



# Hi-Tech Gears Limited

Registered Office: - A-589, Industrial Complex, Bhiwadi- 301019, District Alwar, Rajasthan

CIN- L29130RJ1986PLC004536 website: - [www.hitechgears.com](http://www.hitechgears.com)

Tel.: +91(124)4715100 Fax: +91(124)2806085

(Note: The business of this Meeting may be transacted through electronic voting system)

NOTICE is hereby given that the 28<sup>th</sup> Annual General Meeting of the Members of Hi-Tech Gears Limited will be held on Thursday, September 18, 2014 at 11:00 A.M. at registered office of the Company at A-589, Industrial Complex, Bhiwadi-301019, District Alwar, Rajasthan to transact the following business:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2014, together with the reports of the Director's and Auditor's thereon.
2. To confirm the interim dividend & to declare the final dividend on equity shares.
3. To appoint a director in place of Mr. Ramesh Chandra Jain (DIN 00038529), who retires by rotation and being eligible has offered himself for re-appointment.
4. To appoint M/s Gupta Vigg & Company, Chartered Accountants (Registration Number 001393N), the retiring Auditors as Statutory Auditor from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting and to fix their remuneration.

## SPECIAL BUSINESS:

### 5. Appointment of Mr. Sandeep Dinodia as an Independent Director

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

**“RESOLVED THAT** pursuant to the provision of section 149 & 152 read with Schedule IV & all other applicable provisions of Companies Act, 2013 and the Companies (Appointment & Qualification of Directors) Rules, 2014 and Clause 49 of Listing Agreement, Mr. Sandeep Dinodia (DIN – 00005395), who was appointed as a Director, liable to retire by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for 5 consecutive years from the date of this Annual General Meeting, not liable to retire by rotation.

**RESOLVED FURTHER THAT** necessary

documentations including issuance of appointment letter detailing the terms & conditions, duties & responsibilities be issued by the Board of Directors (including a duly constituted Committee).”

### 6. Appointment of Mr. Anil Kumar Khanna as an Independent Director

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

**“RESOLVED THAT** pursuant to the provision of section 149 & 152 read with Schedule IV & all other applicable provisions of Companies Act, 2013 and the Companies (Appointment & Qualification of Directors) rules, 2014 and Clause 49 of Listing Agreement, Mr. Anil Kumar Khanna (DIN – 00207839), who was appointed as a Director, liable to retire by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for 5 consecutive years from the date of this Annual General Meeting, not liable to retire by rotation.

**RESOLVED FURTHER THAT** necessary documentations including issuance of appointment letter detailing the terms & conditions, duties & responsibilities be issued by the Board of Directors (including a duly constituted Committee).”

### 7. Appointment of Mr. Puthenvittil Chandapillai Mathew as an Independent Director

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

**“RESOLVED THAT** pursuant to the provision of section 149 & 152 read with Schedule IV & all other applicable provisions of Companies Act, 2013 and the Companies (Appointment & Qualification of Directors) rules, 2014 and Clause 49 of Listing Agreement, Mr. Puthenvittil Chandapillai Mathew (DIN – 02527048), who was appointed as a Director, liable to retire by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for 5 consecutive years from the date of this Annual General Meeting, not liable to retire by rotation.

**RESOLVED FURTHER THAT** necessary documentations including issuance of appointment letter detailing the terms & conditions, duties & responsibilities be issued by the Board of Directors (including a duly constituted Committee).”

## **8. Appointment of Mr. Vinit Taneja as an Independent Director**

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

**“RESOLVED THAT** pursuant to the provision of section 149 & 152 read with Schedule IV & all other applicable provisions of Companies Act, 2013 and the Companies (Appointment & Qualification of Directors) rules, 2014 and Clause 49 of Listing Agreement, Mr. Vinit Taneja (DIN – 02647727), who was appointed as a Director, liable to retire by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for 5 consecutive years from the date of this Annual General Meeting, not liable to retire by rotation.

**RESOLVED FURTHER THAT** necessary documentations including issuance of appointment letter detailing the terms & conditions, duties & responsibilities be issued by the Board of Directors (including a duly constituted Committee).”

## **9. Appointment of Mr. Krishna Chandra Verma as an Independent Director**

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

**“RESOLVED THAT** pursuant to the provision of section 149 & 152 read with Schedule IV & all other applicable provisions of Companies Act, 2013 and the Companies (Appointment & Qualification of Directors) rules, 2014 and Clause 49 of Listing Agreement, Mr. Krishna Chandra Verma (DIN – 03636488), who was appointed as a Director, liable to retire by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for 5 consecutive years from the date of this Annual General Meeting, not liable to retire by rotation.

**RESOLVED FURTHER THAT** necessary documentations including issuance of appointment letter detailing the terms & conditions, duties & responsibilities be issued by the Board of Directors (including a duly constituted Committee).”

## **10. Appointment of Mr. Prosad Dasgupta as an Independent Director**

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

**“Resolved That** pursuant to the provision of section 149 & 152 read with Schedule IV & all other applicable provisions of Companies Act, 2013 and the Companies (Appointment & Qualification of Directors) rules, 2014 and Clause 49 of Listing Agreement, Mr. Prosad

Dasgupta (DIN – 00243254), who was appointed as a Director, liable to retire by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for 5 consecutive years from the date of this Annual General Meeting, not liable to retire by rotation.

**RESOLVED FURTHER THAT** necessary documentations including issuance of appointment letter detailing the terms & conditions, duties & responsibilities be issued by the Board of Directors (including a duly constituted Committee).”

## **11. Approval of Inter-corporate Investments as per Section 186 of the Companies Act, 2013**

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 186 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification, amendment or re-enactment thereof for the time being in force and as may be enacted from time to time) Company to make investment in other body corporate through ICDs/F.Ds/purchase or subscribe of equities/preference shares/Debentures or Bonds/Mutual Funds etc. in India or not, whether in the same management or not, in one or more tranches, notwithstanding that the aggregate of investment so far acquired or to acquire by way of subscription, purchase or otherwise, securities of any body corporate(s) upto an aggregate amount not exceeding Rs. 400 Cr (Rupees four hundred crores only) outstanding at any time under the said provision in the best interest of the company.

**RESOLVED FURTHER THAT** the Board or a duly constituted Committee thereof be and is hereby authorized to decide and finalize the terms and conditions of the above, limit upto which such investments may be given or made, as may be determined by the Board or the Committee thereof, within the aforesaid limits including with the power to transfer/ dispose of the investments so made, from time to time, and to execute all deeds, documents and other writings and to do all such acts, deeds, matters and things, as may be necessary and/or expedient for implementing and giving effect to this resolution.”

## **12. Remuneration to Non-Executive Directors for attending Board/ Committee Meetings**

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

**“RESOLVED THAT** in conformity with the provisions of Articles of Association of the Company and pursuant to

the provisions of section 197 and other applicable provisions, if any, of the Companies Act, 2013, consent be and is hereby accorded to the Board of Directors (including a duly Constituted Committee) to pay commission to all the Non-Executive Directors of the Company up to the maximum rate as mentioned/provided in above provisions, of the net profits of the Company in each financial year to be calculated in accordance with the provisions of Section 197, 198 & other applicable provision of the Companies Act, 2013 & rules made thereunder for a period of five years from the financial year 2014-15 to 2018-19 to be divided between such Directors in such manner as the Board of Directors may determine from time to time.

**RESOLVED FURTHER THAT** pursuant to the provisions of the Companies Act, 2013 & rules made thereunder, the Non Executive Directors be paid sitting fee for attending Board & Committee Meetings, subject to maximum fee, as prescribed therein.”

**13. Approval of Borrowing Powers in terms of Section 180(1) (c) of the Companies Act, 2013.**

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

“RESOLVED THAT, in supersession of the ordinary resolution passed by the members in their meeting held on 22nd September, 2008, consent of the members of the Company be and is hereby accorded to the Board of Directors (including duly constituted Committee) under Sections 180(1)(c), 180(2) and all other applicable provisions if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) and the Articles of Association of the Company, to borrow, from time to time, as it may consider fit, any sum or sums of monies from any entity / person, whether or not the monies so borrowed together with the monies already borrowed by the Company and remaining outstanding at any one time (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves that are not set apart for any specific purpose provided that the total amount so borrowed and outstanding at any one time (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed Rs. 400 Cr (Rupees four hundred crores only) and that the Board be and is hereby empowered and authorized to arrange and fix the terms and conditions of all such moneys to be borrowed, from time to time, as to interest, repayment, security or otherwise as it may think fit.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board or a duly constituted committee thereof, be and is hereby authorized to

finalize, settle and execute such documents/ deeds/ writings/ papers/ agreements, in connection with such borrowing as may be required and to do all such other acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard.”

**14. Approval to Create mortgage and/or charge in respect of Company's movable / immovable properties, in terms of section 180(1)(a) of the Companies Act, 2013.**

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

“RESOLVED THAT, in supersession of the ordinary resolution passed by the members in their meeting held on 22nd September, 2008, consent of the members of the Company, be and is hereby accorded to the board of directors (including duly constituted Committee) under Section 180(1)(a) and all other applicable provisions if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) and the Articles of Association of the Company, to mortgage and/or charge, in addition to the mortgages / charges created / to be created by the Company in such form and manner and with such ranking and at such time and on such terms as the board may determine, including a lien or floating charge, on all or any of the movable / immovable properties of the Company, both present and future and/or whole or any part of undertaking(s) of the Company in favour of the Lender(s), Agent(s) and Trustee(s), for securing the borrowings of the Company availed / to be availed by way of loan(s) in Indian or foreign currency and securities (comprising fully / partly convertible debentures and/or non-convertible debentures, on all or any of the above, with or without detachable or non-detachable warrants and/or secured premium notes and/or floating rates notes / bonds or other debt instruments) issued / to be issued by the Company, from time to time, subject to such permissible limits under Section 180(1)(c) of the Companies Act, 2013, together with interest and all other monies payable by the Company in terms of the Loan Agreement(s) / Trust Deed(s) or any other document, entered into / to be entered into between the Company and the Lender(s) / Agent(s) / Trustee(s), in respect of the said loans / borrowings / debentures / bonds or other securities and such terms and conditions in respect of enforcement of security as may be stipulated in that behalf and agreed to between the board or committee and the Lender(s) / Agent(s) / Trustee(s).

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board or a duly constituted committee thereof be and is hereby

authorized to finalize, settle and execute such documents / deeds / writings / papers / agreements, as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulties or doubts that may arise with regard to creating mortgages / charges against such borrowings as aforesaid.”

**By order of the Board of  
Hi-Tech Gears Ltd.**

**S.K. Khatri**

**Date: 23<sup>rd</sup> August, 2014**

**Company Secretary**

**Place: Gurgaon**

**Membership No: - F5459**

**NOTES:**

1. The Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE (ON A POLL ONLY) INSTEAD OF HIMSELF/HERSELF.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10 (ten) % of the total share capital of the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 (forty eight) hours before the commencement of the meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/ authority, as applicable.

3. Pursuant to Section 91 of the Act, the Register of Members and the Share Transfer books of the Company will remain closed from Wednesday, September 10, 2014 to Thursday, September 18, 2014 (both days inclusive) for annual closing and determining the entitlement of the shareholders to the dividend for the financial year 2013-14.
4. If final dividend on shares is approved at the Annual General Meeting, payment of such dividend will be made to those members whose names appear in the Register of Members on September 18, 2014. In respect of the shares held in electronic form, the dividend will be payable to the beneficial owners of the shares as on the closing hours of business on September 9, 2014, as per the details to be furnished by the depositories for this purpose

5. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/reappointment at the Annual General Meeting, forms integral part of the Notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
6. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar and Share Transfer Agent (“Registrar”) cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Registrar.
7. Pursuant to the provision of Section 205A of the Companies Act, 1956, the amount of dividend which remain unpaid or unclaimed for a period of 7(Seven) years from the date of transfer of the amount to unpaid dividend account would be transferred to the “Investor Education and Protection Fund (IEPF)” constituted by the Central Government and the shareholders would not be able to make any claims as to the amount of dividend so transferred to the fund from the Company. The Company has initiated a list of members, entitled for such amount, the same is available at Company's website. Thus, the shareholders who have not yet encashed their dividend warrants are requested in their own interest to write to the Company or its RTA (Mas Services Limited) immediately for claiming outstanding dividends declared by the Company for the year 2006-07 and onwards. The proposed date for the transfer of unclaimed final dividend by the Company for the year 2006-07 to IEPF is 22<sup>nd</sup> October, 2014.
8. Corporate Members are requested to send a duly certified copy of the Board Resolution, pursuant to Section 113 & other applicable provisions of the Companies Act, 2013 and Rules made thereunder.
9. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent

Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN details to the Registrar.

11. Copy of the Annual Report for financial year 2013-14 along with the Notice of the 28<sup>th</sup> Annual General Meeting of the Company (including Ballot Form, Attendance Slip and Proxy Form and manner of e-voting) is being sent to all the Members, Directors & Statutory Auditors at their registered address by the permissible modes.
12. Members may also note that the Notice of the 28<sup>th</sup> Annual General Meeting and the Annual Report for 2013-14 will also be available on the Company's website [www.hitechgears.com](http://www.hitechgears.com). The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during 11:00 A.M. to 1:00 P.M on any working day. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by any permissible mode free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [secretarial@hitechgears.com](mailto:secretarial@hitechgears.com).
13. Pursuant to the provisions of Section 72 of the Companies Act 2013, the member(s) holding shares in physical form may nominate, in the prescribed manner, a person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the joint holders. Member(s) holding shares in demat form may contact their respective DP for availing this facility.

14. Voting through electronic means:

In terms of the provisions of Section 108 of the Companies Act, 2013 (the Act) read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (hereinafter called "the Rules" for the purpose of this section of the Notice) and Clause 35B of the Listing Agreement, the Company is providing facility to exercise votes on the items of business given in the Notice through electronic voting system, to members holding shares as on August 14, 2014 being the Cut-off date (Record date for the purpose of Rule 20 (3) (vii) of the Rules) fixed for determining voting rights of members, entitled to participate in the voting process, through the e-voting platform provided by Central Depository Services Limited (CDSL). Members who have acquired shares after dispatch of the notice and before book closure may approach the Company for issuance of

attendance slip/proxy to attend the AGM. The instructions for e-voting are as under:

**A. Voting through electronic mode:**

**The instructions for members for voting electronically are as under:-**

**(A) In case of members receiving e-mail:**

- i) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for EVSN of any Company, then your existing login id and password are to be used.
- ii) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iii) Click on "Shareholders" tab to cast your votes.
- iv) Now, select the Electronic Voting Sequence Number – "EVSN" along with "COMPANY NAME-Hi- Tech Gears Limited" from the drop down menu and click on "SUBMIT".
- v) Now, fill up the following details in the appropriate boxes:

	For members holding shares in Demat Form	For members holding shares in Physical Form
User ID	FOR NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the Company
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department as given in box overleaf.	
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the user id as given in box overleaf.	

- vi) After entering these details appropriately, click on "SUBMIT" tab
- vii) Members holding shares in physical form will then reach directly to the EVSN selection screen. However, members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily change their login password, in the new password field. The new password has to be minimum eight characters, consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@#%&\*) Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your

password with any other person and take utmost care to keep your password confidential. Kindly note that this changed password is to be also used by the Demat holders for voting for resolutions for the company or any other company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform.

- viii) Click on the EVSN for Hi-Tech Gears Limited to vote
  - ix) On the voting page, you will see resolution description and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the resolution and option NO implies that you dissent to the resolution.
  - x) Click on the “Resolutions file Link” if you wish to view the entire resolutions.
  - xi) After selecting the resolution you have decided to vote on, click on “SUBMIT”, A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK', else to change your vote, click on “CANCEL” and accordingly modify your vote.
  - xii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (B) In case of members receiving the physical copy of Notice of AGM (for members whose e-mail IDs are not registered with the Company/depository participant(s) or requesting physical copy):

Please follow all steps from sl no (ii) to Sl no. (xii) above, to cast vote.

- (C) Institutional shareholders (i.e. other than individuals, HUF, NRI etc) are required to log on to <https://www.evotingindia.com> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.

#### **General Instructions:**

- a) The voting period begins on September 10, 2014 at 9.00 a.m. and ends on September 12, 2014 at 6.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 14, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the

vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

- b) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- c) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the company as on the cut-off date (record date for the purpose of Rule 20(3)(vii) of the Rules) of August 14, 2014.
- d) The Company has appointed M/s Don Banthia & Associates, Practicing Company Secretaries as the scrutiner for conducting the e-voting process in fair and transparent manner. He can be reached thru [scrutniser@hitechgears.com](mailto:scrutniser@hitechgears.com).
- e) The Scrutiniser shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of atleast two(2) witnesses not in the employment of the company and make a Scrutiniser's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the company.
- f) The results shall be declared on or after the AGM of the Company. The results declared alongwith the Scrutiniser's Report shall be placed on the Company's website [www.hitechgears.com](http://www.hitechgears.com) and on the website of the CDSL within two (2) days of passing of the resolutions at the AGM of the Company.

#### **STATEMENT ANNEXED TO THE NOTICE IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.**

##### **Item No. 5 to 10**

In accordance with the relevant provisions of the Article of Association of the Company and the provisions of erstwhile Companies Act, 1956, Mr. Sandeep Dinodia, Mr. Anil Kumar Khanna, Mr. Puthenvittil Chandapillai Mathew, Mr. Vinit Taneja, Mr. Krishna Chandra Verma and Mr. Prosad Dasgupta, Independent Directors were appointed/re-appointed by the members of the Company in their General Meetings. The provisions of the Companies Act, 2013 with respect to appointment

and tenure of the Independent Director have come into effect. As per the said provisions, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation at every AGM.

It is therefore proposed to appoint Mr. Sandeep Dinodia, Mr. Anil Kumar Khanna, Mr. Puthenvittil Chandapillai Mathew, Mr. Vinit Taneja, Mr. Krishna Chandra Verma and Mr. Prosad Dasgupta as Independent Director for a period of 5 consecutive years in the ensuing Annual General Meeting, not liable to retire by rotation.

They are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013 and have given their consent to act as Director.

The Company has received notices under Section 160 of the Companies Act, 2013 proposing their candidature of Mr. Sandeep Dinodia, Mr. Anil Kumar Khanna, Mr. Puthenvittil Chandapillai Mathew, Mr. Vinit Taneja, Mr. Krishna Chandra Verma and Mr. Prosad Dasgupta for

the office of Independent Director of the Company.

The Company has also received declaration(s) from them that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act.

In the opinion of the Board, they fulfill the conditions for appointment as an Independent Director as specified in the Act and is independent of the management.

Except, Mr. Sandeep Dinodia, Mr. Anil Kumar Khanna, Mr. Puthenvittil Chandapillai Mathew, Mr. Vinit Taneja, Mr. Krishna Chandra Verma and Mr. Prosad Dasgupta, being appointees in their respective resolutions, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the agenda as set out in item no. 5 to 10.

Additional Information as per Clause 49 of the Listing Agreement:-

Particulars	Mr. Sandeep Dinodia	Mr. Anil Kumar Khanna	Mr. Puthenvittil Chandapillai Mathew	Mr. Krishna Chandra Verma	Mr. Vinit Taneja	Mr. Prosad Dasgupta
Date of Birth & Age	04/04/1962 52 Years	17/07/1953 61 Years	17/05/1950 64 Years	30/08/1949 65 years	15/10/1957 56 Years	26/02/1947 67 Years
Date of Appointment	28/10/2002	17/09/1987	23/05/2009	12/11/2011	23/05/2009	14/02/2012
Experience & Expertise	Mr. Dinodia has rich experience in the fields of Audits, Assurance, Regulatory and Financial Consulting. Additionally he possesses expertise in Direct & Indirect taxes, National & International taxations. He has more than thirty years experience in his areas of practice and has	Mr. Khanna having a wide base of clients in diverse business / industry segments. He has over 30 years of rich experience in managing business strategies, successfully as well as handling complexities of finances.  Mr. Khanna has been associated with administration of various	Mr. Mathew has vast experience in the field of Management and Consultancy with special forte in chemical business. He has worked with both Indian and International Companies in different management positions.  He started his career with Unilever as Management Trainee & worked there	He joined the Indian Police Service in 1971 and was selected to join the Intelligence Bureau in 1976. Over the next thirty years, he served in many states within the country as well as abroad. He headed the Narcotics Control Bureau from late 2005 till 2008. During	Mr. Taneja is currently the CEO of Perna Centre of Learning, an organization engaged in leadership development and change management facilitation for organizations.  Mr. Taneja has more than 30 years of experience in sales, supply chain, HR, customer service in reputed organizations like Metal	Mr. Dasgupta has vast competencies include strategic international partnerships, acquisitions and mergers, leadership developments, managing the larger policy framing environment and interface with various Government Ministries. He has quasi – public sector framework by adapting the best of the public sector

	<p>been instrumental in the setting up of various enterprises in India with the collaboration from International Association and companies.</p> <p>He provides valuable insights into how companies can grow, diversify, and prosper to maximize their shareholder's wealth.</p>	<p>sports at regional / national and International levels for a very long time. His focus has mainly been in the administration of Tennis and he has long association with International Tennis Federation, Asian Tennis Association as well as All India Tennis Association.</p>	<p>for 12 Years &amp; held various positions.</p> <p>Afterwards he was employed with Bush Boake Allen, a global speciality chemical group for 16 years &amp; held various key positions.</p> <p>He has more recently worked as Entrepreneur &amp; is both a consultant &amp; an investor in Projects.</p>	<p>2008, he was Secretary (Security) in the Cabinet Secretariat and functioned as Internal Security Adviser to the Union Home Minister. He retired from Cabinet Secretariat in Dec. 2010. He is recipient of the Police Medal for Meritorious Service and the President's Police Medal for Distinguished Service.</p> <p>Mr. Verma has had vast exposure to organizational issues, including planning, personnel, administration and training. He has expertise in crisis management, systemic reforms, calibrated expansion and greater efficiency.</p>	<p>Box, Johnson &amp; Johnson, Gillette and Bharti Airtel besides his consulting stints in Institute of Quality Limited (IQL) and Perna. He has spent over 12 years in facilitation of vision, organization building strategies and culture building interventions across a range of industries.</p>	<p>practices and private sector efficiencies.</p> <p>He occupied the position of CFO with Essar Tele Holdings, Appollo Tyres &amp; Hero Honda.</p> <p>He joined Petronet-LNG Ltd. as Director (F&amp;C) in 2003 &amp; was elevated to MD &amp; CEO in 2005.</p>
Qualification	1 Bachelor of Commerce	1. Economics Graduate	1. Graduate in Mechanical	1. Graduation	1. Graduate in Mechanical	Fellow member of



	<p>from Shriram College of Commerce, Delhi University.</p> <p>2. L.L.B. from Delhi University</p> <p>3. Fellow member of the Institute of Chartered Accountants of India</p> <p>4. He is empanelled with the Institute of Internal Auditors– U.S.A.</p>	<p>from St. Stephen's College, Delhi University</p> <p>2. Fellow Member of the Institute of Chartered Accountants of India</p> <p>3. Fellow Member of the Institute of Chartered Accountants (England &amp; Wales).</p>	<p>Engineering from BITS, Pilani</p> <p>2. Attended senior Management programmes at Harvard, INSEAD and Columbia Universities.</p>	<p>from St. Stephen's College, University of Delhi.</p> <p>2. Indian Police Service in 1971</p>	<p>Engineering from IIT Delhi</p> <p>2. Post Graduate Diploma in Management from IIM Calcutta.</p>	<p>the Institute of Chartered Accountants of India</p>
<p>Board Membership of other Companies as on 31/03/2014</p>	<p>1. Sandhar Tooling Pvt. Ltd.</p> <p>2. Hero Motors Limited</p> <p>3. Lumax Auto Technologies Ltd.</p> <p>4. Hero Cycles Limited</p> <p>5. Munjal Kiriu Industries Private Limited</p>	<p>1. United Leasing &amp; Industries Ltd.</p> <p>2. All India Tennis Association</p> <p>3. Telecom Finance India Ltd.</p> <p>4. RLF Ltd.</p> <p>5. Asahi Components Limited</p> <p>6. Aquarius Travels Pvt. Ltd.</p> <p>7. Chitra Utsav Video Pvt. Ltd.</p> <p>8. ULL Securities pvt. Ltd.</p> <p>9. Saurer Embroidery Systems India Pvt. Ltd.</p> <p>10. RLF Securities Pvt. Ltd.</p> <p>11. Chene Capital Pvt. Ltd.</p> <p>12. Virgo</p>	<p>1. Imaginessence Aromas Private Limited.</p> <p>2. Hi-Tech and Associates Limited</p>	-	-	-

		Components Ltd.				
Chairman / Member of the Committee of the Board of Directors as on 31/03/2014	3	3	-	1	2	-
Chairman/Member of the Committee of the other Companies in which he is a director as on 31/03/2014	2	3	-	-	-	-
a) Audit Committee	1. Lumax Auto Technologies Ltd. 2. Hero Cycles Ltd. 3. Hero Motors Ltd.	United Leasing & Industries Ltd.	-	-	-	-
b) Stakeholder Relationship Committee	-	United Leasing & Industries Ltd.	-	-	-	-
c) Nomination & Remuneration Committee	-	United Leasing & Industries Ltd.	-	-	-	-
Number of shares held in the Company as on 31/03/2014	-	-	-	-	5600 equity shares	-
Relationship with Directors	None	None	None	None	None	None

Your Directors recommend the resolutions set forth in Item No. 5 to 10 for approval of the members as Ordinary Resolution.

#### **Item No. 11**

#### **Approval of Inter-corporate Investments as per Section 186 of the Companies Act, 2013**

As per the provisions of Section 186 of the Companies Act, 2013, the Board of Directors of a Company can make any investment beyond the prescribed ceiling of i) Sixty per cent of the aggregate of the paid-up capital and free reserves and securities premium account or, ii) Hundred per cent of its free reserves and securities premium account, whichever is more, if special resolution is passed by the members of the Company.

As a measure of achieving greater financial flexibility and to enable optimal financing structure, this permission is sought pursuant to the provisions of Section 186 & other applicable provisions of the Companies Act, 2013 to give powers to the Board of Directors or any duly constituted committee thereof, for making further investment, to subsidiary companies (including overseas subsidiaries) or to acquire by way of subscription, purchase or otherwise, securities of any body

corporate(s) for an amount not exceeding Rs 400 crore.

The investment(s), as the case may be, will be made in accordance with the applicable provisions of the Companies Act, 2013 and relevant rules made there under. These investments are proposed to be made out of own/surplus funds/internal accruals and or any other sources including borrowings, if necessary, to achieve long term strategic and business objectives.

The Board accordingly recommends to pass the Special resolution. None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

#### **Item No. 12**

#### **Remuneration to Non-Executive Directors for attending Board/ Committee Meetings**

The members of the Company in their meeting held on 22<sup>nd</sup> September, 2009, approved, by way of Special resolution, payment of commission to all Non-Executive Directors of the Company for a period of 5 years. This approval is valid till the financial year ended 31.03.2014. Therefore, Company needs to renew the approval for payment of commission to Non-Executive Directors for another period of 5 years.

The compliance of various provisions of corporate governance requires the non-executive directors to devote extra time. They are required to formulate various strategies and policies in the interest of the Company. Therefore, it has been considered prudent and fair to compensate the Non-Executive Directors for their services to the Company. It is proposed that the Non-Executive Directors may be paid commission upto maximum limit as mentioned in Section 197 & 198 of the Companies Act, 2013 and Rules made thereunder, of the net profits for the period of their term of appointment. The net profits of the Company in each financial year to be calculated in accordance with the provisions of Section 197, 198 & other applicable provisions of the Companies Act, 2013 & Rules made thereunder.

The Board accordingly recommends to pass a Special Resolution. All the Non-Executive Directors may be considered interested or concerned in the resolutions to the extent the commission they will receive.

#### **Item No. 13 & 14**

#### **Approval of Borrowing Powers in terms of Section 180(1) (c) of the Companies Act, 2013 & Approval to Create mortgage and/or charge in respect of Company's movable / immovable properties, in terms of section 180(1)(a) of the Companies Act, 2013.**

The members of the Company meeting held on 22<sup>nd</sup> September, 2008, approved, by way of ordinary

resolution, a limit for exercising the powers of borrowing, by the Board of Directors (including duly constituted Committee), for the business purpose of the Company, upto a sum not exceeding Rs. 400 Cr (Rupees four hundred crores only), in terms of Section 293(1)(d) of the Companies Act, 1956 (the Act 1956), notwithstanding that the money to be borrowed together with the monies already borrowed by the Company may exceed the aggregate of its paid up share capital and free reserves apart from temporary loans obtained from the Company's Bankers in the ordinary course of business. Similarly, the shareholder also authorized to create charge /mortgage also to secure the borrowing u/s 293(1) (a) of the Companies Act, 1956

However, after the applicability of the provisions of new Section 180(1)(c) of the Companies Act, 2013 (the Act 2013) (corresponding to Section 293(1)(d) of the Act 1956), the Company is required to pass a special resolution for the aforesaid purpose.

Ministry of Corporate Affairs (MCA) also clarified, vide its General Circular No.4/2014 dated 25th March 2014 about the need to pass a special resolution within a period of one year from the date of notification of the said Section 180 of the Act 2013, even though the Company has passed an ordinary resolution, as per the requirements of earlier provisions of the Act 1956.

The existing aggregate of the paid up share capital and free reserves of the Company as of 31st March 2014 do not permit the board for exercising the powers to borrow money upto a limit of Rs. 400 Cr (Rupees 400 crore only). The board however decided to seek the consent of the members, by way of a special resolution, to comply with the regulatory requirements as explained above by fixing a same limit of Rs.400 Cr, keeping in view the long term requirements of funds for future business plans in terms of Section 180(1)(c) of the Companies Act, 2013. Similarly, Section 180(1)(a) of the Act 2013, provides that powers to create mortgages and/or charges against such borrowings will require a specific approval from members by way of a special resolution, as per the provisions of Section 180(1)(a) and other applicable provisions of the Companies Act, 2013 and Rules made thereunder.

The Board, therefore, decided to seek the consent of the members, by way of special resolutions in terms of the new requirements under the Act 2013, for exercising its powers for creating such mortgages and/or charges against such borrowings. Therefore, the special resolution as set out in Item No.13 & 14 of the accompanying Notice is of an enabling nature for the above purpose.

There is no change in the existing limit, the Board accordingly recommends to pass the Special resolution.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

**Brief particular of director seeking appointment/Re-appointment as per clause 49(IV) (G) of the Listing Agreement**

Particulars	Mr. R.C. Jain
Date of Birth & Age	22/12/1946 68 Years
Date of Appointment	10/08/2011
Relationship with Directors	Director in other Company in which Executive Director of the Hi-Tech Gears Limited is a Director in such Company
Experience & Expertise	Mr. Jain possesses a combination of the strategic thinking and perspective, along with sound operations experience.
Qualification	1. B.Tech (Honors) in Mechanical Engineering (1968) from IIT 2. Masters in Industrial Management (1973) from Cranfield University, UK
Name of Public Companies in which Directorship held other than Hi Tech Gears Limited	1. Hi Tech Robotic Systemz Limited 2. Minda Sai Limited 3. Modern Steel Limited 4. Frick India Limited
Chairman/Member of the Committee of the Board of Public Companies other than Hi Tech Gears Limited	2 (Two)
Number of shares held in the Company as on 31 <sup>st</sup> March, 2014	-

**By order of the Board of  
Hi-Tech Gears Ltd.**

**S.K. Khatri  
Company Secretary  
Membership Number: - F5459**

**Date: 23<sup>rd</sup> August, 2014  
Place: Gurgaon**



HI - TECH GEARS LTD.

ENGINEERING  
CONVERGENCE

SOLUTIONS FOR A LEAN WORLD

28

TH  
ANNUAL  
REPORT

2013-2014

ENGINEERING  
MANUFACTURING  
ROBOTICS

passion to succeed



passion | innovation | technology



## **HI-TECH GEARS LIMITED**

14th Floor, Tower B  
Unitech's Millennium Plaza  
Sushant Lok I, Sector 27  
Gurgaon, Haryana - 122 009-01  
[www.hitechgears.com](http://www.hitechgears.com)

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## VISION

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

## MISSION

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

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

## Forward Looking Statement & Disclaimer

In Our report we have disclosed forward looking information so that investor can better understand the company's future prospects and make informed decisions. This Annual report and other written and oral statements that we make from time to time contain such forward looking statements that set out anticipated results based on management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'projects' 'intends', 'plans', 'believes', and words and terms of similar substance in connection with any discussion of future operating or financial performance. We cannot guarantee that any forward looking statement will be realized, although we believe we have been prudent in our plans and assumptions. Achievement of future results is subject to risks, uncertainties and inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate assumptions, should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Investors should bear this in mind as they consider forward-looking statements. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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





### Corporate Office

14th Floor, Tower – B,  
Unitech's Millennium Plaza,  
Sushant Lok – 1, Sector – 27,  
Gurgaon,  
Haryana – 122009-01  
Tel : (0124)4715100,  
Fax : (0124) 2806085,  
Email : [secretarial@hitechgears.com](mailto:secretarial@hitechgears.com)

### Registered Office & Works

A-589, Industrial Complex,  
Bhiwadi – 301019,  
Dist. Alwar, (Rajasthan),  
Tel: (01493) 641237-39/641227 -29

### Plant II:

Plot No. 24,25 & 26,  
Sector -7 , IMT Manesar, Gurgaon,  
Haryana – 122050,  
Tel: (0124) 4715200,

### Plant III:

SPL – 146,  
Industrial Complex,  
Bhiwadi – 301019,  
Dist. Alwar, (Rajasthan)

### Bankers

DBS Bank Ltd.  
ICICI Bank Ltd.  
Citi Bank N.A.  
Standard Chartered Bank  
State Bank of India  
State Bank of Bikaner & Jaipur  
Bank of Baroda  
Yes Bank Limited

### Registrar & Transfer Agent

MAS Services Limited  
(Unit: Hi-Tech Gears Limited)  
T-34, 2nd Floor Okhla Industrial Area,  
Phase-II, New Delhi – 110020  
Tel : (011) 26387281, 82, 83  
Fax: (011) 26387384

### Cost Auditors

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

### Board of Directors

Mr. Deep Kapuria  
Executive Chairman

Mr. Anil Kumar Khanna  
Independent Director

Mr. Pranav Kapuria  
Managing Director

Mr. Sandeep Dinodia  
Independent Director

Mr. P.C.Mathew  
Independent Director

Mr. Vinit Taneja  
Independent Director

Mr. Anuj Kapuria  
Executive Director

Mr. Prosad Dasgupta  
Independent Director

Mr. Krishan Chandra Verma  
Independent Director

Mr. Ramesh Chandra Jain  
Director

### Senior Executives

Mr. Vijay Mathur,  
Sr. General Manager (Finance)

### Principal Officer

Mr. S. K. Khatri  
Company Secretary

### Statutory Auditors

M/s Gupta Vigg & Co.  
Chartered Accountants  
E – 61, Lower Ground Floor,  
Kalkaji,  
New Delhi – 110019.

### Internal Auditors

Deloitte Haskins & Sells  
7th Floor, Building 10, Tower B  
DLF Cyber City Complex  
DLF City Phase-II  
Gurgaon-122002, Haryana, India



# MILESTONES

1986 down the years 2014

- 1986 Incorporates as a Public Limited Company
- 1988 Production Commencement single source supplier to Hero Honda
- 1989 Product Indigenisation
- 1992 Technical Tie-up with Kyush Musashi, a subsidiary of Honda Motors, Japan
- 1993 Backward Integration into Precision Forgings
- 1995 Selected as single source supplier to Honda Power, Tata Cummins Ltd.
- 1996 Technology Agreement with GETRAG, US
  
- 1996 Certified as ISO 9002
- 1996 BPR Launched
- 1997 Selected as a global source to Cummins, US
- 1998 Certified as QS 9000
- 1999 Separate Division to handle high-end design and CAD Services established, under the name of Hi-Tech ESoft.
  
- 2002 Launches Initiative of Lean Manufactured
- 2003 Certified for integrated Quality Management Systems
  
- 2003 Certified for TS 16949
- 2003 Environment Certification ISO 4001:
- 2003 Occupational Health & Safety Certification OHSAS 18001:1999
  
- 2004 Establishment of Hi-Tech Robotic Systemz
- 2004 Prototyping/Productionising Precision Components for Robert Bosch, GM, Volvo and Daimler Chrysler
- 2005 State-of-the-art Manufacturing Facility set up at Manesar
- 2007 Hi-Tech eSoft (division of HGL) Certified for ISO 9001:2000
  
- 2008 ACMA Export Award 2006-07
- 2008 Setup of Pune Office
- 2009 Excellence Award for Manufacturing and Export
- 2010 TPM Excellence Awards Category A & Shingo Silver Medallion
- 2011 New State of Art "ECOFAC" Plant setup in Bhiwadi
- 2012 Award for excellence in Consistent TPM Commitment
- 2013 ACMA Export Award



# CUSTOMERS



Daimler India Commercial Vehicles.



# Chairman's Message



## Dear Shareholders,

The financial year 2013-14 was eventful and challenging in terms of both the global and domestic scenarios. Interestingly in the global scenario, after experiencing extremely difficult situations in the past, the year 2013-14 exhibited some stability in many large and emerging economies. In the domestic scenario however, the hopes of growth were belied and the year again recorded a low GDP growth of just 4.7 %. This was the second year running with a growth below the 5 % level.

### Global and Domestic Economic Affairs

In today's world which is globally connected through trade and commerce, no market or economy can remain unaffected by the volatility across economic regions.

The global economy, including both the developed and emerging economies, are yet to come to terms with the volatility that is reigning over market conditions from many years. "VUCA" has today become almost an accepted factor and stability or good growth is viewed with some skepticism or doubt! The reasons for the slow growth rate were similar to the previous years at both the international and domestic levels. 2013 witnessed developed economies gaining some traction, whereas many emerging economies actually lost ground. The mild global recovery was still led by the fiscal stimulus (QE3) in the USA based on the low interest rates and reassurances by the central banks of major economies.

Though, the growth of the global economy in 2013 was almost flat

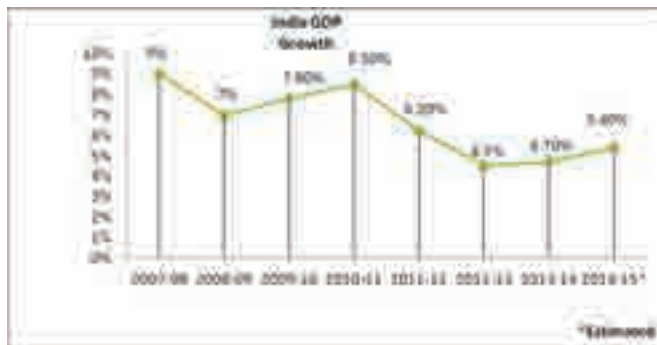
i.e. 3.0% as against 3.1% in 2012, but it experienced a cautious recovery in the second half of the year. This sustained growth was led primarily by the developed world with the US witnessing a stronger than expected growth. This appears to have continued into calendar year 2014, as one hears of a growth exceeding 4 % in the US economy in the quarter ended June 2014. With supportive monetary conditions and a small drag from fiscal consolidation, annual growth is projected to rise above expectations in 2014 in the USA. Growth in emerging market economies including India is however projected to pick up only modestly as shown in the chart below.

The main reasons for the subdued / slow growth in the domestic scenario were the low demand especially for capital and industrial goods, depreciation of the INR, continuing high inflation leading to elevated interest rates and the fiscal policy paralysis. In the September quarter of 2013, the INR faced a major challenge and depreciated to Rs.68.8 vs the USD before strengthening slightly to the Rs.63-64 levels. The lack of growth or flat growth was therefore seen in all major sectors viz. manufacturing, the core sector and even in the service sectors. Infact the slowdown in the services sector can become a cause for concern, as it recorded the lowest growth in 12 years. The agricultural sector was to some extent the saving grace due to a good monsoon in 2013, which helped it to grow by 4.6% in FY 2013-14.

However, as we go into print, we hear of some positive trends and the possibility of India's GDP reaching the 5.40 % levels in 2014-15. Although it is probably too early to make a call as to whether



the nation is definitely getting back to a higher growth path yet given these developments and a new Government in power with a decisive mandate, one expects the overall economic environment to improve in the near future. In 2013-14, a sharp decline in imports, restrictions on gold imports and a moderate growth in exports resulted in a decline in India's trade deficit and led to a lower CAD of 1.7% of GDP as against 4.7% in 2012-13. The foreign exchange reserves again touched around US \$300 billion in March 2014 and are expected to improve further.

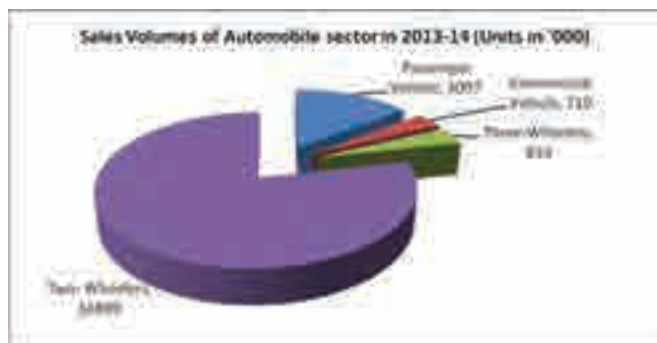


The economy is expected to pick up significantly in the first quarter of FY 14-15 but the pace of recovery may be gradual in the rest of the year. Investment revival, strengthening of macroeconomic stability, creation of non-agricultural jobs, strengthening of infrastructure, and boost to agricultural development would be the priorities for revival of growth.

#### Indian Automobile market and our Future Outlook

The Indian auto sector is one of the most vibrant industries and contributes around 22% of the Country's manufacturing GDP. This sector has reported high growth rates of upto 26 percent in the past but has also shown a negative growth in some segments during past years. The overall sales during April-March 2014 stood at 21,529,431 units as against 20,692,608 units in April-March 2013 thus registering a marginal growth of 4.04% over the same period last year. The growth continues to be on account of growth in two-wheelers production, especially scooters.

The total sales (including exports) of Passenger Vehicles during April-March 2014 were at 3,097,192 as against 3,224,429 in the previous period and registered a negative growth of 3.95%. Similarly, sales of Commercial Vehicles stood at 709,794 against 873,238 and registered a negative growth of 18.72%.



The sales of Two Wheelers during April-March 2014 stood at 16,889,419 against 15,753,653 in previous year. Within the Two-wheeler segment, scooters and motorcycles grew at 22.63% and 4.32% respectively.

For the year 2013-14 the automobile sector has shown a sluggish

growth citing high ownership costs like high fuel costs, road tax etc coupled with slow industrial and rural income growth.

The Indian Auto market has the potential to dominate the Global auto industry. Over the next few years, solid but cautious growth is expected due to improved purchasing power, new models and untapped markets. All these give a promising opportunity for automobile manufacturers.

#### Company Performance and Strategy

Your company has made major strides in understanding and managing the "VUCA" in the environment and despite the challenges in the industrial and auto sectors has delivered results very similar to the prior year. The sales turnover for the period stood at Rs. 361.02 crores. The profit before tax and after tax was Rs. 22.06 crores and Rs. 15.93 crores respectively, compared to Rs. 23.64 crores and Rs. 16.22 crores during the same period in the previous year.

Your company has the capability to achieve excellence in the coming periods, because it has both consolidated and diversified its production capacity through significant internal re-organisation in both its core and strategic areas to prepare for the future. Secondly, it has proved its excellence in cutting edge innovation and technology to cater to both its domestic and international clients. Most importantly, it has renewed its commitment towards green manufacturing with its Green 'ECOFACT' plant which has been awarded the Gold level of certification by the India Green Building Council.

To keep up the tradition of rewarding co-operative efforts, the Company has shared the gains among the shareholders of the company by already declaring a 10% interim dividend. Your Board of Directors has further reviewed the cash position of the Company and has recommended a final dividend of 15% for your approval. A total payout of Rs.4.69 Cr. is being appropriated for this purpose.

Your company is one of the few industrial enterprises which has become a world-class Indian brand with a green and sustainable strategy of growth, despite an increasing volatile economic and business environment. Besides being cost competitive, delivering to strict schedules and adhering to high quality standards are the main keys of success for auto component manufacturers, especially to enter into and grow export markets. Your company possesses all the above skills and is appreciated by customers all over the world. Keeping this in mind, your company is today tapping new geographies due to the high potential available in the export markets.

Before concluding, I would like to place on record my sincere gratitude to the entire Hi-Tech family for their dedicated and relentless hard work in the year that has gone by to enable the Company to achieve the success that it has despite all odds. My sincere thanks to all our customers, our supply chain partners, our bankers, and my Board colleagues for their wise guidance from time to time. I am confident that this journey will continue to be equally exciting and rewarding as we move ahead.

Deep Kapuria  
Chairman

# Managing Director's Message



## Dear Shareholders,

It gives me immense pleasure to reach and update you through this 28<sup>th</sup> Annual Report. The Financial Year 2013-14 was challenging for the entire economy. The year saw unprecedented currency volatility, inflation, increasing pressure on margins, low supply schedules resulting in low capacity utilization and fluctuating fuel prices leading to diminishing consumer demand. All these led to poor investor sentiment and lower economic growth. Your company has however, tried to maintain a fine balance by lowering financial risks in such times of economic turmoil and maintaining the best quality products, for which the company has always been known.

## Macro Economic update

The World Economy has experienced significant volatility in the past few years and the Financial Year 2013-14 continued to be very challenging due to numerous such macro-economic factors, some of which are briefly discussed below.

Over the past few quarters, a changing pattern of global economic growth has been becoming evident. The mature market economies of the USA, Euro zone and Japan are showing distinct, though slow signs of recovery from the prolonged recession. The emerging market economies, on the other hand, which had experienced very high rates of growth, have slowed down.

However, overall, global economic activity is expected to

strengthen during 2014-15 with most of the momentum coming from the mature market economies. The global economy ended the year on a better footing as compared to the start of the year and the growth momentum is expected to be carried forward during 2014. As per estimates from the IMF, global GDP is expected to grow at 3.7% in 2014 and 3.9% in 2015, as compared to 3% in 2013. Similarly, Global trade activity is also likely to increase and grow at 4.3% in 2014 and 5.3% in 2015 compared to 2.4% in 2013.

In the domestic sector, although some favorable signs did emerge in the second half of the year, yet given the current situation, the entire economy faces numerous challenges thrown up by inflationary pressures on commodities and food products, lower exports, drop in FDI and a very challenging target for containing the current account deficit.

However, with a stable government at the centre now, consumer and investor sentiments are showing signs of improvement. The GDP growth rate, as expected was sub 5% and stood at 4.7% for 2013-14 as against 4.5% for 2012-13. The IMF and the Economic Survey both project a GDP growth rate of 5.4% for the year 2014-15.

We believe the economic recovery, some signs of which are already visible, will gather momentum in the coming years and in due course see India returning to a high growth trajectory.

## Automotive Business and performance of your company

The Indian automobile market has made its mark in the world by giving quality products at competitive prices. The Automobile & Auto Component sectors go hand in hand. The Indian auto component industry is one of the country's rising industries with tremendous growth prospects. From a low-key supplier providing components exclusively to the domestic market, the industry has emerged as one of the key auto components centers in Asia and is today seen as a significant player in the global automotive supply chain. India is now a supplier of a range of high-value and critical automobile components to all global auto makers.

The year 2013-14 was undoubtedly one of the most challenging ones for the automobile industry. Both, vehicle and auto component sales saw a decline during the fiscal year, especially for commercial vehicles. Another major concern is the continuous year-on-year decline in terms of capital investment by the component manufacturers. Despite doing its best in adverse situations, the industry recorded a marginal decline of 2%, with overall turnover standing at Rs. 2,11,765 crores (USD 35.13 billion) against last year's 2,16,000 crores (USD 35.83 billion). Looking at some favourable conditions, it is expected that component industry will grow in the range of 4-6% in the current fiscal 2014-15.

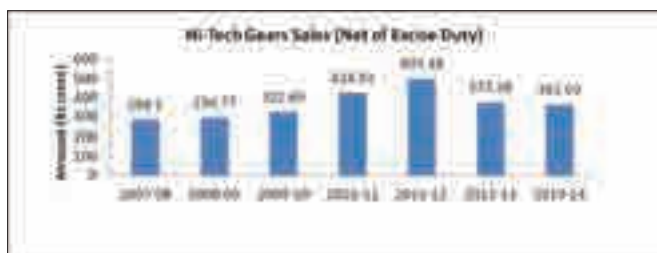
Quality of Indian made engine parts, transmission parts, brake systems & other components are now the worlds' favourite. Thus, exports grew by 16.7% to USD 10.2 billion from USD 9.7 billion. Europe remains the leading marketplace with 38% contribution, while the US topped the list of top export destinations. Though, the component industry tried to narrow the gap between exports and imports, but still imports are about USD 3 billion higher than exports. This is an area of concern and an area of opportunity for Indian auto component manufacturers. Asia and Europe contributed to 57 per cent and 34 per cent of imports, respectively.



The Auto component industry has been battling with its industry specific issues such as rising input costs, inflation, rising power costs, high volatility in foreign exchange rates, increasing overheads, etc. The year gone by has just added to these issues and concerns.

I believe the economic turnaround is under way but the recovery will be gradual and the country is still a few years away from attaining the high growth trajectory.

2013-14 was a year in which we made continued progress in many areas but it was also a year when we faced significant headwinds. In a globally connected economy, all businesses are exposed to unfathomable risks posed by numerous macro-economic factors. The sales turnover for the period came down marginally to Rs. 361.02 crores from Rs. 373.38 crores in the prior year. The profit before & after tax were similar to those of the prior year. Profit before tax was Rs. 22.06 crores and profit after tax stood at Rs. 15.93 crores compared to Rs. 23.64 crores and Rs. 16.22 crores during the same period in the previous year.



Significant investments were made by Indian OEMs and auto component manufacturers in order to increase their capacities for future requirements. However, the strategy adversely affected are some of them due to inadequate or very low growth in demand. However these investments will bear fruit in the coming years as growth in demand will increase with improving purchasing power and a more positive market sentiment.

Your company now exports around 23.09 % of its total sales. The Company recorded an export turnover of Rs. 83.34 Crores, in 2013-14, compared to Rs. 60.00 Crores in the previous year, thus recording an increase of 38.90 %. We at Hi-Tech strongly believe that we will achieve the lost ground of 2011-12 in a very short period.

Therefore, recognising the importance of sharing the gains with the shareholders who have placed their finance and trust in the Company at all times, an amount of Rs. 4.69 Crores is being paid out by way of dividends, in the following manner for the year 2013-14:

- (a) Paid an Interim dividend of Rs. 1.00 per equity shares; and
- (b) recommended a final dividend of Rs. 1.50 per equity share for

the approval of the shareholders.

The Board has continued its role to monitor the performance of the company, including its operational & financial performance, and progress in delivering new growth. In terms of strategy your Company is following a consistent and long term strategy, to grow cash flow across the cycle and deliver competitive returns through focus on quality and timely delivery.

In terms of business development, the company is negotiating with several new customers and some new products are also under development in tune with the Company's expertise in gear & transmission manufacturing and these are expected to add to the company's revenues in the years to come. Further, the Company continues to focus on cost reduction efforts and make improvements in operational efficiencies as well as value engineering activities to improve margins. additionally, your company has made its mark as a leader of sustainable manufacturing. Our state-of-the-art ECOFAC Plant in Bhiwadi is operating to its capacity now while minimizing wastes and pollutants.

Your company's major two wheeler customer has come up with another massive production facility at Neemrana, Rajasthan. To meet their day to day demand, your company is in process of consolidation and expansion at its Bhiwadi Plant. It is expected that by the time my communication reaches you, normal daily supplies to the new plant will be well under way.

Yet another important aspect to share with you is that today your company may not only be called as a Supplier of gears and transmission equipments, but we may also be regarded as a full fledged 'Assembly' supplier. We are proud to say that we have started supplies of counter shafts, main shafts and kick starters assemblies to the major OEM customer in the Two wheeler segment to their satisfaction. The benefit of being an 'Assembly' Supplier is not only the additional value add, but will also ensure the growth of business at higher levels.

Turning to safety, our goal is to have zero fatalities and no leaks or other incidents that harm our employees, contractors or neighbours. We manage safety through rigorous processes and by embedding a safety culture in the daily activities of our workforce, as no company can afford to be complacent in this area.

In respect of internal controls, we continued to engage the services of M/S Deloitte Haskins & Sells to improve and strengthen our internal control systems with the objective of safeguarding the Company's assets, promoting operational efficiency and ensuring compliance with various legal and regulatory provisions. Further, I am pleased to inform you that industrial relations at all units were cordial during the year under review and, on behalf of your Directors, I acknowledge the co-operation and contribution of the entire workforce.

The future of the Company is full of opportunities and looks exciting and promising despite the headwinds being faced by almost all industries today. I thank and solicit continuous support from all the stakeholders including customers, vendors and our bankers. I also wish to place on record my sincere thanks to my colleagues at all levels and the Board members for their valuable guidance.

Pranav Kapuria  
Managing Director

# Directors' Report

## Dear Members,

Your Directors have great pleasure in presenting the 28<sup>th</sup> Annual Report of your Company, together with the audited statement of accounts for the financial year ended 31st March, 2014.

## Financial Results

The highlights of the financial performance of the Company are as under:-

(Rs. in lacs)

Particulars	2013-2014	2012-2013
Sales (net of excise duty)	36102.05	37337.83
Other Income	518.48	200.14
Total Income	36620.53	37537.98
Profit before Depreciation, Interest & Taxes (PBDIT)	5102.41	5441.63
Depreciation	2306.09	2315.87
Profit before Interest & Taxes (PBIT)	2796.32	3125.76
Financial Charges	590.36	761.81
Profit before Taxes (PBT)	2205.96	2363.95
Provision for Taxes	613.43	742.60
Profit after tax (PAT)	1592.53	1621.35
Balance of profit brought forward	9030.11	8186.25
Balance available for appropriation	10622.64	9807.60
Dividend	469.20	469.20
Tax on dividend	79.74	78.29
Transfer to General Reserve	160.00	180.00
Balance Surplus in P & L Account	9863.70	9030.11
Paid-up Equity Share Capital	1876.80	1876.80
Earnings Per Share (EPS)	8.49	8.64

## General Information

In India GDP Growth rate stood at 4.7% in 2013-14 compare to 4.5% in previous year. Sluggish gains in agricultural and manufacturing output, lower demand in all sectors, high inflation and high interest rates were key restraining factors. Other factors responsible for the lower growth include the slowing global economy, delay in implementation of projects, and the policy logjam leading to a negative business sentiment.

Depreciation of Indian Currency to the extent of Rs. 69/\$ added more stinkers, before stabilizing Rs. 60.50/\$. Except two-wheelers, which has major chunk of

automatic scooters, performance of Indian Auto-Industry was not upto the mark. As we know the Automobile and Auto Component Sector go hand in hand, thus the auto-component Sector also faced negative growth in FY 2013-14 by registering negative growth of 2 % in FY 2013-14.

Some signs of recovery was visible in the second half of the year. Global Economy is expected to recover moderately, particularly on account of better performance of some advanced economies. At domestic front narrowing CAD, new stable government & moderation in inflation would ease the monetary policy stance & may revive the confidence of investors. The economy can look forward to better growth prospective in 2014-15 & beyond. Economic survey expects a GDP growth of 5.4 % to 5.9% in 2014-15 & if the situation improve, it could push up to 7-8% in coming years.

## Operations

Despite, the adverse & discouraging factors, your Company could level the turnover. The revenues of the Company (net of excise duty) stood at Rs 361.02 crores in 2013-14 as compared to Rs 373.38 crores in 2012-13. The net profit (after tax) of the Company has marginally decreased from Rs 16.22 crores to Rs 15.93 crores, as compared to the previous year. Surplus available in P & L account stood at Rs 98.64 Crores, compared to Rs 90.30 crores in previous year.

Even though, exports suffered due to volatility in the exchange rate & the pressure of rising raw material cost, but the overall export remained satisfactory. The Export sales of the Company were higher in FY 2013-14 as compared to the previous year. Your Company recorded a total export turnover of Rs 83.34 crores as compared to export sales of Rs 60.00 crores in the previous year. Thus an impressive increase of 38.90 % was registered.

The long term prospects are however still bright & the demand will grow due to various underlying factors including India's rising per capita income, increasing rural demand, growing urbanization, swelling replacement demand etc.

Existing customers have assured to provide the new sales target. Thus the company will have in positive directions to increase the sales & profitability of the Company.

## Dividend

Considering almost the same performance of the Company, similar dividend policy was approved by your Board, an interim dividend of 10 % i.e. Rs. 1.0 per equity share amounting to Rs. 187.68 lacs was declared and





paid, the same is being confirmed at the forthcoming AGM. The Directors have now recommended to the shareholders a final dividend of 15% i.e. Rs. 1.50 per equity share, resulting in a payout of Rs. 281.52 lacs. The total dividend payout stands at Rs 469.20 Lacs (Previous year Rs 469.20 Lacs) & tax on dividend comes to Rs 79.74 Lacs (Previous year 78.29 Lacs).

If the dividend on the shares as, recommended by the Board of Directors, is approved by the shareholders in their 28th Annual General Meeting, payment of such dividend will be made to those members whose names appear in the Register of Members as per Book closure dates mentioned in the shareholder's information.

In addition to above, the Board proposes to transfer an amount of Rs 1.60 crore to General Reserve in compliance to the requirements of Section 205(2A) of the Companies Act, 1956.

### **Electronic Clearing Services (ECS)**

As per the circular issued by Securities & Exchange Board of India (SEBI), companies should mandatorily use the facility of Electronic Clearing Services (ECS), for distribution of dividends to its members. This facility provides to the members an opportunity to receive dividend amount directly in their bank accounts. For availing this facility, members holding shares in physical form may send their duly filled ECS mandate form to the Company's Registrar and Share Transfer Agent (RTA). Members holding shares in dematerialized form may kindly note that their bank account details as furnished to their depositories will be taken for the purpose of ECS and the Company. Shareholders who wish to change their bank account details are therefore requested to advise their depository's participants about such changes.

Those shareholders who have not yet opted for the ECS facility are once again requested to avail the benefits of ECS.

### **Postal Ballot**

During the financial year 2013-14, no Special Resolution was required to be passed through postal ballot. At the forthcoming Annual General Meeting, there is no item for approval through Postal Ballot.

### **Code for Prevention of Insider Trading Practices**

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 1992, your Company has adopted a Code of Conduct for Prevention of Insider Trading Practices for its Directors and designated employees. The code lays down guidelines, which include

procedures to be followed, and disclosures to be made while dealing in the shares of the Company.

### **Trading Window**

In accordance with the Code of Conduct for prevention of insider trading, the Company closes its trading window for designated employees and directors from time to time. As per the policy, the trading window closes for a period of 7 (seven) days, prior to the date of the Board Meeting and opens 24 hours after the conclusion of Board Meeting in which the respective quarterly/half yearly/ yearly financial results are approved. The trading window is also closed during and after occurrence of price sensitive events as per the Code of Conduct for prevention of insider trading.

### **Code of Conduct**

Your Company has adopted a Code of Conduct for its Board Members and Senior Management personnel. The code of conduct has also been posted on the official website of the Company.

The Declaration by the Managing Director of the Company regarding compliance with the Code of Conduct for Board Members and Senior Management is annexed with the Corporate Governance report.

### **Reconciliation of Share Capital Audit**

M/s Grover Ahuja & Associates, practicing Company Secretary carried out the Secretarial Audit on quarterly basis to reconcile the total issued and listed share capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Board of Directors confirms that the total issued and paid up capital as on 31<sup>st</sup> March, 2014 is reconciled with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. The Reconciliation of Share Capital Audit Certificate is being submitted every quarter to the Stock Exchanges and is also placed before the Board Meeting.

### **Subsidiary Company**

The Company has no subsidiary during the financial year 2013-14.

### **Listing of Shares**

With a view to provide easy liquidity in the shares of the Company, the equity shares of your Company are presently listed on the premier stock exchanges viz., the National Stock Exchange of India Limited (NSE) and the Bombay Stock Exchange Limited (BSE) Mumbai. Pursuant to Clause 38 of the Listing Agreement, the



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annual listing fees for the year 2014-2015 has been paid within the prescribed time period. It is further confirmed that custodian fee to NSDL/CDSL for the year 2014-15 has also been paid.

### **Dematerialization of the equity shares**

99.02 % of the total equity shares of the Company are held in dematerialized form with the participants of National Securities Depository Limited (NSDL) and Central Depository Securities (India) Limited as on the date of this report.

Keeping in view the benefits of dematerialization, your directors urge the shareholders holding shares in physical form to get their shares dematerialized.

### **Directors**

Mr. Ramesh Chandra Jain, Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment. Mr. Vinit Taneja, Mr. P.C. Mathew, Mr. Prosad Dasgupta, Mr. K.C. Verma, Mr. Sandeep Dinodia & Mr. Anil Kumar Khanna are the Non Executive & Independent Directors of the Company are being appointed as Independent Directors in terms of section 149 & 152 of the companies Act, 2013 for 5 (five) consecutive years from the date of the 28th Annual General Meeting. Independent Directors will not be liable to retire by rotation as per the Companies Act, 2013.

Mr. Deep Kapuria, Executive Chairman & Whole Time Director, Mr. Pranav Kapuria, Managing Director & Mr. Anuj Kapuria, Whole Time Director are the Executive Directors of the Company.

A brief profile of the directors proposed to be appointed/re-appointed pursuant to Section 152 & 149 of the Companies Act, 2013 & Rules made thereunder & Clause 49 VI (A) of the Listing Agreement is being annexed to the Notice convening the 28th Annual General Meeting.

### **Auditors**

M/s Gupta Vigg & Company, Chartered Accountants, Statutory Auditors of the Company retire at the conclusion of the Annual General Meeting of the Company and being eligible, have offered themselves for re-appointment. The Company has received an eligibility certificate from the auditors under Section 139 & 141 & other applicable Provisions of the Companies Act, 2013. The Board of Directors recommends their re-appointment for another term of 1 (one) year.

With respect to the point no. 9 (b) in Annexure to Auditors' Report with regard to non deposit of disputed taxes, the Board wishes to inform that the matters are related to non-admission of service tax input by the Excise Department, others such as Entry tax & regular income tax matter for which the Company has preferred appeal to Appellate Authorities. The rest of report by the Statutory Auditors is self explanatory. Please refer to the Notes to Accounts, wherever necessary.

### **Directors Responsibility Statement**

In compliance of Section 217(2AA) of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 2000, the Board of Directors of your Company confirms:

- a. That the applicable accounting standards have been followed in the preparation of final accounts for the year ended March 31, 2014 and that there are no material departures.
- b. That such accounting policies have been selected and applied consistently and such judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the profit of the Company for the year ended on that date.
- c. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities, and
- d. That the annual accounts for the year ended March 31, 2014 have been prepared on a going concern basis.

### **Audit Committee**

Company has duly constituted Audit Committee, which meets on regular intervals for the business required to be transacted there at. The recommendations made by such committee are accepted by the Board.

As per Companies Act, 2013, the Company has reconstituted and revised the roles, responsibilities & powers of the Audit Committee. A synopsis is described in the Corporate Governance report as per Annexure III attached.



## Particulars of Employees

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, is given in Annexure-I, to this report.

## The Conservation of Energy, Technology Absorption, Foreign Exchange earnings and outgo.

Your Company continuously strives for Safety, Environment Management and conservation of resources like fuel, water, gas and power. Therefore, emphasis is being laid on employing sophisticated techniques which result in conservation of natural resources like energy, fuel etc.

Your company gives high priority to safety which envisages a zero accident policy as the only acceptable standard of performance.

Details of Energy Conservation, Technology Absorption, Research & Development activities undertaken by the Company and foreign exchange earnings and outgo of the Company and other information in accordance with the provisions of Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors), Rules, 1988, are given in Annexure-II, to this Report.

## Corporate Governance

The Report on Corporate Governance is attached herewith in Annexure-III, and the certificate from the Statutory Auditors confirming compliance with the provisions of Corporate Governance as stipulated in Clause 49 of the listing agreement is also attached to the report.

## Management discussion & analysis report

The Management Discussion & Analysis Report is given separately and forming part of this report.

## Trade Relations

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

## Public Deposits

During the year under review your Company neither invited nor accepted any deposit within the meaning of Section 58-A of the Companies Act, 1956, and rules made thereunder.

## Personnel

The Board of Directors place on record their appreciation of the untiring efforts of the employees of the organisation at every level. The efforts to create a family like atmosphere continued throughout the year. Like the many years gone-by, this year also witnessed increased cohesion among all levels of employees, which is evident from the performance of the Company. Training and Development of employees provided further impetus and have contributed towards the all round improved performance of your company. The Company encourages by rewarding & recognising employees for their long term commitment as & when the opportunity arise.

## Corporate Social Responsibility Committee

Pursuant to the provisions of the Companies Act, 2013, the Company constituted CSR Committee in the commencement of FY 2013-14. A brief of the committee is provided in Corporate Governance as per Annexure III attached.

## Acknowledgement

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

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

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

**Sd/-**

**Deep Kapuria  
Chairman**

**Place: New Delhi  
Dated: 07/08/2014**



# Management Discussion Analysis forming part of the Directors Report for the year ended 31 March 2014

## The Macro Economic Environment

Global activity appears to have modest pick-up in the developed economies including USA, UK, Japan and in some other countries in Euro zone. It moderated on slower growth in emerging and developing economies due to uncertain external demand environment as well as by localised cyclical and structural constraints. Finally, the global economy ended the year on a better footing as compared to the start of the year and the growth momentum is expected to be carried forward during 2014.

It is expected that the growth will sustain in coming period and will impact the emerging countries once again in positive way. The global recovery led by fiscal stimulus, availability of easy finance, improved demand and restoration of confidence of investors. In US, the economic metrics are also showing encouraging employment numbers and spending summed up, which are signs that the economy is on right track. An improved performance from these economies would have a positive effect on the slowing emerging market economies by boosting the demand for their exports. World trade is projected to grow 4.3 % in 2014 and 5.3 % in 2015 compare to 2.4% in 2013.

The Indian economic growth rate marginally improved with GDP growth at 4.7% in FY 2013-14. This was largely due to a slowdown in infrastructure investments, high inflation, political uncertainty, drop in foreign investment and a weakening of all time local currency Vs. US \$. Measures from the RBI helped arrest the fall of the rupee only to a very limited extent. The Current Account Deficit improved due to curbs on gold imports, fuel subsidies lower domestic demand of imported items.

The government took small and delayed steps to improve the business environment such as faster clearance of infrastructure projects, relaxation of FDI norms and new gas pricing guidelines. Measures are also being taken to lift mining bans which have adversely hit the exports of the country. Manufacturing output took a hit due to low demand and high interest rates. In spite of good monsoons resulting in lower food inflation, the repo rate was maintained at 8% to rein in core inflation.

In the long term, India's growth story remains intact, supported by a positive demographic dividend, rapid urbanization and increasing domestic consumption driven by a growing middle class, constructive fight against inflation etc. Post the elections in 2014, it is

expected that the new government will take strong actions to revive growth for structural reforms and better investment climate. The country's growth is likely to accelerate at the rate of 5.4-5.9%.

## Industry & Segment Dynamics

Over the last few years the face of the Indian automobile industry has undergone a sea change. The rapid urbanization, coupled with an overwhelming growth in the middle class population and their incomes, has created an Indian market that is extremely conducive for the automobile industry to flourish. The Automobile industry is estimated to contribute around 22% in manufacturing GDP and 6% to National GDP.

However there are certain factors that stand as challenges before the Indian automobile industry in the present situation. The world's fastest growing automobile market is now under pressure due to the sheer volatility in the market. Increase in fuel prices combined with high interest rates seems to be taking the toll on demand. Due to this, automobile manufacturers have been forced to reduce the number of units produced per month, which will obviously reflect in reduced annual sales in due course. The prolonged spell of the current downturn has cast a gloom in the market. The historical evidence clearly suggests that the fate of auto market is essentially linked with the pace of economic growth & development.

Despite these challenges, the Indian automobile industry has managed to carve a niche for itself in the global auto sector. It continues to grow in the face of some stiff competition from other Asian auto markets.

## Domestic & Export Sales of the Automobile Sector in 2013-14

The year 2013-14 was the second consecutive year in which automobile sector showed a sluggish growth citing high ownership costs like excise duty, cost of registration, fuel costs, road tax and slow rural income growth.

Total automotive production recorded a 4.04% increase compared to previous year. Similarly, the sales also declined in all categories, except for the two wheelers. The overall domestic sales during April-March 2014 grew marginally by 3.53% over the same period last year because of growth in scooters and motorcycles sales.

The sales of Passenger Vehicles (PV) declined by 6.05% in April-March 2014 as compared to the same period in





last year. Within PV, Passenger Cars, Utility Vehicles and Vans dropped by 4.65%, 5.01% and 19.58% respectively compared to the same period last year.

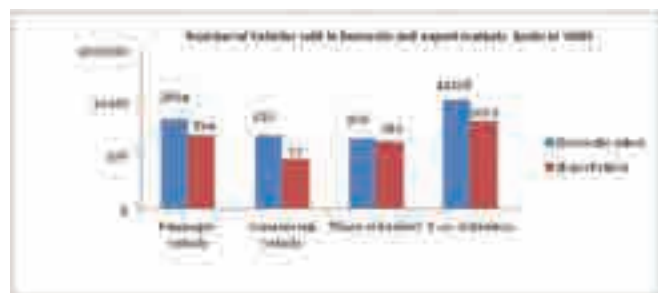
Two-wheeler (TW) sales registered growth of 7.31% during April-March 2014. Within the Two-wheeler segment, scooters and motorcycles grew at 23.24% and 3.91% respectively, while mopeds declined by 8.35%. Three-wheelers sales were also declined by 10.90% during this period.

During April-March 2014, overall automobile exports grew by 7.21%. PV, Three-wheelers and TW registered growth at 6.09%, 16.60% and 6.52% respectively, while Commercial Vehicle export declined by 3.71% during April-March 2014 compared to the same period last year.

The overall Commercial Vehicles (CV) segment registered a de-growth of 20.23%. Medium & Heavy Commercial Vehicles (M&HCVs) registered negative growth at 25.33% and Light Commercial Vehicles also dropped by 17.62%. The worst hit vehicles category had the following oblivious reasons:

- lower level of mining activities due to mining bans;
- Dependence of Automobile sector on segments like infrastructure, agri-commodities and industrial growth revive, truck sales are likely to remain sluggish;
- Uncertainties in infrastructure projects which requires commercial vehicle;
- Continuous drop in freight rates on key routes;
- Oversupply of commercial vehicles in the system in previous years;

Relatively, the semi-urban and rural markets performed better in comparison with the urban and metro markets especially in two wheeler segment.



Over the next few years, cautious growth is expected due to improved affordability, rising incomes and untapped markets and commitment of Government for

favorable environment. All these give a promising opportunity for automobile manufacturers in India.

### Future Outlook

While expectations are high from the new Government of turning the Indian economy around, realistically the process is expected to take some time. Below expectation monsoon will have had a bad effect to achieve the growth goals. In spite of this, the entire vehicles segment is expected to perform better than in FY 2014 purely due to better consumer sentiment. Company will leverage its positioning and also rely on building its relationships and product development plans to grow. The export programmes are also expected to gain momentum. Overall, the focus will continue to be on quality delivery at optimum costs. The Company believes that FY 2015, while being challenging will be a year when the Company regains its growth momentum.

The long term prospects are however still bright & the demand will grow due to various underlying factors including India's rising per capita income, increasing rural demand, growing urbanization, swelling replacement demand etc.

India is now acting as a global manufacturing hub for manufacture of commercial vehicles, small & mid size cars and two wheelers. Rapid increase in sales of the small cars segment in India has prompted a number of global automobile companies to enhance their capacities for domestic as well as export markets. The key drivers of automobile industry's growth are:

- ✓ Infrastructure Growth
- ✓ Large consumer base and rising income levels
- ✓ Changing lifestyles, driving demand for new segments.
- ✓ Favorable Government Regulations and Support
- ✓ Other major support such as Automatic approval for foreign equity investment up to 100 % of manufacture of automobiles and component is permitted. The excise duty on various automobiles has been significantly reduced for a period upto Dec 31, 2014.
- ✓ 100% FDI in defense transport equipment such as trucks, jeeps and other means of transportation.

In addition, with the government's backing and a special

focus on exports of small cars, multi-utility vehicles (MUVs), two and three-wheelers and auto components, the automotive sector's contribution to the GDP is expected to double, reaching a turnover of US\$ 145 billion in next three years.

Taking all above drivers in to account, the automobile industry produced a total of 1,861,849 vehicles in April 2014 as against 1,687,243 in April 2013, registering a growth of 10.35% over the corresponding month of 2013. The growth is small and the process likely to be gradual, but surely it is going to sustain.

### **Risk & Concerns in Auto Component Industry**

The auto component industry is regarded as a low operational cost and low margin business. In view of the slowdown in automobile business, decline was visible in revenues as well as in profit margins. The Auto component industry has been battling with its industry specific issues/ challenges such as:

- High cost of capital impacting growth
- Under capacity Utilization
- Infrastructure Challenge & Cost: Roads, Ports, Power
- Imports: Higher than exports
- Fighting the problem of counterfeit parts

- Availability of skilled manpower
- Non availability of easy finance
- Building R&D competence and Ecosystem

Another major concern is the continuous year-on-year decline in terms of capital investment by the component manufacturers. While in 2010-11 almost USD 2 billion were invested, in 2011-12, it was in the range of USD 1.6-1.9 billion. It further dropped to USD 1.26-1.75 billion in 2012-13, whereas in 2013-14, an investment of around USD 0.5-0.7 billion was witnessed in the sector. The reason behind this was moderation in vehicle sales, low demand, higher cost of capital and depressed market sentiments.

### **Opportunities, Threat & Mitigation strategy**

There is a greater need for collaboration between the component manufacturers, OEMs, machine tool supplies and the raw material industry. To overcome the problem of overdependence on the automobile industry, the component industry needs to consciously consider diversifying into adjacent markets including defense, aerospace, railways etc. your company is keeping abreast of even minute changes in the industry, and is therefore better equipped to overcome the constraints and develop measures to restrict the impact.

At the operational level there are several risks that are





inherent to the business of company. These are typically transactional in nature. These risks are managed through internal processes and controls. In addition, the Company has to deal certain major micro risks that affect the Company's strategy implementation, some of them are enumerated below:

**Input material:** Steel is the primary raw material for the products of the company, and is a very significant part of the cost of the final product. Rising steel prices continue to be a challenge & pose a threat to the margins of the company in this competitive auto component sector.

**Power:** The other major cost in production is energy cost. Presently the company is getting power from the State Electricity Board at per the higher tariff rate.

To mitigate the risk, the Company continues to strive to improve its operational performance and develop new components, which are technologically superior and have an edge over the competitors. However, any further increase of steel prices may lead to reduction of margins. To address the energy cost, the company is implementing a process, whereby it is proposing to purchase electricity through the Electricity Exchange by getting competitive quotes.

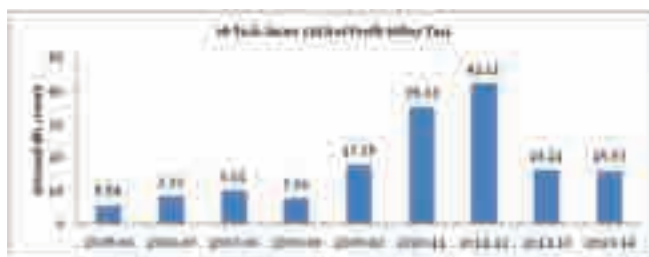
**Two-Wheeler business:** Competition in the two wheeler segment has increased significantly. This has had a serious adverse impact on the margins of the component manufacturers. To overcome, the risk of dependency on the two wheeler business, your Company has been developing clients for engine and transmission components in India and abroad.

**Customer profile:** Company is primarily a gear & transmission equipment manufacturer and supplier. The Company has a large focus amongst a few groups of customers and industry segment. This limited focus adds to market risks and also highlights the fact that one or some customers moving out could leave a large impact on the operation and financial of the Company. To mitigate this risk Company is focusing on widening its customer base, entering new user segments and spreading operations across geographies to mitigate this market risks.

**Technology Risk:** OEMs continuously ask for the technology updation and material changes. Thus, the company needs to continuously stay in touch with such progress. To mitigate Company has always invested in upgrading its technology to meet changing customer demand.

## Brief of Financial Results

2013 was a year where we made continued progress in many areas. However it was also a year we faced significant headwinds. In a globally connected economy, all businesses are exposed to unfathomable risks posed by numerous macro-economic factors. The sales turnover for the period slightly came down to Rs. 361.02 crores (net of excise duty) from Rs. 373.38 crores in the prior year. On closely scrutitnising, result of sales turnover, profit before & after tax were similar to those of previous year. Profit before tax was Rs. 22.06 crores and profit after tax stood at Rs. 15.93 crores compare to Rs. 23.64 crores and Rs. 16.22 crores during the same period in previous year.



Your company now exports around 23.08% of its total sales. Company recorded an export turnover of Rs. 83.34 crores compare to Rs. 60 crores of previous year, thus recorded an impressive increase of 38.90%. We at Hi-Tech strongly believe that we will achieve the lost ground of 2011-12 in very short period.

Therefore, recognising the importance of allocation the gains with the shareholders who have placed their finance and trust in the Company at all times, an amount of Rs. 4.69 Crores is being paid out by way of dividends for the year 2013-14. Out of which an interim dividend of 10% was declared and already paid in Feb/Mar 2014 and a final dividend of Rs. 15% is being recommended to the shareholders for their approval.

## Operational Excellence, Awards & Recognitions

Steps initiated by the Company for implementation and absorption of Lean Manufacturing and Total Productivity Maintenance (TPM) practices are consistently showing encouraging results. The customers are appreciating and recognizing Company from time to time. Customer recognitions are the strongest testimony to a company's excellence. The ECOFAC Plant (Plant -III) is running to

its capacity and is unique in its kind. This 'Gold Award' conferred Plant by Green Building Council is one of few plants by the component manufacturers in north India, which has become a world-class Indian brand with a green and sustainable strategy of growth

The company is recognized by the DSIR to carry out the inhouse research & development . The company has collaborated with the customers for specific development of the products and processes. Keeping future in mind, promoters and the Company have keen interest in Robotic and Robotic Solutions. Mr. Anuj Kapuria, was conferred the prestigious national first prize award for research and development for manufacturing of Robotic solutions. The award was conferred by the Prime Minister of India in March, 2014.

### Segment Reporting

The Company is primarily engaged in the business of gears and transmission components, inherent nature of both the activities is governed by the same set of risk and returns, these have been grouped as a single segment in the above disclosures. The said treatment is in accordance with the principle provided as per Accounting Standard on Segment Reporting (AS-17).

### Internal Controls & their adequacy

HGL has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition, and those transactions are authorized, recorded and reported quickly.

The Company's internal controls are supplemented by an extensive programme of internal audits, review by management and documented policies, guidelines and procedures. M/s. Deloitte Haskins & Sells conduct the Internal Audits and report directly to the Audit Committee and the Board. The internal controls are designed to ensure that financial and other records are reliable for preparing financial information and other data, and for maintaining accountability of assets.

Company believes in the concept of continuous improvement in the systems and processes. The company has engaged the services of expert knowledge partners in this regard, who will assist in finding the ways and means and improving the existing process of operational excellence.

### Human Resources

Human resources being one of the most important factors of production, your company is initiating measures towards competence and overall development of people at all levels to be future ready. In doing so, the Company is organising indoor & outdoor programs for their continued learning. The skills being taught are not merely for the benefit of the Company, but for overall human development.



The Company continued to maintain its track record of peaceful industrial relations ever since its inception. It sustains and fosters its unique paternal culture across all operating locations. Several health and safety initiatives are introduced as part of a structured program to enhance the safety and health of its workmen and other associates. Performance measurement and skill up gradation programs are widely deployed within the Company.

### Disclaimer

This report contains certain statements that the Company believes and may be considered as forward looking statements. These forward looking statements may be identified by their use of words like 'plan', 'hope', 'will', 'expect', 'aim' or such similar words or phrases. All such statements are subject to risks and uncertainties which could cause actual results to vary materially from those contemplated by the relevant forward looking statements.



CSR is a commitment by business to behave ethically and contribute to economic development and to improve the quality of life of local community and society at large. It includes ensuring environmental sustainability, promoting gender equality, education etc. Business entities can no longer limit themselves to using resources, to engage in activities that increase their profits. They have to be socially responsible corporate citizens and also contribute to the social good.

Corporate Social Responsibility is now accepted as a means to achieve sustainable development of an organization. Hence, it needs to be accepted as an organizational objective. The Companies Act, 2013 will make Indian companies to consciously work towards that objective, as it requires a prescribed class of companies to spend a portion of their profits on CSR activities.

We have assumed the above requirement to act in socially diligent manner. We have explored its impact on the economic, social and environmental sector which directly affects the relationships with employees, society, environment and other stake holders.



## Societal Responsibility

HGL's adopted ITI at Hatin, situated in Tehsil Tauru, Distt. Gurgaon, is improving with the passage of time. We are committed for the better and enriched living for society at large. The following measures were taken during the year under review:

- In going greener we have created two parks, where students have their lunch in good surroundings
- Our contingent participated in Republic day parade at Hatin & won 1st prize

- Motivation camp was organized for students
- 90% work of new building construction has been completed and wood & electric work is in progress
- HGL persuaded the State Government and got the following sanctioned:
  - o Books Rs 1,91,632.00
  - o Training Material Rs 1,88,608.00
  - o Computer Lab Rs 1,39,992.00
  - o Furniture Rs 2,77,417.00
  - o Motivation camp Rs 10,714.00

One senior level employee keeps on going for IMC meetings and on every visit have been engaging staff & students for motivation training.



## Educational Program

Education is an important aspect of human life and is a necessity for society. We have various scholarship programs for the bright children of the employees. HGL has focused on education for the deprived section of the society as its long standing commitment. HGL family has continued to provide financial aid to some under privileged children thru SOS Children's Village, Faridabad, Haryana for their education, medical, food & maintenance. HGL, is committed to support the children in their academic pursuits.

## Environmental Responsibility

HGL has always remained conscious of the impact of its operation to the Environment. Environmental conservation has always been our major concern. To spread the awareness of the subject, we have continued



numbers of awareness programs including class room studies, plantation drives, Essay writing competitions, and free pollution check camp during the year on various occasions.

HGL is committed to not only comply with all current applicable environmental and related regulations and where appropriate but have exceeded the prescribed standards

In furtherance to the environmental commitment, company had set up its 3rd manufacturing facility as 'ECOFAC Plant' in Bhiwadi. ECOFAC means a sustainable green manufacturing plant. This plant is fully operational. This has all features of safety, energy & water conservation, waste management etc. All modern concepts of Lean, TPM and TEI for best utility are being implemented in this Plant from its initial stage. The Company was recognised as 'GOLD' rating by the Indian Green Building Council.

**Participation in Global Innovation & Technology Alliance ('GITA')**

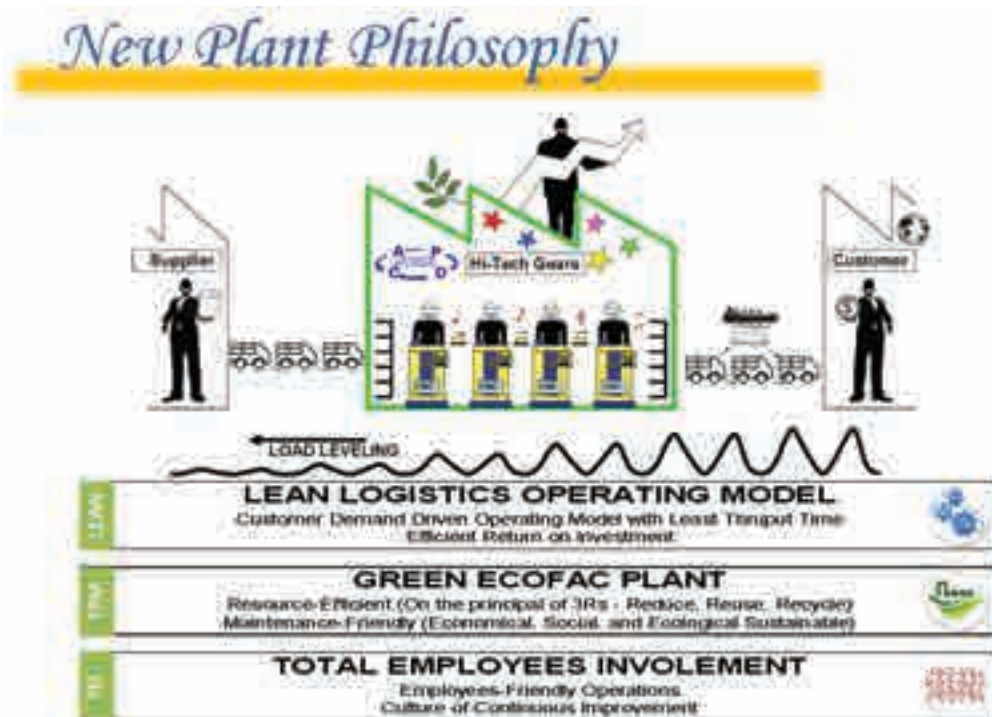
Pursuant to the MOU entered with Confederation of Indian Industry ('CII') for the promotion of the activities of

the Global Innovation & Technology Alliance ('GITA'), the company has contributed a sum of Rs. 50.00 lacs in second year also. GITA has been promoted jointly by CII and Department of Science & Technology, Government of India, as a Company limited by shares & not for Profit under Section 25 of the Companies Act, 1956

The mandate of GITA includes the whole gamut of innovation services to include capacity building and advisory services in addition to management of Indian Government's fund targeted to industry for R&D and technology adoption. Wherein Government will assign GITA for managing funds and will disburse to industry in the form of loan, grant & equity and will handle the whole process from call for proposal, evaluations, fund, monitor and lastly project closures.

The Board of HGL has participated this year also in the progressive measure initiated by the CII and the Government of India for R&D by which the country and industry will be benefited.

There are many more initiatives to be taken care in the coming years as a commitment of HGL to all sectors of CSR.





## Annexure-I

Statement of particulars of Employees pursuant to the provision of section 217(2A) of the Companies Act, 1956, as amended by Amendment Act, 1988, read with the Companies (Particulars of Employees) Rules, 1975, as amended, forming part of the 28th Directors' Report for the financial year ended on March 31, 2014.

(Rs. In Lacs)

Name	Designation	Age	Nature of Employment & other terms and conditions	Nature of Duties	Remuneration received	Qualification	Exp. (Yrs)	Date of Commencement of Employment	% of Equity shares held	Last Employment & Designation
Mr. Deep Kapuria	Chairman	64	Contractual appointment for a period of 5 year w.e.f. 01.01.2012	Overall Control and policy formulation	103.56	*BE (Hons) from B.I.T.S, Pilani *Advance Management Programme from IIM (A) *Lead Assessor Course *Owner Management Programme from Harward Business School	41	01.01.1987	3104253 (16.54%)	Business
Mr. Pranav Kapuria	Managing Director	38	Contractual appointment for a period of 5 years w.e.f. 01.08.2010	Overall control of day to day management of the Company	56.69	*B. Com (H) from Delhi University *MBA from Cardiff Business School *Certificate Program on Lean Manufacturing from University of Michigan	13	01.08.2000	838590 (4.47%)	With Hi-Tech Gears Ltd. as Director
Mr. Anuj Kapuria	Whole Time Director	35	Contractual appointment for a period of 5 years w.e.f. 15.05.2010	Overall control of day to day management of the Company	48.72	*BE in Robotic and Automated Manufacture engineering from sussex university, U.K *Master's Degree in Robotics from Carnegie Mellon University	9	30.05.2005	836059 (4.45%)	With Hi-Tech Gears Ltd. as Director

### Note:

Information has been furnished in respect of all Whole Time Directors and employees, who were in receipt of remuneration which in aggregate was not less than Rs. 60,00,000 (Rupees Sixty Lac only) per annum or was not less than Rs, 5,00,000 (Rupees Five Lac only) per month. Remuneration includes salary, allowance/payment, commission, expenditure on perquisites and Company's contribution to provident fund. None of the Employees was in receipt of remuneration in excess of that drawn by any of the Executive Directors and holds by himself or along with his spouse and dependent children, two percent or more of the equity shares of the Company. Mr. Deep Kapuria, Mr. Pranav Kapuria and Mr. Anuj Kapuria are related to each other. No other employee is a relative of any Director of the Company.

## Annexure- II

### INFORMATION AS PER SECTION 217(1) (e) OF THE COMPANIES ACT, 1956, READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

#### A. CONSERVATION OF ENERGY

Continuous efforts are being made to conserve the energy. The activities are ongoing to save and optimum utilization for electricity and fuel and thereby reducing energy cost. Some of initiatives taken/ improved are as under:

Company purchased power as an alternate for all its Plants from other electricity providers through the Electricity Exchange at the competitive rates, resulting reduction of power cost.

Own generation of DG set minimised.

Energy Audits are done on periodic basis and corrective actions taken, wherever required.

Encourage usage of LED lights instead of conventional lights.

Water conservation measures to minimize water intake.

Various Modules are developed to conserve and save the energy. The same are monitored thru Project Management system.

The newly built up state of the art plant in Bhiwadi is unique in its sense and built as an 'ECOFAC Plant', i.e. a sustainable green manufacturing plant. The Plant has been awarded the Gold rating by the Indian Green Building Council. It has many energy conservation features eg. the building has been designed to maximize usage of natural light by providing large window openings, special false ceiling design, usage of FRP sheets on shop roof sheet, natural lighting cut-out in administrative building RCC roof. In addition to this, efficient energy fixtures have been used throughout. On HVAC, company installed the Variable Refrigerant Flow AC system which is highly energy efficient. Solar lighting has been used for street lighting around the building.

New ideas are being adopted across the shop floor, factory area and even in office premises to conserve and promote efficiency of operations. Accordingly, the company will continue to adopt future proposals for consumption of energy.

The impacts of above measures are mainly reduction in power & fuel consumption, resulting reduction of cost of production.

The information relating to Total Energy Consumption and Energy Consumption per unit of production is not applicable to Company, thus the Form A is not furnished.

#### B. TECHNOLOGY ABSORPTION

l) Efforts made in Technology Absorption:

The Company has absorbed the technologies received from its partners in the past and in the last five years, no further technologies have been imported.

The steps initiated by the Company for implementation and absorption of Lean Manufacturing are consistently showing encouraging outcome. Further, Company's commitment towards Total Productivity Maintenance (TPM) has yielded excellent results in quality and design of the products. These efforts shall ensure that the above said technology and the work culture is harnessed and percolated down to the entire organization. Your Company has continuously endeavoured to acquire world-class technology both in hardware and software.

The benefit and impacts of above mentioned measures are lead time reduction of the various complex methods, elimination of waste and saving of time and efforts. The company was able to develop a new seizer gear assembly, which is an advance step in supply chain. Another benefit is meeting demand of customers, who require the advance and sound technology product.

- i) Specific areas in which Research and Development carried out by the Company.
- ii) The company is registered under the DSIR for undertaking research and development. Research & Development were carried in product development, process development, energy conservation, environment protection, cost reduction and automation. In this process of Research & Development, development is also achieved thru Customer Collaboration on a continuous basis, resulting in improved and enhanced design and material database.
- iii) Benefits derived with the installation of various additional equipments have made it possible to achieve consistency in production and quality of finished product for the existing and the new product development.
- iv) Future plan of Action
  - a) Reduction in process losses.
  - b) Development of new products
  - c) Measures required for the utilization of the renewable energy
- v) Expenditure on Research & Development  
Development and improvement of products has been an inbuilt and ongoing activity within the existing





manufacturing facilities, Management has identified the quantum, which is mentioned in Note no. 41 of Notes to Accounts.

### C. FOREIGN EXCHANGE EARNINGS & OUTGO

The previous year gone, was not encouraging for exports. Your Company's exports were reduced due to adverse export market situations coupled. However, the Company is continuously exploring more customers in export markets. The details of Foreign Exchange Inflow and outflow are as under:

	(Rs. In lacs)
Inflow	8,334.17
Outflow	
Capital Equipment	Nil
Others	2,276.55
Consumables	294.88

### SHAREHOLDERS' INFORMATION

#### Registered Office & Works

A-589, Industrial Complex,  
Bhiwadi - 301019,  
District Alwar, (Rajasthan)  
Tel No: (01493) – 641237-39/641227-29  
Web site: [www.hitechgears.com](http://www.hitechgears.com)

#### Corporate Office

14<sup>th</sup> Floor, Tower-B, Unitech's Millennium Plaza,  
Shushant Lok-I, Sector – 27, Gurgaon,  
Haryana-122009-01  
Tel No: (0124) – 4715100  
Fax No: (0124) – 2806085  
Email: [secretarial@hitechgears.com](mailto:secretarial@hitechgears.com)

#### Listing

The shares of the company are listed on the following Stock Exchanges:-

Stock Exchange	Stock Code
a) National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai-400051.	HITECHGEAR
b) Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400001.	522073

#### Interim Dividend for the year 2013-14

The Board of Directors in their meeting held on 14th February, 2014 have approved an interim dividend of Re 1/- (Rupee one

only) per equity shares of Rs 10/- (Rupees Ten only) each on the paid up Share Capital of the Company. The same was paid within stipulated time period.

#### 28<sup>th</sup> Annual General Meeting

Date & Time : Thursday the 18<sup>th</sup> day of September,  
2014 at 11.00 A.M.  
Venue : A-589, Industrial Complex,  
Bhiwadi - 301019,  
District Alwar, (Rajasthan).

#### Book Closure Dates

September 10 to September 18, 2014 (both days inclusive)

#### E-Voting

The voting period begins on September 10, 2014 at 9.00 a.m. and ends on September 12, 2014 at 6.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 14, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently

#### Electronic Voting Sequence Number (EVSN)

EVSN of Hi-Tech Gears Limited is 140826007

#### Final Dividend

The Board of Directors in their meeting held on 30<sup>th</sup> May, 2014 have recommended final dividend of Rs. 1.50 per equity share (@ 15%) subject to the approval of the members in their Annual General Meeting on 18<sup>th</sup> day of September, 2014.

If final dividend on shares as recommended by the Board of Directors is approved at the Annual General Meeting, payment of such dividend will be made to those members whose names appear in the Register of Members on September 18, 2014. In respect of the shares held in electronic form, the dividend will be payable to the beneficial owners of the shares as on the closing hours of business on September 9, 2014, as per the details to be furnished by the depositories for this purpose.

#### Depository System

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

#### Registrar and Share Transfer Agent

**MAS Services Limited**  
(Unit: Hi-Tech Gears Limited)  
T-34, 2<sup>nd</sup> Floor, Okhla Industrial Area, Phase-II,  
New Delhi – 110020.  
Ph.: 011 – 26387281, 82, 83  
Fax: 011 – 26387384  
Website: [www.masserv.com](http://www.masserv.com)  
Email: [info@masserv.com](mailto:info@masserv.com)

## Annexure - III

### Corporate Governance Report

Forming part of 28<sup>th</sup> Directors' Report

#### I. Company's Philosophy on Corporate Governance

Hi-Tech Gears Limited, being in the forefront of the Indian auto component industry, has implemented and continuously improved upon various Corporate Governance practices over the years. Corporate practices like the appointment of professionals from diverse fields of business on the Company's Board of Directors, prior intimation of date of Board Meetings which are convened at frequent intervals, constitution of various Committee of Directors, stated policies on remuneration and retirement, attendance of Directors at General Meetings, dissemination of price sensitive information in a transparent and fair manner and ensuring liquidity of the Company's scrip by listing on prominent stock exchanges, have been in place even before they have been mandated.

During the year, the Company has complied with all the mandatory provisions of Clause 49 of the Listing Agreement with the stock exchanges. Company is maintaining maximum transparency in passing on information to the shareholders.

Further Your Company believes in complying with all the applicable laws of the country, in its letter as well in Spirit.

#### II. Composition of Board of Directors

The Board, the apex body appointed by the shareholders, presently consists of 10 members of which 7 are Non-Executive Directors having a pool of collective knowledge from various disciplines like Engineering, Finance, Treasury, Business Management, Administration, Human Resource, Corporate Planning, etc. The Company has an Executive Chairman and the number of Independent Directors are 6 (Six). Mr. Deep Kapuria – Executive Chairman is the father of Mr. Pranav Kapuria – Managing Director and Mr. Anuj Kapuria – Executive Director. All the remaining Non-Executive Directors are independent and not related to each others except Mr. Ramesh Chandra Jain who is regarded Non-Executive & Non Independent in terms of the listing agreement. Mr. Deep Kapuria, Executive Chairman is assisted by Mr. Pranav Kapuria, Managing Director, and Mr. Anuj Kapuria Executive Director, who are overseeing the day-to-day operations of the Company. All Directors, Executive or Non-Executive, are professionally competent and experienced in their respective fields. The Details of Directors are as follows:-

Name of Director and DIN	Designation	Category	No. of Director-ships #	No. of Board Committees position as Member* \$	No. of Board Committee position as Chairman *\$
Mr. Deep Kapuria (00006185)	Executive Chairman	Promoter, Executive	Seven	One	Three
Mr. Anil Khanna (00207839)	Director	Independent, Non-Executive	Thirteen	Three	Three
Mr. Sandeep Dinodia (00005395)	Director	Independent, Non-Executive	Six	Two	Four
Mr. Pranav Kapuria (00006195)	Managing Director	Promoter, Executive	Seven	Four	Nil
Mr. Anuj Kapuria (00006366)	Executive Director	Promoter, Executive	Nine	Three	Nil
Mr. Vinit Taneja (02647727)	Director	Independent, Non-Executive	One	One	One
Mr. P. C. Mathew (02527048)	Director	Independent, Non-Executive	Two	Nil	Nil
Mr. Ramesh Chandra Jain (00038529)	Director	Non-Executive	Six	Two	Nil
Mr. Krishna Chandra Verma (03636488)	Director	Independent, Non-Executive	One	Nil	One
Mr. Prosad Dasgupta (00243254)	Director	Independent, Non-Executive	One	Nil	Nil

\*Board Committee for this purpose means Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee and Stakeholder Relationship Committee (including Board committees of Hi-Tech Gears Limited).





# All Companies, whether listed or not, (including Hi-Tech Gears Limited), Section 8 Companies but excluding foreign companies.

\$ Effect of Section 165 of the Companies Act, 2013 & revised clause 49 of Listing Agreement is taken.

The DIN of the respective Directors are provided, pursuant to Section 158 of the Companies Act, 2013. Further, the Company is in process of appointing a woman Director at its next Board of Directors Meeting pursuant Section 149 of the Companies Act, 2013 & revised Clause 49 of the Listing Agreement.

#### **Number of Board Meetings held during the year 2013-14**

During the year under review, the members of the Board have met 4 (Four) times to review, discuss and decide about the activities of business of the Company. The dates of the meetings are (1) 29<sup>th</sup> May 2013, (2) 9<sup>th</sup> August, 2013 (3) 1<sup>st</sup> November, 2013, (4) 14<sup>th</sup> February, 2014.

It is confirmed that the gap between the two (2) meetings did not exceed four (4) months. The meetings usually held in Delhi.

#### **Discussions at the Board Meetings:**

Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.

Brief on statutory developments, changes in Government policies etc. with impact thereof, Directors' responsibilities arising out of any such development.

Interim Dividend declaration & Final Dividend recommendation.

Internal Audit findings and Statutory Auditor reports (through the Audit Committee).

General Notices of Interest of Directors.

Minutes of Meetings of audit Committee and other committees of the Board, as also resolutions passed by circulation

Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order, which may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on

the Company.

Annual Operating plans of Business, Capital Budgets and any updates, duly reviewed by the Audit Committee.

Quarterly, Half yearly & Annual results of the Company and its operating divisions or business segments, duly reviewed by Audit Committee.

Sale of material nature, of investments, subsidiaries, Assets, which is not in normal course of business, if any.

Transactions that involve substantial payment towards Goodwill, Brand Equity or Intellectual Property.

Details of any Joint Venture, Acquisitions of Companies or Collaboration Agreement, if any.

Non-Compliance of any Regulatory, Statutory or Listing requirements and shareholders service such as Non payment of dividend, delay in share transfer (if any). etc.

Show cause, demand, prosecution notices and penalty notices which are materially important.

Fatal or Serious Accidents, Dangerous occurrences, any material effluent or pollution problems

Any material default in financial obligations to and by the company, or substantial non payment for goods sold by the company.

Significant labour problems and their proposed solutions. Any significant development in Human Resources/Industrial Relations front like implementation of voluntary retirement Scheme etc.

The information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary, if any.

Investment & borrowing decisions based on recommendations of Committees, wherever required.

Any other important matter relating to the working of the Company.

The Chairman of the Board and the Company Secretary in consultation with other concerned members of the Senior Management and Nominees of Technical and Financial Collaborator, finalize the agenda papers for the Board Meetings.

Attendance of each Director at the Board Meetings and the last Annual General Meeting

Name of Director	Attendance in the Board Meetings	Attendance in the last Annual General Meeting
Mr. Deep Kapuria	4 (Four)	Yes
Mr. Anil Kumar Khanna	3 (Three)	No
Mr. Sandeep Dinodia	4 (Four)	Yes
Mr. P C Mathew	4 (Four)	No
Mr. Vinit Taneja	4 (Four)	Yes
Mr. Pranav Kapuria	4 (Four)	Yes
Mr. Anuj Kapuria	4 (Four)	Yes
Mr. Ramesh Chandra Jain	4 (Four)	No
Mr. K.C.Verma	3 (Three)	No
Mr. Prosad Dasgupta	3 (Three)	No

#### Directors appointment/ reappointment

Mr. Ramesh Chandra Jain, Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment. Mr. Vinit Taneja, Mr. P.C. Mathew, Mr. Prosad Dasgupta, Mr. K.C. Verma, Mr. Sandeep Dinodia, & Mr. Anil Kumar Khanna are the Non Executive & Independent Directors of the Company are being appointed as Independent Directors in terms of section 149 & 152 of the companies Act, 2013 for 5 (five) consecutive years from the date of the 28<sup>th</sup> Annual General Meeting . Independent Director will not be liable to retire by rotation as per the Companies Act, 2013.

Mr. Deep Kapuria, Executive Chairman & Whole Time Director, Mr. Pranav Kapuria, Managing Director & Mr. Anuj Kapuria, Whole Time Director are the Executive Directors of the Company.

A brief profile of the directors proposed to be appointed/re-appointed pursuant to Section 152 & 149 of the Companies Act, 2013 & Rules made thereunder & Clause 49 VI (A) of the Listing Agreement is being annexed to the Notice convening the 28<sup>th</sup> Annual General Meeting.

#### Shares held by Non-Executive Director(s)

Mr. Vinit Taneja holds 5600 equity shares as on 31<sup>st</sup> March, 2014. No other Non-Executive Director holds any equity shares as on that date.

### III. Audit Committee

#### Brief description of terms of reference

Ministry of Corporate Affairs has notified the Section 177 of the Companies Act, 2013 along with rules made thereunder, which is applicable from 1st April, 2014. Similarly, Securities and Exchange Board of India has notified revised Clause 49, which is applicable from 1st October, 2014. The revised regulation aforesaid mandate the enhanced Roles, Responsibilities, Powers & Scope of the Audit Committee & its members. Therefore, Reconstitution of Audit Committee was effectuated in the meeting of Board of Directors held on 30th May, 2014.

Reconstitution of an Audit Committee is as under:-

Name	Designation
Mr. Sandeep Dinodia	Chairman of the Audit Committee (Independent Director)
Mr. Anil Kumar Khanna	Member (Independent Director)
Mr. Anuj Kapuria	Member (Executive & Promoter Director)

The Company Secretary acts as the Secretary of the Audit Committee.

#### Meeting and attendance

The Audit Committee met 4 (Four) times during the financial year 2013-14 on the following dates:

(1) 29<sup>th</sup> May, 2013 (2) 9<sup>th</sup> August, 2013 (3) 28<sup>th</sup> October, 2013 and (4) 14<sup>th</sup> February, 2014.

These meetings were attended by members as detailed below:-

Name	Position/ Composition	Independent/ Non Independent	No. of meetings during the tenure	No. of meetings attended
Mr. Sandeep Dinodia	Chairman & Member	Independent	4	4
Mr. Anil Kumar Khanna	Member	Independent	4	4
Mr. Anuj Kapuria	Member	Executive	4	4

#### Audit Committee shall have following Powers:-

- To investigate any activity within its terms of reference.





2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

**Audit Committee shall have following Roles & Responsibilities:-**

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;



17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee, in Companies Act, Listing Agreement or any other statutory regulation, document or otherwise.

#### Invitees

Statutory Auditor, Internal Auditor, Finance Head are the permanent invitees at the Audit Committee as well as at the Board Meetings, other experts are invited on need basis. The recommendations made by Audit Committee are accepted by Board.

#### IV. Nomination & Remuneration Committee Brief description of terms of reference

Ministry of Corporate Affairs has notified the Section 178 of the Companies Act, 2013 along with rules made thereunder, which is applicable on 1st April, 2014. Similarly, Securities and Exchange Board of India has notified revised Clause 49, which is applicable from 1<sup>st</sup> October, 2014. The revised regulation aforesaid mandate the enhanced Roles, Responsibilities, Powers & Scope of the Nomination & Remuneration Committee & its members. Therefore, Reconstitution of Nomination & Remuneration Committee was effectuated in the meeting of Board of Directors held on 30<sup>th</sup> May, 2014.

Reconstitution of a Nomination & Remuneration Committee is as under:-

Name	Designation
Mr. Vinit Taneja	Chairman of the Nomination & Remuneration Committee (Independent Director)
Mr. Anil Kumar Khanna	Member (Independent Director)
Mr. Sandeep Dinodia	Member (Independent Director)

The Company Secretary acts as the Secretary of the Nomination & Remuneration Committee.

#### Meetings and attendance

The Nomination & Remuneration Committee met one (1) time during the financial year 2013-14 on 9<sup>th</sup> August, 2013.

This meeting was attended by members as detailed below:-

Name	Position/Composition	Independent/Non Independent	No. of meetings during the tenure	No. of meetings attended
Mr. Vinit Taneja	Chairman & Member	Independent	1	1
Mr. Sandeep Dinodia	Member	Independent	1	1
Mr. Anil Kumar Khanna	Member	Independent	1	1

#### Nomination & Remuneration Committee have following Roles & Responsibilities

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Formulate a Remuneration Policy as specified under Section 178 of the Companies Act, 2013, from time to time.
5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.
6. Carrying out any other function as is mentioned in the terms of reference of the Nomination & Remuneration Committee, in Companies Act, Listing Agreement or any other statutory regulation, document or otherwise.



### Remuneration policy

The Chairman, Managing Director and the Whole Time Director are paid remuneration as approved by the Board of Directors on the recommendation of the Nomination & Remuneration committee within the overall limit sanctioned by the Shareholders. The remuneration is fixed considering various factors such as qualification, experience, expertise, prevailing remuneration in the corporate world, financial position of the Company, etc. The remuneration structure of Executive Directors comprises of basic salary, commission, perquisites, allowances, contribution to provident fund and other funds, and commission, which

is in accordance with Section 198 and Section 309 of the Companies Act, 1956. The Non-Executive Directors do not draw any remuneration from the Company except sitting fees for attending Board & Committee Meetings, & commission @ 0.5% of Net Profits in a Financial Year for all Non-Executive Directors together.

- (a) The details of the remuneration paid/payable to the Chairman, Managing Director and Whole Time Director for the year ended March 31, 2014, are as under: -

(Amount in Lacs)

Name of Director	Designation	Salary	Perquisites	EPF	Commission	Total	Service Contracts (years)	Date of Commencement of contract
Mr. Deep Kapuria	Executive Chairman	82.08	4.41	6.16	10.91	103.56	5 Years	01.01.2012
Mr. Pranav Kapuria	Managing Director	32.64	1.70	2.45	19.90	56.69	5 Years	01.08.2010
Mr. Anuj Kapuria	Executive Director	25.57	1.33	1.92	19.90	48.72	5 Years	15.05.2010

Note:-

1. Salary includes basic salary & HRA, Perquisites includes medical & other perquisites. EPF includes contribution to provident and other statutory funds.

• Shareholders have approved a maximum commission @ 3% of Net Profit in case of Mr. Deep Kapuria & 1.5% each in case of Mr. Pranav Kapuria & Mr. Anuj Kapuria. The same is calculated in terms of Section 198 & other applicable provisions of Companies Act, 1956. In current year, the Commission payable is 0.5% for Mr. Deep Kapuria & 0.91% each for Mr. Pranav Kapuria & Mr. Anuj Kapuria.

• The Non-Executive Directors play an active role in the meetings of the Board and are associated with the Various Board Committees. They also bring independent judgment in the Board's deliberations and decisions. The details of the remuneration paid/payable to the Non-Executive Directors for the year ended March 31, 2014 are as under: -

S.No.	Name of the Non - Executive Directors	Sitting fees (Rs)	Commission (Rs)	Total (Rs)
1.	Mr. Anil Khanna	80,000	156052	236052
2.	Mr. Sandeep Dinodia	90,000	156052	246052
3.	Mr. P.C. Mathew	40,000	156052	196052
4.	Mr. Vinit Taneja	50,000	156052	206052
5.	Mr. Ramesh Chandra Jain	40,000	156052	196052
6.	Mr. Prosad Dasgupta	30,000	156052	186052
7.	Mr. K.C. Verma	30,000	156052	186052
	<b>Total</b>	<b>360,000</b>	<b>1092364</b>	<b>1452364</b>

Note: No stock option scheme has been launched by the Company till date.

### V. Corporate Social Responsibility Brief description of terms of reference

Ministry of Corporate Affairs has notified Section 135 of the Companies Act, 2013 along with rules made thereunder, which is applicable from 1st April, 2014. The regulation aforesaid mandate the Roles, Responsibilities, Powers & Scope of the Corporate & Social Responsibility Committee & its members. Therefore, Board of Directors constituted a Corporate & Social Responsibility Committee in April, 2014.

Constitution of Corporate Social Responsibility Committee is as under:-

Name	Designation
Mr. K.C. Verma	Chairman of the Nomination & Remuneration Committee (Independent Director)
Mr. Deep Kapuria	Member (Executive Director)
Mr. Pranav Kapuria	Member (Executive Director)

The Company Secretary acts as the Secretary of the Committee.

The following roles & responsibilities of the Committee:-

1. Formulate a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Act;
2. The amount of expenditure to be incurred on the activities to be undertaken by the company as specified in Schedule VII of the Act;
3. Monitor the Corporate Social Responsibility Policy of the company from time to time;
4. Other activities, as may be undertaken from time to time in accordance with 1 to 3 above.

## VI. (a) Stakeholder Relationship Committee

### Brief description of terms of reference

Ministry of Corporate Affairs has notified the Section 178 of the Companies Act, 2013 along with rules made thereunder, which is applicable from 1st April, 2014. Similarly, Securities and Exchange Board of India has notified revised Clause 49, which is applicable from 1<sup>st</sup> October, 2014. The revised regulation aforesaid mandate the enhanced Roles, Responsibilities, Powers & Scope of the Stakeholder Relationship Committee & its members. Therefore, Reconstitution of Stakeholder Relationship Committee was effectuated in the meeting of Board of Directors held on 30<sup>th</sup> May, 2014.

Reconstitution of Stakeholder Relationship Committee is as under:-

Name	Designation
Mr. Anil Kumar Khanna	Chairman of the Stakeholder Relationship Committee (Independent Director)
Mr. Vinit Taneja	Member (Independent Director)
Mr. Sandeep Dinodia	Member (Independent Director)

The Company Secretary acts as the Secretary of the Committee.

### Name and Designation of the Compliance officer

Mr. S.K.Khatri, Company Secretary

The roles & responsibilities of the committee to consider & resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend, carrying out any other function as is

mentioned in the terms of reference of the Stakeholder Relationship Committee, in Companies Act, Listing Agreement or any other statutory regulation, document or otherwise.

### Investors Complaints during the financial year ended 31.03.2014

Pending at the beginning of the year	Nil
Received during the year	Nil
Disposed off during the year	Nil
Remaining unresolved at the end of the year	Nil

### Meeting and attendance

As the complaints are solved by the process mechanism, there was no instance required to hold the committee meeting.

### (b) Share Transfer Committee

The shares of the Company are traded in the compulsory Demat mode for all investors. All requests for physical share transfer and dematerialization of shares (if in order and complete in all respect) are processed and confirmed within a period of 21 days.

A committee of two Directors, under the nomenclature 'Share Transfer Committee' has been empowered to approve transfer, transmission, demat and other related matters regarding the shares of the Company.

1. The Share Transfer Committee of the Company comprises of following Directors:-

Mr. Deep Kapuria	- Chairman
Mr. Pranav Kapuria	- Managing Director

The Company Secretary acts as the Secretary of the Committee.

2. The committee met 5 (Five) times during the year to consider the matters relating to transfer, transmission and transposition of shares, subdivision and consolidation of shares, replacement of lost/stolen/mutilated share certificates and review of dematerialization and re-materialization of shares.
3. As on 31<sup>st</sup> March, 2014 no equity shares were pending for transfer.

## VII. Annual General Meeting

- (a) Details of last three Annual General Meetings





(AGM) of the Company are given hereunder:

Financial Year	Date	Time	Venue	No. of Special Resolution Passed
2012-13	September 30, 2013	11:00 A.M.	A-589, Industrial Complex, Bhiwadi –301019 (Rajasthan)	Nil
2011-12	September 28, 2012	11:00 A.M.	A-589, Industrial Complex, Bhiwadi –301019 (Rajasthan)	Nil
2010-11	September 27, 2011	11.00A.M	A-589, Industrial Complex, Bhiwadi –301019 (Rajasthan)	One

- (b) No special resolution was passed by way of postal ballot during the year 2013-2014.
- (c) At the forthcoming Annual General Meeting, there is no item for approval through Postal Ballot.
- (d) Dividend history of last five years

S. No.	Financial year	Rate of Dividend	Date of Declaration
1	2012-13	Interim-10% Final-15%	14-02-2013 30-09-2013
2	2011-12	Interim- 20% Final- 25%	14-02-2012 28-09-2012
3	2010-11	Interim – 15% Final – 25%	14-03-2011 27-09-2011
4	2009-10	Final – 45%	27-09-2010
5	2008-09	Final – 15%	22-09-2009

For the year 2013-14, the interim dividend @ 10% was declared on 14<sup>th</sup> February, 2014.

- (e) Unclaimed Dividend

The proposed date for the transfer of unclaimed final

dividend by the Company for the year 2006-07 to IEPF is 22<sup>nd</sup> October, 2014.

In terms of the notification no. G.S.R. 352(E) dated 10<sup>th</sup> May, 2012, the Company has displayed the information relating to amount of unclaimed and unpaid dividend. The same to be updated from time to time.

The same will be updated from time to time at its website [www.hitechgears.com](http://www.hitechgears.com).

#### VIII Disclosures

- The Contracts/Arrangements with the entities in which the Directors are directly/indirectly interested were approved by the Audit Committee & Board of Directors. The same are provided below as required under Accounting Standard 18 (AS-18) and Clause 32 of the Listing agreement.

The below transactions are not technically qualified as Related Party Transactions, under the provisions of Companies Act, 1956

Related Party Disclosure (AS-18) for the period ended 31.03.2014

(Rupees)

Particulars	Aquarian Fibrecement Private Limited	Vulcan Electro Controls Limited	Hi-Tech Engineering Systems Private Limited	Hi-Tech Robotic Systemz Limited	Deep Kapuria	Pranav Kapuria	Anuj Kapuria	Total
<b>Nature of Relationship</b>	<b>Associate</b>	<b>Associate</b>	<b>Associate</b>	<b>Associate</b>	<b>Key Management Personnel</b>	<b>Key Management Personnel</b>	<b>Key Management Personnel</b>	
Rent	20,224,800				0	0		20,224,800
Sale of Goods	0	110,973	187,655,716		0	0		187,766,689
Rendering of Job Work/Services	0	31,022,862	28,606,186		0	0		59,629,048
Receiving of Job Work/Services	0	250,139,918	0	31,011,360	0	0		281,151,278
Goods Purchased	0	523,719,949	335,256,866		0	0		858,976,815
Director's Remuneration	0				9,740,122	5,424,066	4,680,413	19,844,601
Reimbursement of Exp. Paid		303,295	2,201,761					2,505,056
Reimbursement of Exp. Recvd.		2,421						2,421

The transactions with the above entities are done within normal course of business are neither materially significant nor they have potential conflict with the interest of the Company at large. The managerial personnel are paid remuneration in term of the approval of shareholders

2. There has neither been any non-compliance of any legal provision of applicable law, nor any stricture

penalty imposed by the Stock Exchanges or Securities & Exchange Board of India (SEBI) or any other authorities, on any matters related to capital markets, during the last three years.

3. The Company has complied with all the mandatory requirements of Clause 49 of Listing Agreement entered into with stock exchanges. Details of these compliances are given below:

Particulars	Clause of Listing Agreement	Compliance Status Yes/No	Remarks
I Board of Directors	49 I		
(A) Composition of Board	49(IA)	Yes	Have been complied with
(B) Non-executive Directors' Compensation & Disclosures	49 (IB)	Yes	Have been complied with
(C) Other Provisions as to Board and Committees	49 (IC)	Yes	Have been complied with
(D) Code of Conduct	49 (ID)	Yes	Have been complied with
II. Audit Committee	49 (II)		
(A) Qualified & Independent Audit Committee	49 (IIA)	Yes	Have been complied with.
(B) Meeting of Audit Committee	49 (IIB)	Yes	Have been complied with.
(C) Powers of Audit Committee 49 (IIC)	49 (IIC)	Yes	Have been complied with.
(D) Role of Audit Committee	49 II(D)	Yes	Have been complied with.
(E) Review of Information by Audit Committee	49 (IIE)	Yes	Have been complied with.
III. Subsidiary Companies	49 (III)	Not Applicable	Not Applicable
IV. Disclosures	49 (IV)		
(A) Basis of Related Party Transactions	49 (IV A)	Yes	Have been complied with.
(B) Disclosure of Accounting Treatment	49 (IV B)	Yes	Have been complied with.
(C) Board Disclosures	49 (IV C)	Yes	Have been complied with.
(D) Proceeds from Public Issues, Rights Issues, Preferential Issues etc.	49 (IV D)	Not Applicable	Not Applicable
(E) Remuneration of Directors	49 (IV E)	Yes	Have been complied with.
(F) Management	49 (IV F)	Yes	Have been complied with.
(G) Shareholders	49 (IV G)	Yes	Have been complied with.
V. CEO/CFO Certification	49 (V)	Yes	Have been complied with.
VI. Report on Corporate Governance	49 (VI)	Yes	Have been complied with.
VII. Compliance	49 (VII)	Yes	Have been complied with.

4. Compliance status with **Non-Mandatory Requirements** are given below:

a) **The Board**

The Chairman of the Company is Executive and the Company is maintaining the office at its expense.





- b) **Nomination & Remuneration Committee**  
All the requirements relating to the Remuneration Committee have been complied with and details of the Committee are provided in the Annual Report.
- c) **Shareholder's Right**  
The Company does not send half yearly declaration of financial performance to each household shareholder, as it is displayed on Company's website & published.
- d) **Training of Board Members**  
The Company is in process of adopting a formal training program for Board Members.
- e) Once the necessary processes are in line, Company to have a Separate formal mechanism for evaluating Non-Executive Board Members.
- f) Vigil Mechanism/ Whistle Blower Policy

As per Section 177 of the Companies Act, 2013 and Rules made thereunder and revised clause 49 of the listing agreement, Audit Committee & Board of Directors in their meeting has approved the Vigil Mechanism/ Whistle Blower Policy to adequate safeguard against victimization of Directors and employees of the Company.

5. **Risk Assessment and Mitigation Process.**  
Company has a risk assessment policy which is periodically reviewed by the Audit Committee and Board of Directors in their meeting and it takes the appropriate measures.

## VIII. MEANS OF COMMUNICATION

1. The quarterly, half yearly and annual financial results and quarterly shareholding pattern are posted on the Company's official website i.e. [www.hitechgears.com](http://www.hitechgears.com) as per the requirements of listing agreement, the Company also sends the same to Stock Exchange and upload on the corporate filling on <https://www.connect2nse.com/LISTING/> and <http://listing.bseindia.com> within such time as specified by SEBI.
2. Full version of the Annual Report including the notice of Annual General Meeting, Corporate Governance Report, Audited Financial Results, Cash Flow Statement and Director's Report are sent to the shareholders & stock Exchanges within the stipulated time and also uploaded on Company's

Official website.

3. All material information about the Company is promptly sent through email/facsimile to the Stock Exchanges where the shares of the Company are listed.
4. The Company has not displayed any official news release during the year under review except as required by the Listing Agreement mentioned in point 1 above.
5. The Company has not made any presentations to institutional investors or to the analyst during the year under review.
6. A Management Discussion and Analysis report is given separately which forms part of the Director's Report.
7. The Company generally publishes its financial results in the Business Standard (English) and Adhikar (Hindi). The details are provided in Section IX, Clause 1 herein below:

## IX. General Shareholder information

### 1. Annual General Meeting:

28<sup>th</sup> Annual General Meeting of the Company will be held on Thursday the 18<sup>th</sup> day of September, 2014 at 11:00 A.M at the Registered Office of the Company situated at A-589, Industrial Complex, Bhiwadi, Distt. Alwar, Rajasthan 301019.

Financial Calendar for 2013-14	Results were announced on	Newspapers	Date of Publication
Financial Reporting for the 1 <sup>st</sup> quarter ended June 30, 2013	09.08.2013	Business Standard Adhikar	11.08.2013 11.08.2013
Financial Reporting for the 2 <sup>nd</sup> quarter and 1 <sup>st</sup> half year ended September 30, 2013	01.11.2013	Business Standard Adhikar	03.11.2013 03.11.2013
Financial Reporting for the 3 <sup>rd</sup> quarter ended December 31, 2013	14.02.2014	Business Standard Adhikar	16.02.2014 16.02.2014
Financial Reporting for the 4 <sup>th</sup> quarter and year ended March 31, 2014	30.05.2014	Business Standard Adhikar	01.06.2014 01.06.2014

### Financial Calendar for 2014-2015 (Tentative and subject to change)

Financial Reporting for the 1 <sup>st</sup> quarter ended June 30, 2014.	7 <sup>th</sup> August, 2014 (2 <sup>nd</sup> Week) (Already announced)
Financial Reporting for the 2 <sup>nd</sup>	November, 2014 (2 <sup>nd</sup> Week)

quarter and 1<sup>st</sup> half year ended September 30, 2014.

Financial Reporting for the 3<sup>rd</sup> quarter ended December 31, 2014.

February, 2015 (2<sup>nd</sup> Week)

Financial Reporting for the year ended March 31, 2015.

May, 2015 (Last week)

Annual General Meeting for the year 2013-14 (not to change)

September 18th, 2014

**2. Date of Book Closure**

September 10<sup>th</sup> to September 18<sup>th</sup>, 2014 (Both days inclusive)

**3. E-Voting Cut off date**

14<sup>th</sup> August, 2014

**4. Dividend payment**

Dividend, if declared by the shareholders in the forthcoming Annual General Meeting, shall be paid as Rs.1.50 per share i.e. @15% to those shareholders whose name appears on the Register of members as on September 18<sup>th</sup>, 2014.

In respect of the shares held in

electronic form, to those members whose names appear in the statements of beneficial ownership furnished by Depositories (NSDL/CDSL) as at the end of business hours on September 9<sup>th</sup>, 2014.

**5. Listing on Stock Exchanges**

As on March 31, 2014 the equity shares of the Company are listed on the following Stock Exchanges:-

**a. National Stock Exchange of India Limited**

Exchange Plaza, 5<sup>th</sup> Floor, Plot no. C-1, Block – G, Bandra – Kurla Complex, Bandra (E), Mumbai – 400051, India. Stock Code- HITECHGEAR

**b. Bombay Stock Exchange Limited**

Phiroze Jeejeebhoy Towers, 25<sup>th</sup> Floor, Dalal Street, Mumbai. Stock Code – 522073

*Note: The listing fee for the year 2014-2015 has been paid to the Stock Exchanges within the stipulated time. Further the Company also confirms that the custodian fee for the year 2014-15 to NSDL & CDSL is also paid within the stipulated time period.*

**5. Market Price Data**

Monthly high and low prices of equity shares of the Company at BSE and NSE during the year under review are given hereunder.

Month	BSE					NSE				
	Share Price		Sensex		No. of shares traded	Share Price		Nifty		No. of shares traded
	High Price	Low Price	High	Low		High Price	Low Price	High	Low	
April-2013	87.80	72.10	19622.68	18144.22	13149	91.70	70.05	5962.30	5477.20	52107
May-2013	82.85	67.25	20443.62	19451.26	29222	83.90	66.75	6229.45	5910.95	47296
June-2013	69.90	57.05	19860.19	18467.16	42417	70.00	57.40	6011.00	5566.25	62461
July-2013	67.05	61.00	20351.06	19126.82	29235	67.50	61.45	6093.35	5675.75	40312
August-2013	64.75	58.10	19569.2	17448.71	24298	64.90	58.00	5808.50	5118.85	50156
September-2013	68.00	58.10	20739.69	18166.17	4461	66.00	57.10	6142.50	5318.90	11212
October-2013	74.00	61.00	21205.44	19264.72	11822	74.90	60.20	6309.05	5700.95	19393
November-2013	74.75	66.15	21321.53	20137.67	13053	74.75	66.15	6342.95	5972.45	11007
December-2013	82.90	72.00	21483.74	20568.7	274464	82.90	72.00	6415.25	6129.95	56750
January-2014	89.30	75.00	21409.66	20343.78	27357	90.00	75.50	6358.30	6027.25	13353
February-2014	80.85	73.00	21140.51	19963.12	15528	79.90	72.50	6282.70	5933.30	14033
March-2014	92.45	74.15	22467.21	20920.98	126262	91.85	75.00	6730.05	6212.25	129593





## 6. Performance in comparison to Broad Based Indices:-

Share Price on the last working day of the relevant month



## 7. Registrar and Share Transfer Agent

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

### MAS Services Limited

(Unit: Hi-Tech Gears Limited)  
T-34, 2<sup>nd</sup> Floor, Okhla Industrial Area, Phase-II,  
New Delhi – 110020.  
Ph.: 011 – 26387281, 82, 83  
Fax: 011 – 26387384  
Web site: [www.masserv.com](http://www.masserv.com)  
Email: [info@masserv.com](mailto:info@masserv.com)

### Email ID for redressal of Investor Grievances

Pursuant to Clause 47(c) of the Listing Agreement, Company has created a separate Email ID for redressal of Investor Complaints and Grievances. The Email ID is [secretarial@hitechgears.com](mailto:secretarial@hitechgears.com)

## 8. Share Transfer System

The shares of the Company are traded in the compulsory demat mode for all investors. All physical share transfers, dematerialization etc are handled by MAS Services Ltd., Registrar and Share Transfer Agent of the Company and the request for physical share transfer and dematerialization of

shares (if found in order and complete in all respect) are processed and confirmed within a period of 15 days.

To expedite the share transfer process, authority has been delegated to the Share Transfer Committee which comprises of two Directors. Share transfer/transmission approved by the Committee is placed at the meeting of the Board of Directors from time to time.

## 9. (a) Distribution of shareholding

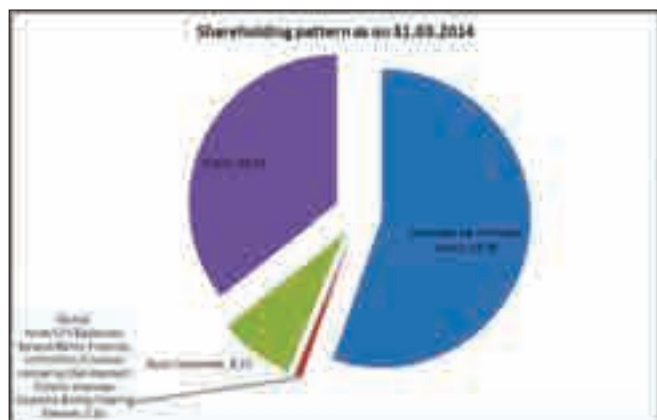
As on March 31, 2014 the distribution of shareholding was as follows:

Share holding of Nominal value of Rs	No. of share	% (No. of share)	No. of shareholders	% (No. of shareholders)
1 to 5000	374786	1.997	2632	74.794
5001 to 10000	283047	1.508	352	10.003
10001 to 20000	332594	1.772	213	6.053
20001 to 30000	186068	0.991	72	2.046
30001 to 40000	171345	0.913	46	1.307
40001 to 50000	139380	0.743	30	0.853
50001 to 100000	642062	3.421	82	2.33
100001 and above	16638718	88.655	92	2.614
<b>TOTAL</b>	<b>18768000</b>	<b>100</b>	<b>3519</b>	<b>100</b>



**(b) Category wise shareholding as on March 31, 2014**

Category	No. of shares held	% of shareholding
Promoters & Promoter Group	10387898	55.35
Mutual funds/UTI/Depository Receipt	800	0.01
Banks, Financial institutions, Insurance companies	4000	0.02
Foreign Institutional Investor	0	0
Body Corporate	1540385	8.21
Individual	6686293	35.63
Non Resident Indians/ Overseas Corporate Bodies	125534	0.67
Clearing Member	23090	0.12
<b>Grand Total</b>	<b>18768000</b>	<b>100.00</b>



**10. (a) Dematerialisation of shares and liquidity**

The equity shares of the Company are compulsorily traded and settled only in the dematerialized form under ISIN No. **INE127B01011**. Your Company is maintaining connectivity with both the Depositories i.e. NSDL and CDSL. The members are requested to dematerialize their physical holding in view of various advantages in dematerialized form.

The details of the equity shares of the Company dematerialized as on March 31, 2014 is given hereunder:

Particulars	As on March 31, 2014	
	No. of Shares	Percentage (%)
<b>No. of Shares dematerialized</b>		
-NSDL	16579700	88.34
-CDSL	2003092	10.68
No. of shares in physical form	185208	0.98
<b>Total</b>	<b>18768000</b>	<b>100.00</b>

**(b) Liquidity**

The equity shares of the Company are liquid and frequently traded. Average daily turnover of number of shares traded as well as value at BSE during the year 2013-2014 is given below:-

Particulars	BSE
No of Shares	2525.90
Value (in Rs.)	188728.50

**11. Outstanding GDRs /ADRs /Warrants or any convertible instruments, conversion date and likely impact on equity.**

The Company has not issued any GDRs/ADRs/Warrants or any Convertible instruments, hence this section is not applicable to the Company.

**12. Plant Locations**

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

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

**13. Address for correspondence**

- a. Transfer/dematerialization : **MAS Services Limited** (Unit: Hi-Tech Gears Limited)  
queries relating to Shares T-34, 2<sup>nd</sup> Floor,



Okhla Industrial Area, Phase-II,  
New Delhi – 110020.

Ph. : 011 – 26387281, 82, 83

Fax : 011 – 26387384

Website: [www.masserv.com](http://www.masserv.com)

Email: [info@masserv.com](mailto:info@masserv.com)

- b. Queries related to :Mr. S. K. Khatri  
Payment of Company Secretary,  
dividend on Shares, 14<sup>th</sup> Floor, Tower-B,  
Annual Report and Unitech's Millennium Plaza,  
others Shushant Lok-1, Sector – 27,  
Gurgaon,  
Haryana-122002  
Tel No: (0124) – 4715100  
Fax No: (0124) – 2806085  
Email : [secretarial@hitechgears.com](mailto:secretarial@hitechgears.com)

#### **14. Code of conduct for the Board Members and Senior Management Personnel**

The Board of Directors has approved a Code of Conduct for Board Members and Senior Management Personnel of the Company. This code is also available on the website of the Company, [www.hitechgears.com](http://www.hitechgears.com). In terms of revised Clause 49 of listing agreement, a confirmation from the Managing Director regarding compliance with the Code of Conduct by all the Directors and Senior Management is given along with this report.

#### **15. CEO/CFO Certification**

In terms of Clause 49 of the Listing Agreement, the certification by the CEO and Sr. General Manager (Finance) on the financial

statements and internal controls relating to financial reporting has been obtained, and placed before the Board, in their meeting held on May 30, 2014. A copy of the same certificate dated 30.5.2014 is given along with this report.

#### **16. Insider Trading Code**

The Company has formulated a Code of conduct for prevention of Insider Trading pursuant to Securities and Exchange Board of India (Insider Trading) (Amendment) Regulations, 2002 to prevent practices of Insider trading. Mr. S. K. Khatri, Company Secretary has been designated as Compliance Officer for this purpose. Employees of the Company have affirmed compliances with the Insider Trading Code.

#### **17. Legal Compliance**

There were no cases of non-compliance by the Company and no penalties or strictures have been imposed on or proposed against the Company by the stock exchange (s) and/or SEBI and/or any other statutory authorities on matters relating to capital market. The Company has complied with the provisions of relevant Acts, Rules & Regulations framed there under during the year 2013-2014

**By Order of the Board of  
Hi - Tech Gears Limited**

**Place : NewDelhi  
Dated: August 7, 2014**

**Sd/-  
Deep Kapuria  
Chairman**

## Certification by CEO and CFO

The Board of Directors  
Hi-Tech Gears Limited  
A-589, Industrial Complex,  
Dist. Alwar, Bhiwadi – 301019,  
Rajasthan.

### Ref: Certification by CEO/CFO for Financial Year 2013-14

- a) We, the undersigned in our respective capacities, certify to the Board that we have reviewed the financial statements and the cash flow statement for the financial year 2013-14 and that to the best of our knowledge and belief:
- i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken and/or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit committee, wherever applicable, the following:
- i. Significant changes in internal control over financial reporting during the year;
- ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Hi-Tech Gears Limited

Sd/-  
Vijay Mathur  
Sr. GM (Finance)

Sd/-  
Pranav Kapuria  
Chief Executive Officer

Place: New Delhi  
Date: 30.05.2014

## AUDITORS CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To  
The Members of  
Hi-Tech Gears Ltd.  
A-589, Industrial Complex,  
Bhiwadi-301019  
Dist. Alwar, (Rajasthan)

We have examined the compliance of the conditions of Corporate Governance by Hi-Tech Gears Limited, for the year ended on March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange(s).

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending exceeding one month against the Company as per the records maintained by the Company.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For GUPTA VIGG & CO.  
Chartered Accountants  
Firm No. 001393N  
Sd/-  
CA Kawal Jain  
Partner  
Membership No. 089214

Place: New Delhi  
Date: 30.05.2014

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

The Board of Directors  
Hi-Tech Gears Limited  
A-589, Industrial Complex,  
Dist. Alwar, Bhiwadi – 301019,  
Rajasthan.

I, Pranav Kapuria, Managing Director of the Company hereby certify that the Board of Directors and the Sr. Management Personnel have affirmed compliance of the Code of Conduct of the Company for the Financial Year 2013-14.

For Hi-Tech Gears Limited

Place : New Delhi  
Date : 31.03.2014

Sd/-  
Pranav Kapuria  
Managing Director





## To the Members of Hi-Tech Gears Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of Hi-Tech Gears Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal

control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies

Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013; and

- (e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Gupta Vigg & Co.  
Chartered Accountants  
Firm Registration No. 001393N  
Sd/-

CA. Kawal Jain  
Partner

Place: New Delhi  
Date: 30<sup>th</sup> May, 2014

Membership No.: 089214

**The Annexure referred to in paragraph 1 of our report of even date to the members of Hi-Tech Gears Limited (“the Company”) on the accounts of the company for the year ended 31<sup>st</sup> March, 2014.**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

(b) As explained to us, the company has a regular programme of verification of fixed assets. All the assets except furniture & fixtures are verified once in every two years, which in our opinion, is reasonable having regard to size of the company and nature of fixed assets. During the year under audit, company started physical verification of fixed assets. Till the date of audit, 90% of gross block of fixed assets were verified and no material discrepancies were noticed on such verification. Physical verification of rest of the assets was in continuation.

(c) In our opinion and according to the information and explanations given to us, fixed asset disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.

2. (a) As explained to us, Inventories have been physically verified during the year by the

management at reasonable intervals.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.

3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses (iii) (b), (iii) (c) and (iii) (d) of the order are not applicable to the Company.

(e) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus, sub clauses (f) & (g) of clause (iii) are not applicable to the company.

4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.

5. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.

(b) Based on our audit procedure and according to information and explanation provided to us by the



management, we are of the opinion that the transaction made in pursuance of contracts arrangements entered in the registered maintained under section 301 in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

6. According to information and explanation given to us by the management, the Company has not accepted any deposits from the public. Therefore, the provisions of Clause (vi) of paragraph 4 of the Order are not applicable to the Company.
7. In our opinion and according to information & explanations given by the management, the Company has an adequate internal audit system commensurate with its size and the nature of its business.
8. We have broadly reviewed the books of accounts relating to material, labour and other items of cost maintained by the company pursuant to rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of The Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintain. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or compete.
9. (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31<sup>st</sup> of March, 2014 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there is no amounts payable in respect of sales tax, income tax, custom duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any disputes except below:-

S. No.	Name of the Statute	Nature of Dues	Year	Amount (Rs.)	Pending at Assessing Authority
1.	Central Excise Act 1944	Service Tax	2009-10	85,598 (85,598)	Commissioner (Appeal), CE
2.	Central Excise Act 1944	Service Tax	2010-11 & 2011-12	1,03,399 (1,03,399)	Commissioner (Appeal), CE
3.	Central Excise Act 1944	Service Tax	2010-11 & 2011-12	1,64,915 (NIL)	Pending with Tribunal, RK Puram, Delhi
4.	Central Excise Act 1944	Service Tax	2008-09	4,85,131 (4,85,131)	Pending with Tribunal, RK Puram, Delhi
5.	Central Excise Act 1944	Service Tax	2009-10	4,45,857 (4,45,857)	Pending with Tribunal, RK Puram, Delhi
6.	Central Excise Act 1944	Service Tax	2010-11	2,91,171 (2,91,171)	Pending with Tribunal, RK Puram, Delhi
7.	Central Excise Act 1944	Service Tax	2008-09, 2009-10, 2010-11	14,91,522 (12,18,991)	Pending with Tribunal, RK Puram, Delhi
8.	Central Excise Act 1944	Service Tax	2006-07 to 2010-11	30,68,991 (11,54,202)	Pending with Tribunal, RK Puram, Delhi
9.	Central Excise Act 1944	Service Tax	2011-12 2012-13	3,25,712 (NIL)	Commissioner (Appeal), CE
10.	Central Excise Act 1944	Service Tax	2011-12 2012-13	6,60,482 (NIL)	Commissioner of Income Tax (Appeals)
11.	Central Excise Act 1944	Service Tax	2011-12 2012-13	25,545 (NIL)	Commissioner of Income Tax (Appeals)
12.	Local Area Act, 1999	Entry Tax	2007-08	12,19,212 (12,19,212)	Hon'ble High-Court, Rajasthan, Jaipur
13.	Local Area Act, 1999	Entry Tax	2008-09	9,08,718 (9,08,718)	Hon'ble High-Court, Rajasthan, Jaipur
14.	Local Area Act, 1999	Entry Tax	2009-10	11,19,316 (11,19,316)	Hon'ble High-Court, Rajasthan, Jaipur
15.	Local Area Act, 1999	Entry Tax	2010-11	8,58,227 (8,58,227)	Hon'ble High-Court, Rajasthan, Jaipur
16.	Local Area Act, 1999	Entry Tax	2011-12	14,49,974 (NIL)	Hon'ble High-Court, Rajasthan, Jaipur
17.	Income Tax Act, 1961	Income Tax	A.Y. 2008-09	2,56,368 (Nil)	Commissioner of Income Tax (Appeals)
18.	Income Tax Act, 1961	Income Tax	A.Y. 2010-11	33,12,315 (33,85,470)	Commissioner of Income Tax (Appeals), Delhi
			Total	1,62,72,453 (1,12,75,292)	

Note:- Figures in brackets relates to the previous year

- 
10. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
  11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
  12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
  13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
  14. According to information and explanations given to us, the Company is not dealing in trading of Shares, Mutual funds & other Investments.
  15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
  16. Based on our audit procedures and on the information given by the management, we report that term loans have been utilized for the purpose, they have been raised.
  17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31<sup>st</sup> March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
  18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
  19. The Company did not have any outstanding debentures during the year.
  20. The Company has not raised any money by public issue during the year.
  21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For Gupta Vigg & Co.  
Chartered Accountants  
Firm Registration No. 001393N

Sd/-  
CA. Kawal Jain  
Partner

Place: New Delhi  
Date: 30<sup>th</sup> May, 2014

Membership No.: 089214

**BALANCE SHEET AS AT MARCH 31, 2014**

Particulars	Note No.	Current Year 31.03.2014 (Rs)	Previous Year 31.3.2013 (Rs)
<b><u>I. EQUITY AND LIABILITIES</u></b>			
<b>(1) SHAREHOLDERS' FUND</b>			
(a) Share capital	2	187,680,000	187,680,000
(b) Reserves and surplus	3	1,574,437,218	1,475,078,135
<b>(2) NON CURRENT LIABILITIES</b>			
(a) Long term borrowings	4	137,977,595	299,340,582
(b) Deferred tax liabilities (net)	5	92,411,486	106,568,513
(c) Other long term liabilities	6	2,500,000	2,500,000
<b>(3) CURRENT LIABILITIES</b>			
(a) Short term borrowings	7	78,751,630	39,505,524
(b) Trade payables	8	438,721,626	442,505,528
(c) Other current liabilities	9	228,186,016	155,568,821
(d) Short term provisions	10	236,173,147	363,011,428
<b>Total</b>		<b>2,976,838,718</b>	<b>3,071,758,531</b>
<b><u>II. ASSETS</u></b>			
<b>(1) NON CURRENT ASSETS</b>			
(a) Fixed assets	11		
(i) Tangible assets		1,774,183,844	1,879,474,295
(ii) Intangible assets		13,872,686	20,221,953
(iii) Capital work-in-progress		1,554,043	3,200,329
(b) Non current investments	12	40,500	40,500
(c) Long term loans and advances	13	18,165,298	37,533,657
<b>(2) CURRENT ASSETS</b>			
(a) Inventories	14	252,232,447	223,924,547
(b) Trade receivables	15	521,332,263	297,259,655
(c) Cash and bank balances	16	28,573,788	105,609,246
(d) Short term loans and advances	17	366,883,849	504,494,349
<b>Total</b>		<b>2,976,838,718</b>	<b>3,071,758,531</b>
<b>See accompanying significant accounting policies</b>	1		
AS PER OUR REPORT OF EVEN DATE FOR GUPTA VIGG & CO. CHARTERED ACCOUNTANTS FIRM REGN.NO. 001393N		FOR AND ON BEHALF OF THE BOARD	
(CA.KAWAL JAIN) PARTNER MEMBERSHIP NO. 089214	VIJAY MATHUR (SR. GM - FINANCE)	DEEP KAPURIA (EXECUTIVE CHAIRMAN) SANDEEP DINODIA (DIRECTOR) PROSAD DAS GUPTA (DIRECTOR) VINIT TANEJA (DIRECTOR) S.K.KHATRI (COMPANY SECRETARY) K C VERMA (DIRECTOR)	PRANAV KAPURIA (MANAGING DIRECTOR) ANIL KHANNA (DIRECTOR) P C MATHEW (DIRECTOR) R.C. JAIN (DIRECTOR) ANUJ KAPURIA (WHOLE TIME DIRECTOR)
PLACE : NEW DELHI DATE : 30.05.2014			



## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2014

Particulars	Note No.	Current Year 31.03.2014 (Rs)	Previous Year 31.03.2013 (Rs)
I. Revenue from Operations	18	3,610,205,420	3,733,783,154
II. Other Income	19	51,847,776	20,014,438
<b>III. Total Revenue (I +II)</b>		<b>3,662,053,196</b>	<b>3,753,797,592</b>
<b>IV. EXPENSES</b>			
Cost of materials consumed	20	2,081,010,768	2,106,949,786
Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	(13,559,386)	16,366,014
Employee benefit expense	22	553,260,659	555,212,077
Finance cost	23	59,036,508	76,181,338
Depreciation and amortization expense	11	230,608,859	231,586,780
Other expenses	24	531,099,678	531,106,519
<b>V. Total Expenses</b>		<b>3,441,457,086</b>	<b>3,517,402,514</b>
VI. Profit before exceptional and extraordinary items and tax	III- V	220,596,110	236,395,078
VII. Exceptional items			
VIII. Profit before extraordinary items and tax	VI-VII	220,596,110	236,395,078
IX. Extraordinary items			
X. Profit before tax	VIII-IX	220,596,110	236,395,078
XI. Tax expense:			
(a) Current income tax		75,500,000	85,200,000
(b) Deferred tax		(14,157,027)	(11,222,108)
(c) Income tax for earlier years		-	282,000
XII. Profit for the period from continuing operations	X-XI	159,253,137	162,135,186
XIII. Profit from discontinuing operations		-	-
XIV. Tax expense of discounting operations		-	-
XV. Profit from discontinuing operations	XIII-XIV	-	-
XVI. Profit for the period	XII+XV	159,253,137	162,135,186
Number of shares for the purpose of calculating EPS		18,768,000	18,768,000
Earning per equity share of Rs. 10/- each			
1. Basic		8.49	8.64
2. Diluted		8.49	8.64

**See accompanying significant accounting policies**

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AS PER OUR REPORT OF EVEN DATE  
FOR GUPTA VIGG & CO.  
CHARTERED ACCOUNTANTS  
FIRM REGN.NO. 001393N

FOR AND ON BEHALF OF THE BOARD

(CA.KAWAL JAIN)  
PARTNER  
MEMBERSHIP NO. 089214

VIJAY MATHUR  
(SR. GM - FINANCE)

S.K.KHATRI  
(COMPANY SECRETARY)

DEEP KAPURIA  
(EXECUTIVE CHAIRMAN)  
SANDEEP DINODIA  
(DIRECTOR)  
PROSAD DAS GUPTA  
(DIRECTOR)  
VINIT TANEJA  
(DIRECTOR)  
K C VERMA  
(DIRECTOR)

PRANAV KAPURIA  
(MANAGING DIRECTOR)  
ANIL KHANNA  
(DIRECTOR)  
P C MATHEW  
(DIRECTOR)  
R.C. JAIN  
(DIRECTOR)  
ANUJ KAPURIA  
(WHOLE TIME DIRECTOR)

PLACE : NEW DELHI  
DATE : 30.05.2014





**CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2014**

Particulars	For the year ended	
	31.03.2014	31.03.2013
<b>A. Cash flow from operating activities</b>		
Net Profit / (Loss) before extraordinary items and tax	220,596,110	236,395,078
Adjustments for:		
Depreciation and amortisation	230,608,859	231,586,780
(Profit) / loss on sale	(5,276,456)	(45,307)
Provision for Impairment of Intangibles	-	351,950
Finance costs	59,036,508	76,181,338
Interest income	(12,680,039)	(6,076,239)
Dividend income	(12,075)	(10,875)
Liabilities / provisions no longer required written back	(5,882,925)	(3,648,560)
Provision for doubtful trade & other receivables, loans & advances	3,001,005	5,939,693
Provision for estimated loss on derivatives	-	1,837,837
Operating profit / (loss) before working capital changes	268,794,877	306,116,617
Changes in working capital:	489,390,987	542,511,695
Adjustments for (increase) / decrease in operating assets:		
Inventories	(28,307,901)	20,765,724
Trade receivables	(227,073,612)	397,623,662
Short-term loans and advances	147,860,436	(60,975,385)
Long-term loans and advances	(165,807)	(1,519,536)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(3,783,903)	(170,951,936)
Other current liabilities	6,075,337	2,320,737
Other long-term liabilities	-	2,500,000
Short-term provisions	(120,955,356)	55,218,488
Cash flow from extraordinary items	(226,350,806)	244,981,754
Cash generated from operations	263,040,181	787,493,449
Net income tax (paid) / refunds	(85,749,936)	(89,578,227)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>177,290,245</b>	<b>697,915,222</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on fixed assets, including capital advances	(97,948,700)	(117,215,594)
Proceeds from sale of fixed assets	5,436,469	295,999
Payment out of reserve	(5,000,000)	(5,000,000)
Interest received	12,680,039	6,076,239
Dividend received	12,075	10,875
Cash flow from extraordinary items	(84,820,117)	(115,832,481)
Net income tax (paid) / refunds	(84,820,117)	(115,832,481)
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(84,820,117)</b>	<b>(115,832,481)</b>

Particulars	For the year ended		For the year ended	
	31.03.2014		31.03.2013	
<b>C. Cash flow from financing activities</b>				
Proceeds from long-term borrowings	39,507,351		23,298,040	
Repayment of long-term borrowings	(134,328,479)		(158,415,443)	
Net increase / (decrease) in working capital borrowings	39,246,106		(229,402,928)	
Finance cost	(59,036,508)		(76,181,338)	
Dividends paid	(46,920,000)		(46,920,000)	
Tax on dividend	(7,974,054)	(169,505,584)	(7,829,071)	(495,450,740)
Cash flow from extraordinary items		-		-
<b>Net cash flow from / (used in) financing activities (C)</b>		<b>(169,505,584)</b>		<b>(495,450,740)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>(77,035,456)</b>		<b>86,632,001</b>
Cash and cash equivalents at the beginning of the year	105,609,246		18,977,245	
<b>Cash and cash equivalents at the end of the year</b>		28,573,788		105,609,246
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>				
Cash and cash equivalents as per Balance Sheet		28,573,788		105,609,246
Less: Bank balances not considered as cash and cash equivalents as defined in AS 3 Cash Flow Statements (FDR in margin money & accrued interest thereon)		19,256,845		73,834,862
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)		<b>9,316,943</b>		<b>31,774,384</b>
Add: Current investments considered as part of cash and cash equivalents (as defined in AS 3 Cash Flow Statements )		-		-
<b>Cash and cash equivalents at the end of the year *</b>		9,316,943		31,774,384
* Comprises:				
(a) Cash on hand		851,332		363,829
(b) Balances with banks				
(i) In current accounts		5,854,994		17,142,128
(ii) In EEFC accounts		2,610,617		14,268,427
(iii) In deposit accounts with original maturity of less than 3 months		7,500,000		63,500,000
(iv) In earmarked accounts (Unpaid dividend account)		1,194,473		1,021,554
(v) In Margin Money (Against letter of credit & bank guarantees)		8,176,234		7,450,965
(vi) Interest accrued on FDR		2,386,138		1,862,343
		28,573,788		105,609,246

**Notes:**

(i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.

See accompanying significant accounting policies

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AS PER OUR REPORT OF EVEN DATE  
FOR GUPTA VIGG & CO.

FOR AND ON BEHALF OF THE BOARD

CHARTERED ACCOUNTANTS  
FIRM REGN.NO. 001393N

DEEP KAPURIA  
(EXECUTIVE CHAIRMAN)

PRANAV KAPURIA  
(MANAGING DIRECTOR)

(CA.KAWAL JAIN)  
PARTNER

VIJAY MATHUR  
(SR. GM - FINANCE)

SANDEEP DINODIA  
(DIRECTOR)

ANIL KHANNA  
(DIRECTOR)

MEMBERSHIP NO. 089214

PROSAD DAS GUPTA  
(DIRECTOR)

P C MATHEW  
(DIRECTOR)

VINIT TANEJA  
(DIRECTOR)

R.C. JAIN  
(DIRECTOR)

PLACE : NEW DELHI  
DATE : 30.05.2014

S.K.KHATRI  
(COMPANY SECRETARY)

K C VERMA  
(DIRECTOR)

ANUJ KAPURIA  
(WHOLE TIME DIRECTOR)





## **NOTE '1' – SIGNIFICANT ACCOUNTING POLICIES**

### **1.1 Basis of Preparation of Financial Statements**

The Financial Statements are prepared under the historical cost convention on accrual basis and are materially in conformity with the mandatory accounting standards issued under Companies (Accounting Standards) Amended Rules 2009 & relevant provisions of the Companies Act, 1956.

Accounting Policies not specifically referred to otherwise are consistent and in accordance with generally accepted accounting principles.

### **1.2 Use of Estimates**

In preparing Company's financial statements in conformity with accounting principles generally accepted in India, the Management is required to make estimates & assumptions that affect the reported amount of Assets & Liabilities and the disclosure of Contingent Liabilities at the date of the Financial Statements and the reported amount of revenues & expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognized in the period the same is determined.

### **1.3 Inventories**

The basis of valuation for various categories of inventories is as follows:-

Stores, Spares and Loose Tools and Raw Materials: **At cost (First in First out)**

Work in progress: **At material cost plus conversion cost on the basis of absorption costing or Net Realisable value, whichever is lower**

Finished Goods: **At material cost plus conversion cost on the basis of absorption costing or Net Realisable value, whichever is lower (Inclusive of excise duty payable)**

Scrap: **At realizable value.**

Stock in Trade includes Raw Materials & Scrap.

### **1.4 Provisions, Contingent Liabilities and Contingent Assets**

The Company makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable & a reliable estimate of the amount of obligation can be made.

The disclosure is made for possible or present obligation that may require outflow of resources as contingent liability in the financial statements. Depending on the facts of each case and after due evaluation of relevant legal aspects, claims against the Company not acknowledged as debts are disclosed as contingent liabilities. In respect of the statutory matters, contingent liabilities are disclosed only for those demand(s) that are contested by the Company.

Contingent assets are neither recognized nor disclosed in the financial statements.

### **1.5 Revenue Recognition**

The revenue from Sale of Goods is recognized on transfer of all significant risk & rewards of ownership to the buyer. Sale value is inclusive of excise duty. Price revisions of goods sold are accounted for at the time of billing except in the case where reasonable certainty has been measured up to the date of Balance Sheet.

Export Sale is accounted for at exchange rate notified on monthly basis by Central Govt. under Custom Law. Bills outstanding on the Balance Sheet date are reinstated with the exchange rate on that date and the difference on this account is booked in the Profit & Loss Account.

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable. Dividend income is recognized, when right to receive is established.

### **1.6 Fixed Assets and Depreciation**

All Tangible & Intangible Assets are stated at cost less accumulated depreciation and

impairment of Loss, if any. Depreciation on Buildings and Plant and Equipment is charged on pro-rata basis on Straight Line Method at the rates prescribed in schedule XIV of the Companies Act 1956. Depreciation on Fixed Assets costing less than Rs.5000/-, each in value, are depreciated at the rate of 100% in the year of purchase. Intangible assets are amortized over their respective individual estimated useful life on written down value basis commencing from the date, the asset is available to the company for its use. Depreciation on rest of the fixed assets has been provided at the rates prescribed in Schedule XIV of The Companies Act 1956 on Written Down Value basis.

### 1.7 Retirement Benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

For defined benefit schemes, the cost of providing benefits is determined using Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Actuarial gain & losses are recognized in full in the Profit & Loss account for the period in which they occur. Past service cost is recognized to the extent the benefits are already vested, and otherwise is amortized on a Straight-line method over the average period until the benefits become vested.

The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligations as adjusted for unrecognized past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

#### (i) Gratuity Plan

The Company makes annual contribution to the Employee's Group Gratuity-cum-Life Assurance scheme of the Life Insurance Corporation of India, a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of

an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of 6 months. Vesting occurs upon completion of 5 years of continued service.

#### (ii) Leave Encashment Plan

The Company is making a provision on actuarial basis for leave encashment benefit of the employees, the amount of provision & paid during the year is charged to Profit & Loss Account.

### 1.8 Foreign Currency Transactions

- (i) Transaction in foreign currencies is converted in rupees at the rates prevailing on the date of transaction. Loans and other outstanding balances in foreign currencies at the end of the year are converted at the rates prevailing on that date.

Pursuant to the notification of the Companies (Accounting Standards) Amended Rules 2009 issued on 31<sup>st</sup> March 2009, exchange differences relating to long term monetary items, arising during the year, in so far as they relate to the acquisition of a depreciable capital asset are added to / deducted from the cost of the asset w.e.f 1<sup>st</sup> April 2007 and depreciated over the balance life of the asset.

#### (ii) Derivative Instruments and Hedge accounting:

The Company uses foreign exchange forward contracts and options to hedge its exposure to movements in foreign exchange rates. These foreign exchange forward contracts and options are not used for trading or speculation purposes.

For unexpired forward contracts or options that are designated as effective cash flow hedges the gain or loss from the effective portion of the hedge is recorded and reported directly in the shareholders' fund ( under the head "Hedging Reserve") and will be transferred to Profit and Loss account upon the occurrence of the events when the contracts get transacted.

The Company recognizes gains or losses from forward contracts and options that are not designated as effective cash flow hedges for



accounting purposes in the profit and loss account in the period in which they occur.

### **1.9 Investments**

Long term investments are carried at cost. However provision for diminution, if any, is made to recognize a decline, other than temporary, in the value of investment.

### **1.10 Borrowing Cost**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss account.

### **1.11 Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### **1.12 Provision for Current & Deferred Taxes**

Tax expenses comprise current and deferred taxes. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflects the impact of current period timing difference between taxable and accounting

income for the period and reversal of timing differences of earlier years. Deferred taxes is measured based on the tax rates and the tax laws enacted or substantively enacted as at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty and sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realized against future taxable profit.

### **1.13 Research and Development Costs**

Revenue expenditure incurred on research and development has been charged to the Profit & Loss Account in the year it is incurred. Capital expenditure is included in respective heads under fixed assets.

### **1.14 Impairment of Assets**

At each Balance Sheet date, the Company reviews whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in the Profit & Loss Account to the extent the carrying amount exceeds the recoverable amount.

**1.15** Prior period and extra ordinary items and changes in accounting policies having material impact on the financial affairs of the Company are disclosed appropriately.

**1.16** Material events occurring after the Balance Sheet date are taken into cognizance and disclosed appropriately.

**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2014**

Particulars	Current Year 31.03.2014 (Rs)		Previous Year 31.03.2013 (Rs)	
<b>NOTE '2' - SHARE CAPITAL</b>				
<b>(a) Authorised Capital</b>				
20,000,000 Equity shares of Rs. 10/- each with voting right (Previous year 20,000,000 Equity shares of Rs. 10/- each with voting right)	200,000,000		200,000,000	
<b>(b) Issued, Subscribed and fully Paid-up</b>				
18,768,000 Equity shares of Rs. 10/- each & fully paid up with voting right (Previous year 18,768,000 Equity shares of Rs. 10/- each fully paid up with voting right)	187,680,000		187,680,000	
<b>(c) Reconciliation of the number of Equity Shares with voting right</b>				
	31.03.2014	31.03.2013		
Shares outstanding at the beginning of the year	18,768,000	18,768,000		
Add : Shares issued during the year	Nil	Nil		
Less: Shares forfeited during the year	Nil	Nil		
Shares outstanding at the end of the year	18,768,000	18,768,000		
<b>(d) Equity Shares held by shareholders holding more than 5 % of total number of shares with voting right</b>				
Name of Share Holder	Relationship	31.03.2014	31.03.2013	
		No of Shares %	No of Shares %	
Vulcan Electro Controls Ltd	(Associate company)	1,082,000 5.77	1,082,000 5.77	
Olympus Electrical Indust. P Ltd	(Associate Company)	1,745,200 9.30	1,745,200 9.30	
Hitech Portfolio Investments Ltd	(Associate Company)	1,971,876 10.51	1,971,876 10.51	
Mr. Deep Kapuria	(Executive Chairman)	3,104,253 16.54	3,083,045 16.43	
<b>(e) Terms/rights attached to equity shares</b>				
The company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share, if poll is demanded. They have right to participate in the profits of the company, if recommended by the Board and declared by the members at their Annual General Meeting. They have right to received Annual Report of the Company, beside other rights available under the Companies Act.				
In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, beside other rights available under the Companies Act.The distribution will be in proportion to the number of equity shares held by the shareholders.				
<b>(f) - Aggregate number of fully paid up Equity Shares allotted as bonus shares during the period of 5 Years immediately preceding the Balance Sheet Date:</b>				
	Aggregate number of shares			
	As at 31.03.14	As at 31.03.13		
- Equity Shares of Rs.10/- each with voting rights fully paidup allotted by way of bonus shares in the year 2010-11	9,384,000	9,384,000		
<b>NOTE '3' - RESERVES &amp; SURPLUS</b>				
<b>(a) Capital Reserve</b>				
<b>(i) Central Investment Subsidy</b>				
Balance as per last Balance Sheet	1,500,000		1,500,000	
Add: Received during the year	-		-	
Less: Utilised during the year	-		-	
Closing balance	1,500,000		1,500,000	





Particulars	Current Year 31.03.2014 (Rs)		Previous Year 31.03.2013 (Rs)	
(ii) State Capital Investment Subsidy				
Balance as per last Balance Sheet	6,846,000		6,846,000	
Add: Received during the year	-		-	
Less: Utilised during the year	-		-	
Closing balance		6,846,000		6,846,000
(b) Revaluation Reserve - Land				
Balance as per last Balance Sheet	301,643,801		301,643,801	
Add :Revaluation during the year	-		-	
Less: Utilised during the year	-		-	
Closing balance		301,643,801		301,643,801
(c) Corporate Social Responsibility Reserve				
Balance as per last Balance Sheet	13,989,000		13,989,000	
Add :Transferred from surplus during the year	5,000,000		5,000,000	
Less: Utilised during the year	5,000,000		5,000,000	
Closing balance		13,989,000		13,989,000
<p>(The Board of Directors of Hi-Tech Gears Ltd ( HGL ) in their meeting held on 26 /05/2012, have approved and authorised the signing of a MOU with the Global Innovation &amp; Technology Alliance (GITA ) for the purchase of 15000 shares of GITA by HGL. GITA is a not for profit company registered under Section 25 of the Companies Act and has been promoted jointly by the Technology Development Board of the Department of Science and Technology, Government of India and the Confederation of Indian Industry ( CII ).</p> <p>As per the above MOU, HGL is required to pay Rs. 5,000,000/- every year for three years starting from 2012 to 2014. By contributing to the setting up of GITA, HGL will participate in the progressive measures initiated by the Government of India and the CII for encouraging R&amp;D for the benefit of Industry and the growth of the nation.Through this commitment HGL is clearly demonstrating its commitment to the growth of the nation through the growth of Industries in India as well as its passion for innovation and excellence.)</p> <p>As such , we have paid an amount of Rs.5,000,000/- (Previous year Rs.5,000,000/-) for the purchase of 5000 equity shares of Rs.1000/- each (unquoted) (Previous year 5000 equity shares of Rs. 1000/- each).</p>				
(d) General Reserve				
Balance as per last Balance Sheet	248,087,991		230,087,991	
Add : Transferred from surplus during the year	16,000,000		18,000,000	
Closing balance		264,087,991		248,087,991
(e) Hedging Reserve				
Balance as per last Balance Sheet	-		(1,837,837)	
Add : During the year	-		1,837,837	
Less : During the year (Refer Note no.'33')	-		-	
Closing balance	-	-	-	-
(f) Surplus in Statement of Profit & Loss				
Balance as per last Balance Sheet	903,011,343		818,625,228	
Add : Profit for the year	159,253,137		162,135,186	
Less: Interim Dividend distributed to equity shareholders Rs. 1.00 per share (Previous year Rs. 1.00 per share)	18,768,000		18,768,000	
Less: Dividend Proposed to be distributed to equity shareholders Rs. 1.50 Per share (Previous year Rs. 1.50 Per share)	28,152,000		28,152,000	
Less: Tax on dividend (Interim)	3,189,622		3,044,639	
Less: Tax on Proposed dividend	4,784,432		4,784,432	
Less: Transferred to General Reserve	16,000,000		18,000,000	
Less: Transferred to Corporate Social Responsibility Reserve	5,000,000		5,000,000	
Closing balance		986,370,426		903,011,343
<b>TOTAL</b>		<b>1,574,437,218</b>		<b>1,475,078,135</b>



Particulars	Current Year 31.03.2014 (Rs)	Previous Year 31.03.2013 (Rs)			
<b><u>NOTE '4' - LONG TERM BORROWINGS</u></b>					
<b><u>Secured:</u></b>					
<b>(I) Term-loans: From banks</b>					
<b>(a) DBS External Commercial Borrowing (USD 1,125,000 Previous year-USD 2,250,000)</b>					
Terms & conditions:-	31.03.2014	31.03.2013			
Sanctioned amount:-	USD 4,500,000	USD 4,500,000			
Total no. of installments:-	16 Quarterly installment of USD 281,250/- each				
No. of installment pending:-	8 Nos.	12 Nos.			
Rate of Interest :-	Libor+3%				
Security:-The amount is secured by way of pari pasu first charge over moveable fixed asset, both present and future and also secured by second pari pasu charge over goods, both present and future including book debts. This is also secured by way of first pari pasu charge over immovable property situated at A-589, RICCO, Bhiwadi, Alwar					
<b>(b) Standard Chartered Bank External Commercial Borrowing USD (USD 1,100,000 Previous year-USD 2,200,000)</b>					
Terms & conditions:-	31.03.2014	31.03.2013			
Sanctioned amount:-	USD 4,400,000	USD 4,400,000			
Total no. of installments:-	16 Quarterly installment of USD 275,000/- each				
No. of installment pending:-	8 Nos.	12 Nos.			
Rate of Interest :-	Libor+3%				
Security:-The amount is secured by first pari pasu charge over immovable property situated at A-589, RICCO, Bhiwadi, Alwar with all building & structure and Plant & Machinery both present & future. Loan is also secured by way of hypothecation on first pari pasu basis over all present & future moveable fixed assets (excluding assets specifically charged) & also secured by Second pari pasu charge on entire current assets.					
<b>(c) Car Loan</b>					
<b>(i) ICICI Bank Limited</b>					
<b>Sr No.</b>	<b>Sanction Amount</b>	<b>Total Instalments</b>	<b>EMI Rs.</b>	<b>Pending Instalments</b>	<b>Rate of interest</b>
1	8,000,000	35	255,840	2	9.95%
2	2,528,000	59	53,871	58	10.50%
3	1,240,000	35	40,600	10	11.68%
4	1,180,000	35	38,635	10	11.68%
5	426,000	36	13,980	21	11.17%
The Car loans comprise of 5 loans availed during current year and over past number of years with varying terms and conditions including varying maturity periods.					
Security:-The loans are secured by way of hypothecation of specific Car.					
<b>(d) DBS Bank Buyers Credit (EURO 752,204.41, Previous year 752,204.41)</b>			-	53,331,293	
Security:-The amount is obtained from bank located outside India under Non-Funded Facilities sanctioned and guaranteed by bank in India viz. DBS Bank Limited secured by way of first charge exclusively on machinery financed by the bank.					
Rate of Interest :-			Libor+2%		
<b>TOTAL</b>			<b>137,977,595</b>	<b>299,340,582</b>	
<b><u>NOTE '5' - DEFERRED TAX LIABILITIES</u></b>					
Opening balance			106,568,513	117,790,621	
Add : Deferred tax liability during the year (Refer Note.'31')			(14,157,027)	(11,222,108)	
Closing balance			<b>92,411,486</b>	<b>106,568,513</b>	
<b><u>NOTE '6' - OTHER LONG TERM LIABILITIES</u></b>					
Security deposit			2,500,000	2,500,000	





Particulars	Current Year 31.03.2014 (Rs)		Previous Year 31.03.2013 (Rs)	
The Company has entered in to an agreement with M/s. Ayam Infrastructure Developers Pvt. Ltd and received the non interest bearing refundable security deposit of Rs. 25 lacs from them for development of its land, situated at revenue estate of Village Sihi near Sector 84, Gurgaon, Haryana, subject to necessary approvals from the appropriate authorities.				
<b>TOTAL</b>		<b>2,500,000</b>		<b>2,500,000</b>
<b><u>NOTE '7' - SHORT TERM BORROWINGS</u></b>				
Secured:				
Working capital-loans / loans repayable on demand from banks:				
(a) Citi bank -N.A.		51,753,022		38,204,626
Rate of interest:- 13.50%				
Security:-Amount is secured by way of first charge on pari pasu basis of all stock in trade, book debts all Present and future including machinery and also secured by second pari pasu charge on all Present and future moveable fixed assets				
(b) State bank of India		26,998,608		1,300,898
Rate of interest:- 10.90%				
Security:-The Amount is secured by way of first charge on pari pasu basis on all present and future current assets of the company and second pari passu charges on the fixed assets of the company.				
<b>TOTAL</b>		<b>78,751,630</b>		<b>39,505,524</b>
<b><u>NOTE '8' - TRADE PAYABLES</u></b>				
(a) Creditors				
(i) Due to micro & small enterprises (Refer Note.'35')	3,008,059		3,229,285	
(ii) Due to others**	232,027,124	235,035,183	242,862,434	246,091,719
(b) Other payables:				
(i) Employees benefits payables	29,089,972		25,058,135	
(ii) Expenses payable**	133,309,782		117,030,707	
(iii) Against purchase of fixed assets	555,319		1,135,800	
(iv) Other contractual obligations				
(a) Due to micro & small enterprises (Refer Note.'35')	808,420		744,131	
(b) Due to others**	29,227,354		25,117,694	
(v) Advance from customer	10,695,596	203,686,443	27,327,342	196,413,809
**for related party balances (Due to others) (Refer Note.'28')				
<b>TOTAL</b>		<b>438,721,626</b>		<b>442,505,528</b>
<b><u>NOTE '9' - OTHER CURRENT LIABILITIES</u></b>				
(a) Current maturity of long term debts		200,870,336		134,328,479
(Secured term loan from banks) (Refer Note no.4 for security detail)				
(b) Interest accrued but not due		2,658,995		3,478,122
(c) Interest accrued and due		40,921		86,815
(d) Unpaid dividends		1,194,473		1,021,554
(e)Other payables				
(i) Statutory liabilities (Excise duty, Vat, TDS & other)	20,971,291		14,553,851	
(ii) Trade security deposits	2,450,000	23,421,291	2,100,000	16,653,851
<b>TOTAL</b>		<b>228,186,016</b>		<b>155,568,821</b>
<b><u>NOTE '10' - SHORT TERM PROVISIONS</u></b>				
(a)Employee benefits				
(i) Gratuity	4,288,339		15,917,490	
(ii) Bonus Ex-gratia	10,181,912		11,291,178	
(iii) Compensated absences	27,978,064	42,448,315	33,600,078	60,808,746
(b)Provision for tax		160,700,000		269,200,000
(c) Provision for wealth tax		88,400		66,250
(d)Provision for dividend		28,152,000		28,152,000
(e)Provision for tax on dividend		4,784,432		4,784,432
<b>TOTAL</b>		<b>236,173,147</b>		<b>363,011,428</b>

NOTE '11': FIXED ASSETS												
(Amt. in Rs.)												
NAME OF ASSETS	Gross Block						Depreciation				Net Block	
	Cost as on 01.04.2013	Additions During the Year			Disposals/sal- es During the Year	Total as on 31.03.2014	Depreciation as on 01.04.2013	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Total Dep as on 31.03.2014	W.D.V. as on 31.03.2014	W.D.V. as on 31.03.2013
		Exchanges Fluctuation (A-S-11)	Borrowing Cost Capitalised	Other Additions								
<b>(I). TANGIBLE ASSETS</b>												
A LAND												
Freehold*	321,466,422	-	13,743,857	-	335,210,279	-	-	-	-	335,210,279	321,466,422	
Leasehold	60,808,529	-	-	-	60,808,529	-	-	-	-	60,808,529	60,808,529	
B (i) BUILDING	398,114,906	10,274,659	37,845	-	398,427,410	58,964,667	12,582,724	-	71,547,391	326,880,019	329,150,239	
(ii) RESIDENTIAL FLATS (Leasehold)	5,755,011	-	-	-	5,755,011	1,283,265	93,807	-	1,377,072	4,377,939	4,471,746	
C PLANT & EQUIPMENTS	2,365,467,259	39,701,111	47,730,086	1,039,841	2,451,858,615	1,237,724,741	200,674,659	879,829	1,437,519,571	1,014,339,044	1,127,742,518	
D FURNITURE & FIXTURE	26,044,772	70,805	70,805	-	26,115,577	17,558,550	1,543,485	-	19,102,035	7,013,542	8,486,221	
E VEHICLES	40,278,003	3,403,015	3,403,015	-	43,681,018	23,401,980	4,485,065	-	27,887,045	15,793,973	16,876,023	
F OFFICE EQUIPMENTS	59,879,943	1,468,588	1,468,588	-	61,348,531	48,416,208	3,171,804	-	51,588,012	9,760,519	11,463,735	
<b>TOTAL -I (A+B+C+D+E+F)</b>	<b>3,267,814,845</b>	<b>49,975,770</b>	<b>66,454,196</b>	<b>-</b>	<b>3,383,204,970</b>	<b>1,387,349,411</b>	<b>222,551,544</b>	<b>879,829</b>	<b>1,609,021,126</b>	<b>1,774,183,844</b>	<b>1,880,465,433</b>	
<b>(II). INTANGIBLE ASSETS</b>												
G INVESTMENT IN TENANCY RIGHT	-	-	-	-	-	-	-	-	-	-	-	-
H SOFTWARE	74,897,399	2,699,186	2,699,186	-	77,596,585	55,666,584	8,057,315	-	63,723,899	13,872,686	19,230,815	
<b>TOTAL -II (G+H)</b>	<b>74,897,399</b>	<b>2,699,186</b>	<b>2,699,186</b>	<b>-</b>	<b>77,596,585</b>	<b>55,666,584</b>	<b>8,057,315</b>	<b>-</b>	<b>63,723,899</b>	<b>13,872,686</b>	<b>19,230,815</b>	
<b>GRAND TOTAL -(I+II)</b>	<b>3,342,712,244</b>	<b>49,975,770</b>	<b>69,153,382</b>	<b>-</b>	<b>3,460,801,555</b>	<b>1,443,015,995</b>	<b>230,608,859</b>	<b>879,829</b>	<b>1,672,745,025</b>	<b>1,788,056,530</b>	<b>1,899,696,248</b>	
<b>PREVIOUS YEAR</b>	<b>3,218,725,967</b>	<b>29,673,413</b>	<b>95,390,326</b>	<b>-</b>	<b>3,342,712,244</b>	<b>1,211,904,036</b>	<b>231,586,780</b>	<b>474,820</b>	<b>1,443,015,996</b>	<b>1,899,696,248</b>	<b>2,006,821,932</b>	
<b>(III). CAPITAL WORK IN PROGRESS</b>												
I BUILDING	2,806,058	-	-	2,806,058	-	-	-	-	-	-	2,806,058	
J PLANT & MACHINERY	394,271	1,527,722	1,527,722	394,271	1,554,043	-	-	-	-	1,554,043	394,271	
<b>TOTAL -III (I+J)</b>	<b>3,200,329</b>	<b>1,527,722</b>	<b>1,527,722</b>	<b>26,321</b>	<b>1,554,043</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,554,043</b>	<b>3,200,329</b>	

\* Notes: During the Financial Year 2007-08 the company had revalued its land situated at Revenue Estate of Sini Village, Tehsil & Distt. Gurgaon (Haryana) at Rs.32,74,71,300/- admeasuring 41,684.50 Sq Yards pursuant to the state Government notification permitting its commercial use. The Valuation had been done by the Govt. approved valuer. The Original cost of this land was Rs.1,01,69,653/-. The increase of Rs.31,73,01,647/- had been credited to Revaluation reserve and debited to Land Account.

Further, during the Financial Year 2010-11 a part of above land was acquired by the Government of Haryana and amount of Rs.35,20,396/- was received as compensation against 3 Kanal and 8 marla land. Revaluation reserve amounting to Rs.1,56,57,846/- pertaining to the acquired part of land had been reversed during the Financial Year 2010-11.



Particulars	Current Year 31.03.2014 (Rs)		Previous Year 31.03.2013 (Rs)	
<b><u>NOTE '12' - NON CURRENT INVESTMENTS</u></b>				
(a) Investment in equity instruments (Nontrade) Quoted (At cost) 750 Equity shares of Rs. 10/- Each fully Paid Up of State Bank Of Bikaner & Jaipur market value Rs.244,575/-(Previous year Rs.310,050/-)		40,500		40,500
<b>TOTAL</b>		<b>40,500</b>		<b>40,500</b>
<b><u>NOTE '13' - LONG TERM LOANS AND ADVANCES</u></b> <u>(Unsecured considered good)</u>				
(a) Capital advances		924,080		20,458,246
(b) Security deposits		14,955,815		15,438,192
(c) Other loan and advances				
(i) Employees	1,540,457		1,187,404	
(ii) Others	744,946	2,285,403	449,815	1,637,219
<b>TOTAL</b>		<b>18,165,298</b>		<b>37,533,657</b>
<b><u>NOTE '14' - INVENTORY</u></b> - As Valued and certified by the management)				
(a) Raw material (At cost)		27,212,488		30,723,453
(b) Work-in-progress (At Lower of cost plus conversion cost on the basis of absorption costing and net realisable value)		103,361,980		96,778,416
(c) Finished goods (At Lower of cost plus conversion cost on the basis of absorption costing and net realisable value) (cost Inclusive of excise duty payable)		19,824,355		12,848,534
(d) Stores and spares (At cost)		101,833,624		83,574,144
<b>TOTAL</b>		<b>252,232,447</b>		<b>223,924,547</b>
<b><u>NOTE '15' - TRADE RECEIVABLES</u></b> <u>(a) Unsecured, considered good</u>				
Outstanding for more than six months from due date	22,211,259		24,325,683	
Others***	499,121,004	521,332,263	272,933,972	297,259,655
(b) Doubtful Trade receivables	7,648,219		11,860,140	
Less: Provision for doubtful debts (Refer Note. '32 (5) (B)') ***for related party balances (Refer Note.'28')	7,648,219	-	11,860,140	-
<b>TOTAL</b>		<b>521,332,263</b>		<b>297,259,655</b>
<b><u>NOTE '16' - CASH AND BANK BALANCES</u></b>				
<b>A) Cash &amp; cash equivalents</b>				
(a) Cash on hand (including imprest)		851,332		363,829
(b) Balances with banks				
In current A/C	5,854,994		17,142,128	
In EEFC accounts	2,610,617	8,465,611	14,268,427	31,410,555
<b>B) Other bank balance</b>				
In Fixed deposits	7,500,000		63,500,000	
In unpaid dividend accounts-ICICI bank	256,672		313,568	
In unpaid dividend accounts-State bank of India	458,023		462,735	
In unpaid dividend accounts-Yes bank	479,778		245,251	
In Margin money (Against letter of credit & bank guarantees) (Refer note below)	8,176,234		7,450,965	
Interest accrued on FDR	2,386,138	19,256,845	1,862,343	73,834,862
Note: Margin money deposits with bank include Rs.55,75,000/- (Previous year Rs 55,00,000/-) which have an original maturity of more than 12 months.				
<b>TOTAL</b>		<b>28,573,788</b>		<b>105,609,246</b>

Particulars	Current Year 31.03.2014 (Rs)		Previous Year 31.03.2013 (Rs)	
<b><u>NOTE '17' - SHORT TERM LOANS AND ADVANCES</u></b>				
(i) <u>Unsecured, considered good</u>				
(a) Security deposits		4,338,667		4,461,967
(b) Loan and advances to employees		2,586,777		1,994,557
(c) Prepaid expenses		12,745,426		15,165,139
(d) Balances with government authorities (vat, excise & other)		96,249,762		119,449,308
(e) Advance tax/Tax deducted at source		186,245,207		284,495,271
(f) Others				
Amount recoverable in cash or in kind	48,984,058		60,136,914	
Advance to supplier	15,733,952	64,718,010	18,791,193	78,928,107
(ii) <u>Doubtful</u>				
Advance to supplier	4,805,085		4,805,085	
Less: Provision for doubtful debts	4,805,085	-	4,805,085	-
***for related party balances (Refer Note: '28')				
<b>TOTAL</b>		<b>366,883,849</b>		<b>504,494,349</b>
<b><u>NOTE '18' - REVENUE FROM OPERATIONS</u></b>				
(a) Sale of products				
(i) Sale of manufactured goods				
Transmission sears and shaft - domestic	2,994,486,249		3,322,092,781	
Transmission gears and shaft - export	402,494,198		324,214,406	
Software -export	5,651,082	3,402,631,529	4,406,806	3,650,713,993
(ii) Sale of traded goods				
Transmission gears and shaft - Export		411,168,530		282,983,210
(iii) Sale services				
Software -services	13,810,122		29,846,872	
{Tax deduction at source Rs. 1,594,394/- (Previous year Rs.2,359,991/-)}				
Sales Jobwork	58,884,507	72,694,629	38,367,290	68,214,162
{Tax deduction at source Rs. 1,170,125/- (Previous year Rs.765,678/-)}				
		<b>3,886,494,688</b>		<b>4,001,911,365</b>
Less: Excise duty		355,633,587		366,636,528
		<b>3,530,861,101</b>		<b>3,635,274,837</b>
(b) Other operating revenues:				
Export incentives	7,306,718		6,744,462	
Sales scrap	72,037,601	79,344,319	91,763,855	98,508,317
<b>Total</b>		<b>3,610,205,420</b>		<b>3,733,783,154</b>
<b><u>NOTE '19' - OTHER INCOME</u></b>				
Interest income		12,680,039		6,076,239
{Tax deduction at source Rs. 1,118,091/- (Previous year Rs.597,260/-)}				
Dividend income from non current investment		12,075		10,875
Excess provision written back		5,882,925		3,648,560
Balance written off		20,470,299		
Other non-operating income				
Cash discount	7,423,741		10,031,457	
Profit on sales of assets (Net)	5,276,456		45,307	
Miscellaneous receipts	102,241	12,802,438	202,000	10,278,764
<b>Total</b>		<b>51,847,776</b>		<b>20,014,438</b>



Particulars	Current Year 31.03.2014 (Rs)		Previous Year 31.03.2013 (Rs)	
<b><u>NOTE '20' - COST OF MATERIAL CONSUMED</u></b>				
Opening stock of raw material (Steel rod & forging)	30,723,453		50,409,691	
Add: Purchase during the year (Steel rod & forging)	1,751,553,024		1,871,217,947	
	1,782,276,477		1,921,627,638	
Less: Closing stock of raw material (Steel rod & forging)	27,212,488		30,723,453	
Raw material consumed (Steel rod & forging)		1,755,063,989		1,890,904,185
Purchase of traded goods (Steel forging)	325,946,779	325,946,779	216,045,601	216,045,601
<b>Total</b>		<b>2,081,010,768</b>		<b>2,106,949,786</b>
<b><u>NOTE '21' - CHANGE IN INVENTORY</u></b>				
<b><u>Inventories at the end of the year:</u></b>				
Finished goods (Transmission gears & shaft)	19,824,356		12,848,534	
Work-in-progress (Transmission gears & shaft)	103,361,980		96,778,416	
<b><u>Inventories at the beginning of the year:</u></b>				
Finished goods (Transmission gears & shaft)	12,848,534		29,514,112	
Work-in-progress (Transmission gears & shaft)	96,778,416		96,478,852	
<b>Net (increase) / decrease</b>		(13,559,386)		16,366,014
<b>Total</b>		<b>(13,559,386)</b>		<b>16,366,014</b>
<b><u>NOTE '22' - EMPLOYEE BENEFIT EXPENSES</u></b>				
Salary, wages & perquisites		495,983,672		498,984,063
Contribution To PF, ESI & other funds		28,540,251		27,678,851
Labour and staff welfare		28,736,736		28,549,163
<b>Total</b>		<b>553,260,659</b>		<b>555,212,077</b>
<b><u>NOTE '23' - FINANCE COST</u></b>				
Interest to banks		27,097,390		37,561,454
Interest to others		20,537,505		27,998,161
Loss/(profit) on exchange rate fluctuation		8,458,600		6,954,465
Bank commission & charges		2,943,013		3,667,258
<b>Total</b>		<b>59,036,508</b>		<b>76,181,338</b>
<b><u>NOTE '24' - OTHER EXPENSES</u></b>				
Stores and spares consumed		167,909,286		166,074,717
Power and fuel		133,793,426		141,685,719
Rent		19,286,712		19,258,355
Repairs to building		8,457,903		1,272,571
Machinery repairs		33,707,729		41,203,386
Insurance		15,105,251		13,338,723
Fees rates & taxes		2,231,246		2,058,620
Charity & donation		984,705		233,451
Payment to auditors:				
Audit fees	900,000		750,000	
Out of pocket expenses	384,803		147,891	
In other capacity	162,500	1,447,303	137,500	1,035,391
Directors sitting fees		360,000		320,000
Loss on exchange fluctuation other than finance cost		6,517,243		190,155
Impairment of intangible assets		-		351,950
Provision for doubtful debts		3,001,005		5,939,693
Increase/decrease on excise duty		1,705,303		271,348
Prior period expenses (Refer Note. '47')		152,290		255,841
Miscellaneous expenses		136,440,276		137,616,599
<b>Total</b>		<b>531,099,678</b>		<b>531,106,519</b>

## **NOTE '25' – FOREIGN EXCHANGE FLUCTUATION**

- A) The Profit & Loss account of the Company includes a loss of Rs. **14,975,843/-** (Net) (Previous year loss of Rs. **7,144,620/-** (Net) on account of Foreign Exchange Fluctuation, details of the same are stated as below:

Particulars	For the period ended	For the period ended
	31.03.14	31.03.13
	Amount (Rs.)	Amount (Rs.)
Profit/(Loss) Recognized on Foreign Currency Loans (Net)	(8,458,600)	(6,954,465)
Profit/(Loss) earned on Imports (Net)	783,805	(34,036)
Profit/(Loss) recognized on Exports (Net)	(8,534,735)	8,868,299
Profit/(Loss) on Options (Net)	1,237,865	(8,992,969)
Profit/(Loss) on Other expenses (Net)	(4,178)	(31,449)
<b>Total Amount (Net)</b>	<b>(14,975,843)</b>	<b>(7,144,620)</b>

- B) Company opted for the option to follow principles of notification of the Companies (Accounting Standards) Amendment Rules 2009 issued on 31<sup>st</sup> March 2009. Thereby exchange differences relating to long-term monetary items, arising during the year, in so far as they relate to the acquisition of a depreciable capital asset are added to/ deducted from the cost of the asset under the head “Addition / Deletion” of Note 11 and depreciated over the balance life of the asset.

**Accordingly, Rs. 4,99,75,770/- (Previous Year Rs. 2,96,73,413/-) have been included to the cost of fixed assets and profit for the year is higher by Rs. 4,99,75,770/- (Previous Year profit for the year was higher by Rs. 2,96,73,413/-)**

## **NOTE '26' – FUNDED STATUS OF GRATUITY PLAN & LEAVE ENCASHMENT**

The following tables set out the funded and unfunded status of the gratuity plan and leave encashment amounts recognized in the Company's financial statements as at 31<sup>st</sup> March, 2014:

Actuarial valuation of leave encashment and gratuity has been done with the following assumptions:

	Leave Encashment		Gratuity	
	Current Year	Previous Year	Current Year	Previous Year
Discount Rate	8.00%	8.00%	8.00%	8.00%
Rate of increase In Compensation Levels	9.50%	9.50%	9.50%	9.50%
Expected Rate of Return Of Plan Assets	-	-	8.75%	9.30%
Expected Average Remaining Working Lives Of Employees (Years)	20.59	20.62	20.59	20.62

**Change in present value of obligation:**

Amount in Rs.

Particulars	Leave Encashment		Gratuity	
	Current Year	Previous Year	Current Year	Previous Year
Present value of obligation as at 01.04.13	33,600,078	33,343,875	92,343,835	83,227,194
Interest Cost	2,688,006	2,667,510	7,387,507	6,658,176
Past Service Cost	-	-	-	-
Current Service Cost	5,621,319	7,220,383	8,886,301	9,229,171
Benefits Paid	(11,083,668)	(5,013,326)	(6,341,244)	(4,480,974)
Actuarial (gain)/loss on obligations	(2,847,671)	(4,618,364)	(5,688,058)	(2,289,732)
Present value of obligation as at 31.03.14	27,978,064	33,600,078	96,588,341	92,343,835

**Change in the fair value of Plan Assets:**

Particulars	Leave Encashment		Gratuity	
	Current Year	Previous Year	Current Year	Previous Year
			Funded	Funded
Fair value of Plan Assets as at 01.04.13	-	-	76,426,345	56,461,496
Expected Return on Plan Assets	-	-	6,687,305	5,250,919
Contributions	-	-	15,608,105	14,156,808
Benefits Paid	-	-	(6,341,244)	(4,480,974)
Actuarial gain/(loss) on plan assets	-	-	(80,509)	5,038,096
Fair value of Plan Assets as at 31.03.14	-	-	92,300,002	76,426,345

**Reconciliation of present value of defined benefit obligation and the fair value of assets**

Amount in Rs.

Particulars	Leave Encashment		Gratuity	
	Current Year	Previous Year	Current Year	Previous Year
Present value of funded obligation as at 31.03.14	-	-	96,588,341	92,343,835
Fair value of Plan Assets as at the end of the period funded status	-	-	92,300,002	76,426,345
Present value of unfunded obligation as at 31.03.14	27,978,064	33,600,078	-	-
Net Liability recognized in Balance Sheet	27,978,064	33,600,078	(4,288,339)	(15,917,490)



**Expenses recognized in the Profit and Loss Account:**

Amount in Rs.

Particulars	Leave Encashment		Gratuity	
	Current Year	Previous Year	Current Year	Previous Year
Current Service Cost	5,621,319	7,220,383	8,886,301	9,229,171
Past Service Cost	-	-	-	-
Interest Cost	2,688,006	2,667,510	7,387,507	6,658,176
Expected Return on Plan Assets	-	-	(6,687,305)	(5,250,919)
Net Actuarial (Gain)/Loss recognized in the period	(2,847,671)	(4,618,364)	(5,607,549)	(7,327,828)
Total Expenses recognized in the Profit and Loss Account	5,461,654	5,269,529	3,978,954	3,308,600

**NOTE '27' – SEGMENT INFORMATION (AS-17)**

The Company is primarily engaged in the business of Gears and transmission components. Inherent nature of both the activities is governed by the same set of risk and returns; these have been grouped as a single segment in the above disclosures. Hi-Tech (E-Soft) is a division of the Company engaged in the business of engineering software solutions. But, its total revenue does not exceed 10% of total revenue. Hence, Hi-Tech (E-Soft) cannot be a primarily segment for disclosure under AS-17 and Geographical segment can be considered as the primary segment. Geographical revenues are allocated based on the location of the customer. Geographic segments of the Company are America, India and Others.

Since all the manufacturing activity is done at India, therefore segregation of expenses / result / assets / liabilities to each of the geographic location is not practicable. The geographic segments individually contributing 10 percent or more of the Company's revenues are given below:

Amount in Rs.

Geographic Segment	Revenues	Revenues
	For the year ended 31-Mar-14	For the year ended 31-Mar-13
America	577,726,334	447,654,933
India	2,790,891,611	3,122,178,732
Others	241,587,475	163,949,489
<b>Total</b>	<b>3,610,205,420</b>	<b>3,733,783,154</b>

**NOTE '28' – RELATED PARTY DISCLOSURES (AS-18)**

(a) Enterprise in which company has control -NIL

(b) Key Management Personnel

1. Sh. Deep Kapuria Executive Chairman
2. Sh. Pranav Kapuria Managing Director
3. Sh. Anuj Kapuria Whole Time Director

(c) Details of related parties:

Description of relationship	Names of related parties
Associates	M/s Aquarian Fibrecement Pvt. Ltd. M/s. Vulcan Electro Controls Ltd. Hi-Tech Robotic Systemz Ltd. Hi-Tech Engineering System Pvt. Ltd.
Key Management Personnel (KMP)	Mr. Deep Kapuria, Mr. Pranav Kapuria, Mr. Anuj Kapuria
Note: Related parties have been identified by the Management.	



d) Details of related party transactions during the year ended 31 March, 2014 and balances outstanding as at 31 March, 2014:

Particular / Nature of Relationship	Current year			Previous Year		
	Associates	Key Management personnel	Total	Associates	Key Management personnel	Total
Purchases of goods	858,976,815	-	858,976,815	674,306,241	-	674,306,241
Sale of Goods	187,766,689	-	187,766,689	170,739,172	-	170,739,172
Rendering of Job Work/Services	59,629,048	-	59,629,048	39,284,837	-	39,284,837
Sale of fixed asset	33,685	-	33,685	-	-	-
Receiving of Job Work/Services	281,151,278	-	281,151,278	286,399,252	-	286,399,252
Leasing or hire purchase arrangements	20,224,800	-	20,224,800	20,224,800	-	20,224,800
Remuneration	-	19,844,601	19,844,601	-	21,853,302	21,853,302
Re-imbursment Paid	2,505,056	-	2,505,056	1,820,883	-	1,820,883
Re-imbursment Received	2,421	-	2,421	8,214,997	-	8,214,997
<b>Total</b>	<b>1,410,289,792</b>	<b>19,844,601</b>	<b>1,430,134,393</b>	<b>1,200,990,182</b>	<b>21,853,302</b>	<b>1,222,843,484</b>
<b>Balance out-standing at the year end</b>						
Trade Receivable	2,397,253	-	2,397,253	7,206,245	-	7,206,245
Trade payable	105,077,822	6,759,247	111,837,069	118,411,697	10,014,244	128,425,941

#### NOTE '29' – OPERATING LEASE

The Company has leased facilities under operating leases. Rentals are expensed with reference to lease terms and other considerations. The future lease payments in respect of these leases as at 31st March, 2014 and 31st March, 2013 are:

Amount in Rs.

	31.03.2014	31.03.2013
(a) Not later than one year	10,500,000	10,797,675
(b) Later than one year but not later than five years	3,158,292	NIL
(c) Later than five years	NIL	NIL

#### NOTE '30' – EARNINGS PER SHARE (EPS)

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
Face value of Share	Rs. 10/-	Rs. 10/-
A) Weighted average no. of Equity Share a) Basic / Diluted	18,768,000	18,768,000
B) Net profit for the year after prior period expenses	Rs. 159,253,136	Rs. 162,135,186
EPS Basic / Diluted (B/A)	Rs. 8.49	Rs. 8.64

## **NOTE '31' – DEFERRED TAX (LIABILITY) / ASSET**

The components of Deferred Tax Liability/Asset are as under:

Deferred tax (liability) / asset	As at 31 March, 2014	As at 31 March, 2013
	Rs.	Rs.
<b><u>Tax effect of items constituting deferred tax liability</u></b>		
On difference between book balance and tax balance of fixed assets	(142,387,076)	(138,909,485)
<b>Tax effect of items constituting deferred tax liability</b>	<b>(142,387,076)</b>	<b>(138,909,485)</b>
<b><u>Tax effect of items constituting deferred tax assets</u></b>		
Increase/Decrease in Liability due to Foreign Exchange Fluctuation	31,297,532	17,662,596
Provision for doubtful debts / advances	4,232,878	5,407,032
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	14,445,180	9,271,344
<b>Tax effect of items constituting deferred tax assets</b>	<b>49,975,590</b>	<b>32,340,972</b>
<b>Net deferred tax (liability) / asset</b>	<b>(92,411,486)</b>	<b>(106,568,513)</b>

## **NOTE '32' – CONTINGENT LIABILITIES & PROVISIONS**

A. Contingent Liabilities not provided for:

- 1) Estimated amount of contracts remaining to be executed on capital accounts **Rs.924,080/-** after adjusting advances (Previous year **Rs. 30,334,709**)
- 2) Haryana State Industrial & Infrastructure Development Corporation Ltd ('HSIIDC') had demanded an enhanced amount from the industrial plot owners in Manesar, Haryana, based on the Hon'ble Supreme Court's order. The Company, being a plot owner, received a demand notice of Rs.4,31,56,800/-, including interest. Out of above, Rs.1,20,76,614/- was paid in previous years, at the time of registration

of conveyance deed. The calculation method of demand raised by HSIIDC is being contested by the Company through the Manesar Industries Welfare Association at the Hon'ble High Court at Chandigarh. The Court, while staying the calculation made by HSIIDC, has asked the plot owners to deposit three installments, as per new schedule, till further orders. Accordingly, the company deposited the first installment of Rs.62,50,000/- in 2012-13. The second and third installments of Rs.70,32,537/- & Rs.67,11,320/- were paid as per court schedule in 2013-14. In view of above, till March 31, 2014, the company has paid Rs.3,20,70,471/- and balance demand of Rs. 1,10,86,329/- is considered as contingent liability, which is subjudice. Any additional compensation, if payable, will have the effect of enhancing the asset value of the land.



3) Details of Bank Guarantees are as under:-

Amount in Rs.

Year	Opening		Released during Year	Fresh booked	Fresh booked	Balance
	Beneficiary	Amount				
FY2013-14	Asst. Commissioner Customs Export	5,500,000				5,500,000
	Dy. Commissioner Customs Export	154,224	154,224	Dy. Commissioner Customs Export	154,224	154,224
	Haryana State Pollution	750,000				750,000
	M/S Perkins India Limited	5,429,910	5,429,910			-
	The President of India	1,178,750	1,178,750	The President of India	1,178,750	1,178,750
	Haryana State Pollution	1,388,016	1,388,016	Haryana State Pollution	1,388,016	1,388,016
	The President of India	1,060,875	1,060,875	The President of India	1,060,875	1,060,875
				Dy. Commissioner Customs Export	6,632,600	6,632,600
				Dy. Commissioner Customs Export	130,000	130,000
				Dy. Commissioner Customs Export	475,000	475,000
<b>Total</b>		<b>15,461,775</b>	<b>9,211,775</b>		<b>11,019,465</b>	<b>17,269,465</b>
<b>FY2012-13</b>		<b>5,654,224</b>	<b>154,224</b>		<b>9,961,775</b>	<b>15,461,775</b>

4) Disputed statutory demands in appeals as follows:-

S. No.	Particulars	Year	Amount (Rs.)	Pending at Assessing Authority
1	Central Excise Act, 1944	2008-09 & 2009-10	85,598 (85,598)	Commissioner (Appeal), CE
2	Central Excise Act, 1944	2010-11 & 2011-12	103,399 (103,399)	Commissioner (Appeal), CE
3	Central Excise Act, 1944	2010-11 & 2011-12	164,915 (NIL)	Pending with Tribunal, RK Puram, Delhi
4	Central Excise Act, 1944	2008-09	485,131 (485,131)	Pending with Tribunal, RK Puram, Delhi
5	Central Excise Act, 1944	2009-10	445,857 (445,857)	Pending with Tribunal, RK Puram, Delhi
6	Central Excise Act, 1944	2010-11	291,171 (291,171)	Pending with Tribunal, RK Puram, Delhi
7	Central Excise Act, 1944	2008-09, 2009-10, 2010-11	1,491,522 (1,218,991)	Pending with Tribunal, RK Puram, Delhi
8	Central Excise Act, 1944	2006-07 to 2010-11	3,068,991 (1,154,202)	Pending with Tribunal, RK Puram, Delhi
9	Central Excise Act, 1944	2011-12, 2012-13	325,712 (NIL)	Commissioner (Appeal), CE
10	Central Excise Act, 1944	Aug'11 to July'12	660,482 (NIL)	Commissioner of Income Tax (Appeals)

S. No.	Particulars	Year	Amount (Rs.)	Pending at Assessing Authority
11	Central Excise Act, 1944	Aug'11 to July'12	25,545 (NIL)	Commissioner of Income Tax (Appeals)
12	Income Tax Act, 1961	A.Y. 2008-09	256,368 (NIL)	Commissioner of Income Tax (Appeals)
13	Income Tax Act, 1961	A.Y. 2009-10	NIL (154,871)	Commissioner of Income Tax (Appeals)
14	Income Tax Act, 1961	A.Y. 2010-11	3,312,315 (3,385,470)	Commissioner of Income Tax (Appeals), Delhi
		<b>Total</b>	<b>10,717,006</b> <b>(7,324,690)</b>	

Note:- Figures in brackets relates to the previous year

5) Statutory demands for which show cause notice issued to the company:

S. No.	Particulars	Year	Amount (Rs.)	Pending at Assessing Authority
1	Central Excise Act, 1944	2012-13 2013-14	2,482,456 (NIL)	Commissioner (Appeal), CE
2	Central Excise Act, 1944	2010-11	439,826 (NIL)	Assistant Commissioner, Bhiwadi
3	Central Excise Act, 1944	2011-12	217,316 (NIL)	Assistant Commissioner
4	Central Excise Act, 1944	2011-12	52,055 (NIL)	Assistant Commissioner
		<b>Total</b>	<b>3,191,653</b> <b>(NIL)</b>	

Note:- Figures in brackets relates to the previous year

B.

Provisions	Short - Term	
	As at 31 March, 2014 Amount (Rs)	As at 31 March, 2013 Amount (Rs)
<b>Provision for employee benefits</b>		
(i) Provision for leave benefits	27,978,064	33,600,078
(ii) Provision for Gratuity	4,288,339	15,917,490
(ii) Provision for Bonus	10,181,911	11,291,178
	<b>42,448,314</b>	<b>60,808,746</b>
<b>Other Provisions</b>		
Provision for Income Tax	160,700,000	269,200,000
Provision for Wealth Tax	88,400	66,250
	<b>160,788,400</b>	<b>269,266,250</b>
Provision for Proposed Dividend	28,152,000	28,152,000
Provision for Tax on Proposed Dividend	4,784,432	4,784,432
	<b>32,936,432</b>	<b>32,936,432</b>
<b>Total</b>	<b>236,173,146</b>	<b>363,011,428</b>



<b>Provision for doubtful debts (of Debtors)</b>	<b>For the year ended on 31.03.2014</b>	<b>For the year ended on 31.03.2013</b>
At the beginning of the year	<b>11,860,140</b>	<b>5,920,448</b>
Add: Arising during the year	<b>3,001,005</b>	<b>5,939,692</b>
Less: Amount recovered during the year hence provision reversed	<b>(7,212,926)</b>	-
At the end of the year	<b>7,648,219</b>	<b>11,860,140</b>
<b>Provision for doubtful debts (of Advance to Suppliers)</b>		
At the beginning of the year	<b>4,805,085</b>	<b>7,763,738</b>
Add: Arising during the year	-	-
Less: Considered as bad during the year	-	<b>(2,958,653)</b>
At the end of the year	<b>4,805,085</b>	<b>4,805,085</b>

#### **NOTE '33' – FINANCIAL INSTRUMENTS: RECOGNITION & MEASUREMENT**

Company is following the principles of Accounting Standard ('AS') 30 "Financial Instruments: Recognition and Measurement" in respect of its derivative financial instruments.

Derivative financial instruments, which qualify for cash flow hedge accounting and where the Company has met all the conditions of effective Cash Flow hedge accounting, are fair valued at March 31, 2014. Consequently Hedging Reserve/Fair Valuation Loss on Derivative balances is decreased to Rs NIL as on 31.03.2014 (Previous Year Rs NIL).

#### **Details on derivatives instruments and un-hedged foreign currency exposures**

- I. The following derivative positions are open as at 31 March, 2014. These transactions have been undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets and may / may not qualify or be designated as hedging instruments.
  - (a) Forward exchange contracts and options [being derivative instruments], which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables.
    - (i) Outstanding forward exchange contracts entered into by the Company as on 31 March, 2014: NIL  
(Previous Year Nil)
    - (ii) Outstanding option contracts entered into by the Company as on 31 March, 2014: NIL

<b>Particular</b>	<b>Currency</b>	<b>As at 31 March, 2014</b>	<b>As at 31 March, 2013</b>
Amount	USD	-	-
Buy/Sell		NA	NA
Cross currency		NA	NA

II. The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particular	As at 31 March, 2014		As at 31 March, 2013	
	Receivable/ (Payable)	Receivable/ (Payable) in Foreign currency	Receivable/ (Payable)	Receivable/ Payable) in Foreign currency
	Rupees	(indicate amount with currency)	Rupees	(indicate amount with currency)
Export Receivables	234,862,193	USD 3,990,861.39	144,539,261	USD 2,704,195.72
Export Receivables	3,878,208	GBP 39,553.37	4,522,721	GBP 55,953.49
Advance to supplier & export receivables	7,472,756	EURO 92,347.46	6,075,727	EURO 89,152.26
Advance to supplier	3,403,594	CHF 51,375.00	2,237,695	CHF 40,016.00
Advance from customer	(10,660,304)	(USD 174,615.95)	(17,374,869)	USD (316,194.16)
Payable for Imports	(84,144,765)	(USD 1,378,292.63)	(56,450,348)	USD (1,027,303.88)
Payable for Imports	(548,857)	(EURO 6,526.24)	(260,472)	EURO (3,673.80)
Payable for Imports	(7,348,690)	(CHF 106,241.00)	(6,287,720)	CHF (108,241.00)
Foreign Currency loans	(271,672,500)	USD (4,450,000.00)	(366,791,251)	USD (6,675,000.00)
Foreign Currency loans	(63,260,391)	EURO (752,204.41)	(53,331,293)	EURO (752,204.41)
Interest on Foreign Currency Loans	(2,405,197)	USD (39,397.17)	(3,247,311)	USD (59,095.75)
Interest on Foreign Currency Loans	(253,798)	EURO (3,017.81)	(188,792)	EURO (2,662.80)

#### **NOTE '34' – LEASEHOLD PROPERTY**

The company owns 9 flats on leasehold basis allotted by Ashiana Group in Bhiwadi. Flats are not registered in name of company in view of applicability of local laws.

#### **NOTE '35' – BALANCE WITH MICRO & SMALL ENTERPRISES**

Disclosure in pursuance of section 22 of Micro, Small & Medium Enterprises Development Act, 2006, at the year end is as follows (Refer 'Note 8'):

S. No.	Particular	Current Year		Previous Year	
		Balance as 31 March, 2014	Interest on Late Payment	Balance as 31 March, 2013	Interest on Late Payment
1	Amount remaining unpaid to suppliers	3,816,479	30,552	3,973,416	30,552
2	Amount of Interest paid under the Act	-	-	-	-
3	Amount of Interest due and payable for the period	-	2,086	-	24,757
4	Amount of Interest accrued and unpaid	-	-	-	-
5	Amount of further interest due and payable in succeeding year	-	-	-	-

**NOTE '36' – CIF VALUE OF IMPORT**

Particular	Current Year	Previous Year
	Balance as 31 March, 2014	Balance as 31 March, 2013
<b>Value Of Imports Calculated On CIF Basis</b>		
Consumable Stores & Spare Parts	29,488,052	42,383,496
Capital goods	NIL	15,815,792

**NOTE '37' – EXPENDITURE IN FOREIGN CURRENCY**

Particulars	Current Year	Previous Year
	Rs	Rs
	<b>31.03.2014</b>	<b>31.03.2013</b>
Foreign Travel Expenses	6,168,267	3,931,038
Training & Seminar	3,159,702	1,772,908
Subscription	-	-
Technical services	1,774,581	1,974,767
E C B Interest	11,736,028	15,407,061
Interest on PCFC Loan	-	456,505
PCFC Repayment	62,498,600	33,547,552
Professional Services	5,744,384	2,040,023
E C B Loan Repayment	135,165,422	121,779,813
Interest on Buyers Credit	1,408,007	2,013,907
Buyers Credit Loan Repayment	-	72,528,136

**NOTE '38' – EARNING IN FOREIGN EXCHANGE**

Particulars	Current Year	Previous Year
	Rs.	Rs.
	<b>31.03.2014</b>	<b>31.03.2013</b>
Exports at F.O.B. Value	833,416,973	600,007,322

**NOTE '39' – IMPORTED AND INDIGENOUS RAW MATERIAL, COMPONENTS, STORES & SPARES CONSUMED**

Particulars	Imported		Indigenous	
	Current Year	Previous Year	Current Year	Previous Year
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Stores & Spares (Values In Rs)	29,488,052	25,746,622	138,421,234	140,328,095
Percentage	17.56%	15.50%	82.44%	84.50%
Raw Material (Value In Rs)	19,188,480	335,920	1,724,687,810	1,726,801,105
Percentage	1.10%	0.02%	98.90%	99.98%



**NOTE '40' – DIVIDEND PAID TO FOREIGN INVESTOR**

Amount in Rs.

Amounts remitted in Indian currency during the year on account of dividend	For the year ended 31 March, 2014	For the year ended 31 March, 2013
Amount of dividend remitted in Indian currency	259,497	477,564
Total number of non - resident shareholders (to whom the dividends were remitted in Indian currency)	104	98
Total number of shares held by them on which dividend was due	325,244	260,484
Year to which the dividend relates	Final dividend 2012-13 and Interim dividend 2013-14	Final dividend 2011-12 and Interim dividend 2012-13

**NOTE '41' – RESEARCH AND DEVELOPMENT EXPENDITURE**

Amount in Rs.

Details of research and development expenditure recognized as an expense	For the year ended 31 March, 2014	For the year ended 31 March, 2013
Employee benefits expense	7,498,130	7,138,057
Material Consumed	289,488	132,403
Stores and Spares Consumed	700,665	644,012
Travelling Expenditure	39,829	125,874
<b>Total</b>	<b>8,528,112</b>	<b>8,040,346</b>

(As Identified and certified by Management)

**NOTE '42'**

In the opinion of the Board of Directors, the Current

**See accompanying significant accounting policies**

AS PER OUR REPORT OF EVEN DATE  
FOR GUPTA VIGG & CO.  
CHARTERED ACCOUNTANTS  
FIRM REGN.NO. 001393N

(CA.KAWAL JAIN)  
PARTNER  
MEMBERSHIP NO. 089214

PLACE : NEW DELHI  
DATE : 30.05.2014

VIJAY MATHUR  
(SR. GM - FINANCE)

S.K.KHATRI  
(COMPANY SECRETARY)

Assets, Loans and Advances are having the value at which they are stated in the Balance Sheet, if realized in the ordinary course of business.

**NOTE '43'**

Claims received against shortage / damage of materials which are not of significant values are not being shown separately. The same are accounted for on receipt basis.

**NOTE '44'**

The figures have been rounded off to the nearest rupee.

**NOTE '45' – PREVIOUS YEAR FIGURES**

Previous year figures have been regrouped and rearranged wherever found necessary.

**NOTE '46' – PRIOR PERIOD EXPENSES**

Other Expenses includes Prior Period Expenses of Rs. 152,290 (Refer Note:- 24), details of which are as under:

Amount in Rs.

Particulars	For the period ended on 31.03.2014	For the period ended on 31.03.2013
Machinery Repairs	-	48,297
Salary, Wages & Perquisites	7,104	30,451
Fees Rates & Taxes	-	75,442
Insurance	3,014	-
Miscellaneous expenses	142,172	101,651
<b>Total</b>	<b>152,290</b>	<b>255,841</b>

1

FOR AND ON BEHALF OF THE BOARD

DEEP KAPURIA  
(EXECUTIVE CHAIRMAN)  
SANDEEP DINODIA  
(DIRECTOR)  
PROSAD DAS GUPTA  
(DIRECTOR)  
VINIT TANEJA  
(DIRECTOR)  
K C VERMA  
(DIRECTOR)

PRANAV KAPURIA  
(MANAGING DIRECTOR)  
ANIL KHANNA  
(DIRECTOR)  
P C MATHEW  
(DIRECTOR)  
R.C. JAIN  
(DIRECTOR)  
ANUJ KAPURIA  
(WHOLE TIME DIRECTOR)





## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE.

<b>I. Registration Details</b>			
Registration No. 004536	State Code 17		Refer code list)
Balance Sheet Date	31	3	2014
	Date	Month	Year
<b>II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSANDS)</b>			
Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil
Conversion	Nil	Warrants	Nil
<b>III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNTS IN THOUSANDS)</b>			
Total Liabilities	2,976,839	Total Assets	2,976,839
<b>Sources of Funds</b>			
Paid up Capital	187,680	Reserves & Surplus	1,574,437
Long term borrowings	137,978	Unsecured Loans	-
Deferred tax liabilities (net)	92,411	Other long term liabilities	2,500
Short term borrowings	78,752	Trade payables	438,722
Other current liabilities	228,186	Short term provisions	236,173
<b>Application of Funds</b>			
Net Fixed Assets	1,789,611	Non current Investments	41
Long term loans and advances	18,165	Inventories	252,232
Trade Receivables	521,332	Cash and Bank Balances	28,574
Short term loans and advances	366,884		
<b>IV. PERFORMANCE OF COMPANY (Amount in Rs. Thousands)</b>			
Turnover	3,662,053	Total expenditure	3,441,457
Profit/Loss before Tax	220,596	Profit/Loss after Tax	159,253
Earning per share in Rs.	8.49	Dividend rate	25%
<b>V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (As per monetary terms)</b>			
Items Code No. (ITC Code)		8483100000	
Product Description		Gears and Transmission Shafts & Timing Gears.	
Items Code No. (ITC Code)		- N.A.-	
Product Description		- N.A.-	
Items Code No. (ITC Code)		- N.A.-	
Product Description		- N.A.-	

Note: For ITC Code of Products please refer to the publication Indian Trade Classification based on harmonized company description and coding system by Ministry of Commerce, Directorate General of Commercial intelligences Statistics, Calcutta-700001.

### FOR AND ON BEHALF OF THE BOARD

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(EXECUTIVE CHAIRMAN)

PRANAV KAPURIA  
(MANAGING DIRECTOR)

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(DIRECTOR)

ANIL KHANNA  
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(DIRECTOR)

K C VERMA  
(DIRECTOR)

ANUJ KAPURIA  
(WHOLE TIME DIRECTOR)

PLACE : NEW DELHI  
DATE : 30.05.2014



Registered Office: - A-589, Industrial Complex, Bhiwadi- 301019, District Alwar, Rajasthan  
CIN- L29130RJ1986PLC004536 website: - www.hitechgears.com  
Tel.: +91(124)4715100 Fax: +91(124)2806085

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**ELECTRONIC VOTING PARTICULARS**

EVSN (Electronic Voting Sequence)	PAN	USER ID	NO. OF SHARES

-----TEAR HERE-----



Registered Office: - A-589, Industrial Complex, Bhiwadi- 301019, District Alwar, Rajasthan  
CIN- L29130RJ1986PLC004536 website: - www.hitechgears.com  
Tel.: +91(124)4715100 Fax: +91(124)2806085

**ATTENDANCE SLIP**

Regd. Folio No./DP ID-Client ID : \_\_\_\_\_

Name & Address of First /Sole Shareholder : \_\_\_\_\_

No. of Shares held : \_\_\_\_\_

I hereby record my presence at the 28th Annual General Meeting of the Company to be held on Thursday, the 18th day of September, 2014 at 11:00 am at registered office at A--589, Industrial Complex, Bhiwadi- 301019, District Alwar, Rajasthan.

\_\_\_\_\_  
Signature of Member/Proxy

**Notes:**

- a) Only Member/Proxy can attend the meeting. No minors would be allowed at the meeting.
- b) Member/Proxy wish to attend the meeting must bring this attendance slip to the meeting and handover at the entrance duly filled in and signed.

The procedure and instruction for e-voting as given in the Notice of the 28th Annual General Meeting are again reproduced hereunder for easy reference:

**(A) In case of members receiving e-mail:**

- i) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for EVSN of any Company, then your existing login id and password are to be used.
- ii) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iii) Click on "Shareholders" tab to cast your votes.
- iv) Now, select the Electronic Voting Sequence Number – "EVSN" along with "COMPANY NAME-Hi-Tech Gears Limited" from the drop down menu and click on "SUBMIT".
- v) Now, fill up the following details in the appropriate boxes:

	For members holding shares in Demat Form	For members holding shares in Physical Form
User ID	FOR NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the Company
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department as given in box overleaf.	
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the user id as given in box overleaf.</li> </ul>	

- vi) After entering these details appropriately, click on "SUBMIT" tab
  - vii) Members holding shares in physical form will then reach directly to the EVSN selection screen. However, members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily change their login password, in the new password field. The new password has to be minimum eight characters, consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@#\$%&\*) Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Kindly note that this changed password is to be also used by the Demat holders for voting for resolutions for the company or any other company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform.
  - viii) Click on the EVSN for Hi-Tech Gears Limited to vote
  - ix) On the voting page, you will see resolution description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the resolution and option NO implies that you dissent to the resolution.
  - x) Click on the "Resolutions file Link" if you wish to view the entire resolutions.
  - xi) After selecting the resolution you have decided to vote on, click on "SUBMIT", A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK', else to change your vote, click on "CANCEL" and accordingly modify your vote.
  - xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (B) In case of members receiving the physical copy of Notice of AGM (for members whose e-mail IDs are not registered with the Company/depository participant(s) or requesting physical copy):  
Please follow all steps from sl no (ii) to Sl no. (xii) above, to cast vote.
- (C) Institutional shareholders (i.e. other than individuals, HUF, NRI etc) are required to log on to <https://www.evotingindia.com> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutiniser to verify the vote.

**General Instructions:**

- a) The voting period begins on September 10, 2014 at 9.00 a.m. and ends on September 12, 2014 at 6.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 14, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- b) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- c) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the company as on the cut-off date (record date for the purpose of Rule 20(3)(vii) of the Rules) of August 14, 2014.
- d) The Company has appointed M/s Don Banthia & Associates, Practicing Company Secretaries as the scrutiniser for conducting the e-voting process in fair and transparent manner. He can be reached thru [scrutniser@hitechgears.com](mailto:scrutniser@hitechgears.com).
- e) The scrutiniser shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of atleast two(2) witnesses not in the employment of the company and make a scrutiniser's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the company.
- f) The results shall be declared on or after the AGM of the Company. The results declared alongwith the scrutiniser's Report shall be placed on the Company's website [www.hitechgears.com](http://www.hitechgears.com) and on the website of the CDSL within two (2) days of passing of the resolutions at the AGM of the Company.



# Hi-Tech Gears Limited

Registered Office: - A-589, Industrial Complex, Bhiwadi- 301019, District Alwar, Rajasthan

CIN- L29130RJ1986PLC004536 website: - [www.hitechgears.com](http://www.hitechgears.com)

Tel.: +91(124)4715100 Fax: +91(124)2806085

## PROXY FORM

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

Name of the member (s): .....

Registered Address: .....

E-mail ID:.....Folio No. / DP ID-Client ID.....

I/We, being the member (s) of ..... shares of the Hi-Tech Gears Limited, hereby appoint:

1.Name:.....of.....having an E-mail ID:....., failing him / her;

2.Name:.....of.....having an E-mail ID:....., failing him / her;

3.Name:.....of.....having an E-mail ID:....., failing him / her;

whose signatures are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the Company, to be held on Thursday the 18<sup>th</sup> day of September, 2014 at 11:00 A.M. at registered office at A-589, Industrial Complex, Bhiwadi-301019, District Alwar, Rajasthan and at any adjournment thereof in respect of the resolutions as indicated below:

S. No.	Resolution	No. of shares	For*	Against*
1	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2014, together with the reports of the Director's and Auditor's thereon			
2	To confirm the interim dividend & to declare the final dividend on equity shares.			
3	To appoint a director in place of Mr. Ramesh Chandra Jain (DIN 00038529), who retires by rotation and being eligible has offered himself for re-appointment			
4	To appoint Auditors and to fix their remuneration			
5	Appointment of Mr. Sandeep Dinodia as an Independent Director			
6	Appointment of Mr. Anil Kumar Khanna as Independent Director			
7	Appointment of Mr. Puthenvittil Chandapillai Mathew as Independent Director			
8	Appointment of Mr. Vinit Taneja as Independent Director			
9	Appointment of Mr. Krishna Chandra Verma as Independent Director			
10	Appointment of Mr. Prosad Dasgupta as Independent Director			
11	Approval of Inter-corporate Investments as per Section 186 of the Companies Act, 2013			
12	Remuneration to Non-Executive Directors for attending Board/ Committee Meetings			
13	Approval of Borrowing Powers in terms of Section 180(1) (c) of the Companies Act, 2013			
14	Approval to Create mortgage and/or charge in respect of Company's movable / immovable properties, in terms of section 180(1)(a) of the Companies Act, 2013.			

Signed this ..... day of ..... 2014.  
(date) (Month)

Signature of Shareholder(s)

Signatures of:

.....  
First Proxy Holder

.....  
Second Proxy Holder

.....  
Third Proxy Holder

Affix  
Revenue  
Stamp

Notes:-

\*1. Please put a '✓' in the Box in the appropriate column. If you leave 'For' or 'Against' column blank in respect of any or all of the resolutions, your proxy will be entitled to vote in the matter as he/she thinks appropriate.

2. Proxy need not to be a member of the Company. A person can act as proxy on behalf of for a maximum of fifty members and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Provided that a member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

3. This form of proxy in order to be effective should be duly executed and deposited at the Registered Office of the Company at A-589, Industrial Complex, Bhiwadi-301019, District Alwar, Rajasthan at least 48 hours before the time of the Meeting.

\* is optional. However, if you exercised the option, this may be treated as ballot form.



# HI-TECH GEARS LTD.

Millennium Plaza, Tower-B, Sushant Lok-1, Gurgaon-122002, Haryana, (INDIA)  
Tel. : +91(124) 4715100 Fax : +91(124) 2806085-86  
Email : info@hitechgears.com www.hitechgears.com

## Form -A

1	Name of the company	Hi-Tech Gears Limited
2	Annual financial statements for the financial year ended	31 <sup>st</sup> March, 2014
3	Type of Audit observation	Un-qualified / Matter of Emphasis
4	Frequency of observation	No Observation
5	To be signed by-	
	CEO/Managing Director	* <i>Pranav Kapoor</i>
	CFO	* <i>Vijay Mishra</i>
	Auditor of the company	<i>batjain</i>
	Audit Committee Chairman	<i>A. Dhan</i>
	Company Secretary	<i>Shikha Kumar</i>

CIN - L29130RJ1986PLC004536

Regd. Office & Works I : A-589, Industrial Complex, Bhiwadi Rajasthan - 301 019 (INDIA)  
Tel. : +91(01493) 641227-28, 641237-38

Works-II : Plot No. 24, 25, 26 Sector-7, IMT Manesar, Gurgaon, Haryana (INDIA)  
Tel.: +91 (124) 4715200 Fax : +91(0124) 4368025 E-mail : info@imit.factory.hitechgears.com  
H. O. : OSHU HOUSE, 344/3, Lado Sarai, New Delhi-110 030 (INDIA)