.

Leave:

One month privilege leave provided as per rules of the Company.

Telephone & Car:

Provision of Telephone at residence and mobile phone, Provision of Car for use on Company's business

Minimum Remuneration:

In the event of loss or inadequacy of profits in any financial year, Mr. N.Valliappan shall be paid remuneration by way of salary and perquisites as per provisions of Schedule V to the Companies Act 2013.

Termination:

"Either party may terminate the Agreement by giving to the other party one months' notice or pay equivalent of one month's salary to the other person, in lieu thereof."

By order of the Board

Place : Ranipet.
Date : 14.08.2020

Munetaka Nomura
Chairman & Managing Director

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of him. A Proxy need not be a member of the Company. Proxy forms duly completed should be deposited at the Company's Registered office at least 48 hours before the commencement of the Meeting.
2. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
3. The Register of Members and Share Transfer Register of the Company will be closed from 11.09.2020 to 28.09.2020 (both days inclusive).

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

Resolution No. 5

Mr. Shusuke Suto (DIN 08416350) was appointed as an Additional Director of the Company under Section 161 of the Companies Act, 2013 at the meeting of the Board of Directors held on 09.03.2020 and the Board of Directors have proposed the candidature of Mr. Shusuke Suto for the office of Director.

Resolution No.6

Mr. S .Srinivasan was appointed as Director Operations by the Board of Directors at its meeting held on 24.06.2020 for a period ending with the close of the next ensuing Annual General Meeting or 30.09.2021, whichever is earlier. He has attained the age of 70 years in October 2019 hence Continuation of his employment as Director- Operations approval of the shareholders is being sought by this Special resolution for his appointment and remuneration.

Section 196(3) of the Companies Act, 2013, inter alia, provides that no company shall continue the employment of a person who has attained the age of 70 years, as Managing Director, Whole time director or Manager unless it approved by the members by passing a special resolution. Part I of Schedule V to the contains a similar relaxation.

Mr. S .Srinivasan, aged 70 holding DIN 01688627 is an engineering graduate and is serving this Company for more than Four decades in various capacities and is having rich experience and knowledge in Gear Cutting Tools and Broaches designing and manufacturing

No other Director, excepting Mr. S. Srinivasan is interested in the passage of this resolution.

Resolution No. 7

Mr. N Valliappan was appointed as Director Sales by the Board of Directors at its meeting held on 24.06.2020 ending with the close of the next ensuing Annual General Meeting or 30.09.2021, whichever is earlier, and the approval of the shareholders is being sought by this resolution for his appointment and remuneration.

Mr.N Valliappan, aged 54 years holding DIN 08493628 is an engineering graduate and is serving this Company for more than Three decades in various capacities and is having rich experience and knowledge in Gear Cutting Tools and Broaches manufacture and marketing.

No other Director, excepting Mr.N Valliappan is interested in the passage of this resolution.

By order of the Board

Place : Ranipet.
Date : 14.08.2020

Munetaka Nomura
Chairman & Managing Director

REPORT OF DIRECTORS

To
The Shareholders,
Ladies and Gentlemen,

The Directors have pleasure in presenting their Fifty-Seventh Annual Report with the Audited Accounts of the Company for the year ended 31st March 2020.

FINANCIAL RESULTS:

	During the year	Previous year
	Rs.	Rs.
Profit/(Loss) after depreciation	183,547,527	268,176,956
Balance of profit brought forward from previous year	674,363,796	509,321,552
	857,911,323	777,498,508
Provision for Taxation:		
Current	50,500,000	74,600,000
Earlier years		
Deferred	1,810,368	3,326,600
Depreciation written off	—	—
	805,600,955	699,571,908

APPROPRIATIONS

Transfer to General Reserve	Nil	Nil
Proposed Dividend 30%	20,910,000	20,910,000
Corporate Dividend Tax	—	4,298,112
Balance carried over to next year	784,690,955	674,363,796

OPERATIONS & STATEMENT OF AFFAIRS:

The total revenue (net of GST) during this year amounted to Rs.7615.96 lakhs as against Rs. 9238.95 lakhs in the previous year. The operations for the year resulted in a profit of Rs. 1835.47 lakhs as against Rs. 2681.77 lakhs in the previous year.

Your Company's Performance Squarely depends upon the overall performance of the Automobile Industry, during second half of the last year Automobile Industry fared lopsidedly and that resulted your company's could garner a reduced turnover and reduced profit earnings. Your Directors expecting same economic condition in the current year also due to COVID-19 Pandemic situation.

DIVIDEND

Your Directors recommend a dividend of 30%, amounting to Rs. 209.10 lakhs .

TRANSFER TO GENERAL RESERVE:

The Company has decided not to transfer any amounts to the General Reserve this year.

RESPONSIBILITY STATEMENT

As required under Section 134 (3) (c) of the Companies Act 2013, the Directors confirm:-

- a. That in the preparation of the annual accounts, the applicable accounting standards have been followed.
- b. That they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- c. That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. That they have prepared the Annual accounts on a going concern basis.
- e. That internal financial controls were in place and were adequate and operating effectively.
- f. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIRECTORS:

Mr. Munetaka Nomura was appointed as Chairman and Managing Director of the company at the meeting of the Board of Directors held on 11th December 2019 and his appointment will take effect from 01st January 2020.

Mr. Masuzo Terada Managing Director resigned his position with effect from 31st December 2019 owing to his preoccupation in Japan. The Board of Directors commends Mr. Masuzo Terada for his exemplary services that he rendered to the Company during his tenure and bestows on him their appreciation for the same.

Mr. Shusuke Suto was appointed as Additional Director of the Company at the meeting of Board of Directors held on 09th March 2020 and his appointment will take effect from 01st April 2020.

Mr. Kazunori Konishi - Director resigned his position in the Board, with effect from 31st March 2020 owing to his preoccupation in Japan. The Board of Directors Commends Mr. Kazunori Konishi for his good services to the company during his tenure on the Board.

Mr. S. Srinivasan, Director is due to retire by rotation at the conclusion of the ensuing Annual General meeting and being eligible offers himself for re-appointment.

COMPANY SECRETARY:

Mr. V. Sridhar, General Manager Finance and Company Secretary resigned his position, with effect from 16th October 2019 owing to his other preoccupations. The Board of Directors accepted and approved the same.

EXTRACT OF ANNUAL REPORT:

The report in form MGT 9 is appended hereto as **Annexure A**.

BOARD MEETINGS HELD: Please refer **Annexure B**.

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

The Company has in place an anti-sexual harassment policy in line with the requirements of the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has not received any complaint about sexual harassment during the year 2019-20.

AUDITORS:

M/S. Srikanth & Shanthy Associates, Chartered Accountants, Auditors of the Company retire at the conclusion of the Annual General Meeting and are eligible for re-appointment.

EMPLOYEES:

Employee relations in the Company continue to remain cordial and your Directors wish to place on record their appreciation. There are no employees drawing remuneration beyond the limits prescribed under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

DISCLOSURES:

Information, as required under Section 134(3)(m) of the Companies Act, 2013 read with Companies(Accounts) Rules, 2014 is set out in the **Annexure C** forming part of this report.

RELATED PARTY TRANSACTIONS:

Please refer Note No. 30 annexed to Statement of Accounts.

CSR ACTIVITIES:

CSR Policy of the company is, "Serving the community, to support common people and the underprivileged, by way of providing health services, education etc.,."

During the year under consideration the Company has undertaken the following CSR activities :

- | | |
|--|--------------|
| 1. Donation of Additional Lavatory building to Government Boys school, Ranipet amounting to | Rs. 64,704 |
| 2. Donation of Dialysis Machine three numbers to Scudder Memorial Hospital, Ranipet amounting to | Rs.19,82,800 |
| 3. Donation of Cot, Bed, Bedsheets and pillows to Government Hospital, Walajapet amounting to | Rs.14,09,230 |
| 4. Donation Prime Minister Relief Fund | Rs. 3,89,240 |

The total CSR spend by the company during the period under review was **Rs.38,45,974**

The contribution is based on the following working:

The Profit Before Tax of our Company in the past years are as below:

<u>Year</u>	<u>PBT Rs.</u>	
2016-17	12,97,41,538	
2017-18	17,89,77,061	
2018-19	26,81,76,956	
Total	57,68,95,555	
Average Profit of the aforesaid three years		Rs. 19,22,98,518
Mandatory CSR spend to be 2% of the average profits		Rs. 38,45,970
Actual CSR spending during the year		Rs. 38,45,974

The CSR committee consists of the following members:

Mr. Munetaka Nomura, Mr. S. Srinivasan, and Mr. N.Valliappan.

ACKNOWLEDGEMENT:

The Directors wish to acknowledge and thank the Customers, Bankers, the Sales Agents, Government Departments, Professional Consultants and the employees of the Company for their continued support and co-operation during the year and expect their continued support in the years to come.

Place : Ranipet
Date : 14.08.2020

For & On Behalf of the Board
Munetaka Nomura
Chairman & Managing Director (10)

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2020

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

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U29130TN1963PLC004990
2.	Registration Date	12.03.1963
3.	Name of the Company	MITSUBISHI HEAVY INDUSTRIES INDIA PRECISION TOOLS LIMITED.
4.	Category/Sub-category of the Company	PUBLIC COMPANY HAVING A SHARE CAPITAL.
5.	Address of the Registered office & contact details	2, SIPCOT INDUSTRIAL COMPLEX, RANIPET 632403. TELEPHONE NO. 91-4172-244361
6.	Whether listed Company	NOT LISTED.
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	KFIN TECHNOLOGIES PRIVATE LTD. Karvy Selenium Tower B, Plot No. 31 &32, Gachibowli Financial District, Nanakramguda, Serilingampally, Hyderabad 500 032. Phone No. +91 040 67161500 Email: einward.ris@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the Company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	GEAR CUTTING TOOLS	820770.09	61.89%
2	BROACHES	820760.09	38.11%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:-

NAME OF THE HOLDING COMPANY : MITSUBISHI HEAVY INDUSTRIES, LTD, JAPAN.
NUMBER OF SHARES HELD BY THEM : 67,25,000 EQUITY SHARES OF Rs. 10 each.
PERCENTAGE OF SHARE HOLDING : 96.48%

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

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
1) Indian									
a. Individual/ HUF									
b. Central Govt									
c. State Govt(s)									
d. Bodies Corp.									
e. Banks / FI									
2. FOREIGN BODIES CORPORATE	67,25,000	NIL	67,25,000	96.48	67,25,000	NIL	67,25,000	96.48	NIL
Total shareholding of Promoter (A)	67,25,000	NIL	67,25,000	96.48	67,25,000	NIL	67,25,000	96.48	NIL
B. Public Shareholding									
1. Institutions									
a. Mutual Funds									
b. Banks / FI									
c. Central Govt									
d. State Govt(s)									
e. Venture Capital Funds									
f. Insurance Companies									
g. BODIES CORPORATE	500	5800	6300	0.09	200	5800	6000	0.09	NIL
h. Foreign Venture Capital Funds									
i. Others (specify)									
SUB - TOTAL (B) (1)	500	5800	6300	0.09	200	5800	6000	0.09	NIL

Category of Shareholders	No. of Shares held at the beginning of the year (As on 31-March-2019)				No. of Shares held at the end of the year (As on 31-March-2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a. Bodies Corp.									
i. Indian									
ii. Overseas									
b. Individuals									
i. Individual shareholders holding nominal share capital upto Rs. 1 lakh	42304	142878	185182	2.66	47364	138118	185482	2.66	0
ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh	43918	0	43918	0.63	43918	0	43918	0.63	0
c) Others (specify)									
Non Resident Indians Overseas	1600		1600	0.02	1600		1600	0.02	0
Corporate Bodies Foreign Nationals Clearing Members Trusts Foreign Bodies - D R	8000		8000	0.11	8000		8000	0.11	0
Sub-total (B)(2):-	95822	142878	238700	3.42	100882	138118	239000	3.42	0
Total Public Share holding (B)=(B)(1)+ (B)(2)	96322	148678	245000	3.52	101082	143918	245000	3.52	0
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	6821322	148678	6970000	100	6826082	143918	6970000	100	

B) Shareholding of Promoter

SN	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Mitsubishi Heavy Industries Ltd.	6725000	96.48%	Nil	6725000	96.48	Nil	Nil

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

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	6725000	96.48	6725000	96.48
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):		NO CHANGE		NO CHANGE
	At the end of the year	6725000	96.48	6725000	96.48

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

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	S RM PL Subramanian	18318	0.26	18318	0.26
	At the end of the year	0	0	0	0
2	Bhavana Govindbhai Desai	15200	0.22	15200	0.22
	At the end of the year	15200	0.22	15200	0.22
3	Bhavana Govindbhai Desai	10400	0.15	10400	0.15
	At the end of the year	10400	0.15	10400	0.15

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
4.	Udhayan Govindbhai Desai	8000	0.11	8000	0.11
	At the end of the year	8000	0.11	8000	0.11
5.	Custodian A/C Hareh Kantilal Dalal	8000	0.11	8000	0.11
	At the end of the year	8000	0.11	8000	0.11
6	P P Zibi Jose	6600	0.09	6600	0.09
	At the end of the year	6600	0.09	6600	0.09
7	Shirin Nuruddin Bhalwani	6400	0.09	6400	0.09
	At the end of the year	6400	0.09	6400	0.09
8	Indian Bank	5400	0.08	5400	0.08
	At the end of the year	5400	0.08	5400	0.08
9	Hirak Leasing	5000	0.07	5000	0.07
	At the end of the year	5000	0.07	5000	0.07
10	Shaik Mohammed	4000	0.06	4000	0.06
	At the end of the year	4000	0.06	4000	0.06

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Mr. S Srinivasan Director Operations				
	At the beginning of the year	550	0.007	550	0.007
	At the end of the year	550	0.007	550	0.007
	Mr. N Valliappan Director Sales				
	At the beginning of the year	5	0.00007	5	0.00007
	At the end of the year	5	0.00007	5	0.00007

V. INDEBTEDNESS: Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year				
* Addition				
* Reduction				
Net Change	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	NIL	NIL	NIL	NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount
		MUNETAKA NOMURA	MASUZO TERADA	S.SRINIVASAN	K.N. DILIPKUMAR	N.VALLIAPPAN	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	3,30,000	9,90,000	1,131,358	440,067	632,985	3,524,410
	(b) Value of perquisites u/s 17(2) Income - tax Act, 1961	600,000	1,566,000	336,555	125,225	213,244	2,841,024
	(c) Profits in lieu of salary under section 17(3) Income - tax Act, 1961						
2	Stock Option						
3	Sweat Equity						
4	Commission - as % of profit - others, specify...	527,921	1,849,806	3,418,528	1,011,186	608,194	7,415,635
5	Others, please specify - PF					55,834	55,834
	Total (A)						13,836,902
	Ceiling as per the Act						21,500,335

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr.Kazunori Konishi	Mr. Yoshinao Miyoshi	Mr.Munetaka Nomura	
1	<u>Independent Directors</u> Fee for attending board Committee meetings Commission Others, please specify	NIL	NIL	NIL	
	Total (1)	NIL	NIL	NIL	
2	<u>Other Non- Executive Directors</u> Fee for attending board Committee meetings Commission Others, please specify	Yes 3000 NIL	Yes 2000 NIL	Yes 2000 NIL	7,000
	Total (2)	3000	2000	2000	7,000
	Total (B)=(1+2)	3000	2000	2000	7,000
	Total Managerial Remuneration				13,843,902
	Overall Ceiling as per the Act				13,843,902

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER / WTD

SN	Particulars of Remuneration	Key Managerial Personnel	
		CS	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income - tax Act, 1961	289,677	289,677
	(b) Value of perquisites u/s 17(2) Income - tax Act, 1961	227,016	227,016
	(c) Profits in lieu of salary under section 17(3) Income - tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission		
	- as % of profit		
	others, specify...		
5	Others, please specify - incentive		
	Total	516,693	516,693

Annexure B.

Board Meetings held during the year under consideration:

The Board met 6 times during the year on dates .

Name of the Director	Board Meetings Attended (No. of Meetings held)	Attendance at last AGM	Shares held.
Munetaka Nomura	3 (6)	Yes	Nil
Masuzo Terada	5 - (6)	Yes	Nil
S Srinivasan	6 - (6)	Yes	550
K N DilipKumar	1 - (6)	Yes	10
N Valliappan	5 (6)	Yes	5
Yoshinao Miyoshi	2 - (6)	No	Nil
Kazunori Konishi	3 - (6)	No	Nil

Information as per Section 134 (3)(m) of the Companies act, 2013 read with the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March 2020.

A. Particulars with respect of conservation of energy :

(a) Energy Conservation measures taken:

i) Improvement of Power Factor by Installing Capacitor banks:

Sufficient Capacitor Banks were added and the Power Factor is normally maintained, more than 0.94 at any time, in much improved conditions.

ii) Automatic controls are sufficiently provided in all the furnaces for better control of consumption of energy with clear make and break facility.

iii) The maximum demand, loading conditions are staggered and run in such a way that the recorded maximum demand is always within limits, every time and less recording of maximum demand.

iv) Systematic replacement of low efficient luminaries.

b) Proposals under implementation for reduction of consumption of energy:

The energy audit system is under implementation to reduce consumption of energy.

c) Impact of energy conservation measures:

Energy usage optimised by process control and installation of efficient equipments.

d) Total energy consumption and energy consumption per unit of production:

The Company is not covered in the list of specific industries. Hence the information is not furnished.

B. Technology absorption

As per Form B here-under.

C. Foreign exchange earnings and Outgo

a) activities relating to exports, initiatives taken to increase exports, development of new export market for products and services and export plans.

The Company is taking all steps to garner more export orders from all sources.

b) total foreign exchange used and earned.

Foreign exchange used Rs. 108,964,610
Foreign exchange earned Rs. 57,495,030

FORM B

Form for disclosure of particulars with respect to absorption

Research and Development (R & D)

- | | |
|---|--|
| 1. Specific areas in which R & D carried out by the Company | Even though the Company does not have a separate R & D wing, the R & D activities are carried out along with our regular operations resulting in effective utilisation of imported raw materials which help in reducing the outgo on foreign exchange. |
| 2. Benefits derived as a result of the above R & D | |
| 3. Future plan of action | R & D Activity will be geared up as and when required. |
| 4. Expenditure on R & D | Nil. |

Technology absorption, adaptation and innovation:

- | | |
|---|--|
| 1. Efforts, in brief, made towards technology absorption, adaptation and innovation | <ol style="list-style-type: none">1. Pot Type Shaping Cutter2. Helical Cutter Spur Spline Broach3. Skiving Cutter4. Trials of Dry Cut Hobs is successfully completed and a few customers placed regular orders.5. Use of special High Speed Steel which are developed by MHI, Japan. |
| 2. Benefits derived as a result of the above efforts e.g. Product improvement, Cost reduction, product development import substitution, etc. | Import substitution of dry cut hobs and further business. Able to meet international competition in Indian Market. |
| 3. In case of imported technology (imported during the last five years reckoned from the beginning of the financial year) following information may be furnished. | |
| A. Technology | : Design and manufacture of Dry Cut Hobs. Application of special grade high speed steel and its procedure to use. |
| B. Year of import | : 2005 -2006. |
| C. Has technology been fully absorbed | : Yes. |
| D. If not fully absorbed, areas where this has not taken place, reasons there for, and future plans of action | : N.A. |

By Order of the Board

Place : Ranipet
Date : 14.08.2020

Munetaka Nomura
Chairman & Managing Director

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MITSUBISHI HEAVY INDUSTRIES INDIA PRECISION TOOLS LIMITED

Opinion:

We have audited the accompanying financial statements of "MITSUBISHI HEAVY INDUSTRIES INDIA PRECISION TOOLS LIMITED", which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our Opinion and best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2020 and profit, other comprehensive income for the year ended on that date.

Basis for Opinion:

We conducted our audit in accordance with the Standards on Auditing (SA) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the 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 financial statements under the provisions of the Act and Rules thereunder, and we have fulfilled our other ethical responsibilities and Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters:

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. We have determined that there are no such matters to report.

Responsibilities of Management and Those charged with Governance for the Financial Statements:

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the statement of affairs, profit and other comprehensive income, Cash Flow Statement of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act,

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

Auditor's Responsibilities for the audit of Financial Statements:

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

As a part of audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- a. Identify and assess the risk of material misstatements of the 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 misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.
- b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d. 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 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.
- e. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 audit findings, including any significant deficiencies in internal control that we identify during the 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 governance, we determine those matters that were of most significance in the audit of the financial statements of 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 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 said Order, to the extent applicable.
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 purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on 31st March 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2020, from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of 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; and
 - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - The Company has no pending litigations to disclose in its financial statements;
 - The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses
 - There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.
3. With respect to the matter to be included in the Auditor's Report under section 197(16) of the Act.

In our Opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of the section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the act.

Place : Ranipet
Date : 14.08.2020

For SRIKANTH & SHANTHI ASSOCIATES
Chartered Accountants (FRN NO.004006S)
(M.C.SRIKANTH) (M.NO.018588)
Partners

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT
(Referred to in our report of even date)

- i)
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physically verifying all the fixed assets at its plants/offices in a phased manner over a period of 2 years, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies as compared to book records were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examinations of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii) The Inventories have been physically verified by the management during the year. In our Opinion, the frequency of Physical Verification is reasonable. The discrepancies noticed on verification between the Physical stock and the book stocks were not material and have been properly dealt within the books of accounts.
- iii) According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to Companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act. Accordingly, the provisions of clause (iii) (a), (b), and (c) of Para 3 of the Order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v) According to the information and explanations given to us, the Company has not accepted any deposits from the public. Accordingly, paragraph 3(v) of the Order is not applicable.
- vi) The Central Government has not prescribed the maintenance of Cost records under Section 148 (1) of the Companies Act. Accordingly paragraph 3(vi) of the Order is not applicable.
- vii)
- (a) According to the records of the company, the company is regular in depositing undisputed statutory dues payable including provident fund, Employees' state Insurance, Income Tax, Goods and service Tax, Customs duty, Cess and other material statutory dues with the appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of Income Tax, Goods and Service Tax, Customs duty and Cess were in arrears as at 31st March 2020 for period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, there are no material dues of income tax, Goods and Service Tax, duty of customs, and Cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanation given to us, the following dues have not been deposited by the company on account of dispute:

Name of Statue	Nature of Dues	Forum where dispute Is Pending	Period to which the amount relates	Amount of tax Involved Rs. In Lakhs
The Central Excise Act	Cenvat on Agency Commission	Appellate Tribunal	Sep2008 to Apr2013	185.89
The Central Excise Act	Cenvat on Agency Commission	Commissioner Appeals	May2013 to Aug2013	4.99
The Central Excise Act	Cenvat on Courier Service	Commissioner Appeals	Jan2011 to Jun2011	2.99
Commercial Tax Department	Additional Tax demanded by disputing the rate of Tax adopted hitherto	Highcourt Chennai	2012 to 2013	4.45

Name of Statute	Nature of Dues	Forum where dispute Is Pending	Period to which the amount relates	Amount of tax Involved Rs. In Lakhs
Commercial Tax Department	Additional Tax demanded by disputing the rate of Tax adopted hitherto	Highcourt Chennai	2013 to 2014	14.74
Commercial Tax Department	Additional Tax demanded by disputing the rate of Tax adopted hitherto	Highcourt Chennai	2014 to 2015	13.98
ESI Act	Contribution on Machining Charges paid to Sub Contractors	45 A order stayed by ESI court	1988 - 1990 & 2008 - 2009	1.51
TNGST Act	Appellate Deputy Commissioner (CT)	Order of Asst. Commissioner (CT) stayed.	2005 - 2006	17.09

- viii) Company does not have any loans and borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, Paragraph 3(viii) of the Order is not applicable.
- ix) According to information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements, to the best of our knowledge and as per the information and explanations given to us by the management, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii) The Company is not a Nidhi Company. Accordingly, paragraph 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 related parties are in compliance with Sections 177 and 188 of the Act where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards
- xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence reporting under Para 3 of clause (xiv) of the Order is not applicable to the company.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Place : Ranipet
Date : 14.08.2020

For SRIKANTH & SHANTHI ASSOCIATES
Chartered Accountants [FRN 004006S]
[M.C.SRIKANTH] [M.No.018588]
Partner

ANNEXURE B TO 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 **MITSUBISHI HEAVY INDUSTRIES INDIA PRECISION TOOLS LIMITED** ('the Company') as of 31st March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the 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 31st March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Ranipet
Date : 14.08.2020

For SRIKANTH & SHANTHI ASSOCIATES
Chartered Accountants [FRN 004006S]
[M.C.SRIKANTH] [M.No.018588]
Partner

Mitsubishi Heavy Industries India Precision Tools Ltd
Balance Sheet as at 31st March 2020

Particulars	Note No	As at 31 st March 2020	As at 31 st March 2019
		Rs.	Rs.
I EQUITY AND LIABILITIES			
1. Shareholders' Funds:			
(a) Share Capital	2	69,700,000	69,700,000
(b) Reserves and Surplus	3	1,645,429,222	1,539,515,002
2. Non-current liabilities			
Deffered tax liabilities (net)	4	-	-
3. Current Liabilities			
(a) Trade Payable	5	36,589,087	34,485,217
(b) Other current liabilities	6	1,383,855	4,076,447
(c) Short-term provisions	7	28,343,943	41,029,565
Total		1,781,446,107	1,688,806,231
II ASSETS			
1. Non-current assets			
(a) Fixed Assets			
i Tangible assets	8	324,012,586	298,105,665
ii In tangible assets	8	2,721,762	1,046,251
iii Capital work-in-progress		2,349,354	31,099,756
(b) Long-term loans and advances	9	32,669,945	23,605,162
(c) Deferred tax assets (net)	4	6,624,562	8,434,930
2. Current assets			
(a) Inventories	10	148,068,133	193,187,246
(b) Trade receivables	11	156,023,137	206,394,848
(c) Cash and cash equivalents	12	1,061,787,519	885,688,241
(d) Short-term loans and advances	13	12,901,945	10,920,974
(e) Other current assets	14	34,287,164	30,323,158
Total		1,781,446,107	1,688,806,231
Significant Accounting Policies	1	-	-

See accompanying notes forming part of the financial statements
In terms of our report attached

For Srikanth & Shanthi Associates
Chartered Accountants

For and on behalf of the Board of Directors

M.C. Srikanth
Partner

Munetaka Nomura
Chairman & Managing Director

S.Srinivasan
Director (Operations)

N.Valliappan
Director (Sales)

Place : Ranipet

Date : 14.08.2020

Mitsubishi Heavy Industries India Precision Tools Ltd
Statement of Profit and Loss for the year ended 31st March 2020

Particulars	Note No	As at 31 st March	As at 31 st March
		2020	2019
		Rs.	Rs.
I Revenue from operations (gross)		886,183,519	1,073,133,131
Less: Excise duty			
Less: GST		124,587,537	149,237,682
Revenue from operations (net)	15	761,595,982	923,895,449
II Other Income	16	66,850,253	58,260,041
III Total revenue (I+II)		828,446,235	982,155,490
IV Expenses			
(a) Cost of materials consumed	17	163,328,234	236,790,203
(b) Changes in inventories of finished goods and work-in-progress	18	23,960,403	(11,451,482)
(c) Other direct manufacturing expenses	19	116,108,581	135,110,544
(d) Employee benefits expenses	20	202,601,374	214,893,299
(f) Deprecitation and amortisation expense		72,330,073	69,288,878
(g) Other expenses	21	66,570,043	69,347,092
Total expenses		644,898,708	713,978,534
V Profit before tax (III-IV)		183,547,527	268,176,956
VI Less: Tax expenses			
1. Current tax		50,500,000	74,600,000
2. Tax relating to prior years			
3. Deferred tax		1,810,369	3,326,600
VII Profit for the year (V-VI)		131,237,158	190,250,356
VIII Earnings per share (of Rs,10/-each)			
Basic and diluted		18.83	27.30
Significant accounting policies	1		

See accompanying notes forming part of the financial statements
In terms of our report attached

For Srikanth & Shanthi Associates
Chartered Accountants

For and on behalf of the Board of Directors

M.C. Srikanth
Partner

Munetaka Nomura
Chairman & Managing Director

S.Srinivasan
Director (Operations)

N.Valliappan
Director (Sales)

Place : Ranipet
Date : 14.08.2020

MITSUBISHI HEAVY INDUSTRIES INDIA PRECISION TOOLS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2020

Particulars	For the year ended 31 st March, 2020		For the year ended 31 st March, 2019	
A. Cash flow from Operating Activities	(Rs. In'000)		(Rs. In'000)	
Net Profit before extraordinary items and tax		183,548		268,177
<i>Adjustments for:</i>				
Depreciation	72,330		69,289	
(Profit) on sale of assets	1,934		756	
Forex Gain	909		2,275	
Interest income	63,461	189,573	53,570	280,864
Operating profit before working capital changes				
<i>Changes in working capital:</i>				
Trade and other receivables	50,372		(58,413)	
Inventories	45,119		(41,267)	
Loans & Advances	(9,065)		(6,316)	
Trade Payables	2,104		2,104	
Short Term Loans & Advances	(1,981)		3,962	
Other Current Assets	(3,964)		(19,188)	
Other Current Liabilities & Provisions	(13,568)	69,017	9,237	(109,881)
Cash generated from operations		258,590		170,984
Taxes paid		(50,500)		(74,600)
Cash flow from extraordinary items				413
Net cash flow from operating activities (A)		208,090		96,797
B. Cash flow from Investing Activities				
Purchase of Tangible and Intangible	(72,528)		(28,015)	
Proceeds from sale of fixed assets	2,283		793	
Interest and dividend received	63,461		53,570	26,348
Net cash (used in) investing activities (B)		(6,783)		26,348
C. Cash flow from Financing Activities				
Dividends paid	(20,910)		(17,425)	
Tax on dividend	(4,298)		(3,582)	
Net cash (used in) financing activities (C)		(25,208)		(21,007)
D. Net increase/(decrease) in cash and cash equivalents A+B+C		176,099		102,138
Cash and cash equivalents at the beginning of the year		885,688		783,550
Cash and cash equivalents at the end of the year		1,061,788		885,688

Notes: 1. Above statement has been prepared in indirect method in accordance with Accounting
2. Cash & Cash equivalents represents Cash & Bank balances only.
3. Additions to fixed assets are stated inclusive of incremental capital work-in-progress and treated as part of investing activities.

In terms of our report attached

For Srikanth & Shanthy Associates
Chartered Accountants

For and on behalf of the Board

M.C. Srikanth
Partner

Munetaka Nomura
Chairman & Managing Director

S.Srinivasan
Director (Operations)

N.Valliappan
Director (Sales)

Place : Ranipet
Date : 14.08.2020

NOTES FORMING PART OF FINANCIAL STATEMENTS for the year ended 31st March 2020

1 SIGNIFICANT ACCOUNTING POLICIES.

1. The financial statements are drawn up in accordance with the historical cost convention except for the revalued cost for Land, Buildings, Plant and Machineries and on the going concern concept. Accrual system of accounting is followed to record income and expenditure generally excepting in the areas herein specifically mentioned.
2. Fixed assets acquired are shown at the cost of acquisition less Tax Credit wherever availed or revalued cost.
3. Inventories are valued as specified hereunder:

Raw materials, stores and spares are valued at lower of cost and net realisable value. Cost is ascertained on First in First out basis.

Work-in-Progress is valued at lower of cost and net realisable value.

Finished goods are valued at lower of cost and net realisable value.

Loose tools are valued at cost.

4. Depreciation on fixed assets is provided according to the useful life of the assets as prescribed in Schedule II to the Companies Act, 2013, Depreciation on addition to assets during the year is provided on prorata time basis. Revalued amount is depreciated over remaining useful life of Assets.

5 Revenue Recognition

Revenues are recognised and expenses are accounted on their accrual with necessary provisions for all known liabilities and losses.

Sales net of discounts are recognised on transfer of title to the customers, which generally coincides with delivery of goods.

Income from service transactions is recognized on completion of service.

Income from incentives, rebates and discounts from suppliers are recognised on accrual basis if announced / agreed.

Dividends are accounted for when the right to receive the payment is established.

Interest income is recognized on accrual basis in respect of fixed deposit with banks except with those that are earmarked

6. Provisions and Contingent liabilities

Provisions are recognised only when there is a present obligation as a result of past events, probable outflow of resources embodying economic benefit to settle the obligation and when a reliable estimate can be made of the amount of the obligation.

Contingent liabilities is disclosed for (i) possible obligation which will be confirmed only by future events not wholly within the control of the company (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognized nor disclosed in the financial statements

7. Taxes on income

Provision for Current tax is made based on the liability computed in accordance with the relevant tax rates and tax laws. Provision for deferred tax is made for timing differences arising between the taxable income and accounting income computed using the tax rates and the laws that have been enacted or substantively enacted as of the balance sheet date. Deferred tax assets in respect of Unabsorbed Depreciation and carry forward losses are recognized if there is virtual certainty, that there will be sufficient future taxable income available to realise such assets. Other Deferred Tax Assets are recognized if there is reasonable certainty, that there will be sufficient future taxable income available to realise such assets.

MAT Credit entitlement is recognized as an asset only when there is convincing evidence that the Company will pay normal income tax within the specified period. The asset shall be reviewed at each Balance Sheet date.

8. Impairment of Assets.

At each balance sheet date, the carrying values of the tangible and intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where there is an indication that there is a likely impairment loss for a group of assets, the company estimates the recoverable amount of the group of assets as a whole, to determine the value

9. Retirement benefits :

- a) Contributions to the Provident Fund, paid to funds maintained by the commissioners are charged off to revenue.
- b) The Company has covered its gratuity liability with Life Insurance Corporation of India. The Contributions are made based on actuarial valuation and charged off to revenue.
- c) Encashment of earned leave is charged off to revenue on accrual basis.

10. Foreign currency transactions are recorded at the rate of exchange prevailing on the date of respective transactions. Foreign currency assets and liabilities are converted at year end rates as applicable. Exchange difference on settlement/conversion are adjusted to Profit And Loss Account in respect of monetary items.

11. Insurance on Company's properties, immovable and movable is on re-instatement value basis.

12. Claims/Income arising from price escalation and /or any other item of compensation which are indeterminate are accounted for on cash basis/on acceptance by the party claimed against as also scrap sales proceeds.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at 31 st March 2020 Rs.	As at 31 st March 2019 Rs.
2 Share Capital		
Authorised:		
80,00,000 (Previous year 80,00,000) Equity shares of Rs.10/-each with voting rights	<u>80,000,000</u>	<u>80,000,000</u>
Issued, Subscribed and paid up :		
69,70,000 (P.Y 69,70,000) Equity shares of Rs.10 each with voting rights	<u>69,700,000</u>	<u>69,700,000</u>
Note:		
1. Of the above 69,70,000 Equity Shares 26,08,804 Equity Shares have been issued as Bonus Shares by capitalisation of General Reserve		
2. Of the above 69,70,000 Equity Shares, 67,25,000 Equity Shares is held by holding company		
(a) Reconciliation of number of shares		
Shares outstanding as at 1 st April 2019/ 1 st April 2018	6,970,000	6,970,000
Shares outstanding as at 31 st March 2020/ 31 st March 2019	6,970,000	6,970,000
(b) List of share holders holding more than 5% of the total number of shares issued by the Company		
Name of share holder		
Mitsubishi Heavy Industries, Ltd Japan	6,725,000 96.48%	6,725,000 96.48%
3 Reserves and Surplus		
(a) Capital reserve	5,497,737	5,497,737
(b) Capital redemption reserve	9,900,000	9,900,000
(c) Share Premium	400,000,000	400,000,000
(d) Revaluation reserve		
Opening balance	12,762,359	12,920,902
Less: Transfer on Sale	-	-
Less: Utilised for set off against depreciation	114,816	158,543
	<u>12,647,543</u>	<u>12,762,359</u>
(e) General reserve		
Opening balance	412,000,000	412,000,000
Add: Transferred from surplus in Statement of Profit and Loss	-	-
	<u>412,000,000</u>	<u>412,000,000</u>
(e) Surplus in Statement of Profit and Loss		
Opening balance	699,354,906	530,111,310
Less: Transfer for Depreciation	-	-
Add: Profit for the year	131,237,158	190,250,356
	<u>830,592,064</u>	<u>720,361,666</u>
Less: Dividend for 31/03/2019		
- Dividend Paid Rs.3.00 per share	20,910,000	17,425,000
- Tax on Dividend	4,298,122	3,581,760
- General Reserve	-	-
	<u>25,208,122</u>	<u>21,006,760</u>
Closing balance	<u>805,383,942</u>	<u>699,354,906</u>
Total	<u>1,645,429,222</u>	<u>1,539,515,002</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at 31 st March 2020	As at 31 st March 2019
4 Deferred Tax Assets /(Liabilities) (Net)		
(a) Deferred tax liabilities		
- Depreciation on fixed assets	6,624,562	8,434,930
Net deferred tax Assets	<u>6,624,562</u>	<u>8,434,930</u>
5 Trade Payables		
For supplies	28,880,017	30,348,017
for services	<u>7,709,070</u>	<u>4,137,200</u>
Total	<u>36,589,087</u>	<u>34,485,217</u>
6 Other Current Liabilities		
Unpaid dividend	1,383,855	1,297,660
Statutory remittances		<u>2,778,787</u>
Total	<u>1,383,855</u>	<u>4,076,447</u>
7 Short Term Provisions		
Provision for employee benefits		
Provision for bonus	3,422,401	3,578,448
Provision for Gratuity	(3,039,995)	855,759
Provision for PF & ESI	602,515	624,702
Other Provisions		
Provision for commission to Directors	7,415,635	14,758,826
Other Provisions	<u>19,943,387</u>	<u>21,211,830</u>
Total	<u>28,343,943</u>	<u>41,029,565</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS

8 FIXED ASSETS

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	Cost As on 01.04.2019	Additions / Transfer	Deletions / Transfer	Cost as at 31.03.2020	Upto 31.03.2019	Normal	Revaluation	on Deductions / Adjustments	Upto 31.03.2020	As on 31.03.2020	As on 31.03.2019
TANGIBLE ASSETS											
Land	12,474,981			12,474,981	-				-	12,474,981	12,474,981
Building *	100,667,070		57,330	100,609,740	69,092,975	2,697,856	17,760	36,547	71,772,044	28,837,696	31,547,095
Machinery	1,367,824,861	92,927,510	6,251,073	1,453,871,298	1,128,383,953	65,016,554	97,056	5,806,520	1,187,691,743	266,179,555	239,440,908
Inspection Equipments	19,620,055	154,459		19,774,514	17,755,517	539,176			18,294,693	1,479,821	1,884,538
Other Factory Equipments	11,510,340	210,960		11,721,300	7,665,208	671,804			8,337,012	3,384,288	3,845,132
Electrical Equipments	20,303,128	3,286,760	47,334	23,542,554	17,169,979	1,194,744		42,300	18,322,423	5,220,131	3,133,149
Furniture & Fixtures	14,385,017	338,811	64,579	14,659,249	12,005,369	443,241		57,199	12,391,411	2,267,838	2,379,648
Type-Writers, Duplicators & Telephone Equipments	2,856,284	163,375	49,592	2,970,067	2,149,225	144,744		40,933	2,253,036	717,031	707,059
Computers	9,563,680	361,244	151,850	9,773,074	8,677,360	337,249		145,150	8,869,459	903,615	886,320
Vehicles	3,904,894	976,236	954,507	3,926,623	2,136,576	418,633		812,487	1,742,722	2,183,901	1,768,318
Canteen Equipments	140,239			140,239	108,722	7,729			116,451	23,788	31,517
Tangible Assets Total	1,563,250,549	97,789,355	7,576,265	1,653,463,639	1,265,144,884	71,471,730	114,816	6,940,436	1,329,790,994	323,672,645	298,105,665
INTANGIBLE ASSETS											
Softwares	11,179,307	2,873,796		14,053,102	10,133,056	858,343			10,991,399	3,061,703	1,046,251
Intangible Assets Total	11,179,307	2,873,796	-	14,053,102	10,113,056	858,343	-	-	10,991,399	3,061,703	1,046,251
Previous year	1,555,177,330	23,697,114	4,384,588	1,574,429,856	1,210,177,175	62,288,878	158,543	4,346,656	1,275,277,940	299,151,916	

* Includes property bought under leasehold Right (Rs.399,175) and investment in shares (Rs.500) of Co-operative Society, the lessor of Property.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at 31 st March 2020	As at 31 st March 2019
9 Long Term Loans & Advances	Rs.	Rs.
(Unsecured considered good)		
(a) Advance Income Tax (Net of provisions)	31,932,345	22,867,562
(b) Rent Advances	737,600	737,600
Total	<u>32,669,945</u>	<u>23,605,162</u>
10 Inventories (refer clause 3 of significant accounting policies)		
Raw Materials	90,122,577	109,749,540
Work-in-progress	31,080,885	61,219,226
Finished goods	12,864,134	6,686,196
Stores and Spares	14,000,537	15,532,284
	<u>148,068,133</u>	<u>193,187,246</u>
11 Trade Receivables		
Unsecured . Considered good *	156,023,137	206,394,848
* Includes Rs. 2,52,20,937 (P.Y.Rs.2,50,44,612) outstanding for a period exceeding six months from the date they are due for payment		
12 Cash and Cash Equivalents		
Cash on hand	106,759	142,806
Balance with Banks		
- Current Account	69,087,172	51,839,447
- Un paid dividend accounts	1,393,588	1,305,988
- In fixed Deposit Accounts	991,200,000	832,400,000
	<u>1,061,787,519</u>	<u>885,688,241</u>
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS3 Cash flow Statement is	1,061,787,519	885,688,241
13 Short term loans and Advances		
(Unsecured . Considered good)		
Security Deposits	6,385,998	6,133,660
Advances to Employees	386,880	62,488
Balance with Government Authorities	1,907,704	2,970,343
Prepaid expenses	4,221,363	1,754,483
	<u>12,901,945</u>	<u>10,920,974</u>
14 Other Current Assets		
Interest Accrued on deposits	23,790,426	19,111,715
Advance for Capital expenses	8,659,824	9,284,944
Advance for expenses	1,228,401	1,317,986
Claims Receivable	608,513	608,513
	<u>34,287,164</u>	<u>30,323,158</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at 31 st March 2020 Rs.	As at 31 st March 2019 Rs.
15 Revenue from operations		
Manufactured goods		
Gear Hobs	186,730,155	247,520,506
Gear Shaping & Shaving Cutters	265,702,801	329,230,265
Broaches	<u>279,092,228</u>	<u>305,186,710</u>
Total - Sale of manufactured goods	<u>731,525,184</u>	<u>881,937,481</u>
Sale of Services		
Resharpener and other charges	21,123,236	21,694,579
Other operating revenues		
Sales of scrap	<u>8,947,562</u>	<u>20,263,389</u>
Total - Revenue from operations	<u>761,595,982</u>	<u>923,895,449</u>
16 Other Income		
Interest Income		
- Interest from Fixed Deposits	63,112,273	52,788,603
- Interest on trade receivables		3,966
- Interest on others	349,106	777,907
Rent received	144,746	1,096,562
Miscellaneous Income	401,211	561,930
Net gain on foreign currency transactions	909,082	2,275,137
Profit on sale of assets	<u>1,933,835</u>	<u>755,936</u>
Total	<u>66,850,253</u>	<u>58,260,041</u>
17 Cost of Materials Consumed		
Material consumed comprises of		
High Speed Steels		
Opening Stock	109,749,540	81,337,772
Add : Purchases	<u>143,701,271</u>	<u>265,201,971</u>
	<u>253,450,811</u>	<u>346,539,743</u>
Less : Closing Stock	<u>90,122,577</u>	<u>109,749,540</u>
Cost of materials consumed	<u>163,328,234</u>	<u>236,790,203</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at 31 st March 2020	As at 31 st March 2019
	Rs.	Rs.
18 Change in inventories of Finished Goods and Work-in-progress		
Inventories at the end of the year		
Finished goods	12,864,134	6,686,196
Work-in- progress	31,080,885	61,219,226
	<u>43,945,019</u>	<u>67,905,422</u>
Inventories at the beginning of the year		
Finished goods	6,686,196	4,044,183
Work-in- progress	61,219,226	52,409,757
	<u>67,905,422</u>	<u>56,453,940</u>
Net (increase)/ decrease	<u>23,960,403</u>	<u>(11,451,482)</u>
19 Other Direct Manufacturing expenses		
Consumption of Stores and spares	45,474,682	54,325,485
Outside Machining Charges	20,065,626	23,256,028
Power and fuel	30,746,573	34,032,414
Repairs and Maintenance		
- Buildings	863,242	733,814
- Machinery	8,999,689	14,152,415
- Other Assets	8,401,970	8,301,995
Insurance on Building, Machinery and Stock	1,556,799	308,393
Total	<u>116,108,581</u>	<u>135,110,544</u>
20 Employee benefits expenses		
Salaries, Wages and Bonus	171,264,135	182,447,589
Contribution to Provident Fund and Family Pension	8,153,845	6,137,403
Staff Welfare Expenses	23,183,394	26,308,307
Total	<u>202,601,374</u>	<u>214,893,299</u>
21 Other Expenses		
Rent	2,383,329	2,279,480
Licences and Taxes	1,854,312	2,584,625
Commission and Discount on Sales	16,762,703	19,500,941
Excise Duty on stock difference	-	-
Auditors Remuneration		
- Statutory audit	480,000	480,000
- Certification	90,750	37,275
- Tax Maters	468,900	429,500
- For expenses	91,304	98,894
Miscellaneous expenses	44,438,745	43,936,377
Total	<u>66,570,043</u>	<u>69,347,092</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at 31 st March 2020		As at 31 st March 2019	
22 Consumption of Raw Materials and Machinery Spares				
Raw Materials:	Tonnes	Rs.	Tonnes	Rs.
High Speed Steel	134.08	163,328,235	197.85	236,790,203
of the above, Imported Items		73,070,942		107,612,073
		44.74%		45.45%
Indigenous Items		90,257,293		129,178,130
		55.26%		54.55%
Machinery Spares				
Imported		3,625,586		6,656,159
		72.63%		78.05%
Indigenous		1,366,075		1,872,805
		27.37%		21.95%
23 Value of imports calculated on CIF basis				
Raw Materials		53,288,985		87,368,499
Machinery Spares		1,673,245		5,557,826
Capital Goods		-		-
24 Expenditure in foreign currency				
Travelling		529,193		178,718
25 Earnings in foreign currency				
Export on FOB basis		57,495,031		48,111,643

26 Employees benefit plans

The company has followed the Accounting

Standard AS15-15 R) "Employees Benefits"

The company has defined schemes for Gratuity

The funds are recognised by Income Tax

Authorities and administrated through Trustees/

Life insurance corporation of India.

The company has no further obligations beyond making contributions to the fund.

Disclosures for the Defined Benefit Plans for Gratuity based on Actuarial Report of M/s. LIC of India as on 31.03.2020 as under:

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at 31 st March 2020	As at 31 st March 2019
Change in defined benefit obligation	Gratuity (Funded) Rs. In lacs	
Opening defined benefit obligation	212.69	196.69
Current service cost	16.74	15.27
Interest Cost	15.95	15.74
Actuarial loss / (Gain)	4.14	8.69
Benefit paid	(15.58)	(23.71)
Closing defined benefit obligation	233.94	212.68
Change in Fair Value Assets		
Opening fair value of plan assets	201.64	179.05
Expected return on plan assets	16.75	14.81
Actuarial Gain / (loss)	-	-
Contribution by Employer	57.42	31.49
Benefit paid	(15.58)	(23.71)
Closing fair value of plan assets	260.23	201.64
Amount recognised in Balance Sheet		
Present value of obligation at year end	233.94	212.68
Fair value of plan assets at year end	260.23	201.64
Amount now recognised as liability		
Net (liability) / asset recognised as on 31.03.20	26.29	(11.04)
Principal Actuarial assumption used		
Discount rate p.a	7.25%	7.50%
Method of Valuation (Projected Unit credit Method)		
Attrition Rate	5.0%	5.0%
Salary Escalation Rate	7%	7%
27 Contingent Liabilities		
Estimated amount of contracts remaining to be executed on capital account not provided for (net advances)	22,733,449	29,901,879

28 Pending Litigations

Name of Statute	Nature of Dues	Forum where dispute is Pending	Period to which the amount relates	Amount Involved Rs. In Lakhs
The Central Excise Act	Cenvat on Agency Commission	Appellate Tribunal	Sep2008 to Apr2013	185.89
The Central Excise Act	Cenvat on Agency Commission	Commissioner Appeals	May2013 to Aug2013	4.99
The Central Excise Act	Cenvat on Courier Service	Commissioner Appeals	Jan2011 to Jun2011	2.99
Commercial Tax Department	Additional Tax demanded by disputing the rate of Tax adopted hitherto	Highcourt Madras	2012 to 2013	4.45
Commercial Tax Department	Additional Tax demanded by disputing the rate of Tax adopted hitherto	Highcourt Madras	2013 to 2014	14.74
Commercial Tax Department	Additional Tax demanded by disputing the rate of Tax adopted hitherto	Highcourt Madras	2014 to 2015	13.98
ESI Act	Contribution on Machining Charges paid to Sub Contractors	Tribunal	1988 - 1990 & 2008 - 2009	1.51
TNGST Act	Appellate Deputy Commissioner(CT)	Order of Asst. Commissioner (CT) stayed.	2005 to 2006	17.09

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at 31 st March 2020	As at 31st March 2019
29 Segment information (as defined in AS17)		
is not applicable due to the fact that the company does not have any different business or geographical segments		
30 Related party transactions (as defined in AS18)		
(a) Details of related parties		
	Description of Relationship Name of related party	
	Holding Company Mitsubishi Heavy Industries Ltd Japan	
	Subsidiary to Holding Company 1.Mitsubishi Heavy Industries Machine Tool Co, Ltd	
	2.Federal Broach & Mahines Co Ltd., USA	
Key Mangement Personnel	Mr. Munetaka Nomura, Chairman and Managing Director Mr. S. Srinivasan Director (operations)	
(b) Transcations with related party	1.Mitsubishi Heavy Industries Machine Tool Co, Ltd., Japan.	
Name of Transcations	2.Federal Broach & Mahines Co Ltd., USA 3.Mitsubishi Heavy Industries India Pvt. Ltd., India.	
	Value of Transactions Rs.	Outstanding at the year end Rs.
Mitsubishi Heavy Industries Machine Tool Co., Ltd.,		
Purchase of Fixed Assets	-	-
	4,616,279	4,222,393
Purchase of goods & Service	(52,31,497)	(11,45,615)
	7,399,123	5,097,971
Receiving services - Royalty	(8,931,127)	(6,162,514)
	27,993,397	213,722
Sale of goods	(13,072,869)	(1,143,729)
		-
Dividend paid during the year	20,175,000	-
Mitsubishi Heavy Industries India Pvt. Ltd.,		
Sale of goods	98,719	-
		-
Federal Broach & Machine Co Ltd USA		
Sale of goods	10,720,025	-
	(21,197,535)	-
Purchase of goods	-	-
Note: Figures in brackets relates to previous year		
	As at 31st March2020	As at 31st March 2019
31 Earning per Share		
Face value per share	10	10
Net profit after tax	131,237,158	190,250,356
Weighted average number of share	6970000	6970000
Earning per share - basic and diluted	18.83	27.30

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at 31 st March 2020	As at 31 st March 2019
32 Amount remaining unpaid to Micro, Small and Medium Enterprises as at the end of 31.03.2020	587,905	32,146
33 Information Regarding Managerial Remuneration		
Remuneration to Chairman & Managing Director, Director (Operations), Director (Sales)		
Salary	3,524,410	3,534,000
Contribution to Provident Fund	55,834	-
Perquisites	2,841,023	2,766,534
Commission	7,415,635	14,758,826
	<u>13,836,902</u>	<u>21,059,360</u>
Computation of net profit under Sec.197/198 of Companies Act, 2013		
Profit before taxation	183,547,527	268,176,956
Prior period adjustments		
Directors' Remuneration	13,836,902	21,059,360
Directors' Sitting Fees	7,000	4,000
	<u>197,391,429</u>	<u>289,240,316</u>
Profit on sale of Assets	1,933,835	755,936
Net Profit for Computation of Commission	195,457,594	288,484,380
Commission there of restricted to overall remuneration of 7.3% on Net Profit to Chairman and Managing Director, Director (Operations) & Director (Sales)	7,415,635	14,758,826

34. Previous year's figures

Previous years' figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification / disclosure.

In terms of our report attached

For Srikanth & Shanthy Associates
Chartered Accountants

M.C. Srikanth
Partner

Munetaka Nomura
Chairman & Managing Director

For and on behalf of the Board of Directors

S.Srinivasan
Director (Operations)

N.Valliappan
Director (Sales)

Place : Ranipet
Date : 14.08.2020

PROXY FORM

(Pursuant to Section 105 (6) of the Companies Act, 2013, and Rule 19(3) of the Companies
(Management and Administration) Rules, 2014)

mitsubishi heavy industries india precision tools limited

Regd. Office :2, SIPCOT, Industrial Complex, Ranipet 632 403

CIN : U29130TN1963PLC004990

Name of the Member(s) :

Registered Address :

Email ID :

Folio No. / Client ID No. : DP ID No.

I/We, members of Mitsubishi Heavy Industries India Precision Tools Limited holding.....No.of
equity shares of Rs.10/- each hereby appoint:

1. Name : Email ID :

Registered Address :

Signature.....

or failing him

2. Name : Email ID :

Registered Address :

Signature.....

or failing him

3. Name : Email ID :

Registered Address :

Signature.....

as my/our proxy to attend and vote(on a poll) for me/us and on my/our behalf at the 57th Annual General
Meeting of the Company to be held on 28th September 2020 at 10.15A.M. at Hotel Emerald Inn, A22,23,
Opposite to TCL, Emerald Nagar, SIPCOT, Ranipet 632 403 and at any adjournment thereof in respect
of such resolutions as are indicated below:

ATTENDANCE SLIP
(To be presented at the entrance)

57th ANNUAL GENERAL MEETING on Monday, the 28th September 2020 at 10.15 A.m. at
Hotel Emerald Inn, A22, A23, Opposite to TCL, Emerald Nagar, SIPCOT, Ranipet - 632 403.

Folio No..... DP.ID.No..... Client ID.....

Name of the MemberSignature.....

Name of the Proxy Holder.....Signature.....

1. Only Member / Proxy-holder can attend the Meeting.
2. Member/Proxy-holder should bring his/her copy of the Annual Report for reference at the Meeting

Mitsubishi Heavy Industries India Precision Tools Ltd.,
2, SIPCOT Industrial Complex,
Ranipet - 632 403.
CIN : U29130TN1963PLC004990

