

29th Annual Report

2014-2015

ENGINEERING
CONVERGENCE
SOLUTIONS FOR
A LEAN WORLD



HI - TECH GEARS LTD.

ENGINEERING
MANUFACTURING
ROBOTICS

passion to succeed



passion | innovation | technology

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 authorities, ministries & Institutions 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 – 122002
Tel : (0124) 4715100,
Fax : (0124) 2806085,
Email : secretarial@hitechgears.com

Registered Office & Works

A-589, Industrial Complex,
Bhiwadi – 301019,
Dist. Alwar, (Rajasthan),
Tel: (01493) 665000/641227

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

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

Secretarial Auditor

M/s Grover Ahuja & Associates
Company Secretaries
8/33, 3rd Floor, Satbhraha School Marg,
W.E.A., Karol Bagh, New Delhi – 110005
Tel: +91 11 42773662, 45091596

Board of Directors

Mr. Deep Kapuria
Executive Chairman

Mr. Anil Kumar Khanna
Independent Director

Mr. Pranav Kapuria
Managing Director

Mr. Sandeep Dinodia
Independent Director

Mr. P.C. Mathew
Independent Director

Mr. Vinit Taneja
Independent Director

Mr. Anuj Kapuria
Executive Director

Mr. Prosad Dasgupta
Independent Director

Mr. Krishan Chandra Verma
Independent Director

Mr. Ramesh Chandra Jain
Director

Ms. Malini Sud
Additional Director & Independent Director

Key Managerial Personnel

Mr. Alok Agarwal
Chief Financial Officer

Mr. S. K. Khatri
Company Secretary

Senior Executive

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

Statutory Auditors

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

Internal Auditors

M/s BDO India, LLP
Office No. 1032, 1033 & 1034,
Level 10, Tower A, Spaze 1-Tech Park,
Sector 49, Sohna Road
Gurgaon – 122018, INDIA
Tel: +91-124-4518350

MILESTONES 1986 Down the years 2015



- 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 Export Award 2006-07
- 2008 Setup of Pune Office
- 2009 Excellence Award for Manufacturing and Export
- 2010 TPM Excellence Awards Category A & Shingo Silver Medallion
- 2011 New State of Art "ECOFAC" Plant setup in Bhiwadi
- 2012 Award for Excellence in consistent TPM Commitment.
- 2013 ACMA Export Award
- 2014 ACMA Export Award (Large Category)

CUSTOMERS





Chairman's Message



Dear Shareholders,

The global economy continues to struggle with moderate growth in 2014. Europe remains a concern because of issues around the Greek economy. Events such as the uncertainty related to the Russia-Ukraine crisis, the Middle-East and the economic slowdown in China have further added to the woes of the global economy. The rapid decline in oil prices and quick adjustments in exchange rates, the appreciation of US dollar and weakening of most other currencies, notably the euro have had a major impact on global trade flows. But contrary to what is happening around the world, FY 2014-15 has been a good one for the Indian economy. The Indian economy has been successfully placed on growth track on the back of strong policies and a new optimism and it grew in excess of 7% for the first time since the FY 2010-11

Global and Domestic Economic Affairs

2014 was a year of mixed fortunes for the world economy. While advanced economies reflected a pick-up in growth relative to the previous year, emerging market & developing economies witnessed a slowdown. As per the International Monetary Fund (IMF), advanced economies grew by 1.8% in 2014 compared to 1.4% in 2013, while emerging market & developing economies growth reduced from 5% to 4.6%. The growth in advanced economies is projected to strengthen to 2.1% in 2015, but in emerging market and developing economies it is expected to be weaker. For emerging and developing economies except India, the IMF has projected a weaker pace of growth from 4.6% in 2014 to 4.2% in 2015. The slowdown reflects the dampening impact of lower commodity prices and tighter external financial conditions. In 2016, growth in emerging market and developing economies is expected to pick up to 4.7 %, largely on account of the projected improvement in economic conditions in a number of distressed economies, including Russia and some economies in the Middle East and North Africa.

The US economy performed comparatively well during 2014 due to factors such as improvement in domestic demand, advantage of drop in global oil prices and an accommodative monetary policy. However, during the first quarter of 2015, the US economy was confronted with sluggish conditions due to the harsh winter weather, port strikes, and downsizing in the energy sector.

The world economy grew at 3.4% in 2014 and is projected to grow at 3.3 % in 2015. A setback to activity is being felt in Greece and China and the impact has resulted in a downward revision in global growth to 3.3% for 2015 from earlier outlook of 3.5%. In 2016 however, growth is expected to strengthen to 3.8%.

Nevertheless, the underlying drivers for a gradual acceleration in economic activity in advanced economies i.e easy financial conditions, a more neutral fiscal policy in the euro area, lower fuel prices improving confidence and labor market conditions remain intact. In emerging market economies, the continued growth slowdown reflects several factors, including lower commodity prices and tighter external financial conditions, structural bottlenecks, rebalancing in China and economic distress related to geopolitical factors. A rebound

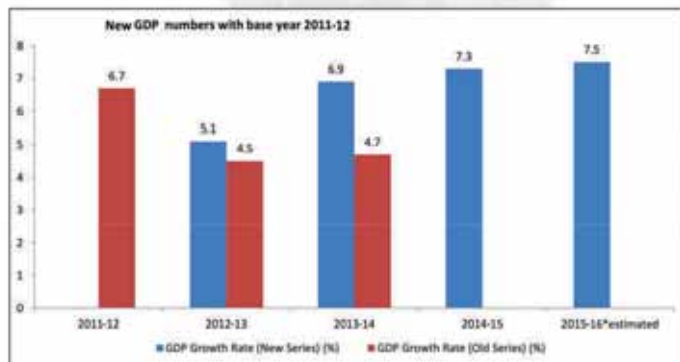


in activity in a number of distressed economies is expected to result in a pickup in growth in 2016. I believe the economic turnaround is underway but the recovery will be gradual and the world economy is still a few years away from attaining sustainable growth.

Contrary to growth outlook for the global economy, the financial year (FY) in India started with a 'good feel' factor of a new majority government and possibilities of external vulnerabilities on the wane. Coupled with continuing softening of oil prices since September 2014, it was projected as the year of revival.

India is set to emerge as the world's fastest-growing major economy by 2015 ahead of China, as per the report of The World Bank. The improvement in India's economic fundamentals has accelerated in the year 2015 with the combined impact of strong government reforms and RBI's inflation focus supported by benign global commodity prices. The year also witnessed lower volatility in the foreign exchange market with the rupee remaining relatively stable during 2014-15, as compared to 2013-14. It remained in the range of Rs. 60 to Rs. 63 per US Dollar during most part of the year. The Indian Rupee appreciated significantly against the other global currencies like the Euro and Japanese Yen during 2014-15.

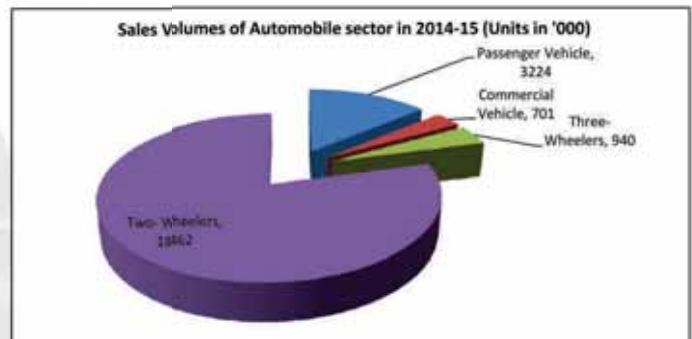
The Indian economy grew at 7.3% in 2014-15 as compared to 6.9% in 2013-14 as per the new series of national accounts with the base year of 2011-12. This growth came from improvement in the performance of both services as well as manufacturing sectors. The fourth quarter (January-March) of last fiscal saw the economy grow at 7.5 % which was better than the growth recorded by China.



Indian Automobile market and our Future Outlook

The Indian automotive market is full of tremendous opportunities and is capable of scaling to greater heights. The Indian automotive industry has experienced healthy sequential growth during 2014-15. The overall sales during April-March 2015 registered a growth of 8.32%.

The total sales (including exports) of Passenger Vehicles during April-March 2015 were at 3,223,581 as against 3,099,651 in the previous period and registered a positive growth of 4.00%. However, sales of Commercial Vehicles stood at 700,743 against 709,901 and registered a negative growth of 1.29%.



The sales of Two Wheelers stood at 18,462,178 against 16,890,778 in previous year, thereby registering a growth of over 9.30%. Within the Two-wheeler segment, scooters and motorcycles grew at 27.19% and 4.26% respectively.

The growth in 2014-15 can be attributed to factors such as strong buoyancy in the end-user industry, recovery of the global economy, improved consumer sentiment and return of adequate liquidity in the financial system, fiscal stimulus programme of the government etc.

From the ground level, three powerful forces are impacting the auto industry: shifts in consumer demand, stricter regulatory requirements for safety and fuel economy, and the increased availability of data and information. Although this is not likely to have a major impact on sales volume, it is affecting how much people are willing to pay for automobiles.

Since coming to power last year the new government's main concern has been the revival of growth in the Indian economy and crucially enough, it has chosen to give the Industrial sector a structural push to achieve its goal. The government announced the 'Make in India' initiative, which intends to make manufacturing the engine of growth and also generate employment. Under the initiative there would be increased focus on new processes, new infrastructure, new sectors and creating a new mindset in order to increase the share of manufacturing in GDP to 25% from the current 17%. The focus of Make in India Programme is on 25 sectors out of which one of the important sectors is Automobiles.

Over the last decade countries in our neighborhood like China and other East Asian countries had developed strong economic models that relied more on exports to develop their automotive industry as well as pave the way for their rapid economic growth. Our government's latest initiative also aims to follow a similar path.



However, very recent events towards the end of August 2015, caused by the devaluation in the Chinese Yuan, have resulted in a steep volatility in the BSE Sensex and NSE and have also led to a significant loss in the value of the INR vs. the USD to levels of Rs.66 – 68. This uncertainty will impact the RBI's policies and reduction in interest rates may be further deferred. India's GDP growth in FY 15 -16 could therefore be held back to 7 % levels, instead of rising to 8 % +. This is an area of concern for all of us and especially to the manufacturing sector. The significant monsoon deficit could also be a constraint for such growth targets, with its negative impact on agricultural production and rural purchasing power for manufactured products.

Company Performance and Strategy

You will be glad to know that there are very few Companies in the world which supply to OEMs manufacturing two wheelers to truck and your Company is one out of those few and caters to the needs of major , two wheeler, Commercial Vehicles, Tractor and Off-road vehicle manufacturers in India and overseas. . The Company's principle products include two wheeler transmission components, engine and transmission components for commercial and passenger vehicles, precision forgings etc.

I am pleased to inform you that the financial year 2014-15 was an encouraging year for your Company and your Company's turnover has crossed the Rs. 400 crore mark in 2014-15 & touched Rs. 432 crores as compared to Rs. 361 crores in the previous year (net of excise duty). The profit before tax and after tax was Rs. 26.30 crores and Rs. 18.42 crores respectively, compared to Rs. 22.06 crores and Rs. 15.93 crores in the previous year. I am further pleased to inform you that in order to share our gains with you. Your Board of Directors had declared an Interim Dividend of 10% and further recommends a final dividend of 15% for your approval. Your company will continue to explore opportunities for growth in the years ahead. Though there will be challenges on many fronts but I am confident that together we will be successful in the endeavour to scale up operations so as to achieve long term sustenance and growth.

We have enough experience in our portfolio as manufacturers and suppliers of gears and transmission equipments. Now, we will be called as a full fledged 'Assembly' supplier. We are proud to say that we have started supplies of counter shafts, main shafts and kick starters assemblies to the major OEM customer in Two wheeler segment to their satisfaction. The benefit of being an 'Assembly' supplier is not only the additional value add, but will also ensure the growth of business at higher levels.

Approaching our goals with discipline and focus has been essential to our approach. Each time we look at a growth horizon, we look at how we can improve and add value to our business; how we can make a difference in the markets that we operate in, make our offerings more expansive and deliver on our mission to create healthier communities globally.

Your Company's strategy has been to focus on four pathways: leveraging our core strengths, improving the efficiency of our operations, optimising our resources and enriching the capabilities of our people as we move on to a higher growth trajectory.

As I conclude, I, on my behalf and on behalf of my colleagues on the Board would like to thank and record our sincere gratitude to all our stakeholders for the confidence & trust reposed upon us and our deep appreciation to all employees of the Company for their hard work, commitment and whole hearted support for achieving company's goals and targets. I further thank all our customers, our supply chain partners and our bankers for reposing their confidence & support in us. As we step into a new phase, there are many reasons to be excited about the future of our business. There will be more opportunities to deliver something meaningful and purposeful as we race ahead with our plans for your Company's future in the years to come. I am confident that together we will chart the road map of the Company for continuous growth & profitability and will steer the Company to greater heights.

Deep Kapuria
Chairman



Managing Director's Message



Dear Shareholders,

I am happy as always to connect with you to reflect on the performance of your company in the year that went by and share with you our ambition for the future.

The last year has been a comparatively good one for the Indian economy with a positive change in the macroeconomic parameters. A sustainable turnaround appears more probable now. At a time when concerns have been raised about global growth prospects, the Indian economy has marched on and has in fact entered a sweet spot. Government data shows that GDP had grown by 7.3% in the FY15 against 6.9% in FY2014. There is a real sense that a new set of reforms and the enthusiasm in the markets can lead India towards another prosperous era of high growth.

Macro Economic update

The Global Economy continued to face challenges of volatility in 2014 led by upheavals in the global financial markets, uncertainty on global oil prices over the long run as well as low inflation and stagnation. The global economy grew at 3.4% in 2014, reflecting a pickup in growth in advanced economies relative to the previous year and a slowdown in emerging market and developing economies. Growth in emerging markets & developing economies is projected to slow down further in 2015 because of the dampening impact of lower commodity prices and tighter external financial conditions but in 2016 growth in emerging market and developing economies is expected to pick up, largely on account of the projected improvement in economic conditions in a number of distressed economies, including Russia and some economies in the Middle East and North Africa.

Global growth is projected at 3.3 % in 2015, marginally lower than in 2014, with a gradual pickup in advanced economies and a slowdown in emerging market and developing economies. In 2016, growth is expected to strengthen to 3.8 %.

The Indian economy grew the fastest since 2011 and is almost in line with the advance estimates. But the main number to get prominence was that the economy grew by 7.5% in Q4 FY2014-15 which was better than the growth recorded by China.

In view of the positive indications emanating from the Government's commitment to reforms, favorable situation on account of the reduced international prices of oil and benign inflationary outlook which could provide room to RBI for easing the monetary policy, the prospects for growth in 2015-16 appear bright. Previous months saw reduction in the bank rate and repo rate by the Reserve Bank of India (RBI) on account of easing inflationary pressures in the economy. In the coming period the RBI may further reduce the rates, provided the favourable conditions continue.

Certain recent global events towards the end of August 2015 such as the devaluation of the Chinese currency and its consequent negative impact on the Indian Rupee and the Indian Stock Markets are a cause for concern and may restrict the RBI from lowering interest rates. Relatively fewer monsoons may also negatively impact rural income levels and their power to purchase manufactured products. These are factors that we have to keep in mind as we move towards the second half of the current financial year FY 16 and take necessary actions within our control to minimize the impact of such macro economic and environmental factors.

The latest policy initiative of the Indian Government "Make in India" is a welcome move and a step in the right direction for the Indian Manufacturing Industry. The Government of India, under the Make in India initiative, is trying to give a boost to the contribution made by the manufacturing sector and aims to take it up to 25% of the GDP. We believe the economic recovery, which is already in place, will gather momentum in the coming



years and in due course see India returning to a high growth trajectory.

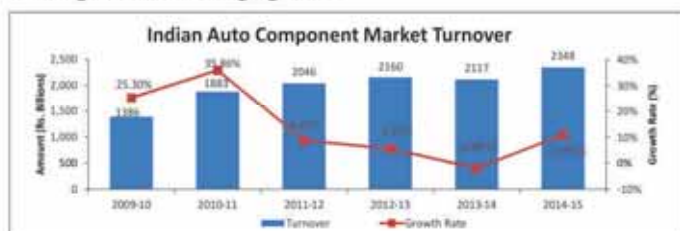
Automotive Business

After seeing challenging times, the Indian automobile industry finally saw an uptick in sales for the first time in three years in FY 2014-15. Although the revival is slow but all the vehicle categories except Commercial Vehicles (CVs) are in positive territory in FY 2014-15. Total Automotive production increased by 8.68% compared to FY 2013-14 by registering the total production to 23,366,246 units, and this higher growth is attributed largely to the hopes of an economic revival after a new government took charge in the country and the renewed business scenario. Further, the major attraction for the previous year remain the Two Wheeler Segment, which produced 18,499,970 units and sold 18,462,178 units against 16,833,049 units and 16,890,778 units in the same period in previous year. The continuation of the excise duty benefit till December 2014, correction in fuel prices and an increase in replacement demand with easing financing cost has contributed to increased demand. This is the first time in three years that passenger vehicle sales have recorded positive growth. High fuel and interest costs coupled with slowdown in economic activity had dented automobile sales earlier which seem to be in control now. The Indian auto industry has entered the new fiscal on an optimistic note after reporting a 7.22% increase in overall domestic vehicle sales in 2014-15, ending two years of sales fall, on the back of rising demand for passenger vehicles, two wheelers and medium and heavy commercial vehicles.

India to emerge as the destination of choice in the world for design and manufacture of automobiles and auto components and now can expect double-digit growth in sales in this fiscal on improving macro-economic sentiments, stable commodity prices, re-start of mining activity and infra projects, and higher industrial activity with an improved investment climate. An array of new product launches and a possible vehicle fleet modernisation programme that would go a long way to solve the environmental issue, too, are expected to generate significant incremental sales.

In fact, it is also interesting to note that while India's total exports stagnated, the Indian auto component industry exports grew by 11.4% to Rs 68,500 crore (USD 11.2 billion) from Rs 61,400 crore (USD 10.2 billion) in 2013-14. The key export items include engine parts, transmission parts, brake system & components, body parts, exhaust systems, turbochargers etc. Consistent growth in the auto component exports is an indication of growing credibility of 'India made' components. Similarly, the aftermarket for auto components in FY 2014-15 also grew by 12% to Rs. 39,875 crores.

The industry's focus on exports, quality and various cost saving initiatives has helped it weather the weak business environment leading to a double-digit growth.



Performance of the company

2014-15 was a year in which we made continued progress in many areas. The sales turnover of the Company increased to Rs.431.92 crores (net of excise duty) from Rs. 361.02 crores in the previous year, registering a significant increase of 19.64%. Profit before tax was Rs. 26.30 crores and profit after tax stood at Rs. 18.42 crores compared to Rs. 22.06 crores and Rs. 15.93 crores during the same period in the previous year. Earnings per Share (EPS) of the Company increased to Rs. 9.81 from Rs. 8.49 in the previous year.



The Company recorded an export turnover of Rs. 93.17 Crores, in 2014-15, compared to Rs. 83.34 Crores in the previous year, thus recording an increase of 11.80 %. We at Hi-Tech strongly believe that we will achieve the lost ground of sales in 2011-12, in a very short period.

Recognising the importance of sharing the gains with the shareholders who have placed their funds and trust in the Company at all times, an amount of Rs. 4.69 Crores is being paid out by way of dividends.

A journey of excellence is an ongoing one where there is continuous improvement and learning. This is also important if Quality has to become a way of life. The three signposts which guide us in our journey towards quality excellence are technology, training and sustainability. While technology opens the door to scientific data management and improved controls, continuous training helps us create the right focus and environment in the workplace. Continuous improvement is the key to sustaining and consistently delivering on quality parameters.

Your Company has not confined itself to the Indian markets but has made its presence felt globally. Your Company understands that the exposure to the global environment can lead to strong developmental opportunities. In coming times your Company wants to expand its Global presence further and succeed in the new areas. Many of your company's major customers (like: Cummins, Daimler, JCB etc.) are globally located. It confronts your company with tough contractual terms because even minor discrepancies are not acceptable in case of global contracts. OEMs are continuously acknowledging the quality and competitiveness of your company and have conferred several awards upon your company. These awards are of great significance and value to your company as they reflect your company's commitment to quality and customer focus. Your Company will continue to leverage its positioning and also rely on building its relationships and product development plans to grow.



In recognition of its efforts, the Automotive Components Manufacturers Association (ACMA), the premier agency for the Indian Auto Component Industry, awarded the company with the Gold Trophy for Excellence in Exports (Large Category).

Your Company has further identified both the Customers and the potential partners with whom your Company has planned to go ahead. The Board of Directors and the whole team is working hard to enable the company to achieve these plans. The export programs are also expected to gain momentum. Overall, the focus will continue to be on quality delivery at optimum costs.

Your Company has also launched the Car Transmission Vertical to cater to the ever growing need for Car Transmission components in both the domestic and export markets.

The automotive industry is bracing for its biggest engineering challenge in the times to come. The Corporate Average Fuel Economy (CAFE) regulations call for an increase in fuel efficiency through improving the quality of Transmission Equipments etc. on a continuous basis. We are striving to improve & make a stand in the World Market & present quality products to improve our credentials. For a manufacturer to provide this level of performance, efficiency, and quality, it obviously requires a serious commitment which your Company believes in and is willing to leave no stone unturned in achieving the same.

Looking at the opportunities, your company is considering setting up an entity in the North American Free Trade Agreement (NAFTA) Region, in order to tap the new locations to manufacture and deliver the products from there only without affecting the existing business.

Turning to people, your Company ensures investing in people, because people are the greatest assets. Your Company believes

that people are the assets that must be valued, measured and developed. People are not hard-assets that depreciate in value and can be written off; they are dynamic assets that can increase in value with time. It is only with the determination and dedication of our people that we can serve our clients, generate long-term value for you and contribute to the growth of the country.

Our journey of growth and success is a testament to the talent and resourcefulness of our people. Guided by a spirit of entrepreneurship they have actively sought out opportunities to drive efficiencies and support business growth. I would like to thank them wholeheartedly for their passion, dedication and hard work.

In respect of internal controls, your company has been working with Internal Auditor of the Company with the objective of strengthening internal controls, improving internal processes and they have been reporting to the Audit Committee of the Board regularly every quarter. These internal audits will continue though the Internal Auditors may be rotated periodically to ensure a fresh approach and outlook every few years.

Further, I am pleased to inform you that the journey of growth which began in a small way has been gathering momentum with each passing year, adding new dimensions and venturing into pioneering pathways. In this eventful journey, each year has been packed with achievements that underline our committed performance.

On behalf of HGL team, I thank you for your continued support and assure you of our unceasing efforts to grow your Company's performance and image year after year.

Pranav Kapuria
Managing Director

DIRECTORS' REPORT

Dear Members,

Your Directors have great pleasure in presenting the 29th Annual Report of your Company, together with the audited statement of accounts for the financial year ended 31st March, 2015.

Financial Results

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

(Rs. in lacs)

Particulars	2014-2015	2013-14
Sales (net of excise duty)	43,192.84	36,102.05
Other Income	266.46	518.48
Total Income	43,459.30	36,620.53
Profit before Depreciation, Interest & Taxes (PBDIT)	5,509.05	5,102.41
Depreciation	2,510.86	2,306.09
Profit before Interest & Taxes (PBIT)	2,998.19	2,796.33
Financial Charges	368.63	590.37
Profit before Taxes (PBT)	2,629.56	2,205.96
Provision for Taxes	787.85	613.43
Profit after tax (PAT)	1,841.71	1,592.53
Balance of profit brought forward	9,863.70	9,030.11
Balance available for appropriation	11,705.42	10,622.64
Dividend	469.20	469.20
Tax on dividend	93.81	79.74
Transfer to General Reserve	100.00	160.00
Balance Surplus in P & L Account	10,309.05	9,863.70
Paid-up Equity Share Capital	1,876.80	1,876.80
Earnings Per Share (EPS)	9.81	8.49

General Information

The FY 2014-15 has witnessed key policy reforms, aimed at aiding growth revival and surmounting the structural constraints in the Indian Economy. The Indian Economy grew at 7.3 % in FY 2014-15. The Economy posted a 7.5 % growth in the January to March quarter of the fiscal, outpacing China's GDP of 7 % in that quarter. Growth rebounded in the three most crucial components of industrial sector i.e. mining, manufacturing and electricity. The latest policy initiative of the Indian Government "Make in India" is a welcome move for the growth of Indian Economy.

Automobile Sector showed growth both in Domestic as well as Export Sales. FY 2014-15 numbers reveal all vehicle categories other than Commercial Vehicles are in positive territory. Riding on the back of a gradual uplift in market sentiments, excise duty cuts continuing through to December 2014 and the opening up of the mining and infrastructure sectors, the Indian automotive industry posted an overall

growth of 7.22 % in FY 2014-15, as compared to 3.53 % in the previous fiscal year.

According to International Monetary Fund, the global economy is expected to grow at 3.5% in 2015 and 3.8% in 2016. However, Global recovery will continue to be moderate and uneven. While developed economies are expected to strengthen, aided by lower oil prices and low interest rates, most emerging economies are expected to slow down moderately, due to country specific reasons-with India being an exception. The Indian economy is expected to grow by 7.5% in 2015-16. Growth will benefit from recent policy reforms, a consequent pick-up in investment, and lower oil prices". Demand is expected to grow due to various underlying factors including "Make in India", "Digital India", raising per capita income, growing urbanization etc.

Operations

Growth of your Company has been satisfactory and upto the expectation. During the FY 2014-15, total revenue from operations (net of excise) stood at Rs.431.92 crores as compared to Rs 361.02 crores in FY 2013-14, registering an impressive increase of 19.63%. The profit before tax stood at Rs 26.30 crores as compared to Rs 22.07 crores in previous year. Similarly, the Net profit of the Company also grew by 15.65% i.e. from Rs 15.94 crores to Rs 18.41 crores.

Exports of our country were not much encouraging due to massive fluctuation of the exchange rate, recession in the world economy & the pressure of rising raw material cost. Still, your company's export sales were increased by 12% with export revenue of Rs 94.12 crores in the FY 2014-15 as compared to previous year of Rs 84.04 crores, registering a growth of 12%. This was made possible, because of your Company's continuing efforts to tap new customers and markets.

Your Company expects to benefit over the next period from its good business linkage with OEMs, due to its healthy operating efficiencies. In view of this, the long term prospects of your Company are bright.

Share Capital

The paid up Equity Share Capital as on 31st March 2015 was Rs. 18,76,80,000. During the year under review, the Company has not issued shares or granted stock options or sweat equity.

Dividend

During the year under review, an interim dividend of 10 % i.e. Rs. 1.0 per equity share amounting to Rs. 187.68 lacs was declared and paid, the same is being confirmed at the forthcoming AGM. The Directors have now recommended to the shareholders a final dividend of 15% i.e. Rs. 1.50 per equity share, resulting in a payout of Rs. 281.52 lacs. The total dividend payout stands at Rs 469.20 Lacs (Previous year



Rs 469.20 Lacs) & tax on dividend comes to Rs 93.81 Lacs (Previous year 79.74 Lacs). Additionally, an amount of Rs. 1.00 Crore is transferred to General Reserve.

If the dividend on the shares as, recommended by the Board of Directors, is approved by the shareholders in their 29th 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.

Directors Responsibility Statement

In terms of section 134(3) (c) & 134 (5) of the Companies Act, 2013, and to the best of their knowledge and belief, and according to the information and explanations provided to them, your Directors hereby make the following statements:

- (a) that in preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any,
- (b) that such accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2015 and of the profit of the Company for the year ended on that date,
- (c) that proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for prevention and detection of fraud and other irregularities,
- (d) that the annual financial statements have been prepared on going concern basis,
- (e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively, and
- (f) that the systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Details of Subsidiary/Joint Ventures/Associate Companies

The Company has neither any Subsidiary, Joint Venture nor an Associate Company within the meaning of Companies Act, 2013. However, the Company is evaluating various options to tap the business opportunities in North American Free Trade Agreement (NAFTA) region by having an entity.

Directors and KMP's appointment/ reappointment

a. Retire by Rotation

Independent Directors are not liable to retire by rotation. Mr. Pranav Kapuria, Managing Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

b. Additional Director

Ms. Malini Sud was appointed as an Independent and

Additional Director of the Company who holds the office till the date of ensuing Annual General Meeting. Her appointment is being confirmed at the ensuing Annual General Meeting subject to your approval.

c. Re-appointment of Managerial Personal

Mr. Pranav Kapuria and Mr. Anuj Kapuria have completed their tenure as the Managing Director and the Whole Time Director respectively. The Board of Directors upon the recommendation of Nomination and Remuneration Committee has re-appointed them for another period of five (5) years, subject to your approval.

d. Key Managerial Personnel's

All Whole Time Directors such as Mr. Deep Kapuria, Executive Chairman, Mr. Pranav Kapuria, Managing Director and Mr. Anuj Kapuria, Executive Director are regarded as KMPs, in addition to Chief Financial Officer (C.F.O.) and Company Secretary (C.S.). Mr. S.K. Khatri is the continuing C.S. of the Company. Mr. Vijay Mathur, Sr. General Manager (Finance) was regularized as C.F.O. He resigned from the post of C.F.O. w.e.f. 30th November, 2014, upon the appointment of Mr. Alok Agarwal as the C.F.O. w.e.f. 1st December, 2014. However, Mr. Vijay Mathur will Continue to work as Sr. General Manager (Finance).

Resolutions for the said appointment/reappointment of Directors pursuant to Section 149 & 152 of the Companies Act, 2013 & Rules made thereunder & Clause 49 of the Listing Agreement are being included in the notice for the ensuing Annual General Meeting for the approval of shareholders.

There is no other change in the Directors during the FY 2014-15.

Meetings of the Board

Necessary Board Meetings transacted to conduct the operations of the Company. The details are given in the Corporate Governance Report, which forms part of this Annual Report. It is confirmed that the gap between two consecutive meetings was not more than one hundred and twenty days as provided in section 173 of the Act.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees.

Declaration of Independent Director(s)

The Independent Directors have submitted their declarations of independence, as required pursuant to provisions of section 149(7) of the Act, stating that they meet the criteria of independence as provided in sub-section (6).

Auditors

a) Statutory Auditors

M/s Gupta Vigg & Company, Chartered Accountants, (Firm Registration No. 001393N) Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. Pursuant to provisions of section 139 of the Act and the Rules made thereunder, the Board upon the recommendation of Audit Committee proposes to reappoint M/s Gupta Vigg & Company, Chartered Accountants as Statutory Auditors of the Company till the conclusion of the next Annual General Meeting. They have furnished a certificate confirming the eligibility under section 141 of the Act and Rules made thereunder.

The Auditors' Report does not contain any qualification, reservation or adverse remark and do not call for any further explanation/ clarification by the Board of Directors as provided under Section 134 of the Act. With respect to the point no. (VII) (b) in Annexure to Auditors' Report with regard to non deposit of disputed taxes. The Board wishes to inform that the matters are related to non-admission of service tax input by the Excise Department, others such as Entry tax & regular income tax matter for which the Company has preferred appeal to Appellate Authorities. The rest of report by the Statutory Auditors is self explanatory. Please refer to the Notes to Accounts, wherever necessary.

b) Cost Auditors

As per Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the Board of Directors has on the recommendation of the Audit Committee, approved the re-appointment of M/s. Kabra & Associates, Cost Accountants as the Cost Auditors of the Company for the year ending 31 March, 2016. The remuneration proposed to be paid to them requires ratification of the shareholders of the Company. In view of this, your ratification for payment of remuneration to Cost Auditors is being sought at the ensuing AGM. Accordingly, a resolution seeking ratification by members for the remuneration payable to M/s Kabra & Associates is included at Item No. 10 of the Notice convening 29th Annual General Meeting.

c) Secretarial Auditor

Section 204 of the Companies Act, 2013 inter-alia requires every listed company to annex with its Board's report, a Secretarial Audit Report provided by a Company Secretary in Practice, in the prescribed form. The Board of Directors appointed M/s Grover Ahuja & Associates, Practicing Company Secretaries as Secretarial Auditor to conduct Secretarial Audit of the Company and their report is annexed to this Board report (Annexure I). The Secretarial Audit Report does not contain any qualification, reservation or adverse remark and do not

call for any further explanation/ clarification by the Board of Directors under the Act.

Internal Control Systems and its Adequacy

The Company has internal control systems commensurate with the size, scale and complexity of its business operations. The scope and functions of Internal Auditors are defined and reviewed by the Audit committee. Internal Auditors present their quarterly report to the Audit Committee, highlighting various observations, system and procedure related lapses and corrective actions being taken to address them.

Extract of Annual Return

As required pursuant to section 92(3) & 134 (3) (a) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in MGT 9 as a part of this Annual Report as Annexure II

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

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 134(3) (m) of the Companies Act, 2013, read with the Companies (Disclosure of Particulars in the Report of Board of Directors), Rules, 1988, are given in Annexure III, to this Report.

Report on Corporate Governance

The Report on Corporate Governance is given separately and forming part of this report and the certificate from the Statutory Auditors confirming compliance with the provisions of Corporate Governance as stipulated in Clause 49 of the listing agreement is also attached to the report.

Management discussion & analysis report

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

Corporate Social Responsibility

Pursuant to the provisions of Section 135 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder the brief of the Corporate Social Responsibility is provided in Annexure IV

Particulars of contracts or arrangements with related parties

All transactions entered by the Company with the parties, which may be regarded with related parties, were in the ordinary course of business and on the arm's length basis. Necessary resolution for your approval is being placed at the ensuing Annual General Meeting, for your approval. As provided under section 134(3)(h) of the Act and Rules made thereunder disclosure of particulars of material transactions with related parties entered into by the Company with related



parties in the prescribed format annexed to this report as Annexure V Disclosures on related party transactions are also set out in Note No. 31 to the financial statements. The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: <http://www.hitechgears.com/images/RPT.pdf>.

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 are 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.

Postal Ballot

During the financial year 2014-15, no Resolution was required to be passed through postal ballot. Similarly, at the forthcoming Annual General Meeting, there is no item for approval through Postal Ballot is being placed.

Code of Conduct of Insider Trading

The Company has adopted a Code of Conduct to regulate, monitor and report trading by insiders. This Code of Conduct is intended to prevent misuse of Unpublished Price Sensitive Information ("UPSI") by Designated persons.

In accordance with such Code of Conduct, the Company closes its trading window for Designated Persons from time to time. The trading window is also closed during and after occurrence of price sensitive events as per the said Code of Conduct.

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, 2015 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.

Listing of Shares

With a view to provide easy liquidity in the shares of the Company, the equity shares of your Company are presently listed on the premier stock exchanges viz., the National Stock Exchange of India Limited (NSE) and the Bombay Stock Exchange India Limited (BSE) Mumbai. Pursuant to Clause 38 of the Listing Agreement, the annual listing fees for the year 2015-2016 has been paid within the prescribed time period.

Fixed Deposits

During the year under review your Company neither invited nor accepted any deposit within the meaning of Section 73 of the Companies Act, 2013, and rules made thereunder.

Dematerialization of the equity shares

99.28 % of the total equity shares of the Company are held in dematerialized form with the participants of National Securities Depository Limited (NSDL) and Central Depository Securities (India) Limited as on the date of this report.

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

Change of Name

The Board of Directors propose to change the name of the Company by prefixing "The" before the existing name of the Company, making it "The Hi-Tech Gears Limited". Registrar of Companies, Jaipur have conveyed its name availability approval by vide its letter dated 7th August, 2015. A Special Resolution in this respect is being moved for your approval at the ensuing 29th Annual General Meeting. After your approval necessary formalities will be completed, for Change of name.

Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

Audit Committee

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

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

Vigil Mechanism Policy

The Company has a vigil mechanism policy to deal with any instance of fraud and mismanagement. The employees of the Company are free to report violations of any laws, rules, regulations and concerns about unethical conduct to the Audit Committee under this policy. The policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination with any person for a genuinely raised concern. The policy may be accessed on the Company's website at the link: http://www.hitechgears.com/images/Vigil_Mechanism_Policy.pdf

Obligation of Company under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy. During the year Company has not received any complaint of harassment.

Particulars of Loans given, Investments made, Guarantees given and Securities provided

The company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013.

The details of the investments made by company are given in the notes to the financial statements.

Material changes and Commitments

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the Financial Year to which the financial statements relate and the date of the report.

Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

There is no significant and/or material order passed by the regulators or courts or tribunals impacting the going concern status of the Company.

Particulars of Employees

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in Annexure VI

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.

Business Responsibility Reporting

As per Clause 55 of the Listing Agreement with the Stock Exchanges Business Responsibility Reporting is not applicable.

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.

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.

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
Dated : 11/08/2015

Sd/-
Deep Kapuria
Chairman



ANNEXURE I

Form No. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To
The Members,
M/s. Hi-Tech Gears Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practice by **Hi-Tech Gears Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended **31st March, 2015**, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2015** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of foreign Direct Investment, Overseas Direct Investment, External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - i. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - ii. The Securities and Exchange Board of India (Registrars to a Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
 - iii. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the financial year under report:-

- i. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- iii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- iv. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- v. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock purchase Scheme) Guidelines, 1999;
- vi) Factories Act, 1948 and Rajasthan Factory Rules, 1951;
- vii) The Environment (Protection) Act, 1986 and other Environment laws;
- viii) The Employees Provident Fund & Miscellaneous Provisions Act, 1952;
- ix) Income Tax Act, 1961 and Indirect Tax Laws such as Excise, VAT, Service Tax, etc.;
- x) Industrial Dispute Act, 1947;
- xi) Minimum Wages Act, 1948;
- xii) Contract Labour Act, 1970;
- xiii) Payment of Bonus Act, 1965;
- xiv) Employee's State Insurance Act, 1948;
- xv) Payment of Wages Act, 1936 and other applicable Labour & Industrial Laws.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India: *Not Applicable*;
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange (BSE) & National Stock Exchange (NSE);

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations;

We report that:

- a) As per the information and explanations provided by the

Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we report that the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of :

- (i) External Commercial Borrowings were not attracted to the Company under the financial year under report;
 - (ii) Foreign Direct Investment (FDI) were not attracted to the company under the financial year under report;
 - (iii) Overseas Direct Investment by Residents in Joint Venture / Wholly Owned Subsidiary abroad were not attracted to the company under the financial year under report.
- b) As per the information and explanations provided by the company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ ADRs or any Commercial Instrument under the financial year under report.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **Grover Ahuja & Associates**
Company Secretaries

Akarshika Goel
(Partner)
ACS No.: 29525
C.P No.: 12770

Place: New Delhi
Date: 16th May, 2015

This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.

Annexure A

To
The Members
M/s. Hi-Tech Gears Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express as opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Grover Ahuja & Associates**
Company Secretaries

Akarshika Goel
(Partner)
ACS No.: 29525
C.P No.: 12770

Place: New Delhi
Date: 16th May, 2015



ANNEXURE II

FORM NO. MGT 9

Extract of Annual Return

as on financial year ended on 31.03.2015

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

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L29130RJ1986PLC004536
2.	Registration Date	23/10/1986
3.	Name of the Company	Hi-Tech Gears Limited
4.	Category/Sub-category of the Company	Company Limited by Shares/ Indian Non-Government Company
5.	Address of the Registered office & contact details	A-589, Industrial Complex, Bhiwadi-301019, Distt. Alwar, Rajasthan, India. Tel: (01493) 641237-39/ 641227-29
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	MAS Services 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 ; sm@masserv.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ Service	% to total turnover of the Company
1	Parts and accessories of vehicles – motorcycles/scooters	87141090	51.73%
2	Toothed wheels, chain spocket and other transmission parts	84839000	43.18%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ Service	% to total turnover of the Company
N.A.			

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

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	5540822	48000	5588822	29.78	5571545	8000	5579545	29.73	-0.05
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	4799076	0	4799076	25.57	4799076	0	4799076	25.57	0.00
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	10339898	48000	10387898	55.35	10370621	8000	10378621	55.30	-0.05

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	800	800	0.01	-	800	800	0.01	0.00
b) Banks / FI	2200	1800	4000	0.02	18399	900	19299	0.10	0.08
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	1000	0	1000	0.01	0.01
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	2200	2600	4800	0.03	19399	1700	21099	0.12	0.09
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1529713	10672	1540385	8.21	1739288	10672	1749960	9.32	1.12
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1767048	119836	1886884	10.05	1700581	114041	1814622	9.67	-0.38
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	4795309	4100	4799409	25.57	4662137	0	4662137	24.84	-0.73
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	125534	0	125534	0.67	79495	0	79495	0.42	-0.25
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Any Other/ Clearing Members	23090	0	23090	0.12	62066	0	62066	0.33	0.21
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	8240694	134608	8375302	44.63	8243567	124713	8368280	44.59	-0.04
Total Public Shareholding (B)=(B)(1)+ (B)(2)	8242894	137208	8380102	44.65	8262966	126413	8389379	44.70	0.05
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	18582792	185208	18768000	100.00	18633587	134413	18768000	100.00	0.00



B) Shareholding of Promoter-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Vulcan Electro Controls Limited	1082000	5.77	-	1082000	5.77	-	0.00
2	Olympus Electrical Industries Pvt Ltd	1745200	9.30	-	1745200	9.30	-	0.00
3	Hi-Tech Portfolio Investments Limited	1971876	10.51	-	1971876	10.51	-	0.00
4	Veena Kapuria	501120	2.67	-	501120	2.67	-	0.00
5	Dev Kumari Kapuria	40000	0.21	-	2000	0.01	-	-0.20
6	Anuj Kapuria	836059	4.45	-	844062	4.50	-	0.05
7	Pranav Kapuria	838590	4.47	-	848102	4.52	-	0.05
8	Deep Kapuria	3104253	16.54	-	3117461	16.61	-	0.07
9	Deep Kapuria & Sons (HUF)	220800	1.18	-	220800	1.18	-	0.00
10	Digvijay Kapuria	8000	0.04	-	0	0.00	-	-0.04
11	Pratibha Kapuria	8000	0.04	-	0	0.00	-	-0.04
12	Yuvraj Kapuria	8000	0.04	-	0	0.00	-	-0.04
13	Master Abhay Kapuria	8000	0.04	-	8000	0.04	-	0.00
14	Master Vikram Kapuria	8000	0.04	-	0	0.00	-	-0.04
15	Digvijay Kapuria & Sons (HUF)	8000	0.04	-	0	0.00	-	-0.04
16	Adhiveer Kapuria	0	0.00	-	19000	0.10	-	0.10
17	Adhiraj Kapuria	0	0.00	-	19000	0.10	-	0.10
Total		10387898	55.35	-	10378621	55.30	-	-0.05

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

S. No.	Name of the Promoters	Shareholding		Date	Increase/Decrease in share-holding	Reason	Cumulative Shareholding during the year (01/04/14 to 31-03-15)	% of total shares of the Company
		No. of Shares at the beginning (01-04-14)/end of the year (31-03-15)	% of total shares of the Company				No. of Shares	
1	Dev Kumari Kapuria	40000	0.21	1-Apr-14				
		2000	0.01	9-Jul-14	-38000	Gift	2000	0.01
2	Anuj Kapuria	836059	4.45	1-Apr-14				
				30-Apr-14	3000	Purchase	839059	4.47
				15-May-14	1052	Purchase	840111	4.48
				16-May-14	951	Purchase	841062	4.48
				28-Jul-14	2000	Purchase	843062	4.49
		844062	4.50	30-Jul-14	1000	Purchase	844062	4.50

S. No.	Name of the Promoters	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01/04/14 to 31-03-15)	% of total shares of the Company
		No. of Shares at the beginning (01-04-14)/end of the year (31-03-15)	% of total shares of the Company				No. of Shares	
3	Pranav Kapuria	838590	4.47	1-Apr-14				
				30-Apr-14	4000	Purchase	842590	4.49
				15-May-14	1053	Purchase	843643	4.5
				16-May-14	1000	Purchase	844643	4.5
				28-Jul-14	2216	Purchase	846859	4.51
		848102	4052.00	30-Jul-14	1243	Purchase	848102	4.52
4	Deep Kapuria*	3104253	16.54	1-Apr-14				
				30-Apr-14	3000	Purchase	3109961	16.57
				15-May-14	1500	Purchase	3111461	16.58
				16-May-14	2000	Purchase	3113461	16.59
				28-Jul-14	3000	Purchase	3116461	16.61
		3117461	16.61	30-Jul-14	1000	Purchase	3117461	16.61
5	Digvijay Kapuria	8000	0.04	1-Apr-14				
				22-Jan-15	1500	Sell	6500	0.03
		0	0.00	29-Jan-15	6500	Sell	0	0.00
6	Pratibha Kapuria	8000	0.04	1-Apr-14				
		0	0.00	22-Jan-15	8000	Sell	0	0.00
7	Yuvraj Kapuria	8000	0.04	1-Apr-14				
		0	0.00	22-Jan-15	8000	Sell	0	0.00
8	Master Vikram Kapuria	8000	0.04	1-Apr-14				
				30-Jan-15	6361	Sell	1639	0.01
		0	0.00	2-Feb-15	1639	Sell	0	0.00
9	Digvijay Kapuria & Sons (HUF)	8000	0.04	1-Apr-14				
				16-Mar-15	3981	Sell	4082	0.02
				17-Mar-15	2000	Sell	2082	0.01
				24-Mar-15	16	Sell	2066	0.01
				25-Mar-15	278	Sell	1790	0.01
		0	0.00	27-Mar-15	1790	Sell	0	0.00
10	Adhiveer Kapuria	0	0.00	1-Apr-14				
		19000	0.10	9-Jul-14	19000	Gifted Share	19000	0.10
11	Adhiraj Kapuria	0	0.00	1-Apr-14				
		19000	0.10	9-Jul-14	19000	Gifted Share	19000	0.10

* 2708 shares purchased by Mr. Deep Kapuria in the month of March 2014 & such shares credited in to his account in the month of April 2014.



D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Top 10 Shareholders	Shareholding at the beginning of the year(April 1, 2014)		Cumulative shareholding during the year (March 31, 2015)	
	No. of shares	% of Total Shares of the Company	No. of Shares	% of total shares of the Company
Anuj Anantrai Sheth	630460	3.36	759959	4.05
Nemish S Shah	580000	3.09	580000	3.09
Mukesh Chimanlal Patani	536762	2.86	536762	2.86
Hiten Anantrai Sheth	250000	1.33	285000	1.52
Anvil Share And Stock Broking Pvt. Ltd	233380	1.24	243481	1.30
Accolade Finvest Private Limited	223990	1.19	223990	1.19
Sudarshan Securities Private Limited	179600	0.96	179600	0.96
Sonal D Shah	150020	0.80	150020	0.80
Preeti N Shah	150000	0.80	150000	0.80
Urmila D Shah	150000	0.80	150000	0.80
Jagruiti P Sheth	175000	0.93	0	0.00
Paresh N Sheth	175000	0.93	0	0.00

Note: 1. the shares of the Company are traded on a daily basis and hence the date wise increase/decrease in shareholding is not indicated.

E) Shareholding of Directors and Key Managerial Personnel:

S. No.	Name	Shareholding		Date	Increase/ Decrease in share-holding	Reason	Cumulative Shareholding during the year (01/04/14 to 31-03-15)	% of total shares of the Company
		No. of Shares at the beginning (01- 04-14)/end of the year (31-03-15)	% of total shares of the Company				No. of Shares	
A	DIRECTORS							
1	Mr. Deep Kapuria*	3104253	16.54	1-Apr-14			3104253	16.54
				30-Apr-14	3000	Purchase	3109961	16.57
				15-May-14	1500	Purchase	3111461	16.58
				16-May-14	2000	Purchase	3113461	16.59
				28-Jul-14	3000	Purchase	3116461	16.61
		3117461	16.61	30-Jul-14	1000	Purchase	3117461	16.61
2	Mr. Pranav Kapuria	838590	4.47	1-Apr-14			838590	4.47
				30-Apr-14	4000	Purchase	842590	4.49
				15-May-14	1053	Purchase	843643	4.5
				16-May-14	1000	Purchase	844643	4.5
				28-Jul-14	2216	Purchase	846859	4.51
		848102	4.52	30-Jul-14	1243	Purchase	848102	4.52

S. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01/04/14 to 31-03-15)	% of total shares of the Company
		No. of Shares at the beginning (01-04-14)/end of the year (31-03-15)	% of total shares of the Company				No. of Shares	
3	Mr. Anuj Kapuria	836059	4.45	1-Apr-14			836059	4.45
				30-Apr-14	3000	Purchase	839059	4.47
				15-May-14	1052	Purchase	840111	4.48
				16-May-14	951	Purchase	841062	4.48
				28-Jul-14	2000	Purchase	843062	4.49
		844062	4.50	30-Jul-14	1000	Purchase	844062	4.50
4	Mr. Sandeep Dinodia	0	0.00	1-Apr-14	0	-	0	0.00
		0	0.00	31-Mar-15	0		0	0.00
5	Mr. Ramesh Chandra Jain	0	0.00	1-Apr-14	0	-	0	0.00
		0	0.00	31-Mar-15	0		0	0.00
6	Mr. Anil Kumar Khanna	0	0.00	1-Apr-14	0	-	0	0.00
		0	0.00	31-Mar-15	0		0	0.00
7	Mr. Puthenvittil Chandapillai Mathew							
		0	0.00	1-Apr-14	0	-	0	0.00
		0	0.00	31-Mar-15	0		0	0.00
8	Mr. Vinit Taneja	5600	0.03	1-Apr-14	0	-	5600	0.03
		5600	0.03	31-Mar-15	0		5600	0.03
9	Mr. Krishna Chandra Verma	0	0.00	1-Apr-14	0	-	0	0.00
		0	0.00	31-Mar-15	0		0	0.00
10	Mr. Prosad Das Gupta	0	0.00	1-Apr-14	0	-	0	0.00
		0	0.00	31-Mar-15	0		0	0.00
11	Ms. Malini Sud	0	0.00	1-Apr-14	0	-	0	0.00
		0	0.00	31-Mar-15	0		0	0.00
B	KEY MANAGERIAL PERSONNEL							
12	Mr. Vijay Mathur (CFO) (1.04.2014 - 30.11.2014)	20	0.00	1-Apr-14	0	-	20	0.00
		20	0.00	31-Mar-15	0		20	0.00
13	Mr. Alok Agarwal (CFO) (1.12.2014 To 31.03.2015)	0	0.00	1-Apr-14	0	-	0	0.00
		0	0.00	31-Mar-15	0		0	0.00
14	Mr. Shital Kumar Khatri (Secretary) (01.04.2014-31.03.2015)	0	0.00	1-Apr-14	0	-	0	0.00
		0	0.00	31-Mar-15	0		0	0.00

* 2708 shares purchased by Mr. Deep Kapuria in the month of March 2014 & such shares credited in to his account in the month of April 2014.



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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year			-	
i) Principal Amount	334,932,890	-	-	334,932,890
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2,658,995	-	-	2,658,995
Total (i+ii+iii)	337,591,885	-	-	337,591,885
Change in Indebtedness during the financial year				
* Addition	40,913,200	-	-	40,913,200
* Reduction	194,629,490	-	-	194,629,490
Net Change	153,716,290	-	-	153,716,290
Indebtedness at the end of the financial year				
i) Principal Amount	181,216,600	-	-	181,216,600
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,284,111	-	-	1,284,111
Total (i+ii+iii)	182,500,711	-	-	182,500,711

Only term loans outstanding as on 31st March 2015 has not been consider for computing above information.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Deep Kapuria (Chairman) 2014-15	Mr. Pranav Kapuria (MD) 2014-15	Mr. Anuj Kapuria (WTD) 2014-15	
1	Gross salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9233988	3552000	2845162	15631150
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	221431	22914	75377	319722
	c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	nil	nil	nil	nil
2	Stock Option	nil	nil	nil	nil
3	Sweat Equity	nil	nil	nil	nil
4	Commission - as % of profit - others, specify...	2110696	2778993	2778993	7668682
5	Others, please specify	nil	nil	nil	
	Total (A)	11566115	6353907	5699532	23619554
	Ceiling as per the Act	Being 10% of the net profit of the Company as calculated as per section 197, 198 & other applicable provisions of Companies Act, 2013			

B. Remuneration to other directors

S. No.	Name of the Directors & Designation	Commission (Rs)	Sitting Fees (Rs)	Total Amount (Rs)
1	Mr. Anil Kumar Khanna, Independent Director	184,866	110,000	294,866
2	Mr. Sandeep Dinodia, Independent Director	184,866	110,000	294,866
3	Mr. P.C. Mathew, Independent Director	184,866	50,000	234,866
4	Mr. Vinit Taneja, Independent Director	184,866	70,000	254,866
5	Mr. Prosad Dasgupta, Independent Director	184,866	50,000	234,866
6	Mr. K.C. Verma, Independent Director	184,866	70,000	254,866
7	Ms. Malini Sud, Independent Director	21,631	10,000	31,631
8	Mr. R.C. Jain, Non-Executive Director	184,866	30,000	214,866
	Total (B)	1,315,693	500,000	1,815,693
	Ceiling as per the Act	Being 1% of the net profit of the Company as calculated as per section 197, 198 & other applicable provisions of Companies Act, 2013.		

Total Managerial Remuneration ceiling as per Act:-

Being 11% of the net profit of the Company as calculated as per section 197, 198 & other applicable provisions of Companies Act, 2013. However, the Company has paid 10.5 % remuneration against the ceiling of 11%.

Total Managerial Remuneration (Total A+B) is Rs. 25,435,247

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

Amount in Rs.

S. No.	Particulars of Remuneration	Mr. Vijay Mathur (CFO) (01.04.14 to 30.11.14)	Mr. Alok Agarwal (CFO) (01.12.15 to 31.03.15)	Mr. S.K. Khatri (CS) (2014-15)	Total in Rs.
1	Gross salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1715701	1502762	1438625	4657088
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1150	nil	1150	2300
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	nil	nil	nil	nil
2	Stock Option	nil	nil	nil	nil
3	Sweat Equity	nil	nil	nil	nil
4	Commission - as % of profit Others, specify...	nil	nil	nil	nil
5	Others, please specify	nil	nil	nil	nil
	Total	1716851	1502762	1439775	4659388

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/ Court)	Appeal made if any (give details)
A. COMPANY					
Penalty			None		
Punishment None					
Compounding					
B. DIRECTORS					
Penalty			None		
Punishment None					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment None					
Compounding					

ANNEXURE III

INFORMATION AS PER SECTION 134 (3) (M) OF THE COMPANIES ACT, 2013, READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2015.

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

A. CONSERVATION OF ENERGY

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

- Company continued to purchase power from alternate source for all its Plants from other electricity providers through Energy Exchange at the competitive rates, resulting reduction of power cost.
- Own generation of Energy from DG sets minimized.
- Water conservation measures to minimize water consumption.
- Machine cycle of CNC machines of the plants are modified to achieve energy saving by automatic switching off conveyors & hydraulic motors when not in use.
- The high capacity motors installed on the machines are being replaced with lower capacity motors as per consumption needs resulting in energy consumption reduction.
- Auto power factor control (APFC) panel are installed and maintained for improving the power factor to reduce the energy cost.
- Adaptation of variable frequency drive (VFD) on Air Compressors to achieve considerable reduction in energy consumption.
- Adaptation of auto system in Cooling Tower to switch off the cooling fan when ambient temperature is low.
- Energy conservation by adaptation of small Air Compressors in place of big size compressor in case of less demand.
- Systematic maintenance and loss reduction in Induction Furnaces to optimize energy consumption per ton.
- Air Leakage test on regular intervals and arresting leakages to reduce air consumption.
- Reduce the voltage level after ignition of Metal hide lamps for plant lighting applications.
- FRP fans installed in cooling tower for reduction of power consumption.

- Periodic cleaning of Air Filters and preventive maintenance of AHUs.
- Energy Audits are done on periodic basis and corrective actions taken, wherever required.
- Various Modules are developed to conserve and save the energy. The same are monitored thru Project Management system.

Additionally, the newly built up state of the art plant in Bhiwadi, an 'ECOFAC Plant', i.e. a sustainable green manufacturing plant is working to satisfy all green needs. The Plant has been awarded the Gold rating by the Indian Green Building Council. It has many energy conservation features.

Additional cost, if any for above measures are absorbed in the production/operation process, thus no cost is identified separately

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

The impacts of above measures are mainly reduction in power & fuel consumption, resulting reduction of cost of production. The information relating to Total Energy Consumption and Energy Consumption per unit of production is not applicable to Company, thus the Form A is not furnished.

B. TECHNOLOGY ABSORPTION

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 Maintenance (TPM) has yielded excellent results in quality and design of the products. These efforts shall ensure that the above said technology and the work culture is harnessed and percolated down to the entire organization. Your Company has continuously endeavored to acquire world-class technology both in hardware and software.

The benefit and impacts of above mentioned measures are lead time reduction of the various complex methods, elimination of waste and saving of time and efforts.



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

The company is registered under the DSIR for undertaking research and development. Research & Development were carried in product development, process development, energy conservation, environment protection, cost reduction and automation. In this process of Research & Development, development is also achieved thru Customer Collaboration on a continuous basis, resulting in improved and enhanced design and material database.

- iii) Benefits derived with the installation of various additional equipments have made it possible to achieve consistency in production and quality of the existing finished product and the new product development.

- iv) Future plan of Action

- a) Reduction in process losses by identifying the area of operation.
- b) Development of new products
- c) Measures required for the utilization of the renewable energy
- d) Plans for high & Energy efficient motors to be replaced with old motors.

- e) Project adopted for optimizing the motor capacity in machines.

- f) Usage of LED lights instead of conventional lights.

- g) Use of solar light for street light around the building.

- v) Expenditure on Research & Development

Development and improvement of products has been an inbuilt and ongoing activity within the existing manufacturing facilities, Management has identified the quantum, which is mentioned in Note no. 45 of Notes to Accounts.

C. FOREIGN EXCHANGE EARNINGS & OUTGO

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

	(Rs. In lacs)
Inflow	9,316.85
Outflow	
Equipment	789.19
Others	440.18
Consumables	227.13

ANNEXURE IV

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITIES (CSR) ACTIVITIES

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

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.

Brief outline of the Company's CSR policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The Company's CSR policy has been uploaded in the website of the Company under the web-link: <http://www.hitechgears.com/images/>

[Corporate Social Responsibility policy.pdf](#)

Composition of the CSR Committee

Mr. KC Verma, Chairman- Independent Director

Mr. Deep Kapuria, Member- Executive Director

Mr. Pranav Kapuria, Member- Executive Director

The Committee met twice during the year under review.

Average net profit of the Company for the last three financial years

Average net profit: Rs. 360,703,330/-

Prescribed CSR expenditure (2% of the average net profit of the last three financial years)

The Company during the financial year 2014-15 was required to spend Rs. 7,214,067/- towards CSR.

Details of CSR spent during the financial year:

- Total amount spent for the financial year; Rs. 7,415,367
- Amount unspent, if any; NIL

Manner in which amount spent during the financial year is detailed below:

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Locations (Unit)	Amount outlay project/programs wise (Rs)	Amount Spent on the project or programs (Rs)	Cumulative Expenditure upto reporting period (Rs)	Amount spent: Direct or through implementing agency
1	Education, Technical Education including Research & Development-	Promoting education, including special education and vocation skills.	Local Area i.e. Haryana & Delhi	6,500,000	6,372,600	6,372,600	Direct
2	Health	Promoting preventive health care and sanitation	Local Area i.e. Haryana & Delhi	850,000	821,767	7,194,367	Direct
3	Disaster Management Kashmir Flood (Prime Minister Relief Fund)	Contribution to Prime Minister's National Relief Fund	Delhi	100,000	100,000	7,294,367	Indirect
4	Integrated Community Development Prime Minister Relief Fund	Contribution to Prime Minister's National Relief Fund	Delhi	130,000	121,000	7,415,367	Direct

Responsibility Statement by the Corporate Social Responsibility Committee:

The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

**ANNEXURE V****From No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies
(Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

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

There were no contracts or arrangements or transactions entered into with related parties during the year, which were not at arm's length basis.

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

Name(s) of the related party and nature of relationship	Aquarian Fibrecement Private Limited	The Hi-Tech Robotic Systemz Limited	Vulcan Electro Controls Limited	The Hi-Tech Eng. Services Private Limited
Nature of contracts/ arrangements/ transactions	Leasing of Property	Receiving of Job Work/Services	Sale/purchase/receive and rendering of Job work/ services	Sale/purchase/ receiving of services
Duration of the contracts/ arrangements/transactions	Ongoing	Ongoing	Ongoing	Ongoing
Salient terms of the contracts or arrangements or transactions including the value, if any	In tune with market parameters estimated annual value of Rs 2.20 crores for the financial year 2014-15	In tune with market parameters estimated annual value of Rs 6.00 crores for the financial year 2014-15	In tune with market parameters estimated annual value of Rs 100.00 crores for the financial year 2014-15	In tune with market parameters estimated annual value of Rs 90.00 crores for the financial year 2014-15
Date(s) of approval by the Board	9th August, 2013	9th August, 2013	9th August, 2013	9th August, 2013
Amount paid as advances	Rent is normally paid in Advance of the month	As per normal commercial T&C	As per normal commercial T&C	As per normal commercial T&C

- Company has taken Omni Bus approval from the Audit Committee for the Related Party Transactions for the financial year 2014-15.
- AboCve is the statement of all contracts which may be considered Related Party Transactions.
- Out of the above contracts with Vulcan & HESPL are considered material Related Party Transactions.
- For exact value of Related Party Transactions, please refer point no. X (A) of the Corporate Governance Report.

Statement of particulars of Employees pursuant to the provision of section 197 of the Companies Act, 2013 read with the Rule 5 of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, forming part of the 29th Directors' Report for the financial year ended on March 31, 2015.

Note: Information has been furnished in respect of all whole time Directors & 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, 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 % 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 or KMP of the Company.



Pursuant to Section 197 (12) of the Companies Act, 2013 & Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 Every Listed Company shall disclose the Remuneration of Every Executive Director & KMPs of the Company in the following manner: -

1. Ratio of the remuneration of each director to the median remuneration of the employees of the company

a. Executive Directors

Mr. Deep Kapuria, Executive Chairman- 43.48; Mr. Pranav Kapuria, Managing Director- 23.88; Mr. Anuj Kapuria, Executive Director-21.42

Remuneration includes basic salary, HRA, Commission. Medical expenses reimbursement, contribution to provident fund & other statutory funds.

b. Non-Executive Director

Mr. Anil Kumar Khanna, Independent Director-1.11; Mr. Sandeep Dinodia, Independent Director-1.11; Mr. P.C. Mathew, Independent Director-0.88; Mr. Vinit Taneja, Independent Director-0.96; Mr. Prosad Dasgupta, Independent Director-0.88; Mr. K.C. Verma, Independent Director-0.96; Mr. R.C. Jain, Non-Executive Director-0.81 & Ms. Malini Sud, Independent Director-0.12.

Remuneration of Non-Executive Directors includes Sitting fees & Commission.

2. %age increase in the median remuneration of employees is 4.01% in the financial year 2014-15;
3. There were 908 number of permanent employees on the rolls of company as on 31st March, 2015;
4. The company grew by 18.67% in total turnover as compared to average remuneration which has gone up by 9%. in the financial year 2014-15.
5. (a) %age increase of the Key Managerial Personnel against the performance of the Company

S. No.	Name of the Key Managerial Personnel	2014-15 (Rs in Lacs)	2013-14 (Rs in Lacs)	% increase in remuneration
		Remuneration		
1	Mr. Deep Kapuria, Executive Chairman	115.66	103.56	11.69%
2	Mr. Pranav Kapuria, Managing Director	63.54	56.69	12.08%
3	Mr. Anuj Kapuria, Executive Director	57.00	48.72	16.99%
4	Mr. Alok Agarwal, Chief Financial Officer*	15.03	Not Applicable	Not Applicable
5	Mr. Vijay Mathur, Sr. General Manager (Finance)*	17.17	Not Applicable	Not Applicable
6	Mr. S. K. Khatri, Company Secretary	14.40	13.21	9%

(b) Financial Performance of the Company

S. No.	Particulars	2014-15 (Rs in Lacs)	2013-14 (Rs in Lacs)	% Change
1	Turn over of the Company	43,459.30	36,620.54	18.67
2	Profit Before Tax	2,630.30	2,207.49	19.15
3	Profit After Tax	1,842.45	1,594.06	15.58

* Since the information is for the previous year is not available, thus not applicable placed before

6. (a) The Market capitalization as on 31st March, 2015 was Rs 54,296 Lacs and Rs 17,032 Lacs as on 31st March, 2014 which shown an increase of 218.79 %.
- (b) Price Earnings ratio of the Company was 29.49 as at 31st March, 2015 and 10.69 as on 31st March, 2014 which shown an increase of 175.89%.
- (c) The Company has not made any Public offer in the recent past and accordingly, comparison of Public offer price and the current market price of the company's shares will not be relevant;
7. The key parameters for any variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination & Remuneration Committee as per the remuneration policy for Directors, Key Managerial Personnel, Senior Management & other employee.
8. There is no employee who receive remuneration in excess of the highest paid director during the year
9. It is affirmed that the remuneration is paid as per the remuneration policy of the company.

MANAGEMENT DISCUSSION ANALYSIS

The Macro Economic Environment

Indian economy has faced many challenges successfully in past and is currently placed on a upswing, on the back of committed policies and a belief of new optimism. In the recent gone by time, the economy faced tough time with issues like lower growth, high levels of inflation and widening current account deficit; escalated by an unsupportive external environment. Growth seems to be back, with its desirable mild inflation and manageable current account balance with stable rupee and rising foreign exchange reserves, signaling much awaited improvements in macro-economic stability.

India's economy has witnessed a significant economic growth in the previous year. The steps taken by the government have shown positive results as India's gross domestic product (GDP) at constant (2011-12) prices 2014-15 is Rs 106.4 trillion (US\$ 1.596 trillion), as against Rs 99.21 trillion (US\$ 1.488 trillion) in 2013-14, registering a growth rate of 7.3% in 2014-15 as against 6.9% in 2013-14 at new method of calculation of GDP. The manufacturing sector Gross Value Added rose by 7.1% during the year as against 5.3% in 2013-14. It further said that per capita income at current prices during 2014-15 rose by 9.2% to Rs 87,748 as against Rs 80,388 in the previous fiscal. During the year 2014-15, IIP growth was 2.8% as compared to (-) 0.1% in the previous year. The improvement in India's economic fundamentals has expedited in the year 2015 with the combined impact of strong & committed government reforms, RBI's inflation focus supported by benign global commodity prices. The economic activities which witnessed significant growth were 'financing, insurance, real estate and business services' and 'trade, hotels, transport and communication services'.

According to International Monetary Fund (IMF) World Economic Outlook, April, 2015, India ranks seventh globally in terms of GDP at current prices. The IMF and the Moody's Investors Service have forecasted that India will witness a GDP growth rate of 7.5% in FY 2016, due to improved investor confidence, lower food prices and better policy reforms. However, the Government is more optimistic and expected the growth to be at 8%. Growth will further be benefitted from a consequent pick-up in Investment and lower oil prices. Furthermore, initiatives like "Make in India" and "Digital India" will play a vital role in driving the Indian economy.

On the other side, the global economy has grown by 3.4% in 2014 and expected to grow at 3.3% in 2015. The flat or downward international situation has taken place on account of several factors. However, Global recovery will continue to be moderate and uneven. While developed economies, including US are expected to strengthen, aided by lower oil prices and low interest rates, most emerging economies are expected to slow down moderately, due to country specific reasons-with India seems to be an exception. China is trying to align itself with the major slowdown of demand in its domestic & export markets, after seeing a great period for

last many years. At the same time Japan & Eurozone are still to recover from the shadow of uncertainties marked by recession in 2008-09. Overall, global economic activity is expected to strengthen in FY2016 with most of the momentum coming from mature market economies. Other economies will also show some strength & contribution towards much awaited growth.

The previous year witnesseth a come back, as growth returned, inflation reduced & external accounts come under control. From there, there are visible positivity built around the Indian growth story & India seems to be poised to enjoy another spurt of much awaited growth in all sectors.

Industry & Segment Dynamics

Indian automotive market is full of tremendous opportunities and is capable of scaling to greater heights. The rapid urbanization, coupled with an overwhelming growth in the middle class population and their incomes, has created an Indian Market that is extremely conducive for the automobile industry to flourish.

Similarly, the Indian auto components industry has experienced healthy sequential growth over the last one-and-a-half years. The growth can be attributed to factors such as resilience in the end-user industry, signs of recovery of the global economy, improved consumer sentiment and return of adequate liquidity in the financial system. The revival of the auto industry was initially driven by the fiscal stimulus programme of the government.

The industry currently accounts for sizable amount of India's gross domestic product (GDP) and employs about 19 million people, both directly and indirectly. The ever-increasing development in infrastructure, big domestic market, increasing purchasing power and stable government framework have made India a favourable destination for investment. However there are certain factors that stand as challenges before the automobile industry. The most immediate challenge is the unevenness of global markets, auto industry executives and experts tend about the U.S. market & other regions, weaker outlook in Europe as the region is emerging fitfully from a six-year sales slump. Meanwhile, the Indian market's performance has been inconsistent. And growth in China, the world's largest vehicle market, has slowed, even though investments by most original equipment manufacturers (OEMs), which are betting big on future demand, continue to ramp up. Reacting strategically to these demand shifts will be an absolute priority for industry leaders in coming time.

Production Trends of the Automobile Sector in 2014-15

The industry produced a total of 23,366,246 vehicles including passenger vehicles, commercial vehicles, three wheelers and two wheelers in FY 2014-15 as against 21,500,165 in FY 2013-14, registering a growth of 8.68 % over the same period last year.

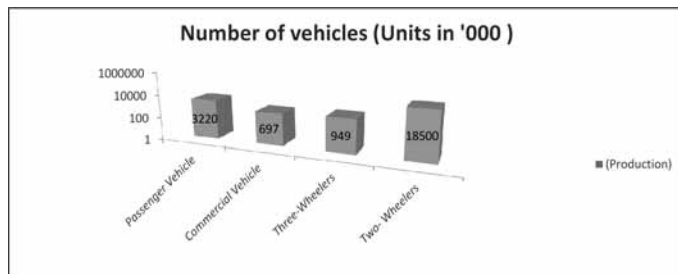


The Production of Passenger Vehicles grew by 4.28 % in FY 2014-15 over the same period last year. Within the Passenger Vehicles segment, Passenger Cars and Utility Vehicles grew by 4.06 % and 10.65 % respectively, while Vans hit the most and declined by (-) 11.51 % in FY 2014-15 over the same period last year.

As usual the growth was majorly led by Two Wheeler segment which registered growth of 9.58 % in FY 2014-15 over FY 2013-14. Within the Two Wheelers segment, Scooters, Motorcycles and Mopeds grew by 28.43 %, 4.40 % and 3.16 % respectively in FY 2014-15 over FY 2013-14. In recent time, the major attraction in Two Wheeler segment is the scooters/ scooterettes, which grew by 28.43% due to its easy maintenance and city driving convenience.

Three Wheelers production grew by 14.33 % in FY 2014-15 over the same period last year. Passenger Carriers and Goods Carriers grew by 15.32 % and 6.76 % respectively in FY 2014-15 over FY 2013-14.

The sad part of the vehicle production was the overall Commercial Vehicle segment. This segment registered a de-growth of (-) 0.28 % in FY 2014-15 as compared to same period last year. Medium & Heavy Commercial Vehicles (M&HCVs) grew by 21.21 % and Light Commercial Vehicles declined by (-) 10.25 %.



Domestic & Export Sales Trends of the Automobile Sector in 2014-15

In the year 2014-15 the Automobile Sector showed growth both in Domestic as well as Export Sales. FY 2014-15 numbers reveal all vehicle categories other than Commercial Vehicles (CVs) are in positive territory. Riding on the back of a gradual uplift in market sentiments, excise duty cuts continuing through to December 2014 and the opening up of the mining and infrastructure sectors, the Indian automotive industry posted an overall domestic sales growth of 7.22% in fiscal year 2014-15, as compared to 3.53% in the previous fiscal year.

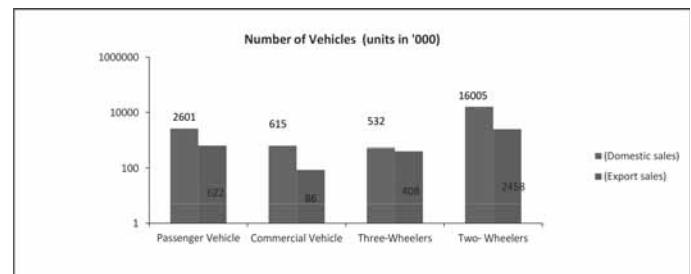
The sales of Passenger Vehicles grew by 3.90% in FY 2014-15 over the same period last year. Within the Passenger Vehicles segment, Passenger Cars and Utility Vehicles grew by 4.99% and 5.30% respectively, while Vans declined by (-) 10.19% in FY 2014-15 over the same period last year.

Two Wheelers sales registered growth of 8.09 % in FY 2014-15 over FY 2013-14. Within the Two Wheelers segment, Scooters, Motorcycles and Mopeds grew by 25.06 %, 2.50 % and 4.51 % respectively in FY 2014-15 over FY 2013-14.

Three Wheelers sales grew by 10.80 % in FY 2014-15 over the same period last year. Passenger Carriers and Goods Carriers grew by 12.16 % and 5.27 % respectively in FY 2014-15 over FY 2013-14.

The overall Commercial Vehicles segment registered a de-growth of (-) 2.83 % in FY 2014-15 as compared to same period last year. Medium & Heavy Commercial Vehicles (M&HCVs) grew by 16.02 % and Light Commercial Vehicles declined by (-) 11.57 %. Unseasonal rainfall has put pressure on food prices and continuation of high interest rates for vehicles has kept the rural buyer away from the markets due to which motorcycles, tractors and LCVs, which are mostly used in this region, have not done well.

In FY 2014-15, overall automobile exports grew by 14.89 % over the same period last year. Passenger Vehicles, Commercial Vehicles, Three Wheelers and Two Wheelers grew by 4.42 %, 11.33 %, 15.44 % and 17.93 % respectively during FY 2014-15 over the same period last year.



With the government's 'Make in India' initiative and factors such as expectation of normal monsoon, lower prices of petrol and diesel, commodity prices under control, growth in industrial activity, softening of interest rates, the auto industry is expected to perform even better in FY 2015-2016.

Future Outlook

The Indian auto component industry is expected to register a turnover of US\$ 66 billion by FY 15-16 with the likelihood to touch US\$ 115 billion by FY 20-21 depending on favourable conditions, as per the estimates by Automotive Component Manufacturers Association of India (ACMA). In addition, industry exports are projected to reach US\$ 12 billion by FY 15-16 and add up to US\$ 30 billion by FY 20-21.

The Government has come a long way in ensuring the growth of this sector in the global market. It is expected that this sector's contribution to the GDP will double reaching a turnover of US\$ 145 billion in 2016 due to the government's special focus on exports of small cars, multi-utility vehicles (MUVs), two and three-wheelers and auto components. Also, the deregulation of FDI in this sector has helped foreign companies to invest huge amounts in India.

The rapidly globalising world is opening new avenues for the transportation industry, generating the need for more efficient, safe and reliable modes of transportation, which is subsequently adding to the auto component industry's growing opportunities. According to a report by the

Confederation of Indian Industry (CII), the Indian auto component industry is set to become the third largest in the world by 2025. Also, by that time, newer verticals and opportunities for component manufacturers will open up as the automobile market will shift towards electric, electronic and hybrid cars and newer technologies will have to be adopted via systematic research and development.

Indian auto component makers are well positioned to benefit from the globalisation of the sector as exports potential could be increased to the new heights. India is already becoming global manufacturing hub for manufacture of all categories of vehicles including Passenger Vehicles & Commercial Vehicles.

The latest policy initiative of the Indian Government "Make in India" will help accelerating the growth of Industrial Activity including the automobile industry. The following are some key implications this campaign is likely to have on few key issues in the sector that have for long proven to be barriers to sector growth.

- To create job opportunities for at least 100 million youths in India over time.
- Boost to Exports
- Ease of doing business by making customs process more efficient, quicken license-issuing process, facilitating clearance and approvals for land acquisition for new businesses and by creating a foundation for Strong anti-corruption laws and culture going forward.
- Boost to FDI
- Infrastructure Growth
- Boost to public policy making and planning
- Unlock rural demand
- Labour law reforms
- Skill development
- Promote R&D

The above give impression that the long term prospects seems to be bright; demand will grow due to various underlying factors such as rising per capita income, increasing rural demand, growing urbanization, swelling replacement demand etc.

Opportunities, Threat & Mitigation strategy

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

At the operational level there are several risks that are inherent to the business of company. These are typically transactional in nature. These risks are managed through internal processes and controls. In addition, the Company has to deal

certain major micro risks that affect the Company's strategy implementation, some of them are enumerated below:

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

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

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

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

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

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

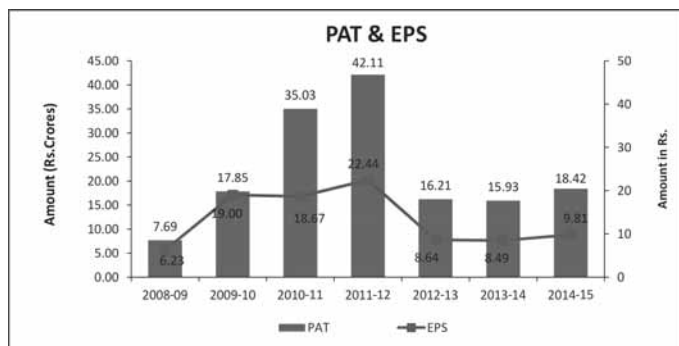
Regulatory Change: Regulations are changing to accommodate the awareness about the environmental responsibilities. The developed countries have slowly been adopting the new Corporate Average Fuel Economy (CAFÉ) Regulations, which requires OEMs to nearly double fuel economy to 54.5 miles per gallon by 2025. In India, also it is expected that Government will bring similar regulations. HGL is committed to comply with all applicable environmental and related regulations.

Brief of Financial Results

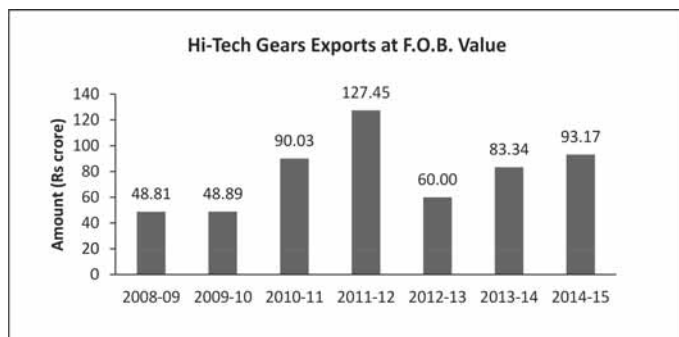
The Company posted higher sales in the financial year 2014-15 and the Company's turnover crossed the Rs. 400 Crores



mark. The sales turnover of the Company increased to 431.93 crores (net of excise duty) from Rs. 361.02 crores in the previous year, registering a significant increase of 19.64%. This was due to rise in the sales of all the business verticals of the Company & its exports. Profit before tax for the year 2014-15 was at Rs. 26.30 crores and profit after tax stood at Rs. 18.42 crores compared to Rs. 22.06 crores and 15.93 crores during the same period previous year.



At the export front, the Company also did well and recorded an export turnover of Rs. 93.17 crores compare to Rs. 83.34 crores of previous year, thereby recorded an increase of 11.80%. The total exports are 21.57% of the total turnover.



Recognizing the importance of allocation the gains with the shareholders who have placed their finance and trust in the Company at all times, an amount of Rs. 4.69 Crores is being paid out by way of dividends for the year 2014-15. Out of which an interim dividend of 10% was declared and already paid in Feb/Mar 2015 and a final dividend of 15% is being recommended to the shareholders for their approval.

Operational Excellence, Awards & Recognitions

Hi-Tech Gears is continuing its journey to be a global footprint company and a benchmark for world class manufacturing systems, as manifested in its vision statement. In this journey, our efforts have been recognized by esteemed Automotive Components Manufacturers Association (ACMA), the nodal agency for the Indian Auto Component Industry and the ACMA has awarded us with Gold Trophy for Excellence in Export (Large Category).

Steps initiated by the Company for implementation and absorption of Lean Manufacturing and Total Productivity Maintenance (TPM) practices are consistently showing

encouraging results. The customers are appreciating and recognizing Company from time to time. Customer recognitions are the strongest testimony to a company's excellence. The ECOFAC Plant (Plant –III) is running to its capacity and is unique in its kind. This 'Gold Award' conferred Plant by Green Building Council is one of few plants by the component manufacturers in north India, which has become a world-class Indian brand with a green and sustainable strategy of growth. ECOFAC means a sustainable green manufacturing plant. This plant is fully operational. This has all features of safety, energy & water conservation, waste management etc. All modern concepts of Lean, TPM and TEI for best utility are being implemented in this Plant from its initial stage. This has been highly appreciated not only by the concerned authorities but also by customers and will become a model for future sustainable manufacturing growth.

The commercial vehicle sector is generally a good indicator of a country's economic progress and it isn't unknown that it was not in the best of its shape from past few years. This year also Light Commercial Vehicle (LCV) segment registered de-growth but it is expected that Indian Government 'Make in Indian' Campaign will unlock the rural demand in the coming years & LCV Segment will also see remarkable growth. Pick-up in the execution of infrastructure projects and mining will also support the demand for this segment. Therefore, we are thinking of increasing our presence in Commercial Vehicle segment. Though it's possible that in beginning we won't get expected return but we at hitech believe in first to hit and last to recover strategy. Once we will make our presence feel in the sector we are assure that we will get good return too.

Segment Reporting

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

Internal Controls & their adequacy

Company has a properly designed and consistently enforced system of internal control to safeguard the company's resources, produce reliable reports, to reduce the possibility of significant errors and irregularities and assists in their timely detection when they do occur and comply with laws and regulations.

The Company's internal controls are supplemented by an extensive programme of internal audits, review by management and documented policies, guidelines and procedures. Internal Auditors conduct the Audits and report directly to the Audit Committee and the Board. M/s. Deloitte Haskins & Sells has just completed its term of three years and the company has appointed M/s. BDO, India, LLP, a renowned and fifth largest firm in the world as Internal Auditor of the Company.

The internal controls are designed to ensure efficiency & effectiveness of Company's operations, accuracy of recorded transactions, reliability of Financial reporting, effectiveness of Risk management systems, all applicable laws & regulations, internal policies & internal procedures are duly complied with.

Your Company has also in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed. The Company is committed to strengthen the system in more stringent manner.

Company believes that good control system help achieving objectives, avoid surprises, detect mistakes caused by personal distraction, carelessness, fatigue, errors in judgment, or unclear instructions in addition to fraud or deliberate noncompliance with policies. Therefore, company believes in the concept of continuous improvement in the systems and processes. The company has engaged the services of expert knowledge partners in this regard, who will assist in finding the ways and means and improving the existing process of operational excellence.

Human Resources

Managing human resources effectively and efficiently plays a critical role in ensuring that a satisfied, motivated work force delivers quality services. It also plays an important role in increasing staff performance and productivity, enhancing an organization's competitive advantage, and contributing directly to organizational goals. Satisfied, highly-motivated and loyal employees represent the basis of competitive company. The growth of satisfaction is to be reflected in the increase of productivity, improvement of the products' quality or rendered services and higher number of innovations.

"Whether it is called "people," "labor," "intellectual capital," "human capital," "human resources," "talent," or some other term, the resource that lies within employees and how they are organized is increasingly recognized as critical to strategic success and competitive advantage.

Recognizing the importance of human resources Company has an open-door policy in which the employees have an open, standing invitation to approach the HOD with questions, concerns, complaints and comments at any time. Company acknowledges the Development and training of its employees to help them to perform better in all respects. Company conducts many leadership programmes such as Employee Leadership Team (ELT), Special Leadership Team (SLT), etc. on regular basis to explore new ideas from employees & to use them for smooth functioning of the Company & to flow maximum satisfaction among employees.

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

Disclaimer

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



Corporate Governance Report

Forming part of 29th Directors' Report

I. Company's Philosophy on Corporate Governance

Hi-Tech Gears Limited, being in the forefront of the Indian auto component industry, has implemented and continuously improved upon various Corporate Governance practices over the years. Corporate practices like the appointment of professionals from diverse fields of business on the Company's Board of Directors, prior intimation of date of Board Meetings which are convened at frequent intervals, constitution of various Committee of Directors, stated policies on remuneration and retirement, attendance of Directors at General Meetings, dissemination of price sensitive information in a transparent and fair manner and ensuring liquidity of the Company's scrip by listing on prominent stock exchanges, have been in place even before they have been mandated. During the year, the Company has complied with all the mandatory provisions of Clause 49 of the Listing Agreement with the stock exchanges. Company is maintaining maximum transparency in passing on information to the shareholders.

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

II. Composition of Board of Directors

The Board, the apex body is appointed by the shareholders. Directors occupied dual responsibility, i.e., Agent & Fiduciary. The Board of the company presently consist of 11 members out of them 8 are Non-Executive Directors from different fields such as Engineering, Finance, Treasury, Business management, Administration, Human Resource, Corporate Planning, Corporate Law, etc. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director.

The company has an Executive Chairman, Mr. Deep Kapuria, who is assisted by his two able sons. Mr. Pranav Kapuria is a Managing Director & Mr. Anuj Kapuria is an Executive Director, who are overseeing the day to day operations of the Company. All the remaining Directors, except Mr. R.C., Jain are independent and not related to each others.

All Directors, Executive or Non-Executive, are professionally competent and experienced in their respective fields. The Details of Directors as on 31st March, 2015 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	Eight	Two	Four
Mr. Anil Khanna (00207839)	Director	Independent, Non-Executive	Thirteen	Three	Three
Mr. Sandeep Dinodia (00005395)	Director	Independent, Non-Executive	Four	Two	Three
Mr. Pranav Kapuria (00006195)	Managing Director	Promoter, Executive	Seven	Four	Nil
Mr. Anuj Kapuria (00006366)	Executive Director	Promoter, Executive	Ten	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	Seven	Two	One
Mr. Krishna Chandra Verma (03636488)	Director	Independent, Non-Executive	One	Nil	One
Mr. Prosad Dasgupta (00243254)	Director	Independent, Non-Executive	Two	Nil	Nil
Ms. Malini Sud (01297943)	Director	Independent, Non-Executive	Five	Nil	Nil

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

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

Number of Board Meetings held during the year 2014-15

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) 30th May 2014, (2) 7th August, 2014 (3) 13th November, 2014, (4) 12th February, 2015.

It is confirmed that the gap between the two (2) meetings did not exceed one hundred and twenty days. The meetings usually held in Delhi.

Familiarization Programme

At the time of appointment of an Independent Director, a formal letter of appointment is given to him / her, which inter alia explains the role, functions, duties and responsibilities expected from him/her as a Director of the Company. The Director is also explained in detail the compliances required from him/her under the Companies Act, 2013 and Rules made thereunder, clause 49 of the Listing Agreement and other relevant regulations and his/her affirmation is taken with respect to the same. At a separate meeting of the Independent Directors, a presentation was made on the brief details about the Company, nature of the industry in which Company operates, its business model apart from roles and responsibilities of Independent Directors. Familiarization programme is posted on the website of the Company and any member can visit the Company's website by clicking the link – <http://www.hitechgears.com/images/Set-of-Regulations-for-Independent-Directors.pdf>

Discussions at the Board Meetings:

- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Brief on statutory developments, changes in Government policies etc. with impact thereof, Directors' responsibilities arising out of any such development.
- Interim Dividend declaration & Final Dividend recommendation.
- Internal Audit findings and Statutory Auditor reports (through the Audit Committee).
- General Notices of Interest of Directors.
- Minutes of Meetings of audit Committee and other committees of the Board, as also resolutions passed by circulation
- Any issue, which involves possible public or product

liability claims of substantial nature, including any judgment or order, which may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the Company.

- Annual Operating plans of Business, Capital Budgets and any updates, duly reviewed by the Audit Committee.
- Quarterly, Half yearly & Annual results of the Company and its operating divisions or business segments, duly reviewed by Audit Committee.
- Sale of material nature of investments, subsidiaries, Assets, which is not in normal course of business, if any.
- Transactions that involve substantial payment towards Goodwill, Brand Equity or Intellectual Property.
- Details of any Joint Venture, Acquisitions of Companies or Collaboration Agreement, if any.
- Non-Compliance of any Regulatory, Statutory or Listing requirements and shareholders service such as Non payment of dividend, delay in share transfer (if any). etc.
- Show cause, demand, prosecution notices and penalty notices which are materially important.
- Fatal or Serious Accidents, Dangerous occurrences, any material effluent or pollution problems
- Any material default in financial obligations to and by the company, or substantial non payment for goods sold by the company.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/Industrial Relations front like implementation of voluntary retirement Scheme etc.
- The information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary, if any.
- Investment & borrowing decisions based on recommendations of Committees, wherever required.
- Formulation of criteria for evaluation of Own Board members.
- Any other important matter relating to the working of the Company.

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



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

Name of Director	Attendance in the Board Meetings	Attendance in the last Annual General Meeting
Mr. Deep Kapuria	4 (Four)	Yes
Mr. Anil Kumar Khanna	4 (Four)	No
Mr. Sandeep Dinodia	4 (Four)	Yes
Mr. P C Mathew	4 (Four)	No
Mr. Vinit Taneja	4 (Four)	Yes
Mr. Pranav Kapuria	4 (Four)	Yes
Mr. Anuj Kapuria	3 (Three)	No
Mr. Ramesh Chandra Jain	3 (Three)	No
Mr. K.C.Verma	4 (Four)	No
Mr. Prosad Dasgupta	4 (Four)	No
Ms. Malini Sud	1 (One)	NA

Shares held by Non-Executive Director(s)

Mr. Vinit Taneja holds 5600 equity shares as on 31st March, 2015. 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 Company Secretary acts as the Secretary of the Audit Committee. The scope, compliances & functions of the Audit committee is in line with the listing agreement and the provisions of Section 177 of the Companies Act, 2013 along with rules made thereunder. Board has evaluated the working of Audit Committee for the FY 2014-15.

Meeting and attendance

The Audit Committee met 4 (Four) times during the financial year 2014-15 on the following dates:

(1) 30th May 2014, (2) 7th August, 2014 (3) 13th November, 2014, (4) 12th February, 2015.

These meetings were attended by members as detailed below:-

Name	Position/Composition	Category	No. of meetings during the tenure	No. of meetings attended
Mr. Sandeep Dinodia	Chairman	Independent Director	4	4
Mr. Anil Kumar Khanna	Member	Independent Director	4	4
Mr. Anuj Kapuria	Member	Executive Director	4	3

Audit Committee has following Powers:-

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

Audit Committee has the following Roles & Responsibilities:-

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;

9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee, in Companies Act, Listing Agreement or any other statutory regulation, document or otherwise.

Invitees

Managing Director, Chief Financial Officer, Statutory Auditors, Internal Auditors & Finance Team are the permanent invitees at the Audit Committee as well as at the Board Meetings; other experts are invited on need basis. The recommendations made by Audit Committee are accepted by Board.

IV. Nomination & Remuneration Committee

Brief description of terms of reference

The scope of functions of the Nomination & Remuneration Committee is to look into Company's policy on specific/general remuneration packages, for Executive, Non-Executive and Independent Directors, including pension

rights and any compensation payment. The Company Secretary acts as the Secretary of the Committee.

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

Board has evaluated the working of Nomination & Remuneration Committee for the FY 2014-15.

Meetings and attendance

The Nomination & Remuneration Committee met Two (2) times during the financial year 2014-15 on 7th August, 2014 & 12th February, 2015.

This meeting was attended by members as detailed below:-

Name	Position/Composition	Category	No. of meetings during the tenure	No. of meetings attended
Mr. Vinit Taneja	Chairman	Independent Director	2	2
Mr. Sandeep Dinodia	Member	Independent Director	2	2
Mr. Anil Kumar Khanna	Member	Independent Director	2	2

Nomination & Remuneration Committee have following Roles & Responsibilities

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

Nomination & Remuneration policy

The Company's Nomination & Remuneration Policy for Directors, Key Managerial Personnel and other



employees approved by Board of Directors in their meeting held on 7th August, 2014. The same may be accessed on the Company's website at the link http://hitechgears.com/images/Nomination_Remuneration-Policy.pdf. Further, the Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors.

The Company's Nomination & Remuneration policy is directed towards rewarding performance based on review of achievements periodically. The remuneration policy is in consonance with the existing industry practice.

The Chairman, Managing Director and the Whole Time Director are paid remuneration as approved by the Board of Directors on the recommendation of the Nomination & Remuneration committee within the overall limit sanctioned by the Shareholders. The remuneration is

fixed considering various factors such as qualification, experience, expertise, prevailing remuneration in the corporate world, financial position of the Company, etc. The remuneration structure of Executive Directors comprises of basic salary, commission, perquisites, allowances, contribution to provident fund and other funds, and commission, which is in accordance with Section 197, 198 and other applicable provisions of the Companies Act, 2013. 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, 2015, are as under: -

(Amount in Rs. Lacs)

Name of Director	Designation	Salary	Perquisites	EPF	Commission	Total
Mr. Deep Kapuria	Executive Chairman	92.34	2.21	6.93	21.11	122.59
Mr. Pranav Kapuria	Managing Director	35.52	0.23	2.66	27.79	66.20
Mr. Anuj Kapuria	Executive Director	28.45	0.75	2.13	27.79	59.13

Note:-

1. Salary includes basic salary & HRA, Perquisites includes medical & other perquisites. EPF includes contribution to provident and other statutory funds.
- a. Shareholders have approved a maximum commission @ 3% of Net Profit in case of Mr. Deep Kapuria & 1.5% each in case of Mr. Pranav Kapuria & Mr. Anuj Kapuria. The same is calculated in terms of Section 197, 198 & other applicable provisions of Companies Act, 2013. In current year, the Commission payable is 0.80% for Mr. Deep Kapuria & 1.06% each for Mr. Pranav Kapuria & Mr. Anuj Kapuria.
- 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, 2015 are as under: -

No.	Name of the Non-Executive Directors	Sitting fees (Rs)	Commission (Rs)	Total (Rs)
1.	Mr. Anil Khanna	1,10,000	1,84,866	2,94,866
2.	Mr. Sandeep Dinodia	1,10,000	1,84,866	2,94,866
3.	Mr. P.C. Mathew	50,000	1,84,866	2,34,866
4.	Mr. Vinit Taneja	70,000	1,84,866	2,54,866
5.	Mr. Ramesh Chandra Jain	30,000	1,84,866	2,14,866
6.	Mr. Prosad Dasgupta	50,000	1,84,866	2,34,866

No.	Name of the Non-Executive Directors	Sitting fees (Rs)	Commission (Rs)	Total (Rs)
7	Mr. K.C. Verma	70,000	1,84,866	2,54,866
8	Ms. Malini Sud	10,000	21,631	31,631
	Total	5,00,000	13,15,693	18,15,693

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

V. Corporate Social Responsibility

Brief description of terms of reference

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

The Corporate Social Responsibility Committee of your Company consists of three Directors.

Board has evaluated the working of the Corporate Social Responsibility Committee for FY 2014-15.

Meetings and attendance

The Corporate Social Responsibility Committee met Two (2) times during the financial year 2014-15 on 4th April, 2014 & 13th November, 2014.

The meetings were attended by members as detailed below:-

Name	Position/ Composition	Category	No. of meetings during the tenure	No. of meetings attended
Mr. K.C. Verma	Chairman	Independent Director	2	2
Mr. Deep Kapuria	Member	Executive Director	2	2
Mr. Anuj Kapuria	Member	Executive Director	2	2

Company Secretary acts as the secretary of the Committee.

The following roles & responsibilities of the Committee:-

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

As part of its initiatives under CSR, the Company has undertaken various projects pursuant to schedule VII & CSR Policy of Company. Company spent a sum of Rs.7,415,367/- As per detail mentioned in Annexure IV to the Director Report.

VI. (a) Stakeholder Relationship Committee

Brief description of terms of reference

The Stakeholder Relationship Committee of your Company consists of three Directors. All members are Independent & Non-Executive Directors. The scope, compliances & functions of the Stakeholder Relationship committee is in line with the listing agreement and the provisions of Section 178 of the Companies Act, 2013 along with rules made thereunder.

Board has evaluated the working of Stakeholder Relationship Committee for FY 2014-15.

Meetings and attendance

No meeting was required to hold during the FY 2014-15. As the complaints are re-solved by the process mechanism, there was no instance required to hold the committee meeting.

Composition, Name of Members and Chairman:

The Stakeholder Relationship Committee consists of the following Directors all being Non-Executive & Independent Directors:

Name	Position/ Composition	Category
Mr. Anil Kumar Khanna	Chairman	Independent Director
Mr. Sandeep Dinodia	Member	Independent Director
Mr. Vinit Taneja	Member	Independent Director

Name and Designation of the Compliance officer

Mr. S.K.Khatri, Company Secretary

Investors Complaints during the financial year ended 31.03.2015

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

(b) Share Transfer Committee

Brief description of terms of reference

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.

Meetings and attendance

1. The Share Transfer Committee met 10 (ten) time during the financial year 2014-15 on 30th April, 2014, 30th August, 2014, 30th September, 2014, 13th October, 2014, 17th November, 2014, 29th December, 2014, 19th January, 2015, 31st January, 2015, 28th February, 2015 & 31st March, 2015. The Committee considers 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 during the year.

This meeting was attended by members as detailed below:-

Name	Position/ Composition	Category	No. of meetings during the tenure	No. of meetings attended
Mr. Deep Kapuria	Chairman	Executive Director	10	10
Mr. Pranav Kapuria	member	Executive Director	10	10

The Company Secretary acts as the Secretary of the Committee. As on 31st March, 2015 no equity shares were pending for transfer.



VII Separate Independent Directors' Meetings

As per the Schedule IV of Companies Act, 2013 & Clause 49 of the Listing Agreement, Independent Directors to meet at least once in every financial year without the presence of Executive Directors or management personnel. Such meetings are conducted informally to enable Independent Directors to discuss matters pertaining to the Company's affairs.

During the year under review, the Independent Directors met on August 07, 2014, inter alia, to discuss:

1. Review the performance of Non Independent Directors and the Board of Directors as a Whole;
2. Review the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.
3. Assess the quality, quantity and timelines of flow of information between the Company, Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the independent Directors were present at the meeting.

VIII. 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
2013-14	September 18, 2014	11.00 A.M.	A-589, Industrial Complex, Bhiwadi-301019 (Rajasthan)	Four
2012-13	September 30, 2013	11.00 A.M.	A-589, Industrial Complex, Bhiwadi-301019 (Rajasthan)	Nil
2011-12	September 28, 2012	11.00 A.M.	A-589, Industrial Complex, Bhiwadi-301019 (Rajasthan)	Nil

(c) No resolution was passed by way of postal ballot during the year 2014-2015.

(d) At the forthcoming Annual General Meeting, no resolution to be passed through Postal Ballot.

(e) Dividend history of last five years

S. No.	Financial year	Rate of Dividend	Date of Declaration
1	2013-14	Interim – 10% Final- 15%	14-02-2014 18-09-2014
2	2012-13	Interim-10% Final-15%	14-02-2013 30-09-2013
3	2011-12	Interim- 20% Final- 25%	14-02-2012 28-09-2012
4	2010-2011	Interim – 15% Final – 25%	14-03-2011 27-09-2011
5	2009-2010	Final – 45%	27-09-2010

For the year 2014-15, the interim dividend @ 10% was declared on 12th February, 2015.

(f) Unclaimed Dividend

The proposed date for the transfer of unclaimed final dividend by the Company for the year 2007-08 to IEPF is 27th October, 2015.

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

IX Selection of Independent Directors

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective

field/profession, and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee and the Board, for appointment, as Independent Directors on the Board. The Committee, inter alia, considers qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other companies by such persons in accordance with the Company's Policy for Selection of Directors and determining Directors' independence. The Board considers the Committee's recommendation, and takes appropriate decision.

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter

at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under law.

X Disclosures

- A. The Contracts/Arrangements with the entities in which the Directors may be directly/indirectly interested were approved by the Audit Committee & Board of Directors. The same are provided below as required under Accounting Standard 18 (AS-18) and Clause 49 of the Listing agreement.

Related Party Disclosure (AS-18) as on 31.03.2015

(Amount in Rs. Lacs)

Particulars	Aquarian Fibrecement Pvt. Ltd.	Vulcan Electro Controls Ltd.	The Hi-Tech Engineering System Pvt. Ltd.	The Hi-Tech Robotic Systemz Ltd.	Mr. Deep Kapuria	Mr. Pranav Kapuria	Mr. Anuj Kapuria		Total
Nature of Relationship					Key Management Personnel (KMPs)			Other KMPs	
Rent	202.25	-	-	-	-	-	-	-	202.25
Sale of Goods	-	4.20	2,441.63	-	-	-	-	-	2,445.82
Rendering of Job Work/Services	-	167.82	411.47	-	-	-	-	-	579.30
Receiving of Job Work/Services	-	1,782.35	-	337.08	-	-	-	-	2,119.43
Goods Purchased	-	6,234.51	4,442.40	-	-	-	-	-	10,676.91
Director's Remuneration	-	-	-	-	115.66	63.54	57.00	-	236.20
Other KMP	-	-	-	-	-	-	-	46.39	46.39
Sale of Asset	-	-	-	-	-	-	-	-	-
Reimbursement of Exp. Paid	-	3.64	9.08	-	-	-	-	-	12.72
Reimbursement of Exp. received	-	24.00	-	-	-	-	-	-	24.00
Balance As On 31.03.15 (Recoverable)	-	-	-	-	-	-	-	-	-
Balance As On 31.03.15 (Payable)	-	178.79	1,279.95	19.98	25.68	29.94	29.64	3.06	-
Net Payable	-	178.79	1,279.95	19.98	-	-	-	-	1,478.72

- The transactions with Vulcan Electro Controls Limited & The Hi-Tech Engineering Systems Private Limited are regarded material in terms of Companies Act & Listing Agreement. Necessary resolution is being placed at the 29th Annual General Meeting to be held on 29th September, 2015 for the approval of shareholders.
- Other Key Managerial Personnel include Chief Financial Officer & Company Secretary.
- The transactions with the above entities are done within normal course of business. Transactions other than those for which approval is sought from shareholders in view of their materiality, are neither materially significant nor they have

potential conflict with the interest of the Company at large. The managerial personnel are paid remuneration in term of the approval of shareholders.

- B. 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.
- C. 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/N.A	Remarks
II. Board of Directors	49 (II)		
(A) Composition of Board	49 (IIA)	Yes	Have been complied with
(B) Independent Directors	49 (IIB)	Yes	Have been complied with
(C) Non-executive Directors' compensation & disclosures	49 (IIC)	Yes	Have been complied with
(D) Other provisions as to Board and Committees	49 (IID)	Yes	Have been complied with
(E) Code of Conduct	49 (IIE)	Yes	Have been complied with
(F) Whistle Blower Policy	49 (IIF)	Yes	Have been complied with
III. Audit Committee	49 (III)		
(A) Qualified & Independent Audit Committee	49 (IIIA)	Yes	Have been complied with
(B) Meeting of Audit Committee	49 (IIIB)	Yes	Have been complied with
(C) Powers of Audit Committee	49 (IIIC)	Yes	Have been complied with
(D) Role of Audit Committee	49 (IIID)	Yes	Have been complied with
(E) Review of Information by Audit Committee	49 (IIIE)	Yes	Have been complied with
IV. Nomination and Remuneration Committee	49 (IV)	Yes	Have been complied with
V. Subsidiary Companies	49 (V)	Not Applicable	Not Applicable
VI. Risk Management	49 (VI)	Not Applicable	Not Applicable
VII. Related Party Transactions	49 (VII)	Yes	Have been complied with
VIII. Disclosures	49 (VIII)		
(A) Related party transactions	49 (VIIIA)	Yes	Have been complied with
(B) Disclosure of Accounting Treatment	49 (VIIIB)	Yes	Have been complied with
(C) Remuneration of Directors	49 (VIII C)	Yes	Have been complied with
(D) Management	49 (VIII D)	Yes	Have been complied with
(E) Shareholders	49 (VIII E)	Yes	Have been complied with
(F) Proceeds from public issues, rights issue, preferential issues, etc	49 (VIII F)	Not Applicable	Not Applicable
IX. CEO/CFO Certification	49 (IX)	Yes	Have been complied with
X. Report on Corporate Governance	49 (X)	Yes	Have been complied with
XI. Compliance	49 (XI)	Yes	Have been complied with

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

- (i) The Chairman of the Company is Executive and the Company is maintaining the office at its expense.
- (ii) The Company is in process of adopting a formal training program for Board Members.
- (iii) The quarterly / half yearly results are not sent to the shareholders. However, the same are published in the newspapers and are also posted on the Company's website.
- (iv) The Company's financial statement for the financial year - 2014-15 does not contain any audit qualification.
- (v) The Internal Auditors report to the Audit Committee

XI. 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 on <https://www.connect2nse.com/LISTING/> and <http://www.bseindia.com>

[listing.bseindia.com](http://www.bseindia.com) within such time as specified by SEBI.

2. Full version of the Annual Report including the notice of Annual General Meeting, Management & Discussion Analysis, Corporate Governance Report, Audited Financial Results, Cash Flow Statement, and Director's Report etc. are sent to the shareholders & stock Exchanges within the stipulated time and also uploaded on Company's Official website. The Annual Report together with notice of Annual General Meeting is being sent in following manner:
 - i. To those shareholders, who hold shares in demat forms & have provided their email ID to their depositories – thru email by providing a link/ Annual Report.
 - ii. To others – Thru physical copies of Annual Report by Courier/registered book post.
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. A Management Discussion and Analysis report is given separately which forms part of the Director's Report.
6. The Company generally publishes its financial results in the Business Standard (English) and Dainik Lokmat (Hindi). The details are provided in Section XII, Clause 1 herein below:

XII. General Shareholder information

1. Annual General Meeting:

29th Annual General Meeting of the Company will be held on Tuesday the 29th day of September, 2015 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 2014-15	Results were announced on	Newspapers	Date of Publication
Financial Reporting for the 1st quarter ended June 30, 2014	07.08.2014	<ul style="list-style-type: none"> Business Standard Dainik Lokmat 	9.8.2014 9.8.2014
Financial Reporting for the 2nd quarter and 1st half year ended September 30, 2014	13.11.2014	<ul style="list-style-type: none"> Business Standard Dainik Lokmat 	15.11.2014 15.11.2014
Financial Reporting for the 3rd quarter ended December 31, 2014	12.02.2015	<ul style="list-style-type: none"> Business Standard Dainik Lokmat 	14.02.2015 14.02.2015
Financial Reporting for the 4th quarter and year ended 31st March, 2015	21.5.2015	<ul style="list-style-type: none"> Business Standard Dainik Lokmat 	23.5.2015 23.5.2015

Financial Calendar for 2015-2016 (Tentative and subject to change)

Financial Reporting for the 1st quarter ended June 30, 2015	11th August, 2015
Financial Reporting for the 2nd quarter and 1st half year ended September 30, 2015	November, 2015 (1st Week)
Financial Reporting for the 3rd quarter ended December 31, 2015.	February, 2016 (2nd Week)
Financial Reporting for the year ended March 31, 2016.	May, 2016 (Last week)
Annual General Meeting for the year 2014-15	September 29th, 2015

Date of Book Closure

September 23rd, 2015 to September 29th, 2015
(Both days inclusive)

E-Voting Cut-off date

22nd September, 2015

Dividend payment

Dividend, if declared by the shareholders in the 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 29th, 2015.

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 22nd, 2015.

Listing on Stock Exchanges

As on March 31, 2015 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

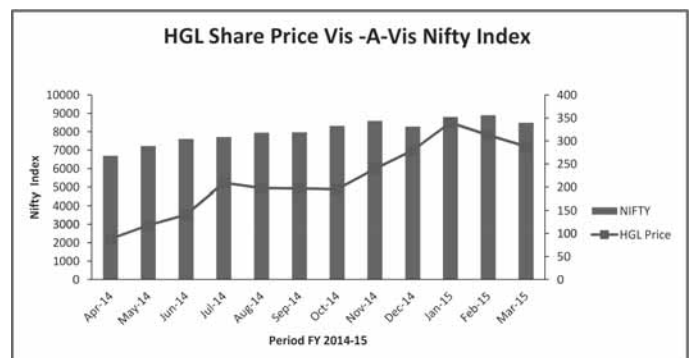
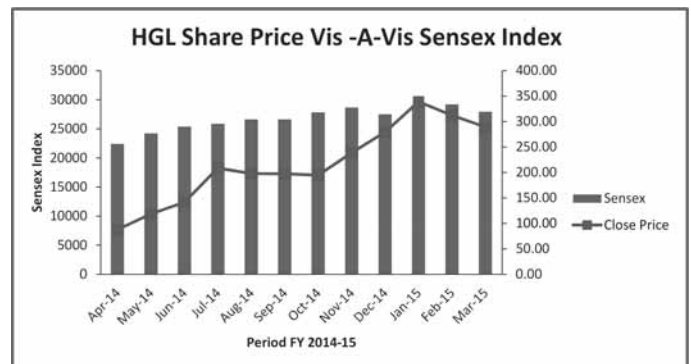
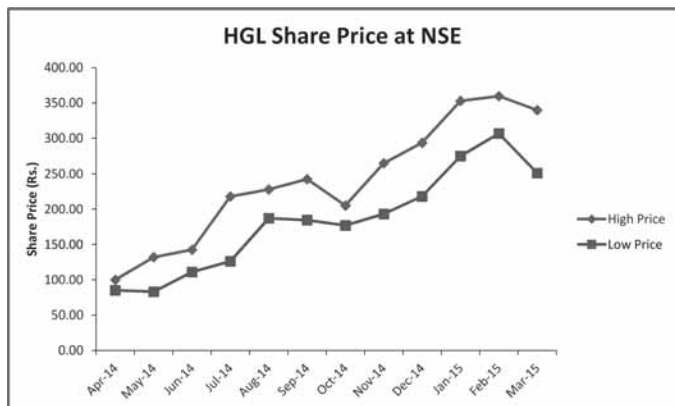
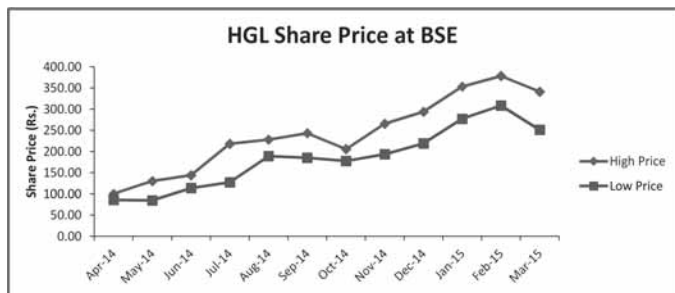
Note: The listing fee for the year 2015-2016 has been paid to the Stock Exchanges within the stipulated time.



d. 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 (Rs.)		Sensex		No. of shares traded	Share Price (Rs.)		Nifty		No. of shares traded
	High Price	Low Price	High	Low		High Price	Low Price	High	Low	
Apr-14	100.00	85.50	22939.31	22197.51	54471	100.00	85.10	6869.85	6650.40	97756
May-14	130.00	84.60	25375.63	22277.04	226235	132.00	83.10	7563.50	6638.55	347429
Jun-14	143.90	113.70	25735.87	24270.20	188392	142.50	111.10	7700.05	7239.50	251789
Jul-14	218.00	127.00	26300.17	24892.00	600912	217.90	126.10	7840.95	7422.15	1461294
Aug-14	227.90	188.90	26674.38	25232.82	502991	227.70	187.00	7968.25	7540.10	1061035
Sep-14	243.00	185.20	27354.99	26220.49	451104	242.30	184.45	8180.20	7841.80	1091404
Oct-14	205.50	177.35	27894.32	25910.77	103358	205.00	177.00	8330.75	7723.85	199621
Nov-14	265.45	193.50	28822.37	27739.56	901591	264.95	193.10	8617.00	8290.25	1805933
Dec-14	293.50	219.00	28809.64	26469.42	630405	293.80	218.00	8626.95	7961.35	1318555
Jan-15	353.05	277.00	29844.16	26776.12	777768	353.00	275.00	8996.60	8065.45	1296399
Feb-15	378.00	308.10	29522.86	28044.49	297875	359.75	307.00	8941.10	8470.50	326759
Mar-15	340.90	251.00	30024.74	27248.45	396213	340.00	251.00	9119.20	8269.15	407634



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.

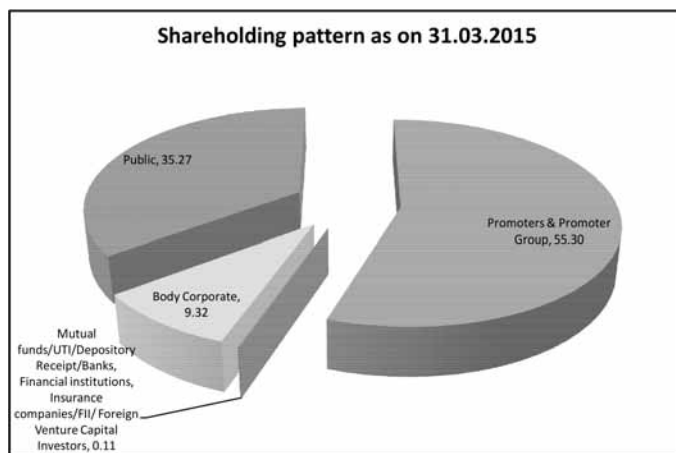
9. (a) Distribution of shareholding

As on March 31, 2015 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 5,000	398,543	2.12	2,874	75.47
5,001 to 10,000	319,689	1.70	398	10.45
10,001 to 20,000	301,941	1.61	194	5.10
20,001 to 30,000	226,374	1.21	87	2.29
30,001 to 40,000	208,344	1.11	57	1.50
40,001 to 50,000	182,436	0.97	39	1.02
50,001 to 100,000	414,880	2.21	54	1.42
100,001 and above	16,715,793	89.07	105	2.76
TOTAL	18,768,000	100.00	3,808	100.00

(b) Category wise shareholding as on March 31, 2015

Category	No. of shares held	% of shareholding
Promoters & Promoter Group	10,378,621	55.30
Mutual funds/UTI/Depository Receipt/Banks, Financial institutions, Insurance companies/FII/ Foreign Venture Capital Investors	21,099	0.11
Body Corporate	1,749,960	9.32
Public	6,618,320	35.27
Grand Total	18,768,000	100.00



10. (a) Dematerialization 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, 2015 is given hereunder:

Particulars	As on March 31, 2015	
	No. of Shares	Percentage(%)
No. of Shares dematerialized		
-NSDL	16,255,639	86.61
-CDSL	2,377,948	12.67
No. of shares in physical form	134,413	0.72
Total	18,768,000	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 2014-2015 is given below:-



Particulars	BSE
No of Shares	21,116
Value (in Rs.)	Rs 5,075,642.73

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/dematization of shares : MAS Services Limited
and any other queries relating to (Unit: Hi-Tech Gears Limited)
Shares 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
sm@masserv.com
- b. Queries related to Payment of : Mr. S. K. Khatri
dividend on Shares, Annual Report Company Secretary & Compliance Officer
and others 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 CFO 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 21, 2015. A copy of the same certificate 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) Regulations, 2015 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 material 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 2014-2015

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

**Place : New Delhi
Date : 11th August, 2015**

**Sd/-
Deep Kapuria
Chairman**

Certification by CEO and CFO

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

Ref: Certification by CEO/CFO for Financial Year 2014-15

- (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 2014-15 and that to the best of our knowledge and belief:
- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 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 violative 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 or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit committee, wherever applicable, the following:
- significant changes in internal control over financial reporting during the year;
 - significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - 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/-
Alok Agarwal
Chief Financial Officer

Sd/-
Pranav Kapuria
Chief Executive Officer

Place : New Delhi
Date : 21st May, 2015

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, 2015, 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 : 21st May, 2015

Membership No. : 089214

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 2014-15.

For Hi - Tech Gears Limited

Place : New Delhi
Date : 31st March, 2015

Sd/-
Pranav Kapuria
Managing Director



SHAREHOLDERS' INFORMATION

Corporate Identification Number - L29130RJ1986PLC004536

Registered Office & Works

A-589, Industrial Complex,
Bhiwadi - 301019, District Alwar, (Rajasthan)
Tel No: (01493) – 665000/641227
Web site: www.hitechgears.com; Email: secretarial@hitechgears.com

Corporate Office

14th Floor, Tower-B, Unitech's Millennium Plaza,
Shushant Lok-I, Sector – 27, Gurgaon,
Haryana-122002
Tel No: (0124) – 4715100, Fax No: (0124) – 2806085

Listing

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

Stock Exchange

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

Stock Code

HITECHGEAR

522073

Interim Dividend for the year 2014-15

The Board of Directors in their meeting held on 12th February, 2015 have approved an interim dividend of Re 1/- (Rupee one only) per equity shares of Rs 10/- (Rupees Ten only) each on the paid up Share Capital of the Company. The same was paid within stipulated time period.

29th Annual General Meeting

Date & Time : Tuesday the 29th day of September, 2015 at 11.00 A.M.
Venue : A-589, Industrial Complex, Bhiwadi - 301019, District Alwar, (Rajasthan).

Book Closure Dates

September 23 to September 29, 2015 (both days inclusive)

Cutoff date for e-voting

September 22, 2015

E-Voting

The voting period begins on September 26, 2015 at 9:30 a.m. and ends on September 28, 2015 at 5:00 p.m.

EVEN (Electronic Voting Event Number) of Hi-Tech Gears Limited is 102735

Final Dividend

The Board of Directors in their meeting held on 21st May, 2015 have recommended final dividend of Rs. 1.50 per equity share (@ 15%) subject to the approval of the members in their Annual General Meeting on 29th day of September, 2015. 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 29, 2015. 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 22, 2015, 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; sm@masserv.com

INDEPENDENT AUDITORS' REPORT

**To The Members of
Hi-Tech Gears Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of Hi-Tech Gears Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation 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 principles generally accepted in India, including the accounting standards specified under section 133 of the Act, read with Rule 7 of the companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgment and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 of the financial statements that give true and fair view 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 company's directors, 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 on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the company as at March 31, 2015 and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters in the notes to the financial statements:

Note no. 35B(1) and (5) to the financial statements, which describes the uncertainty related to the outcome of the various lawsuits filed against the Company.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2015 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it 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 aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of sub section (2) of section 164 of the Act.

(f) With respect to the other matters included in the auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to best of our information and according to the explanation given to us:

- i. The company has disclosed the impact of pending litigations on its financial position in its

financial statement- Refer Note 35 B(3) and (6) to the financial statements;

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, required to be transferred, to the investor's education and protection fund by the company.

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

CA. Kawal Jain
Partner
Membership No. : 089214

Place : New Delhi
Date : 21st May, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

- (i) (a) The Company has maintained proper records to show full particulars including quantitative details and situations of fixed assets.
- (b) As per the information and explanations given to us, the Company has a regular programme of verification of fixed assets. All the fixed assets except furniture and fixtures and office equipments have been physically verified by the management during the year, 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.
- (ii) (a) As per the information and explanations given to us, the inventories have been physically verified during the year by the management at reasonable intervals.
- (b) In our opinion and as per the information and explanations given to us, procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and 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.
- (iii) 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 189 of the Companies Act, 2013. Consequently, the provisions of clauses (iii) (a) and (iii) (b) of the order are not applicable to the Company.
- (iv) 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 inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal control system has been noticed.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable to the Company.
- (vi) According to the information and explanations given to us, the Companies (Cost Records and Audit) Rules, 2014, prescribed by the Central Government under Section 148 (1) of the Companies Act, 2013 are not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, 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 at the last day of the financial year concerned 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 income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess, which have not been deposited on account of any disputes except below:-

S. No.	Name of the Statute	Nature of Dues	Period to which the amount relates	Amount (Rs.)	Forum Where Dispute is Pending
1	Central Excise Act, 1944	Service Tax	Feb'09 to Dec'09	85,598 (85,598)	Commissioner (Appeal), CE
2	Central Excise Act, 1944	Service Tax	Nov'10 to Aug'11	164,915 (164,915)	Pending with Tribunal, RK Puram, Delhi
3	Central Excise Act, 1944	Service Tax	Nov'10 to Aug'11	NIL (103,399)	Commissioner (Appeal), CE
4	Central Excise Act, 1944	Service Tax	Sep'11 to Jun'12	217,316 (NIL)	Commissioner (Appeals), CE, Jaipur
5	Central Excise Act, 1944	Service Tax	Nov'06 to July'11	1,148,612 (3,068,991)	Pending with Tribunal, RK Puram, Delhi



6	Central Excise Act, 1944	Service Tax	Aug'11 to Jul'12	325,712 (325,712)	Pending with Tribunal, RK Puram, Delhi
7	Central Excise Act, 1944	Service Tax	Aug'11 to Jul'12	33,475 (660,482)	Pending with Tribunal, RK Puram, Delhi
8	Central Excise Act, 1944	Service Tax	Aug'12 to Jul'13	25,545 (25,545)	Pending with Tribunal, RK Puram, Delhi
9	Central Excise Act, 1944	Service Tax	Apr'08 to Feb'09	NIL (485,131)	Pending with Tribunal, RK Puram, Delhi
10	Central Excise Act, 1944	Service Tax	Mar'09 to Mar'10	NIL (445,857)	Pending with Tribunal, RK Puram, Delhi
11	Central Excise Act, 1944	Service Tax	Apr'08 to Mar'10	NIL (291,171)	Pending with Tribunal, RK Puram, Delhi
12	Central Excise Act, 1944	Service Tax	Apr'08 to Jul'11	NIL (1,491,522)	Pending with Tribunal, RK Puram, Delhi
13	Income Tax Act, 1961	Income Tax	A.Y. 2008-09	NIL (256,368)	Commissioner of Income Tax (Appeals)
14	Income Tax Act, 1961	Income Tax	A.Y. 2012-13	352,960 (NIL)	Commissioner of Income Tax (Appeals)
15	Income Tax Act, 1961	Income Tax	A.Y. 2010-11	3,312,315 (3,312,315)	Commissioner of Income Tax (Appeals), Delhi
16	Local Areas Act, 1999	Entry Tax	2007-08	1,037,566 (1,219,212)	Hon'bleSupreme Court of India
17	Local Areas Act, 1999	Entry Tax	2008-09	791,040 (908,718)	Hon'bleSupreme Court of India
18	Local Areas Act, 1999	Entry Tax	2009-10	888,868 (1,119,316)	Hon'bleSupreme Court of India
19	Local Areas Act, 1999	Entry Tax	2010-11	723,027 (858,227)	Hon'bleSupreme Court of India
20	Local Areas Act, 1999	Entry Tax	2011-12	1,195,758 (1,449,974)	Hon'bleSupreme Court of India
	Total			10,302,707 (16,272,453)	

Note:- Figures in brackets relates to the previous year.

- (c) According to the information and explanations given to us and on the basis of our examination of the books of account, the amount required to be transferred to investor education and protection fund has been transferred to such fund within time in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.
- viii) 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.
- (ix) Based on our audit procedures and according to the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to banks.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loan
- taken by others from a bank or financial institution.
- (xi) Based on our audit procedures and on the information given by the management, we report that term loans have been utilized for the purpose, for which they have been raised.
- (xii) 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 : New Delhi
Date : 21st May, 2015

Membership No. : 089214

BALANCE SHEET AS AT 31ST MARCH, 2015

Particulars	Note No.	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)
I. EQUITY & LIABILITIES			
(1) SHAREHOLDERS' FUNDS			
(a) Share capital	2	187,680,000	187,680,000
(b) Reserves and surplus	3	1,628,972,099	1,574,437,218
(2) NON CURRENT LIABILITIES			
(a) Long term borrowings	4	1,567,583	137,977,595
(b) Deferred tax liabilities (net)	5	40,434,400	92,411,486
(c) Other long term liabilities	6	-	2,500,000
(d) Long term provisions	7	23,483,485	25,745,787
(3) CURRENT LIABILITIES			
(a) Short term borrowings	8	298,719,676	78,751,630
(b) Trade payables	9	541,362,940	438,721,626
(c) Other current liabilities	10	168,070,182	228,186,016
(d) Short term provisions	11	135,431,169	210,427,360
Total		3,025,721,534	2,976,838,718
II. ASSETS			
(1) NON CURRENT ASSETS			
(a) Fixed assets	12		
(i) Tangible assets		1,720,636,144	1,774,183,844
(ii) Intangible assets		4,907,229	13,872,686
(iii) Capital work-in-progress		8,038,424	1,554,043
(b) Non current investments	13	40,500	40,500
(c) Long term loans and advances	14	39,985,550	18,165,298
(d) Other non current assets	15	5,500,000	5,575,000
(2) CURRENT ASSETS			
(a) Inventories	16	282,098,175	252,232,447
(b) Trade receivables	17	640,786,153	521,332,263
(c) Cash and bank balances	18	23,900,520	22,998,788
(d) Short term loans and advances	19	299,828,839	366,883,849
Total		3,025,721,534	2,976,838,718

See accompanying notes forming part
of the financial statements

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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

(Deep Kapuria)
Executive Chairman

(Pranav Kapuria)
Managing Director

(Sandeep Dinodia)
Director

(Alok Agarwal)
Chief Financial Officer

Place: New Delhi
Date : May 21, 2015

(S.K. Khatri)
Company Secretary

(Vijay Mathur)
Sr. GM-Finance



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	Note No.	For the year ended 31.03.2015 (Rs.)	For the year ended 31.03.2014 (Rs.)
I. Revenue from operations	20	4,319,283,826	3,610,205,420
II. Other income	21	26,646,041	51,847,776
III. Total Revenue (I +II)		4,345,929,867	3,662,053,196
IV. EXPENSES			
Cost of materials consumed	22	2,087,338,053	1,755,063,989
Purchases of stock-in-trade (traded goods)	23	441,602,410	325,946,779
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(13,283,232)	(13,559,386)
Employee benefit expense	25	608,550,142	553,260,659
Finance cost	26	36,862,834	59,036,508
Depreciation and amortization expense	12	251,085,510	230,608,859
Other expenses	27	670,817,935	531,099,678
V. Total Expenses		4,082,973,652	3,441,457,086
VI. Profit before exceptional and extraordinary items and tax	III- V	262,956,215	220,596,110
VII. Exceptional items			
VIII. Profit before extraordinary items and tax	VI-VII	262,956,215	220,596,110
IX. Extraordinary items			
X. Profit before tax	VIII-IX	262,956,215	220,596,110
XI. Tax expense:			
(a) Current income tax		93,000,000	75,500,000
(b) Deferred tax		(14,215,143)	(14,157,027)
(c) Income tax for earlier years		-	-
XII. Profit for the period from continuing operations	X-XI	184,171,358	159,253,137
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	184,171,358	159,253,137
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		9.81	8.49
2. Diluted		9.81	8.49

**See accompanying notes forming part
of the financial statements**

1

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

(Sandeep Dinodia)
Director

(Alok Agarwal)
Chief Financial Officer

Place: New Delhi
Date : May 21, 2015

(S.K. Khatri)
Company Secretary

(Vijay Mathur)
Sr. GM-Finance

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	For the year ended 31.03.2015 (Rs)	For the year ended 31.03.2014 (Rs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before extraordinary items and tax	262,956,215	220,596,110
<i>Adjustments for:</i>		
Depreciation and amortisation	251,085,510	230,608,859
(Profit) / loss on sale	796,429	(5,276,456)
Provision for Impairment of Intangibles	-	-
Finance costs	36,862,834	59,036,508
Interest income	(3,264,349)	(12,680,039)
Dividend income	(10,725)	(12,075)
Liabilities / provisions no longer required written back	(12,046,980)	(5,882,925)
Provision for doubtful trade & other receivables, loans & advances	590,804	3,001,005
Provision for estimated loss on derivatives	-	-
	274,013,523	268,794,877
Operating profit / (loss) before working capital changes	536,969,738	489,390,987
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	(29,865,728)	(28,307,901)
Trade receivables	(120,044,695)	(227,073,612)
Short-term loans and advances	55,711,627	147,860,436
Long-term loans and advances	(1,194,137)	(165,807)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	102,641,314	(3,783,903)
Other current liabilities	(1,062,260)	6,075,337
Other long-term liabilities	(2,500,000)	-
Long term provisions	(2,262,302)	(4,575,052)
Short-term provisions	(62,949,211)	(116,380,304)
	(61,525,392)	(226,350,806)
Cash flow from extraordinary items	-	-
Cash generated from operations	475,444,346	263,040,181
Net income tax (paid) / refunds	(81,656,616)	(85,749,936)
Net cash flow from / (used in) operating activities (A)	393,787,730	177,290,245
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(328,426,609)	(97,948,700)
Proceeds from sale of fixed assets	850,120	5,436,469
(Increase) / decrease in non current assets	75,000	(75,000)
Payment out of reserve	-	(5,000,000)
Interest received	3,264,349	12,680,039
Dividend received	10,725	12,075
	(324,226,415)	(84,895,117)
Cash flow from extraordinary items	-	-
	(324,226,415)	(84,895,117)
Net income tax (paid) / refunds	-	-
Net cash flow from / (used in) investing activities (B)	(324,226,415)	(84,895,117)



Particulars	For the year ended 31.03.2015 (Rs)		For the year ended 31.03.2014 (Rs)	
C. Cash flow from financing activities				
Proceeds from long-term borrowings	5,406,750		39,507,351	
Repayment of long-term borrowings	(200,870,336)		(134,328,479)	
Net increase / (decrease) in working capital borrowings	219,968,046		39,246,106	
Finance cost	(36,862,834)		(59,036,508)	
Dividends paid	(46,920,000)		(46,920,000)	
Tax on dividend	(9,381,207)	(68,659,581)	(7,974,054)	(169,505,584)
Cash flow from extraordinary items		-		-
Net cash flow from / (used in) financing activities (C)		(68,659,581)		(169,505,584)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		901,733		(77,110,456)
Cash and cash equivalents at the beginning of the year	22,998,788		100,109,246	
Cash and cash equivalents at the end of the year		23,900,521		22,998,790
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet		23,900,520		22,998,788
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)		8,363,013		13,681,845
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)		15,537,508		9,316,945
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 *		15,537,508		9,316,945
* Comprises:				
(a) Cash on hand		891,392		851,332
(b) Balances with banks				
(i) In current accounts		8,330,023		5,854,994
(ii) In EEFC accounts		6,316,093		2,610,617
(iii) In deposit accounts with original maturity of less than 3 months		2,500,000		7,500,000
(iv) In earmarked accounts (Unpaid dividend account)		1,204,328		1,194,473
(v) In Margin Money (Against letter of credit & bank guarantees)		2,012,974		2,601,234
(vi) Interest accrued on FDR		2,645,711		2,386,140
		23,900,521		22,998,790

Notes:

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

See accompanying notes forming part of the financial statements

1

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

(Sandeep Dinodia)
Director

(Alok Agarwal)
Chief Financial Officer

Place : New Delhi
Date : May 21, 2015

(S.K. Khatri)
Company Secretary

(Vijay Mathur)
Sr. GM-Finance

NOTE '1' – NOTES FORMING PART OF FINANCIAL STATEMENTS

1.1 Basis of Preparation of Financial Statements

The Financial Statements are prepared under the historical cost convention on accrual basis and in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013.

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

1.2 Use of Estimates

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

1.3 Inventories

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

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

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

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

Scrap : **At realizable value.**

Stock in Trade includes Raw Materials & Scrap.

1.4 Provisions, Contingent Liabilities and Contingent Assets

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

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

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

1.5 Revenue Recognition

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

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

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

1.6 Fixed Assets and Depreciation

All Tangible & Intangible Assets are stated at cost less accumulated depreciation and impairment of Loss, if any. Depreciation on Buildings and Plant and Equipment is charged on pro-rata basis on Straight Line Method based on the life assigned to each asset in accordance with Schedule II of Companies Act, 2013. Intangible assets are amortized over their respective individual estimated useful life on written down value basis commencing from the date, the asset is available to the company for its use. Depreciation on rest of the



fixed assets has been provided on Written Down Value basis based on the life assigned to each asset in accordance with Schedule II of Companies Act, 2013.

1.7 Retirement Benefits

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

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

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

(i) Gratuity Plan

The Company makes annual contribution to the Employee's Group Gratuity-cum-Life Assurance scheme of the Life Insurance Corporation of India, a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of 6 months. Vesting occurs upon completion of 5 years of continued service.

(ii) Leave Encashment Plan

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

1.8 Foreign Currency Transactions

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

year are converted at the rates prevailing on that date.

Pursuant to the notification of the Companies (Accounting Standards) Amended Rules 2009 issued on 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.

1.9 Investments

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

1.10 Borrowing Cost

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

1.11 Earnings Per Share

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

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

1.12 Provision for Current & Deferred Taxes

Tax expenses comprise current and deferred taxes. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws. Deferred income taxes reflects the impact of current period timing difference between taxable and accounting income for the period and reversal of timing differences of earlier years. Deferred taxes is measured based on the tax rates and the tax laws enacted or substantively enacted as at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty and sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realized against future taxable profit.

1.13 Research and Development Costs

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

1.14 Impairment of Assets

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

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

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



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	As at 31.03.2015 (Rs)		As at 31.03.2014 (Rs)	
NOTE ‘2’ - SHARE CAPITAL				
(a) Authorised Capital 20,000,000 Equity shares of Rs. 10/- each with voting rights (Previous year 20,000,000 Equity shares of Rs. 10/- each with voting rights)		200,000,000		200,000,000
(b) Issued, Subscribed and fully Paid-up 18,768,000 Equity shares of Rs. 10/- each & fully paid up with voting rights (Previous year 18,768,000 Equity shares of Rs. 10/- each fully paid up with voting rights)		187,680,000		187,680,000
(c) Reconciliation of the number of Equity Shares with voting rights				
	31.03.2015	31.03.2014		
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 rights				
Name of Share Holder	31.03.2015 No of Shares	31.03.2014 No of Shares	%	%
Vulcan Electro Controls Ltd	1,082,000	1,082,000	5.77	5.77
Olympus Electrical Industries Pvt. Ltd.	1,745,200	1,745,200	9.30	9.30
Hi-Tech Portfolio Investments Ltd.	1,971,876	1,971,876	10.51	10.51
Mr. Deep Kapuria	3,117,461	3,104,253	16.61	16.54
(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 on all resolutions submitted to Shareholders. They have right to participate in the profits of the company, if declared by the Board as Interim Dividend and recommended by the Board & declared by the Members as Final Dividend. They are also entitled to Bonus/Right issue, as declared by company from time to time. They have right to receive Annual Report of the Company, beside other rights available under the Companies Act and Listing Agreement. 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 31.03.15	As at 31.03.14		
- 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		

	As at 31.03.2015 (Rs)		As at 31.03.2014 (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		13,989,000	
Add :Transferred from surplus during the year	-		5,000,000	
Less: Utilised during the year	-		5,000,000	
Closing balance		13,989,000		13,989,000
(d) General Reserve				
Balance as per last Balance Sheet	264,087,991		248,087,991	
Add : Transferred from surplus during the year	10,000,000		16,000,000	
Less: Transferred to Corporate Social Responsibility reserve	-		-	
Closing balance		274,087,991		264,087,991
(e) Surplus in Statement of Profit & Loss				
Balance as per last Balance Sheet	986,370,426		903,011,343	
Less: Depreciation on transition as per Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax) (Refer Note '12 ')	73,335,270			
Add : Profit for the year	184,171,358		159,253,137	
Less: Interim Dividend distributed to equity shareholders Rs. 1.00 per share (Previous year Rs. 1.00 per share)	18,768,000		18,768,000	
Less: Dividend Proposed to be distributed to equity shareholders Rs. 1.50 Per share (Previous year Rs. 1.50 Per share)	28,152,000		28,152,000	
Less: Tax on dividend (Interim)	3,752,496		3,189,622	
Less: Tax on Proposed dividend	5,628,711		4,784,432	
Less: Transferred to General Reserve	10,000,000		16,000,000	
Less: Transferred to Corporate Social Responsibility Reserve	-		5,000,000	
Closing balance		1,030,905,307		986,370,426
Total		1,628,972,099		1,574,437,218



	As at 31.03.2015 (Rs)	As at 31.03.2014 (Rs)																																				
NOTE '4' - LONG TERM BORROWINGS																																						
SECURED:																																						
(l) Term-loans: From banks																																						
(a) DBS External Commercial Borrowing (USD 1,125,000, Previous year-USD 2,250,000)	-	68,681,250																																				
Terms & conditions:-	31.03.2015	31.03.2014																																				
Sanctioned amount:-	USD 4,500,000	USD 4,500,000																																				
Total no. of installments:-	16 Quarterly installment of USD 281,250/- each																																					
No. of installment pending:-	4 Nos.	8 Nos.																																				
Rate of Interest :-	Libor+3%																																					
Security:-The amount is secured by way of pari pasu first charge over movable fixed asset, both present and future and also secured by second pari pasu charge over goods, both present and future including book debts. The charge is also secured by first pari pasu charge over immovable property situated at A-589, RIICO, Bhiwadi, Alwar.																																						
(b) Standard Chartered Bank External Commercial Borrowing USD (USD 1,100,000, Previous year-USD 2,200,000)	-	67,155,000																																				
Terms & conditions:-	31.03.2015	31.03.2014																																				
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:-	4 Nos.	8 Nos.																																				
Rate of Interest :-	Libor+3%																																					
Security:-The amount is secured by first pari pasu charge over immovable property situated at A-589, RIICO, Bhiwadi, Alwar with all building & structure and Plant & Machinery both present & future. Loan is also secured by way of hypothecation on first pari pasu basis over all present & future movable fixed assets (excluding assets specifically charged) & also secured by second pari pasu charge on entire current assets.																																						
(c) Car Loan																																						
(i) ICICI Bank Limited	1,567,583	2,141,345																																				
<table><tr><th>Sr No.</th><th>Sanction Amount</th><th>Instalments</th><th>EMI Rs.</th><th>Pending Instalments</th><th>Rate of interest</th></tr><tr><td>1</td><td>8,000,000</td><td>35</td><td>255,840</td><td>0</td><td>9.50%</td></tr><tr><td>2</td><td>2,528,000</td><td>59</td><td>53,871</td><td>46</td><td>10.50%</td></tr><tr><td>3</td><td>1,240,000</td><td>35</td><td>40,600</td><td>0</td><td>11.68%</td></tr><tr><td>4</td><td>1,180,000</td><td>35</td><td>38,635</td><td>0</td><td>11.68%</td></tr><tr><td>5</td><td>426,000</td><td>36</td><td>13,980</td><td>9</td><td>11.17%</td></tr></table>	Sr No.	Sanction Amount	Instalments	EMI Rs.	Pending Instalments	Rate of interest	1	8,000,000	35	255,840	0	9.50%	2	2,528,000	59	53,871	46	10.50%	3	1,240,000	35	40,600	0	11.68%	4	1,180,000	35	38,635	0	11.68%	5	426,000	36	13,980	9	11.17%		
Sr No.	Sanction Amount	Instalments	EMI Rs.	Pending Instalments	Rate of interest																																	
1	8,000,000	35	255,840	0	9.50%																																	
2	2,528,000	59	53,871	46	10.50%																																	
3	1,240,000	35	40,600	0	11.68%																																	
4	1,180,000	35	38,635	0	11.68%																																	
5	426,000	36	13,980	9	11.17%																																	
The Car loans comprise of 2 loans availed in previous years with varying terms and conditions including varying maturity periods.																																						
Security:-The loans are secured by way of hypothecation of specific Car.																																						
(d) DBS Bank Buyers Credit (EURO Nil, Previous year 752,204.41)	-	-																																				
Security:-The amount is obtained from bank located outside India under Non-Funded Facilities sanctioned and guaranteed by bank in India viz. DBS Bank Limited secured by way of first charge exclusively on machinery financed by the bank.																																						
Rate of Interest :- Libor+2%																																						
Total	1,567,583	137,977,595																																				
NOTE '5' - DEFERRED TAX LIABILITIES																																						
Opening balance	92,411,486	106,568,513																																				
Less: Deferred Tax on Depreciation on transition as per Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Refer Note '12')	37,761,943	-																																				
Less : Deferred tax during the year (Refer Note:'34')	14,215,143	14,157,027																																				
Closing balance	40,434,400	92,411,486																																				

	As at 31.03.2015 (Rs)	As at 31.03.2014 (Rs)
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' - LONG TERM PROVISIONS		
(a) Provision for employee benefits:		
(i) Provision for compensated absences	23,483,485	25,745,787
Total	23,483,485	25,745,787
NOTE '8' - SHORT TERM BORROWINGS		
Secured:		
Working capital-loans / loans repayable on demand from banks:		
(a) Citi Bank -N.A.	51,886,735	51,753,022
Rate of interest:- 13.50%		
Security:-Amount is secured by way of first charge on pari pasu basis of all stock in trade, book debts all present and future including machinery and also secured by second pari pasu charge on all resnet and future movable fixed assets		
(b) Citi Bank -Packing Credit	34,279,200	-
(c) Standard Chartered Bank-Packing Credit	126,960,000	-
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 immovable properties at A-589, RIICO, Bhiwadi together with Land & Building, Plant & Machinery & Furniture & Fixture attached/installed and to be attached/installed.		
(d) State Bank of India	40,543,196	26,998,608
Rate of interest:- 11.25%		
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. Further,the charge is secured by second pari passu on immovable property at A-589, RIICO, Bhiwadi.		
(e) ICICI Bank Limited	5,076,945	-
Rate of interest:- 11.96%		
Security:-The Amount is secured by way of first charge on pari pasu basis of all stock in trade, spares & other movable including book debts, bills all present and future ranking pari pasu with other participating banks.		
(f) Citi Bank N.A.,Nassau (Euro 580,000, Previous year Euro Nil)	39,973,600	-
Security:-The amount is obtained from Citi bank N.A.,Nassau, a bank located outside India under non-funded facilities sanctioned and guaranteed by bank in India viz. Citi Bank N.A. India.The security for this amount is covered in (a) above.		
Total	298,719,676	78,751,630



	As at 31.03.2015 (Rs)		As at 31.03.2014 (Rs)	
NOTE ‘9’ - TRADE PAYABLES				
(a) Creditors				
(i) Due to micro, medium & small enterprises (Refer Note.'38')	6,618,395		3,008,059	
(ii) Due to others**	302,269,535	308,887,930	232,027,124	235,035,183
(b) Other payables:				
(i) Employees benefits payables	29,589,971		29,089,972	
(ii) Expenses payable**	152,048,242		133,309,782	
(iii) Against purchase of fixed assets	5,749,405		555,319	
(iv) Other contractual obligations				
(a) Due to micro, medium & small enterprises (Refer Note.'38')	993,396		808,420	
(b) Due to others**	33,139,967		29,227,354	
(v) Advance from customer	10,954,029	232,475,010	10,695,596	203,686,443
**for related party balances (Due to others) (Refer Note.'31')				
Total		541,362,940		438,721,626
NOTE ‘10’ - OTHER CURRENT LIABILITIES				
(a) Current maturity of long term debts (Secured term loan from banks) (Refer Note no.4 for security details)		141,816,762		200,870,336
(b) Interest accrued but not due		1,284,111		2,658,995
(c) Interest accrued and due		106,860		40,921
(d) Unpaid dividends		1,204,328		1,194,473
(e) Other payables				
(i) Statutory liabilities (Excise duty, Vat, TDS & other)	19,908,121		20,971,291	
(ii) Trade security deposits	3,750,000	23,658,121	2,450,000	23,421,291
Total		168,070,182		228,186,016
NOTE ‘11’ - SHORT TERM PROVISIONS				
(a) Provision for employee benefits				
(i) Provision for gratuity	694,611		4,288,339	
(ii) Provision for bonus ex-gratia	10,879,892		10,181,912	
(iii) Provision for compensated absences	3,060,255	14,634,758	2,232,277	16,702,528
(b) Provision for tax		86,961,600		160,700,000
(c) Provision for wealth tax		54,100		88,400
(d) Provision for proposed dividend		28,152,000		28,152,000
(e) Provision for tax on proposed dividend		5,628,711		4,784,432
Total		135,431,169		210,427,360

Note - '12' : FIXED ASSETS

Amount in Rs.

NAME OF ASSETS	GROSS BLOCK					DEPRECIATION					NET BLOCK		
	COST AS ON 01.04.2014	ADDITIONS DURING THE YEAR			DISPOSALS/ SALE DURING THE YEAR	TOTAL AS ON 31.03.2015	DEPRECIATION AS ON 01.04.2014	DEPRECIATION/ AMORTISATION EXPENSE FOR THE YEAR	ELIMINATED ON DISPOSAL OF ASSETS	OTHER ADJUSTMENTS/ TRANSITION ADJUSTMENT RECORDED AGAINST SURPLUS BALANCE IN STATEMENT OF PROFIT AND LOSS	TOTAL DEP AS ON 31.03.2015	W.D.V. AS ON 31.03.2015	W.D.V. AS ON 31.03.2014
(I) TANGIBLE ASSETS													
A LAND													
Freehold*	377,427,192	6,750,000	-	-	-	384,177,192	-	-	-	-	-	384,177,192	377,427,192
Leasehold	18,591,616	-	-	-	-	18,591,616	-	256,430	-	-	256,430	18,335,186	18,591,616
B i) BUILDING	398,465,717	-	1,319,599	-	-	399,805,316	71,555,805	11,781,860	-	-	83,337,665	316,467,651	326,929,912
ii) RESIDENTIAL FLATS(Leasehold)	5,755,011	-	-	-	-	5,755,011	1,368,658	90,304	-	-	1,458,962	4,296,049	4,386,353
C PLANT & EQUIPMENTS	2,451,800,308	286,271,414	3,212,204	38,356	20,895,863	2,720,426,419	1,437,519,571	220,154,945	19,266,462	106,395,929	1,744,803,983	975,622,436	1,014,280,737
D FURNITURE & FIXTURE	26,115,577	937,906	-	-	-	27,053,483	19,102,035	2,426,222	-	59,008	21,587,265	5,466,218	7,013,542
E VEHICLES	43,681,018	415,000	-	-	267,442	43,828,576	27,887,045	5,543,078	254,070	15,656	33,191,709	10,636,867	15,793,973
F OFFICE EQUIPMENTS	61,348,531	2,371,635	-	-	75,520	63,644,646	51,588,012	4,992,893	71,744	1,500,940	58,010,101	5,634,545	9,760,519
TOTAL -I (A+B+C+D+E+F)	3,383,204,970	296,745,955	4,531,803	38,356	21,238,825	3,663,282,259	1,609,021,126	245,245,732	19,592,276	107,971,533	1,942,646,115	1,720,636,144	1,774,183,844
(II) INTANGIBLE ASSETS													
G INVESTMENT IN TENANCY RIGHT	-	-	-	-	-	-	-	-	-	-	-	-	-
H SOFTWARE	77,596,585	-	-	-	-	77,596,585	63,723,899	5,839,778	-	3,125,679	72,689,356	4,907,229	13,872,686
TOTAL -II (G+H)	77,596,585	-	-	-	-	77,596,585	63,723,899	5,839,778	-	3,125,679	72,689,356	4,907,229	13,872,686
GRAND TOTAL -(I+II)	3,460,801,555	296,745,955	4,531,803	38,356	21,238,825	3,740,878,844	1,672,745,025	251,085,510	19,592,276	111,097,212	2,015,335,471	1,725,543,373	1,788,056,530
PREVIOUS YEAR	3,342,712,244	69,153,382	49,975,770	-	1,039,841	3,460,801,555	1,443,015,995	230,608,859	879,829		1,672,745,025	1,788,056,530	1,899,696,248
(III) CAPITAL WORK IN PROGRESS													
I BUILDING	-	-	-	-	-	-	-	-	-	-	-	-	-
J PLANT & MACHINERY	1,554,043	8,038,424	-	-	1,554,043	8,038,424	-	-	-	-	-	8,038,424	1,554,043
TOTAL-III (I+J)	1,554,043	8,038,424	-	-	1,554,043	8,038,424	-	-	-	-	-	8,038,424	1,554,043

* Notes: During the Financial Year 2007-08 the company had revalued its land situated at Revenue Estate of Shi 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.1,01,69,853/-. 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.

During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company revised the estimated useful life of its assets to align the useful life with those specified in Schedule II. Further, assets individually costing Rs.5,000/- or less that were depreciated fully in the year of purchase are now depreciated based on the useful life considered by the Company for the respective category of assets. Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted an amount of Rs. 111,097,213/- (net of deferred tax of Rs. 73,335,270/-) against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus.



	As at 31.03.2015 (Rs)		As at 31.03.2014 (Rs)	
NOTE ‘13’ - NON CURRENT INVESTMENTS				
(a) Investment in equity instruments (Non-trade) Quoted (At cost) 750 Equity shares of Rs. 10/- Each fully Paid Up of State Bank Of Bikaner & Jaipur market value Rs 440,250/-, (Previous year Rs.244,575/-)		40,500		40,500
Total		40,500		40,500
NOTE ‘14’ - LONG TERM LOANS AND ADVANCES (Unsecured, considered good)				
(a) Capital advances		21,550,195		924,080
(b) Security deposits		15,059,065		14,955,815
(c) Other loan and advances				
(i) Employees	2,476,155		1,540,457	
(ii) Others	900,135	3,376,290	744,946	2,285,403
Total		39,985,550		18,165,298
NOTE ‘15’ - OTHER NON CURRENT ASSETS				
Balance held as margin money (Against letter of credit & bank guarantees Note: Margin money deposits with bank include Rs.55,00,000 /- (Previous year Rs 55,75,000/-)which have an original maturity of more than 12 months.		5,500,000		5,575,000
		5,500,000		5,575,000
NOTE ‘16’ - INVENTORY				
- As valued and certified by the management)				
(a) Raw material (At cost)		36,960,966		27,212,488
(b) Work-in-progress (At Lower of cost plus conversion cost on the basis of absorption costing and net realisable value)		114,701,557		103,361,980
(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)		21,768,011		19,824,355
(d) Stores and spares (At cost)		108,667,641		101,833,624
Total		282,098,175		252,232,447
NOTE ‘17’ - TRADE RECEIVABLES				
(a) Unsecured, considered good Outstanding for more than six months from due date Others***	19,872,043 620,914,110		22,211,259 499,121,004	
		640,786,153		521,332,263
(b) Doubtful Trade receivables Less: Provision for doubtful debts (Refer Note.'35 (B)') ***for related party balances (Refer Note.'31')	4,968,757 4,968,757		7,648,219 7,648,219	
		-		-
Total		640,786,153		521,332,263

	As at 31.03.2015 (Rs)		As at 31.03.2014 (Rs)	
NOTE '18' - CASH AND BANK BALANCES				
(a) <u>Cash & cash equivalents (as per AS 3 Cash Flow Statements)</u>				
(i) Cash on hand (including imprest)		891,392		851,332
(ii) Balances with banks				
In current A/C	8,330,022		5,854,994	
In EEFC accounts	6,316,093	14,646,115	2,610,617	8,465,611
(b) <u>Other bank balance</u>				
In Fixed deposits	2,500,000		7,500,000	
In unpaid dividend accounts-ICICI bank	190,617		256,672	
In unpaid dividend accounts-State bank of India	452,722		458,023	
In unpaid dividend accounts-Yes bank	560,989		479,778	
In Margin money (Against letter of credit & bank guarantees)	2,012,974		2,601,234	
Interest accrued on FDR	2,645,711	8,363,013	2,386,138	13,681,845
Total		23,900,520		22,998,788
NOTE '19' - SHORT TERM LOANS AND ADVANCES				
(a) <u>Unsecured, considered good</u>				
(i) Security deposits		3,913,900		4,338,667
(ii) Loan and advances to employees		2,755,501		2,586,777
(iii) Prepaid expenses		11,174,188		12,745,426
(iv) Balances with government authorities (vat, excise & other)		109,198,137		96,249,762
(v) Advance tax/Tax deducted at source		102,007,702		186,245,207
(vi) Others				
Amount recoverable in cash or in kind	56,685,559		48,984,058	
Advance to supplier	14,093,852	70,779,411	15,733,952	64,718,010
(b) <u>Doubtful</u>				
Advance to supplier	4,805,085		4,805,085	
Less: Provision for doubtful debts	4,805,085	-	4,805,085	-
***for related party balances (Refer Note.'31')				
Total		299,828,839		366,883,849
	For the year ended 31.03.2015 (Rs)		For the year ended 31.03.2014 (Rs)	
NOTE '20' - REVENUE FROM OPERATIONS				
(a) <u>Sale of products</u>				
(i) <u>Sale of manufactured goods</u>				
Transmission gears and shaft - domestic	3,659,684,067		2,994,486,249	
Transmission gears and shaft - export	392,085,482		402,494,198	
Software -export	6,910,170	4,058,679,719	5,651,082	3,402,631,529
(ii) <u>Sale of traded goods</u>				
Transmission gears and shaft - export		523,727,744		411,168,530
(iii) <u>Sale services</u>				
Software -services	8,350,265		13,810,122	
{Tax deduction at source Rs. 810,199/- (Previous year Rs.1,594,394/-)}				
Sales Jobwork	56,980,432	65,330,697	58,884,507	72,694,629
{Tax deduction at source Rs. 1,133,476/- (Previous year Rs.1,170,125/-)}				
Less: Excise duty		4,647,738,160		3,886,494,688
		414,529,406		355,633,587
		4,233,208,754		3,530,861,101
(b) <u>Other operating revenue:</u>				
Export incentives	10,158,701		7,306,718	
Sales scrap	75,916,371	86,075,072	72,037,601	79,344,319
Total		4,319,283,826		3,610,205,420



	For the year ended 31.03.2015 (Rs)		For the year ended 31.03.2014 (Rs)	
NOTE ‘21’ - OTHER INCOME				
Interest income		3,264,349		12,680,039
{Tax deduction at source Rs. 274,186/- (Previous year Rs.1,118,091/-)}				
Dividend income from non current investment		10,725		12,075
Excess provision written back		12,046,980		5,882,925
Balance written off		80,928		20,470,299
Other non-operating income				
Cash discount	8,165,154		7,423,741	
Profit on sales of assets (Net)	-		5,276,456	
Miscellaneous receipts	3,077,905	11,243,059	102,241	12,802,438
Total		26,646,041		51,847,776
NOTE ‘22’ - COST OF MATERIAL CONSUMED				
Opening stock of raw material (Steel rod & forgings)	27,212,488		30,723,453	
Add: Purchase during the year (Steel rod & forgings)	2,097,086,531		1,751,553,024	
	2,124,299,019		1,782,276,477	
Less: Closing stock of raw material (Steel rod & forgings)	36,960,966		27,212,488	
Raw material consumed (Steel rod & forgings)		2,087,338,053		1,755,063,989
Total		2,087,338,053		1,755,063,989
NOTE ‘23’ - PURCHASE OF TRADED GOODS				
Opening stock of purchase of traded goods (forgings)	-		-	
Add: Purchase during the year (forgings)	441,602,410		325,946,779	
Less: Closing stock of purchase of traded goods (forgings)	-		-	
Purchase of traded goods (forgings)	441,602,410	441,602,410	325,946,779	325,946,779
Total		441,602,410		325,946,779
NOTE ‘24’ - CHANGE IN INVENTORY				
<u>Inventories at the end of the year:</u>				
Finished goods (Transmission gears & shaft)	21,768,011		19,824,356	
Work-in-progress (Transmission gears & shaft)	114,701,557		103,361,980	
<u>Inventories at the beginning of the year:</u>				
Finished goods (Transmission gears & shaft)	19,824,356		12,848,534	
Work-in-progress (Transmission gears & shaft)	103,361,980		96,778,416	
Net (increase) / decrease		(13,283,232)		(13,559,386)
Total		(13,283,232)		(13,559,386)
NOTE ‘25’ - EMPLOYEE BENEFIT EXPENSES				
Salary, wages & perquisites		546,918,359		495,983,672
Contribution to PF, ESI & other funds		29,365,676		28,540,251
Labour and staff welfare		32,266,107		28,736,736
Total		608,550,142		553,260,659
NOTE ‘26’ - FINANCE COST				
Interest to banks		18,067,059		27,097,390
Interest to others		455,900		1,044,082
Bill discounting charges		17,159,971		19,493,423
Loss/(profit) on exchange rate fluctuation		(2,587,904)		8,458,600
Bank commision & charges		3,767,808		2,943,013
Total		36,862,834		59,036,508

	For the year ended 31.03.2015 (Rs)		For the year ended 31.03.2014 (Rs)	
NOTE '27' - OTHER EXPENSES				
Stores and spares consumed		239,111,571		167,909,286
Power and fuel		181,777,775		133,793,426
Rent		19,316,472		19,286,712
Repairs to building		1,549,008		8,457,903
Machinery repairs		42,608,062		33,707,729
Insurance		14,551,396		15,105,251
Fees rates & taxes		3,853,871		2,231,246
Charity & donation		61,575		984,705
Payment to auditors:				
Audit fees	900,000		900,000	
Out of pocket expenses	391,720		384,803	
In other capacity	228,750	1,520,470	162,500	1,447,303
Directors sitting fees		500,000		360,000
Loss on exchange fluctuation other than finance cost		4,220,695		6,517,243
Loss on sale of assets (Net)		796,429		-
CSR Expenses		7,415,367		-
Provision for doubtful debts		590,804		3,001,005
Increase/decrease on excise duty		958,170		1,705,303
Prior period expenses (Refer Note. '50')		73,644		152,290
Miscellaneous expenses		151,912,626		136,440,276
Total		670,817,935		531,099,678

NOTE '28' – FOREIGN EXCHANGE FLUCTUATION

- (a) The Profit & Loss account of the Company includes a loss of Rs. **1,632,791/-** (Net) (Previous year loss of Rs. **14,975,843/-** (Net) on account of Foreign Exchange Fluctuation, details of the same are stated as below:

Amount (Rs.)

Particulars	Current Year	Previous Year
a) Foreign Exchange fluctuation part of finance cost:		
Profit/(Loss) Recognized on Foreign Currency Loans (Net)	(4,122,600)	(8,458,600)
Profit/(Loss) on Options (Net)	6,710,504	1,237,865
Sub Total (a)	2,587,904	(7,220,735)
b) Foreign Exchange fluctuation part of other then finance cost:		
Profit/(Loss) Earned on Imports (Net)	(3,311,473)	783,805
Profit/(Loss) Recognized on Exports (Net)	(835,649)	(8,534,735)
Profit/(Loss) on Other Expenses (Net)	(73,573)	(4,178)
Sub Total (b)	(4,220,695)	(7,755,108)
Total Amount (Net) (a) + (b)	(1,632,791)	(14,975,843)

- (b) Company opted for the option to follow principles of notification of the Companies (Accounting Standards) Amendment Rules 2009 issued 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 12 and depreciated over the balance life of the asset.

Accordingly, Rs. **4,531,803/-** (Previous Year Rs. **49,975,770/-**) have been included to the cost of fixed assets and profit for the year is higher by Rs. **4,531,803/-** (Previous Year profit for the year was higher by Rs. **49,975,770/-**)

NOTE '29' – 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 31st March, 2015:



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%	8.00%	8.00%	8.00%
Rate of increase In Compensation Levels	9.50%	9.50%	9.50%	9.50%
Expected Rate of Return Of Plan Assets	-	-	9.00%	8.75%
Expected Average Remaining Working Lives of Employees (Years)	20.17	20.59	20.17	20.59

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 01.04.14	27,978,064	33,600,078	96,588,341	92,343,835
Interest Cost	2,238,245	2,688,006	7,727,067	7,387,507
Past Service Cost	-	-	-	-
Current Service Cost	5,540,595	5,621,319	9,356,796	8,886,301
Benefits Paid	(4,530,132)	(11,083,668)	(7,308,464)	(6,341,244)
Actuarial (gain)/loss on obligations	(4,683,032)	(2,847,671)	(901,982)	(5,688,058)
Present value of obligation as at 31.03.15	26,543,740	27,978,064	105,461,758	96,588,341

Change in the fair value of Plan Assets:-

Amount in Rs.

Particulars	Leave Encashment		Gratuity	
	Current Year	Previous Year	Current Year Funded	Previous Year Funded
Fair value of Plan Assets as at 01.04.14	-	-	92,300,002	76,426,345
Expected Return on Plan Assets	-	-	8,307,000	6,687,305
Employer Contributions	-	-	4,350,082	15,608,105
Fund Charge	-	-	(11,038)	-
Benefits Paid	-	-	(7,308,464)	(6,341,244)
Actuarial gain/(loss) on plan assets	-	-	4,787,025	(80,509)
Fair value of Plan Assets as at 31.03.15	-	-	102,424,607	92,300,002

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

Amount in Rs.

Particulars	Leave Encashment		Gratuity	
	Current Year	Previous Year	Current Year	Previous Year
Present value of funded obligation as at 31.03.15	-	-	105,461,758	96,588,341
Fair value of Plan Assets as at the end of the period funded status	-	-	102,424,607	92,300,002
Present value of unfunded obligation as at 31.03.15	26,543,740	27,978,064	-	-
Net Liability recognized in Balance Sheet	26,543,740	27,978,064	(3,037,151)	(4,288,339)

Expenses recognized in the statement of profit and loss:

Amount in Rs.

Particulars	Leave Encashment		Gratuity	
	Current Year	Previous Year	Current Year	Previous Year
Current Service Cost	5,540,595	5,621,319	9,356,796	8,886,301
Past Service Cost	-	-	-	-
Interest Cost	2,238,245	2,688,006	7,727,067	7,387,507
Expected Return on Plan Assets	-	-	(8,307,000)	(6,687,305)
Net Actuarial (Gain)/Loss recognized in the period	(4,683,032)	(2,847,671)	(5,689,007)	(5,607,549)
Total Expenses recognized in the Profit and Loss Account	3,095,808	5,461,654	3,087,856	3,978,954

NOTE '30' – 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 primary segment for disclosure under AS-17 and therefore, Geographical segment can be considered as the primary segment. Geographical revenues are allocated based on the location of the customer. Geographic segments of the Company are America, India and Others.

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

Amount in Rs.

Geographic Segment	Revenues	Revenues
	Current Year	Previous Year
America	691,579,661	577,726,334
India	3,387,599,127	2,790,891,611
Others	240,105,038	241,587,475
Total	4,319,283,826	3,610,205,420

NOTE '31' – RELATED PARTY DISCLOSURES (AS-18)

- (a) Related parties where control exists - NIL
- (b) Name of the related parties and their relationship:

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



(c) Details of related party transactions during the year ended 31 March, 2015 and balances outstanding as at 31 March, 2015:

Particular / Nature of Relationship	Current year			Previous Year		
	Associates	Key Management personnel	Total	Associates	Key Management personnel	Total
Purchases of goods	1,067,690,781	0	1,067,690,781	858,976,815	0	858,976,815
Sale of Goods	244,582,288	0	244,582,288	187,766,689	0	187,766,689
Rendering of Job Work/Services	57,929,516	0	57,929,516	59,629,048	0	59,629,048
Sale of fixed asset	0	0	0	33,685	0	33,685
Receiving of Job Work/Services	211,943,402	0	211,943,402	281,151,278	0	281,151,278
Leasing or hire purchase arrangements	20,224,800	0	20,224,800	20,224,800	0	20,224,800
Remuneration	0	23,619,554	23,619,554	0	19,844,601	19,844,601
Re-imbursement Paid	1,271,925	0	1,271,925	2,505,056	0	2,505,056
Re-imbursement Received	2,400,000	0	2,400,000	2,421	0	2,421
	1,606,042,712	23,619,554	1,629,662,266	1,410,289,792	19,844,601	1,430,134,393
Balance out-standing at the year end						
Trade Receivable		0	0	2,397,253	0	2,397,253
Trade payable	147,872,160	8,525,551	156,397,711	105,077,822	6,759,247	111,837,069

NOTE '32' – OPERATING LEASE

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

Amount in Rs.

Particulars	Current Year	Previous Year
Not later than one year	18,595,344	10,500,000
Later than one year but not later than five years	45,000,000	3,158,292
Later than five years	NIL	NIL

NOTE '33' – EARNINGS PER SHARE (EPS)

Particulars	Current Year	Previous Year
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. 184,171,359	Rs. 159,253,136
EPS Basic / Diluted (B/A)	Rs. 9.81	Rs. 8.49

NOTE '34' – DEFERRED TAX (LIABILITY) / ASSET

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

Amount in Rs.

Deferred tax (liability) / asset	Current Year	Previous Year
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	(65,055,656)	(142,387,076)
Tax effect of items constituting deferred tax liability	(65,055,656)	(142,387,076)
Tax effect of items constituting deferred tax assets		
Increase/Decrease in Liability due to Foreign Exchange Fluctuation	8,318,158	31,297,532

Amount in Rs.

Deferred tax (liability) / asset	Current Year	Previous Year
Provision for doubtful debts / advances	3,322,129	4,232,878
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	12,980,968	14,445,180
Tax effect of items constituting deferred tax assets	24,621,256	49,975,590
Net deferred tax (liability) / asset	(40,434,400)	(92,411,486)

NOTE '35' – CONTINGENT LIABILITIES & COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)**A. Commitments:**

Estimated amount of contracts remaining to be executed on capital accounts **Rs.62,206,931/-** after adjusting advances (Previous year **Rs. 924,080/-**)

B. Contingent Liabilities:

- Haryana State Industrial & Infrastructure Development Corporation Ltd ('HSIIDC') had demanded an enhanced amount from the industrial plot owners in Manesar, Haryana, based on the Hon'ble Supreme Court's order. The Company, being a plot owner, received a demand notice of Rs. 3,552/- per sq mtr on it total plot of 12150 mtrs., totaling to Rs.4,31,56,800/-, including interest. Out of above, Rs.1,20,76,614/- was paid in previous years, at the time of registration of conveyance deed. The calculation method of demand raised by HSIIDC was contested by the Company through the Manesar Industries Welfare Association at the Hon'ble High Court at Chandigarh. The Court, while staying the calculation made by HSIIDC, has asked the plot owners to deposit five installments, as per new schedule, till further orders. The company paid Rs.3,20,70,471/- upto 2013-14 (including payments at the time of registration, as aforesaid) and Rs. 67,50,000/- in 2014-15. The Hon'ble court has pleased to reduce the demand to Rs. 3,313/- per sq mtrs.in its order dt. Nov 11, 2014, totaling to Rs. 4,02,52,950/- together with interest. The Company has not received the final demand notice from HSIIDC after adjustment for the balance enhanced amount payable. Any additional compensation, if payable, will have the effect of enhancing the asset value of the land.

2) Details of Bank Guarantees are as under:-

Year	Opening		Released during Year	Fresh booked	Fresh booked	Balance
	Beneficiary	Amount				
FY2014-15	Asst. Commissioner Customs Export	5,500,000	-		-	5,500,000
	Dy. Commissioner Customs Export	154,224	154,224	Dy. Commissioner Customs Export	154,224	154,224
	Haryana State Pollution	750,000	-		-	750,000
	The President of India	1,178,750	1,178,750	The President of India	1,178,750	1,178,750
	Haryana State Pollution	1,388,016	1,388,016	Haryana State Pollution	1,388,016	1,388,016
	The President of India	1,060,875	1,060,875		-	-
	Dy. Commissioner Customs Export	6,632,600	6,632,600		-	-
	Dy. Commissioner Customs Export	130,000	130,000	Dy. Commissioner Customs Export	130,000	130,000
	Dy. Commissioner Customs Export	475,000	475,000	Dy. Commissioner Customs Export	475,000	475,000
Total		17,269,465	11,019,465		32,25,990	9,575,990
FY2013-14		15,461,775	9,211,775		11,019,465	17,269,465



- (1) Contingent liabilities on account of disputed statutory demands not provided for in the books of account are in appeals, as follows:-

S. No.	Particulars	Period to which the amount relates	Amount (Rs.)	Forum Where Dispute is Pending
1.	Central Excise Act 1944	Feb'09 to Dec'09	85,598 (85,598)	Commissioner (Appeal), CE
2	Central Excise Act 1944	Nov'10 to Aug'11	164,915 (164,915)	Pending with Tribunal, RK Puram, Delhi
3	Central Excise Act 1944	Nov'10 to Aug'11	NIL (103,399)	Commissioner (Appeal), CE
4	Central Excise Act 1944	Sep'11 to Jun'12	217,316 (NIL)	Commissioner (Appeals), CE, Jaipur
5	Central Excise Act 1944	Nov'06 to July'11	1,148,612 (3,068,991)	Pending with Tribunal, RK Puram, Delhi
6	Central Excise Act 1944	Aug'11 to Jul'12	325,712 (325,712)	Pending with Tribunal, RK Puram, Delhi
7	Central Excise Act 1944	Aug'11 to Jul'12	33,475 (660,482)	Pending with Tribunal, RK Puram, Delhi
8	Central Excise Act 1944	Aug'12 to Jul'13	25,545 (25,545)	Pending with Tribunal, RK Puram, Delhi
9	Central Excise Act 1944	Apr'08 to Feb'09	NIL (485,131)	Pending with Tribunal, RK Puram, Delhi
10	Central Excise Act 1944	Mar'09 to Mar'10	NIL (445,857)	Pending with Tribunal, RK Puram, Delhi
11	Central Excise Act 1944	Apr'08 to Mar'10	NIL (291,171)	Pending with Tribunal, RK Puram, Delhi
12	Central Excise Act 1944	Apr'08 to Jul'11	NIL (1,491,522)	Pending with Tribunal, RK Puram, Delhi
13	Income Tax Act, 1961	A.Y. 2008-09	NIL (256,368)	Commissioner of Income Tax(Appeals)
14	Income Tax Act, 1961	A.Y. 2008-09	256,368 (NIL)	Income Tax Appellate Tribunal
15	Income Tax Act, 1961	A.Y. 2012-13	352,960 (NIL)	Commissioner of Income Tax(Appeals)
16	Income Tax Act, 1961	A.Y. 2010-11	3,312,315 (3,312,315)	Commissioner of Income Tax (Appeals), Delhi
	Total		5,922,816 (10,717,006)	

Note:- Figures in brackets relates to the previous year

- (4) Statutory demands for which show cause notice issued to the company:

S. No.	Particulars	Period to which the amount relates	Amount (Rs.)	Forum Where Dispute is Pending
1	Central Excise Act 1944	Aug'12 to Jul'13	2,482,456 (2,482,456)	Additional Commissioner, CE, Gurgaon
2	Central Excise Act 1944	Apr'05 to Mar'08	1,041,730 (1,041,730)	Additional Commissioner, CE, Gurgaon
3	Central Excise Act 1944	Sep'11 to Jun'12	NIL (217,316)	Assistant Commissioner
4	Central Excise Act 1944	Apr'09 to Mar'11	439,826 (439,826)	Assistant Commissioner, Bhiwadi
5	Central Excise Act 1944	Aug'13 to Jul'14	57,400 (NIL)	Assistant Commissioner, Gurgaon

S. No.	Particulars	Period to which the amount relates	Amount (Rs.)	Forum Where Dispute is Pending
6	Central Excise Act 1944	Apr'11 to Mar'12	52,055 (52,055)	Assistant Commissioner, Bhiwadi
7	Central Excise Act 1944	Aug'12 to Jul'13	1,812,065 (NIL)	Additional Commissioner, CE, Gurgaon
	Total		5,885,532 (4,233,383)	

Note:- Figures in brackets relates to the previous year

- (5) There are four separate legal cases filed by past employees against the Company for re-instatement/settlement of their remuneration matters, which are currently running in the Camp Court, Bhiwadi, Rajasthan. The financial impact of these cases, if any, is not identifiable and hence the same has not been provided in the financial statements.
- (6) The Company has disputed entry tax liability being levied by the Rajasthan Government from the financial year 2007-08 onwards. The Hon'ble Supreme Court of India vide order dated 13.03.2015, has granted stay to the Company on this matter and has given direction to deposit 50% of the entry tax arrears, remaining 50% balance in the form of bank guarantee and full payment of future payments, subject to the outcome of the case, which is still pending before the Hon'ble Supreme Court of India. Accordingly, the company has deposited a sum of Rs. 64,36,111/- to the credit of the Rajasthan State Government upto the current year ended 31.03.2015. The Company has made provision in its books of accounts for the balance also.

NOTE '36' – PROVISIONS

Provisions	Short-Term	
	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
Provision for employee benefits		
(i) Provision for Leave Benefits	26,543,740	27,978,064
(ii) Provision for Gratuity	694,611	4,288,339
(ii) Provision for Bonus	10,879,892	10,181,911
	38,118,243	42,448,314
Other Provisions		
Provision for Income Tax	86,961,600	160,700,000
Provision for Wealth Tax	54,100	88,400
	87,015,700	160,788,400
Provision for Proposed Dividend	28,152,000	28,152,000
Provision for Tax on Proposed Dividend	5,628,711	4,784,432
	33,780,711	32,936,432
Total	158,914,654	236,173,146
Provision for doubtful debts (of Debtors)	Current Year	Previous Year
At the beginning of the year	7,648,219	11,860,140
Add: Arising during the year	5,904,001	3,001,005
Less: Amount recovered during the year hence provision reversed	(8,002,957)	(7,212,926)
At the end of the year	5,549,262	7,648,219
Provision for doubtful debts (of Advance to Suppliers)		
At the beginning of the year	4,805,085	4,805,085
Add: Arising during the year	-	-
Less: Considered as bad during the year	-	-
At the end of the year	4,805,085	4,805,085



NOTE '37' – FINANCIAL INSTRUMENTS: RECOGNITION & MEASUREMENT

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

Particular	Current Year		Previous Year	
	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	259,122,929	USD 4,214,629.97	234,862,193	USD 3,990,861.39
Export Receivables	6,015,953	EUR 91,002.55	-	-
Export Receivables	3,587,097	GBP 39,553.39	3,878,208	GBP 39,553.37
Advance to supplier	1,705,535	EUR 25,810.16	7,472,756	EUR 92,347.46
Advance to supplier	630,864	CHF 9,950.54	3,403,594	CHF 51,375.00
Advance to supplier	990,831	USD 15,047.00	-	-
Advance to supplier	7,206,300	JPY 14,130,000.00	-	-
Advance from customer	(10,952,368)	(USD 172,465.16)	(10,660,304)	(USD 174,615.95)
Payable for Imports & others	(83,993,406)	(USD 1,323,243.69)	(84,144,765)	(USD 1,378,292.63)
Payable for Imports & others	(660,456)	(EUR 9,582.94)	(548,857)	(EUR 6,526.24)
Payable for Imports & others	(619,318)	(CHF 9,368.00)	(7,348,690)	(CHF 106,241.00)
Foreign Currency loans	(302,482,200)	(USD 4,765,000.00)	(271,672,500)	USD (4,450,000.00)
Foreign Currency loans	(39,973,600)	(EUR 580,000.00)	(63,260,391)	EUR (752,204.41)
Interest on Foreign Currency Loans	(1,241,962)	(USD 19,109.00)	(2,405,197)	USD (39,397.17)
Interest on Foreign Currency Loans	(42,149)	(EUR 555.00)	(253,798)	EUR (3,017.81)

NOTE '38' – 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 '39' – BALANCE WITH MICRO, MEDIUM & 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 9'):

Amount in Rs.

	Current Year		Previous Year	
	Balance as on 31.03.2015	Interest on Late Payment	Balance as on 31.03.2014	Interest on Late Payment
Amount remaining unpaid to suppliers	7,497,393	32,638	3,816,479	30,552
Amount of Interest paid under the Act	-	-	-	-
Amount of Interest due and payable for the period	-	-	-	2,086
Amount of Interest accrued and unpaid	-	-	-	-
Amount of further interest due and payable in succeeding year	-	-	-	-

NOTE '40' – CIF VALUE OF IMPORT

Amount in Rs.

Particulars	Current Year	Previous Year
Value of Imports Calculated On CIF Basis		
Consumable Stores & Spare Parts	22,713,267	29,488,052
Capital goods	78,919,435	NIL
Raw Material	26,047,878	19,188,480

NOTE '41' – EXPENDITURE IN FOREIGN CURRENCY

Amount in Rs.

Particulars	Current Year	Previous Year
Foreign Travel Expenses	4,777,931	6,168,267
Training & Seminar	521,379	3,159,702
Technical Services	1,887,182	1,774,581
E C B Interest	7,233,412	11,736,028
Professional Services	2,828,239	5,744,384
Interest on Buyers Credit	721,959	1,408,007

NOTE '42' – EARNING IN FOREIGN EXCHANGE

Amount in Rs.

Particulars	Current Year	Previous Year
Exports at F.O.B. Value	931,684,699	833,416,973

NOTE '43' – IMPORTED AND INDIGENOUS RAW MATERIAL, COMPONENTS, STORES & SPARES CONSUMED

Particulars	IMPORTED		INDIGENOUS	
	Current Year 31.03.2015	Previous Year 31.03.2014	Current Year 31.03.2015	Previous Year 31.03.2014
Stores & Spares (Values In Rs)	22,713,267	29,488,052	216,398,304	138,421,234
Percentage	9.50%	17.56%	90.50%	82.44%
Raw Material (Value In Rs)	26,047,878	19,188,480	2,174,428,924	1,724,687,810
Percentage	1.18%	1.10%	98.82%	98.90%

NOTE '44' – DIVIDEND PAID TO FOREIGN INVESTOR

Amount in Rs.

Amounts remitted in Indian currency during the year on account of dividend	Current Year	Previous Year
Amount of dividend remitted in Indian currency	266,884	259,497
Total number of non-resident shareholders (to whom the dividends were remitted in Indian currency)	87	104
Total number of shares held by them on which dividend was due	209,804	325,244
Year to which the dividend relates	Final dividend 2013-14 and Interim dividend 2014-15	Final dividend 2012-13 and Interim dividend 2013-14

NOTE '45' – RESEARCH AND DEVELOPMENT EXPENDITURE

Amount in Rs.

Details of research and development expenditure recognized as an expense	Current Year	Previous Year
Employee Benefits Expenses	14,283,475	7,498,130
Material Consumed	358,708	289,488
Stores and Spares Consumed	820,665	700,665
Travelling Expenditure	0	39,829
Total	15,462,848	8,528,112

(As Identified and certified by Management)

**NOTE '46' – CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE**

The Company was required to spend Rs.7,214,067/- for the current financial year on CSR activities, i.e. 2% of its average net profits of the last three previous financial years, according to the provision of Section 135 of Companies Act, 2013 and rules made thereunder.

(a) Gross amount required to be spent during the Year Rs. 7,214,067/-

(b) Amount spent during the year as below:

Amount in Rs.

Detail of amount spent on CSR Projects during the year	In cash	Yet to be paid	Total
Education, Technical Education including Research & Development	6,372,600*	-	6,372,600
Health	821,767	-	821,767
Disaster Management	100,000	-	100,000
Integrity Community Development	121,000	-	121,000
Total	7,415,367	-	7,415,367

*Includes a cheque amounting to Rs.5,000,000/- which was not presented by the receiver and remained pending for clearance as on 31st March 2015, but the same has been cleared subsequently.

NOTE '47' – PRIOR PERIOD EXPENSES

Other Expenses includes Prior Period Expenses of Rs. 73,644 (Refer Note:-27), details of which are as under:-

Amount in Rs.

Particulars	Current Year	Previous Year
Repair & Maintenance – Other	61,644	-
Salary, Wages & Perquisites	-	7,104
Fees, Rates & Taxes	-	-
Insurance	-	3,014
Miscellaneous expenses	12,000	142,172
Total	73,644	152,290

NOTE '48'

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 '49'

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 '50'

The figures have been rounded off to the nearest rupee.

NOTE '51' – PREVIOUS YEAR FIGURES

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

AS PER OUR REPORT OF EVEN DATE

for Gupta Vigg & Co.

Chartered Accountants

F.R.No. 001393N

(CA. Kawal Jain)

Partner

Membership No. 089214

Place : New Delhi

Date : May 21, 2015

FOR AND ON BEHALF OF THE BOARD

(Deep Kapuria)
Executive Chairman

(Sandeep Dinodia)
Director

(S.K. Khatri)
Company Secretary

(Pranav Kapuria)
Managing Director

(Alok Agarwal)
Chief Financial Officer

(Vijay Mathur)
Sr. GM-Finance

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE.

I. Registration Details

Registration No. 004536	State Code 17	Refer code list)
Balance Sheet Date	31 3	2015
	Date Month	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	3,025,722	Total Assets	3,025,722
Sources of Funds			
Paid up Capital	187,680	Reserves & Surplus	1,628,972
Long term borrowings	1,568	Long term provisions	23,483
Deferred tax liabilities (net)	40,434	Other long term liabilities	-
Short term borrowings	298,720	Trade payables	541,363
Other current liabilities	168,070	Short term provisions	135,431
Application of Funds			
Net Fixed Assets	1,733,582	Non current Investments	41
Long term loans and advances	39,986	Inventories	282098
Trade Receivables	640,786	Cash and Bank Balances	23901
Short term loans and advances	299,829	Other non current assets	5500

IV. PERFORMANCE OF COMPANY

(Amount in Rs. Thousands)

Turnover	4,345,930	Total expenditure	4,082,974
Profit/Loss before Tax	262,956	Profit/Loss after Tax	184,171
Earning per share in Rs.	9.81	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 AND ON BEHALF OF THE BOARD

(Deep Kapuria)
Executive Chairman

(Pranav Kapuria)
Managing Director

(Sandeep Dinodia)
Director

(Alok Agarwal)
Chief Financial Officer

Place : New Delhi
Date : May 21, 2015

(S.K. Khatri)
Company Secretary

(Vijay Mathur)
Sr. GM-Finance



NOTICE

NOTICE is hereby given that the 29th Annual General Meeting of the Members of Hi-Tech Gears Limited will be held on Tuesday, 29th September, 2015 at 11.00 A.M. at the registered office of the Company at A-589, Industrial Complex, Bhiwadi-301019, District Alwar, Rajasthan to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2015, together with the reports of the Director's and Auditor's thereon.
2. To confirm the interim dividend & to declare the final dividend on equity shares.
3. To appoint a director in place of Mr. Pranav Kapuria (DIN 00006195), who retires by rotation and being eligible has offered himself for re-appointment.
4. To re-appoint M/s Gupta Vigg & Company, Chartered Accountants, as Statutory Auditor of the Company and in this connection, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Section 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 & Rules made there under, M/s Gupta Vigg & Company, Chartered Accountants (Firm Registration No. 001393N), the retiring Auditors of the Company, be and are hereby re-appointed as the Statutory Auditor of the Company to hold office from the conclusion of this Annual General Meeting ('AGM') until the conclusion of the next AGM of the Company, at a remuneration as may be determined by the Board of Directors of the Company and reimbursement of all out-of-pocket expenses in connection with the audit of the accounts of the Company for the Financial Year 2015 - 16."

SPECIAL BUSINESS:

5. Re-appointment & Remuneration of Mr. Pranav Kapuria (DIN-00006195) as Managing Director

To consider and, if thought fit, to pass with or without modification(s) the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to section 196, 197 & 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and rules made there under, the consent of the Company be and is hereby accorded to the re-appointment of Mr. Pranav Kapuria, Managing Director of the Company, for a term of five years w.e.f. 1st August 2015 to 31st July 2020 with payment of remuneration at the terms and conditions set out below:-

1. Salary: Rs. 2,05,000/- per month upto 31.03.2016

and thereafter with increase @10% p.a. for the remaining terms of his appointment.

2. Commission: Upto 1.5% of the net profit of the Company computed in the manner specified in section 197 of the Companies Act, 2013.
3. Perquisites : as under :-
 - i. Housing: The expenditure on hiring the furnished accommodation will be subject to a ceiling of 60% of the salary, over and above 11% payable by the appointee. In case, no residential accommodation is provided to the appointee by the Company, he shall be paid house rent allowance @ 60% of the basic salary per month.
 - ii. Gas, Electricity, Water, Security, furnishing etc.: The expenditure on Gas, Electricity, water, Security and furnishing shall be valued as per Income Tax Rules, 1962, subject, however, to the ceiling of 10% of the salary.
 - iii. Medical Reimbursement: Expenses incurred for the appointee and his family subject to a ceiling of one month's salary in a year or five month's salary over a period of five years.
 - iv. Leave Travel Concession: - For the appointee and his family, once in a year incurred in accordance with the Rules specified by the company, subject to a ceiling of one month's salary.
 - v. Club Fees: Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fee.
 - vi. Personal Accident Insurance: Premium not exceeding Rs. 10000/- per annum.
 - vii. Provident Fund: Company's contribution towards provident fund as per Company & Employees Provident Fund Rules.
 - viii. Gratuity: Not exceeding half month's salary for every completed year of service.
 - ix. Earned/Privilege Leave: One month leave with full salary and perquisites for every eleven month.
 - x. Use of Car: Free use of Company's Cars with driver for the business of the company.
 - xi. Telephone: Free use of telephone including mobile for him and at his residence. However, personal long distance calls shall be billed to him by the company.

RESOLVED FURTHER THAT the aggregate remuneration of Mr. Pranav Kapuria, Managing Director shall not exceed 5% of the Net Profit in any financial Year, and total remuneration payable to all Executive Directors

put together shall not exceed 10% of the Net Profit in any Financial Year.

RESOLVED FURTHER THAT in the event of loss or inadequacy of Profit in any financial year, the appointee shall be paid remuneration at the rates specified above, subject to approval, if any, required from the Central Government or the remuneration, as may be prescribed under Schedule V of the Companies Act, 2013".

6. Re-appointment & Remuneration of Mr. Anuj Kapuria (DIN-00006366) as Executive Director

To consider and, if thought fit, to pass with or without modification(s) the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to section 196, 197 & 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and rules made there under, the consent of the Company be and is hereby accorded to the re-appointment of Mr. Anuj Kapuria, Executive Director (Whole Time Director) of the Company, for a term of five years w.e.f. 15th May 2015 to 14th May 2020 with payment of remuneration at the terms and conditions set out below:-

1. Salary: Rs. 1,70,000/- per month up to 31.03.2016 and thereafter with increase @10% p.a. for the remaining terms of his appointment.
2. Commission: Up to 1.5% of the net profit of the Company computed in the manner specified in section 197 of the Companies Act, 2013.
3. Perquisites : as under :-
 - i) Housing: The expenditure on hiring the furnished accommodation will be subject to a ceiling of 60% of the salary, over and above 11% payable by the appointee. In case, no residential accommodation is provided to the appointee by the Company, he shall be paid house rent allowance @ 60% of the basic salary per month.
 - ii) Gas, Electricity, Water, Security, furnishing etc.: The expenditure on Gas, Electricity, water, Security and furnishing shall be valued as per Income Tax Rules, 1962, subject, however, to the ceiling of 10% of the salary
 - iii) Medical Reimbursement: Expenses incurred for the appointee and his family subject to a ceiling of one month's salary in a year or five month's salary over a period of five years.
 - iv) Leave Travel Concession: - For the appointee and his family, once in a year incurred in accordance with the Rules specified by the company, subject to a ceiling of one month's salary
 - v) Club Fees: Fees of clubs subject to a maximum

of two clubs. This will not include admission and life membership fee.

- vi) Personal Accident Insurance: Premium not exceeding Rs. 10000/- per annum.
- vii) Provident Fund: Company's contribution towards provident fund as per Company & Employees Provident Fund Rules.
- viii) Gratuity: Not exceeding half month's salary for every completed year of service.
- ix) Earned/Privilege Leave: One month leave with full salary and perquisites for every eleven month.
- x) Use of Car: Free use of Company's Cars with driver for the business of the company.
- xi) Telephone: Free use of telephone including mobile for him and at his residence. However, personal long distance calls shall be billed to him by the Company.

RESOLVED FURTHER THAT the aggregate remuneration of Mr. Anuj Kapuria, Whole Time Director shall not exceed 5% of the Net Profit in any financial Year, and total remuneration payable to all Executive Directors put together shall not exceed 10% of the Net Profit in any Financial Year.

RESOLVED FURTHER THAT in the event of loss or inadequacy of Profit in any financial year, the appointee shall be paid remuneration at the rates specified above, subject to approval, if any, required from the Central Government or the remuneration, as may be prescribed under Schedule V of the Companies Act, 2013".

7. Regularisation of Ms. Malini Sud (DIN-01297943) as Independent Director of the Company

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement, Ms. Malini Sud (DIN – 01297943), who was appointed as an Additional Director by the Board of Directors in their meeting held on February 12, 2015, to hold the office till the date of present meeting and who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing together with a deposit under Section 160 of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for 5 (five) consecutive years for a term up to February 11, 2020."



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

8. Change of name of Company to “The Hi-Tech Gears Limited”

To consider and if thought fit to pass with or without modification the following resolution as Special Resolution.

“**RESOLVED THAT** pursuant to the section 13, 14 & other applicable provisions, if any, of the Companies Act, 2013 & rules made thereunder & subject to the approval of the Stock Exchanges, Registrar of Companies and/or other Government or Non-Government authorities, if required, the name of the Company be changed by prefixing ‘The’ before the existing name of the Company i.e. from ‘HI-TECH GEARS LIMITED’ to ‘THE HI-TECH GEARS LIMITED’.

RESOLVED FURTHER THAT the name ‘HI-TECH GEARS LIMITED’ wherever it occurs in the Memorandum and Articles of Association of the company be substituted by the new name ‘THE HI-TECH GEARS LIMITED’ upon such approvals.

RESOLVED FURTHER THAT Mr. Deep Kapuria, Chairman and Executive Director and/or Mr. Pranav Kapuria, Managing Director and/or Mr. Anuj Kapuria, Whole Time Director and/or Mr. Alok Agarwal, CFO and/or Mr. Vijay Mathur, Sr. General Manager (Finance) and/or Mr. S.K. Khatri, Company Secretary be and are hereby severally/jointly authorized to make the necessary application to the Central Government, Stock Exchanges and other Government or Non-Government Authorities for the approval of the aforesaid name and to do all such acts, deeds, things and matters as may be required or necessary in this matter on behalf of the Company, including filing of necessary forms/documents and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members/ Board of the Company.”

9. Alteration of Articles of Association of the Company as per Companies Act 2013

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of section 5 and 14 of Companies Act, 2013 read with Schedule I and the Companies (Incorporation) Rules, 2014 and all other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment thereof), new set of Articles of Association pursuant to the Act primarily based on the Form of Table F under the Act, be

and is hereby approved and adopted in the place of existing Articles of Association of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any of the Director and/or Mr. Alok Agarwal, CFO and/or Mr. Vijay Mathur, Sr. General Manager (Finance) and/or Mr. S.K. Khatri, Company Secretary be and are hereby jointly or severally authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

10. Approval of remuneration of Cost Auditor for the financial year 2015-2016

To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s Kabra & Associates, Cost accountant appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting.

RESOLVED FURTHER THAT Mr. Pranav Kapuria, Managing Director and/or Mr. Alok Agarwal, CFO and/or Mr. S.K. Khatri, Company Secretary of the Company be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

11. Approval of Related Party Transactions

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

“**RESOLVED THAT** pursuant to provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with applicable Rules under Companies (Meetings of Board and its Powers) Rules, 2014 & amendments thereof and in terms of applicable provisions of Listing Agreement executed with the Stock Exchanges (including any amendment, modification or re-enactment thereof), the consent of the Company be and is hereby accorded to the approval of the following Related Party Transactions.

Maximum value of contract / transaction (per annum) with effect from 1st April, 2015 (Rs. In Crores)		
Name of Related Parties	Transactions defined u/s 188(1) of the Companies Act, 2013	
	Sale, purchase or supply of any goods, materials	Availing or rendering of any services; Appointment of any agent for purchase or sale of goods, materials, services or property
Vulcan Electro Controls Limited (Vulcan)	Sale of Goods: Rs. 5.00 Crores Purchase of Goods: Rs.80.00 Crores.	Rendering of Job Work/Services: Rs 5.00 Crores Receiving of Job Work/Services: Rs 25.00 Crores
The Hi-Tech Engineering Systems Pvt. Ltd. (THESPL)	Sale of Goods: Rs.30.00 Crores Purchase of Goods: Rs.55.00 Crores.	Rendering of Job Work/Services: Rs 5.00 Crores Receiving of Job Work/ Services: Rs. Rs 5.00 Crores

FURTHER RESOLVED THAT above transactions are accounted upto 31.03.2016 and thereafter an increase of 15% p.a., on each transaction on year to year basis be and are hereby approved.

FURTHER RESOLVED THAT the Board of Directors of the Company and/or Committee thereof, be and are hereby authorized severally to take all steps and to do all such things and deeds as may be necessary to give effect to this resolution and to communicate necessary information to the Stock Exchanges, Members and such other authorities/persons as may be required under applicable Laws, the Companies Act, 2013, SEBI and rules and other applicable Laws/ regulations made there under."

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

**Sd/-
S.K. Khatri
Company Secretary
Membership No: - F5459**

Place : New Delhi
Date : 11/08/2015

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

NOTES:

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

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more

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

3. Pursuant to Section 91 of the Act, the Register of Members and the Share Transfer books of the Company will remain closed from Wednesday, September 23, 2015 to Tuesday, September 29, 2015 (both days inclusive) for annual closing and determining the entitlement of the shareholders to the Final Dividend for the financial year 2014-15.
4. If final dividend on shares is approved at the Annual General Meeting, payment of such dividend will be made to those members whose names appear in the Register of Members on September 29, 2015. 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 22, 2015, as per the details to be furnished by the depositories for this purpose
5. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/reappointment at the Annual General Meeting, forms integral part of the Notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
6. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar and Share Transfer Agent ("Registrar") cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the



Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Registrar.

7. Pursuant to the provision of Section 205A, 205C of the Companies Act, 1956 or Section 124, 125 and other applicable provisions, if any, of the Companies Act, 2013, 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 2007-08 and onwards. The proposed date for the transfer of unclaimed final dividend by the Company for the year 2007-08 to IEPF is 27th October, 2015.
8. Corporate Members are requested to send a duly certified copy of the Board Resolution, pursuant to Section 113 & other applicable provisions of the Companies Act, 2013 and Rules made thereunder.
9. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN details to the Registrar.
11. Electronic copy of the Annual Report for 2014-15 along with the Notice of the 29th Annual General Meeting of the Company (including Attendance Slip and Proxy Form) is being sent to all the members whose Email Ids are registered with the Registrar/ Depository Participants(s) unless any member has requested for a hard copy of the same. For members who have not registered their Email Ids, physical copies of the Annual Report for the 2014-15 along with Notice of the 29th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent by other permissible modes.
12. A member can inspect the proxies lodged at any time during the business hours of the Company from the period beginning 24 (twenty four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, provided he has given to the Company a notice in writing of his intention to inspect not less than 3 (three) days' before the commencement of the meeting.
13. Members may also note that the Notice of the 29th Annual General Meeting and the Annual Report for 2014-15 will also be available on the Company's website www.hitechgears.com. The physical copies of the documents will also be available at the Company's Registered Office for inspection during 11:00 A.M. to 1:00 P.M on any working day except Saturdays and Sundays upto the date of the meeting. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by any permissible mode free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: secretarial@hitechgears.com.
14. Pursuant to the provisions of Section 72 of the Companies Act 2013, the member(s) holding shares in physical form may nominate, in the prescribed manner, a person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the joint holders. Member(s) holding shares in demat form may contact their respective DP for availing this facility.
15. Route Map and details of Prominent Landmarks of the venue of the meeting is enclosed.
16. Voting through electronic means:
 - a. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder and as per Clause 35B of the Listing Agreement, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The members may cast their votes using an electronic voting system from a place other than the venue of the meeting ('remote e-voting')
 - b. M/s Don Banthia & Associates, Practicing Company Secretaries has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
 - c. The facility for voting through ballot paper shall be made available at the AGM and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
 - d. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM

but shall not be entitled to cast their vote again.

- e. Members can opt for only one mode of voting, i.e., either by Ballot Form or remote e-voting. In case Members cast their votes through both the modes, voting done by remote e-voting shall prevail and votes cast through Ballot Form shall be treated as invalid.
- f. The remote e-voting period commences on September 26, 2015 (9:30 a.m.) and ends on September 29, 2015 (5:00 p.m.). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 22, 2015, may cast their vote by remote e-voting.
- g. The process and manner for remote e-voting are as under:
 1. (I) In case of Members receiving e-mail from NSDL (For those members whose e-mail addresses are registered with Company/Depositories):
 - (a) Open e-mail and open PDF file viz. "HGL-remote e-Voting.pdf" with your client ID or Folio No. as password containing your user ID and password for remote e-voting. Please note that the password is an initial password.
 - (b) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>.
 - (c) Click on Shareholder-Login.
 - (d) Put user ID and password as initial password noted in step (a) above. Click Login.
 - (e) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (f) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (g) Select "EVEN" of "**Hi-Tech Gears Limited**".
 - (h) Now you are ready for remote e-voting as Cast Vote page opens.
 - (i) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (j) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (k) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (l) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-

mail to scrutinizer@hitechgears.com with a copy marked to evoting@nsdl.co.in.

- (II) In case of Members receiving Physical copy of Notice of 29th Annual General Meeting (for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy)
 - a. Initial password is provided in the box overleaf.
 - b. Please follow all steps from Sl. No. (b) to Sl. No. (I) above, to cast vote.
2. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
3. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
4. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
5. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 22nd September, 2015.
6. Any person, who acquires shares and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 22nd September, 2015, may also obtain the login ID and password by sending a request at evoting@nsdl.co.in or RTA, MAS Services Limited at info@masserv.com or sm@masserv.com.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details / Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
7. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
8. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
9. Mr. Don Banthia, Practicing Company Secretary (Membership No. ACS-33869 & CP No. 12613), Partner, M/s. Don Banthia & Associates, Company Secretaries has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
10. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow



voting with the assistance of scrutinizer, by use of “Ballot Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

11. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
12. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.hitechgears.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing and communicated to the Stock Exchanges.

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

Item No. 5

Mr. Pranav Kapuria was re-appointed as the Managing Director of the Company for a period of 5 years. The appointment was effective w.e.f. 1st August, 2010 & was valid upto 31st July, 2015. The approval for the same was accorded by the members in their 24th Annual General Meeting held on 27th September, 2010.

Taking into consideration of his managerial expertise, the size of the Company, future growth plans & remarkable contribution for the growth of the Company made by Mr. Pranav Kapuria, the Board of Directors upon the recommendation of the Nomination & Remuneration Committee, in its meeting held on 21st May, 2015, approved the reappointment and remuneration of Mr. Pranav Kapuria as Managing Director for another period of 5 years, w.e.f. 1st August, 2015 upto the 31st July, 2020. His office is liable to retire by rotation.

The aforesaid re-appointment and remuneration of Mr. Pranav Kapuria as Managing Director is subject to the approval of the Members of the company and other concerned statutory and other authorities, if applicable.

A brief resume & additional information of Mr. Pranav Kapuria, is annexed herewith in Annexure A, mentioning therein the nature of his expertise in specific functional areas and the name of the company in which he holds the position of a Director as per clause 49 (VIII) (E) of the Listing agreement.

Except Mr. Deep Kapuria, Mr. Pranav Kapuria and Mr. Anuj Kapuria, Directors, being related to each other, none of the Directors and Key Managerial Personnel of the

Company and their relatives are concerned or interested, financial or otherwise, in the agenda as set out at item no. 5 of the notice.

Your Directors recommend the resolution set forth in item no. 5 for approval of the members as Special Resolution.

Item No. 6

Mr. Anuj Kapuria was re-appointed as Executive Director of the Company for a period of 5 years. The appointment was effective w.e.f. 15th May, 2010 & is valid upto 14th May, 2015. The approval for the same was accorded by the members in their 24th Annual General Meeting held on 27th September, 2010.

In view of his experience & valuable contribution made by him towards the growth of the Company & the job responsibilities handled by Mr. Anuj Kapuria, the Board of Directors upon the recommendation of the Nomination & Remuneration Committee, in its meeting held on 21st May, 2015, approved the reappointment and remuneration of Mr. Anuj Kapuria as Executive Director for another period of 5 years, w.e.f. 15th May, 2015 upto the 14th May, 2020.

The aforesaid re-appointment and remuneration of Mr. Anuj Kapuria as Executive Director (Whole Time Director) is subject to the approval of the Members of the company and other concerned statutory and other authorities, if applicable.

A brief resume & additional information of Mr. Anuj Kapuria, is annexed herewith in Annexure A, mentioning therein the nature of his expertise in specific functional areas and the name of the company in which he holds the position of a Director as per clause 49 (VIII) (E) of the Listing agreement.

Except Mr. Deep Kapuria, Mr. Pranav Kapuria and Mr. Anuj Kapuria, Directors, being related to each other, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the agenda as set out at item no. 6 of the notice.

Your Directors recommend the resolution set forth in item no. 6 for approval of the members as Special Resolution.

Item No. 7

The Board of Directors (“the Board”), on the recommendation of the Nomination and Remuneration Committee, appointed Ms. Malini Sud as an Additional Director. Her appointment is effective from February 12, 2015 for a period of 5 (five) years not liable to retire by rotation. In first instance, she holds the office till the conclusion of present meeting, but the members may appoint her as a regular director.

The Company has received a Notice in writing from a Member of the Company along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Ms. Malini Sud for the office of Director

of the Company.

Ms. Malini Sud has consented to act as a Director of the Company and has given a declaration to the Board that she meets the criteria of independence as provided under Section 149(6) of the Act.

A brief resume & additional information of Ms. Malini Sud is annexed herewith in Annexure A, mentioning therein the nature of her expertise in specific functional areas and the name of the company in which she holds the position of a Director as per clause 49 (VIII) (E) of the Listing agreement.

Copy of the draft letter for appointment having the terms and conditions of appointment of Ms. Sud as an Independent Director are open for inspection by Members at the Registered Office of the Company during normal working hours between 11.00 a.m. and 1.00 p.m. on all working days (except Saturdays & Sundays).

Having regard to the qualification, experience and knowledge, the Nomination and Remuneration Committee and the Board is of the view that her appointment as an Independent Director will be in the interest of the Company. The Company will be benefited with her contribution in the Board process, Governance and overall working. The Board recommends the Resolution as set out at Item No. 7 of the Notice for the approval by the members of the Company by way of an Ordinary Resolution.

She is not related to any other Director of the Company.

Except Ms. Malini Sud, none of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the agenda as set out at Item No. 7 of the Notice.

Your Directors recommend the resolution set forth in item no. 7 for approval of the members as an Ordinary Resolution.

Item No. 8

It is proposed to change the name of the Company from 'HI-TECH GEARS LIMITED' to 'THE HI-TECH GEARS LIMITED' as indicated in the proposed Resolution. The Board believes that "Hi-Tech" name is the slightly generic & it is used by some companies which are doing the business in the various fields. The Company is trying to differentiate itself from the other Companies which are using the word Hi-Tech, by way of prefixing the word "THE" in the existing name.

The word "THE" will be used before the key words, it is being Definite Article and denotes particular, specified persons or things.

As the Company has done well in all spheres of business. HI-TECH is the shorter reference of High Technology & Quality. The Company started its manufacturing of high technology quality products such as gears, transmission shafts & related equipments at a very low level & achieved

the present state. The Company is engaging aforesaid meaning of Hi-Tech in its day to day operations. The Company while doing has proved and created a 'niche' for itself and feel that "THE" is appropriate to distinguish itself from other Hi-Tech Companies doing business in same of other fields.

The Registrar of Companies, Jaipur, has confirmed the availability of this new name to the Company vide letter dated 7th August, 2015.

The proposed change of name will not affect any of the rights of the Company or of the shareholders/stakeholders of the Company. All existing share certificates bearing the current name of the Company will, after the change of name, continue to be valid for all purposes.

The provisions of the Companies Act, 2013 require the Company to seek the approval of Members by Special Resolution for change in name and consequent alteration in the Memorandum and in the Articles of Association of the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the agenda as set out at Item No. 8 of the Notice.

Your Directors recommend the resolution set forth in item no. 8 for approval of the members as Special Resolution.

Item No. 9

The existing Articles of Association of the Company, are in accordance with the Companies Act, 1956 and several regulations in the existing Articles of Association contain references to specific sections of the Companies Act, 1956. Moreover, some regulations in the existing Articles of Association are no longer in conformity with the new Companies Act, 2013. Upon enactment of the Act and pursuant to the notifications of Ministry of Corporate Affairs dated September 12, 2013 and March 26, 2014 respectively, various provisions of the Companies Act, 1956 have been repealed and in view of the same the existing Articles of Association of the Company needed to be re-aligned as per the provisions of the new Act.

The Board of Directors ("Board") decided to incorporate/ substitute /alter certain provisions as per the Act. As this would result in a number of changes in the existing Articles of Association of the Company, it is desirable to adopt a new set of Articles of Association in place of and in exclusion to the existing Articles of Association of the Company.

The new set of Articles of Association to be substituted in place of existing Articles of Association is majorly based on Table 'F' of Schedule I of the Act which sets out the model Articles of Association for a Company limited by shares.

The proposed new draft Articles of Association is being



uploaded on the Company's website i.e. www.hitechgears.com for perusal by the Members and is available for inspection at the Registered Office of the Company during business hours on all working days (except Saturdays & Sundays) from 11:00 A.M. to 1:00 P.M. including and upto the date of the meeting.

The member may be accessed proposed new set of articles on the website of the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the agenda as set out at Item No. 9 of the Notice.

Your Directors recommend the resolution set forth in item no. 9 for approval of the members as Special Resolution.

Item No. 10

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s Kabra & Associates, Cost Accountants as the Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year 2015-16 at a fee of Rs. 130,000/- plus Service Tax and out of pocket expenses.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors, has to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 10 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2016.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the agenda as set out at Item No. 10 of the Notice.

Your Directors recommend the resolution set forth in item no. 10 for approval of the members as Ordinary Resolution.

Item No. 11

In terms of clause 49 of the Listing Agreement, Section 188 and other applicable provisions of the Companies Act, 2013 all transactions with related parties, which are of material in nature, are subject to the approval of the Members of the Company by way of Special Resolution.

For this purpose, the term "Material Transaction" means any transaction entered either individually or taken together with previous transactions during a financial year, that exceeds 10 % of the annual consolidated turnover as per the last audited financial statements of the Company.

Each of the proposed transaction with entities, such as Vulcan Electro Controls Limited (hereinafter referred to

as 'Vulcan') and The Hi-Tech Engineering Systems Private Limited (hereinafter referred to as 'THESPL') is exceeding the materiality threshold as provided under clause 49 of the Listing Agreement therefore would require the approval of the members by way of special resolution.

Though, the transactions are in the ordinary course of business and at the arm's length basis, still the same is proposed to the shareholders as a matter of abundant precaution.

In order to comply with the requirements of clause 49 of the Listing Agreement, the Company proposes the members to approve the aforesaid related party transactions by way of Special Resolution, the details of which are mentioned below:

1. Name of the Related Parties

- 1) Vulcan Electro Controls Limited (Vulcan)
- 2) The Hi-Tech Engineering Systems Pvt. Ltd. (THESPL)

2. Nature of Relationship

- **With Vulcan Electro Controls Limited:** Mr. Anuj Kapuria is a common director & holds along with his relatives more than 2% of paid-up share capital of Vulcan.
- **With The Hi-Tech Engineering Systems Pvt. Ltd.:** Mrs. Veena Kapuria, relative of all Executive Directors is a director in THESPL

3. Nature, material terms and other brief details of proposed transactions

- **With Vulcan Electro Controls Limited:** Sale of Goods: Rs. 5.00 Crores, Purchase of Goods: Rs. 80.00 Crores, Rendering of Job Work/Services: Rs. 5.00 Crores, Receiving of Job Work/Services: Rs. 25.00 Crores

Validity of arrangement: Long term ongoing arrangement unless terminated by the parties otherwise.

- **With The Hi-Tech Engineering Systems Pvt. Ltd.:** Sale of Goods: Rs. 30.00 Crores, Purchase of Goods: Rs. 55.00 Crores, Rendering of Job Work/Services: Rs. 5.00 Crores, Receiving of Job Work/Services: Rs. 5.00 Crores

Validity of arrangement: Long term ongoing arrangement unless terminated by the parties otherwise.

4. Name of the Directors / Key Managerial Personnel who is related, if any

Mr. Deep Kapuria, Chairman, Mr. Pranav Kapuria, Managing Director and Mr. Anuj Kapuria, Executive Director.

5. **Any other information relevant or important for the Members to make a decision on the proposed transactions**

Limit of said transactions are upto 31.03.2016 and thereafter with increase of 15% p.a. on each transaction on year to year basis.

The Audit Committee and Board of Directors in its meeting held on 11th August, 2015, has already approved the aforesaid transactions with Vulcan & THESPL.

Except Mr. Deep Kapuria, Mr. Pranav Kapuria and Mr. Anuj Kapuria, Directors, being related to each other, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the agenda as set out at item no. 11 of the notice.

Your Directors recommend the resolution set forth in item no. 11 for approval of the members as Special Resolution.

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

**Sd/-
S.K. Khatri
Company Secretary
Membership No: - F5459**

Place : New Delhi
Date : 11/08/2015

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

Annexure A

Particulars	Mr. Pranav Kapuria	Mr. Anuj Kapuria	Ms. Malini Sud
Date of Birth & Age	16/07/1975 40 years	26/08/1978 37 years	06/03/1956 59 years
Date of Initial Appointment	25/05/2000	30/05/2005	12/02/2015
Date of current re-appointment	01/08/2015	15/05/2015	To be regularized in the ensuing annual general meeting
Experience & Expertise	Mr. Pranav Kapuria is associated with the Company since 2000 He is an expert in transforming traditional organization into a vibrant one through implementation of lean manufacturing program, which includes implementation of total quality Management, Total Productivity Management, Just-In-Time and Kaizen. He has rich experience of managing the business strategies & handling the companies of the organization. He has keen interest in Human Resource & Industrial Relation. He is also a certified black belt in six sigma manufacturing	Mr. Anuj Kapuria began his professional career early as a Trainee Engineer with Hero Honda Ltd, where he was part of a team for maintaining the existing welding/painting robots and assisting with integration of new robots in their assembly line. He has come a long way in the field of computer vision, artificial intelligence and robotics. A technology freak, has to his credit, modernization of old plants, training & development & research in ongoing projects. He has also led for more than 17 patents in India and abroad	Ms. Malini Sud, a senior partner at Khaitan, Sud, & Partners, has rich experience of more than three decades in the fields of Corporate Law, regulatory matters, commercial transactions and contracts, sales tax and excise as well as aspects of civil litigation. Additionally, She regularly appears before all courts, tribunals and commissions in Delhi as well as before the Supreme Court of India. She has been involved in innumerable civil and commercial litigations with broad experience in a wide range of substantive areas including International Commercial Arbitrations.



Particulars	Mr. Pranav Kapuria	Mr. Anuj Kapuria	Ms. Malini Sud
Qualification	<ol style="list-style-type: none"> 1. A Bachelor of Commerce with Honors from Delhi University. 2. He holds Masters Degree in Business Administration from Cardiff Business School, University of Cardiff, U.K. and Certificate program on Lean Manufacturing from University of Michigan, College of Engineering, USA. 3. He has undergone industrial training in reputed Engineering Corporation in USA 	<p>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.</p>	<p>She has done B.A. from Delhi University & LL.B from Faculty of Law, Delhi University.</p>
Board Membership of other Companies as on 31/03/2015.	<ol style="list-style-type: none"> 1. Hi-Tech Esoft Engineering Private Limited 2. Manu Farms Private Limited 3. The Hitech and Associates Limited 4. Automotive Component Manufacturers association of India 5. Hi-Tech Portfolio Investments Limited 6. The Hi-Tech Robotic Systemz Limited 	<ol style="list-style-type: none"> 1. Manu Farms Private Limited 2. Chetana Inlease Pvt. Limited 3. Summit Inport Services Limited 4. Ultimate Cables Technotrends Limited 5. Vulcan Electro Controls Limited 6. The Hitech and Associates Limited 7. The Hi-Tech Robotic Systemz Limited 8. Hi-Tech Esoft Engineering Pvt. Ltd. 9. Hi-Tech Portfolio Investments Limited 	<ol style="list-style-type: none"> 1. Capex Enterprises Private Limited 2. Boutique Holdings Private Limited 3. Sterling Tools Limited 4. IotaLinks Enterprises Private Limited
Chairman/Member of the Committee of the Board of Directors as on 31/03/2015	3	1	-
Chairman/Member of the Committee of the other Companies in which he/she is a director as on 31/03/2015	1	3	-
Number of shares held in the Company as on 31/03/2015	848,102	844,062	-
Relationship with Directors	Mr. Deep Kapuria – Father Mr. Anuj Kapuria – Brother	Mr. Deep Kapuria – Father Mr. Pranav Kapuria – Brother	None

[illegible]



Hi-Tech Gears Limited

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

PROXY FORM

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

Name of the member (s):

Registered Address:

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

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

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

whose signatures are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual General Meeting of the Company, to be held on Tuesday the 29th day of September, 2015 at 11:00 A.M. at registered office at A-589, Industrial Complex, Bhiwadi-301019, District Alwar, Rajasthan and at any adjournment thereof in respect of the resolutions as indicated below:

S. No.	Resolution	No. of shares	For*	Against*
1	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2015, together with the reports of the Director's and Auditor's thereon			
2	To confirm the interim dividend & to declare the final dividend on equity shares.			
3	To appoint a director in place of Mr. Pranav Kapuria, who retires by rotation and being eligible has offered himself for re-appointment			
4	To appoint Statutory Auditors and to fix their remuneration			
5	Re-appointment & Remuneration of Mr. Pranav Kapuria as Managing Director			
6	Re-appointment & Remuneration of Mr. Anuj Kapuria as Executive Director			
7	Regularisation of Ms. Malini Sud as Independent Director			
8	Change of name of Company to "The Hi-Tech Gears Limited"			
9	Alteration of Articles of Association by adopting a new set of articles as per Companies Act 2013			
10	Approval of remuneration of Cost Auditor for the financial year 2015-2016			
11	Approval of Related Party Transactions			

Signed this day of 2015.
(date) (Month)

Signature of Shareholder(s)

Affix
Revenue
Stamp

Signatures of:

.....
First Proxy Holder

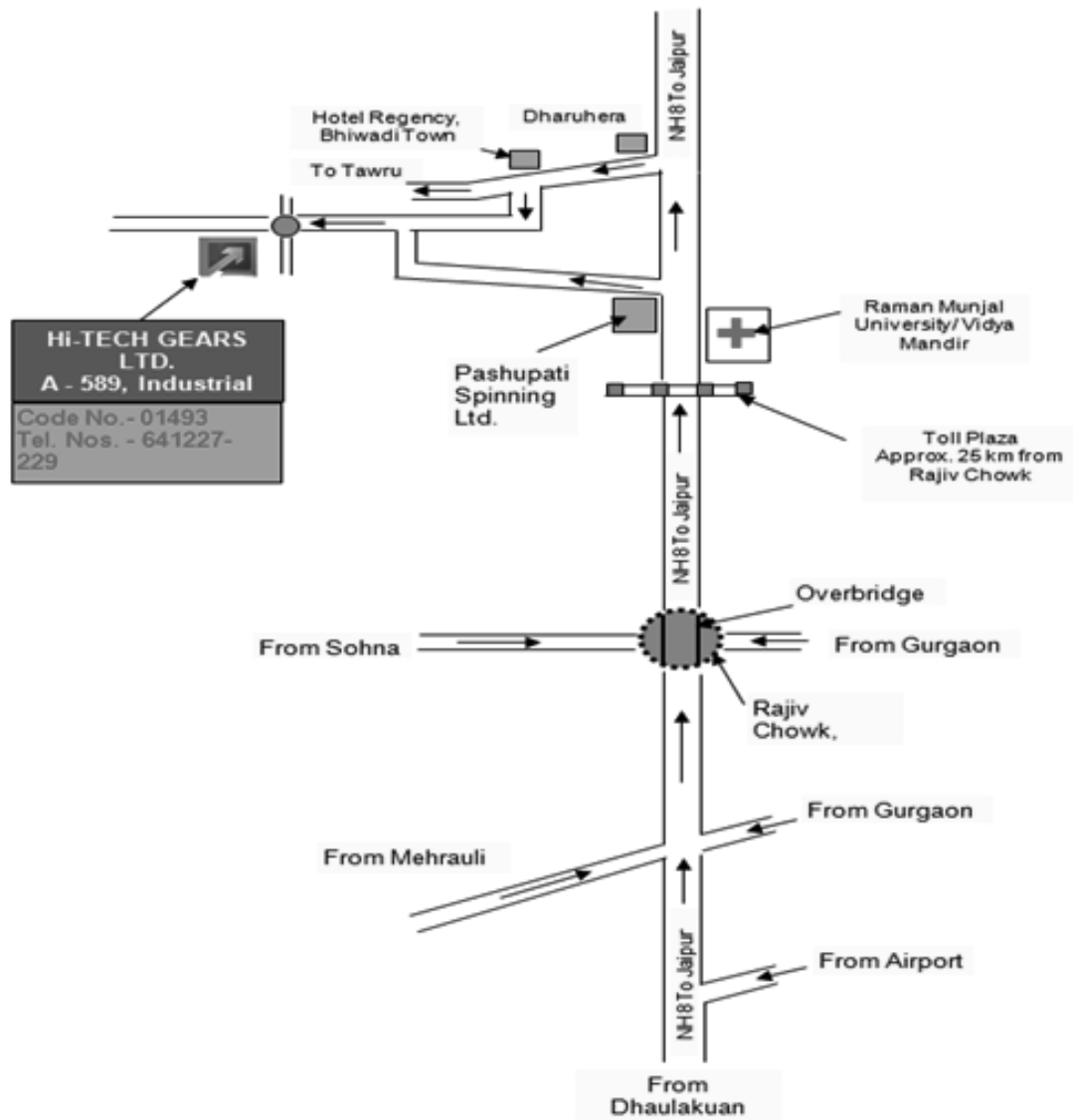
.....
Second Proxy Holder

.....
Third Proxy Holder

Notes:-

- *1. Please put a 'Tick mark' in the Box in the appropriate column. If you leave 'For' or 'Against' column blank in respect of any or all of the resolutions, your proxy will be entitled to vote in the matter as he/she thinks appropriate.
2. Proxy need not to be a member of the Company. A person can act as proxy on behalf of for a maximum of fifty members and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Provided that a member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. This form of proxy in order to be effective should be duly executed and deposited at the Registered Office of the Company at A-589, Industrial Complex, Bhiwadi-301019, District Alwar, Rajasthan at least 48 hours before the time of the Meeting.
* is optional. However, if you exercised the option, this may be treated as ballot form.

Route Map of Venue





Hi-Tech Gears Limited
Registered Office: - A-589, Industrial Complex, Bhiwadi- 301019, District Alwar, Rajasthan
CIN- L29130RJ1986PLC004536 website: - www.hitechgears.com
Tel.: +91(124)4715100 Fax: +91(124)2806085 e-mail id: secretarial@hitechgears.com

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ELECTRONIC VOTING PARTICULARS

EVEN(Electronic Voting Event Number)	PASSWORD	USER ID	NO. OF SHARES

The e-voting facility will be available during the following voting period:

Commencement of e-voting	From 09:30 a.m. (IST) on September 26 th , 2015
End of e-voting	Upto 05:00 p.m. (IST) on September 28 th , 2015

The cut-off date (i.e. the record date) for the purpose of e-voting is 22nd September, 2015

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



Hi-Tech Gears Limited
Registered Office: - A-589, Industrial Complex, Bhiwadi- 301019, District Alwar, Rajasthan
CIN- L29130RJ1986PLC004536 website: - www.hitechgears.com
Tel.: +91(124)4715100 Fax: +91(124)2806085 e-mail id: secretarial@hitechgears.com

ATTENDANCE SLIP

I/We hereby record my presence at the Annual General Meeting held on Tuesday, September 29th, 2015 at 11.00 a.m. at the registered office of the Company at A-589, Industrial Complex, Bhiwadi-301019, District Alwar, Rajasthan

Name of the Shareholders or Proxy (In Block Letters) _____

No. of Shares Held _____

Regd. Folio No./DPID-CLID _____

Signature of the Shareholder/Proxy

Note:

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL.

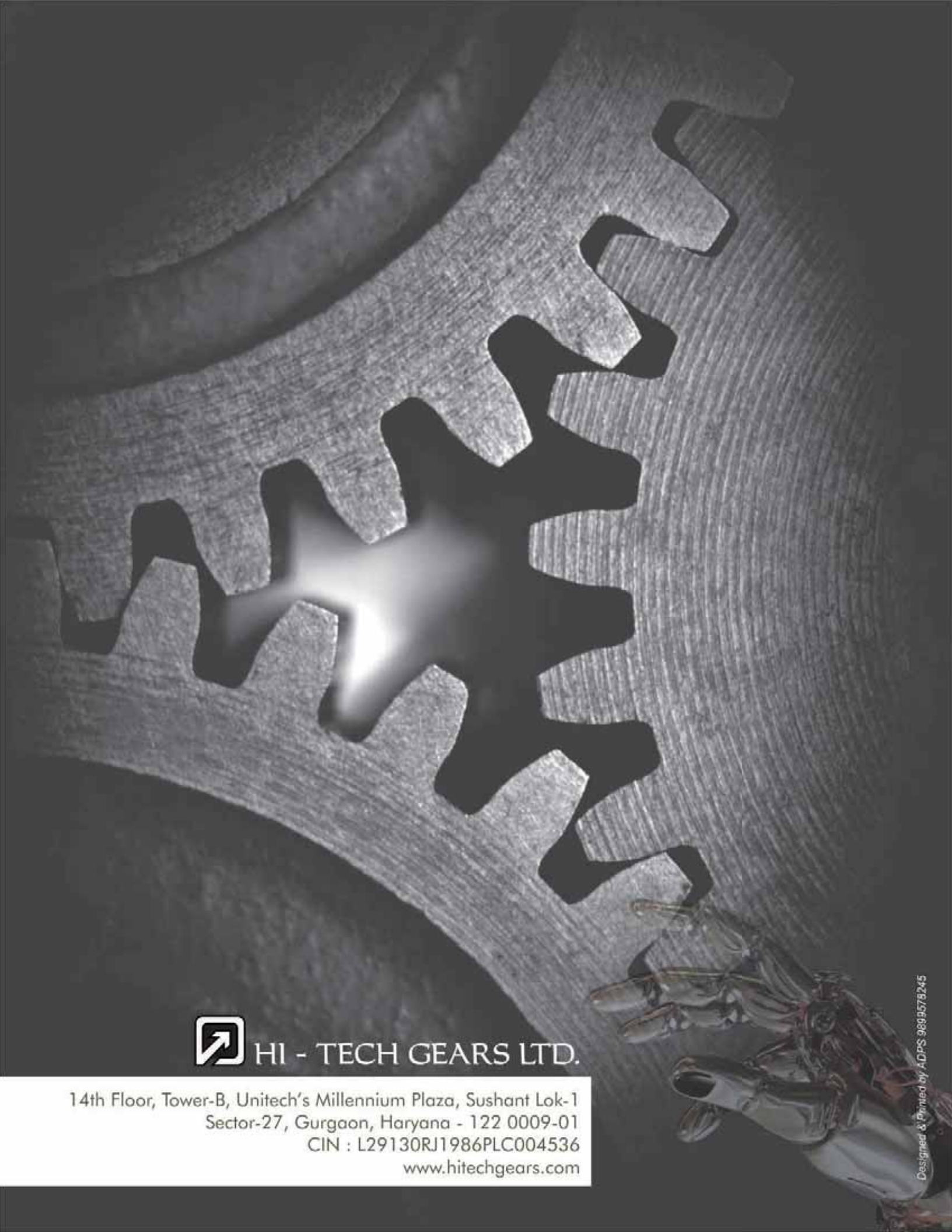
The procedure and instructions for e-voting as given in the Notice of the 29th Annual General Meeting are again reproduced hereunder for easy reference:

1. (I) In case of Members receiving e-mail from NSDL (For those members whose e- mail addresses are registered with Company/Depositories):
 - (a) Open e-mail and open PDF file viz."HGL-remote e-Voting.pdf" with your client ID or Folio No. as password containing your user ID and password for remote e-voting. Please note that the password is an initial password.
 - (b) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>.
 - (c) Click on Shareholder-Login.
 - (d) Put user ID and password as initial password noted in step (a) above. Click Login.
 - (e) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (f) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (g) Select "EVEN" of "**Hi-Tech Gears Limited**".
 - (h) Now you are ready for remote e-voting as Cast Vote page opens.
 - (i) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (j) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (k) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (l) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to scrutinizer@hitechgears.com with a copy marked to evoting@nsdl.co.in.
- (II) In case of Members receiving Physical copy of Notice of 29th Annual General Meeting (for members whose email IDs are not registered with the Company/Depository Participants(s)or requesting physical copy)
 - a. Initial password is provided in the box overleaf.
 - b. Please follow all steps from Sl. No. (b) to Sl. No. (l) above, to cast vote.
2. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
3. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
4. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
5. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 22nd September, 2015.
1. Any person, who acquires shares and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 22nd September, 2015, may also obtain the login ID and password by sending a request at evoting@nsdl.co.in or RTA, MAS Services Limited at info@masserv.com or sm@masserv.com.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

2. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
3. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
4. Mr. Don Banthia, Practicing Company Secretary (Membership No. ACS-33869 & CP No. 12613), Partner, M/s. Don Banthia & Associates, Company Secretaries has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
5. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
6. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
7. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.hitechgears.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing and communicated to the Stock Exchanges.





HI - TECH GEARS LTD.

14th Floor, Tower-B, Unitech's Millennium Plaza, Sushant Lok-1
Sector-27, Gurgaon, Haryana - 122 0009-01
CIN : L29130RJ1986PLC004536
www.hitechgears.com