



HI - TECH GEARS LTD.

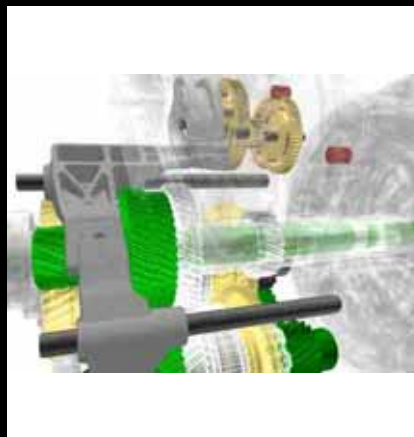
27th Annual Report 2012-2013

Engineering Convergence.....

Solutions for a lean world



Robotics



Engineering



Manufacturing



passion | innovation | technology

Passion to Succeed

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
- Ensuring 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.

Sources 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.

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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

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. Sandeep Dinodia
Independent Director

Mr. P.C.Mathew
Independent Director

Mr. Vinit Taneja
Independent Director

Mr. Ramesh Chandra Jain
Director

Mr. Krishan Chandra Verma
Independent Director

Mr. Prosad Dasgupta
Independent Director

Mr. Pranav Kapuria
Managing Director

Mr. Anuj Kapuria
Executive Director

Senior Executive

Mr. Vijay Mathur
Sr. General Manager (Finance)

Mr. S. K. Khatri
Company Secretary

Statutory Auditors

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

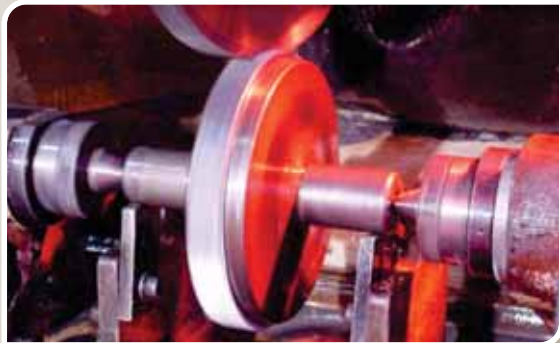
Internal Auditors

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

MILESTONES



- 1986 Incorporated 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 Launched initiative of Lean Manufacturing
- 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 Expert 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



DAIMLER
Daimler India Commercial Vehicles Pvt. Ltd.

CATERPILLAR®



TATA



WABCO



Mahindra
Rise.



2013

Down the years

1986



Chairman's Message



Dear Shareholders,

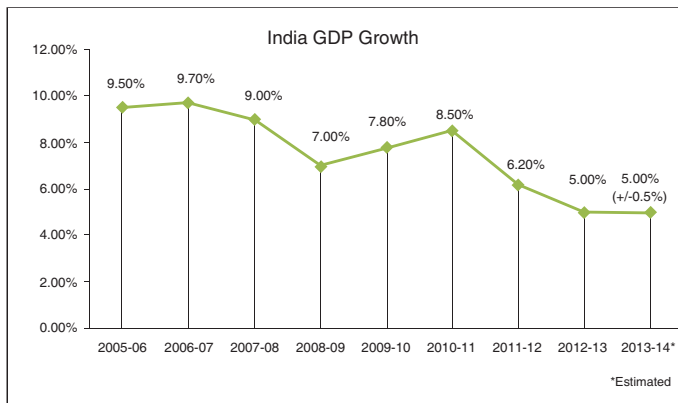
As I write my message to you this year, the economic environment seems to be changing almost on a daily basis and the emerging markets seem to be bearing the brunt of the volatility. Your company has however tried to maintain a fine balance by lowering financial risks in such times of economic turmoil, while maintaining the hi-tech quality products, which has always been the hallmark of your company.

Global and Domestic Scenario

The year under review has been difficult not only for private enterprises but also for Nations at large in terms of controlling their sovereign debt and fiscal deficits. The latter also contributed to the very low growth of markets and opportunities. If the USA is showing slight signs of improvement, Europe is yet to recover. Together these two

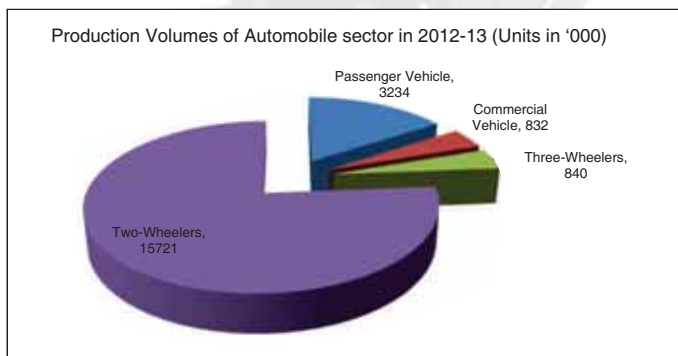
developed blocks, which account for the majority of Indian export, have impacted India adversely. The exports for the year 2012-2013 have dipped by US \$ 6Bn from the previous year and it stood at US \$ 301 Bn due to decline in global export demand.

On the domestic front, the National GDP growth reached a decadal low of 5%. Even though the Government took certain reform measures in the last one year, a large number of reforms and key legislation are still awaited and these are now badly required to revive industry and improve the nation's outlook and sentiment. Strong measures to curtail the Country's Current Account Deficit are also urgently required as it is weakening the INR significantly and the worst may be yet to come. The adverse impact of the weakening Rupee on inflation is another serious concern.



The Indian Auto Industry

The Auto Industry, one of India's fastest growing sectors is now facing negative growth, as in Q1 of FY 13-14 due to the current economic conditions. The overall sales growth of the Indian automobile sector was just 1.2% in 2012-13. The Two-wheeler industry sales grew at a meager 1.9 % and the commercial vehicles segment registered a sales decline of 27 % in 2012-13. As the sales of commercial vehicles is a clear indicator of industrial and commercial activity, the significant decline is a matter of serious concern.



The Indian Automobile Market and Our Future Outlook

India is now waiting for a second curve of growth. However, the enablers of growth in the competitive market are varied and dependant on different stakeholders. In addition to the global slowdown, India is also facing inflationary pressures as mentioned earlier and a large number of reforms are now overdue.

The GDP growth and private spending in the conventional export markets for India are minimal. Over and above that some countries are adopting 'protectionist policies', to safeguard their domestic interest.

The Indian automobile industry is therefore undergoing a very challenging phase due to the abovementioned reasons. This is bound to affect the auto-component industry also. The industry is contributing substantially to Indian GDP and needs to be nurtured and supported to return to its earlier growth levels.

The Industry exports to more than 100 countries. Exports have been growing at 16% per annum over the past 5 years and currently account for 20% of the industry. Exports to Europe and North America make up 60% of total exports, with Asia accounting for 28%. In spite of declining exports your company stands out as a global manufacturer, and hopes to regain its share as soon as the winds of change hit our traditional markets while we are also making significant efforts to diversify our customer base.

Company Strategy

The financial year 2012-13 has ended on a challenging note. The company suffered a decline in its turnover and profits. The turnover was Rs. 373.38 crores compared to Rs. 497.48 crores in the previous year. The company's export turnover suffered a serious decline of 52.92% during the year.

As a result of the decline in sales turnover, the profit before tax was down to Rs. 23.64 crores and profit after tax stood at Rs. 16.22 crores. Your company has taken and is taking various significant steps to step up its customer base and increase sales but this process is likely to take a year or two in view of the long qualification and approval process in the auto sector. All efforts are being made to revive export sales also and large orders are expected to be signed during FY 13-14 for shipment in subsequent years. All possible steps are also being taken within the organization to maintain and further improve operating standards and achieve excellence at every step.

As part of our strategy, the company continues to give special attention to maintaining a strong Balance Sheet and healthy Balance Sheet ratios, as you will see in the attached audited statements.

We at Hi-Tech Gears have always followed the philosophy of sharing the gains with our shareholders and we continue to do this even in these difficult times. A final dividend of Rs. 1.50 per equity share is recommended by the Board of Directors, in addition to the interim dividend of Rs. 1.00 per equity shares for the year 2012-13.

Today HGL is a highly respected name in the industry for its competitive and cutting-edge products. Hi-Tech family shares the credit of this success story with all its employees for their relentless hard work and contribution to make HGL a company with global reach and a strong foundation.

Before I conclude, I would like to thank all our business partners for their continued support and belief in Hi-Tech's endeavours, and for being an active part of Hi-Tech's life. I offer my sincere gratitude to my board colleagues for their wise guidance from time to time. I am sure that we will pass through these challenging times with many learnings and the journey will be more rewarding as we move ahead.

Deep Kapuria
Chairman



Managing Director's Message



Dear Shareholders,

The 27th Annual Report of your Company, provides me with an opportunity again to update you on the affairs of the company, which I feel is essential especially in today's context when volatility has become the theme of the day and is impacting every aspect of our lives, whether personal or corporate, domestic or global. To understand this impact better, it will be essential to first get a proper understanding of the macro-economic scenario.

Macro Economic Scenario

The World economy, including both the developed economies and the emerging markets, are yet to come to terms with the

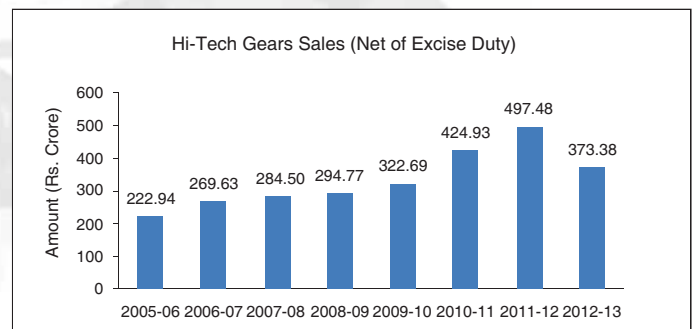
volatility that is reigning over market conditions since 2008. Despite maintaining comparatively better growth rates in the initial years after the global financial crisis, India now seems to be impacted seriously by global adversities. The deteriorating domestic fiscal condition is making matters worse and creating an additional layer of challenges for Indian Industry.

During the year under review the GDP growth declined almost every quarter and the last two quarters showed a growth of just 4.7% and 4.8%. As a result GDP growth for the year was restricted to just 5%, which was the lowest for almost a decade. The nation's already volatile economic situation was worsened when exports started to dwindle, foreign direct investment dropped, and the rupee started weakening due to the steady buildup of the current account deficit and sticky inflation at home.

The Current Account Deficit of USD 88 Billion for FY 12-13 has become a serious threat to the national economy and the Indian Rupee as talks about ratings downgrades become louder and make matters worse. The Governments attempts to bring down the Current Account Deficit to around USD 70 Billion will therefore be critical to the health of the nation. On the other front, FDI, which has been helpful for a wide spectrum of opportunities, have also declined to US \$ 36.90 Bn in FY 2012-13 compared to US \$ 46.60 Bn in previous year.

Your Company's Performance

In a globally connected economy, all businesses are exposed to unfathomable risks posed by all the abovementioned factors. Unfortunately, in spite of our tireless efforts, some of those factors influenced the results of the period under review. The sales turnover for the period came down to Rs. 373.38 crores from Rs. 497.48 crores in the prior year. The profit before tax for year 2012-2013 was at Rs. 23.64 crores and profit after tax stood at 16.22 crores.



The threat posed by domestic-policy uncertainty, the worldwide industrial slowdown and rising international crude prices became real dangers by the end of FY 2012 and affected us seriously in FY 2013. However, I am glad to inform



you that your Company's Balance Sheet remains strong and healthy and all Balance Sheet ratios such as our Current Ratio and our Debt / Equity ratio continue to be commendable.

Therefore, recognising the importance of sharing the gains with the shareholders who have placed their 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 2012-13:

Interim dividend of Rs.1.00 per equity shares; and final dividend of Rs. 1.50 per equity share

We at Hi-Tech Gears have set ourselves the mission to achieve 'Holistic & Sustainable Growth' and contribute responsibly to industrial growth. Hence, we are adopting new strategies, including both 'organic growth and a step up growth approach'. We are also launching a new approach to both retain current customers and develop new customers in the domestic and export markets. The renewed action is yielding good response from our existing and potential customers. We are determined and are working resiliently to regain the lost numbers at the earliest. Though this could take a year or two in our auto component industry due to the long qualification and approval process, we are confident that our sustained efforts will yield positive results in the years to come.

I am glad to inform you that your Company received the ACMA 'Award for Excellence in Exports' for its commendable performance in the previous year. I also have the pleasure to inform you that your company was honored with the 'Best Supplier Award' from New Holland Agriculture and also won the 'Best Quality, Delivery and Productivity Award' from Navistar. These recognitions from our customers and Industry

champions are the actual testimony of your Company's business strength and capability.

The Indian Green Building Council (IGBC), 'Gold Award' has been conferred to HGL Plant-III. The Company has attained the Green Building Standard for the Gold level of certification under the IGBC green factory building rating system. The building bears the world-class "ECOFAC Plant" complying to the features required for safety, energy & water conservation, waste management etc.

As part of its commitment to Corporate Social Responsibility and its contribution to Industrial Growth and Research in the country, your Company contributed a sum of Rs. 50.00 lacs to Global Innovation & Technology Alliance (GITA) during the year under review also. GITA has been jointly promoted by the CII and the Government of India. This platform offers the opportunity to Indian Industry to internally calibrate its innovation and competitiveness while forging alliances with other countries for creating a world-class research and innovation system.

I would like to take this opportunity to thank all our stakeholders including our customers, vendors and our bankers, and would solicit their renewed and continued support in the years to come. May I also express my gratitude to the Board members for their valued guidance and my thanks to my colleagues at all levels for their support especially during these days of volatility and economic turmoil.

Pranav Kapuria
Managing Director



DIRECTORS' REPORT

Dear Members,

Your Directors have great pleasure in presenting the 27th Annual Report of your Company, together with the audited statement of accounts for the financial year ended 31st March, 2013.

Financial Results

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

	(Rs. in lacs)	
Particulars	2012-2013	2011-2012
Sales (net of excise duty)	37337.83	49748.43
Other Income	200.14	354.59
Total Income	37537.98	50103.02
Profit before Depreciation, Interest & Taxes (PBDIT)	5441.63	8974.87
Depreciation	2315.87	1982.28
Profit before Interest & Taxes (PBIT)	3125.76	6992.59
Financial Charges	761.81	741.40
Earning before Taxes (PBT)	2363.95	6251.19
Provision for Taxes	742.60	2039.78
Profit after tax (PAT)	1621.35	4211.41
Balance of profit brought forward	8186.25	5456.41
Balance available for appropriation	9807.60	9667.82
Dividend	469.20	844.56
Tax on dividend	78.29	137.01
Transfer to General Reserve	180.00	450.00
Balance Surplus in P & L Account	9030.11	8186.25
Paid-up Equity Share Capital	1876.80	1876.80
Earnings Per Share (EPS)	8.64	22.44

Operations

Indian economy slumped to around 5% in 2012-13. This growth is the lowest in whole decade due to many fold reasons. Some of them are touched upon elsewhere in the Report. Among all the constituents of GDP, industrial sector was most affected. It rose only by around 1.2%, and raised fresh Concerns. The automobile sector, which is considered as the sunrise sector of the Indian economy and witnessed tremendous growth upto recent past, was able to just survive to the previous year numbers, in term of production & domestic sales. Exports in automobile even registered de-growth of (1.34) %.

Auto component segment also behaved in the same manner. The volumes and profitability of auto component manufacturers recorded much lower compared to previous year. It is expected to remain weak even in current first half of the year. Various measures taken by Government will help in improving the Indian automobile sector in second half, beside the economy.

Your company is not an exception to the current slowdown; the previous year was a challenging year and saw a decrease

in demand in both the domestic and exports markets. The revenues of the Company (net of excise duty) decrease to Rs. 373.38 crores in 2012-13 as compared to Rs. 497.48 crores in 2011-12, thus registering an decrease of (24.95) %. The Net Profit (after tax) of the Company has decreased from Rs. 42.12 crores to Rs. 16.22 crores, as compared to the previous year. Surplus available in P&L account stood at Rs. 90.30 crores, compare to Rs. 81.86 crores in previous year.

The Export Sales were also lower during the year under review. Your Company recorded a total export turnover of Rs. 60.00 crores as compared to export sales of Rs. 127.45 crores in the previous year,

The Company is taking necessary steps in positive directions to increase the sales and profitability of the Company, the fruits of which will only be visible in coming period.

Dividend

Considering the performance of the Company, 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 844.56 Lacs) & tax on dividend comes to Rs 78.29 Lacs (Previous year 137.01 Lacs).

If the dividend on the shares as, recommended by the Board of Directors, is approved by the shareholders in their 27th 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. 1.80 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 2012-13, 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 31st March, 2013 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.

Cost Compliance Certificate & Cost Audit Report

In term of the latest notifications, the Companies meeting the criteria, have to obtain the cost Compliance Certificate. The Company being eligible had obtained Cost Compliance Certificate from M/s Kabra & Associates, Cost Accountants. Further, the Company also met the requirement for appointment of Cost Auditor for Cost Audit Report for the

Financial Year 2012-13. The same was tabled & approved by the Board of Directors Meeting in their meeting held on 29th May, 2013.

Further, the Company has re-appointed the Kabra & Associates, Cost Accountants, in their Board meeting held on 29th May, 2013 for conducting cost audit for the financial year 2013-14.

Subsidiary Company

The Company had no subsidiary during the financial year 2012-13.

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 (NSE) and the Bombay Stock Exchange Limited (BSE) Mumbai. Pursuant to Clause 38 of the Listing Agreement, the annual listing fees for the year 2013-2014 has been paid within the prescribed time period. It is further confirmed that custodian fee to NSDL/CDSL for the year 2013-14 has also been paid.

Dematerialization of the equity shares

98.97 % 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 (CDSL) 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. Sandeep Dinodia, Mr. Anuj Kapuria and Mr. Anil Kumar Khanna, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Mr. Deep Kapuria, Mr. Pranav Kapuria, Mr. Vinit Taneja, Mr. P.C. Mathew, Mr. Prosad Dasgupta, Mr. K.C. Verma and Mr. Ramesh Chandra Jain are the other continuing Directors

A brief profile of the directors proposed to be re-appointed pursuant to Clause 49 VI (A) of the Listing Agreement is being annexed to the Notice convening the 27th 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 224 (1B) of the Companies Act, 1956. The Board of Directors recommends their re-appointment.

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. 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, 2013 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, 2013 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, 2013 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 thereat. The recommendation made by such committee are accepted by the Board.

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, 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.

Awards and Other Recognitions

Your directors have pleasure and feel privileged in reporting the awards & recognitions received by the Company for the year 2012-2013. The Details are provided in the Management Discussion & Analysis Report.

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

Place : New Delhi
Date : 9th August, 2013

Sd/-
Deep Kapuria
Chairman



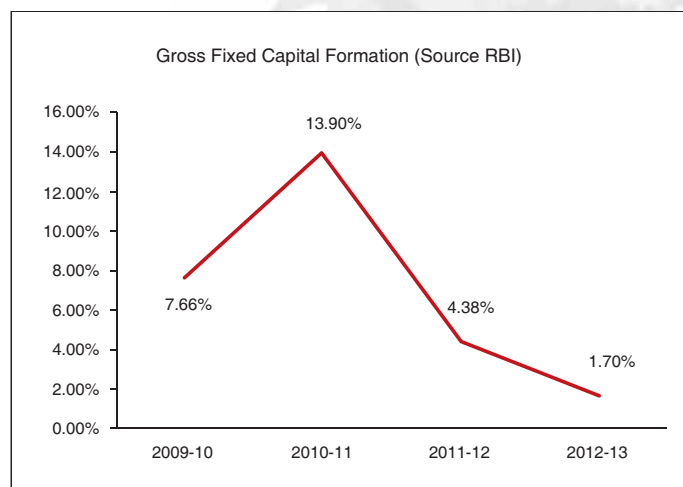
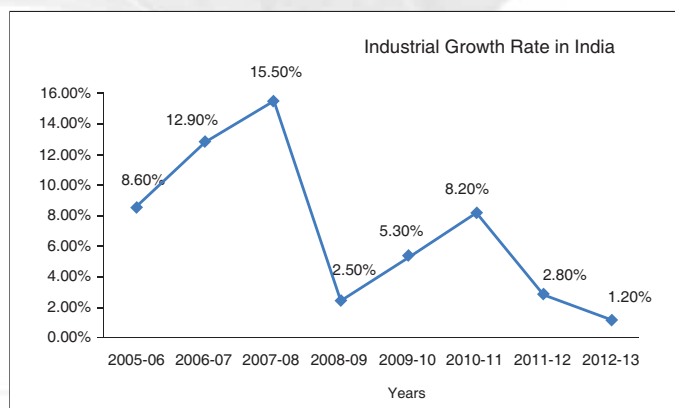
MANAGEMENT DISCUSSION AND ANALYSIS FORMING PART OF THE DIRECTOR'S REPORT FOR THE YEAR ENDED MARCH 31, 2013

The Macro Economic Environment

The Indian economy, Asia's third-largest, has slowed sharply from the record growth rates achieved a few years ago due to a variety of factors. It grew at its slowest pace in a decade in 2012-13, on account of poor performance by virtually all sectors, be it Industrial output or Agriculture or service. All quarters of the year contributed almost similar low numbers, which ended at an overall rate of 5% for the year, compared to 6.2% for the 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. The negative business sentiment is leading to a decline in Gross Capital formation which is a bad sign for future growth. The large trade deficit for the year and the Current Account Deficit of USD 88 Billion for 2012-13 have led to a severe negative impact on the INR, which has depreciated by about 20% from the beginning of the year. This is likely to fuel inflation further and make the task even more difficult for the Ministry of Finance and the RBI.

The combined effect of the above adverse factors had a direct impact on the Industrial sector. Industrial growth slowed to a 20-year-low of around 1.2% in 2012-13. This has raised fresh concerns about the health of the crucial sector and poses a threat to job creation and overall growth. Growth in the eight core infrastructure industries also decelerated.



Industry & Segment dynamics

The automotive market in India is one of the largest in the world and was one of the fastest growing globally. India's passenger car and commercial vehicle manufacturing industry is the sixth largest in the world, with an annual production of more than 4 million units. Researchers expect India's automobile market to surpass those of Germany, Brazil and Japan and become the world's third largest by 2016. This sector is estimated to contribute around 5% to National GDP and is regarded as a sunrise sector of the Indian economy.

However there are certain factors that stand as challenges before the Indian automobile industry in the present situation. The economic slowdown and high interest rates have adversely affected buyer sentiment and disposable income has also been negatively impacted as corporate earnings are declining. As a result footfalls at dealerships are at a minimum despite attractive discounts.

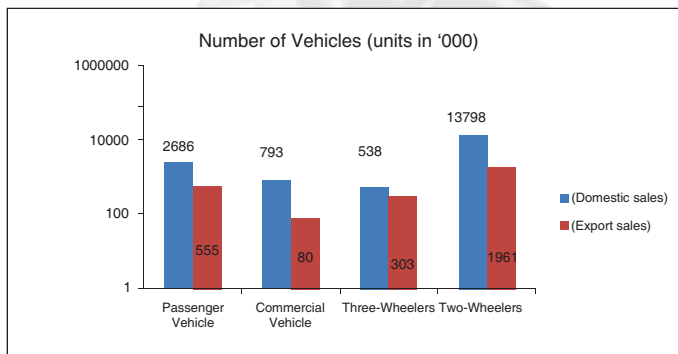


India's passenger car industry has been hit by a dual impact. While sale of petrol cars have been poor due to high petrol prices, those of diesel cars, have also been declining due to lack of clarity in the government policy on diesel prices. Automobile manufacturers have been forced to reduce the number of units produced per month, and focus on the mid segment vehicles as a result of the lower purchasing power in the hands of consumers.

Due to the above reasons, India Ratings & Research, a Fitch Group Company has revised its outlook for the automobile industry for the first time in six years. The agency has revised its outlook from stable to negative recently. Even if, demand recovers this fiscal, India Rating expects margins to remain under pressure due to increased competitive activity.

Carmakers & their associations have sought a stimulus package from the government to tide over the slowdown as the weakening economy and poor buyer sentiment saw industry sales decline in continuity for 2 years. Revival incentives being requested include lower duty on manufacturing as well as incentives for scrapping of old vehicles.

The domestic sales of various categories of vehicles were as follows in FY 2012-13:



Domestic & Export Sales Trends of the automobile sector in 2012-13

The overall growth of the Indian automobile sector was 1.2% in terms of production, 2.61% in domestic sales and de-growth of (1.34) % in exports during 2012-13. These were much lower

than the growth rates of 13.83%, 12.24% and 25.44% respectively in 2011-12. The Passenger vehicles segment grew at 2.18%, however sales of passenger cars dropped by 6.69 % for the first time in many years.

The Two wheelers segment, which is the largest segments by volumes and having more than 75% in production, domestic sales & export sales of the total automobile sector, grew marginally by only 1.90%. The auto components industry was also almost flat in this period.

In the Auto sector, the overall shipment of exports in all categories in financial year 2012-13 was 2.90 million units as compare to 2.93 million units in the previous year, showing de-growth of (1.34)%. The major portion of the total exports remains with the two wheeler segment with 1.96 million units compared to 1.97 million units in the previous year. All categories of vehicles suffered de-growth. However, due to the improved quality of the final product and competitive edge on pricing, the passenger vehicles' export growth rate registered a hike of 9.02% with 555 K. units.

Future Outlook, Risks & Concerns

After the global financial crisis a few years ago back, the global economy is still struggling to recover. During 2012-13, growth of the world economy has weakened further. The global economy is estimated to grow at just 2.1 per cent in 2012-13, at 2.4 per cent in 2013-14 and 3.2 per cent in 2014-15. The US economy continues to show signs of modest recovery. Large scale liquidity infusions by the European Central Bank (ECB) have significantly reduced stress in the global financial markets. However, recent developments indicate that the euro area sovereign debt problem will continue to weigh on the global economy. Growth risks have emerged in emerging and developing economics (EDEs)

Economies in developing Asia have weakened considerably, as the region's growth engines, China and India, have shifted into lower gear. While a significant deceleration in exports has been a key factor behind the slowdown, both economies also face a number of structural challenges that hamper growth. Given persistent inflationary pressures and large fiscal deficits, the scope for policy stimulus in India and other South Asian counties is limited. The next two years continue to be challenging.

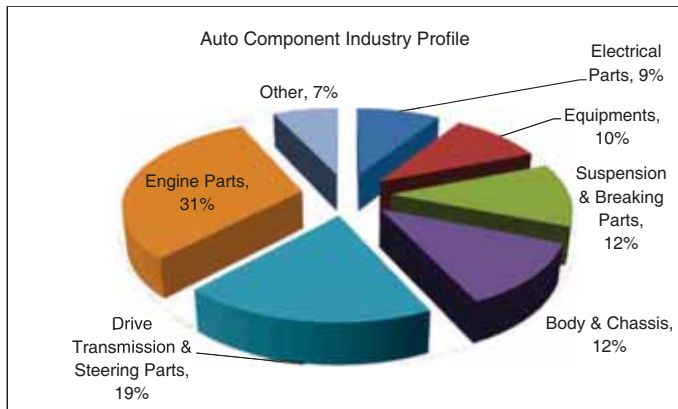
The government has initiated some reform measures since last year hoping to script a turnaround in the India growth story. This includes liberalization of FDI in retail, aviation, broadcasting and insurance, deferment of general anti avoidance rules (GAAR), commitment of the Government to bring the New Companies Bill, Income Tax & GST into place, and setting up of the Cabinet committee on Investment.

While policymakers were confident of return to much higher growth rates, Economists and Industry have called for urgent policy reforms to remove the bottlenecks to growth in the industrial sector. In view of the urgency, the Government is evaluating various alternatives to unveil other growth oriented reforms and austerity measures to built further confidence and boost growth.



Risks & Concerns in Auto Component Industry

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.



The industry is regarded as a low operational cost and low margin business. In view of the above factors, decline was visible in revenues as well as profit margins. While the automobile industry as such is facing similar problems, it is the auto component industry, which has borne the brunt of it due to its limited resources and lower margins.

In 2013-14 and in the years to follow, the auto component industry is hopeful, that once the situation, as narrated above would improve, it will bounce back, due to inherent advantages and flexibility to absorb the change.

Opportunities & Threats

A major share of the Company's business is generated through the two wheeler segment. This segment has seen robust growth in the past but has slowed down in the last two years due to the factors mentioned earlier. Further, competition in the two wheeler segment has also increased significantly leading to the need for development and launch of more and more new models and increasing costs. This has also affected the margins of the two wheeler OEMs and compelled them to ask for lower prices from the component suppliers. 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.

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 and other input costs continue to be a challenge and pose a threat to the margins of the company in the competitive auto component sector. The other major cost in production is the energy cost, which has gone up significantly. Presently the company is getting power from the State Electricity Boards at the increased tariff but has also





taken steps to buy power from the Electricity Exchanges which is providing some relief from the cost escalation.

Financial Results

FY 2012-13 was a challenging year and saw a decrease in demand in both the domestic and exports markets. The volumes and profitability of your Company was therefore adversely affected. The revenues of the Company (net of excise duty) decreased to Rs. 373.38 crores in 2012-13 as compared to Rs. 497.48 crores in 2011-12. Profit before tax and Profit after tax of the Company decreased from Rs. 62.51 crores to Rs. 23.64 crores and Rs. 42.12 crores to Rs. 16.22 crores respectively. . Your Company recorded a total export turnover of Rs. 60.00 crores.

Considering the performance of the Company, an interim dividend of 10 % i.e. Rs. 1.0 per equity share amounting to Rs. 1.87 crores was declared and paid, The Directors have further recommended to the shareholders a final dividend of 15% i.e. Rs. 1.50 per equity share, resulting in a payout of Rs. 2.82 crores. The total dividend payout stands at Rs 4.69 crores (Previous year Rs 8.44 crores) & tax on dividend comes to Rs 78.29 lacs (Previous year 1.37 crores). In addition to above, an amount of Rs 1.80 crores is transferred to General Reserve in compliance with the requirements of Section 205(2A) of the Companies Act, 1956.

Operational Excellence, Awards & Recognitions

The steps initiated by the Company for implementation and absorption of Lean Manufacturing practices are consistently showing encouraging results. Further, your Company's commitment towards Total Productivity Management (TPM) has yielded excellent results in the quality and design of products.

Your directors have pleasure in reporting that your company has received the ACMA 'Award for Excellence in Exports'. Recognition from Customers is the strongest testimony to a Company's excellence and Company once again achieved recognition of its excellence from some of its most respected customers. Your Company was honored with the 'Best Supplier Award' from New Holland Agriculture and also won the 'Best Quality, Delivery and Productivity Award' from Navistar.

HGL was also honored with the Indian Green Building Council (IGBC), 'Gold Award' for its new plant (Plant-III). The Company has successfully achieved the Green Building Standard required for the Gold level of certification under the IGBC green factory building rating system. The building has been built as an "ECOFAC Plant" and has all the features required for safety, energy & water conservation, waste management etc.

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.

Segment Reporting

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

Internal Controls and their adequacy

The Company has a formal system of internal controls and an Internal Audit process to provide adequate assurance regarding the effectiveness and efficiency of its systems and operations. The controls are commensurate to the needs of the organization given its size and complexity of operations.



The standard operating procedures ensure compliance to local regulation and statutes as applicable to the Company. Senior members of the leadership team confirm compliance and issue relevant certificates which are relied upon by the Audit Committee and the Board of Directors. The Company ensures adherence to all internal control policies and procedures as well as compliance with all regulatory guidelines. M/s. Deloitte Haskins & Sells conduct the Internal Audits and report directly to the Audit Committee and the Board.

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.



Award and Recognitions



ACMA 'Award for Excellence in Exports'



'Best Supplier Award' from New Holland Agriculture



'Best Quality, Delivery and Productivity Award' from Navistar



Indian Green Building Council (IGBC), 'Gold Award'



CORPORATE SOCIAL RESPONSIBILITY

In recent years Corporate social Responsibility (CSR) has become a fundamental business practice and has gained much attention from the management of responsible companies. The concept is now widely accepted that a strong CSR program is an essential element in achieving good business practices and effective leadership. CSR is a commitment by business to behave ethically and contribute to economic development and improving the quality of life of the workforce, their families, local community and society at large. Now, realizing the importance, CSR is going to be a part of regulation for certain class of companies in coming time.

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.

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 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. The plant has assured the following benefits



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:

- Up gradation of infrastructure facilities at ITI
- Portion of old building repaired.
- Industrial plant visit of students and faculty.
- HGL persuaded the State Government and got the following done with a budget of Rs. 10.72 lacs:
 - Purchase of study and raw materials
 - Purchase of new tools and machinery for educational needs of different trades
 - Installation of Flexi Boards
 - Repair & Maintenance of unserviceable machines
 - Sports material and kits for students
- A tender for extension of building estimated to Rs. 48.70 lacs has been approved from IMC Funds under PPP, with the initiative of HGL

In addition, a blood donation camp sponsored by Company was also organized recently with the help of Red Cross society Palwal, Haryana. A record number of 75 staff and students donated the blood in extreme weather conditions. The camp attracted lot of appreciations from staff, students and local administration.

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 its as 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.



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 by subscription to its share capital. 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

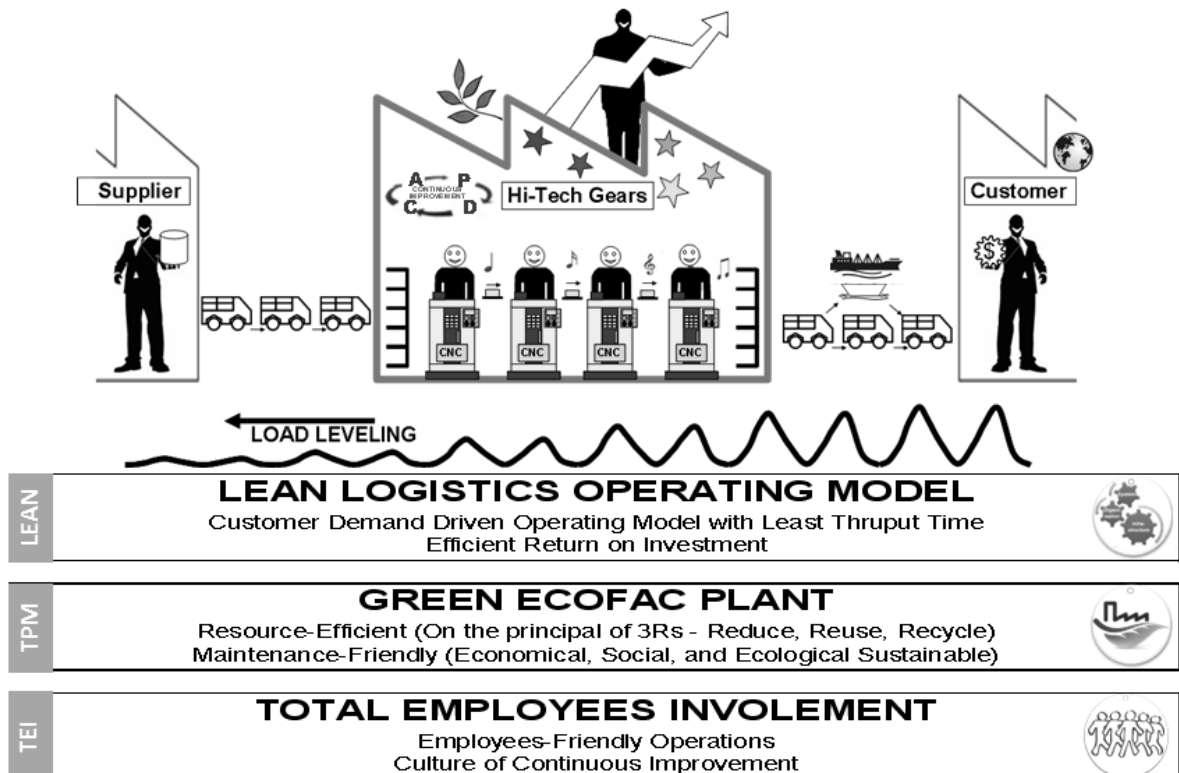


addition to management of Indian Government's fund targeted to industry for R&D and technology adoption. Wherein Government will assign GITA for managing funds and will disburse to industry in the form of loan, grant & equity and will handle the whole process from call for proposal, evaluations, fund, 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.

New Plant Philosophy



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 27th Directors' Report for the financial year ended on March 31, 2013.

Name	Designation	Age	Nature of Employment & other terms and conditions	Nature of Duties	Remuneration received(Rs.)	Qualification	Exp. (Yrs)	Date of Commencement of Employment	% of Equity shares held	Last Employment & Designation
Mr. Deep Kapuria	Chairman	63	Contractual appointed for a period of 5 year w.e.f. 01.01.2012	Overall Control and policy formulation	11,333,754	*BE (Hons) from B.I.T.S., Pilani *Advance Management Programme from IIM (A) *Lead Assessor Course *Owner Management Programme from Harvard Business School	40	01.01.1987	3083045 (16.43%)	Business
Mr. Pranav Kapuria	Managing Director	37	Contractual appointed for a period of 5 years w.e.f. 01.08.2010	Overall control of day to day management of the Company	6,150,123	*B. Com (H) from Delhi University *MBA from Cardiff Business School *Certificate Program on Lean Manufacturing from University of Michigan	12	01.08.2000	819376 (4.37%)	With Hi-Tech Gears Ltd. as Director
Mr. Anuj Kapuria	Whole Time Director	34	Contractual appointed for a period of 5 years w.e.f. 15.05.2010	Overall control of day to day management of the Company	5,313,283	*BE in Robotic and Automated Manufacture engineering from sussex university, U.K *Master's Degree in Robotics from Carnegie Mellon University	8	30.05.2005	819376 (4.37%)	With Hi-Tech Gears Ltd. as Director

Note:

Information has been furnished in respect of 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

Ongoing efforts to conserve the energy are ongoing activities 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.
- Various Modules are developed to conserve and save the energy. The same are monitored thru Project Management system.
- Energy Audit are done on periodic basis and corrective actions taken, wherever required.

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. The impacts of above measures are mainly reduction in power & fuel consumption.

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

i) 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 Management (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 endeavored to acquire world-class technology both in hardware and software. Some of the instances are narrated below:

- Company is successful in adopting the technology of brick form scrap instead of loose chips forms, resulting more realisation on scrap to the extent of Rs. 1 per kg. The cost of investment was Rs. 11.50 lacs.
- Company continued to absorb the innovative solutions/ideas in product specifications, tools and end products.

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

ii) Specific areas in which Research and Development carried out by the Company.

Research & Development were carried in product development, process development, energy conservation, environment protection, cost reduction and automation. In this process design and material database are continuously improved and enhanced.

- 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.
- Future plan of Action
 - Reduction in process losses.
 - Development of new products
 - Measures required for the utilization of the renewable energy
- Expenditure on Research & Development

Development and improvement of products has been an inbuilt and ongoing activity within the existing manufacturing facilities, it is thus not recognised separately to date.

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	6,000.07
Outflow	
Capital Equipment	158.16
Others	2,554.52
Consumables	423.83

Annexure - III

Corporate Governance Report

Forming part of 27th 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 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.

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 receiving consultancy fee from an Associate Company, thus not regarded 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	Three	Nil	Three
Mr. Anil Khanna (00207839)	Director	Independent, Non-Executive	Six	Three	Three
Mr. Sandeep Dinodia (00005395)	Director	Independent, Non-Executive	Four	Three	Five
Mr. Pranav Kapuria (00006195)	Managing Director	Promoter, Executive	Four	Three	Nil
Mr. Anuj Kapuria (00006366)	Executive Director	Promoter, Executive	Six	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	Five	Three	Nil
Mr. Krishna Chandra Verma (03636488)	Director	Independent, Non-Executive	One	Nil	Nil
Mr. Prosad Dasgupta (00243254)	Director	Independent, Non-Executive	One	Nil	Nil

*Board Committee for this purpose means Audit Committee and Shareholder's/Investor Grievance Committee (including Board committees of Hi-Tech Gears Limited).



All public limited companies, whether listed or not, (including Hi-Tech Gears Limited), and excluding private, Section 25 Company and foreign companies.

The DIN of the respective Directors are provided, in pursuant to Section 266 F of the Companies Act, 1956

Number of Board Meetings held during the year 2012-13

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) 26th May 2012, (2) 8th August, 2012 (3) 6th November, 2012, (4) 14th February, 2013.

It is confirmed that the gap between the two (2) meetings did not exceed four (4) months. The meeting 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.
- Dividend declaration.
- 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 Audit Committee.
- Quarterly, half yearly & Annual results for 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.
- 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.

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

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)	No
Mr. Anil Khanna	3 (Three)	No
Mr. Sandeep Dinodia	4 (Four)	Yes
Mr. P C Mathew	3 (Three)	No
Mr. Vinit Taneja	2 (Two)	No
Mr. Pranav Kapuria	4 (Four)	Yes
Mr. Anuj Kapuria	2 (Two)	Yes
Mr. Ramesh Chandra Jain	2 (Two)	No
Mr. K.C.Verma	4 (Four)	No
Mr. Prosad Dasgupta	3 (Three)	No

Directors appointment/ reappointment

Mr. Sandeep Dinodia, Mr. Anuj Kapuria and Mr. Anil Kumar Khanna, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The particulars of Directors being re-appointed are given in the Explanatory Statement attached to the Notice of the ensuing Annual General Meeting of the Company.

Shares held by Non-Executive Director(s)

Mr. Vinit Taneja holds 5600 equity shares as on 31st March, 2013. No other Non-Executive Director holds any equity shares as on that date.

III. Audit Committee

Brief description of terms of reference

The Audit Committee of your Company consists of three Directors. Two of the members are Independent & Non-Executive Directors viz., Mr. Sandeep Dinodia and Mr. Anil Khanna both are Fellow members of the Institute of Chartered Accountants of India. The scop, Compliances & function of the audit committee is in line with the listing agreement & the provisions of section to 292A of the Companies Act, 1956.

Meeting and attendance

The Audit Committee met 4 (Four) times during the financial year 2012-13 on the following dates:

(1) 26th May, 2012 (2) 8th August, 2012 (3) 5th November, 2012 and (4) 14th February, 2013.

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 Khanna	Member	Independent	4	4
Mr. Anuj Kapuria	Member	Executive	2	2

Company Secretary acts as the secretary of the Audit Committee.

Powers of Audit Committee

Audit Committee shall have following Powers:-

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice;
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of Audit Committee

- 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.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the internal auditors, statutory auditor, cost auditors and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

- Reviewing, with the management, the half yearly and annual financial statements before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by management
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions
 - Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- 5A. 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.
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- 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.
- Discussion with internal auditors any significant findings and follow up there on.
- 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.
- 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.
- 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.

12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
13. To review the Company's financial and risk management policies.

Review of information by Audit Committee

The Audit Committee shall mandatorily review the following information:-

1. Management discussion and analysis of financial condition and results of operations.
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management.
3. Management letters/ letters of internal control weaknesses issued by the statutory auditors.
4. Internal audit reports relating to internal control weaknesses.
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

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 invite on need basis. The recommendations made by Audit Committee are accepted by Board.

IV. Remuneration Committee

Brief description of terms of reference

The scope of functions of the Remuneration Committee is to look into Company's policy on specific/general remuneration packages, for executive as well as the non-executive Directors, including pension rights and any compensation payment. The Company Secretary acts as the Secretary of the Remuneration Committee.

The Remuneration Committee consists of three (3) Independent non-executive Directors.

Meetings and attendance

The Remuneration Committee met one (1) time during the financial year 2012-13 on 8th August, 2012.

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 Khanna	Member	Independent	1	1

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 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, 2013, 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	72.96	4.49	5.47	30.42	113.34	5 Years	01.01.2012
Mr. Pranav Kapuria	Managing Director	30.08	1.23	2.26	27.93	61.50	5 Years	01.08.2010
Mr. Anuj Kapuria	Executive Director	22.81	0.68	1.71	27.93	53.13	5 Years	15.05.2010

Note:-

- Salary includes basic salary & HRA, Perquisites includes medical & other perquisites. EPF Includes contribution to provident and other statutory funds.
 - Total Commission is @ 3% of the Net Profit in case of Mr. Deep Kapuria & 1.5% each in case of Mr. Pranav Kapuria & Mr. Anuj Kapuria calculated in terms of section 198 & other applicable provision of Companies Act, 1956.
- (b) 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, 2013 are as under: -

No.	Name of the Non-Executive Directors	Sitting fees (Rs)	Commission	Total
1.	Mr. Anil Khanna	80,000	168,853.50	248,853.50
2.	Mr. Sandeep Dinodia	90,000	168,853.50	258,853.50
3.	Mr. P.C. Mathew	30,000	168,853.50	198,853.50
4.	Mr. Vinit Taneja	30,000	168,853.50	198,853.50
5	Mr. Ramesh Chandra Jain	20,000	168,853.50	188,853.50
6	Mr. Prosad Dasgupta	30,000	168,853.50	198,853.50
7	Mr. K.C. Verma	40,000	168,853.50	208,853.50
	Total	320,000	1,181,975	1,501,975

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

The Company Secretary acts as the Secretary of the Committee.

V. (a) Investor Grievance Committee**Brief description of terms of reference**

An Investor Grievance Committee was constituted to specifically redress the grievances of the shareholders pertaining to shares transfer, dematerialization and non-receipt of dividend on the shares, non-receipt of Annual Report, etc.

Composition, Name of Members and Chairman

The Investor Grievance Committee consists of the following Directors all being Non-Executive & Independent Directors:

- Mr. Anil Khanna- Chairman and Member.
- Mr. Sandeep Dinodia- Member.
- Mr. Vinit Taneja- Member.

The Company Secretary acts as the Secretary of the Committee.

Name and Designation of the Compliance officer

Mr. S.K.Khatri, Company Secretary

Investors Complaints	year ended 31.03.2013
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Pending at the beginning of the year	Nil
Received during the year	9
Diposed off during the year	9
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 Transfers 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.

- 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.

- The committee met 6 (Six) times during the year to consider the matters relating to transfer, transmission and transposition of shares, sub-division and consolidation of shares, replacement of lost/stolen/ mutilated share certificates and review of dematerialization and re-materialization of shares.
- As on 31st March, 2013 no equity shares were pending for transfer.



VI. 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
2011-12	September 28, 2012	11.00 A.M.	A-589, Industrial Complex, Bhiwadi-301019 (Rajasthan)	Nil
2010-11	September 27, 2011	11.00 A.M.	A-589, Industrial Complex, Bhiwadi-301019 (Rajasthan)	One
2009-10	September 27, 2010	11.00 A.M.	A-589, Industrial Complex, Bhiwadi-301019 (Rajasthan)	Four

(b) No special resolution was passed by way of postal ballot during the year 2012-2013.

(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	2011-2012	Interim- 20% Final- 25%	14-02-2012 28-09-2012
2	2010-2011	Interim – 15% Final – 25%	14-03-2011 27-09-2011
3	2009-2010	Final – 45%	27-09-2010
4	2008-2009	Final – 15%	22-09-2009
5	2007-2008	Final – 30%	22-09-2008

For the year 2012-13, the interim dividend @ 10% was declared on 14th February, 2013.

(e) Unclaimed Dividend

The proposed date for the transfer of unclaimed final dividend by the Company for the year 2005-06 to IEPF is 16th October, 2013.

In terms of the notification no. G.S.R. 352(E) dated 10th May, 2012, the Company has displayed the information relating to amount of unclaimed and unpaid dividend.

The same will be updated from time to time at its website www.hitechgears.com.

VII. Disclosures

1. Related parties and transactions with them as required under Accounting Standard 18 (AS-18) and clause 32 of the Listing agreement are as under:

Related Party Disclosure (AS-18) for the period Ended 31.03.2013

(Rupees)

Particulars	Aquarian Fibrecement Pvt. Ltd.	Vulcan Electro Controls Ltd.	Getrag Hi-Tech Gears India (P) Ltd.	Hi-Tech Robotic Systemz Ltd.	Deep Kapuria	Pranav Kapuria	Anuj Kapuria	Total
Nature of Relationship	Associate Companies				Key Management Personnel			
Goods Purchased	-	451,137,715	223,168,526	-	-	-	-	674,306,241
Sale of Goods	-	14,247,035	156,492,137	-	-	-	-	170,739,172
Rendering of Job work/services	-	20,612,549	18,672,288	-	-	-	-	39,284,837
Receiving of Job Work/Services	-	263,477,812	-	22,921,440	-	-	-	286,399,252
Rent	20,224,800	-	-	-	-	-	-	20,224,800
Director's Remuneration	-	-	-	-	10,786,554	5,924,523	5,142,225	21,853,302
Reimbursement of Expenses Paid	-	281,046	1,539,837	-	-	-	-	1,820,883
Reimbursement of Expenses Received	-	-	1,136,834	7,078,163	-	-	-	8,214,997
Balances outstanding at the end of the year								
Trade receivables	-	-	-	7,206,245	-	-	-	7,206,245
Trade payables	-	36,803,328	81,608,369	-	3,711,063	3,441,367	2,861,814	128,425,941

The transactions with the Related parties are neither materially significant nor they have potential conflict with the interest of the Company at large.

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. The Company has not provided any tenure for the independent Directors.

b) 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 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 does not have any formal training program for Board Members.

e) There is no separate formal mechanism for evaluating Non-Executive Board Members.

f) The Company does not have "Whistle Blower Policy" for the time being.

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 as per the requirements of listing agreement, the Company also sends the same to Stock Exchange and upload on the corporate filling and dissemination System website of SEBI www.corpfiling.co.in 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, 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:

27th Annual General Meeting of the Company will be held on Monday the 30th day of September, 2013 at 11:00 A.M at the Registered Office of the Company situated at A-589, Industrial Complex, Bhiwadi, Distt. Alwar, Rajasthan 301019.

Financial Calender for 2012-13	Results were announced on	Newspapers	Date of Publication
Financial Reporting for the 1st quarter ended June 30, 2012	08.08.2012	<ul style="list-style-type: none"> • Business Standard • Adhikar 	10.08.2012 10.08.2012
Financial Reporting for the 2nd quarter and 1st half year ended September 30, 2012	06.11.2012	<ul style="list-style-type: none"> • Business Standard • Adhikar 	08.11.2012 08.11.2012
Financial Reporting for the 3rd quarter ended December 31, 2012	14.02.2013	<ul style="list-style-type: none"> • Business Standard • Adhikar 	16.02.2013 16.02.2013
Financial Reporting for the 4th quarter and year ended March 31, 2013	29.05.2013	<ul style="list-style-type: none"> • Business Standard • Adhikar 	31.05.2013 31.05.2013

Financial Calendar for 2013-2014

(Tentative and subject to change)

Financial Reporting for the 1st quarter ended June 30, 2013. 9th August, 2013 (2nd Week) (Already announced)

Financial Reporting for the 2nd quarter and 1st half year ended September 30, 2013. November, 2013 (2nd Week)

Financial Reporting for the 3rd quarter ended December 31, 2013. February, 2014 (3rd Week)

Financial Reporting for the year ended March 31, 2014. May, 2014 (Last week)

Annual General Meeting for the year 2012-13 (not to change) September 30th, 2013

2. Date of Book Closure September 20th to September 30th, 2013 (Both days inclusive)

3. 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 30th, 2013.

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 20th, 2013.

4. Listing on Stock Exchanges As on March 31, 2013 the equity shares of the Company are listed on the following Stock Exchanges:-

a) National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot no. C-1, Block – G,
Bandra-Kurla Complex, Bandra (E),
Mumbai – 400051
India.
Stock Code- HITECHGEAR

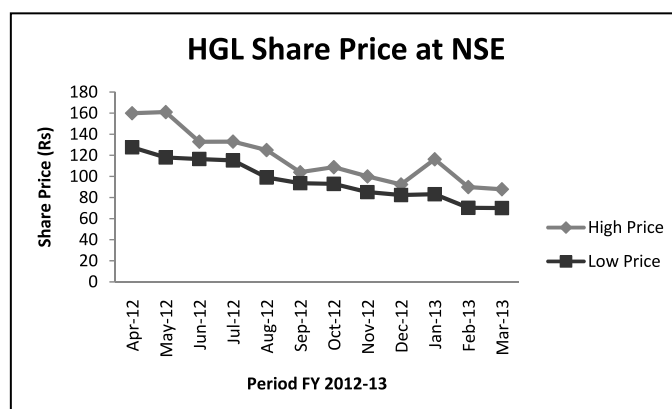
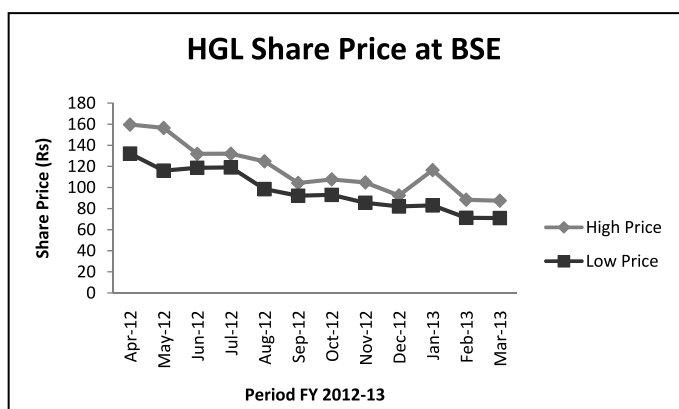
b) Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street, Mumbai.
Stock Code – 522073

Note: The listing fee for the year 2013-2014 has been paid to the Stock Exchanges within the stipulated time. Further the Company also confirms that the custodian fee for the year 2013-14 to NSDL & CDSL is also paid within the stipulated time period.

5. Market Price Data

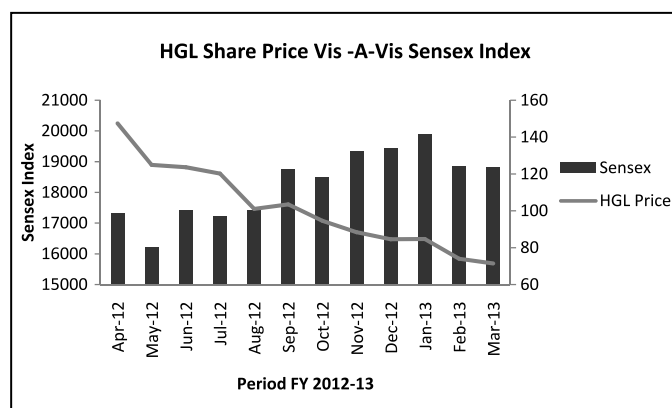
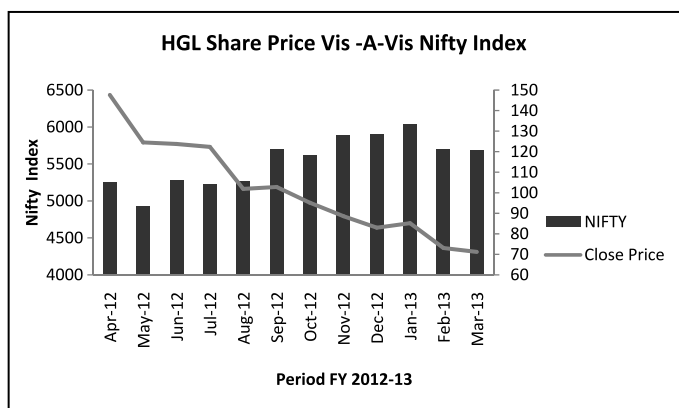
Monthly high and low prices of equity shares of the Company at BSE and NSE during the year under review are given hereunder.

Month	Bombay Stock Exchange Limited (BSE)					National Stock Exchange of India Limited (NSE)				
	Share Price		Sensex		No. of shares traded	Share Price		Sensex		No. of shares traded
	High Price	Low Price	High	Low		High Price	Low Price	High	Low	
Apr-12	159.70	132.15	17664	17010	83555	159.90	127.65	5379	5154	121891
May-12	156.50	116.00	17432	15810	60279	161.00	118.00	5280	4789	61739
Jun-12	131.90	118.75	17448	15749	20280	132.90	116.50	5286	4770	36968
Jul-12	132.00	119.00	17631	16598	21652	133.00	115.15	5349	5032	20872
Aug-12	124.85	98.50	17973	17027	178164	125.00	99.00	5449	5165	242739
Sep-12	104.25	92.25	18870	17251	51920	103.95	93.60	5735	5216	59895
Oct-12	107.70	93.00	19137	18393	36402	108.75	92.90	5815	4888	58400
Nov-12	104.80	85.50	19373	18256	45369	100.00	85.10	5885	5548	52571
Dec-12	92.50	82.05	19612	19149	35769	92.35	82.40	5965	5823	56750
Jan-13	116.50	83.05	20204	19509	418992	116.30	83.15	6112	5935	864018
Feb-13	88.40	71.25	19967	18794	269581	89.90	70.20	6053	5672	188856
Mar-13	87.45	71.00	19755	18568	215754	87.80	70.00	5971	5605	291687



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, 2nd Floor, Okhla Industrial Area,
Phase-II, New Delhi – 110020.
Ph. : 011 – 26387281, 82, 83
Fax : 011 – 26387384

Web site: www.masserv.com

Email: 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

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.

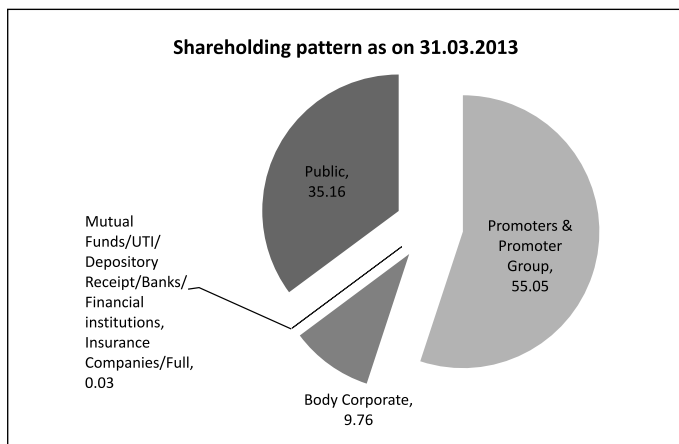
9. (a) Distribution of shareholding

As on March 31, 2013 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	427373	2.277	3021	76.192
5001 to 10000	319642	1.703	397	10.013
10001 to 20000	346377	1.846	219	5.523
20001 to 30000	197842	1.054	77	1.942
30001 to 40000	174223	0.928	47	1.185
40001 to 50000	135694	0.723	29	0.731
50001 to 100000	645939	3.442	84	2.119
100001 and above	16520910	88.027	91	2.295
Total	18768000	100	3965	100

(b) Category wise shareholding as on March 31, 2013

Category	No. of shares held	% of shareholding
Promoters & Promoter Group	10330793	55.05
Mutual funds/UTI/Depository Receipt	1050	0.01
Banks, Financial institutions, Insurance companies	4000	0.02
Foreign Institutional Investor	0	0
Body Corporate	1832386	9.76
Individual	6449094	34.36
Non Resident Indians/ Overseas Corporate Bodies	127116	0.67
Clearing Member	23561	0.13
Grand Total	18768000	100.00

**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, 2013 is given hereunder:

Particulars	As on March 31, 2013	
	No. of Shares	Percentage(%)
No. of Shares dematerialized		
-NSDL	16851193	89.79
-CDSL	1723599	9.18
No. of shares in physical form	193208	1.03
Total	18768000	100.00

(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 2012-2013 is given below:-

Particulars	BSE
No of Shares	5797.24
Value (in Rs.)	569159.29

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 of shares : MAS Services Limited
and any other queries relating to Shares (Unit: Hi-Tech Gears Limited)
T-34, 2nd Floor, Okhla Industrial Area, Phase –II, New Delhi – 110020.
Ph. : 011 – 26387281, 82, 83
Fax : 011 – 26387384
Web site: www.masserv.com
Email: info@masserv.com
- b. Queries related to Payment of dividend on Shares, Annual Report and others : Mr. S. K. Khatri
Company Secretary,
14th Floor, Tower-B, Unitech's Millennium Plaza, Shushant Lok-1, Sector – 27, Gurgaon, Haryana-122009-01
Tel No: (0124) – 4715100
Fax No: (0124) – 2806085
Email : 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. 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 29, 2013. A copy of the same certificate dated 29.5.2013 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 2012-2013

By Order of the Board
For Hi - Tech Gears Limited

Sd/-

Place : New Delhi
Date : 9th August, 2013

Deep Kapuria
Chairman

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 2012-13.

For Hi - Tech Gears Limited

Sd/-

Place : New Delhi
Date : 31st March, 2013

Pranav Kapuria
Managing Director

Certification by CEO/CFO for Financial Year 2012-13

- (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 2012-13 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.General Manager(Finance)

Sd/-

Pranav Kapuria
Managing Director

Place : New Delhi
Date : 29th May, 2013

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, 2013, 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 Regn. No. 001393N

Sd/-
CA. Kawal Jain
Partner

Place : New Delhi
Date : 29th May, 2013

Membership No. : 089214

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

Corporate Office

14th 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

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 2012-13

The Board of Directors in their meeting held on 14th February, 2013 have approved an interim dividend of Rs 1/- (Rupees 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 with in statutory time period.

Annual General Meeting

Date & Time : Monday the 30th day of
September, 2013 at 11.00 A.M.
Venue : A-589, Industrial Complex,
Bhiwadi - 301019,
District Alwar, (Rajasthan).

Book Closure Dates

September 20 to September 30, 2013 (both days inclusive)

Final Dividend

The Board of Directors in their meeting held on 29th May, 2013 have recommended final dividend of Rs. 1.50 per equity share (@ 15%) subject to the approval of the members in Annual General Meeting on 30th day of September, 2013.

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 30, 2013. 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 20, 2013, 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, 2nd Floor, Okhla Industrial Area, Phase –II,
New Delhi – 110020.
Ph.: 011 – 26387281, 82, 83, Fax: 011 – 26387384
Web site: www.masserv.com, Email: info@masserv.com



Auditor's Report

To the Members of
Hi-Tech Gears Limited

Report on 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, 2013, and 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 Statement

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"). 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.

Auditors' 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. 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, 2013;
- b) in the case of the Profit and Loss Account, 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;
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

CA. Kawal Jain
Partner

Place : Gurgaon
Date : 29th May, 2013

Membership No. : 089214

THE ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE OUR REPORT OF EVEN DATE TO THE MEMBERS OF HI-TECH GEARS LIMITED ON THE ACCOUNTS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH, 2013.

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, all the fixed assets have not been physically verified by the management during the year, but there is a regular programme of verification except furniture & fixtures which, in our opinion, is reasonable having regard to size of the company and nature of fixed assets. No material discrepancies were noticed on such verification.
(c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does 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) 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 covered under section 58A and 58AA of the Companies Act, 1956 and the companies (Acceptance of Deposit) Rules 1975.
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 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 31st of March, 2013 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.	Particulars	Year	Amount (Rs.)	Pending at Assessing Authority
1.	Central Excise Act 1944	2008-09 & 2009-10	85,598 (NIL)	Commissioner (Appeal), CE
2.	Central Excise Act 1944	2010-11 & 2011-12	103,399 (NIL)	Commissioner (Appeal), CE
3.	Central Excise Act 1944	2008-09	485,131 (NIL)	Commissioner (Appeal), CE
4.	Central Excise Act 1944	2009-10	445,857 (445,857)	Pending with Tribunal, RK Puram, Delhi
5.	Central Excise Act 1944	2010-11	291,171 (291,171)	Pending with Tribunal, RK Puram, Delhi
6.	Central Excise Act 1944	2008-09, 2009-10, 2010-11	1,218,991 (NIL)	Commissioner (Appeal), CE
7.	Central Excise Act 1944	2006-07 to 2010-11	1,154,202 (NIL)	Commissioner (Appeal), CE
8.	Local Area Act, 1999	2007-08	1,219,212 (1,219,212)	Hon'ble High-Court, Rajasthan, Jaipur
9.	Local Area Act, 1999	2008-09	908,718 (908,718)	Hon'ble High-Court, Rajasthan, Jaipur
10.	Local Area Act, 1999	2010-11	1,119,316 (Nil)	Hon'ble High-Court, Rajasthan, Jaipur
11.	Local Area Act, 1999	2008-09	858,227 (Nil)	Hon'ble High-Court, Rajasthan, Jaipur
	Total		7,889,822 (2,864,958)	
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 31st March, 2013, 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 has no outstanding debentures during the period under audit.
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 Regn. No. 001393N

CA. Kawal Jain

Partner

Place : Gurgaon
Date : 29th May, 2013

Membership No. : 089214

BALANCE SHEET AS AT 31.03.2013

Particulars	Note No.	Current Year 31.03.2013 Amount (Rs.)	Previous Year 31.03.2012 Amount (Rs.)
I. EQUITY & LIABILITIES			
(1) SHAREHOLDERS' FUNDS			
(a) Share Capital	2	187,680,000	187,680,000
(b) Reserves and Surplus	3	1,475,078,135	1,370,854,182
(2) NON CURRENT LIABILITIES			
(a) Long term borrowings	4	299,340,582	410,371,020
(b) Deferred tax liabilities (net)	5	106,568,513	117,790,621
(c) Other long term liabilities	6	2,500,000	-
(3) CURRENT LIABILITIES			
(a) Short term borrowings	7	39,505,524	268,908,453
(b) Trade payables	8	442,505,528	613,457,465
(c) Other current liabilities	9	155,568,821	177,335,049
(d) Short term provisions	10	363,011,428	311,441,500
Total		3,071,758,531	3,457,838,290
II. ASSETS			
1. NON CURRENT ASSETS			
(a) Fixed Assets	11		
i) Tangible Assets		1,879,474,295	1,989,079,089
ii) Intangible Assets		20,221,953	17,742,843
iii) Capital Work-in-Progress		3,200,329	2,976,021
(b) Non current Investments	12	40,500	40,500
(c) Long term loans and advances	13	37,533,657	44,086,574
2. CURRENT ASSETS			
(a) Inventories	14	223,924,547	244,690,271
(b) Trade Receivables	15	297,259,655	700,823,010
(c) Cash and Bank Balances	16	105,609,246	18,977,245
(d) Short term loans and advances	17	504,494,349	439,422,737
Total		3,071,758,531	3,457,838,290

See Accompanying Significant Accounting Policies

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AS PER OUR REPORT OF EVEN DATE

for Gupta Vigg & Co.
Chartered Accountants
F.R.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

(Pranav Kapuria)
Managing Director

(Sandeep Dinodia)
Director

(Anil Khanna)
Director

(Vinit Taneja)
Director

(P C Mathew)
Director

(K C Verma)
Director

(R C Jain)
Director

Place : New Delhi
Date : May 29, 2013

(Anuj Kapuria)
Whole Time Director



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	Note No.	Current Year 31.03.2013 Amount (Rs.)	Previous Year 31.03.2012 Amount (Rs.)
I. Revenue from Operations	18	3,733,783,154	4,974,842,326
II. Other Income	19	20,014,438	35,459,688
III. Total Revenue (I +II)		<u>3,753,797,592</u>	<u>5,010,302,014</u>
IV. EXPENSES			
Cost of Materials Consumed	20	2,106,949,786	2,786,307,314
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	16,366,014	(31,188,873)
Employee Benefit Expense	22	532,176,800	581,742,846
Finance Cost	23	76,181,338	74,139,665
Depreciation and Amortization Expense	11	231,586,780	198,228,749
Other Expenses	24	554,141,796	775,953,510
V. Total expenses		<u>3,517,402,514</u>	<u>4,385,183,211</u>
VI. Profit before Exceptional and Extraordinary items and tax	III-V	236,395,078	625,118,803
VII. Exceptional Items		-	-
VIII. Profit before extraordinary items and tax	VI-VII	236,395,078	625,118,803
IX. Extraordinary Items		-	-
X. Profit before tax	VIII-IX	236,395,078	625,118,803
XI. Tax expense:			
(a) Current Income tax		85,200,000	184,000,000
(b) Deferred tax		(11,222,108)	15,566,550
(c) Income tax for earlier years		282,000	4,411,448
XII. Profit for the period from continuing operations	X-XI	<u>162,135,186</u>	<u>421,140,805</u>
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	<u>162,135,186</u>	<u>421,140,805</u>
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		8.64	22.44
2. Diluted		8.64	22.44

See Accompanying Significant Accounting Policies

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AS PER OUR REPORT OF EVEN DATE

for Gupta Vigg & Co.

Chartered Accountants

F.R.No. 001393N

FOR AND ON BEHALF OF THE BOARD

(Deep Kapuria)
Executive Chairman

(Pranav Kapuria)
Managing Director

(CA. Kawal Jain)
Partner
Membership No. 089214

(Vijay Mathur)
Sr. GM (Finance)

(Sandeep Dinodia)
Director

(Anil Khanna)
Director

(S.K. Khatri)
Company Secretary

(Vinit Taneja)
Director

(P C Mathew)
Director

(K C Verma)
Director

(R C Jain)
Director

Place : New Delhi

Date : May 29, 2013

(Anuj Kapuria)

Whole Time Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2013

	For the year ended 31.03.2013 (Rs)		For the year ended 31.03.2012 (Rs)	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit / (Loss) before extraordinary items and tax		236,395,078		625,118,803
Adjustments for:				
Depreciation and amortisation	231,586,780		198,228,749	
(Profit) / loss on sale of assets	(45,307)		2,328,561	
Provision for Impairment of Intangibles	351,950		-	
Finance costs	76,181,338		74,139,665	
Interest income	(6,076,239)		(16,294,122)	
Dividend income	(10,875)		(6,900)	
Liabilities / provisions no longer required written back	3,648,560		5,965,395	
Provision for doubtful trade & other receivables, loans & advances	5,939,693		752,212	
Provision for estimated loss on derivatives	1,837,837		(393,629)	
		313,413,737		264,719,930
Operating profit / (loss) before working capital changes		549,808,815		889,838,734
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	20,765,724		(24,323,577)	
Trade receivables	397,623,662		(394,777,914)	
Short-term loans and advances	(60,975,385)		(89,357,197)	
Long-term loans and advances	(1,519,536)		13,380,596	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	(170,951,936)		141,321,321	
Other current liabilities	2,320,737		1,750,277	
Other long-term liabilities	2,500,000		(15,271,908)	
Short-term provisions	47,921,368		15,858,820	
		237,684,634		(351,419,582)
Cash generated from operations		787,493,449		538,419,152
Net income tax (paid) / refunds		(89,578,227)		(208,177,538)
Net cash flow from / (used in) operating activities (A)		697,915,222		330,241,614
B. CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure on fixed assets, including capital advances	(117,215,594)		(656,959,050)	
Proceeds from sale of fixed assets	295,999		966,478	
Payment out of Reserve	(5,000,000)		(11,000)	
Interest received	6,076,239		16,294,122	
Dividend received	10,875	(115,832,481)	6,900	(639,702,550)
Net cash flow from / (used in) investing activities (B)		(115,832,481)		(639,702,550)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from long-term borrowings	23,298,040		118,073,589	
Repayment of long-term borrowings	(158,415,444)		(47,548,263)	
Net increase / (decrease) in working capital borrowings	(229,402,929)		226,560,919	
Finance cost	(76,181,337)		(74,139,665)	
Dividends paid	(46,920,000)		(84,456,000)	
Tax on dividend	(7,829,071)	(495,450,741)	(13,700,876)	124,789,705
Net cash flow from / (used in) financing activities (C)		(495,450,741)		124,789,705
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		86,632,000		(184,671,231)
Cash and cash equivalents at the beginning of the year	18,977,245		203,648,476	
Cash and cash equivalents at the end of the year		105,609,246		18,977,245



	For the year ended 31.03.2013 (Rs)		For the year ended 31.03.2012 (Rs)	
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet		105,609,246		18,977,245
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)		73,834,862		7,911,605
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)		31,774,384		11,065,641
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)		-		-
Cash and cash equivalents at the end of the year *		31,774,384		11,065,641
* Comprises:				
(a) Cash on hand		363,829		344,259
(b) Balances with banks				
(i) In current accounts		17,142,128		5,799,263
(ii) In EEFC accounts		14,268,427		4,922,118
(iii) In deposit accounts with original maturity of less than 3 months		63,500,000		-
(iv) In earmarked accounts (Unpaid Dividend Account)		1,021,554		972,216
(v) In Margin Money (Against Letter of Credit & Bank Guarantees)		7,450,965		5,935,010
(vi) Interest accrued on FDR		1,862,343		1,004,379
		105,609,246		18,977,245

AS PER OUR REPORT OF EVEN DATE

FOR GUPTA VIGG & CO.

Chartered Accountants

Firm Regn No. 001393N

(CA. Kawal Jain)

Partner

Membership No. 089214

(Vijay Mathur)

Sr. GM (Finance)

(S.K. Khatri)

Company Secretary

FOR AND ON BEHALF OF THE BOARD

(Deep kapuria)

Executive Chairman

(Sandeep Dinodia)

Director

(K C Verma)

Director

(Vinit Taneja)

Director

(Anuj Kapuria)

Whole Time Director

(Pranav Kapuria)

Managing Director

(Anil Khanna)

Director

(P C Mathew)

Director

(R C Jain)

Director

Place : New Delhi

Date : May 29, 2013

NOTE '1' – SIGNIFICANT ACCOUNTING POLICIES.

a) Basis of Preparation of Financial Statements.

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

b) Fixed Assets and Depreciation:

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

c) 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.

d) 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.

e) 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.

f) 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.

(a) 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.

(b) 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.

g) Sales:

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.

h) 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 31st 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 1st 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.

i) Taxation:

Income Tax provision has been made as per the provisions of the Income Tax Act, 1961.

j) Deferred Taxes:

Deferred tax resulting from timing difference between taxable and accounting income is accounted for, using the tax rates and laws that are enacted or substantially enacted as on the balance sheet date.

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

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

m) Interest on borrowed funds:-

In respect of new units/major expansion the interest paid/ payable on borrowed funds, attributable to construction of building and acquisition/erection of Plant & Machinery is capitalized up to the date of completion of construction / acquisition/erection of aforesaid assets.

n) 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.

o) 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.

p) 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2013

	Current Year 31.03.2013 (Rs)		Previous Year 31.03.2012 (Rs)		
NOTE '2' - SHARE CAPITAL					
(a) Authorised Capital					
20000000 Equity shares of Rs. 10/- each with voting right (Previous year 20000000 Equity shares of Rs. 10/- each with voting right)		200,000,000	200,000,000		
(b) Issued, Subscribed and fully Paid-up					
18768000 Equity shares of Rs. 10/- each & Fully paid up with voting right (Previous year 18768000 Equity shares of Rs. 10/- each fully paid up with voting right)		187,680,000	187,680,000		
(c) Reconciliation of the number of Equity Shares with voting right					
	31.03.2013	31.03.2012			
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			
(d) Equity Shares held by shareholders holding more than 5% of total number of shares with voting right					
Name of Share Holder	Relationship	31.03.2013 No of Shares	%	31.03.2012 No of Shares	%
Vulcan Electro Controls Ltd	(Associate company)	1,082,000	5.77	1,082,000	5.77
Olympus Electrical Industries 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)	3,083,045	16.43	3,083,045	16.43
(e) Terms/rights attached to equity shares					
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.					
(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:					
	Aggregate number of shares				
	As at 31.03.13	As at 31.03.12			
- 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			



	Current Year 31.03.2013 (Rs)		Previous Year 31.03.2012 (Rs)	
NOTE '3' - RESERVES & SURPLUS				
(a) Capital Reserve				
(i) Central Investment Subsidy				
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
(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		9,000,000	
Add :Transferred from surplus during the year	5,000,000		5,000,000	
Less: Utilised during the year	5,000,000		11,000	
Closing Balance		13,989,000		13,989,000
(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 & 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). As per the above MOU, HGL is required to pay Rs. 50 lakhs 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&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.)				
As such we have paid Rs. 50 Lacs in 2012-13 to GITA for the purchase of 5000 Equity Shares(unquoted) Rs. 1000 each fully paid up.				
(d) General Reserve				
Balance as per last Balance Sheet	230,087,991		185,087,991	
Add : Transferred from surplus during the year	18,000,000		45,000,000	
Closing Balance		248,087,991		230,087,991
(e) Hedging Reserve				
Balance as per last Balance Sheet	(1,837,837)		(1,444,208)	
Add : During the year	1,837,837		-	
Less: During the year (Refer Note no.'33')	-		393,629	
Closing Balance		-		(1,837,837)
(f) Surplus in Statement of Profit & Loss				
Balance as per last Balance Sheet	818,625,228		545,641,298	
Add : Profit for the year	162,135,186		421,140,805	
Less: Interim Dividend distributed to equity shareholders Rs. 1.00 per share (Previous year Rs. 2.00 per share)	18,768,000		37,536,000	
Less: Dividend Proposed to be distributed to equity shareholders Rs.1.50 Per share (Previous year Rs. 2.50 Per share)	28,152,000		46,920,000	
Less: Tax on Dividend (Interim)	3,044,639		6,089,278	
Less: Tax on Proposed Dividend	4,784,432		7,611,598	
Less: Transferred to General Reserve	18,000,000		45,000,000	
Less: Transferred to Corporate Social Responsibility Reserve	5,000,000		5,000,000	
Closing Balance		903,011,343		818,625,227
TOTAL		1,475,078,135		1,370,854,182

					Current Year 31.03.2013 (Rs)		Previous Year 31.03.2012 (Rs)	
NOTE '4' - LONG TERM BORROWINGS								
SECURED:								
(l) Term-loans: From banks								
(a) State Bank of India								
Terms &Conditions					31.03.2013	31.03.2012		
Sanctioned Amount:-					Rs.60,000,000	Rs.60,000,000		
Total No. of Installments:-					20 Quarterly installment of Rs.30,00,000/- each			
No. of Installment pending					Nil Nos.	4 Nos.		
Security:-The amount is secured by first Pari-Passu charge on Immovable property situated at A-589, RICCO, Bhiwadi - 301019, Rajasthan and Second Charge on all movable assets - Stocks, Raw material, WIP, Finished Goods.								
(b) Yes Bank Ltd								
Terms &Conditions					31.03.2013	31.03.2012		
Sanctioned Amount:-					Rs.100,000,000	Rs.100,000,000		
Total No. of Installments:-					16 Quarterly installment of Rs.6,250,000/- each			
No. of Installment pending:-					1 Nos.	5 Nos.	6,250,000	
Security:-The amount is secured by first pari pasu charge of immoveable property at A-589, RICCO, Bhiwadi and also first pari pasu charge on all moveable fixed assets except Plant & Machinery, which is specifically charged to Citi Bank and also second pari pasu by way of hypothecation charge on all current assets								
(c) DBS ECB (USD 2,250,000 Previous year-USD 3,375,000)					123,637,501		174,453,750	
Terms &Conditions					31.03.2013	31.03.2012		
Sanctioned Amount:-					USD 4,500,000	USD 4,500,000		
Total No. of Installments:-					16 Quarterly installment of USD 281250/- each			
No. of Installment pending:-					12 Nos.	16 Nos.		
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 & future including book debts. the charge is also secured by mortgage of all pieces and land situated at A 589, RICCO, Bhiwadi, Alwar								
(d) SCB ECB USD (USD 2,200,000 Previous year-USD 3,300,000)					120,890,000		170,577,000	
Terms &Conditions					31.03.2013	31.03.2012		
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:-					12 Nos.	16 Nos.		
Security:-The amount is secured by first pari passu charge over immoveable 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 passu basis over all present & future moveable fixed assets (excluding assets specifically charged) & also secured by 2nd pari passu charge on entire current assets.								
(e) Car Loan								
(i) HDFC Bank Ltd								
(ii) ICICI Bank Limited								
Sr No.	Sanction Amount	Total Instalments	EMI Rs.	Pending Instalments				
1	3,591,000	36	113,476	5				
2	1,795,000	35	57,817	9				
3	3,488,000	35	112,349	9				
4	8,000,000	35	255,840	14				
5	1,240,000	35	40,600	10				
6	1,180,000	35	38,635	22				
7	426,000	36	13,980	33				
The Car loans comprise of 7 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.								
(f) DBS Bank Buyers Credit (EURO 752,204.41, Previous year 752,204.41)					53,331,293		52,187,942	
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.								
TOTAL					299,340,582		410,371,020	



	Current Year 31.03.2013 (Rs)		Previous Year 31.03.2012 (Rs)	
NOTE '5' - DEFERRED TAX LIABILITIES				
Opening Balance		117,790,621		102,224,071
Add : Deferred tax liability during the year (Refer Note.'31')		(11,222,108)		15,566,550
Closing Balance		106,568,513		117,790,621
NOTE '6' - OTHER LONG TERM LIABILITIES				
Security Deposit		2,500,000		-
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.				
TOTAL		2,500,000		-
NOTE '7' - SHORT TERM BORROWINGS				
Secured:				
Working Capital-loans / Loans repayable on demand from banks:				
(a) Citi Bank -N.A.		38,204,626		156,784,062
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) Standard Chartered Bank-Packing Credit (USD Nil Previous year USD 225175.36)		-		11,639,314
(c) Standard Chartered Bank		-		33,126,417
Security:-Both (b)&(c) 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 fixed assets. Further, the charge is secured by second pari passu on immoveable properties at A-589, RICCO, Bhiwadi together with Land & Building, Plant & Machinery & Furniture & Fixture attached/installed and to be attached/installed.				
(d) State Bank of India		1,300,898		-
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.				
(e) ICICI Bank Limited		-		1,308,989
Security:-The Amount is secured by way of first charge on pari pasu basis of all stock in trade, spares & other moveable including book debts, bills all Present and future ranking pari pasu with other participating banks.				
(f) Citi Bank Buyers Credit (USD Nil Previous year USD 1277803.66)		-		66,049,671
Security:-The amount is obtained from Bank located outside India under secured Non-Funded Facilities sanctioned and guaranteed by Banks in India viz. Citi bank NA.				
TOTAL		39,505,524		268,908,453
NOTE '8' - TRADE PAYABLES				
(a) Creditors				
(i) Due to Micro & Small Enterprises (Refer Note.'35')	3,229,285		2,419,977	
(ii) Due to Others**	242,862,434	246,091,719	304,156,706	306,576,683
(b) Other payables:				
(i) Employees Benefits Payables	25,058,135		25,085,885	
(ii) Expenses Payable**	117,030,707		150,978,954	
(iii) Against purchase of fixed assets	1,135,800		30,362,645	
(iv) Other contractual obligations				
(a) Due to Micro & Small Enterprises (Refer Note.'35')	744,131		336,744	
(b) Due to Others**	25,117,694		50,548,825	
(v) Advance from customer	27,327,342	196,413,809	49,567,729	306,880,782
**for related party balances (Due to Others) (Refer Note.'28')				
TOTAL		442,505,528		613,457,465

	Current Year 31.03.2013 (Rs)		Previous Year 31.03.2012 (Rs)	
NOTE '9' - OTHER CURRENT LIABILITIES				
(a) Current Maturity of Long Term Debts (Secured Term loan from Banks) (Refer Note no.4 for Security Detail)		134,328,479		158,415,444
(b) Interest Accrued but not due		3,478,122		4,947,771
(c) Interest Accrued and Due		86,815		610,894
(d) Unpaid dividends		1,021,554		972,215
(e) Other payables				
(i) Statutory liabilities (Excise duty, Vat, TDS & other)	14,553,851		9,988,724	
(ii) Trade security deposits	2,100,000	16,653,851	2,400,000	12,388,724
TOTAL		155,568,821		177,335,048
NOTE '10' - SHORT TERM PROVISIONS				
(a) Employee Benefits				
(i) Gratuity	15,917,490		26,380,691	
(ii) Bonus EX-Gratia	11,291,178		11,290,840	
(iii) Compensated Absences	33,600,078	60,808,746	33,343,875	71,015,406
(b) Provision For Tax		269,200,000		184,000,000
(c) Provision for Wealth Tax		66,250		56,660
(d) Provision For Dividend		28,152,000		46,920,000
(e) Provision for Tax on Dividend		4,784,432		7,611,597
(f) Fair Valuation Loss on Derivatives		-		1,837,837
TOTAL		363,011,428		311,441,500



Note - 11 : FIXED ASSETS

Rs. in lac

NAME OF ASSETS	GROSS BLOCK							DEPRECIATION			NET BLOCK		
	COST AS ON 01.04.2012	ADDITIONS DURING THE YEAR			DISPOSALS/ SALE DURING THE YEAR	IMPAIRMENT OF ASSETS	TOTAL AS ON 31.03.2013	DEPRECIATION AS ON 01.04.2012	DEPRECIATION/ AMORTISATION EXPENSE FOR THE YEAR	ELIMINATED ON DISPOSAL OF ASSETS	TOTAL DEP AS ON 31.03.2013	W.D.V. AS ON 31.03.2013	W.D.V. AS ON 31.03.2012
		ADDITIONS	EXCHANGE FLUCTUATION (AS-1)	BORROWING COST CAPITALISED									
(I) TANGIBLE ASSETS													
A LAND													
Freehold*	315,216,422	6,250,000	-	-	-	321,466,422	-	-	-	-	-	321,466,422	315,216,422
Leasehold	60,808,529	-	-	-	-	60,808,529	-	-	-	-	-	60,808,529	60,808,529
B i) BUILDING	377,663,277	3,341,368	7,110,261	-	-	388,114,906	46,859,353	12,105,314	-	-	58,964,667	329,150,239	330,803,924
ii) RESIDENTIAL FLATS (Leasehold)	5,755,011	-	-	-	-	5,755,011	1,181,046	102,219	-	-	1,283,265	4,471,746	4,573,965
C PLANT & EQUIPMENTS	2,273,062,285	69,841,822	22,563,162	-	-	2,365,467,259	1,040,814,149	196,910,592	-	-	1,237,724,741	1,127,742,518	1,232,248,137
D FURNITURE & FIXTURE	24,922,510	1,122,262	-	-	-	26,044,772	15,579,182	1,979,369	-	-	17,559,551	8,486,221	9,343,328
E VEHICLES	40,318,323	685,192	-	725,512	-	40,278,003	18,114,174	5,762,626	474,820	-	23,401,980	16,876,023	22,204,149
F OFFICE EQUIPMENTS	57,976,976	1,902,967	-	-	-	59,879,943	44,096,341	5,311,005	-	-	49,407,346	10,472,597	13,880,635
TOTAL -I (A+B+C+D+E+F)	3,155,723,333	83,143,611	29,673,413	-	725,512	3,267,814,845	1,166,644,245	222,171,125	474,820	474,820	1,388,340,550	1,879,474,295	1,989,079,089
(II) INTANGIBLE ASSETS													
G INVESTMENT IN TENANCY RIGHT	351,950	-	-	-	-	351,950	-	-	-	-	-	-	351,950
H SOFTWARE	62,650,684	12,246,715	-	-	-	74,897,399	45,259,791	9,415,655	-	-	54,675,446	20,221,953	17,390,893
TOTAL -II (G+H)	63,002,634	12,246,715	-	-	-	74,897,399	45,259,791	9,415,655	-	-	54,675,446	20,221,953	17,742,843
GRAND TOTAL -(I+II)	3,218,725,967	95,390,326	29,673,413	-	725,512	3,342,712,244	1,211,904,036	231,586,780	474,820	474,820	1,443,015,996	1,899,696,248	2,006,821,932
PREVIOUS YEAR	2,603,352,800	590,403,370	56,921,912	8,102,003	40,054,118	3,218,725,967	1,050,434,364	196,228,749	36,759,077	36,759,077	1,211,904,036	2,006,821,932	1,552,918,436
III) CAPITAL WORK IN PROGRESS													
I BUILDING												2,806,058	
J PLANT & MACHINERY												394,271	2,976,021
TOTAL-III (I+J)	-	-	-	-	-	-	-	-	-	-	-	3,200,329	2,976,021

* Notes: During the Financial Year 2007-08 the company had revalued its land situated at Revenue Estate of Shih 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.

		Current Year 31.03.2013 (Rs)		Previous Year 31.03.2012 (Rs)	
NOTE '12' - NON CURRENT INVESTMENTS					
(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.310,050/-, (Previous year Rs.302,063/-)			40,500		40,500
TOTAL			40,500		40,500
NOTE '13' - LONG TERM LOANS AND ADVANCES					
(Unsecured Considered Good)					
(a) Capital Advances			20,458,246		28,530,699
(b) Security Deposits			15,438,192		14,567,272
(c) Other Loan and advances					
(i) Employees		1,187,404		153,505	
(ii) Others		449,815	1,637,219	835,098	988,603
TOTAL			37,533,657		44,086,574
NOTE '14' - INVENTORY					
— As Valued And Certified By The Management)					
(a) Raw Material (At Cost)			30,723,453		50,409,691
(b) Work-in-progress (At Lower of cost plus conversion cost on the basis of absorption costing and net realisable value)			96,778,416		96,478,852
(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)			12,848,534		29,514,112
(d) Stores and spares (At Cost)			83,574,144		68,287,616
TOTAL			223,924,547		244,690,271
NOTE '15' - TRADE RECEIVABLES					
(a) Unsecured, considered good Outstanding for more than six months from due date Others***		24,325,683 272,933,972	297,259,655	19,192,540 681,630,470	700,823,010
(b) Doubtful Trade Receivables Less: Provision for doubtful debts ***for related party balances (Refer Note.'28')		11,860,140 11,860,140		5,920,448 5,920,448	
TOTAL				297,259,655	
NOTE '16' - CASH AND BANK BALANCES					
A) Cash & Cash Equivalents					
(a) Cash on Hand (including Imprest)			363,829		344,259
(b) Balances With Banks					
In Current A/C		17,142,128		5,799,263	
In EEFC Accounts		14,268,427	31,410,555	4,922,118	10,721,381
B) Other Bank Balance					
In Fixed Deposits		63,500,000		-	
In Unpaid Dividend Accounts-ICICI Bank		313,568		349,929	
In Unpaid Dividend Accounts-State bank of India		462,735		622,287	
In Unpaid Dividend Accounts-Yes Bank		245,251		-	
In Margin Money (Against Letter of Credit & Bank Guarantees) (Refer note below)		7,450,965		5,935,010	
Interest accrued on FDR		1,862,343	73,834,862	1,004,379	7,911,605
Note: Margin money deposits with bank include Rs. 55,00,000 /- (Previous year Rs 55,00,000/-) which have an original maturity of more than 12 months.					
TOTAL			105,609,246		18,977,245



	Current Year 31.03.2013 (Rs)		Previous Year 31.03.2012 (Rs)	
NOTE '17' - SHORT TERM LOANS AND ADVANCES				
(i) Unsecured, considered good				
(a) Security deposits		4,461,967		4,421,567
(b) Loan and advances to Employees		1,994,557		2,583,958
(c) Prepaid expenses		15,165,139		15,369,809
(d) Balances with government authorities (vat, excise & other)		119,449,308		35,577,605
(e) Advance Tax/Tax Deducted At Source		284,495,271		198,026,209
(f) Others				
Amount Recoverable In Cash or In Kind	60,136,914		136,692,498	
Advance to supplier	18,791,193	78,928,107	46,751,091	183,443,589
(ii) Doubtful				
Advance to supplier	4,805,085		7,763,738	
Less: Provision for doubtful debts	4,805,085	-	7,763,738	-
***for related party balances (Refer Note.'28')				
TOTAL		504,494,349		439,422,737
NOTE '18' - REVENUE FROM OPERATIONS				
(a) Sale of products				
(i) Sale of manufactured goods				
Transmission Gears and Shaft - Domestic	3,322,092,781		3,862,755,149	
Transmission Gears and Shaft - Export	324,214,406		1,087,477,030	
Software -Export	4,406,806	3,650,713,993	6,829,555	4,957,061,734
(ii) Sale of Traded goods				
Transmission Gears and Shaft - Export		282,983,210		180,654,447
(iii) Sale Services				
Software -Services	29,846,872		29,965,987	
{Tax Deduction at Source Rs. 2,359,991/- (Previous Year Rs.3,107,033/-)}				
Sales Jobwork	38,367,290	68,214,162	32,654,051	62,620,038
{Tax Deduction at Source Rs. 765,678/- (Previous Year Rs.655,116/-)}				
less: Excise Duty		4,001,911,365		5,200,336,219
		366,636,528		356,840,061
		3,635,274,837		4,843,496,158
(b) Other operating revenues:				
Export Incentives	6,744,462		24,073,681	
Sales Scrap	91,763,855	98,508,317	107,272,487	131,346,168
TOTAL		3,733,783,154		4,974,842,326
NOTE '19' - OTHER INCOME				
Interest Income		6,076,239		16,294,122
{Tax Deduction at Source Rs. 597,260/- (Previous Year Rs.1,621,924/-)}				
Dividend Income from non current investment		10,875		6,900
Excess Provision Written Back		3,648,560		5,965,395
Balance		-		480,444
Other non-operating income				
Cash Discount	10,031,457		12,661,723	
Profit on Sales Of Assets (Net)	45,307		-	
Miscellaneous Receipts	202,000	10,278,764	51,104	12,712,827
TOTAL		20,014,438		35,459,688
NOTE '20' - COST OF MATERIAL CONSUMED				
Opening Stock of Raw Material	50,409,691		71,148,038	
Add: Purchase during the Year	2,087,263,548		2,765,568,967	
	2,137,673,239		2,836,717,005	
Less: Closing Stock of Raw Material	30,723,453		50,409,691	
Raw material consumed		2,106,949,786		2,786,307,314
TOTAL		2,106,949,786		2,786,307,314

	Current Year 31.03.2013 (Rs)		Previous Year 31.03.2012 (Rs)	
<u>NOTE '21' - CHANGE IN INVENTORY</u>				
Inventories at the end of the year:				
Finished goods	12,848,534		29,514,112	
Work-in-progress	96,778,416		96,478,852	
Inventories at the beginning of the year:				
Finished goods	29,514,112		30,132,750	
Work-in-progress	96,478,852		64,671,341	
Net (increase)/decrease		16,366,014		(31,188,873)
TOTAL		16,366,014		(31,188,873)
<u>NOTE '22' - EMPLOYEE BENEFIT EXPENSES</u>				
Salary, Wages & Perquisites		479,985,585		527,735,754
Contribution To PF, ESI & Other Funds		23,642,052		22,970,707
Labour And Staff Welfare		28,549,163		31,036,385
TOTAL		532,176,800		581,742,846
<u>NOTE '23' - FINANCE COST</u>				
Interest To Banks		37,561,454		35,524,073
Interest To Others		27,998,161		29,737,322
Loss/(Profit) on Exchange Rate Fluctuation		6,954,465		4,999,761
Bank Commision & Charges		3,667,258		3,878,509
TOTAL		76,181,338		74,139,665
<u>NOTE '24' - OTHER EXPENSES</u>				
Stores and Spares consumed		166,074,717		260,714,795
Power and Fuel		141,685,719		173,960,932
Rent		19,258,355		20,518,572
Repairs to Building		1,272,571		5,088,260
Machinery Repairs		41,203,386		59,416,226
Insurance		13,338,723		12,121,398
Fees Rates & Taxes		2,058,620		1,017,801
Charity & Donation		233,451		689,582
Payment to Auditors:				
Audit fees	750,000		750,000	
Out of pocket expenses	147,891		132,189	
In other capacity	137,500	1,035,391	157,500	1,039,689
Directors Remuneration (Including sitting fees)		23,355,277		52,911,930
Loss on Exchange Fluctuation other than Finance Cost		190,155		15,448,069
Loss on Sales of Assets (Net)		-		2,328,561
Impairment of Intangible Assets		351,950		
Provision for Doubtful Debts		5,939,693		752,212
Increase/Decrease on Excise Duty		271,348		-
Prior Period Expenses (Refer Note. '47')		255,841		143,036
Miscellaneous expenses		137,616,599		169,802,447
TOTAL		554,141,796		775,953,510



NOTE '25' – FOREIGN EXCHANGE FLUCTUATION

A) The Profit & Loss account of the Company includes a loss of Rs. 7,144,620/- (Net) (Previous year loss of Rs. 20,447,830/- (Net) on account of Foreign Exchange Fluctuation, details of the same are stated as below: -

Particulars	For the period ended 31.03.2013 Amount (Rs.)	For the period ended 31.03.2012 Amount (Rs.)
Profit/(Loss) Recognized on Foreign Currency Loans (Net)	(6,954,465)	(4,999,761)
Profit/(Loss) earned on Imports (Net)	(34,036)	3,873,996
Profit/(Loss) recognized on Exports (Net)	8,868,299	17,209,719
Profit/(Loss) on Options (Net)	(8,992,969)	(36,516,616)
Profit/(Loss) on Other expenses (Net)	(31,449)	(15,168)
Total Amount (Net)	(7,144,620)	(20,447,830)

B) Company opted for the option to follow principles of notification of the Companies (Accounting Standards) Amendment Rules 2006 on 31st 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.2,96,73,413(Previous Year Rs. 5,69,21,912/-) have been included to the cost of fixed assets and profit for the year is higher by Rs. 2,96,73,413/- (Previous Year profit for the year was higher by Rs. 5,69,21,912/-)

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 31March, 2013:

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

Particulars	Leave Encashment		Gratuity	
	Current Year	Previous Year	Current Year	Previous Year
Discount Rate	8.00%	8.78%	8.00%	8.78%
Rate of increase In Compensation Levels	9.50%	12.00%	9.50%	12.00%
Expected Rate of Return Of Plan Assets	-	-	9.30%	9.25%
Expected Average Remaining Working Lives of Employees (Years)	20.62	21.13	20.62	21.13

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 01.04.12	33,343,875	19,469,088	83,227,194	59,412,792
Interest Cost	2,667,510	1,709,386	6,658,176	5,216,443
Past Service Cost	-	-	-	-
Current Service Cost	7,220,383	12,234,717	9,229,171	9,864,183
Benefits Paid	(5,013,326)	(6,782,721)	(4,480,974)	(4,566,289)
Actuarial (gain)/loss on obligations	(4,618,364)	6,713,405	(2,289,732)	13,300,065
Present value of obligation as at 31.03.13	33,600,078	33,343,875	92,343,835	83,227,194

Change in the fair value of Plan Assets:-

Particulars	Leave Encashment		Gratuity	
	Current Year	Previous Year	Current Year Funded	Previous Year Funded
Fair value of Plan Assets as at 01.04.12	-	-	56,461,496	34,436,204
Expected Return on Plan Assets	-	-	5,250,919	3,185,349
Contributions	-	-	14,156,808	26,591,581
Benefits Paid	-	-	(4,480,974)	(4,566,289)
Actuarial gain/(loss) on plan assets	-	-	5,038,096	(3,185,349)
Fair value of Plan Assets as at 31.03.13	-	-	76,426,345	56,461,496

Reconciliation of present value of defined benefit obligation and the fair value of assets:-

Particulars	Leave Encashment		Gratuity	
	Current Year	Previous Year	Current Year	Previous Year
Present value of funded obligation as at 31.03.13	-	-	92,343,835	83,227,194
Fair value of Plan Assets as at the end of the period funded status	-	-	76,426,345	56,461,496
Present value of unfunded obligation as at 31.03.13	33,600,078	33,343,875	-	-
Net Liability recognized in Balance Sheet	33,600,078	33,343,875	15,917,490	26,765,698

Expenses recognized in the Profit and Loss Account:-

Particulars	Leave Encashment		Gratuity	
	Current Year	Previous Year	Current Year	Previous Year
Current Service Cost	7,220,383	12,234,717	9,229,171	9,864,183
Past Service Cost	-	-	-	-
Interest Cost	2,667,510	1,709,386	6,658,176	5,216,443
Expected Return on Plan Assets	-	-	(5,250,919)	(3,185,349)
Net Actuarial (Gain)/Loss recognized in the period	(4,618,364)	6,713,405	(7,327,828)	16,485,414
Total Expenses recognized in the Profit & Loss Account	5,269,529	20,657,508	3,308,600	28,380,691

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 Americas, Europe, 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-13	For the year ended 31-Mar-12
America	447,654,933	1,128,823,889
Europe	114,336,592	134,226,442
India	3,122,178,732	3,699,881,294
Others	49,612,897	11,910,701
Total	3,733,783,154	4,974,842,326

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. Getrag Hi-Tech Gears 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, 2013 and balances outstanding as at 31 March, 2013:

Particulars	Aquarian Fibrecement Pvt. Ltd.	Vulcan Electro Controls Ltd	Getrag Hi-Tech Gears India Pvt. Ltd	Hi-Tech Robotic Systems Ltd	Deep Kapuria	Pranav Kapuria	Anuj Kapuria	Total
Nature of Relationship	Associate Company				Key Management Personnel			
Goods Purchased	- (155,363,289)	451,137,715 (155,363,289)	223,168,526 (142,679,960)	- -	- -	- -	- -	674,306,241 (298,043,248)
Sale of Goods	- (563,197)	14,247,035 (563,197)	156,492,137 (289,233,213)	- -	- -	- -	- -	170,739,172 (289,796,411)
Rendering of Job work/ services	- (18,887,425)	20,612,549 (18,887,425)	18,672,288 (14,789,581)	- -	- -	- -	- -	39,284,837 (33,677,006)
Receiving of Job work/ services	- (288,433,810)	263,477,812 (288,433,810)	- -	22,921,440 (22,677,354)	- -	- -	- -	286,399,252 (311,111,164)
Rent	20,224,800 (15,883,200)	- -	- -	- -	- -	- -	- -	20,224,800 (15,883,200)
Director's Remuneration	- -	- -	- -	- -	10,786,554 (25,662,021)	5,924,523 (12,299,078)	5,142,225 (11,547,879)	21,853,302 (49,508,978)
Reimbursement of Expenses Paid	- -	281,046 -	1,539,837 -	- -	- -	- -	- -	1,820,883 -
Reimbursement of Expenses received	- -	- -	1,136,834 -	7,078,163 -	- -	- -	- -	8,214,997 -
Balances outstanding at the end of the year								
Trade receivables	- -	- -	- -	7,206,245 -	- -	- -	- -	7,206,245 -
Trade payables	- (1,203,600)	36,803,328 (24,801,268)	81,608,369 (36,501,531)	- (1,888,624)	3,711,063 (19,394,509)	3,441,367 (10,556,081)	2,861,814 (9,525,302)	128,425,941 (103,870,915)
Note: Figures in bracket relates to the previous year								

NOTE '29' – OPERATING LEASE

The Company has leased facilities under operating leases. The future lease payments in respect these leases as at 31st March 2013 and 31st March 2012 are:

	Amount INR	
	31.03.2013	31.03.2012
a) Not later than one year	10,797,675	11,340,000
b) Later than one year but not later than five years	NIL	6,435,000
c) Later than five years	NIL	NIL

NOTE '30' – EARNINGS PER SHARE (EPS)

Particulars	For the period ended 31.03.2013	For the period ended 31.03.2012
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. 162,135,186	Rs. 421,140,805
EPS BASIC / Diluted (B/A)	Rs. 8.64	Rs.22.44

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

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

Deferred tax (liability) / asset	As at 31 March, 2013 (Rs.)	As at 31 March, 2012 (Rs.)
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	(138,909,485)	(149,539,460)
Tax effect of items constituting deferred tax liability	(138,909,485)	(149,539,460)
Tax effect of items constituting deferred tax assets		
Increase/Decrease in Liability due to Foreign Exchange Fluctuation	17,662,596	17,198,197
Provision for doubtful debts / advances	5,407,032	4,802,453
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	9,271,344	9,748,189
Tax effect of items constituting deferred tax assets	32,340,972	31,748,839
Net deferred tax (liability) / asset	(106,568,513)	(117,790,621)

NOTE '32' – CONTINGENT LIABILITIES & PROVISIONS**A. Contingent Liabilities not provided for:**

- Estimated amount of contracts remaining to be executed on capital accounts Rs.30,334,709 after adjusting advances (Previous year Rs. 23,232,458)
- Haryana State Industrial & Infrastructure Development Corporation Ltd ('HSIIDC') has demanded an enhanced amount from the industrial plot owners in Manesar, Haryana, based on the Hon'ble Supreme Court's order. The Company received a demand notice of Rs. 4,31,56,800/-, including interest. Out of above, Rs. 1,20,76,614/- was paid in previous year. The calculation method of demand raised by HSIIDC is being contested by the Company through the Manesar Industries Welfare Association in the Hon'ble High Court at Chandigarh. The Court, while staying the calculation made by HSIIDC, has asked the plot owners to deposit two installments, one in March, 2013 and second in June 2013, till further orders. Accordingly, the company has deposited the first installment of Rs. 62,50,000/- during the year after due adjustments. The second installment will be paid separately in financial year 2013 - 14. Any additional compensation, if payable, will have the effect of enhancing the asset value of the land. In view of above, till March 31, 2013, the company has paid Rs. 1,83,26,614/- and balance demand of Rs. 2,48,30,186/- is considered as contingent liability, which is subjudice, as explained above.



3) Details of Bank Guarantees are as under:-

Year	Opening		Released during Year	Fresh Guarantees during the Year		Closing
	Beneficiary	Amount		Beneficiary	Amount	
FY2012-13	Dy. Commissioner Customs Export	154,224	154,224	Dy. Commissioner Customs Export	154,224	13,012,884
	Asst. Commissioner Customs Export	5,500,000		Haryana State Pollution	750,000	
				M/S Perkins India Ltd.	5,429,910	
				The President of India	1,178,750	
Total		5,654,224	154,224		7,512,884	13,012,884
FY2011-12		5,554,000	54,000		154,224	5,654,224

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 (NIL)	Commissioner (Appeal), CE
2.	Central Excise Act 1944	2010-11 & 2011-12	103,399 (NIL)	Commissioner (Appeal), CE
3.	Central Excise Act 1944	2008-09	485,131 (NIL)	Commissioner (Appeal), CE
4.	Central Excise Act 1944	2009-10	445,857 (445,857)	Pending with Tribunal, RK Puram, Delhi
5.	Central Excise Act 1944	2010-11	291,171 (291,171)	Pending with Tribunal, RK Puram, Delhi
6.	Central Excise Act 1944	2008-09, 2009-10, 2010-11	1,218,991 (NIL)	Commissioner (Appeal), CE
7.	Central Excise Act 1944	2006-07 to 2010-11	1,154,202 (NIL)	Commissioner (Appeal), CE
8.	Income Tax Act, 1961	AY 2009-10	154,871 (NIL)	Commissioner of Income Tax (Appeals)
9.	Income Tax Act, 1961	AY 2010-11	3,385,470 (NIL)	Commissioner of Income Tax (Appeals)
		Total	7,324,690 (737,028)	

Note:- Figures in brackets relates to the previous year

B.

Provisions	Short-Term	
	As at 31 March, 2013 Amount (Rs.)	As at 31 March, 2012 Amount (Rs.)
Provision for employee benefits		
(i) Provision for leave benefits	33,600,078	33,343,875
(ii) Provision for Gratuity	15,917,490	26,380,691
(iii) Provision for Bonus	11,291,178	11,290,840
	60,808,746	71,015,406

	Short-Term	
Provisions	As at 31 March, 2013 Amount (Rs.)	As at 31 March, 2012 Amount (Rs.)
Other Provisions		
Provision for Income Tax	269,200,000	201,286,029
Provision for Wealth Tax	66,250	56,660
Fair Valuation Loss on Derivatives	0	1,837,837
	269,266,250	203,180,526
Provision for Proposed Dividend	28,152,000	46,920,000
Provision for Tax on Proposed Dividend	4,784,432	7,611,598
	32,936,432	54,531,598
Total	363,011,428	328,727,530

Provision for doubtful debts (of Debtors)	For the year ended 31.03.2013	For the year ended 31.03.2012
At the beginning of the year	5,920,448	5,168,235
Arising during the year	5,939,693	752,213
Considered as bad during the year	-	-
At the end of the year	11,860,140	5,920,448
Provision for doubtful debts (of Advance to Suppliers)		
At the beginning of the year	7,763,738	12,808,571
Arising during the year	-	-
Considered as bad during the year	2,958,653	5,044,833
At the end of the year	4,805,085	7,763,738

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, 2013. Consequently Hedging Reserve/Fair Valuation Loss on Derivative balances is decreased to Rs NIL as on 31.03.2013(Previous Year Rs 1,837,837).

Details on derivatives instruments and un-hedged foreign currency exposures

I. The following derivative positions are open as at 31 March, 2013. 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, 2013 : NIL
(Previous Year Nil)

(ii) Outstanding option contracts entered into by the Company as on 31 March, 2013: NIL

Particular	Currency	As on 31.03.2013	As on 31.03.2012
Amount	USD	-	3,00,000
Buy/Sell		NA	Sell
Cross currency		NA	Rupees



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, 2013		As at 31 March, 2012	
	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	144,539,261	USD 2,704,195.72	361,479,028	USD 7,153,750.79
Export Receivables	4,522,721	GBP 55,953.49	5,732,350	GBP 71,297.88
Advance to supplier & export receivables	6,075,727	EURO 89,152.26	110,147	EURO 1,640.32
Advance to supplier	2,237,695	CHF 40,016.00	-	-
Advance from customer	(17,374,869)	USD (316,194.16)	(16,344,076)	USD (316,194.16)
Payable for Imports	(56,450,348)	USD (1,027,303.88)	(41,501,317)	USD (802,888.71)
Payable for Imports	(260,472)	EURO (3,673.80)	-	-
Payable for Imports	(6,287,720)	CHF (108,241.00)	(6,588,609)	CHF (120,449.90)
Foreign Currency loans	(366,791,251)	USD (6,675,000.00)	(537,737,585)	USD (10,402,979.02)
Foreign Currency loans	(53,331,293)	EURO (752,204.41)	(52,187,942)	EURO (752,204.41)
Interest on Foreign Currency Loans	(3,247,311)	USD (59095.75)	(4,666,531)	USD (90,518.94)
Interest on Foreign Currency Loans	(188,792)	EURO (2662.80)	(204,047)	EURO (2,941.00)

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') :-

Sr. No.	Particulars	Current Year		Previous Year	
		Balance as on 31.03.2013	Interest on Late Payment	Balance as on 31.03.2012	Interest on Late Payment
1	Amount remaining unpaid to suppliers	3,973,416	30,552	2,756,721	6,439
2	Amount of Interest paid under the Act	-	-	-	-
3	Amount of Interest due and payable for the period	-	24,757	-	6,439
4	Amount of Interest accrued and unpaid	-	-	-	-
5	Amount of further interest due and payable in succeeding year	-	-	-	-

NOTE '36' – CIF VALUE OF IMPORT:

	Current Year 31.03.2013 (Rs.)	Previous Year 31.03.2012 (Rs.)
VALUE OF IMPORTS CALCULATED ON CIF BASIS		
Consumable Stores & Spare Parts	42,383,496	16,342,474
Capital goods	15,815,792	242,103,939

NOTE '37' – EXPENDITURE IN FOREIGN CURRENCY:

	Current Year 31.03.2013 (Rs.)	Previous Year 31.03.2012 (Rs.)
Foreign Travel Expenses	3,931,038	2,700,173
Training & Seminar	1,772,908	2,811,461
Subscription	-	1,209
Technical services	1,974,767	346,637
E C B Interest	15,407,061	19,318,805
Interest on PCFC Loan	456,505	869,087
PCFC Repayment	33,547,552	-
Professional Services	2,040,023	3,648,416
E C B Loan Repayment	121,779,813	-
Interest on Buyers Credit	2,013,907	1,332,344
Buyers Credit Loan Repayment	72,528,136	-

NOTE '38' – EARNING IN FOREIGN EXCHANGE:

	Current Year 31.03.2013 (Rs.)	Previous Year 31.03.2012 (Rs.)
Exports at F.O.B. Value	600,007,322	1,274,488,673

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

	IMPORTED		INDIGENOUS	
	Current Year 31.03.2013	Previous Year 31.03.2012	Current Year 31.03.2013	Previous Year 31.03.2012
STORES & SPARES (VALUES IN Rs)	25,746,622	16,342,474	140,328,095	244,372,322
PERCENTAGE	15.50%	6.27%	84.50%	93.73%
RAW MATERIAL (VALUE IN Rs)	335,920	0	1,726,801,105	2,155,257,095
PERCENTAGE	0.02%	0.00%	99.98%	100.00%

NOTE '40' – DIVIDEND PAID TO FOREIGN INVESTOR:

Amounts remitted in Indian currency during the year on account of dividend	For the year ended 31 March, 2013 (Rs.)	For the year ended 31 March, 2012 (Rs.)
Amount of dividend remitted in Indian currency	477,564	3,044,636
Total number of non-resident shareholders (to whom the dividends were remitted in Indian currency)	98	102
Total number of shares held by them on which dividend was due	260,484	1,255,125
Year to which the dividend relates	Final dividend 2011-12 and Interim dividend 2012-13	Final dividend 2010-11 and Interim dividend 2011-12



NOTE '41' – RESEARCH AND DEVELOPMENT EXPENDITURE:

Details of research and development expenditure recognized as an expense	For the year ended 31 March, 2013 (Rs.)	For the year ended 31 March, 2012 (Rs.)
Employee benefits expense	7,138,057	6,426,528
Material Consumed	132,403	-
Stores and Spares Consumed	644,012	-
Travelling Expenditure	125,874	-
Total	8,040,346	6,426,528

(As Identified and certified by Management)

NOTE '42'

In the opinion of the Board of Directors, the Current 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. 255,841 (Refer Note:- 24), details of which are as under:-

Particulars	For the Period Ended 31 March, 2013	For the Period Ended 31 March, 2012
Machinery Repairs	48,297	2,500
Salary, Wages & Perquisites	30,451	8,538
Fees, Rates & Taxes	75,442	-
Miscellaneous Expenses	101,651	131,998
Total	255,841	143,036

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 : May 29, 2013

FOR AND ON BEHALF OF THE BOARD

(Deep kapuria)
Executive Chairman

(Sandeep Dinodia)
Director

(K C Verma)
Director

(Vinit Taneja)
Director

(Anuj Kapuria)
Whole Time Director

(Pranav Kapuria)
Managing Director

(Anil Khanna)
Director

(P C Mathew)
Director

(R C Jain)
Director

(Vijay Mathur)
Sr. GM (Finance)

(S.K. Khatri)
Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No. 4536

State Code 17

Balance Sheet Date

31

Date

3

Month

Refer code list)

2013

Year

II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSANDS)

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil
Conversion	Nil	Warrants	Nil

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNTS IN THOUSANDS)

Total Liabilities	3,071,759	Total Assets	3,071,759
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Sources of Funds

Paid up Capital	187,680	Reserves & Surplus	1,475,078
Long term borrowings	299,341	Unsecured Loans	-
Deferred tax liabilities (net)	106,569	Other long term liabilities	2,500
Short term borrowings	39,506	Trade payables	440,158
Other current liabilities	155,569	Short term provisions	328,375

Application of Funds

Net Fixed Assets	1,902,897	Non current Investments	41
Long term loans and advances	37,534	Inventories	223925
Trade Receivables	297,260	Cash and Bank Balances	105609
Short term loans and advances	504,494		

IV. PERFORMANCE OF COMPANY

(Amount in Rs. Thousands)

Turnover	3,753,752	Total expenditure	3,517,403
Profit/Loss before Tax	236,395	Profit/Loss after Tax	162,135
Earning per share in Rs.	8.64	Dividend rate	25%

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY

(As per monetary terms)

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.

AS PER OUR REPORT OF EVEN DATE

FOR GUPTA VIGG & CO.

Chartered Accountants

Firm Regn No. 001393N

(CA. Kawal Jain)

Partner

Membership No. 089214

(Vijay Mathur)

Sr. GM (Finance)

(S.K. Khatri)

Company Secretary

FOR AND ON BEHALF OF THE BOARD

(Deep kapuria)

Executive Chairman

(Sandeep Dinodia)

Director

(K C Verma)

Director

(Vinit Taneja)

Director

(Anuj Kapuria)

Whole Time Director

(Pranav Kapuria)

Managing Director

(Anil Khanna)

Director

(P C Mathew)

Director

(R C Jain)

Director

Place : New Delhi

Date : May 29, 2013



NOTICE

NOTICE is hereby given to the members of Hi-Tech Gears Limited, that the 27th Annual General Meeting of the Company will be held on Monday, the 30th day of September, 2013, at 11:00 am, at the Registered Office of the Company, at A-589, Industrial Complex, Bhiwadi – 301019 (Rajasthan), to transact the following businesses:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31, 2013 and the Profit and Loss Account for the year ended on that date together with the Auditors' and Directors' Report thereon.
2. To confirm the interim dividend & to declare the final dividend on equity shares.
3. To appoint a Director in place of Mr. Sandeep Dinodia who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Anuj Kapuria who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Anil Kumar Khanna who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Statutory Auditors and to fix their remuneration.

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

Sd/-

Place : New Delhi
Date : 9th August, 2013

S.K. Khatri
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. Pursuant to Section 154 of the Companies Act, 1956, the Register of Members and the Share Transfer Books will remain closed from September 20, 2013 to September 30, 2013 (both days inclusive).
3. 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 30, 2013. 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 19, 2013, as per the details to be furnished by the depositories for this purpose.

4. Members desiring any information as regards the Accounts are requested to write to the Company at an early date, so as to enable the management to keep the information ready.
5. As per the regulations of National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) the Company is obliged to print the bank details on the dividend warrants as furnished by NSDL & CDSL (the Depositories) to the Company and the Company cannot entertain any request for deletion/change of bank details already printed on the dividend warrants as per information received from the concerned depositories. In this regard members are advised to contact their depository participant (DP) and furnish the particulars of any change desired by them and in case they wish to avail ECS facility, then accordingly furnish the details in necessary format to their DP only.
6. 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 2005-06 and onwards.
7. The proposed date for the transfer of unclaimed final dividend by the Company for the year 2005-06 to IEPF is 16th October, 2013.
8. Information pursuant to Clause 49 of the Listing Agreement is annexed as Annexure-I hereto with regard to the appointment/re-appointment of the Directors.
9. Corporate Members are requested to send a duly certified copy of the Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorizing their representative to attend and vote at the Annual General Meeting.
10. Members who hold shares in the certificate form and wish to make/change in nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, may do so by submitting to the Company the prescribed Form 2B.

- 11 The members are requested to:
 - a. Quote their Folio number while corresponding with the Company.
 - b. Notify any change in their registered address immediately.
12. **The Ministry of Corporate Affairs has taken a 'Green Initiative in Corporate Governance' by issuing circulars allowing paperless compliances by Companies through electronic mode, in pursuant to Section 53 of the Companies Act, 1956. The shareholders can now receive notices and documents through electronic mode by registering their email addresses with the company. Shareholders who have not registered their email address with the Company can now register the same by submitting their request in this regard to the with M/s. MAS Services Limited or at the Secretarial Department of the Company. The Members holding shares in electronic form are requested to register/ update their e-mail addresses with their Depository Participants only. Even after registering for e-communication the Shareholders of the Company are entitled to receive such communication in physical form, upon request.**

Annexure-I

Brief particulars of Directors seeking Appointment/Re-appointment pursuant to Clause 49 of the Listing Agreement:

Mr. Sandeep Dinodia

Mr. Sandeep Dinodia son of Shri. S.R. Dinodia, born on April 04, 1962 joined the company as an Independent director in the year 2002. Mr. Dinodia has completed his Bachelor of Commerce from Shriram College of Commerce, Delhi University and his L.L.B. from Delhi University in 1986. He is a fellow member of the Institute of Chartered Accountants of India, since 1984. He is empanelled with the Institute of Internal Auditors– U.S.A.

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 almost thirty years experience in his areas of practice and has been instrumental in the setting up of various enterprises in India with the collaboration from International Association and companies.

He provides valuable insights into how companies can grow, diversify, and prosper to maximize their shareholder's wealth.

He is presently holding the membership of the board/committee(s) of the other companies:-

Sandhar Tooling Pvt. Ltd., Hero Motors Limited, Lumax Auto Technologies Ltd., Hero Cycles Limited, Munjal Kiri Industries Private Limited

He does not hold any shares (as own or on behalf of other person on beneficial basis) in the company. He is a Chairman of Audit Committee & member of Remuneration Committee & Investor Grievance Committee in the Company.

Mr. Anil Kumar Khanna

Mr. Anil Kumar Khanna, Son of Shri Padam Vibhusan R.K. Khanna, born on July 17, 1953 joined the Company as an Independent director in the year 1987. He is Member of the Institute of Chartered Accountants of India and also Fellow Member of the Institute of Chartered Accountants (England & Wales). He is possessing expertise in Accountancy, Finance, Direct and Indirect Taxation.

He occupied different positions in his professional life & demonstrated proven track record of excellence.

He is presently holding the membership of the board/committee(s) of the other companies:-

United Leasing & Industries Ltd., Aquarius Travels Pvt. Ltd., Asahi Components Ltd., DFK Consulting Services (I) Pvt. Ltd., RLF Securities Pvt. Ltd., Telecom Finance India Ltd., ULL Securities Pvt. Ltd., Chitra Utsav Video Private Limited, Saurer Embroidery Systems India Private Limited, All India Tennis Association, Chene Capital Private Limited, RLF Ltd, Virgo Components Limited

He does not hold any shares (as own or on behalf of other person on beneficial basis) in the company. He is a Chairman of Investor Grievance Committee & members of Audit Committee & Remuneration Committee in the Company.

Mr. Anuj Kapuria

Mr. Anuj Kapuria, s/o Shri Deep Kapuria, born on 26th August, 1978, joined the Company in the year 2005. He is an Engineer with a Master's degree in Robotics with specialization in Computer Vision, Artificial Intelligence and Intelligent Robotics from Carnegie Mellon University(CMU), U.S.A. He was subsequently a researcher in the Vision and Autonomous Systems Center (VASC) at CMU. He has been involved in a lot of US Government projects, for unmanned vehicles, including the first DARPA Grand Challenge held in 2004. He has various international publications in the field of computer vision, artificial intelligence and robotics. He has also filed for more than 13 patents, in Robotics in the past few years. He is currently also an Adjunct Fellow for Robotics Program development at Carnegie Mellon University's, Robotics Institute.

He founded a Robotic Company in 2004 in the field of mobile Robotics, Artificial intelligence & Computer vision, which has successfully developed & commercialized a wide range of robotic instruments to cater the need of Defence & Industrial sector.

He is presently holding the membership of the board/committee(s) of the other companies:-

Hi-Tech Robotic Systemz Limited, Hi Tech and Associates Limited, Vulcan Electro Controls Limited, Summit Inport Services Limited, Chetana Inlease Private Limited, Ultimate Cables Technotrends Limited, The Mission Strength Private Limited, Manu Farms Private Limited

Mr. Anuj Kapuria holds 819376 equity shares in the Company. He is a member of Audit Committee in the Company.

HI-TECH GEARS LTD.

Regd. Office: A-589, Industrial Complex, Bhiwadi – 301019, Distt. Alwar (Rajasthan)

ATTENDANCE SLIP

27th Annual General Meeting, September 30, 2013

Hi-Tech Gears Limited

A-589, Industrial Complex, Bhiwadi-301019, Distt. Alwar (Rajasthan)

Please complete this Attendance Slip and hand it over at the entrance of the Meeting Hall, Joint shareholders may obtain additional Attendance Slip on request.

Name & Address of
the Shareholder(s)

Folio No. /Client ID*.....

No. of shares held:

D.P.ID.....

I hereby record my presence at the 27th Annual General Meeting of the Company on Monday, 30th day of September 2013, at the Registered Office of the Company at A- 589 Industrial Complex, Bhiwadi – 301019, Rajasthan at 11:00 am.

Signature of the Shareholder(s)/Proxy

HI-TECH GEARS LTD.

Regd. Office: A-589, Industrial Complex, Bhiwadi – 301019, Distt. Alwar (Rajasthan)

PROXY FORM

27th Annual General Meeting, September 30, 2013

Hi-Tech Gears Limited

A-589, Industrial Complex, Bhiwadi – 301019, Distt. Alwar (Rajasthan)

Folio No. /Client ID.....

D.P. ID.....

I/We*

of.....in the district ofbeing a member/members*of

Hi-Tech Gears Limited, hereby appoint.....

of.....in the district of.....

or failing him /her*

of.....in the district of.....as my/our*

Proxy to attend and vote for me/us* on my/our* behalf at the 27th Annual General Meeting of the Company to be held on Monday, the 30th day of September, 2013 and/or at any adjournment thereof, at the Registered Office of the Company at 11:00 am.

Signed this.....day of.....2013.

Signature(s).....

Affix
Revenue
Stamp
Re1/-

Note: The Proxy, in order to be effective, should be duly stamped, completed and signed, and must be deposited at the registered office of the Company, not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.

*Strike whichever is not applicable.

Notes





HI - TECH GEARS LTD.

14th Floor, Tower-B, Unitech's Millennium Plaza, Sushant Lok-1
Sector-27, Gurgaon, Haryana - 122 009-01
www.hitechgears.com