

B S R & Co. LLP

Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To the Members of SGS Tekniks Manufacturing Private Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of SGS Tekniks Manufacturing Private Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") which comprise the consolidated balance sheet as at 31 March 2020, and the consolidated statement of profit and loss, and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries, as were audited by the other auditors, the aforesaid consolidated 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 consolidated state of affairs of the Group, as at 31 March 2020, of its consolidated profit and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Directors' Report, but does not include the consolidated financial statements and our auditors' report thereon.

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



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In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each Company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- 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 the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparing consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

- (a) We did not audit the financial statements / financial information of two subsidiaries, whose financial statements/financial information reflect total assets of Rs. 141,477,143 as at 31 March 2020, total revenues of Rs.102,956,522 and net cash flows amounting to Rs.(2,131,570) for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

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One of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in that respective country and which have been audited by other auditor under generally accepted auditing standards applicable in the respective country. The Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in that respective country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

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

Report on Other Legal and Regulatory Requirements

1. (A) As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on 31 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 with reference to financial statements of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". SGS Infosystems Private Limited, a subsidiary company incorporated in India is exempted from the requirement of its auditor reporting on internal financial controls with reference to financial statements (clause (i) of Section 143(3)).
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:
 - i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Group. Refer Note 29 to the consolidated financial statements.

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- ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2020.
- iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its Subsidiary Company incorporated in India during the year ended 31 March 2020.
- iv. The disclosures regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the consolidated financial statements since they do not pertain to the financial year ended 31 March 2020

(C) With respect to the matter to be included in the Audit Report under Section 197(16):

In our opinion and according to the information and explanations given to us the Company and its subsidiary company incorporated in India which were not audited by us are private limited companies and accordingly provisions of Section 197(16) of the Act are not applicable to the Company and its subsidiary Company. The Ministry of Corporate Affairs has not prescribed any other details under Section 197 (16) which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022



Ankush Goel
Partner

Membership No.:505121
ICAI UDIN : 20505121AAAABC6851

Place: Gurugram
Date: 30 September 2020

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**Annexure A to the Independent Auditors' report on the consolidated financial statements of SGS
Tekniks Manufacturing Private Limited for the year ended 31 March 2020**

**Report on the internal financial controls with reference to the aforesaid consolidated financial
statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

**(Referred to in paragraph 1(A) (f) under 'Report on Other Legal and Regulatory Requirements'
section of our report of even date)**

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to consolidated financial statements of SGS Tekniks Manufacturing Private Limited (hereinafter referred to as "the Holding Company") as of that date.

In our opinion, the Holding Company, has, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by the Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Holding Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 with reference to consolidated financial statements 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 consolidated 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 internal financial controls with reference to consolidated financial statements.

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Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements 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 controls with reference to consolidated financial statements 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 with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 101248W/W-100022



Ankush Goel

Partner

Membership No.:505121

ICAI UDIN : 20505121AAAABC6851

Place: Gurugram

Date: 30 September 2020

SGS Tekniks Manufacturing Private Limited
Consolidated Balance sheet as at 31 March 2020
(All amounts are in Indian rupees, unless otherwise stated)

	Note	As at 31 March 2020	As at 31 March 2019
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	17,127,850	17,127,850
Reserves and surplus	4	3,050,416,572	2,711,189,779
		3,067,544,422	2,728,317,629
Minority interest		1,874,311	1,157,739
Non-current liabilities			
Long-term borrowings	5	25,316,490	36,129,163
Deferred tax liabilities (net)	6	52,805,801	67,248,524
Other long-term liabilities	7	3,342,485	2,806,804
Long-term provisions	8	22,603,606	16,276,481
		104,068,382	122,460,972
Current liabilities			
Short-term borrowings	9	191,146,365	479,419,625
Trade payables	10		
-Total outstanding dues to micro enterprises and small enterprises		30,294,475	35,878,271
-Total outstanding dues to creditors other than micro enterprises and small enterprises		505,196,048	593,303,744
Other current liabilities	11	151,801,795	123,266,237
Short-term provisions	8	27,430,163	12,772,159
		905,868,846	1,244,640,036
TOTAL		4,079,355,961	4,096,576,377
ASSETS			
Non-current assets			
Property, plant and equipment	12		
Tangible assets	12(a)	916,615,152	827,385,125
Intangible assets	12(b)	4,441,708	5,649,619
Capital working in progress	12(c)	10,315,301	-
Goodwill	38	1,059,292,436	1,059,292,436
Non-current investments	13	27,248,709	7,248,709
Long-term loans and advances	14	56,128,828	51,798,246
Other non-current assets	15	1,607,866	56,750,179
		2,075,650,000	2,008,124,314
Current assets			
Current investments	16	257,139,202	243,235,109
Inventories	17	729,315,109	787,837,983
Trade receivables	18	642,377,160	856,975,075
Cash and bank balances	19	238,115,815	62,166,819
Short-term loans and advances	14	132,661,810	137,461,413
Other current assets	20	4,096,865	775,664
		2,003,705,961	2,088,452,063
TOTAL		4,079,355,961	4,096,576,377

Significant Accounting Policies

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The notes referred to above form an integral part of the Consolidated financial statements.

As per our report of even date attached

For BSR & Co. LLP

Chartered Accountants

ICAI Firm Registration no.: 101248W/W-100022

Ankush Goel

Ankush Goel

Partner

Membership No.: 505121

ICAI UDIN : 20505121AAAABC6851

Place: Gurugram

Date: 30-September-2020

For and on behalf of the Board of Directors of
SGS Tekniks Manufacturing Private Limited

J S Gupta

J S Gupta

Chairman

DIN: 00198825

Ranick Singh

Ranick Singh

Managing Director

DIN: 00198890

Place: Gurugram

Date: 30-September-2020

Place: Gurugram

Date: 30-September-2020

SGS Teknics Manufacturing Private Limited
Consolidated Statement of Profit and Loss for the year ended 31 March 2020
(All amounts are in Indian Rupees, unless otherwise stated)

	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue from operations	21	4,205,999,182	4,229,036,987
Other income	22	114,715,057	133,120,601
Total revenue		4,320,714,239	4,362,157,588
Expenses			
Cost of materials consumed	23	3,177,507,930	3,134,563,618
Changes in inventories of finished goods, work- in- progress	24	(108,246,488)	58,505,613
Employee benefits	25	474,400,795	422,451,241
Finance costs	26	41,212,448	51,068,610
Depreciation and amortisation	27	78,954,413	68,152,619
Other expenses	28	201,376,554	206,198,514
Total expenses		3,865,205,652	3,940,940,215
Profit before tax		455,508,587	421,217,373
Tax expense			
-Current tax		114,901,186	118,737,683
-Previous year		(6,677,448)	(5,622,635)
Deferred tax		(14,442,721)	9,397,901
Profit for the year before share of minority interest		361,727,570	298,704,424
Less: Profit transferred to minority interest		716,567	60,185
Profit for the year after adjustment of minority interest		361,011,003	298,644,239
Earning per equity share [nominal value per share Rs 10 (previous year: Rs 10)]			
Basic and diluted	33	223.06	184.65

Significant accounting policies

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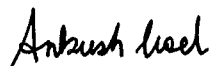
The notes referred to above form an integral part of the Consolidated financial statements.

As per our report of even date attached

For **BSR & Co. LLP**

Chartered Accountants

ICAI Firm Registration no.: 101248W/W-100022



Ankush Goel

Partner

Membership No.: 505121

ICAI UDIN : 20505121AAAABC6851

Place: Gurugram

Date: 30-September-2020

For and on behalf of the Board of Directors of
SGS Teknics Manufacturing Private Limited



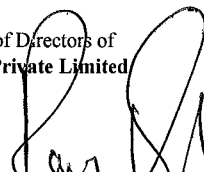
J S Gajral

Chairman

DIN: 00198825

Place: Gurugram

Date: 30-September-2020



Ranjeet Singh Lohial

Managing Director

DIN: 00198890

Place: Gurugram

Date: 30-September-2020

SGS Teknics Manufacturing Private Limited
Cash Flow Statement for the year ended 31 March 2020
(All amounts are in Indian rupees, unless otherwise stated)

	For the year ended 31 March 2020	For the year ended 31 March 2019
A. Cash flow from operating activities		
Profit before tax	455,508,587	421,217,373
Adjustments		
Depreciation and amortisation	78,954,413	68,152,619
Interest income	(4,457,325)	(5,513,046)
Finance costs	41,212,448	51,068,610
Dividend income	(3,702,072)	(2,717,354)
Unrealised foreign exchange differences	7,877,624	14,039,505
Mark to market profit on cross currency interest rate swaps	(8,216,166)	-
Net gain on account of sale of investment	(20,235,462)	(2,802,513)
(Profit) on sale of fixed assets	(443,058)	(55,672,059)
Diminution in value of investment	6,750,452	111,486
Investment written off	-	4,280,282
Bad debts /balance written off	3,895,883	4,777,818
Operating cash flow before working capital changes	557,145,324	496,942,721
Changes in working capital:		
Decrease / (increase) in trade receivables	227,261,487	(151,743,313)
Decrease / (increase) in inventories	58,522,875	(59,461,367)
(Increase) in long-term loans and advances	(2,728,311)	(16,325,963)
Decrease in short-term loans and advances	13,015,769	35,450,984
Decrease in other current assets	63,600	964,590
(Decrease) in trade payables	(100,022,514)	(80,366,887)
Increase in long-term provisions	6,327,125	17,054,616
Increase in short-term provisions	1,500,745	3,242,065
Increase / (decrease) in other current liabilities	13,390,312	(24,786,614)
Increase in other long-term liabilities	535,681	753,929
Cash generated from operations	775,012,093	221,724,762
Income taxes (paid)	(95,460,137)	(109,672,708)
Net cash provided by operating activities (A)	679,551,956	112,052,054
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	(166,494,840)	(171,851,229)
Proceeds from sale of fixed assets	356,693	55,672,613
Purchase of non-current investments	(20,000,000)	(2,303,709)
Proceeds from sale of current investments	139,148,100	45,782,161
Purchase of current investments	(139,567,183)	(83,858,936)
Fixed deposits matured (due to mature within 12 months of the reporting date)	1,240,183	114,362,052
Fixed deposits made	(443,213)	(113,097,224)
Interest received	908,206	5,053,943
Dividend received	3,702,072	2,717,354
Net cash used in investing activities (B)	(181,149,982)	(147,522,973)
C. Cash flow from financing activities		
Repayment of long-term borrowings	(11,427,840)	(51,036,310)
Proceeds from short-term borrowings	325,480,273	370,094,606
Repayment of short-term borrowings	(625,130,184)	(240,594,561)
Interest paid	(42,821,507)	(51,585,941)
Dividend paid	(21,680,946)	(14,453,964)
Net cash (used) / provided by financing activities (C)	(375,580,204)	12,423,831
Net increase / (decrease) in cash and cash equivalents (A+B+C)	122,821,769	(23,047,088)
Effect of exchange differences on cash and cash equivalents held in foreign currency	(1,218,116)	-
Cash and cash equivalents at the beginning of the period	59,356,785	82,403,874
Cash and cash equivalents at the end of the year	180,960,438	59,356,785
Cash and cash equivalents at the end of the year (refer note 19):		
- Cash on hand	611,326	437,745
- Balances with banks		
- on current accounts	173,740,128	58,919,040
- Cheques in hand	6,608,984	-
	180,960,438	59,356,785

Notes:

1. The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard-3 Cash Flow Statement prescribed under Companies (Accounting Standard) Rules, 2006.

2. Figures in brackets indicate cash outflows

As per our report of even date attached

For BSR & Co. LLP
Chartered Accountants
ICAI Firm Registration no.: 101248W/W-100022

Ankush Goel

Ankush Goel
Partner
Membership No.: 505121
ICAI UDIN : 20505121AAAABC6851

Place: Gurugram
Date: 30-September-2020

For and on behalf of the Board of Directors of
SGS Teknics Manufacturing Private Limited

J S Goyal
J S Goyal
Chairman
DIN: 00198825

Place: Gurugram
Date: 30-September-2020

Ranjit Singh Lohial
Ranjit Singh Lohial
Managing Director
DIN: 00198890

Place: Gurugram
Date: 30-September-2020

SGS Teknics Manufacturing Private Limited
Notes to consolidated financial statements for the year ended 31 March 2020
(All amounts in Indian Rupees, unless otherwise stated)

1. Background

SGS Teknics Manufacturing Private Limited ('the Holding company' or 'the Company') is a private limited company domiciled in India. The Company (formally known as SGS Teknics Private Limited) was originally incorporated on 27 April 2011 under the Companies Act 1956. The name of this company was changed to SGS Teknics Manufacturing Private Limited w.e.f. 12 November 2012. The Group is engaged in the business of providing electronic manufacturing goods and related services.

The Holding Company has investment in two Subsidiaries, SGS Infosystem Private Limited (Operating in India) and SGS Solution GMBH (Operating in Deutschland).

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

a) Basis of preparation of financial statements

The consolidated financial statements are prepared on a going concern basis under the historical cost convention on the accrual basis of accounting, in accordance with the Indian Generally Accepted Accounting Principles (GAAP) and comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, to the extent applicable, as adopted consistently by the Group. The consolidated financial statements have been prepared as per reporting requirements of Accounting Standards ('AS') 21 'Consolidated Financial Statements' as notified by Companies (Accounting Standard) Rules, 2006, (as amended).

b) Principles of Consolidation

The consolidated financial statements include the financial statements of the Group and its subsidiaries.

Consolidated financial statements include consolidated balance sheet, consolidated statement of profit and loss and consolidated cash flow and notes to the consolidated financial statements that form an integral part thereof.

- (i) Subsidiary companies are consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses after eliminating all significant intra-group balances and intra-group transactions and also unrealized profits or losses. The results of operations of a subsidiary are included in the consolidated financial statements from the date on which the parent subsidiary relationship came into existence.
- (ii) Minorities' interest in net profits of consolidated subsidiaries for the period is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Group. Their share of net assets is identified and presented in the Consolidated Balance Sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same is accounted for by the Holding Company.



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- (iii) The difference between the cost to the Group of investment in subsidiaries and the proportionate share in the equity of the Investee Company as at the date of acquisition of stake is recognized in the consolidated financial statements as Goodwill or Capital Reserve, as the case may be.
- (iv) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's standalone financial statements.
- (v) The particulars of subsidiaries, which is included in consolidation and the Company's holding therein, are as under

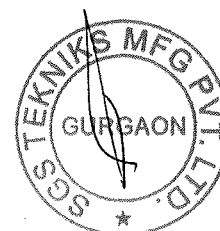
Entity	Country of Incorporation	Principal Activity	Relationship	Period of financial year	Shareholding as at March 31, 2020
SGS Infosystem Private Limited	India	Rental income	Subsidiary	April-March	99.68%
SGS Solutions GMBH	Deutschland	EMS	Subsidiary	April-March	66.00%

The Consolidated Financial Statements include the financial statements of SGS Teknics Private Limited (herein after referred as 'the Holding Company' or 'the Company') and its Subsidiaries, (collectively herein after referred to as the 'Group').

c) Use of estimates

The preparation of consolidated financial statement in conformity with generally accepted accounting principles requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses, disclosure of contingent assets and liabilities at the date of the financial statements and the results of operations during the reporting period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on ongoing basis and any revision to accounting estimates is recognised prospectively in current and future periods.

The consolidated financial statements are presented in Indian rupees rounded off to the nearest rupees.



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The Company believes that the estimates used in preparation of financial statements are reasonable and management has made assumptions about the possible effects of COVID-19 pandemic on significant accounting judgement and estimates. Although these estimates and assumptions are based upon management's best knowledge of current events and actions, as of the date of approval of financial statements, actual results could differ from these estimates. Any changes in estimates are adjusted prospectively in the Company's financial statements, refer note 47.

d) Current and non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is intended for sale or consumption, in the group's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within 12 months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

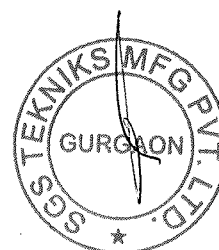
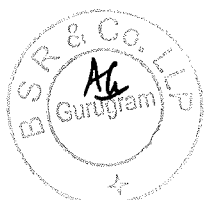
- (a) it is expected to be settled in the group's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the reporting date; or
- (d) the group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current liabilities. All other liabilities are classified as non-current.

Operating Cycle

All assets and liabilities have been classified as current or non-current as per Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle upto 12 months for the purpose of current/ non-current classification of assets and liabilities.



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e) Provision, contingent liability and contingent assets

The Group creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

However, contingent asset are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

f) Property, plant and equipment and depreciation

Property, plant and equipment

Property, plant and equipment are carried at cost of acquisition or construction less accumulated depreciation and/ or accumulated impairment, if any. The cost of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

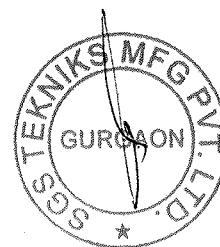
Capital work-in-progress comprises the cost of property, plant and equipment that are not yet ready for their intended use at the balance sheet date.

An item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition is recognised in the Statement of Profit and Loss.

Advance paid towards the acquisition of Tangible fixed assets outstanding at each balance sheet date, are disclosed as capital advances.

Depreciation

Depreciation on property, plant and equipment is provided under the straight-line method over the estimated useful life of the assets, as estimated by the management, at rates which are equal to the rates specified in Schedule II to the Companies Act, 2013. Depreciation is provided on a pro-rata basis i.e. from the date of capitalization and till the date of disposal.



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The estimated economic useful lives of these assets are as follows:

Class of assets	Estimated useful life
Computers	3 years
Office equipments	5 years
Plant and equipments	15 years
Building	30 years
Tools and moulds	15 years
Furniture and fixtures	10 years
Air-conditioning equipment	10 years
Electrical fittings	10 years
Vehicles	8 years

The asset's residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year end.

Non-current assets held for sale are presented on a separate line of the balance sheet when (i) the Group has made a decision to sell the asset(s) concerned and (ii) the sale is considered to be highly probable. These assets are measured at the lower of net carrying amount and fair value less costs to sell.

g) Intangible assets and amortization

Intangible assets comprise software. Intangible assets are carried at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. Intangible assets are carried at cost less accumulated amortization, net of impairment, if any. An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the assets will flow to the Group and its cost can be measured reliably.

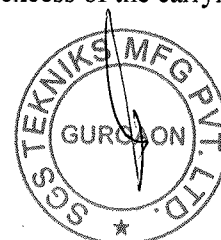
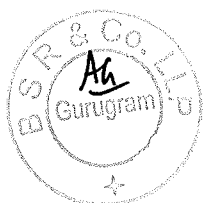
Intangible assets having finite useful lives are amortized on a straight line basis over their license period or three years, bring their expected useful economic lives, whichever is lower.

Gain or losses arising from the retirement or disposal of an intangible asset are determined as the differences between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the Statement of Profit and Loss.

Goodwill that arises as per merger scheme or on the acquisition of a business is presented as an intangible asset. As per the merger scheme, Goodwill is tested for impairment annually (refer note - 38).

h) Impairment

The Management periodically assesses using external and internal sources whether there is an indication that an asset may be impaired. Impairment occurs where the carrying value exceeds the present value of future cash flow expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying



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amount over the higher of the asset's net sale price or present value as determined above. An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization, if no impairment loss had been recognized.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss has been recognised.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

i) Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Group and the revenue can be readily measured.

Sale of goods

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyers as per the terms of the contract, there is no continuing managerial involvement with the goods and the amount of revenue can be measured reliably. The Group retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, goods and services tax, etc.

Sale of services

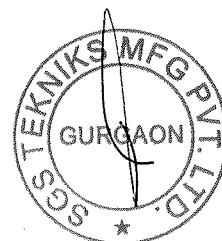
Income from services rendered is recognised based on agreements/ arrangements with the customers as the service is performed in proportion to the stage of completion of the transaction at the reporting date and the amount of revenue can be measured reliably.

Interest income is recognised using the time proportion method, based on underlying interest rates. Dividend income is recognised when the right to receive payment is established.

Incentives

Income in respect of duty credit entitlement under Merchandise Export Incentive Scheme is recognised as income in the year of export provided there is no significant uncertainty regarding the entitlement and availment of the credit and the amount thereof.

Income in respect of other tax incentives is recognised as income in the year in which the sale is recorded and when there is no significant uncertainty regarding its entitlement and ultimate collection.



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j) Foreign currency transactions

Foreign exchange transactions are recorded at the exchange rates prevailing at the date of the transaction. Realised gains and losses on foreign exchange transactions during the year are recognised in the Statement of Profit and Loss. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. The resultant exchange differences are recognized in the Statement of Profit and Loss.

The Group uses derivatives / currency swaps to hedge its foreign currency risk exposures. In accordance with the Guidance Note on Accounting of Derivate Contracts issued by the Institute of Chartered Accounts of India, the Company recognise all outstanding open derivative contracts at its fair value in Balance Sheet with changes being recognised in Statement of Profit and Loss.

k) Taxation

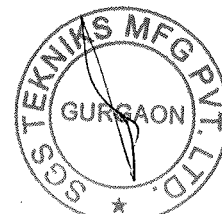
Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income-tax expense is recognised in profit or loss except that tax expense related to items recognised directly in reserves is also recognised in those reserves.

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws. Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

l) Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. The total lease rentals (including scheduled rental increases) in respect of assets taken on operating lease are charged to Statement of Profit and Loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefit.

Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance lease. Assets taken on finance lease are initially capitalized at fair value of the assets or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between the finance charges and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.



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m) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

n) Retirements benefits

Short-term employee benefits

All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the Statement of Profit and Loss in the year in which the employee renders the related service.

Post employment benefits

Defined contribution plan

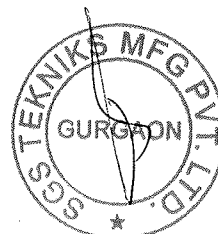
A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Group makes specified monthly contributions towards Provident Fund and Employee's State Insurance which is a defined contribution plans. The Group's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined benefit plans

Gratuity is a defined benefit plan. The liability in respect of defined benefit plans is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each year of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, are based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Annual contributions are made to the employee's gratuity fund, established with the LIC based on an actuarial valuation carried out by the LIC as at 31 March each year. The fair value of plan assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.



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Other long term employee benefits

Benefits under the Group's leave encashment scheme constitute other long-term employee benefits. The obligation in respect of leave encashment is provided on the basis on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations. Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

o) Inventories

Inventories of raw materials are valued at lower of cost and net realisable value. Cost for the purpose of valuation of raw material is determined on a weighted average basis.

Finished goods & work-in-progress are valued at lower of cost and net realisable value. The cost of finished goods and work-in-progress includes costs of raw materials, direct costs of conversion and proportionate allocation of indirect costs incurred in bringing the inventories to their present location and condition.

Provision is made for obsolete, slow moving and defective stocks, wherever necessary.

The comparison of cost and net realisable value is made on an item-by-item basis.

p) Cash and cash equivalents

Cash and cash equivalents include cash on hand, cheques on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

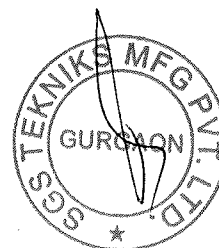
q) Investments

Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

Long-term investments are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment.

Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the Statement of Profit and Loss.



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Profit or loss on sale of investments is determined on the basis of weighted average carrying amount of investments disposed of.

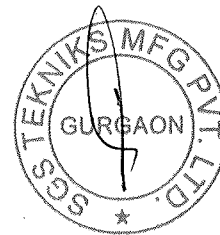
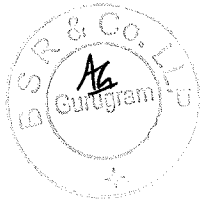
Investment in land or buildings that are not intended to be occupied substantially for use by, or in operations of the company, or held for rental purpose is classified as investment property. It is measured at cost on initial recognition. Cost includes expenditure that is directly attributable to the acquisition or construction of the investment property. Each investment property is evaluated to provide for diminution in value, which is other than temporary. Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the property) is recognised in Statement of Profit and Loss.

r) Segment Reporting

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

The Company is a single operating unit and engaged in business of providing electronic manufacturing goods and related services and therefore, has only one reportable business segment.

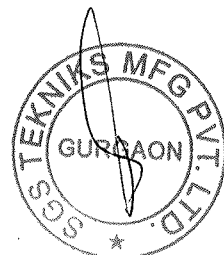
The Company provides its electronic manufacturing services and goods to many customers in India and Outside India. Considering the size and proportion of export sales to local sales, the Company considers sales within the country and outside India as two geographical segments. Information of geographical segment is based on the geographical location of the customers.



		As at 31 March 2020		As at 31 March 2019	
3	Share capital				
	Authorised				
	3,010,000 (previous year 3,010,000) equity shares of Rs. 10 each		30,100,000		30,100,000
	100,000 (previous year 100,000) 10% redeemable non-cumulative preference shares of Rs. 10 each		1,000,000		1,000,000
			31,100,000		31,100,000
	Issued, subscribed and paid-up				
	1,612,785 (previous year 1,612,785) equity shares of Rs 10 each		16,127,850		16,127,850
	100,000 (previous year 100,000) 10% redeemable non-cumulative preference shares of Rs 10 each		1,000,000		1,000,000
			17,127,850		17,127,850
a)	Reconciliation of number of shares outstanding at the beginning and at the end of reporting period				
		As at 31 March 2020		As at 31 March 2019	
	Equity shares	No. of shares	Amount	No. of shares	Amount
	Balance at the beginning of the year	1,612,785	16,127,850	1,612,785	16,127,850
	Balance at the end of the year	1,612,785	16,127,850	1,612,785	16,127,850
	Preference share	As at 31 March 2020		As at 31 March 2019	
		No. of shares	Amount	No. of shares	Amount
	Balance at the beginning of the year	100,000	1,000,000	100,000	1,000,000
	Balance at the end of the year	100,000	1,000,000	100,000	1,000,000
b)	Rights, preferences and restrictions attached to shares				
	Equity shares: The Holding Company has only one class of equity shares having par value of Rs. 10 per share. Accordingly , all equity shares rank equally with regard to dividends and share in the company's residual assets. Each shareholder is eligible to one vote per share held. The dividend proposed, if any, by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting except in case of interim dividend. The repayment of equity share capital in the event of liquidation and buyback of shares are possible subject to prevalent regulations. In the event of liquidation, the equity share holder are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their shareholding.				
	Preference shares: The Company has a single class of preference shares of face value of Rs 10 each having preferential right in respect to dividend, to be paid at fixed rate of 10% and in the event of liquidation of the Company, the holders of preference shares will be entitled to receive a maximum amount of face value of the preference shares as capital repayment, before distribution to equity shareholders.				
c)	Particulars of shareholders holding more than 5% shares of the holding company				
		As at 31 March 2020		As at 31 March 2019	
		No. of shares	% of holding	No. of shares	% of holding
	Equity shares of Rs. 10 each fully paid up held by:				
	-Mr. Sanjiv Narayan	401,775	24.91%	401,775	24.91%
	-Mr. Ranjit Singh	401,774	24.91%	401,774	24.91%
	-Mr. Krishna Kumar Pant	401,773	24.91%	401,773	24.91%
	-Mr. Jasbir Singh Gujral	401,775	24.91%	401,775	24.91%
	10% redeemable non-cumulative preference shares of Rs.10 each fully paid up held by:				
	-Mr. Sanjiv Narayan	24,972	24.97%	24,972	24.97%
	-Mr. Ranjit Singh	24,974	24.97%	24,974	24.97%
	-Mr. Krishna Kumar Pant	24,974	24.97%	24,974	24.97%
	-Mr. Jasbir Singh Gujral	24,972	24.97%	24,972	24.97%
d)	Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: The Holding Company has neither issued any bonus shares, nor issued shares for consideration other than cash nor bought back any equity shares during the period of five years immediately preceding the reporting date.				
4	Reserves and surplus				
			As at 31 March 2020		As at 31 March 2019
	Capital reserve#				
	At the commencement of the year		433,176,793		433,176,793
	At the end of the year (A)		433,176,793		433,176,793
	Securities premium account				
	At the commencement of the year		1,477,481,700		1,477,481,700
	At the end of the year (B)		1,477,481,700		1,477,481,700
	General reserve				
	At the commencement of the year		90,000,000		60,000,000
	Amount transferred from surplus in the Statement of Profit and Loss		-		30,000,000
	Adjustment on account of consolidation		-		-
	At the end of the year (C)		90,000,000		90,000,000
	Surplus in the Statement of Profit and Loss				
	At the commencement of the year		710,131,761		455,941,486
	Profit for the year		361,011,003		298,644,239
			1,071,142,764		754,585,725
	Less: Appropriations				
	-Dividend on equity shares for the year*		16,934,244		11,289,500
	-Dividend distribution tax on equity shares for the year*		3,480,872		2,320,578
	-Dividend on 10% redeemable non-cumulative preference shares for the year*		1,050,000		700,000
	-Dividend distribution tax on preference shares for the year*		215,830		143,886
	-Transfer to general reserve		-		30,000,000
			21,680,946		44,453,964
	At the end of the year (D)		1,049,461,818		710,131,761
	Foreign currency translation reserve				
	At the commencement of the year		399,525		282,101
	Effect of foreign exchange variations during the year		(103,264)		117,424
	At the end of the year (E)		296,261		399,525
	Total (A+B+C+D+E)		3,050,416,572		2,711,189,779

Created as a result of merger scheme, between SGS Tekniks Manufacturing Private Limited, SGS Holding & Leasing Private Limited and SGS Infotech Private Limited in the year ended 31 March 2012.

*refer to note 37.



5 Long-term borrowings (secured)

	Non-current portion		Current portion	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Secured				
-Term loan (from bank)**	15,709,842	34,894,332	21,536,202 #	20,176,492
-Vehicle loan (from bank)**	9,606,648	1,234,831	3,718,378	747,211
	<u>25,316,490</u>	<u>36,129,163</u>	<u>25,254,580</u>	<u>20,923,703</u>

* Term loan from Citi Bank

a) Exclusive charge on land and building and plant and machinery at Manesar facility.

b) First exclusive charge on the machineries at Bangalore facility.

c) First exclusive charge by way of equitable mortgage on land and building located at:

- Plot no. 174, Sector 4, IMT, Manesar; and

- Plot no. 3, Block A, Infocity, Gurgaon.

d) Corporate guarantee of SGS Infosystems Private Limited.

e) Mutual fund amounting to INR 35 millions to be lien marked to Citi Bank.

There are no continuing defaults as on Balance Sheet date in repayment of principal and interest.

Refer note 11

^ Refer note 35

**Vehicle loan from banks - secured against hypothecation of the vehicles.

Above loans are repayable in equal/unequal monthly/quarterly instalments as follows:

Term Loan:

Repayable within 1 year

Repayable within 1 - 3 year

As at 31 March 2020	As at 31 March 2019
21,536,202	20,176,492
15,709,842	34,894,332

Vehicle Loan:

Repayable within 1 year

Repayable within 1 - 3 year

As at 31 March 2020	As at 31 March 2019
3,718,378	747,211
9,606,648	1,234,831

The interest rate for the above term loans are mentioned below:

Term loans carry interest rates of 9.25% to 10.8% per annum (Previous year : 9.25% to 10.8% per annum)

The interest rate for the above vehicle loans carries interest rate of 7.75% per annum (Previous year : 7.75% to 10.00% per annum)

6 Deferred tax liabilities (net)

	As at 31 March 2020	As at 31 March 2019
Deferred tax liabilities		
Excess of depreciation/amortisation provided on property, plant and equipment and intangible assets in income-tax law over depreciation claimed under books of accounts	67,263,836	85,204,575
Mark to market gain on cross currency interest rate swaps	2,449,254	529,560
Deferred tax assets		
Expenditure covered by section 43B of Income-tax Act, 1961	16,066,052	17,380,086
Long term capital loss	-	124,717
Others	841,237	980,810
Deferred tax liabilities (net)	<u>52,805,801</u>	<u>67,248,524</u>

7 Other long-term liabilities

	As at 31 March 2020	As at 31 March 2019
Lease equalisation reserve	3,342,485	2,806,804
	<u>3,342,485</u>	<u>2,806,804</u>

8 Provisions

Particulars	Long-term provision		Short-term provision	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Provisions for employee benefits				
- Provision for gratuity (refer to Note 34)	12,403,499	8,920,558	2,975,927	1,591,504
- Provision for compensated absences	10,200,107	7,355,923	2,252,624	2,033,038
Provision for income tax [net of advance tax Rs. 207,150,225- (previous year Rs. 109,022,70-)]	-	-	22,201,612	9,147,617
	<u>22,603,606</u>	<u>16,276,481</u>	<u>27,430,163</u>	<u>12,772,159</u>

9 Short-term borrowings

Particulars	As at 31 March 2020	As at 31 March 2019
Loans repayable on demand		
Working capital loans from bank (secured)		
- Cash credit	-	400,830,494
- Working capital loan	159,324,246	-
- Packing credit in foreign currency	31,822,119	78,589,131
	<u>191,146,365</u>	<u>479,419,625</u>

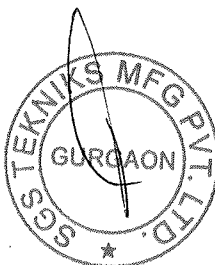
Cash credit, working capital loan and packing credit from bank is secured by first exclusive charge on present and future stocks and book debts of the Company, first exclusive charge by way of equitable mortgage on land and building located at Plot no. 174, Sector 4, IMT, Manesar and Plot No. 3, Block A, Info City, Gurgaon, Corporate Guarantee of SGS Infosystems Private Limited and Mutual fund amounting to INR 35 millions to be lien marked to Citi Bank.

10 Trade payables

	As at 31 March 2020	As at 31 March 2019
Total outstanding dues of micro enterprises and small enterprises (refer note 40)	30,294,475	35,878,271
Total outstanding dues of creditors other than micro enterprises and small enterprises	505,196,048	593,303,744
	<u>535,490,523</u>	<u>629,182,015</u>

11 Other current liabilities

	As at 31 March 2020	As at 31 March 2019
To parties other than related parties		
Current maturities of long-term debt (refer note 5)	25,254,580	20,923,703
Advance from customer	19,492,655	3,974,311
Book overdraft	-	8,632,458
Advance against assets held for sale	-	415,000
Capital creditors	27,317,919	14,479,491
Employee benefit and other dues	65,031,889	56,892,672
Interest accrued but not due on borrowings	895,354	165,759
Interest on dues to micro enterprises and small enterprises	-	2,338,654
Statutory dues	13,809,398	15,444,189
	<u>151,801,795</u>	<u>123,266,237</u>



12 Property, plant and equipment

(a) Tangible assets

Particulars	Gross block				Accumulated depreciation		Net block	
	As at 1 April 2019	Additions	Assets Held for Sale *	Disposals	As at 31 March 2020	On disposals	As at 31 March 2020	As at 31 March 2019
Freehold Land**	38,869,161	-	-	-	38,869,161	-	38,869,161	38,869,161
Building*	234,600,996	28,820,354	-	-	263,421,350	6,518,884	210,017,346	187,715,877
Tools and moulds	15,721,331	36,837,012	-	-	52,558,343	2,800,030	44,007,813	31,086,512
Plant and machinery*	617,435,113	78,229,031	-	-	695,664,144	39,272,526	472,338,538	433,382,433
Furniture and fixtures	45,860,105	3,876,602	-	-	49,736,707	3,666,512	223,325,206	25,459,513
Computers	68,062,291	5,201,622	-	-	73,263,913	51,572,623	24,067,104	25,669,603
Airconditioning equipment	64,108,249	262,350	-	-	64,370,599	56,704,668	61,861,931	11,401,983
Electrical fittings	52,324,251	5,660,215	-	-	57,984,466	51,929,990	31,954,515	32,416,083
Office equipment	20,083,848	3,415,718	-	-	23,499,566	4,863,803	25,780,187	31,407,871
Vehicles*	38,650,133	22,058,994	-	-	60,709,127	2,950,449	14,708,666	8,525,630
Other equipment, Operating and office equipment	4,468,125	2,350,533	-	3,286,350	56,802,777	4,778,166	18,556,098	8,790,900
					3,164,512	1,095,069	4,313,796	2,652,367
	1,230,679,284	1,05,636,752	-	3,286,350	1,383,337,189	76,295,694	466,722,037	916,615,152

(b) Intangible assets

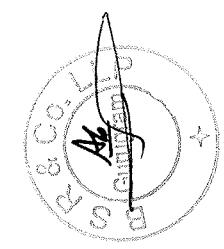
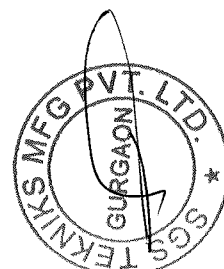
Particulars	Gross block				Accumulated depreciation		Net block	
	As at 1 April 2018	Additions	Assets Held for Sale *	Disposals	As at 31 March 2019	On disposals/adjustments during the year	As at 31 March 2019	As at 31 March 2018
Freehold Land**	38,869,161	10,358,162	-	-	38,869,161	-	38,869,161	38,869,161
Building*	224,242,834	14,552,022	-	-	234,600,996	23,801	187,715,877	183,239,164
Tools and moulds	22,284,991	476,607,098	-	-	36,837,012	1,785,884	5,750,500	18,320,374
Plant and machinery*	140,828,015	3,473,557	-	-	617,435,113	33,250,995	184,651,680	323,805,413
Furniture and fixtures	42,386,548	6,170,974	-	-	48,557,522	17,145	20,400,592	25,373,623
Computers	63,196,096	665,733	-	1,304,779	65,166,604	1,239,540	30,400,592	22,459,513
Airconditioning equipment	63,442,515	5,790,055	-	-	69,232,570	68,062,172	56,704,668	10,317,060
Electrical fittings	46,534,196	2,295,360	-	-	48,829,556	4,070,759	26,761,525	41,828,952
Office equipment	17,788,487	3,452,034	-	-	21,240,521	11,877	11,736,218	29,676,696
Vehicles*	37,864,449	4,232,947	-	-	42,097,396	603	16,899,965	21,720,905
Other equipment, Operating and office equipment	4,232,947	130,681	-	(104,497)	4,359,131	-	3,164,512	1,771,802
	1,037,449,323	1,87,716,592	-	1,304,179	1,230,679,284	1,304,225	393,394,161	877,385,125

(b) Intangible assets

Particulars	Gross block				Accumulated amortisation		Net block	
	As at 1 April 2019	Additions	Assets Held for Sale *	Disposals	As at 31 March 2020	On disposals	As at 31 March 2020	As at 31 March 2019
Software	34,492,596	1,450,808	-	-	35,943,404	-	31,501,696	5,649,619
	34,492,596	1,450,808	-	-	35,943,404	-	31,501,696	5,649,619

(b) Intangible assets

Particulars	Gross block				Accumulated amortisation		Net block	
	As at 1 April 2018	Additions	Assets Held for Sale *	Disposals	As at 31 March 2019	On disposals/adjustments during the year	As at 31 March 2019	As at 31 March 2018
Software	28,846,979	5,645,617	-	-	34,492,596	-	28,842,977	2,556,356
	28,846,979	5,645,617	-	-	34,492,596	-	28,842,977	2,556,356

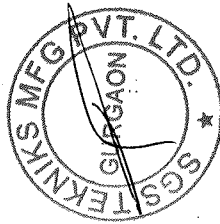


(c) Capital work-in progress

Particulars	Gross block				
	As at 1 April 2019	Additions	Assets Held for Sale *	Disposals	Currency translation
Capital WIP	-	10,315,301	-	-	-
	-	10,315,301	-	-	-
	-	10,315,301	-	-	-
	-	10,315,301	-	-	-

Particulars	Gross block				
	As at 1 April 2019	Additions	Assets Held for Sale *	Disposals	Currency translation
Capital WIP	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-

* Refer Note 5 regarding securities given against borrowings
 # During the previous year, the asset was held for sale which the Company sold in current year. The gain arising from sale of the asset amounting is included in the statement of profit and loss.
 ^ Title deed of Plot No. 3, Block A, Infocity, Gurugram, Haryana and Plot No. 88, Industrial Area, Badli, District Solan, Himachal Pradesh are held in the name of SGS Teknisk Private Limited.



13 Non-current investments

(Valued at cost unless stated otherwise)

	As at 31 March 2020	As at 31 March 2019
Investment Property (at cost)	2,303,709	2,303,709
Investment in debentures or bonds		
- 4945 @ INR 1000 each (previous year 4945 @ INR 1000 each) National Highways Authority of India Gnm Bonds- 54 EC Capital	4,945,000	4,945,000
-200 @ INR 100,000 each Citicorp Finance India Limited, debentures	20,000,000	-
	<u>27,248,709</u>	<u>7,248,709</u>

The aggregate book value of unquoted non-current investments are as follows:

	As at 31 March 2020	As at 31 March 2019
Aggregate book value of unquoted non-current investments	4,945,000	4,945,000

14 Loans and advances

(Unsecured, considered good unless stated otherwise)

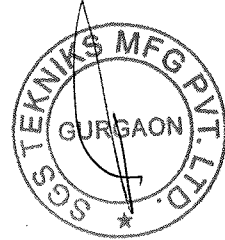
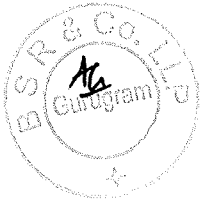
	Long-term loans and advances		Short-term loans and advances	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
To parties other than related parties				
Capital advance	1,311,876	-	-	-
Security deposits	11,540,183	8,993,970	-	-
Other loans and advances				
Advance to employees	-	-	1,865,284	1,282,885
Prepaid expenses	2,842,946	2,660,848	4,724,744	7,210,748
Advance tax [net of provision of tax Rs. 128,804,781 (previous year Rs. 139,112,028)]	36,218,823	35,928,428	-	360,000
Amount paid under protest (refer note 29)	4,215,000	4,215,000	-	-
Balance with statutory government authorities	-	-	102,775,007	112,062,426
Advances to suppliers	-	-	13,565,156	15,029,900
Cross currency interest rate swaps*	-	-	9,731,619	1,515,454
	<u>56,128,828</u>	<u>51,798,246</u>	<u>132,661,810</u>	<u>137,461,413</u>

* represents fair value of the derivative contracts undertaken to hedge the foreign currency related to term loan and working capital loan and interest rates.

15 Other non-current assets

Banks deposits (due to mature after 12 months from the reporting date)

	As at 31 March 2020	As at 31 March 2019
Banks deposits (due to mature after 12 months from the reporting date)	1,607,866	56,750,179
	<u>1,607,866</u>	<u>56,750,179</u>



16 Current investments
(valued at lower of cost and fair value)

- Investments in mutual funds - quoted (refer note (a) below)
- Investment in other investments - unquoted (refer note (b) below)

As at 31 March 2020	As at 31 March 2019
218,180,999	209,936,188
38,958,203	33,298,921
257,139,202	243,235,109

Note (a)

Quoted	As at 31 March 2020				As at 31 March 2019			
	Units	Cost	NAV at 31 March 2020	Lower of cost and fair value	Units	Cost	NAV at 31 March 2019	Lower of cost and fair value
Franklin India Debt Hybrid Fund - Plan A - Growth	-	-	-	-	125,299	5,240,774	6,960,717	5,240,774
Edelweiss Arbitrage Fund Dividend	978,136	10,149,055	10,494,906	10,149,055	946,358	9,810,642	9,883,950	9,810,642
ICI Prudential Banking And PSU Debt Fund	1,542,113	15,930,132	16,283,637	15,930,132	1,447,747	14,926,043	15,326,861	14,926,043
Idfc Bond Fund- Short Term Plan Fortnightly Dividend-(Direct Plan)	2,907,849	29,821,786	29,815,047	29,815,047	2,726,146	27,958,729	28,077,120	27,958,729
HDFC Credit Risk Debt Fund (Formerly Known as Hdfc Corporate Debt Opportunities Fund Regular Plan Growth)##	975,069	12,500,000	16,231,092	12,500,000	975,069	12,500,000	14,874,771	12,500,000
ICI Prudential Medium Term Bond Fund - Growth	-	-	-	-	299,656	7,500,000	8,524,923	7,500,000
L&T Resurgent India Bond Fund Growth	-	-	-	-	785,931	9,500,000	10,692,120	9,500,000
L&T Short Term Income Fund - Growth	421,924	7,500,000	8,853,025	7,500,000	421,924	7,500,000	8,452,577	7,500,000
Nippon Equity Savings Fund- Direct Growth Plan - Esag	-	-	-	-	1,514,467	20,000,000	20,218,288	20,000,000
Nippon Equity Savings Fund- Direct Growth Plan - Cbag	-	-	-	-	1,015,876	14,500,000	15,598,680	14,500,000
Franklin India Short Term Income Plan - Growth	4,197	16,000,000	16,082,307	16,000,000	2,703	10,000,000	10,803,296	10,000,000
Uii Credit Risk Fund - Growth	-	-	-	-	188,574	3,000,000	3,154,197	3,000,000
Idfc Bond Fund-Short Term Plan- Growth	465,004	18,000,000	19,317,552	18,000,000	80,046	3,000,000	3,048,116	3,000,000
Axis Banking & Psu Debt Fund - Growth	3,251	5,500,000	6,212,985	5,500,000	3,251	5,500,000	5,680,895	5,500,000
Nippon Credit Risk Fund - Direct Growth Plan Growth Option (SDAG)	-	-	-	-	554,262	14,000,000	15,073,495	14,000,000
Kotak Equity Savings Fund Direct - Growth	-	-	-	-	1,267,987	17,500,000	18,554,839	17,500,000
Hdfc Equity Savings Fund- Direct Plan- Growth Option	-	-	-	-	476,411	17,500,000	18,593,839	17,500,000
Dsp Equity Savings Fund- Regular Plan-Growth	-	-	-	-	808,734	10,000,000	10,210,271	10,000,000
ICI Prudential Medium Bond Fund - growth	299,656	7,500,000	9,384,638	7,500,000	-	-	-	-
ICI Prudential Regular Savings Fund Growth	97,000	3,000,000	4,221,572	3,000,000	-	-	-	-
ICI Prudential Short Term Fund Growth	378,146	15,000,000	15,946,135	15,000,000	-	-	-	-
ICI Prudential Equity Arbitrage Fund	378,494	5,168,704	5,175,420	5,168,704	-	-	-	-
IDFC Arbitrage Fund Regular Plan Monthly Dividend	405,380	5,191,144	5,158,061	5,158,061	-	-	-	-
Nippon India Floating Rate Fund- Direct Growth Plan (FRAGG)	312,714	10,000,000	10,282,608	10,000,000	-	-	-	-
IDFC Bond Fund Medium Term Plan Growth	75,877	2,500,000	2,590,764	2,500,000	-	-	-	-
ICI Prudential Medium Bond Fund - growth	374,398	11,460,000	11,725,402	11,460,000	-	-	-	-
SBI Short Term Debt Fund Growth	656,533	15,000,000	15,308,636	15,000,000	-	-	-	-
Nippon India Short Term Fund- Direct Growth Plan Growth Option (STAGG)	193,383	7,500,000	7,646,101	7,500,000	-	-	-	-
HDFC Medium Term Debt Fund - Regular Plan Growth	327,181	13,000,000	13,184,531	13,000,000	-	-	-	-
SBI Dynamic Bond Fund Regular Plan Growth	297,934	7,500,000	7,756,044	7,500,000	-	-	-	-
		218,220,821	231,670,464	218,180,999		209,936,188	223,728,955	209,936,188

under lien with Citi Bank.

Note (b)

Unquoted	As at 31 March 2020	As at 31 March 2019
- Structured Product/ Private Equity		
Multiples Private Equity Fund Scheme I	4,386,003	8,128,651
India Reit Fund Scheme Iv	620,562	620,562
India Reit Mumbai Redevelopment Fund	1,349,758	1,349,758
Milestone Domestic Scheme III	559,000	696,000
Accuracap - Alpha 10	1,063,902	1,063,902
Accuracap- Pico Power	1,436,098	1,436,098
Reliance Yield Maximiser Alternative Investment Fund - Scheme	1,267,088	3,013,827
Quest Multi PMS Series I	3,500,000	3,500,000
India Whizdom Fund	7,080,720	10,000,000
Aventus Enhanced Return Fund Series II	15,034,519	-
Total (A)	36,297,650	29,808,798
Real Estate		
Peninsula Brookfield India Real Estate Fund	2,660,553	3,490,123
Total (B)	2,660,553	3,490,123
Total (A) + (B)	38,958,203	33,298,921

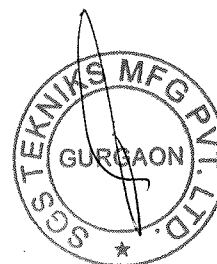
Quoted current investments
Aggregate book value
Aggregate market value
Aggregate book value of unquoted current investments

As at 31 March 2020	As at 31 March 2019
218,220,821	209,936,188
231,670,464	223,728,955
38,958,203	33,298,921

Summary of total value of current investments (a + b)

Mutual Funds (a)
Other funds/structured funds (b)

As at 31 March 2020	As at 31 March 2019
218,180,999	209,936,188
38,958,203	33,298,921
257,139,202	243,235,109



17 Inventories

(Valued at lower of cost and NRI)

	As at 31 March 2020	As at 31 March 2019
Raw materials [including goods-in-transit Rs. 49,587,892 (previous year Rs. 97,713,399)]*	511,640,657	678,410,019
Work-in-progress	144,979,996	60,691,467
Finished goods [including goods-in-transit Rs. 3,905,477 (previous year Rs. 12,624,924)]	72,694,456	48,736,497
	<u>729,315,109</u>	<u>787,837,983</u>

* Details of inventory

(a) Details of raw materials

	As at 31 March 2020	As at 31 March 2019
Integrated circuit (IC)	178,999,209	247,102,048
Printed circuit board (PCB)	51,733,141	66,037,205
Capacitor and Capacitor Elco	76,136,142	90,262,949
Other raw material	204,772,165	275,007,817
Total	<u>511,640,657</u>	<u>678,410,019</u>

18 Trade receivables

(Unsecured, considered good)

	As at 31 March 2020	As at 31 March 2019
Receivables outstanding for a period exceeding six months from the date they became due for payment	17,297,571	12,934,774
Other receivables	625,079,589	844,040,301
	<u>642,377,160</u>	<u>856,975,075</u>

19 Cash and bank balances

	As at 31 March 2020	As at 31 March 2019
Cash and cash equivalents		
- Cash on hand	611,326	437,745
- Balances with banks		
- on current accounts	173,740,128	58,919,040
- cheque on transit	6,608,984	-
Other bank balances	<u>57,155,377</u>	<u>2,810,034</u>
	<u>238,115,815</u>	<u>62,166,819</u>

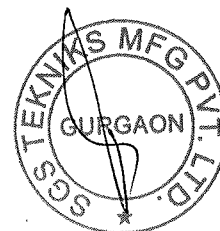
Details of bank balances/deposits

Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'	57,155,377	2,810,034
Bank deposits due to mature after 12 months of the reporting date shown under 'Other non-current assets' (refer note 15)	1,607,866	56,750,179

20 Other current assets

(Unsecured, considered good unless stated otherwise)

	As at 31 March 2020	As at 31 March 2019
Interest accrued on fixed deposits	4,096,865	547,746
Unbilled revenue	-	63,600
Assets held for sale (refer note 12)	-	164,318
	<u>4,096,865</u>	<u>775,664</u>



SGS Teknics Manufacturing Private Limited
Notes to consolidated financial statements for the year ended 31 March 2020
(All amounts are in Indian Rupees, unless otherwise stated)

21 Revenue from operations

Sale of products

	For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of manufactured products		
Domestic	2,672,674,649	2,861,291,236
Exports	1,424,542,429	1,252,836,185
Sale of products (net)	4,097,217,078	4,114,127,421
Sale of services	4,685,089	-
Other operating revenues		
- Job work	65,575,077	91,446,144
- Sale of tools	38,521,938	23,463,421
	104,097,015	114,909,565

Details of sale of manufactured products

* Manufacturing goods - assemble printed circuit board	4,097,217,078	4,114,127,421
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22 Other income

	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income		
- fixed deposit	3,954,602	4,512,855
- others	502,723	1,000,191
Dividend income		
- current investments	3,702,072	2,717,354
Net gain on account of sale of investment	20,235,462	2,802,513
Net gain on account of foreign exchange fluctuations	27,265,971	5,508,928
Mark to market gain on cross currency interest rate swaps	8,216,166	-
Gain on sale of property, plant and equipment (net)	443,058	55,672,059
Government incentive	37,340,077	55,140,811
Miscellaneous income	13,054,926	5,765,890
	114,715,057	133,120,601

*includes amount received from Eltek SGS Mechanics Private Limited of INR 5,812,523 from disposal of investment in FY 2016-17 owing to voluntary liquidation of Eltek SGS Mechanics Private Limited.

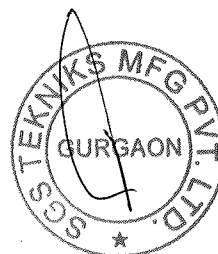
23 Cost of materials consumed

Raw materials

	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening inventory	678,410,019	560,443,040
Add: purchases (net)	3,010,738,568	3,252,530,597
	3,689,148,587	3,812,973,637
Less : Closing inventory	511,640,657	678,410,019
	3,177,507,930	3,134,563,618

Details of raw materials consumed

	For the year ended 31 March 2020	For the year ended 31 March 2019
Integrated circuit ('IC')	1,264,444,057	1,177,948,744
Printed circuit board ('PCB')	360,696,189	361,057,705
Capacitor and Capacitor Elco	330,163,522	300,991,647
Soldering material, crystals, switches, fuses and other raw materials	1,222,204,162	1,294,565,521
	3,177,507,930	3,134,563,618



SGS Teknics Manufacturing Private Limited
Notes to consolidated financial statements for the year ended 31 March 2020
(All amounts are in Indian Rupees, unless otherwise stated)

24 Changes in inventories of finished goods, work-in-progress and stock-in-trade

	For the year ended 31 March 2020	For the year ended 31 March 2019
Finished goods		
Opening inventory	48,736,497	42,942,908
Less: Closing inventory	72,694,456	48,736,497
Total (A)	(23,957,959)	(5,793,589)
Work-in-progress		
Opening stock	60,691,467	124,990,669
Less: Closing Stock	144,979,996	60,691,467
Total (B)	(84,288,529)	64,299,202
Total (A+B)	(108,246,488)	58,505,613

a. Breakup of work-in-progress

Manufacturing goods - assemble printed circuit board	72,694,456	48,736,497
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a. Breakup of finished goods

Manufacturing goods - assemble printed circuit board	144,979,996	60,691,467
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25 Employee benefits

	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, wages and bonus*	445,959,642	395,228,397
Contribution to provident and other funds#	8,610,501	7,291,806
Gratuity#	5,367,364	5,754,692
Compensated absences#	3,612,854	4,506,590
Staff welfare expenses	10,850,434	9,669,756
	474,400,795	422,451,241

* Prior period adjustments due to reclassification of Directors' remuneration of INR 38,399,468 in previous year from other expenses to employee benefits.

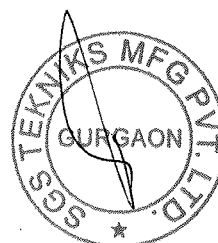
refer note 34

26 Finance costs

	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expense		
Interest on term loans	4,669,469	8,201,539
Interest on packing credit	6,697,283	5,546,633
Interest on cash credit	14,479,496	29,973,469
Interest on working capital loan	4,946,900	-
Interest -others	6,711,821	4,441,192
Total (A)	37,504,969	48,162,833
Interest of late payment of dues to micro enterprises and small enterprises	1,828,302	2,338,654
Other borrowing costs	1,879,177	567,123
Total (B)	3,707,479	2,905,777
Total (A+B)	41,212,448	51,068,610

27 Depreciation and amortisation

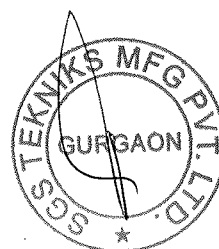
	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation on tangible assets	76,295,694	65,819,785
Amortisation of intangible assets	2,658,719	2,332,834
	78,954,413	68,152,619



SGS Teknics Manufacturing Private Limited
Notes to consolidated financial statements for the year ended 31 March 2020
(All amounts are in Indian Rupees, unless otherwise stated)

28 Other expenses

	For the year ended 31 March 2020	For the year ended 31 March 2019
Power and fuel	38,047,665	39,156,335
Repair and maintenance		
Building	3,048,106	2,260,278
Machinery	9,904,218	12,636,742
Others	7,938,842	3,988,226
Job work charges	2,753,418	4,952,323
Bank charges	9,040,964	9,245,931
Insurance	6,029,337	6,745,104
Printing and stationery	2,779,600	3,975,416
Postage and courier	4,039,133	4,590,688
Travelling and conveyance	31,551,399	41,362,153
Rates and taxes	3,814,966	2,556,666
Bad debts /balance written off	3,895,883	4,777,818
Rent	8,082,812	6,871,568
Investment written off	-	4,280,282
Legal and professional charges	9,354,617	7,856,214
Office maintenance	17,695,757	13,537,907
Subscription and membership	1,728,062	1,228,846
Diminution in value of investment	6,750,452	111,486
Canteen expenses	3,333,892	3,125,717
Cost of services	5,660,290	2,678,598
Festival expenses	2,607,338	2,389,318
Charity and donation	521,000	-
Expenditure on corporate social responsibility (refer note no.30)	-	4,000,000
Payment to auditors (excluding taxes)		
- As auditor	1,623,600	1,373,600
- For reimbursement of expenses	236,706	493,709
Cartage and freight outgoing	6,543,297	5,168,284
Mark to market gain on cross currency interest rate swaps	-	612,546
Development charges	5,572,325	2,759,823
Miscellaneous expenses	8,822,875	13,462,936
	201,376,554	206,198,514



SGS TEKNIKS MANUFACTURING PRIVATE LIMITED

Notes to consolidated Financial Statements for the year ended March 31, 2020

*(All amounts in Indian Rupees, unless otherwise stated)***29. Contingent liabilities***(To the extent not provided for)*

- a. Claims against the Company not acknowledged as debts.

Income tax matters in dispute/ under appeal:

- (i) Income Tax Demands being disputed by the Company INR 5,113,333 (PY: INR 10,270,458). The Company has deposited INR 4,215,000 under protest and the same has been included in the Long -term Loans and Advances, refer note 14. Based on external consultant advice, the Company has concluded that chances of liability devolving on the company is not probable and hence no provision in respect thereof has been made in the books.
- (ii) Civil matters being disputed by the Company INR 180,000 (PY: 180,000). Based on legal advice, the Company has concluded that chances of liability devolving on the company is not probable and hence no provision in respect thereof has been made in the books.
- b. In February 2019, Supreme Court of India in its judgement clarified the applicability of allowances that should be considered to measure obligations under Employees Provident Fund Act, 1952. The Company believes that there are interpretative challenges on the application of judgement retrospectively. Accordingly, owing to uncertainty regarding the application of matter, the Company is paying provident fund contribution as per the Supreme court judgement from March 2019.

30. Corporate Social Responsibility

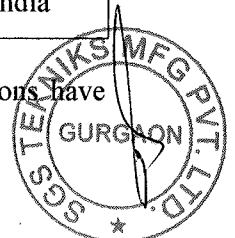
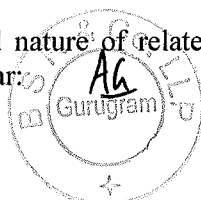
Corporate social responsibility (CSR) as per the provisions of section 135 of the Companies Act, 2013 is applicable to the Company.

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Gross amount required to be spent by the company during the year	58,70,738	3,744,702
Amount spent and paid during the year		
i) Construction/ acquisition of any asset	-	-
ii) on purpose other than (i) above	-	4,000,000

31. Related party disclosures as per AS 18

Description of relationship	Name of the related party
Key managerial personnel	Mr. Sanjiv Narayan (Director and shareholder)
	Mr. J.S. Gujral (Director and shareholder)
	Mr. R.S. Lonial (Director and shareholder)
	Mr. K.K. Pant (Director and shareholder)
Associate Company (liquidated)	Eltek SGS Mechanics Private Limited, India

- a) Other related parties and nature of related party relationship with whom transactions have taken place during the year:



SGS TEKNIKS MANUFACTURING PRIVATE LIMITED

Notes to consolidated Financial Statements for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

Description of relationship	Name of the related party
Key managerial personnel's influence	SGS Manufacturing & Trading Private Limited, India

b) Related Party Transactions during the year :-

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Disposal of Investment*		
- Eltek SGS Mechanics	5,812,523	-
Advances Received		
- J. S. Gujral	10,00,000	700,000
Managerial Remuneration#		
- Sanjiv Narayan	5,014,628	5,219,920
- J S Gujral	9,576,436	9,269,920
- R S Lonial	9,564,628	9,269,920
- K K Pant	9,564,628	9,269,920

c) Outstanding balance as at year end

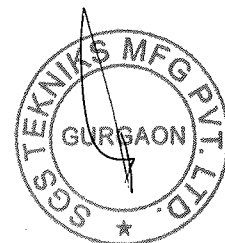
Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Employee benefit and other dues		
- J. S. Gujral	1,700,000	700,000

*amount received from Eltek SGS Mechanics Private Limited of INR 5,812,523 is from disposal of Investment in FY 2016-17 owing to voluntary liquidation of Eltek SGS Mechanics Private Limited.

#The remuneration to the key managerial personnel as disclosed above does not include the provision made for gratuity and leave benefits.

32. Commitments

- i) **Capital commitment:** - Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 16,067,447 (previous year: Nil).
- ii) **Lease commitments:** The Company has taken certain office premises under cancellable and non-cancellable operating leases. Lease rentals in respect of assets taken on these operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the lease term. Lease payments recognized in the Statement of Profit and Loss amounts to Rs. 8,082,812 (previous year: 6,871,568).



SGS TEKNIKS MANUFACTURING PRIVATE LIMITED

Notes to consolidated Financial Statements for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

Further, the minimum lease payment under the non-cancellable operating lease is as follows:

Particulars	As at 31 March 2020	As at 31 March 2019
Payable within one year	-	45,671
Payable between one year and five years	-	-
Payable more than five years	-	-
Total	-	45,671

Most of the leases entered by the Group are medium and long term in nature and the underlying leases are commensurate with Group's operational plan. The Company doesn't foresee any major changes in lease terms or the leases in the foreseeable future as per the current business projections after considering impact of COVID-19.

33. Pursuant to requirement of AS-20 on Earning per Share, the relevant information is provided here below-

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Net profit after tax	361,011,003	298,644,239
Less: Dividend on 10% redeemable non-cumulative Preference shares (including Dividend distribution tax)	1,265,830	8,43,886
Net profit attributable to equity shareholders	359,745,170	297,800,353
Weighted average number of equity shares for calculation of earnings per share	1,612,785	1,612,785
Basic and diluted earnings per share of face value of Rs.10 each.	223.06	184.65

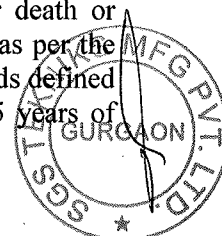
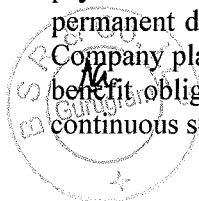
34. Disclosure pursuant to Accounting Standard 15 Revised- "Employee Benefits"

Defined contribution plan

An amount of Rs.8,610,501 (previous year Rs. 7,291,806) pertaining to employers contribution to Provident Fund and Employees' State Insurance is recognized as an expense and is included in Note 25 "Employee Benefits".

Defined benefit plan

Gratuity plan: The Company operates a gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days basic salary last drawn for each completed year of service. Gratuity is payable to all eligible employees of the Company on the retirement or separation or death or permanent disablement in terms of the provisions of Payment of Gratuity Act, 1972 or as per the Company plan whichever is more beneficial. The Company has funded the liability towards defined benefit obligation with the Life Insurance Corporation (LIC). The benefits vest after 5 years of continuous service except in case of death where no vesting conditions apply.



SGS TEKNIKS MANUFACTURING PRIVATE LIMITED

Notes to consolidated Financial Statements for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

The following table sets forth the status of the Gratuity Plan of the Company and the amounts recognized in the Balance Sheet and Statement of Profit and Loss.

a) Reconciliation of present value of the obligation and fair value of the plan assets:

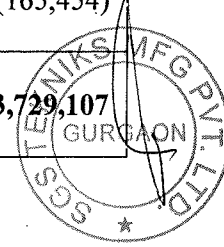
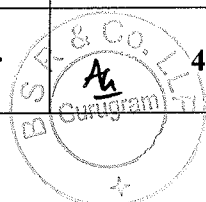
Particulars	As at 31 March 2020	As at 31 March 2019
Present value of funded obligation	19,440,004	14,241,170
Fair value of plan assets	4,060,577	3,729,107
Net (liabilities) / assets	(15,379,427)	(10,512,063)

b) The changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

Particulars	As at 31 March 2020	As at 31 March 2019
Opening defined benefit obligation	14,241,170	9,141,981
Current service cost	2,446,833	1,857,319
Interest cost	925,676	708,504
Actuarial loss/(gain)	2,186,383	3,324,472
Benefits paid	(360,058)	(791,106)
Closing balance of defined benefit obligation	19,440,004	14,241,170

c) The changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows:

Particulars	As at 31 March 2020	As at 31 March 2019
Fair value of plan assets at the beginning of the year	3,729,107	3,884,610
Expected return on plan assets	242,392	301,057
Contributions	500,000	500,000
Benefits paid	(360,058)	(791,106)
Actuarial gain/(loss) on plan assets	(50,864)	(165,454)
Fair value of plan assets at the end of the year	4,060,577	3,729,107



SGS TEKNIKS MANUFACTURING PRIVATE LIMITED

Notes to consolidated Financial Statements for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

d) Composition of Planned Assets:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
LIC*	4,060,577	3,729,107

*Investment details of LIC is not available with the company.

e) The amounts recognized in the Statement of Profit and Loss are as follows:

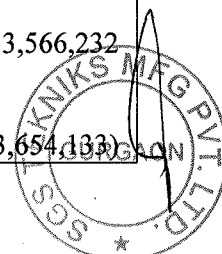
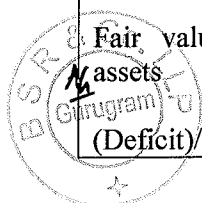
Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Current service cost	24,46,833	1,857,319
Interest cost	925,676	708,504
Expected return on plan assets	(242,392)	(301,057)
Net actuarial loss/(gain) recognized during the year	22,37,247	3,489,926
Total (included in "Employee benefits expense")	53,67,364	5,754,692

f) The amounts of actual return on plan assets are as follows:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Expected return on plan assets	242,392	301,057
Actuarial gain/(loss) on plan assets	(50,864)	(165,454)
Actuarial return on plan assets	191,528	135,603

g) Experience adjustments:

Particulars	31 March 2020	31 March 2019	31 March 2018	31 March 2017	31 March 2016
Defined benefit obligation	19,440,004	14,241,170	9,141,981	8,817,430	7,220,365
Fair value of plan assets	4,060,577	3,729,107	3,884,610	3,551,368	3,566,232
(Deficit)/surplus in	(15,379,427)	(10,512,063)	(5,257,371)	(5,266,062)	(3,654,133)



SGS TEKNIKS MANUFACTURING PRIVATE LIMITED

Notes to consolidated Financial Statements for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

the plan					
Experience adjustment arising on plan liabilities	818,685	783,697	(931,627)	754,461	284,357
Experience adjustment arising on plan assets	(50,864)	(165,454)	(109,528)	(86,555)	113,670

h) Principal actuarial assumptions in respect of provision for gratuity and leave encashment at the balance sheet date are as follows:

Economic assumption	Year ended 31 March 2020	Year ended 31 March 2019
Discount rate	6.50%	7.75%
Expected rate of salary increase	8.00%	8.00%
Expected rate of return on plan assets	6.50%	7.75%

Demographic assumption	Year ended 31 March 2020	Year ended 31 March 2019
Retirement age	58 / 60 years	58 / 60 years
Mortality table	IALM (2012-14)	IALM (2006-08)
Withdrawal rates		
- Up to 30 years age	40.00%	40.00%
- From 31 to 44 years	15.00%	15.00%
- Above 44 years	7.00%	7.00%

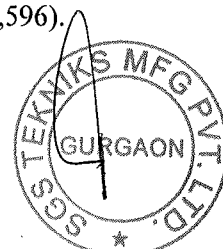
Discount rate:

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Salary escalation rate:

The estimates of future salary escalation rate considered in actuarial valuation takes into account the Inflation, seniority, promotion and other relevant factors on a long-term basis.

Expected contribution for the next period is Rs. 3,490,904 (previous year contribution 2,624,596).



SGS TEKNIKS MANUFACTURING PRIVATE LIMITED

Notes to consolidated Financial Statements for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

35. Foreign currency exposure

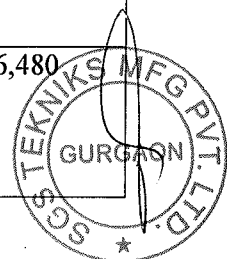
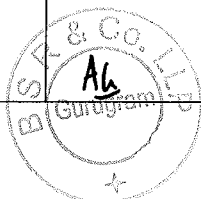
The Company's foreign currency exposure on account of foreign currency denominated receivables and payables not hedged as at 31 March 2020 and 31 March 2019.

Particulars	As at 31 March 2020		As at 31 March 2019	
	Amount (FC)	Amount (Rupees)	Amount (FC)	Amount (Rupees)
Trade receivable				
Euro	1,088,776	90,422,836	1,169,301	88,785,005
US Dollar	2,003,228	151,023,351	1,629,404	110,457,291
Payables including capital creditors				
Euro	324,979	26,989,540	268,311	22,003,442
US Dollar	2,649,263	199,750,004	4,178,974	295,216,558
Japanese Yen	39,506,228	27,516,088	34,095,131	21,779,970
GBP	1,459	135,846	1,764	163,048
CHF	8,474	663,879	1,896	134,673
Bank Balance				
EURO	67,349	5,593,296	70,645	5,364,101
US Dollar	490,824	37,003,248	455,584	30,884,032
Packing Credit				
EURO	-	-	-	-
US Dollar	422,100	31,822,119	1,112,688	78,589,134

Derivative instrument:

The Company has hedge foreign currency loan against the variability in foreign exchange and interest rates on its foreign currency loans outstanding as at 31 March 2020 and 31 March 2019 are as follows:

Particulars	Book Value (USD)	Book Value (INR)	Mark-to-market gain as at 31 March 2020
Term Loan in foreign currency	494,045	37,246,044	4,165,140
Working Capital Loan in Foreign Currency	1,473,405	109,324,246	5,566,480



SGS TEKNIKS MANUFACTURING PRIVATE LIMITED

Notes to consolidated Financial Statements for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

Particulars	Book Value (USD)	Book Value (INR)	Mark-to-market gain as at 31 March 2019
Term Loan in foreign currency	779,709	55,070,878	1,515,454

Mark-to-market gain on the full currency swap as on 31 March 2020 has been recorded in the Statement of Profit and Loss.

The fair values of derivative contracts are based on mark-to-market valuations as provided by the counterparty bank quotes.

Risk management framework

The Company's boards of directors have overall responsibility for the establishment and oversight of the Company's risk management framework which includes identification, monitoring and measurement of financial risk.

The Company has exposure to following risks arising from financial instruments:

Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates - will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the returns. The Company uses derivatives to manage market risks. All such transactions are carried out within the guidelines set by the Board of Directors.

Interest rate risk

The Company adopts a policy of ensuring that all its interest rate risk exposure is at a fixed rate. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at a floating rate and using full currency swaps as hedges of the variability in cash flows attributable to interest rate risk.

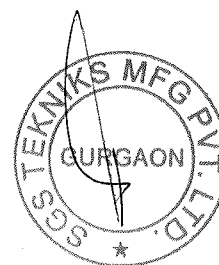
36. Segment information

Accounting Standard 17 "Segment Reporting" requires the Company to disclose certain information about operating segments. The Company is a single business segment and engaged in business of providing electronic manufacturing goods and services and therefore, concluded as only one reportable business segment. Hence, the disclosure required by this standard is presently not applicable to the Company

Geographical Segment:

The Company sells its products to various manufacturers within the country and also exports to other companies. Considering the size and proportion of exports to local sales, the Company considers sales made within the country and exports as two geographical segments. Information of geographical segment is based on the geographical location of the customers.

Information on the geographic segment for the year 1 April 2019 to 31 March 2020 and 1 April 2018 to 31 March 2019 are as follows:



SGS TEKNIKS MANUFACTURING PRIVATE LIMITED

Notes to consolidated Financial Statements for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

Particulars	India 2019-20	Outside India 2019-20	Unallocated 2019-20	Total
Segment revenue	2,763,624,286	1,442,374,896	-	4,205,999,182
Segment assets	3,767,900,899	270,974,834	40,145,073	4,079,020,806
Capital expenditure	175,012,326	2,390,535	-	177,402,861

Particulars	India 2018-19	Outside India 2018-19	Unallocated 2018-19	Total
Segment revenue	3,022,948,201	1,261,229,598	-	4,284,177,799
Segment assets	3,825,010,456	231,422,495	40,143,428	4,096,576,379
Capital expenditure	60,673,554	132,688,655	-	193,362,209

Segment accounting policies

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

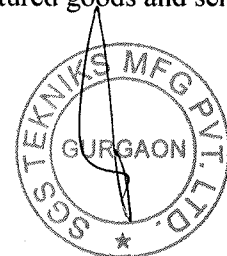
(i) Segment assets and liabilities

Segment assets include all operating assets used by a segment and consist principally of operating cash, trade receivables, inventories and fixed assets, net of allowances and provision which are reported as direct offsets in the balance sheet. While most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment liabilities include all operating liabilities and consist principally of trade payables and accrued liabilities. Segment assets and liabilities do not include those relating to income taxes and deferred tax.

(ii) Segment revenue

Segment revenue comprises the portion of company's revenue that is directly attributable to a segment or that can be allocated on a reasonable basis to a segment, and inter-segment transfers. However, segment revenues do not include interest and other income in respect of non-segmental activities and have remained unallocated.

Segment revenue in the geographical segments considered for disclosures are as follows:
Revenue within India include sale of manufactured goods and services in India to customers located within India; and revenues outside India include sale of manufactured goods and services outside India to customers located outside India.



SGS TEKNIKS MANUFACTURING PRIVATE LIMITED

Notes to consolidated Financial Statements for the year ended March 31, 2020

*(All amounts in Indian Rupees, unless otherwise stated)***37. Dividend paid on shares**

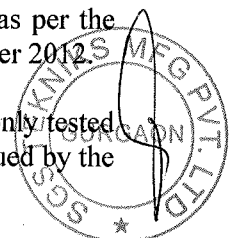
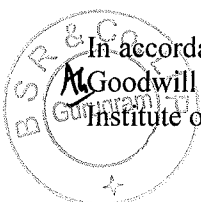
Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Dividend on equity shares declared and paid during the year		
Final dividend of Rs. 3.5 per share for the financial year 2018-19 (2017-18: Rs. 3.5 per share)	5,644,748	5,644,750
Dividend distribution tax on final dividend*	1,160,291	1,160,289
	11,289,496	5,644,750
Interim dividend of Rs. 7 per share for the financial year 2019-20 (2018-19: Rs. 3.5 per share)		
Dividend distribution tax on interim dividend*	2,320,582	1,160,289
<i>Dividend on 10% redeemable non-cumulative preference shares</i>		
Final Dividend on 10% redeemable non-cumulative preference shares of Rs. 3.5 per share for the financial year 2018-19 (2017-18: Rs. 3.5 per share)	350,000	350,000
Dividend distribution tax on final dividend*	71,943	71,943
Interim dividend on 10% redeemable non-cumulative preference shares of Rs. 7 per share for the financial year 2019-20 (2018-19: Rs. 2.5 per share)	700,000	350,000
Dividend distribution tax on final dividend*	143,890	71,943

*Dividend Distribution Tax (DDT)-net, pertaining to the current year comprises the DDT on final dividend of FY 2018-19 and interim dividend of FY 2019-20.

38. Goodwill

The Goodwill amounting to Rs.1,051,452,433 (previous year Rs. 1,051,452,433) arose as a result of the amalgamation of SGS Teknics Manufacturing Pvt Ltd with SGS Teknics Pvt Ltd, as per the order of High Court of Punjab and Haryana at Chandigarh through order dated 15 September 2012.

In accordance with the requirements of Approved Amalgamation Scheme, Company has only tested Goodwill for impairment as per Accounting Standard (AS) 28 "Impairment of Assets", issued by the Institute of Chartered Accountants of India.



SGS TEKNIKS MANUFACTURING PRIVATE LIMITED

Notes to consolidated Financial Statements for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

Further, Goodwill amounting to Rs. 7,840,003 (previous year Rs. 7,840,003) arose as a result of consolidation of SGS Infosystems Private Limited as per AS-21.

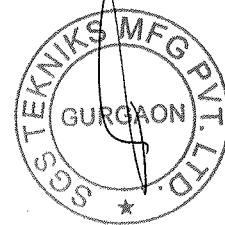
39. The Company has its Research and Development department ("R&D") at domestic and export units for doing research of new product as per requirement of the customer. It has incurred the expenses on R & D under following head of expenses during the year:

S.No.	Particulars	Year ended 31 March 2020	Year ended 31 March 2019
1	Salary	19,484,743	17,294,975
2	Development charges (including material)	4,656,128	1,931,496
	Total	24,140,871	19,226,471

40. Details of dues to micro, small and medium enterprises as defined under the MSMED Act, 2006:

Particulars	As at 31 March 2020	As at 31 March 2019
The principal and interest thereon remaining unpaid to any supplier as at the end of accounting year included in trade payable		
- Principal	26,127,519	35,878,271
- Interest	4,166,956	2,338,654
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	4,027,172	2,272,265
The amount of interest accrued and remaining unpaid at the end of each accounting year.	4,166,956	2,338,654
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section- 23.	-	-

41. The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulation under sections 92-92F of the Income-Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company continuously updates its documentation for the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by the due date as required under law. The Management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of income tax expense and that of provision for taxation.



SGS TEKNIKS MANUFACTURING PRIVATE LIMITED

Notes to consolidated Financial Statements for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

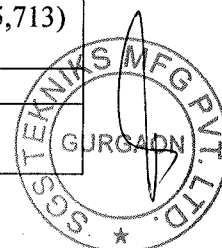
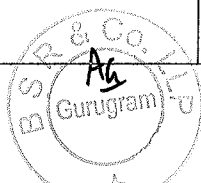
42. Disclosure on Specified Bank Notes (SBN):

The disclosures regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

43. Additional information as required by Paragraph 2 of the General Instructions for preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013 as at 31 March 2020 and 31 March 2019

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount as at 31 March 2020	As % of consolidated net assets	Amount for the period ending 31 March 2020
Parent				
SGS Tekniks Manufacturing Private Limited	100.38%	3,080,982,237	99.68%	359,838,607
Subsidiaries				
Indian				
SGS Infosystems Private Limited	3.21%	98,528,871	(0.06)%	(218,587)
Foreign subsidiary				
SGS Solutions GMBH	0.09%	2,816,026	0.58%	2,107,550
Minority Interest	0.06%	1,874,311	(0.20)%	(716,567)
Total eliminations	(3.74)%	(114,782,712)	-	-
Total	100%	3,069,418,733	100%	361,011,003

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount as at 31 March 2019	As % of consolidated net assets	Amount for the period ending 31 March 2019
Parent				
SGS Tekniks Manufacturing Private Limited	100.53%	2,742,824,575	102.73%	300,913,126
Subsidiaries				
Indian				
SGS Infosystems Private Limited	3.62%	98,747,458	(0.80)%	(2,385,713)
Foreign subsidiary				



SGS TEKNIKS MANUFACTURING PRIVATE LIMITED

Notes to consolidated Financial Statements for the year ended March 31, 2020

(All amounts in Indian Rupees, unless otherwise stated)

SGS Solutions GMBH	0.03%	811,741	0.11%	319,055
Minority Interest	0.04%	1,206,035	(0.04)%	(108,479)
Total eliminations	(4.71)%	(115,320,472)	-	-
Total	100%	2,728,269,337	100%	298,737,989

44. World Health Organization (WHO) declared outbreak of COVID- 19 as a global pandemic on March 11, 2020. Responding to the potentially serious threat that this pandemic has to public health, the Indian Government has taken a series of measures to contain the outbreak, which included imposing multiple 'lock-downs' across the country, from March 22, 2020, and extensions from time to time. COVID-19 pandemic has impacted and continues to impact business operations in many countries due to lockdown. With the lifting of the partial lockdown restrictions, the Group has started to see improvement in the business operations.

The Group has assessed the potential impact of Covid-19 on its capital and financial resources, profitability, liquidity position, ability to service debt and other financing arrangements, supply chain and demand for its products and services and ability to continue as going concern.

The Company has also assessed the potential impact of Covid-19 on the carrying value of property, plant & equipment, intangible assets, investments, trade receivables, inventories, and other current assets appearing in the Company's financial statements. In developing the assumptions and estimates relating to the future uncertainties in the economic conditions on account of this pandemic, the Company as at the date of approval of these Financial statements has used internal and external sources of information and based on current estimates, expects to recover the carrying amounts of the above assets. The impact of Covid- 19 may be different from that estimated as at the date of approval of these financial statements. The Company will continue to closely monitor any material changes to future economic conditions as the COVID-19 situation continues to evolve globally.

45. Previous year figures have been regrouped/reclassified wherever necessary to confirm with current year classifications.

46. The Holding Company has chosen to exercise the option of lower tax rate of 25.17% (inclusive of surcharge & cess) under section 115BAA of the Income tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 effective 1 April 2019.

47. The Company has passed resolution for redemption of 100, 000 Redeemable Preference shares having face value of INR 10 at par in the Extra Ordinary General Meeting held on 18 September 2020.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration no.: 101248W/W-100022



Ankush Goel

Partner

Membership No.: 505121

ICAI UDIN : 20505121AAAABC6851

Place: Gurugram

Date : 30 September 2020

For and on behalf of the Board of Directors of
SGS Teknics Manufacturing Pvt. Ltd.



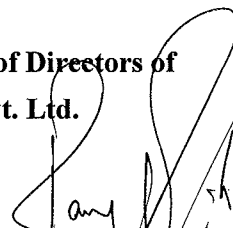
J S Gajral

Chairman

DIN - 00198825

Place: Gurugram

Date: 30 September 2020



Ranjeet Singh Lonial

Managing Director

DIN - 00198890

Place: Gurugram

Date: 30 September
2020