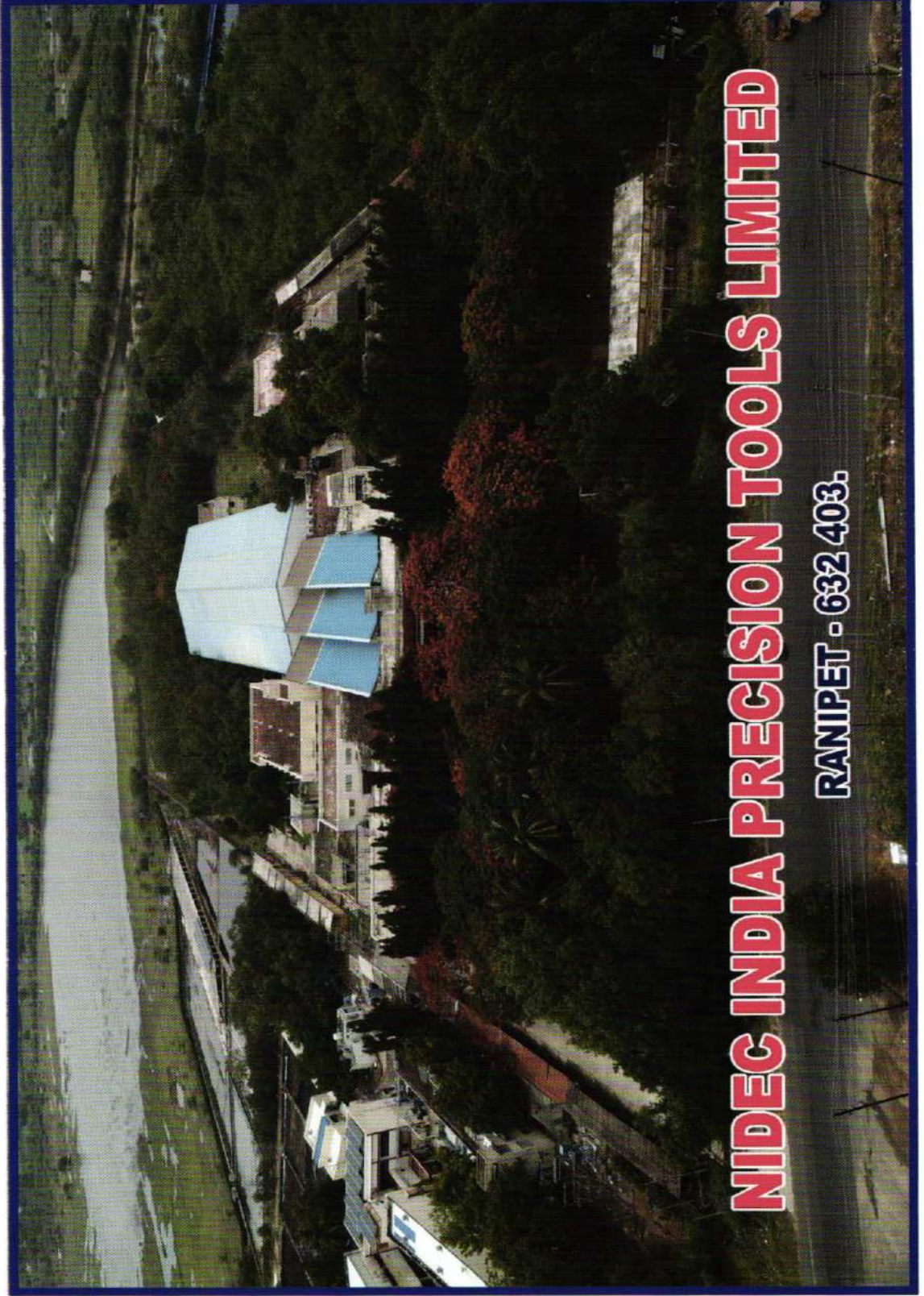




NIDEC INDIA PRECISION TOOLS LIMITED

(Formerly Known as MITSUBISHI HEAVY INDUSTRIES INDIA PRECISION TOOLS LIMITED)

Annual Report
2021 - 2022



NIDEC INDIA PRECISION TOOLS LIMITED

RANIPET - 632 403.

NIDEC INDIA PRECISION TOOLS LIMITED

(Formerly Known as MITSUBISHI HEAVY INDUSTRIES INDIA PRECISION TOOLS LIMITED)

Board of Directors

Mr. Munetaka Nomura
Chairman & Managing Director
Mr. N. Valliappan - Director (Sales)
Mr. Yoshinao Miyoshi - Director
Mr. Kazunori Konishi - Director (Up to 28.09.2022)
Mr. Kenichi Wakabayashi - Director
Mr. Praful Lalwani - Non Executive Independent Director
Mrs. A. Priya - Non Executive Independent Director

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 & Shanthy 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@nidec-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

NIDEC INDIA PRECISION TOOLS LIMITED

(Formerly Known as MITSUBISHI HEAVY INDUSTRIES INDIA PRECISION TOOLS LIMITED)

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

NOTICE

Notice is hereby given that the Fifty -Ninth Annual General Meeting of the Company will be held at Hotel Emerald Inn, A 22,23, Opposite to TCL Emerald Nagar, SIPCOT, Ranipet 632 403 on Monday 14th November 2022 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 2022 together with the Reports of the Directors and the Auditors thereon.
2. To approve Final Equity Dividend for the Financial year 2021-22.
3. To appoint a Director in place of a Director retiring by rotation:
Mr. Yoshinao Miyoshi, Director retires by rotation at the conclusion of this Annual General Meeting and being eligible, offers himself for re-appointment.
4. Appointment of Statutory Auditors of the Company

"RESOLVED THAT pursuant to the provisions of Section 139,142 and other applicable provision of the Companies Act 2013, read with The Companies[Audit and Auditors] Rules, 2014 [including any modification or re-enactment thereof] if any, of the Companies Act, 2013, Messers Srikanth & Shanthi Associates, Chartered Accountants, [Firm Registration No.: 004006S] are to retire at the conclusion of this Annual General Meeting and are eligible of re-appointed as the Statutory Auditors of the Company to hold the office for the tenure of five years beginning from the conclusion of the ensuing Annual General Meeting till the conclusion of the 64th Annual General Meeting to be held in the year 2027 of the Company on such terms and remuneration as may be mutually agreed upon between the said Auditors and Board of Directors of the Company".

SPECIAL BUSINESS:

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

"RESOLVED THAT Pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013("the Act") read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Board of Directors, Mr. Prafful Lalwani,(DIN:09097074) who is Re-appointed in the capacity of a Non-Executive Independent Director of the Company effective date from 08th March 2022 upto period of Five years ending on 07th March 2027 at the meeting of the Board of Directors held on 04.02.2022 and the Board of Directors have proposed the candidature of Mr. Prafful Lalwani for the office of Director, be and is hereby appointed as a Non Executive Independent Director of the Company and the said Director shall not be liable to retire by rotation."

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

"RESOLVED THAT Pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013("the Act") read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Board of Directors, Mrs.A.Priya ,(DIN:07137991) who is Re-appointed in the capacity of a Non-Executive Independent Director of the Company effective date from 08th March 2022 upto period of Five years ending on 07th March 2027 at the meeting of the Board of Directors held on 04.02.2022 and the Board of Directors have proposed the candidature of Mrs. A.Priya for the office of Director, be and is hereby appointed as a Non Executive Independent Director of the Company and the said Director shall not be liable to retire by rotation."

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 24.08.2022 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 30.09.2023, 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

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 1.9 % of the Net Profits, that is the total payments including salary, commission and perquisites shall not exceed the overall limit of 1.9% with effect from 01.04.2022 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. 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: 07.10.2022

Munetaka Nomura

Chairman & Managing Director

DIN: 08417132

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 31.10.2022 to 14.11.2022 (both days inclusive).

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

Resolution No. 5

Mr. Prafful Lalwani (DIN 09097074) was Re-appointed as a Non-Executive Independent Director of the Company under Section 149,152 of the Companies Act, 2013 at the meeting of the Board of Directors held on 04.02.2022 and the Board of Directors have proposed the candidature of Mr. Prafful Lalwani for the office of Director.

Resolution No.6

Mrs.A.Priya (DIN 07137991) was Re-appointed as a Non-Executive Independent Director of the Company under Section 149,152 of the Companies Act, 2013 at the meeting of the Board of Directors held on 04.02.2022 and the Board of Directors have proposed the candidature of Mrs. A.Priya for the office of Director.

Resolution No. 7

Mr. N Valliappan was appointed as Director Sales by the Board of Directors at its meeting held on 24.08.2022 ending with the close of the next ensuing Annual General Meeting or 30.09.2023, whichever is earlier, and the approval of the shareholders is being sought by this resolution for his appointment and remuneration.

Mr.N Valliappan, aged 56 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: 07.10.2022

Munetaka Nomura
Chairman & Managing Director
DIN: 08417132

REPORT OF DIRECTORS

To
The Shareholders,
Ladies and Gentlemen,

The Directors have pleasure in presenting their Fifty-Ninth Annual Report with the Audited Accounts of the Company for the year ended 31st March 2022.

1. FINANCIAL RESULTS:

Rs. in Lakhs

PARTICULARS	2021-2022 Current Year	2020-2021 Previous Year
Revenue from Operations	9,863	6,835
Other Income	591	623
Total Revenue	10,454	7,459
Total Expenditure	7,417	5,855
Profit/(Loss) before Prior period Items & tax	3,037	1,604
Less: Prior period Items	-	-
Profit/(Loss) Before Tax	3,037	1,604
Less: Taxes	952	462
Profit /(Loss) After Tax	2,085	1,142
Dividend proposed @ CY-33% /PY- 25%	230	174
Add: Balance b/f from the previous year	8,815	7,847
Balance Profit /(Loss) c/f to the next year	10,670	8,815

Since the Company does not have any subsidiaries, associates and joint venture companies during the year under review, it does not need to consolidate its accounts

2. OPERATIONS & STATEMENT OF AFFAIRS:

The total revenue (net of GST) during this year amounted to **Rs.9863.32** lakhs as against Rs.6835.42 lakhs in the previous year. The operations for the year resulted in a profit of Rs. **3037.26** lakhs as against Rs. 1604.06 lakhs in the previous year.

Your Company was able to report a better turnover and profits for the year under consideration in view of the good order booking from the Automobile Sector. Your Directors are expecting better economic conditions in the current year and expect that it would translate into better performance in terms of order booking, increased sales and Profitability.

3. DIVIDEND:

Your Board of Directors is pleased to recommend a dividend of Rs.3.3/- per equity share of the face value of Rs10.each @33% total amounting to Rs.230.01lakhs during the year under review. The dividend if approved and declared by the members in the ensuing Annual General Meeting (AGM), will be paid to Members whose names appear in the Register of Members as on date of ensuing Notice of Annual General Meeting.

4. TRANSFER TO GENERAL RESERVE:

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

5. 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 along with proper explanation relating to material departures.
- 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.

6. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

Ms.A.Priya, was Re-appointed as an Non-Executive Independent Director of the Company at the meeting of the Board held on 04th February 2022 effective from the date of 08th March 2022 for the tenure of Five years ending on 07th March 2027.

Mr.Prafful Lalwani, was Re-appointed as an Non-Executive Independent Director of the Company at the meeting of the Board held on 04th February 2022 effective from the date of 08th March 2022 for the tenure of Five years ending on 07th March 2027.

7. FINANCIAL ACCOUNTING

The financial statements have been prepared in accordance with the generally accepted Accounting Principles and in compliance with all applicable Accounting Standards and provisions of the Companies Act 2013. The significant accounting policies which are consistently applied have been set out in the Notes to the financial statements.

8. DISCLOSURE OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL

No significant and material orders had been passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future during the year.

9. EXTRACT OF ANNUAL REPORT:

The report in form MGT 9 is appended hereto in

<https://www.nidec.com/en/nidec-machinetool/corporate/network/factory/nidec-machinetool-india-fa/>

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

11. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013(14 of 2013) under Section 21:

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 under Section 21. The Company has not received any complaint about sexual harassment during the year 2021-22.

12. STATUTORY AUDITORS:

The members at the Annual General Meeting had appointed M/s. Srikanth and Shanthy Associates, Chartered Accountant, Chennai i (Firm Registration No. 004006S) as the Statutory Auditor of your Company for a period of five years to hold office from the conclusion of the 59th Annual General Meeting until the conclusion of 64th Annual General Meeting, subject to ratification at every Annual General Meeting.

Accordingly, their appointment is proposed to be ratified in the ensuing 59th Annual General Meeting of the Company. They have given their consent and confirmed their eligibility for the proposed ratification of their appointment to act as the Statutory Auditor of the Company for the F.Y. 2022-2023.

13. 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.

14. 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.

15. RELATED PARTY TRANSACTIONS:

All transactions with the related parties entered into during the year under review were approved by the Board/ Audit Committee that the same were at arm's length and in the ordinary course of business and in accordance with the provisions of Companies Act, 2013 and the Rules made thereunder.

Details of each of the Related Party Transaction entered into by the Company during the year under review are annexed herewith in Form AOC-2 as "Annexure D".

16. DEPOSITS

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the details relating to deposits as also requirement for furnishing of details of deposits which are not in compliance with Chapter V of the Act is not applicable.

17. MATERIAL CHANGES AND COMMITMENTS

There was no material changes and commitments affecting the financial position of the Company during the financial year to which the financial statements relate and the date of the report.

18. COMPLIANCE WITH SECRETARIAL STANDARDS

The company has complied with the applicable Secretarial Standards as required under the provisions of the Companies Act, 2013

19. DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATES

The Company does not hold any Subsidiary/Joint Venture/Associate Companies during the year under review.

20. DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

The Company has a Risk Management Policy with an objective to formalize the process of identification of potential risk and adopt appropriate risk mitigation measures through a risk management structure. The risk policy is a step taken by the Company towards strengthening the existing internal Controls and updating the same as may be required from time to time.

21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

During the year under review, the Company has not advanced any loans/ given guarantees/ made investments under section 186 of the Companies Act, 2013.

22. DETAILS OF FRAUDS REPORTED BY AUDITORS

There were no frauds reported by the Statutory Auditor under Section 143(12) of the Companies Act, 2013 read with Companies Amendment Act, 2015.

23. COST RECORDS

Cost records are not required to be maintained by the company as specified by the Central Government under Section 148(1) of the Companies Act, 2013, and accordingly such records and accounts are not maintained.

24. EXPLANATION TO ADVERSE REMARKS

Since there were no reservation, qualification or adverse remarks in the Auditors report, no explanation is required.

25. CORPORATE SOCIAL RESPONSIBILITY

1. CSR policy of the company is, "Serving the community to support common people and the underprivileged, by way of providing health services, education etc."
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.	Munetaka Nomura	Chairman and Managing Director	3	3
2.	N.Valliappan	Director – Sales	3	3
3.	A. Priya	Non-Executive Independent Director	3	3

3. 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.
4. 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)-NIL
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	2018-19	26,81,76,956	53,63,539
2	2019-20	18,35,47,527	36,70,951
3	2020-21	16,04,06,840	32,08,137
	TOTAL	61,21,31,323	1,22,42,627

6. Average net profit of the company as per section 135(5).Rs.20,40,43,774
7. (a) Two percent of average net of the company as per section 135(5) Rs.40,80,875
 - (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.
 - (c) Amount required to be set off for the financial year, if any
 - (d) Total CSR obligation for the financial year (7a+7b-7c).

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

Total Amount Spent for the Financial Year. (in Rs.)	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).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
Rs.40,80,987	-	-	-	-	-

(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	District						Name	CSR Regn Number.
1.	Donation of Medical Care Equipment's Government Hospital	I	Yes	Tamil Nadu	Ranipet	6,62,987	Yes	-	-	Yes	-	-
2.	Donation Prime Minister Relief Fund	VIII	Yes	-	-	34,18,000	Yes	-	-	Yes	-	-
	Total	-	-	-	-	40,80,987	-	-	-	-	-	-

(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.
-	-	-	-	-	-	-	-	-	-
	TOTAL	-	-	-	-	-	-	-	-

- (d) Amount spent in Administrative Overheads
- (e) Amount spent on Impact Assessment, if applicable
- (f) Total amount spent for the Financial Year – Rs. 40,80,987
(8b+8c+8d+8e)
- (g) Excess amount for set off, if any

Sl.No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	40,80,875
(ii)	Total amount spent for the Financial Year	40,80,987
(iii)	Excess amount spent for the financial year [(ii)-(i)]	112
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

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.	
1.	-	-	-	-	-	-	-

(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.
1.	-	-	-	-	-	-	-	-
	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).
- Date of creation or acquisition of the capital asset(s).
 - Amount of CSR spent for creation or acquisition of capital asset.
 - Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
 - Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).
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).

Sd/- (Chief Executive Officer or Managing Director or Director)	Sd/- (Chairman CSR Committee)	Sd/- Person specified under clause (d) of sub-section (1) of section 380 of the Act (Wherever applicable).
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26. INSOLVENCY AND BANKRUPTCY:

The Company has not made application and no proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year.

27. LOAN:

The details of difference between amount of the Valuation done at the time of one time Settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof is not applicable since Company did not avail any loan with Banks or any Financial Institutions.

28. ACKNOWLEDGEMENT:

The Directors wish to acknowledge and thank the Customers, Bankers, the Sales Agents, Government Departments, Professional Consultants and lastly, but not the least 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.

Annexure-B

Board Meetings and Committee Meetings held during the year under consideration:

The Board met 8 times during the year on dates. – 09/04/2021, 04/06/2021, 07/07/2021, 04/08/2021, 01/09/2021, 27/09/2021, 13/12/2021 & 04/02/2022.

Name of the Director	Board Meetings Attended (No. of Meetings held)	Attendance at last AGM	Shares held.
Munetaka Nomura	8 – (8)	Yes	Nil
N Valliappan	7 – (8)	Yes	5
Yoshinao Miyoshi	6 - (8)	No	Nil
Shusuke Suto	1 - (1)	No	Nil
Keinichi Wakabayshi	3 – (4)	No	Nil
Kazunori Konishi	3 – (4)	No	Nil
Prafful Lalwani	8 – (8)	Yes	Nil
A.Priya	8 – (8)	Yes	Nil

Audit Committee - Met 4 times during the year on dates 04/06/2021, 01/09/2021, 13/12/2021, 04/02/2022.

Name of the Director	Audit Committee Meetings Attended (No. of Meetings held)
A.Priya	4 – (4)
Prafful Lalwani	4 – (4)
N Valliappan	4 – (4)

Remuneration & Nomination Committee – Meeting Held on 04/06/2021

Name of the Director	Nomination and Remuneration Committee Meetings Attended (No. of Meetings held)
Prafful Lalwani	1 – (1)
A.Priya	1 – (1)
Munetaka Nomura	1 – (1)

Place : Ranipet

Date : 07.10.2022

For & On Behalf of the Board
Munetaka Nomura
Chairman & Managing Director
DIN: 08417132

Annexure C

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 2022.

A. Particulars with respect of conservation of energy :

- (a) Energy Conservation measures taken:
- 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.
 - Automatic controls are sufficiently provided in all the furnaces for better control of consumption of energy with clear make and break facility.
 - 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

f) 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.

g) total foreign exchange used and earned. Foreign exchange used Rs. 6,87,48,647
Foreign exchange earned Rs. 2,98,28,628

Details of Foreign Exchange Earned

Rs in Lakhs

Particulars	Current Year	Previous Year
	1 st April 2021 to 31 st March 2022	1 st April 2020 to 31 st March 2021
Export of Goods calculated on FOB Basis	29,829	18,815
Other Income	-	-
Total earning in foreign exchange	29,829	18,815

Details of Foreign Exchange Outgo

Particulars	Current Year	Previous Year
	1 st April 2021 to 31 st March 2022	1 st April 2020 to 31 st March 2021
Import of Capital Goods calculated on CIF Basis:		
(i) raw material	537	428
(ii) component and spare parts	150	1,479
(iii) capital goods – Software Purchase		
Expenditure on account of:		
Royalty		
Know-how		
Professional and Consultancy fees		
Interest		
Other matters		
Dividend paid		
Total expenditure in foreign exchange	687	1,907

ANNEXURE - D
Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014) Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

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

There were no contracts or arrangement or transactions enter into during the year under review which were not at arm's length basis.

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

The details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2022 are as follows:

Sr. No.	Name of Related Party and Nature of Relationship	Nature of Contracts/Arrangements / Transactions	Duration of the contracts/ Arrangements/ Transactions	Salient terms of the Contracts/ Arrangements/ Transactions including the value, if any	Date(s) of approval by the Board	Amount/ paid as advances, if any
1	Mitsubishi Heavy Industries Machine Tool Co. Ltd.,	Purchase of Goods and Service	NA	NA	NA	9
		Receiving Services	NA	NA	NA	34
		Royalty	NA	NA	NA	46
		Sale of Goods	NA	NA	NA	46
2	Nidec India Private Limited	Dividend	NA	NA	NA	168
3	Mitsubishi Heavy Industries Ltd. (ICT) Japan	Website Vulnerability Verification Service	NA	NA	NA	1
4	Nidec Machine Tool Co. Ltd.	Purchase of Goods and Service	NA	NA	NA	3
		Receiving Services	NA	NA	NA	65
		Royalty	NA	NA	NA	65
		Sale of Goods	NA	NA	NA	134

FORM B

Form for disclosure of particulars with respect to absorption

Research and Development (R&D)

- Specific areas in which R&D carried out by the Company
- Benefits derived as a result of the above R&D
- Future plan of action
- Expenditure on R & D

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. R & D Activity will be geared up as and when required. Nil.

Technology absorption, adaptation and innovation:

- Efforts, in brief, made towards technology absorption, adaptation and innovation.
- Benefits derived as a result of the above efforts e.g. Product improvement, Cost reduction, product development import substitution, etc.
- In case of imported technology (imported during the last five years reckoned from the beginning of the financial year) following information may be furnished.
 - Technology
 - Year of import
 - Has technology been fully absorbed
 - If not fully absorbed, areas where this has not taken place, reasons there for, and future plans of action

- Trials of Dry Cut Hobs is successfully completed and a few customers placed regular orders.
- Use of special High Speed Steel which are developed by NMTJ, Japan. Import substitution of dry cut hobs and further business. Able to meet international competition in Indian Market.
 - : Design and manufacture of Dry Cut Hobs.
 - : Application of special grade high speed steel and its procedure to use.
 - : 2005 -2006.
 - : Yes.
 - : N.A.

By Order of the Board

Place : Ranipet
Date 07.10.2022

Munetaka Nomura
Chairman & Managing Director
DIN:08417132

INDEPENDENT AUDITORS' REPORT

To the Members of
"NIDEC INDIA PRECISION TOOLS LIMITED"
(Formerly known as MITSUBISHI HEAVY INDUSTRIES INDIA PRECISION TOOLS LIMITED)

Opinion:

We have audited the accompanying financial statements of "NIDEC INDIA PRECISION TOOLS LIMITED" (Formerly known as "MITSUBISHI HEAVY INDUSTRIES INDIA PRECISION TOOLS LIMITED"), which comprise the Balance Sheet as at 31st March 2022, 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, 2022 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 in 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 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022, from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B; 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.
 - i. Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts (refer Note 42 (xii)), no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities (Intermediaries), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - ii. Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts (refer Note 42 (xiii)) no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries, and
 - iii. Based on the audit procedures adopted by us, nothing has come to our notice that has caused us to believe that the representations made by the management under sub clause (i) and (ii) above, contain any material misstatement.
 - The dividend has been paid by the company during the Financial year which is approved in the AGM as in accordance Section 123 of the Companies Act, 2013.
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.

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

PLACE: Chennai

DATE: 07.10.2022

UDIN: 22018588AZQMZN1014

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

(Referred to in our report of even date)

- 1) (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (ii) The Company has a regular program of physically verifying all the Property, Plant and Equipment at its plants/offices in a phased manner over a period of 1 year, 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.
- (iii) 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.
- (iv) The Company has not revalued its Property, Plant and Equipment during the year.
- (v) The Company has no proceedings, initiated or pending against it for holding any benami property under the Benami transactions (Prohibitions) Act, 1988 during the year.
- 2) (i) Physical verification of inventory has been conducting by the management at reasonable intervals.
- (ii) The company has not borrowed from banks and any other financial institutes for working capital.
- 3) According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act.
- 4) 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, with respect to the loans and investments made.
- 5) 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.
- 6) 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.
- 7) i) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, cess and other material statutory dues were in arrears as at 31st March 2022 for a period of more than six months from the date they became payable.

- ii) 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 Statute	Nature of Dues	Forum where dispute Is Pending	Period to which the amount relates	Amount Involved Rs. In Lakhs
ESI Act	Contribution on Machining Charges paid to Sub Contractors	Tribunal	1988-1990 & 2008-09	1.51

- 8) The Company not disclosed any transactions as income which are not recorded in the books during the year in the tax assessment under Income Tax Act, 1961.
- 9) i) The Company did not have any outstanding dues to financial institutions, banks, government or debenture holders during the year.
- ii) The company has not declared wilful defaults by any bank or financial institutes or by any other lender.
- iii) The Company has not borrowed any term loans.
- iv) The company has not raised any funds for short term uses.
- 10) i) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(x) of the Order is not applicable.
- ii) 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.
- 11) i) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- ii) No report has been filed by the auditor under sub-section (12) of section (143) in Form ADT-4
- iii) The company has not received any whistle blower complaints during the year.
- 12) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- 13) 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 and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- 14) i) According to the information and explanations given to us, the company has an internal audit system commensurate with the size and nature of its business.
- ii) We have considered the reports of the Internal Auditors for the period under audit
- 15) 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 any cash transactions with the directors & if so provisions of section 192 of Companies Act, 2013 have been complied with.

- 16) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
- 17) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not incurred cash losses during the financial year and preceding to the financial year.
- 18) The Auditor has not resigned during the year.
- 19) In our opinion and according to the information and explanations given to us, there is no existence of material uncertainty.
- 20) In our opinion and according to the information and explanations given to us there is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
- 21) According to the information and explanations given to us and based on our examination of the records of the Company, the company has no group companies. Accordingly, the clause 3 (xxi) is not applicable.

PLACE: Chennai

DATE: 07.10.2022

UDIN: 22018588AZQMZN1014

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 "NIDEC INDIA PRECISION TOOLS LIMITED" (Formerly known as "MITSUBISHI HEAVY INDUSTRIES INDIA PRECISION TOOLS LIMITED"), ('the Company') as of 31 March 2022 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 31 March 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.

PLACE : CHENNAI

DATE: 07.10.2022

UDIN: 22018588AZQMZN1014

For SRIKANTH & SHANTHI ASSOCIATES

Chartered Accountants [FRN NO.004006S]

[M.C.SRIKANTH] [M.NO.018588]

Partner

NIDEC INDIA PRECISION TOOLS LIMITED

(Formerly Known as MITSUBISHI HEAVY INDUSTRIES INDIA PRECISION TOOLS LIMITED)

Balance Sheet as at 31st March 2022

Rs. in Lakhs

Particulars	Note No	As at 31 st March 2022	As at 31 st March 2021
		Rs.	Rs.
I EQUITY AND LIABILITIES			
1. Shareholders' Funds:			
(a) Share Capital	2	697	697
(b) Reserves and Surplus	3	19,297	17,386
2. Non-current liabilities			
Deffered tax liabilities (net)	4	-	-
3. Current Liabilities			
(a) Trade Payable	5		
(i) Total outstanding Dues of Micro and small enterprises		24	18
(ii) Total outstanding Dues Other than Micro and small enterprises		387	752
(b) Other current liabilities	6	193	16
(c) Short-term provisions	7	269	201
	TOTAL	20,867	19,070
II ASSETS			
1. Non-current assets			
(a) Fixed Assets			
i Tangible assets	8	3,587	3,654
ii In tangible assets	8	15	24
iii Capital work-in-progress		2	426
(b) Long-term loans and advances	9	236	294
(c) Deferred tax assets (net)	4	28	15
2. Current assets			
(a) Inventories	10	2,109	1,481
(b) Trade receivables	11	2,139	1,739
(c) Cash and cash equivalents	12	12,406	11,116
(d) Short-term loans and advances	13	198	121
(e) Other current assets	14	146	201
	Total	20,867	19,070
Significant Accounting Policies	1	-	-

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

For Srikanth & Shanthy Associates
Chartered Accountants

For and on behalf of the Board of Directors

M.C. Srikanth
Partner
M.No. 018588

Munetaka Nomura
Chairman & Managing Director
DIN : 08417132

N.Valliappan
Director (Sales)
DIN : 08493628

Ranipet
07.10.2022

NIDEC INDIA PRECISION TOOLS LIMITED

(Formerly Known as MITSUBISHI HEAVY INDUSTRIES INDIA PRECISION TOOLS LIMITED)

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

Rs. in Lakhs

Particulars	Note No	As at	As at
		31 st March 2022	31 st March 2021
		Rs.	Rs.
I Revenue from operations (gross)		11,529	7,978
Less: GST		1,666	1,143
Revenue from operations (net)	15	9,863	6,835
II Other Income	16	591	623
III Total revenue (I+II)		10,454	7,459
IV Expenses			
(a) Cost of materials consumed	17	2,257	1,581
(b) Changes in inventories of finished goods and work-in-progress	18	(156)	(162)
(c) Other direct manufacturing expenses	19	1,396	1,024
(d) Employee benefits expenses	20	2,328	1,911
(f) Depreciation and amortisation expense		929	853
(g) Other expenses	21	663	648
Total expenses		7,417	5,855
V Profit before tax (III-IV)		3,037	1,604
VI Less: Tax expenses			
1. Current tax		895	411
2. Tax relating to prior years		69	-
3. Deferred tax		(12)	51
VII Profit for the year (V-VI)		2,085	1,142
VIII Earnings per share (of Rs,10/-each)			
Basic and diluted		29.92	16.38
Significant accounting policies	1		

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

For Srikanth & Shanthy Associates
Chartered Accountants

M.C. Srikanth
Partner
M.No. 018588

Ranipet
07.10.2022

For and on behalf of the Board of Directors

Munetaka Nomura
Chairman & Managing Director
DIN : 08417132

N.Valliappan
Director (Sales)
DIN : 08493628

NIDEC INDIA PRECISION TOOLS LIMITED

(Formerly Known as MITSUBISHI HEAVY INDUSTRIES INDIA PRECISION TOOLS LIMITED)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2022 Rs. in Lakhs

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021	
	(Rs. in Lakhs)		
A. Cash flow from Operating Activities			
Net Profit before extraordinary items and tax	3,037		1,604
<i>Adjustments for:</i>			
Depreciation	929	853	
(Profit) on sale of assets	(3)	(6)	
Loss on Sale of Assets	0	1	
Forex Gain	(4)	-	
Interest income	(561)	(592)	
Operating profit before working capital changes	3,398		1,860
<i>Changes in working capital:</i>			
Trade and other receivables	(400)	(179)	
Inventories	(629)	(0)	
Loans & Advances	58	33	
Trade payables	(359)	404	
Short Term Loans & Advances	(78)	8	
Other Current Assets	55	142	
Other Current Liabilities & Provisions	244	(80)	328
Cash generated from operations	2,290		2,189
Taxes paid	(847)		(411)
Cash flow from extraordinary items	-	-	-
Net cash flow from operating activities (A)	1,444		1,778
B. Cash flow from Investing Activities			
Purchase of Tangible and Intangible	(544)	(1,269)	
Capital Work in Progress	-	(403)	
Proceeds from sale of fixed assets	3	10	
Interest and dividend received	561	592	
Net cash (used in) investing activities (B)	20		(1,070)
C. Cash flow from Financing Activities			
Dividends paid	(174)	(209)	
Tax on dividend	-	-	
Net cash (used in) financing activities (C)	(174)		(209)
D. Net increase/(decrease) in cash and cash equivalents A+B+C	1,290		498
Cash and cash equivalents at the beginning of the year	11,116		10,618
Cash and cash equivalents at the end of the year	12,406		11,116

Notes: 1. Above statement has been prepared in indirect method in accordance with Accounting Standard 3 prescribed by the ICAI.

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 & Shanthi Associates
Chartered Accountants

For and on behalf of the Board of Directors

M.C. Srikanth
Partner
M.No. 018588

Munetaka Nomura
Chairman & Managing Director
DIN : 08417132

N.Valliappan
Director (Sales)
DIN : 08493628

Ranipet
07.10.2022

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 where 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.

Particulars	As at	As at
	31 st March 2022	31 st March 2021
2 Share Capital	Rs.	Rs.
Authorised:		
80,00,000 (Previous year 80,00,000) Equity shares of Rs.10/-each with voting rights	<u>800</u>	<u>800</u>
Issued, Subscribed and paid up :		
69,70,000 (P.Y 69,70,000) Equity shares of Rs.10 each with voting rights	<u>697</u>	<u>697</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 1st April 2021 / 1st April 2020	6,970,000	6,970,000
Shares outstanding as at 31st March 2022 / 31st March 2021	6,970,000	6,970,000

(b) Share holding of Promoters**Share Held by Promoter at the end of the year 2022**

Sl.No	Promoter Name	No. Of Shares	% of Total Shares	% Change during the year
1	Nidec India Private Limited	67,25,000	96.48	NIL

Share Held by Promoter at the end of the year 2021

Sl.No	Promoter Name	No. Of Shares	% of Total Shares	% Change during the year
1	Mitsubishi Heavy Industries, Japan	67,25,000	96.48	NIL

3 Reserves and Surplus

Particulars	Equity Component of Compound Financial Instruments	Reserves and Surplus						Equity Instruments through other Comprehensive Income	Total
		Capital Reserve	Capital Redemption Reserve	Shares Premium	Revaluation Reserve	General Reserve	Retained Earnings		
Balance as at 31 st March 2021	-	55	99	4,000	126	4,120	8,987	0	17,386
Changes in Accounting Policy or Prior Period Item	-	-	-	-	-	-	-	-	-
Restated Balance at the beginning of the Current reporting Period	-	55	99	4,000	126	4,120	8,987	-	17,386
Profit/(Loss) for the year	-	-	-	-	-	-	2,085	-	2,085
Depreciation On Revalued Assets	-	-	-	-	-1	-	-	-	(1)
Total Comprehensive Income for the year	-	-	-	-	-1	-	2,085	-	2,085
Dividend on Equity Shares	-	-	-	-	-	-	(174)	-	(174)
Balance as at 31st March 2022					125		10,898		19,297

Particulars	Equity Component of Compound Financial Instruments	Reserves and Surplus						Equity Instruments through other Comprehensive Income	Total
		Capital Reserve	Capital Redemption Reserve	Shares Premium	Revaluation Reserve	General Reserve	Retained Earnings		
Balance as at 31 st March 2020	-	55	99	4,000	126	4,120	8,054	0	18,454
Changes in Accounting Policy or Prior Period Item	-	-	-	-	-	-	-	-	-
Restated Balance at the beginning of the Current reporting Period	-	55	99	4,000	126	4,120	8,054	-	16,454
Profit/(Loss) for the year	-	-	-	-	-	-	1,142	-	1,142
Depreciation On Revalued Assets	-	-	-	-	-1	-	-	-	(1)
Total Comprehensive Income for the year	-	-	-	-	-1	-	1,142	-	1,141
Dividend on Equity Shares	-	-	-	-	-	-	(209)	-	(209)
Balance as at 31st March 2021					126		8,987		17,386

Particulars	As at	As at
	31 st March 2022	31 st March 2021
	Rs.	Rs.
4 Deferred Tax Assets /(Liabilities) (Net)		
(a) Deferred tax liabilities		
- Depreciation on fixed assets	28	15
Net deferred tax liabilities	28	15

5 Trade Payables**Trade Payables as at 31st March 2022**

Sl. No.	Particulars	Outstanding for following Periods from due date of Payment				Total
		Less than 1 year	1-2 Years	2-3 Years	Morethan 3 Years	
1.	MSME	24	-	-	-	24
2.	Others	381	-	-	6	387
3.	Disputed Dues - MSME	-	-	-	-	-
4.	Disputed Dues - Others	-	-	-	-	-
	Total	405	-	-	6	411

Trade Payables as at 31st March 2021

Sl. No.	Particulars	Outstanding for following Periods from due date of Payment				Total
		Less than 1 year	1-2 Years	2-3 Years	Morethan 3 Years	
1.	MSME	18	-	-	-	18
2.	Others	713	32	-	6	752
3.	Disputed Dues - MSME	-	-	-	-	-
4.	Disputed Dues - Others	-	-	-	-	-
	Total	731	32	-	6	770

6 Other Current Liabilities

Unclaimed dividend	15	16
Statutory remittances	178	-
Total	193	16

7 Short Term Provisions**Provision for employee benefits**

Provision for bonus	29	33
Provision for Gratuity	(54)	(40)
Provision for PF & ESI	7	7

Other Provisions

Provision for commission to Directors	98	35
Other Provisions	189	167
Total	269	201

NOTES FORMING PART OF FINANCIAL STATEMENTS										Rs. In lakhs		
8 FIXED ASSETS										NET BLOCK		
Description of Assets	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	Cost As on 01.04.2021	Additions / Transfer	Deletions / Transfer	Cost as at 31.03.2022	Upto 31.03.2021	Normal	Revaluation	on Deductions / Adjustments	Upto 31.03.2022	As on 31.03.2022	As on 31.03.2021	
TANGIBLE ASSETS												
Land	125			125	-				-	125	125	
Building *	1,037	6		1,043	744	25	0		770	274	293	
Machinery	15,651	695	29	16,317	12,626	815	1	29	13,412	2,905	3,026	
Inspection Equipments	224	5		229	188	6			194	35	36	
Other Factory Equipments	134	41	0	175	91	12		0	103	72	43	
Electrical Equipments	268	16		285	199	18			217	68	70	
Furniture & Fixtures	149	5		153	128	4			131	22	21	
Type-Writers, Duplicators & Telephone Equipments	30	0		31	24	1			25	6	7	
Computers	101	84	23	162	91	34		23	102	60	10	
Vehicles	38			38	14	3			17	21	24	
Canteen Equipments	1	0		1	1	0			1	0	0	
Tangible Assets Total	17,758	853	53	18,559	14,105	919	1	52	14,972	3,587	3,654	
INTANGIBLE ASSETS												
Softwares	149	1		150	125	10			135	15	24	
Intangible Assets Total	149	1	-	150	125	10	-	-	135	15	24	
Previous year	16,675	1,269	38	17,907	13,408	853	1	32	14,229	3,678	3,267	
* Includes property bought under leasehold Right (Rs. 399,175), and investment in shares (Rs 500) of Co-operative Society, the lessor of Property.												
Capital - Work-In-Progress												
Rs. In lakhs												
Amount in CWIP for period of												
CWIP	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	Total							
	0	0	2	0	2							
New Production Plant												

Particulars	As at	As at
	31 st March 2022	31 st March 2021
	Rs.	Rs.
9 Long Term Loans & Advances		
(Unsecured considered good)		
(a) Advance Income Tax (Net of provisions)	229	287
(b) Rent Advances	7	7
Total	<u>236</u>	<u>294</u>
10 Inventories (refer clause 3 of significant accounting policies)		
Raw Materials	1,192	761
Work-in-progress	700	546
Finished goods	57	55
Stores and Spares	161	118
Total	<u>2,109</u>	<u>1,481</u>
11 Trade Receivables		

Trade Receivable as at 31st March'22

Sl. No.	Particulars	Outstanding for following Periods from due date of Payment				Total
		Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
1.	Undisputed Trade Receivables - Considered Good	2,117	17	0	5	2,124
2.	Undisputed Trade Receivables - Considered doubtful	-	-	-	-	-
3.	Disputed Trade Receivables - Considered Good	-	-	9	6	15
4.	Disputed Trade Receivables - Considered doubtful	-	-	-	-	-
	Total	2,117	17	9	11	2,139

Trade Receivable as at 31st March'21

Sl. No.	Particulars	Outstanding for following Periods from due date of Payment				Total
		Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
1.	Undisputed Trade Receivables - Considered Good	1,725	2	0	12	1,723
2.	Undisputed Trade Receivables - Considered doubtful	-	-	-	-	-
3.	Disputed Trade Receivables - Considered Good	-	11	5	0	16
4.	Disputed Trade Receivables - Considered doubtful	-	-	-	-	-
	Total	1,725	13	6	12	1,739

12 Cash and Cash Equivalents

Cash on hand	1	1
Balance with Banks		
- Current Account	502	499
- Un claimed dividend accounts	16	17
- In fixed Deposit Accounts	11,887	10,600
Total	<u>12,406</u>	<u>11,116</u>
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS3 Cash flow Statement is	<u>12,406</u>	<u>11,116</u>

13 Short term loans and Advances

(Unsecured . Considered good)		
Security Deposits	54	58
Advances to Employees	5	4
Balance with Government Authorities	90	9
Prepaid expenses	50	49
Total	<u>198</u>	<u>121</u>

Particulars	As at	As at
	31 st March 2022	31 st March 2021
	Rs.	Rs.
14 Other Current Assets		
Interest Accrued on deposits	144	163
Advance for Capital expenses	-	33
Advance for expenses	2	2
Claims Receivable	-	3
	<u>146</u>	<u>201</u>
15 Revenue from operations		
Manufactured goods		
Gear Hobs	2,227	1,642
Gear Shaping & Shaving Cutters	3,459	2,501
Broaches	3,654	2,374
	<u>9,340</u>	<u>6,518</u>
Sale of Services		
Resharpener and other charges	235	177
Other operating revenues		
Sales of scrap	288	141
	<u>9,863</u>	<u>6,835</u>
16 Other Income		
Interest Income		
- Interest from Fixed Deposits	560	590
- Interest on trade receivables	-	-
- Interest on others	2	2
Rent received	-	-
Miscellaneous Income	23	16
Net gain on foreign currency transactions	4	10
Profit on sale of assets	3	6
	<u>591</u>	<u>623</u>
17 Cost of Materials Consumed		
Material consumed comprises of		
High Speed Steels		
Opening Stock	761	901
Add : Purchases	2,687	1,442
	<u>3,449</u>	<u>2,343</u>
Less :Closing Stock	1,192	761
Cost of materials consumed	<u>2,257</u>	<u>1,581</u>

Particulars	As at	As at
	31 st March 2022	31 st March 2021
	Rs.	Rs.
18 Change in inventories of Finished Goods and Work-in-progress		
Inventories at the end of the year		
Finished goods	57	55
Work-in- progress	700	546
	<u>757</u>	<u>601</u>
Inventories at the beginning of the year		
Finished goods	55	129
Work-in- progress	546	311
	<u>601</u>	<u>439</u>
Net (increase) / decrease	<u>(156)</u>	<u>(162)</u>
19 Other Direct Manufacturing expenses		
Consumption of Stores and spares	545	376
Outside Machining Charges	235	162
Power and fuel	356	285
Repairs and Maintenance		
- Buildings	18	6
- Machinery	117	90
- Other Assets	81	78
Insurance on Building, Machinery and Stock	44	27
Total	<u>1,396</u>	<u>1,024</u>
20 Employee benefits expenses		
Salaries, Wages and Bonus	1,810	1,533
Director's Remuneration	161	84
Contribution to Provident Fund and Family Pension	79	73
Staff Welfare Expenses	278	220
Total	<u>2,328</u>	<u>1,911</u>
21 Other Expenses		
Rent	26	26
Licences and Taxes	18	16
Commission and Discount on Sales	192	157
Excise Duty on stock difference	-	-
Auditors Remuneration		
- Statutory audit	6	6
- Certification	-	0
- Tax Maters	5	6
- For expenses	1	0
Miscellaneous expenses	415	437
Total	<u>663</u>	<u>648</u>

Particulars	As at		As at	
	31 st March 2022		31 st March 2021	
22 Consumption of Raw Materials and Machinery Spares				
Raw Materials:	Tonnes	Rs.	Tonnes	Rs.
High Speed Steel	214.85	2,257	152.02	1,581
Of the above, Imported Items		579		643
		25.67%		40.65%
Indigenous Items		1,678		939
		74.33%		59.35%
Machinery Spares				
Imported		32		17
		76.63%		67.50%
Indigenous		10		8
		23.37%		32.50%
23 Value of imports calculated on CIF basis				
Raw Materials		538		475
Machinery Spares		-		8
Capital Goods		-		-
24 Expenditure in foreign currency				
Travelling		2		0
25 Earnings in foreign currency				
Export on FOB basis		278		210

26 Employees benefit plans

The company has followed the Accounting

Standard (AS 15-15 R) "Employees Benefits"

The company has defined schemes for Gratuity

The funds are recognised by Income Tax

Authorities and administered 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 based on Actuarial Report of M/s. LIC of India as on 31.03.2022 as under:

Particulars	As at	As at
	31 st March 2022	31 st March 2021
Change in defined benefit obligation	Gratuity (Funded) Rs. In lacs	
	As at 31 st March 2022	As at 31 st March 2021
Opening defined benefit obligation	264.16	233.94
Current service cost	20.60	18.38
Interest Cost	18.49	16.96
Actuarial loss / Gain	18.28	15.56
Benefit paid	(2.89)	(20.70)
Closing defined benefit obligation	318.65	264.16
Change in Fair Value Assets		
Opening fair value of plan assets	298.57	260.23
Expected return on plan assets	24.09	19.46
Actuarial Gain / (loss)	-	-
Contribution by Employer	43.79	39.58
Benefit paid	(2.89)	(20.70)
Closing fair value of plan assets	363.56	298.57
Amount recognised in Balance Sheet		
Present value of obligation at year end	298.57	260.23
Fair value of plan assets at year end	363.56	298.57
Amount now recognised as liability		
Net (liability) / asset recognised as on 31.03.22	64.99	38.34
Principal Actuarial assumption used		
Discount rate p.a	7.00%	7.00%
Method of Valuation (Projected Unit credit Method)		
Attrition Rate	2.0%	0.0%
Salary Escalation Rate	7%	7%
27 Contingent Liabilities		
Estimated amount of contracts remaining to be executed on capital account not provided for (net advances)	45	227

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
ESI Act	Contribution on Machining Charges paid to Sub Contractors	Tribunal	1988-1990 & 2008-2009	1.51

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**

Key Mangement Personnel	Description of Relationship	Name of related party
	Holding Company	Mitsubishi Heavy Industries Ltd Japan
	Subsidiary to Holding Company	1. Mitsubishi Heavy Industries, Japan (upto 24.08.2021) 2. NIDEC INDIA PRIVATE LIMITED (from 25.08.2021)
		Mr. Munetaka Nomura, Chairman and Managing Director Mr. N. Valliappan, Director (Sales)

(b) Transactions with related party

Name of Transactions	
	1. Mitsubishi Heavy Industries Machine Tool Co, Ltd., Japan
	2. Mitsubishi Heavy Industries (ICT), Japan
	3. Nidec Machine Tool Co, Ltd., Japan
	4. Nidec India Pvt. Ltd.

Particulars	As at 31 st March 2022	As at 31 st March 2021
Mitsubishi Heavy Industries Machine Tool Co. Ltd.	Value of Transactions Rs.	Outstanding at the year end Rs.
	0	0
Purchase of Fixed Assets	(1,357)	(418)
Purchase of goods & Service	9	0
	(3)	(0)
Receiving services - Royalty	34	0
	(70)	(24)
Sale of goods	48	14
	(280)	(22)
Nidec India Private Limited		
Dividend paid during the year	168	-
Mitsubishi Heavy Industries Ltd. (ICT) Japan		
Website Vulnerability Verification Service	1	
Nidec Machine Tool Co., Ltd.,		
Purchase of Fixed Assets	3	0
	(0)	(0)
Receiving services - Royalty	65	59
	(0)	(0)
Sale of goods	134	21
	(0)	(0)
31 Earning per Share		
Face value per share	10	10
Net profit after tax	2,085	1,142
Weighted average number of share	70	70
Earning per share - basic and diluted	29.92	16.38
32 Amount remaining unpaid to Micro, Small and Medium Enterprises as at the end of 31.03.2022	-	-
	24	18
33 Information Regarding Managerial Remuneration		
Remuneration to Chairman & Managing Director, Director (Operations), Director (Sales)		
Salary	27	35
Contribution to Provident Fund	1	1
Perquisites	28	30
Commission	114	35
	<u>170</u>	<u>101</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at 31 st March 2022	As at 31 st March 2021
Computation of net profit under Sec.197/198 of Companies Act, 2013		
Profit before taxation	3,037	1,604
Prior period adjustments	-	-
Directors' Remuneration	161	84
Directors' Sitting Fees	4	0
	<u>3,202</u>	<u>1,689</u>
Profit on sale of Assets	3	6
Net Profit for Computation of Commission	3,199	1,683
Commission there of restricted to overall remuneration of 7.3% on Net Profit to Chairman and Managing Director, Director (Operations) & Director (Sales)	<u>98</u>	<u>35</u>

34. Additional Regulatory Information

Additional Regulatory Information pursuant to Clause 6L of General Instructions for preparation of Balance Sheet as given in Part I of Division II of Schedule III to the Companies Act, 2013, are given hereunder to the extent relevant and other than those given elsewhere in any other notes to the Financial Statements

Ratio

Particulars	Formula	31 March 2022			31 March 2021			% of Variance	Reason for Variance
		Numerator	Denominator	Ratio	Numerator	Denominator	Ratio		
Current Ratio	Current Assets/Current Liabilities	16999	873	19	14657	987	15	31	Due to increase in inventory, Trade receivable and reduction in Trade Payable
Debt-Equity Ratio	Total Debt/ Share Holder's Equity	17235	697	25	14951	697	21	15	-
Debt Service Coverage Ratio	Earnings available for debt service/Debt Service	Not Applicable	-	-	Not Applicable	-	-	-	-
Return On Equity Ratio	Net Profit after Taxes/Average Share holder Equity	2050	697	3	1142	697	2	83	Increase in Profit
Inventory Turnover Ratio	Cost of Goods Sold / Average Inventory	5664	2109	3	4270	1481	3	-7	-
Trade Receivables Turnover Ratio	Net Credit Sales/Average Accounts Receivable	9863	2139	5	6835	1739	4	17	-
Trade Payable Turnover Ratio	Net Credit Purchase/Average Accounts Payables	5539	411	13	4784	770	6	117	Last year Capital purchase payment pending
Net Capital Turnover Ratio	Net Sales/ Working Capital	9863	16126	1	6835	13670	1	22	-
Net Profit Ratio	Net Profit / Net Sales	2085	9863	0	1142	6835	0	27	Profit increased due sales incremental
Return On Capital Employed	Earning Before Interest and Taxes/Capital Employed	2085	697	3	1142	697	2	83	Increase in Profit
Return on Investment		Not Applicable	-	-	Not Applicable	-	-	-	-

35. **Rounding Off:** It is mandatory for the companies to round off the figures appearing in the financial statements on the basis of 'Total Income'. Earlier this provision was optional and round off was done on the basis of 'Turnover'
36. **Short Term Borrowings :** The Company doesnot have any Short Term Borrowings during the Financial year 2021-22.
37. **Title Deeds of Immovable Property:** All the properties mentioned in the Financial Statements are held in the Name of the Company.
38. **Borrowing from Banks and Financial Institutions :** The Company has not restored to borrowing from Banks and Financial Institutions
39. **Details of Benami Property held .** The Company does not hold any Benami Property.
40. **Wilful Defaulter:** The Company has not been declared as Wilful defaulter by Bank/Financial Institution/other lender since the Company does not have any borrowings
41. **Compliance with approved Scheme(s) of Arrangements:** Not Applicable
42. **Undisclosed income.** The Company has no undisclosed income
43. **Details of Crypto Currency or Virtual Currency:** The Company did not have any transaction in Crypto Currency.
44. **Utilisation of borrowed fund and share premium:** Not Applicable
45. **Details of pending charge creation / satisfaction registration with ROC.;** Not Applicable
46. **Relationship with struck off Companies:** The Company did not have any relationship "With struck off Companies"
47. Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are: " "
- (a) repayable on demand or
- (b) without specifying any terms or period of repayment; "No such loans or advances were made in the nature of loans to promoters,directors,KMP and the related parties (as defined under the Companies Act, 2013)
48. Whether quarterly returns or statements of current assets filed by the company with banks or financial institutions are in agreement with the books of accounts."The Company has not borrowed any money from bank / financial institution and hence not applicable."
49. The Company has revalued its Property, "Plant and Equipment. In the year of 2005."
50. **Previous year's figures**
 Previos years's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification / disclosure.

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
 M.No. 018588

Munetaka Nomura
 Chairman & Managing Director
 DIN : 08417132

N.Valliappan
 Director (Sales)
 DIN : 08493628

Ranipet
 07.10.2022

PROXY FORM

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

NIDEC INDIA PRECISION TOOLS LIMITED

(Formerly Known as 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 NIDEC India Precision Tools Limited holding..... No. of equity shares of
Re.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 59th Annual General Meeting of the Company to be held on 14th November 2022 at 10.15 A.M. at Hotel Emerald Inn, A 22,23, Opposite to TCL Emerald Nagar, SIPCOT, Ranipet 632 403 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. To Consider and Adopt the Audited Financial Statements of the Company for the year ended 31st March 2022 together with the Reports of the Directors and Auditors thereon.
2. Declaration of Final Dividend on equity shares.
3. Appointment of Mr. Yoshinao Miyoshi as Director, who retires by rotation.
4. Appointment of Statutory Auditors.
5. Appointment of Mr. Praful Lalwani as Non-Executive Independent Director.
6. Appointment of Mrs. A. Priya as Non-Executive Independent Director.
7. Appointment of Mr. N. Valliappan as Director - Sales.

Signature of the member -----  ----- Signature of proxy holder(s) -----
Signed this day of 2022

NOTE:

This Form 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.

ATTENDANCE SLIP

(To be presented at the entrance)

59th ANNUAL GENERAL MEETING on Monday, the 14th November 2022 at 10.15 A.M. at
Hotel Emerald Inn, A 22,23, Opposite to TCL Emerald Nagar, SIPCOT, Ranipet - 632 403.

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

Name of the Member - _____ Signature _____

Name of 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

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