THE HI-TECH GEARS LTD.

CIN - L29130HR1986PLC081555

Corporate Office : Millennium Plaza, Tower-B, Sushant Lok-1, Sector-27, Gurugram -122009, Haryana, INDIA Tel. : +91(124) 4715100

September 03, 2019

The Manager,
Listing Department,
National Stock Exchange of India Limited,
"Exchange Plaza", C-1, Block – G.M,
Bandra – Kurla Complex,
Bandra (E), Mumbai – 400051,
Symbol: HITECHGEAR

The Manager,
Listing Department,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400001,
Scrip Code: 522073

Dear Sir/Madam,

Subject: Notice convening the 33rd Annual General Meeting, Intimation of the Book Closure, E-Voting dates and Submission of Annual Report of the Company for Financial Year 2018-19

We hereby inform you that 33rd Annual General Meeting (AGM) of The Hi-Tech Gears Limited will be held on Friday, September 27, 2019 at 11:00 A.M at registered office of the Company at Plot No. 24-26, Sector-7, IMT Manesar, Gurgaon-122050, Haryana and the Register of Members and Share Transfer book will remain closed from September 21, 2019 to September 27, 2019 (both days inclusive). This Book closure is for the purpose of AGM of the Company and determining the entitlement of the shareholders to the final dividend whose names appear in the Register of Members as per the above book closure. The dividend if so approved by the Shareholders, will be disbursed within the statutory time frame as provided under the provisions of the Companies Act, 2013 ('the Act').

As per section 108 of the Act, read with Rules thereunder & Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI (LODR)) the Company has fixed September 20, 2019 as cut- off date for the purpose of remote e-voting, ascertaining the names of Shareholders holding shares either in physical form or in the register of beneficial owners maintained by the depositories who are entitled to cast vote electronically. The remote e-voting shall commence on September 24, 2019 at (9:00 A.M) and ends on September 26, 2019 at (5:00 P.M).

Further, pursuant to Regulation 34 of SEBI (LODR) Regulations, 2015, we have enclosed herewith the Annual Report of the Company for the financial year 2018-19 along with the Notice of 33rd Annual General Meeting.

The Hi-Tech Gears Limited Gurgaon

www.thehitechgears.com
Works I : A-589, Industrial Complex, Bhiwadi - 301 019 Rajasthan INDIA Tel. : +91(1493) 265000
Regd. Office & Works-II : Plot No. 24 - 26 Sector-7, IMT Manesar - 122 050 Gurugram, Haryana INDIA Tel.: +91 (124) 4715200
Works-III : Plot No. SP-146A, Industrial Complex, Bhiwadi - 301019 Rajasthan INDIA
Head Office : C-41/B, Kalkaji, New Delhi - 110019 INDIA
Subsidiaries : The Hi-Tech Gears Canada. Inc. 361, Speedvale Ave W. Guelph, ON N1H 1C7, CANADA
Teutech LLC. 227, Barton St. Emporium. PA 15834, USA

You are kindly requested to take the above information on record and oblige.

Thanking you
Yours faithfully,
For **The Hi-Tech Gears Limited**

S.K. Khatri
Company Secretary
M.No. F5459

passion to succeed

passion | innovation | technology

THE HI-TECH GEARS LTD.

33rd ANNUAL REPORT 2018-2019

ENGINEERING

MANUFACTURING

ROBOTICS

ENGINEERING CONVERGENCE SOLUTIONS FOR A LEAN WORLD

future engage deliver

THGL next

Corporate Office
14th Floor, Tower – B,
Unitech's Millennium Plaza,
Sushant Lok – 1, Sector – 27,
Gurgaon,
Haryana – 122009
Tel : (0124)4715100,
Fax : (0124) 2806085,
Email : secretarial@thehitechgears.com

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

Plant I
A-589, Industrial Complex,
Bhiwadi – 301019,
Dist. Alwar, (Rajasthan),
Tel: (01493) 265000/265199

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

Plants of subsidiary companies

The Hi-Tech Gears Canada Inc.
(Formerly known as Teutech Industries Inc.)
361, Speedvale Avenue W,
Guelph, ON N1H 1C7, Canada

Teutech LLC
227, Barton Street, Emporium,
PA, 15834, USA

Bankers
Standard Chartered Bank
HDFC Bank
Citi Bank
State Bank of India
Kotak Mahindra Bank
ICICI Bank Ltd.

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

Internal Auditors
M/s Grant Thornton India, LLP
21st Floor, DLF Square
Jacaranda Marg, DLF Phase II
Gurgaon-122002
India

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. Bidadi Anjani Kumar
Director

Mr. Vinit Taneja
Independent Director

Mr. Anuj Kapuria
Executive Director

Mr. Prosad Dasgupta
Independent Director

Mr. Krishna Chandra Verma
Independent Director

Mr. Ramesh Chandra Jain
Director

Ms. Malini Sud
Independent Director

Mr. Anant Jaivant Talaulicar
Director

Mr. Neville D'Souza
Independent Director

Senior Executive

Mr. Vijay Mathur
Sr. General Manager Finance

Key Managerial Personnel

Mr. S.K. Khatri
Company Secretary

Statutory Auditors
M/s O.P. Dadu & Co.,
Chartered Accountants,
24/4834, Ansari Road, Darya Ganj,
New Delhi-110002

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,
302, Third Floor, Gagandeep Building,
Rajendra Place, New Delhi-110008

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.

The financial statements have the figures in millions unless specifically mentioned. The Messages, Management Discussion analysis and Directors' Report together with its Annexure are the statement of the financial figures, hence are provided in Rupees in Millions, unless specifically mentioned.

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

Contents

THE HI-TECH GEARS LTD.

MILESTONES

1986 ONWARDS...

CUSTOMERS

1986 Incorporated as a Public Limited Company
1988 Production Commencement & became single source supplier to Hero Honda
1989 Product Indigenization
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, BPR launched
1997 Selected as a global source to Cummins, US
1998 Certified as QS 9000
1999 Separate Division to handle high-end design and CAD Services established, under the name of Hi-Tech ESoft.
2002 Launches Initiative of Lean Manufactured
2003 Certified for:-
- Integrated Quality Management Systems
- TS 16949 for quality & obtained Environment Certification ISO 4001:
- Occupational Health & Safety Certification OHSAS 18001:1999

2004 Prototyping/Productionsing 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
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)
2015 Name of the Company changed to "The Hi-Tech Gears Ltd."
2017 Acquisition of Teutech Industries INC, Canada and Teutech LLC, USA.

2TK TEUTECH

Hero

DAIMLER
Daimler India Commercial Vehicles Pvt. Ltd.

MAGNA
MEGNA POWERTRAIN

TATA Cummins

JCB

CATERPILLAR®

Cummins

Pentair

NEW HOLLAND AGRICULTURE

ZF

WABCO

GKN SINTER METALS

AAM

BorgWarner

CHAIRMAN's MESSAGE

Dear Shareholders,

Time is possibly the most valued component that one invests in any journey. It is with time that trust, understanding, compatibility and capability blossoms to bear results.

You will be happy to learn that amidst all the path-breaking changes across the globe, your Company has set a new benchmark of INR 9000 million sales in FY 19. It is at this point that I would like to thank each one of the stakeholders for having faith in the management of the Company and for being there through the exciting journey of 33 years. We have come through various transitional curves, many of them very challenging, to reach a distinguished and reputed position in the automotive industry. Obviously, your Company is not going to rest on its laurels but will continually strive to deliver excellence in each sphere of the Business Process.

The business environment is constantly changing, and all economies are bearing the brunt of the volatility. Your company has however tried to maintain a fine balance by maintaining the operational excellence, which has always been the hallmark of your company and by lowering business risks through planned diversification in times of such economic volatility.

Global and Domestic Economic Affairs

All major global economies enjoyed a mini boom between mid of 2016 and upto 3rd Quarter of 2018, when growth picked up in all spheres. This phase has started deteriorating due to many volatilities, major being US where the boost from fiscal stimulus are fading, higher interest rates are dampening consumer spending and a strong dollar could be a drag on US exports. The latest is that the budget deficit is likely to continue to grow in the US, because of earlier tax cuts and higher government spending.

The aggressive approach taken by the USA towards its trading partners comes as blow, resulting in the World Bank cutting its forecast for global growth by 0.3 % points for this year in response to trade restrictions and unexpected weakness in manufacturing across both advanced and developing economies. Global trade growth has slowed to its lowest rate since the 2008-09 financial crisis, as exports from Europe and Japan have dropped, particularly to China. The World economic growth is expected to moderate from 3% in 2017 to around 2.7% in 2019.

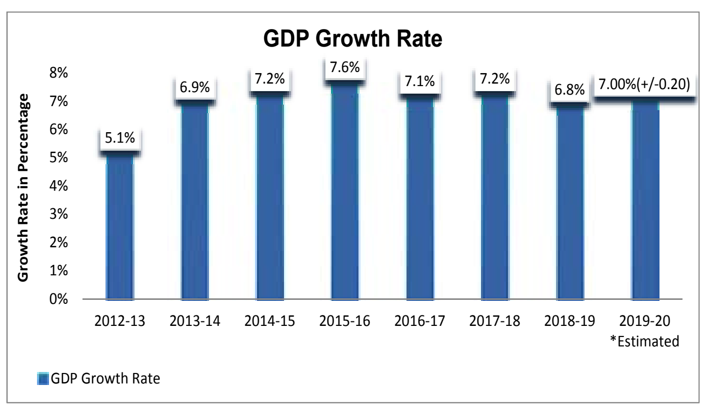
In the Eurozone, uncertainty relating to global trade tensions and Brexit will take a toll. Growth in China is also expected to slow down relative to 2018. Although the government will try to ensure that the slowdown is minimal, the impact of US tariffs and the need to control debt levels are likely to result in at least a modest deceleration in growth in 2019.

Emerging and developing economies growth are constrained by sluggish investment, and risks are tilted to the downside. These risks include rising trade barriers, renewed financial stress, currency depreciations as well as sharper than expected slowdowns in several major economies. Sharp currency depreciations are more common in emerging and developing economies like India than in advanced economies, and central banks are often required to respond to these fluctuations to maintain price stability.

Growth in emerging markets and developing economies are expected to stabilize next year as some countries move past periods of financial strain. However, cynical economists warn that further escalation of tariffs on more Chinese goods or levies on foreign autos by US could slow global growth to a crawl.

India is still enjoying the fastest growing economy tag, despite some headwinds in the 2nd half of the 2018-19. The gross national income (GNI) at current prices grew by 11.3 %. India's gross domestic product (GDP) is estimated to have slowed to a five-year low of 5.8 % in the last quarter of FY19, mainly due to poor show in the farm and manufacturing sectors. Overall the GDP moderated to 6.8 % in FY 19 from 7.2 % in FY 18 with the Inflation rate at 3.4 % in FY 19.

The country's per-capita income is estimated to have risen by 10% to Rs 10,534 a month during the financial year compare to Rs 9,580 a month in the previous year. The per-capita income is an important indicator of the prosperity of a country. India is set to become the fifth-largest economy of the world with the growth leading to a GDP of $2.8 trillion in current year. But, due to its huge population of more than 1.35 billion, India is at 145th position in term of per capita $2036 per annum.



The main source of revenue for the Government is always indirect taxation. GST collections have increased and as an average, it is almost Rs. 1.00 lakh crore per month and is increasing further. The collection is the outcome of continued rationalism of GST rates and friendly regulation, extensive automation of business processes, application of e-way bill mechanism and closing of gaps in the system. Similarly, the direct tax collection is also heading northwards. The Government is hopeful of future growth from all sectors and has set an ambitious target of becoming a $5 trillion economy by FY 25.However a sustained GDP growth rate of atleast 8% is needed to achieve the same.

In this report I would like to make a special mention of the financial crisis in our economy; we as stakeholders are directly impacted by the situation. The year 2014-15 marked a watershed. RBI, acting in the belief that NPAs were being under-stated, introduced tougher norms for NPA recognition under an Asset Quality Review. NPAs in 2015-16 almost doubled over the previous year as a result. Reasons attributable could be, the sectors to which Banks/ Financial Institutions were heavily exposed were impacted by non-viable factors.

Higher NPAs meant higher provisions on the part of banks. Provisions therefore rose to a level where banks, especially PSBs, started making losses. Their capital got eroded as a result.

The other side of story is that the NBFCs have always had an important role to perform in the financial sector and they are and continue to be an essential part of the Indian economy. When public sector banks were reeling under pressure from bad loans and withdrawing from the lending space, NBFCs were the first to answer the call. They plugged the funding gap as their local network and understanding of customer profiles at a local level gave them an edge over commerical banks when it comes to lending at the micro level. However, due to an excessive mismatch of their assets, loans and assets, NBFCs are also now going through a very difficult phase.

In view of the recent development of the failure of major NBFCs, the RBI has recommended an extra vigil on NBFCs and warned that a large shadow bank getting hit can have the same impact to the system as a large bank going down. Based on the strict government vigil and resolution mechanism, the NPAs for the first time have come below 9.5% in Financial Year 2019.

The task of accelerating economic growth is urgent. This is not possible without finding a solution to the problems that confront the banking system and the NBFC issues. There is ample scope for improving performance within the framework of public ownership and the NBFC system.

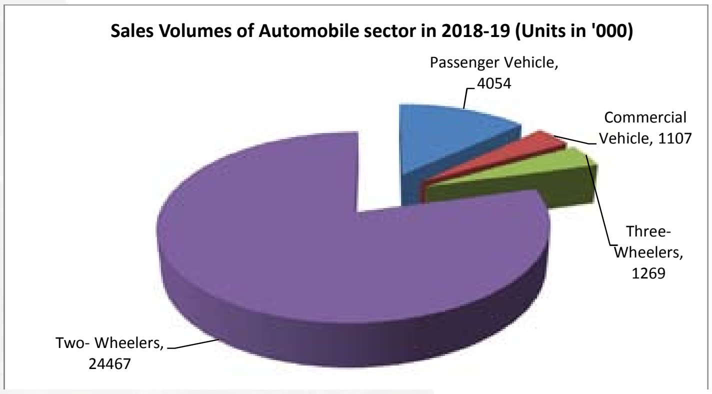
Similarly, high demand for oil and rising dependency on crude imports also means a drain on the country's foreign exchange reserves, which will get exacerbated by a weaker rupee against the dollar. A surge in crude oil prices threatens to stoke inflation, derail earnings growth of companies, and hurt India's economy in the years ahead. The challenge before the Government is that it will be required to find ways to offset the inflationary impact of higher fuel prices and relieve the burden on the poorer sections of the population.

Indian Automotive Sector and our Future Outlook

The Automobile Sector in our country is one of the major contributors in manufacturing and GDP. It is also providing employment to over 30 million people through direct/indirect employment. India has become a preferred place for world OEMs for production of their vehicles due to many cost benefits, such as skilled labour, availability of raw material, and world class equipment, beside incentives and encouragement from the State and Central Government.

According to the data released by Society of Indian Automobile Manufacturers (SIAM), during April 2018-March 2019, the industry manufactured a total 30,915,420 vehicles including passenger vehicles, commercial vehicles, three wheelers, two wheelers and quadricycles, recording a growth of 6.26 % over the previous year (29,094,447 units). The production trends also reveal an expanding market for three wheelers, as also a healthy bounce back of the commercial vehicles segment.

In terms of sales, the domestic Industry sold a total 26,267,783 vehicles; out of this passenger vehicles grew by only 2.70% (3,377,436 units). However, in commercial vehicle, the growth of 17.55% (units1,007,319) was excellent during 2018-19. Scooters/ Scooterettee sales declined by 0.27% while, Motorcycles and Mopeds registered a growth of 7.76% (13,599,678 units) and 2.41% (880,243 units) respectively, taking total two wheeler sales growth to 4.86% (21,181,390 units) for the year. Overall three wheelers sales registered a growth of 10.27% (701,011 units), while Passenger Carrier sales increased by 10.62% (units 572,392).



The sector's exports also grew during the year, with overall automobile exports increasing by 14.50% (4,629,054). While passenger vehicles exports shrunk by 9.64% (units 676,193) , commercial vehicles exports registered a growth of 3.17% (99,931 units). The star performer in exports were three wheelers and two wheelers which increased by 49% (unit 567,689) and 16.55% (units 3,280,841) respectively in FY19 over FY18.

As such the automotive industry performed well in 2018-19 ; however India needs to prepare itself as the automobile sector readies for a paradigm shift. The industry is at an inflection point where both opportunities and challenges abound in equal measure and will shape the direction of future events in the industry.

The near-term period is expected to be a tumultuous one for the auto sector on account of various regulatory changes, especially the transition from BS-IV to BS-VI and *CAFE* regulations. The uncertainty is further compounded by lower consumer sentiments resulting in inventory build-up, and all OEMs are constantly re-aligning production in line with demand. Also, Electric Vehicles (EV) are being promoted by the Government which poses a threat to existing production lines in the auto sector.

China has taken a lead in the development and use of EVs, specially two wheelers and is the world's largest EV market. It has infact already imposed restrictions on investment for traditional vehicles and has taken several steps to promote EVs.

India, though, unlike China or countries in EU, has not set a target for automakers to convert a certain part of their total vehicle production to electric. But, the NITI-Aayog is considering a policy proposal to ban all internal combustion engines for two-wheelers under 150cc by 2025 and three-wheelers by 2023 and 30% of all other vehicles by 2030. In the very recent past, we however hear that the Government may relax these targets, so that the existing auto industry has enough time to adjust and does not face any major disruption.

There are some other initiatives too being carved out by the Government which are likely to support industrial growth. The Government seeks to achieve two objectives—(i) facilitate long-term growth in the industry and (ii) reduce emissions and dependence on imported oil. The Government plans to provide land for parking and charging, subsidies to vehicle manufacturers and battery makers, drive investments, increase manufacturing capacity and breadth of services and continue the cut in interest rates. There is therefore a lot of work done and to be done in this space. The need now is for the all stakeholders, including the government, city planners, OEMs, battery manufacturers, suppliers and service providers to work together to fullfil India's grand ambition of sustainable growth.

Prospects : India and the Auto sector

Fresh off winning a clear mandate in the national elections in May 2019, Modi 2.0 has presented the first union budget of its second term. It is expected that this budget will be instrumental in setting the tone for administration, and conveying the seriousness of the Government to revamp business, which is reeling under the twin shock of a changing global trade scenario, as well as a slowing domestic economy. Most importantly, the aim is to bring reforms for the benefit of the country.

Prospects of pickup in growth in 2019-20 is largely dependent on the back of further increase in private investment and acceleration in consumption. The FM in her budget speech also said that ***"India Inc. are not only India's job creators and nation's wealth creators."*** To address the challenges of slowing economic growth and inadequate job creation, PM has constituted two cabinet committees- one on investment and growth and another on employment and skill development. The key actions identified by the government are, reforming the financial sector, rationalise the indirect tax structure for better revenue collection, privatise or consolidate the PSBs and PSUs, revival of financial sector & NBFCs, new targets for electrification along with support to industries by way of further improving the ease of doing business.

Once, the initiatives of the government are fully effective it will result in higher contribution to GDP by the manufacturing sector, Introduction of water transport, creating better road and rail network, clarity on EV to auto industry, higher FDIs are expected to make the Indian Economy grow faster in future.

Regarding the Auto Industry, in the Automotive Mission Plan 2026, the government and industry set a target to triple industry revenues to $300 billion, and expand exports sevenfold to $80 billion. To meet these aims, it is estimated that the sector could contribute more than 60 million additional direct and indirect jobs, and the result could be improved manufacturing competitiveness and reduced emissions. Pushing ahead with its goal to have more electric vehicles to curb rampant pollution, the government has started, the second phase of the FAME 2 scheme, with an outlay of ₹10,000 crore. The FM also announced certain lucrative income tax rebates for supporting EVs including interest subsidy, reduction of GST on EVs & batteries etc.

Company Performance and Strategy

Achieving our goals with discipline has been our unchanging focus. Each time we look at a growth horizon, we look at how we can make a difference in the markets we operate in, make our offerings with global quality standards and more competitive. I am happy to share that your Company together with its subsidiary companies in US and Canada have done well in all spheres. It is now in the process of establishing another vertical which is part of a Global Value Chain (GBV) with an enlarged base and operations in an important and essential geography. With presence in other geographies, your Company's customer base and product portfolio have been further strengthened.

Your Company, in addition to tapping new markets, will leverage its position by building its relationships with its existing and new customers and focus on product development. Presently the Company has an export income of INR 1912.10 million (standalone), which is an increase of 46.60% increase over last year. The export programmes are also expected to gain further momentum. Going forward, the overall focus will continue to be on quality delivery at optimum costs.

To summarise the financial results for the year FY 2019, I must mention that there was significant growth in all the key areas; resulting in robust overall growth. The standalone turnover of the Company grew by 20.28 % and touched Rs. 6,634.52 million. As a result of this and our enhanced operating efficiencies, the standalone profit before tax grew even higher to Rs 531.22 million. After consolidating the financials of the Company with its subsidiaries, the consolidated turnover stood at an all time high of Rs. 9306.81 million. The Company has shared the gains among the shareholders by declaring an interim dividend of 15%. Your Board of Directors have further reviewed the cash position of the Company and have recommended a final dividend of 20% for your approval, thus taking the total to 35% of share capital with a total payout of Rs. 65.68 million.

The vedic philosophy "***Sarve bhavantu sukhina sarve santu niramaya, Sarve bhadrani pashyantu ma kashchit dukhbhave bhavate***" provides us a holistic view of life and guides us that 'enlightened collective interest' should be the basis of our actions. 'Survival of all' is the essence of this idea. Ultimate objective of the institutions and organizations is to work towards the goal of universal welfare. We have been taking up deep impacting initiatives in line with what is required to be done as a responsible citizen of the Society. To exhibit the commitment, your Company has contributed Rs.7.78 million for the betterment of the society during the FY 2019 in line with the CSR Regulations.

I am honored to steward this great organization and I am filled with optimism about what we can achieve in partnership with our customers and society. Together, we are changing work and business and ultimately, the world we live in.

Before I conclude, I would take this opportunity to thank you as the shareholders of the Company for your support to the Company over so many years. I would also like to thank our customers, suppliers, bankers the various government agencies with whom we have been working, our loyal employees and all our business partners for their continued support and belief in The Hi-Tech Gear's mission and vision. I offer my sincere gratitude to my board colleagues also for their wise guidance from time to time. I am sure that we will pass through these challenging times with many learnings and the journey will be more rewarding as we move ahead.

Deep Kapuria
Chairman

MANAGING DIRECTOR'S MESSAGE

Dear Shareholders,

It gives me great pleasure to communicate with you through the 33rd Annual Report of the Company as it provides me another opportunity to update you on the affairs of the Company.

Despite softening GDP growth in 2018, induced by global trade tensions and other political and economic uncertainties, we achieved a highest ever sales revenue of Rs. 9310 million on a consolidated basis and Rs. 6635 million on a standalone basis.

New initiatives were taken by your company in North America to integrate into the Global Value Chain, with our footprints in both Canada and the USA. The objective of these initiatives were to further strengthen our processes, build better relationships with our customers and consolidate our position as a manufacturer of quality products for the auto sector.

Macro Economic Updates

Volatility has become a predominant factor again and is now impacting every aspect of our lives.

After considerable growth in last few years, global economic activity slowed down from the second half of last year, reflecting a confluence of factors affecting major economies, including USA and China. The Chinese economy also slowed down following a combination of regulatory tightening to rein in shadow banking and an increase in trade tensions with the USA. This took a toll on financial markets in both emerging and advanced economies. The Euro area economy lost more momentum than expected as consumer and business confidence weakened. Vehicle production in many advanced countries was disrupted by the introduction of new emission standards; investment dropped in various developed countries as sovereign spreads widened; and external demand, especially from emerging Asia, softened.

Analysts say the tariffs could hamper the rebound in the US economy, with consumption likely to be hit, as ultimately, these tariffs would be paid by the American public only. Also, this exacerbates the uncertainty in the global trading environment, affects global sentiments negatively, and adds to risk aversion globally. Ongoing trade tussles are fueling fears about damage to global economic growth and leaving the world on the brink of a trade war. A realistic situation suggests that even if the two countries reach a comprehensive treaty, still the discussions around trade, investment, procurement and technology would remain for years to come.

India's growth of real GDP has been high with average growth of 7.5 % in the last many years. It grew at 6.8 % in FY19, thereby experiencing moderation in growth when compared to FY18. This moderation was mainly on account of decline in various areas such as manufacturing, mining, agriculture, transport, storage, communication, services & defense sectors. The growth in world output also declined from 3% in 2017 to 2.8 % in 2018.

Certain facets of the Indian economy are important and I would therefore like to share it with you for a better understanding of the situation today :

Corporate Earnings and Investment:- Corporate earnings increased in the first three quarters of FY19 but are falling since then. Analysts attribute the poor corporate earnings to a combination of a slowdown in aggregate demand, relatively high interest rates plus depreciation, and tax outgo, erasing the gains from an improvement in operating margins. This negative trend is likely to persist for some more time, given the YoY rise in energy prices and disruption in global trade, including withdrawal of India's preferential trade status by the US. The move by the US is likely to hit the export-oriented companies in sectors such as ours, pharmaceuticals, garments, gems and jewellery, engineering goods etc. New investments are not taking place, in view of the uncertainty.

Crude Oil:- Another factor that added to the heat is unpredictable crude oil prices, India is among the most vulnerable to rising energy costs. PNG statistics shows that India incurred Rs. 5,66,450 million towards import of crude oil in FY 2018 and the same will increase by considerable amount by the end of FY 2019. A surge in crude oil prices threatens to stoke inflation, derail earnings growth of companies, and hurt India's economy. It consumes a huge chunk out of our foreign reserves and the higher cost can also impact the raw material supply chain of many manufacturing companies as India imports a major portion of its crude requirements.

Rupee Vs Dollar:- The Currency turmoil in developed countries also contributed to the nervousness in emerging markets such as India. There are many reasons that warrant a weak rupee in 2019 and that may, in fact, be the most appropriate response to global and domestic factors ranged against the rupee. However as India has more imports than exports, we will have to be prepared for a larger outflow of foreign exhange.

Financial crisis:- The country is already facing a cash crunch in the banking sector and now the ongoing liquidity crisis in the NBFC sector is the result of an asset-liability mismatch. Since there are lots of restrictions imposed on NBFCs to raise retail deposits from the general public, they depend on wholesale lending for their capital requirements. As a result, the cost of funds for NBFCs is higher than that of banks. However, due to the tightening of norms, NPAs and defaults, banks have stopped refinancing the loans of NBFCs and also stopped the disbursal of sanctioned loans to them.

RBI and the Government have taken steps to ring fence the Banking and NBFC sector and support its financing needs by providing additional liquidity and credit enhancement for refinancing needs, but there are still speculations over spill-over concerns in the market in the near-term.

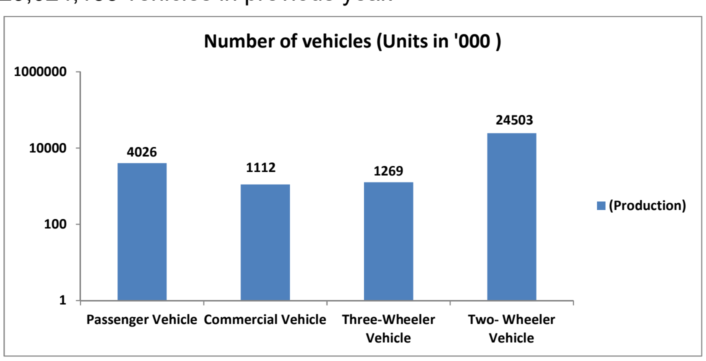
The financial crisis, low consumption, rising sluggishness in the economy, trade disputes, and other plethora of events have created an environment of vulnerability and volatality. In view of the recent turmoil and state of economy as stated above, my concerns are especially connected with the Government's resolution to issues such as falling private sector investment, farm distress, and stagnation of export growth. The real test of the Government today, is to overcome this unpredictability in such a manner that the economic equilibrium is established.

Despite all the turmoil, the Long-term prospects for the Indian economy still looks good, on the back of the return of a stable and strong government at the Centre with its focus on growth and development, along with ongoing consolidation and restructuring activities. The Government is thinking of various ways to assist the manufacturing sector and we should see positive steps being taken in this financial year post the last budget.

The Automotive Sector

The automobile industry in India is the world's fourth largest in numbers. India currently enjoys the tag of the world's 4th largest and 7th largest manufacturer of cars and commercial vehicles respectively.

In 2018-19, the industry registered a growth of 6.45% over the same period last year by selling 30,896,837 vehicles compared to 29,024,153 vehicles in previous year.



Two wheelers have always had a major share of volumes in the total output, however there was limited growth in the year. The segment produced and sold 2,45,03,086 units and 2,44,62,231 units compared to 2,31,54,838 unit and 2,30,15,120 units in previous year, thus registering a marginal growth of 5.82% in production and 6.29% in sales respectively.

There has however been a fall in volumes from the last few months. The cumulative domestic sales of all vehicles continued to skid further in first quarter of 2019-20. Recently, the Society of Indian Automobile Manufacturers announced a 10.51% decline in total vehicles sales for April-June quarter, the lowest in nearly eight years. Looking at the downtrend, the liquidity crunch facing non-banking vehicle financiers, lack of clarity on technological changes, rural distress etc, the OEMs have also cut their production significantly.

Declining automotive sales are primarily an indicator of how the Indian economy is performing, particularly the purchasing power of people while a slowdown in commercial vehicle sales indicates an investment cycle slowdown.

The real immediate challenge for auto-makers is to meet the technological change. BS VI emission norms are effective from April 01, 2020 and thereafter implementation of Corporate Average Fuel Efficiency norms. This invariably results in increased vehicle costs. As a result, this will see big investments made in cleaner technology which, in turn, will make vehicles pricier and on the other side manufacturers and suppliers would need at least five years to get a return on the equity.

Most importantly, the automobile industry is at the cusp of a once-in-a-century disruption with the advent of electric vehicles (EV). Companies must devise a proper strategy for developing the requisite technologies. Besides technologies, the business would also need to set up an alternative ecosystem at the earliest in order to engineer the smooth transformation to EV. Charging Ecosystem is as important as the vehicle itself. Hence, two major roadblocks to be overcome are availability of charging infrastructure and sourcing of standard lithium batteries.

The manufacturers have argued that they were forced to accept shorter timeline for tighter emission norms, involving expensive redevelopment. This could be the premature switch with no established supply chain, charging infrastructure or skilled labour which may result in India losing its leadership position in scooters and motorbikes.

Government initiatives for Auto Industry :- Through various programs and initiatives, the government seeks to achieve two objectives—facilitate long-term growth in the industry and reduce emissions and oil dependence.

- SAMARTH Udyog – 'Demo cum experience' centres are being set up in the country for promoting smart and advanced manufacturing helping SMEs to implement Industry 4.0.
- Government aims to develop India as a global manufacturing centre and an R&D hub.
- Under NATRiP, the Government is planning to set up R&D centres at a total cost of US$ 388.5 million to enable the industry to be on par with global standards
- The Government has shortlisted 11 cities in the country for introduction of electric vehicles (EVs) in their public transport systems under the FAME scheme.

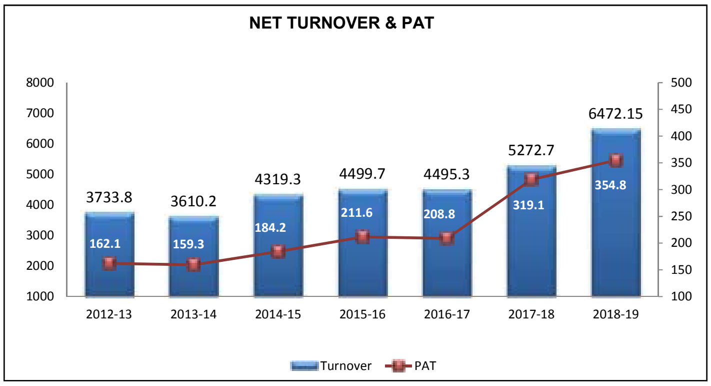
- Setting up of incubation centres for start-ups working in electric vehicles space.
- Recently, the Government approved the FAME-II scheme with a fund requirement of Rs 10,000 crores for FY20-22.
- In the Automotive Mission Plan 2026, the government and industry set a target to triple industry revenues and expand exports sevenfold. In this process it is expected to generate more than 60 million additional employment.
- To address pollution from old vehicles, the government is working on an initiative that focuses on formulation of end-of-life or scrappage policies. It plans to give incentive for the adoption of these policies with the help of lower taxes, discounts on purchase prices.
- To overcome the slowdown issue, Government is considering a package of stimulus for industry.
- A host of incentives unveiled in the Union budget for EVs, India has joined China and Europe that have backed the development of the blossoming EV industry by offering extensive fiscal incentives and a favourable regulatory environment.

On the other side, manufacturers have also found new avenues of growth as they are now tapping non-metro cities. Quick growth is likely from upcountry markets, where high ways and roads are being built, and discretionary income and aspirations are rising. Small towns and rural areas are regarded as the next engines of growth for passenger vehicle business.

Performance of the Company

FY19 was a year in which we made continued progress in many areas despite an increasing volatile economic and business environment, particularly in the last quarter. The total sales turnover of the Company increased to Rs.6634.52 million, registering a significant increase of 20.28%. Profit before tax was Rs.531.22 million and profit after tax stood at Rs.354.84 million compared to Rs. 483.87 million and Rs. 319.12 million in FY18. Earnings per Share also increased to Rs. 18.91 from Rs. 17.00 in the previous year. The Company recorded an export turnover of Rs.1912.10 million in 2018-19, compared to Rs. 1304.38 in the previous year, thus recording an increase of 46.60 %.

Post consolidation with the subsidiaries overseas, the turnover stood at Rs. 9306.81 million compared to Rs. 7794.91 million during the previous year, registering increase of 19.40 %. The consolidated financials of the Company with its subsidiaries are attached to this Annual Report. Recognizing the importance of sharing the gains with shareholders who have placed their funds and trust in the Company at all times, an amount of Rs.65.68 million is being paid out by way of dividends i.e. 15% interim dividend and now proposed 20% final dividend.



Your Company has made its mark as a leader of sustainable manufacturing. Our state-of-the-art Plants are operating to their capacity now while minimizing wastes and pollutants. This phenomenon has attracted several recognitions from the top assessing agencies, which are enumerated elsewhere in this Annual Report making your Company a respected name in the industry for its competitive and cutting-edge products.

As I have mentioned in my previous communication to you, we have seriously considered an organic as well as inorganic growth strategy that has started bearing fruits. Your Company is confident that exposure to more and more global environment will lead to strong growth opportunities. Further, as a part of operational strategy, the registered office has been changed to Haryana.

The Board has both executive and non executive directors possessing a wide range of expertise. The Board has continued its role to monitor the performance of the company, including its operational & financial performance and progress in delivering new growth. In terms of strategy, your Company is following a consistent and long term strategy, to deliver competitive returns through focus on quality and timely delivery. Further, the journey of growth, which began in a small way, has been gathering momentum with each passing year adding new dimensions and ventures in different geographies.

In this eventful journey, each year has been packed with achievements that underline our committed performance. I sincerely thank all our stakeholders including our shareholders, customers, vendors and bankers for their unstinting support and guidance. May I also express my gratitude to the Board Members for their valued guidance and my thanks to my colleagues at all levels for their support especially during these days of volatility and economic uncertainity. Your Company is positive about its medium and long term growth prospectives and looks forward to continued profitable growth in the years to come.

Pranav Kapuria
Managing Director

DIRECTORS' REPORT

Dear Members,

Your Directors have great pleasure in presenting the 33rd Annual Report of your Company, together with the audited financial statement of accounts of the company for the financial year ended 31st March, 2019. Further, the consolidated performance of the company and its subsidiaries has been referred to wherever required.

Financial Results

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

(Rs. in million except per share data)

Particulars	Standalone		Consolidated	
	2018-19	2017-2018	2018-19	2017-2018
Revenue from Operation	6472.15	5383.82	9137.22	7596.81
Other Income	162.37	131.89	169.59	198.10
Total Income	**6634.52**	**5515.71**	**9306.81**	**7794.91**
Profit before Depreciation, Interest & Taxes (PBDIT)	986.12	837.42	1301.99	1144.55
Depreciation	270.80	262.98	421.91	394.25
Profit before Interest & Taxes (PBIT)	715.32	574.44	880.08	750.30
Financial Charges	184.10	90.57	294.81	235.12
Profit before Taxes (PBT)	531.22	483.87	585.27	515.18
Provision for Taxes	176.38	164.75	229.49	172.75
Profit after Tax (PAT)	**354.84**	**319.12**	**355.78**	**342.43**
Balance of profit brought forward	2216.68	1956.73	2220.69	1827.05
Balance available for appropriation	2573.30	2278.80	2608.89	2282.81
Dividend	65.69	51.61	65.69	51.61
Tax on dividend	13.50	10.51	13.50	10.51
Balance Surplus in P & L Account	2494.11	2216.68	2529.70	2220.69
Paid-up Equity Share Capital	187.68	187.68	187.68	187.68
Earnings Per Share (EPS)	18.91	17.00	18.96	18.25

General Information

Financial Year 2019 was a roller coaster year for domestic automobile industry. Auto industry faced multiple regulatory, geopolitical, and economic disruptions creating both developments and challenges for the Indian economy. The first quarter of the financial year claimed successful sales whereas the later quarters reeled one of its major slowdown in auto industry. In short to medium term, this sector faces huge transitions due to the ongoing credit crunch, low consumption level, Government's transitional measures of shifting from BS IV to BS VI, introduction of Electric Vehicles. However, in long term, Indian automotive industry is expected to emerge as the World's third largest passenger vehicle market in coming period.

All segments of the automobiles registered reasonable amount of growth on full year basis. The domestic sales of Commercial Vehicles grew by 17.55 % during April- March 2019 and Three Wheeler registered a 10.27% growth in domestic sales. In Two Wheeler segment, the sales of Scooters/ Scooterette declined by 0.27 % while sales of Motorcycles and Mopeds grew by 7.76% and 2.41% respectively in FY 2018-19 over FY 2017-18. The growth engine of automobile industry is always passenger vehicles. Unfortunately, this segment grew with only 2.70%.

On export side, the overall automobile exports increased by 14.50 %. While Three Wheelers and Two Wheelers registered a growth of 49.00 % and 16.55 % respectively, exports of Passenger Vehicle declined by 9.64 % and Commercial Vehicles registered a growth of 3.17 % in April-March 2019 over April-March 2018.

The Indian auto components industry is going through a transformational period with the concept of mobility changing continuously. The prospects of the Industry is to benefit over next years are good.

State of Company Affairs

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

Detailed information on the operations and on the state of affairs of the Company are majorly covered in the Management Discussion & Analysis Report, forming part of this report. The performance of the Company was in line or better than the growth of Auto Industries. During the FY 2018-19, the total revenue stood at Rs. 6634.52 million as compared to Rs. 5515.71 million in the last FY 2017-18, registering a growth of 20.28 %. The profit before tax stood at Rs 531.22 million as compared to Rs 483.87 million in previous year. Similarly, the Net profit after tax of the Company is Rs. 354.84 million as compared to Rs 319.12 million in previous year, registering a growth of 11.19%.

On a consolidated basis, the total revenue was Rs. 9306.81 million as compared to Rs. 7794.91 millions in the previous FY. Similarly, the Net profit after tax was Rs. 355.78 millions as compared to Rs. 342.43 millions in previous FY.

At the export front, the Company also did well and recorded an export turnover of Rs. 1912.10 million as compared to Rs. 1304.38 million in the previous year, hereby recorded an robust growth of 46.60% as compared to the percentage during the same period in the previous year. The total export turnover now 29.54 % of the total turnover of the Company.

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

Consolidated Financial Statements

In accordance with the provisions of the Companies Act, 2013 ('the Act') and IndAS-110 on Consolidated Financial Statements, read with Ind AS-28 on Investments in Subsidiaries outside India, the Audited Consolidated Financial Statements for the FY ended March 31, 2019 are provided in this Annual Report.

Share Capital

The paid up Equity Share Capital as on 31st March, 2019 was Rs. 187.68 million. During the year under review, the Company has not issued shares or granted stock options or sweat equity.

Dividend

During the year under review and based on the performance of the company, an interim dividend of 15% i.e. Rs. 1.50 per equity share amounting to Rs. 28.15 million was declared and paid, the same is being confirmed at the forthcoming AGM. Further, the Directors have now recommended to the shareholders a final dividend of 20% i.e. Rs. 2.00 per equity share for the FY 2018-19, resulting in an another payout of Rs. 37.54 million. The total dividend payout stands at Rs. 65.69 million (Previous year Rs. 65.69 million) & tax on dividend comes to Rs 13.50 million (Previous year Rs. 13.50 million). During the FY under review, no amount has been transferred to General Reserve of the Company.

If the final dividend on the shares as, recommended by the Board of Directors, is approved by the shareholders in their forthcoming 33rd Annual General Meeting of the company, 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.

Change in the nature of business

There was no change in the nature of the business of the company during the financial year 2018-19.

Change of the registered office

In order to enhance better administrative and economic control over the company and to streamline & rationalize its operations as well as the management of affairs of the Company, the shareholders of the Company approved the change of Registered Office from the State of Rajasthan to the State of Haryana. The Regional Director North Western Region approved the move. Later, Registrar of Company (ROC) have issued fresh certificate of Incorporation in this regard. The Company's registered office is now situated at Plot No 24, 25, 26, Sector-7, IMT Manesar, Gurgaon-122050, Haryana. w.e.f. July 19, 2019

The shifting of the Registered Office as aforesaid is in the best interests of the company, its shareholders and all concerned. The shifting will in no way be detrimental to the interest(s) of any member of the public, employees or other associates of the Company in any manner whatsoever.

Compliance with Secretarial Standards

The Company is fully compliant with all applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

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, 2019 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 Internal Financial Controls with reference to the Financial Statement

In view of the requirement of the Companies Act, 2013, the Company has successfully documented its Internal Financial Controls (IFC). This ensures orderly and efficient conduct of its business, including adherence to Company policies, safeguarding of its assets, accuracy, prevention of errors & completeness of the accounting records and the timely preparation of reliable financial information. The Internal Financial Controls with reference to the Financial Statements were adequate and operating effectively.

Further, the Audit Committee monitors the adequacy and effectiveness of your Company's internal control framework.

Details of Subsidiary/Joint Ventures/Associate Companies

During the financial year 2018-19, the Company incorporated a Wholly Owned Subsidiary Company in Canada in the name of "Neo-Tech Smart Solutions Inc." and subscribed 2,50,000 common shares of CAD $ 1.00 each.

As on March 31, 2019, the Company has nine (09) Wholly Owned Subsidiaries (including step-down subsidiaries) in Canada and US. There is no reverse investment by the subsidiary companies in the share capital of the Company.

The Board have duly reviewed the affairs of the subsidiary companies, from time to time wherein,2545887 Ontario Inc., The Hi-Tech Gears Canada Inc. and "Teutech Holding Co." are considered to be 'Material Subsidiary' companies, pursuant to provisions of Regulation 16 of the SEBI (LODR) Regulations, 2015. Further, there is no material change in the subsidiary companies and the Company has taken note of all the significant transactions and arrangements entered into by its subsidiaries. The other financial and vital details related to subsidiaries are provided in MGT-9 (Extract of Annual Return) & AOC-1 (Statement containing salient features of the financial statement of subsidiaries) attached to this Report, pursuant to section 129(3) and section 136 of the Companies Act, 2013 and rules made thereunder.

In accordance with the provisions of the Companies Act, 2013 and applicable accounting standards the standalone and consolidated financials together with the reports of Statutory Auditors are provided in the Annual Report. Further, the Company has amended/ made revision in the policy for determining material subsidiaries in order to align with amended listing regulations and other applicable laws. The revised policy is available at www.thehitechgears.com.

Directors, Key Managerial Personnel's and Evaluation

The Board is duly constituted with proper balance of Executive, Non-Executive, Independent Directors & Whole Time Directors.

During the year under review, Mr. Anant Jaivant Talaulicar (DIN 00031051) was appointed as an Additional Director in the meeting of the Board of Director, thereafter his appointed was approved by the members as Non-Executive Director of the Company w.e.f May, 21, 2018 at their 32nd Annual General Meeting .

Further, the Board appointed Mr. Neville D'Souza (DIN 08536411) as additional director in the category of Non-Executive and Independent Directors effective August 14, 2019. The Board recommends his appointment to the shareholders as an Independent Director of the Company for a terms of 5 years in forthcoming Annual General Meeting.

Retire by Rotation

Independent Directors are not liable to retire by rotation. Pursuant to the provision of Section 152(6) of the Companies Act, 2013 Mr. Anuj Kapuria (DIN: 00006366), Executive Director, being longest in the office, retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for the re-appointment. Brief profile of Mr. Anuj Kapuria has been given in the Notice convening the Annual General Meeting.

a. 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.).

The Board at its meeting held on February 02, 2019, pursuant to the recommendation of Nomination and Remuneration Committee appointed Mr. Dinesh Chand Sharma as Chief Financial Officer (CFO) and Key Managerial Personnel of the Company w.e.f February 25, 2019 in place of Mr. Vijay Mathur, who step down from the post of CFO w.e.f February 22, 2019.

b. Independent Directors

The Board has 7 (Seven) Independent Directors, including one Woman Independent Director, representing diversified fields and expertise. Details are provided in the appropriate section of the Corporate Governance Report.

The Board taking in account the performance evaluation and the recommendation of Nomination and Remuneration Committee, re-appointed following independent directors for second term of 5 consecutive years subject to the approval of shareholders at the ensuing Annual General Meeting:

S. No	Name of Independent Director	Tenure
1.	Mr. Sandeep Dinodia	September 18, 2019 to the date 38th Annual General Meeting
2.	Mr. Anil Kumar Khanna	September 18, 2019 to the date of 38th Annual General Meeting
3.	Mr. Krishna Chandra Verma	September 18, 2019 to the date of 38th Annual General Meeting
4.	Mr. Vinit Taneja	September 18, 2019 to the date of 38th Annual General Meeting
5.	Mr. Prosad Dasgupta	September 18, 2019 to the date of 38th Annual General Meeting
6.	Ms. Malini Sud	February 12, 2020 to February 11, 2025
7.	Mr. Neville D'Souza	August 14, 2019 to the date of forthcoming Annual General Meeting*

* Mr. Neville D'Souza, Independent & Non-Executive Director (DIN: 08536411), was originally appointed as an Additional Independent Director on Board of the Company on August 14, 2019

The Independent Directors have submitted their declarations of independence, as required pursuant to provisions of section 149 (7) of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), as amended from time to time, stating that they meet the criteria of independence as provided in sub-section (6) of section 149 of Companies Act, 2013 and the Listing Regulations.

c. Meetings of the Board

The Board met 6 (six) times during the period 2018-19 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.

d. Annual Evaluation of the Board, its Committees and of Individual Directors

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, the Board carried out an formal annual performance evaluation of its own performance, the Chairman, Directors individually and the working of the different committees. Such evaluation was done through the established evaluation framework and the SEBI Guidance Note. The framework included different tools such as individual questionnaire, covering various information required to have the evaluation. All the layers of the Board, such as Board, Committees and the Independent Directors performed their part by evaluating the performances of the holders as mandated.

Auditors

a) Statutory Auditors

M/s O P Dadu & Co., Chartered Accountants, (Firm Registration No. 001201N) the Statutory Auditors of the Company, were appointed in the 31st Annual General Meeting for a term of five consecutive years till the conclusion of 36th Annual General Meeting of the Company to be held in the year 2022-23. They have furnished a certificate confirming the eligibility under section 141 of the Companies Act, 2013 and Rules made thereunder.

Pursuant to the provisions of Companies (Amendment) Act, 2017 read with MCA notification dated 07th May, 2018, the appointment of Statutory Auditors is not required to be ratified at every Annual general Meeting.

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 "A"** to Auditors' Report relating to non deposit of disputed taxes. The Board wishes to inform that those matters are related to regular income tax matters for which the Company has preferred appeal to Appellate Authorities. The necessary explanations are also provided in Note 38A (2) to the Standalone Financial Statements. Further in respect of point no. (x) in **Annexure "A"** to Auditors' Report read with section 143 (12) & 134 (3) (ca), during the quarter ended December 31, 2018, a case of embezzlement by an employee to the extent of Rs. 2.23 million was reported. A complaint regarding the matter was lodged with the Police Authorities in Bhiwadi, Dist. Alwar, Rajasthan. The Police have immediately taken the person into the custody after initial investigation. Further, the company has suo-moto informed the Stock Exchanges about above misappropriation of company's fund on November 16, 2018. The rest of report by the Statutory Auditors is self-explanatory. Please refer to the Notes to Accounts, wherever necessary.

b) Cost Auditors

The provisions relating to section 148(1) read with rules are applicable, accordingly cost accounts and records are made and maintained.

Further, 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 have 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 2019-2020. The remuneration proposed to be paid to them requires ratification of the shareholders of the Company. In view of this, your approval for payment of remuneration to Cost Auditors is being sought at the ensuing Annual General Meeting. Accordingly, a resolution seeking approval by members for the remuneration payable to M/s Kabra & Associates is included in the Notice convening 33rdAnnual General Meeting.

c) Secretarial Auditor

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by ICSI.

As per 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 format. 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.

Additionally, pursuant to SEBI circular dated CIR/CFD/CMD1/27/2019 dated February 08, 2019, the Company has undertaken and received an Annual Secretarial Compliance Report from M/s Grover Ahuja & Associates, Practicing Company Secretaries and submitted the same to the stock exchanges within the specified time period.

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, if any and corrective actions being taken to address them.

Investor Education and Protection Fund ('IEPF')

Pursuant to section 124, 125 and applicable provisions of the Companies Act, 2013 and Rules made there under, all unpaid or unclaimed dividends are required to be transferred by the Company to IEPF after the completion of seven years from the date of declaration of dividend.

Similarly, the MCA has notified Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 effective from 7th September 2016 which provide that, the shares in respect of which dividend has not been claimed or unpaid by the shareholders for seven consecutive years or more shall also be transferred to the demat account(s) to be prescribed by the IEPF Authority.

The details of such dividend and shares transferred pursuant to the aforesaid provisions are provided in General Shareholder information section at point No. 14 of Section XI of Corporate Governance Report and Note No. 11 of the Notice of ensuring 33rd Annual General Meeting.

In terms of the said Rules and the amendment thereof vide notification dated 28th February, 2017 and 13th October, 2017, the necessary communications have been made to the respective shareholders whose shares were required to be transferred to the IEPF so as to enable them to claim their dividend attached to such shares before such dividend and shares are transferred to IEPF and further, the necessary information in this regard is available on the website of the Company i.e. www.thehitechgears.com for the convenience of the shareholders.

In view of this, those shareholders whose dividend is unpaid or unclaimed must claim it at the earliest. The equity shares once transferred into IEPF can only be claimed by the concerned shareholder from IEPF Authority after complying with the procedure prescribed under the Rules and any amendment thereof.

Accordingly, during the financial year 2018-19, the Company has transferred 12,152 and 800 equity shares to the IEPF Authority, in two tranches in respect of which the amount of dividend has not been claimed or unpaid for the consecutive seven years to the concerned shareholders from the date of declaration respectively. A list of such cases is available at the company website.

Extract of Annual Return

As required pursuant to Section 92(3) & 134 (3) of the Companies Act, 2013, an extract of Annual Return in the prescribed form MGT-9 is annexed to this Report as **Annexure II** and also on company's website on the link: www.thehitechgears.com.

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 Rule 8(3) of the Companies (Accounts) Rules, 2014, are given in **Annexure III,** to this Report.

Report on Corporate Governance

In terms of Listing Regulations, a report on Corporate Governance is given separately and forming part of this report and a certificate from the M/s Grover Ahuja & Associates, Practicing Company Secretaries confirming compliance with the provisions of Corporate Governance is also annexed to the report.

Management Discussion &Analysis Report

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

Risk Management Policy

Pursuant to Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, provisions of constituting Risk Management Policy are not applicableto the Company. Although the Company has adopted an enterprise Risk Management Policy and established a Risk Management Framework with an objective of timely identification, mitigation and control of the risks, which may threaten the existence of the Company, in accordance with the provisions of The Companies Act, 2013.

Corporate Social Responsibility

Pursuant to the provisions of Section 135 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder the Company have adopted & developed a Policy covering the activities mentioned in Schedule VII of Companies Act, 2013,upon the recommendation of CSR Committee. Implementation of the policy is undertaken under the guidance of CSR Committee and a brief of the Corporate Social Responsibility is provided in **Annexure-IV.**

Your Company has in place a CSR Policy. The CSR policy lays down CSR activities to be undertaken by your Company. The CSR activities undertaken by your Company are based on the approved CSR policy, which is available on the Company's website, www.thehitechgears.com.

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 considered to be in the ordinary course of business and on the arm's length basis. 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. 36 to the financial statements.

The revised Policy on materiality of related party transactions pursuant to Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as approved by the Board may be accessed on the Company's website at the link www.thehitechgears.com.

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 period under review, one Special Resolution for shifting of Registered Office through postal ballot was proposed by the Board of Directors and passed by the shareholders. The details of same is provided in point no. VIII of Corporate Governance Report attached to report.

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.

During the year, the company has amended the said code of conduct to regulate, monitor and report trading by designated persons and their immediate relatives in pursuance to the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 including the code of practices and procedures of fair disclosure of unpublished price sensitive information. The same has been placed on the Company's Official website i.e. www.thehitechgears.com.

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 a Code of Conduct for its Board Members and Senior Management personnel in place pursuant to SEBI Listing Regulations . 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, 2019 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 Regulation 14 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the annual listing fees for the year 2019-20 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 there under.

Dematerialization of the equity shares

99.59% 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.

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**.

Remuneration Policy

In terms of provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of the Listing Regulations, a policy relating to remuneration for the Directors, Key Managerial Personnel and other employees has been adopted by the Board of Directors of the Company in pursuance of its formulation and recommendation by the Nomination and Remuneration Committee thereby analyzing the criteria for determining qualifications, positive attributes and independence of a Director. The said policy available on the website of the Company at www.thehitechgears.com. Salient feature of the policy are provided in attached 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 committee are accepted by the Board. 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 www.thehitechgears.com.

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

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Accordingly, the company has set up Committee for implementation of said policy.

Further, during the year Company has not received any complaint of harassment. Complete details are provided in attached Corporate Governance Report.

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

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

The details of the investments made by the 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.

Business Responsibility Reporting

As per Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of Business Responsibility Reporting is not applicable to the Company.

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 The Hi -Tech Gears Limited

Place : New Delhi
Dated : August 14, 2019

Deep Kapuria
Chairman

ANNEXURES TO THE DIRECTORS' REPORT

ANNEXURE - I

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANICAL YEAR ENDED 31ST MARCH, 2019
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To

The Members,
M/s. The 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 **The 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, 2019**, 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, 2019** 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') were **applicable** to the Company under the financial year under report:-

i. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

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;

iv. The Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015.

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, 2018;

v. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

(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 Other Applicable Tax Laws;

(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 Secretarial Standards issued by The Institute of Company Secretaries of India.

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 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 in Wholly Owned Subsidiary abroad was 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 during the period under review, the Company had received the following notice, details of which are provided below:

1. Investor Education and Protection Fund Authority, Ministry of Corporate Affairs, in its letter number 17/1/2018/IEPFA/INSP2/206(4)/1F4NF/884 dated 5th September, 2018 have sought for the information pursuant

to Section 124(6) of the Companies Act, 2013. The same was duly replied by the Company in its letter dated 29th October, 2018 stating the specific information as required by the Investor Education and Protection Fund Authority, Ministry of Corporate Affairs.

2. Ministry of Corporate Affairs in its dated 7th May, 2018 have sought for the information pursuant to Section 2(87) of the Companies Act, 2013. The same was duly replied by the Company in its letter dated 30th May, 2018 stating the specific information as required by the Ministry of Corporate Affairs.

3. Ministry of Corporate Affairs in its e-mail dated March 14, 2019 have sought for information on CSR for the financial year 2015-16 under Section 135 r/w Section 134(3)(o) of the Companies Act, 2013. The same was duly replied by the Company through an e-mail dated March 29, 2019.An e-form CFI(CSR) was also filed in respect thereof, stating the specific information as required.

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 : May 24, 2019

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. The 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.

For **Grover Ahuja & Associates**
Company Secretaries

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

Place: New Delhi
Date : May 24, 2019

ANNEXURE - II

FORM NO. MGT 9

Extract of Annual Return

as on financial year ended on 31.03.2019

[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**	L29130HR1986PLC081555
2.	**Registration Date**	23/10/1986
3.	**Name of the Company**	The 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**	Plot No. 24-26, Sector-7, IMT Manesar, Distt. Gurgaon -122050, Haryana, India Tel: (0124) 4715200
6.	**Whether a company is listed or not**	Yes
7.	**Name, Address & contact details of the Registrar & Transfer Agent, if any.**	**M/S MAS Services Limited** (Unit: The 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**

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)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacture of diverse parts and accessories for motor vehicles such as brakes, gearboxes, axles, road wheels, suspension shock absorbers, radiators, silencers, exhaust pipes, catalyser, clutches, steering wheels, steering columns and steering boxes etc.	29301	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of shares held	Applicable Section
1.	2545887 Ontario Inc. 361 Speedvale Ave. West Guelph, Ontario N1H1C7 Canada	Ontario: 2545887	Subsidiary	100	Section 2(87)
2	The Hi-Tech Gears Canada Inc. (Formerly known as Teutech Industries Inc.) 361, Speedvale Avenue West, Ontario, N1H1C7 Canada	Ontario : 1965796	Step down Subsidiary	100	Section 2(87)
3	Teutech Holding Corporation Suite 606, 1220 N. Market Street, Wilmington, Delaware, 19801, County of Newcastle, USA	Delaware: 98-0414627	Step down Subsidiary	100	Section 2(87)
4	Teutech, L.L.C. 416 Owens Drive, Huntsville, Alabama, 35801, USA	Alabama : 20-0424638	Step down Subsidiary	100	Section 2(87)
5	Teutech Leasing Corp 400 Meridian Street, Suite 301, Huntsville, Alabama, 35801, USA	Alabama : 20-0504993	Step down Subsidiary	100	Section 2(87)
6	2504584 Ontario Inc. 361, Speedvale Avenue West, Ontario N1H1C7 Canada	Ontario : 2504584	Step down Subsidiary	100	Section 2(87)
7	2323532 Ontario Inc. 361, Speedvale Avenue West, Ontario N1H1C7, Canada	Ontario: 2323532	Step down Subsidiary	100	Section 2(87)
8	Neo-Tech Auto Systemz Inc. 3411 Silverside Road, Rodney Building, Suite 104, Wilmington, De 19810, USA	36-4801889(EIN)	Subsidiary	100	Section 2(87)
9	Neo –Tech Smart Solutions Inc. 361, Speedvale Avenue West, Ontario N1H1C7, Canada	002635220	Subsidiary	100	Section 2(87)

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

A - Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change During the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
a) Individual/ HUF	5571545	8000	5579545	29.73	5571545	8000	5579545	29.73	0
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	4799076	0	4799076	25.57	4799076	0	4799076	25.57	0
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	**10370621**	**8000**	**10378621**	**55.30**	**10370621**	**8000**	**10378621**	**55.30**	**0**
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	0
b) Banks / FI	43748	900	44648	0.24	23408	900	24308	0.13	(0.11)
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	739	-	739	-	-	-	-		-
Sub-total (B)(1):-	**44487**	**900**	**45387**	**0.24**	**23408**	**900**	**24308**	**0.13**	(0.11)
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1706252	9072	1715324	9.14	1570787	1072	1571859	8.38	(0.76)
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	2432713	85457	2518170	13.42	2401123	66732	2467855	13.15	(0.27)
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	3818594	-	3818594	20.35	3787227	-	3787227	20.18	(0.17)
c) Others (NBFCs registered with RBI)	1585	-	1585	0.00	185	-	185	0.00	0.00
d) Non Resident Indians including on Repeatriable Basis/Non Repeatriable Basis	229815	-	229815	1.22	233244	-	233244	1.24	0.02
e) Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
f) Foreign Nationals	-	-	-	-	-	-	-	-	-
g) Any Other/ Clearing Members	60504	-	60504	0.32	304701	-	304701	1.62	1.3
h) Trusts	-	-	-	-	-	-	-	-	-
i) Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	**8249463**	**94529**	**8343992**	**44.46**	**8297267**	**67804**	**8343992**	**44.57**	**0.11**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	8293950	95429	8389379	44.70	8320675	68704	8389379	44.70	0.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**18664571**	**103429**	**18768000**	**100.00**	**18691296**	**76704**	**18768000**	**100.00**	**0.00**

B) Shareholding of Promoter

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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	2000	0.01	-	2000	0.01	-	0.00
6	Anuj Kapuria	844062	4.50	-	844062	4.50	-	0.00
7	Pranav Kapuria	848102	4.52	-	848102	4.52	-	0.00
8	Deep Kapuria	3117461	16.61	-	3117461	16.61	-	0.00
9	Deep Kapuria & Sons (HUF)	220800	1.18	-	220800	1.18	-	0.00
10	Master Abhay Kapuria	8000	0.04	-	8000	0.04	-	0.00
11	Adhiveer Kapuria	19000	0.10	-	19000	0.10	-	0.00
12	Adhiraj Kapuria	19000	0.10	-	19000	0.10	-	0.00
	Total	**10378621**	**55.30**	**-**	**10378621**	**55.30**	**-**	**0.00**

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

No change took place in Promoters' Shareholding during the year i.e. from 01st April, 2018 to 31st March, 2019

D) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):

Top Ten Shareholders	Shareholding at the beginning of the year (April 1, 2018)		Top Ten Shareholders	Shareholding at the End of the year (March 31, 2019)	
	No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
Nemish S Shah	767049	4.09	Nemish S Shah	767049	4.09
Anuj Anantrai Sheth	759959	4.05	Anuj Anantrai Sheth	759959	4.05
Nemish S Shah (HUF)	580000	3.09	Nemish S Shah (HUF)	580000	3.09
Mukesh Chimanlal Patani	536762	2.86	Mukesh Chimanlal Patani	536762	2.86
Hiten Anantrai Sheth	285000	1.52	Shamyak Investment Private Limited	289600	1.54
Prescient Wealth Management Pvt Ltd	223990	1.19	HitenAnantrai Sheth	285000	1.52
Shamyak Investment Pvt. Ltd.	179600	0.95	Prescient Wealth Management Pvt Ltd	255363	1.36
Gagandeep Credit Capital Pvt Ltd.	148376	0.79	Gagandeep Credit Capital Pvt Ltd.	154376	0.82
Prescient Securities Private Limited	142292	0.76	Prescient Securities Private Limited	142292	0.76
Anvil Share and Stock Broking Pvt. Ltd	348380	1.85	Zafar Ahmadullah	133000	0.71

Note: The shares of the Company are traded on a daily basis at the Stock Exchanges 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 shareholding	Reason	Cumulative Shareholding during the year (01-04-18 to 31-03-19)	% of total shares of the Company
		No. of Shares at the beginning (01-04-18) / end of the year (31-03-19)	% of total shares of the Company				No. of Shares	
A	**DIRECTORS**							
1	Mr. Deep Kapuria	3117461	16.61	1-Apr-18			3117461	16.61
		3117461	16.61	31-Mar-19	-	-	3117461	16.61
2	Mr. Pranav Kapuria	848102	4.52	1-Apr-18			848102	4.52
		848102	4.52	31-Mar-19	-	-	848102	4.52
3	Mr. Anuj Kapuria	844062	4.50	1-Apr-18			844062	4.50
		844062	4.50	31-Mar-19	-	-	844062	4.50
4	Mr. Sandeep Dinodia	0	0.00	1-Apr-18			0	0.00
		0	0.00	31-Mar-19	-		0	0.00
5	Mr. Ramesh Chandra Jain	0	0.00	1-Apr-18			0	0.00
		0	0.00	31-Mar-19	-	-	0	0.00

S. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-18 to 31-03-19)	% of total shares of the Company
		No. of Shares at the beginning (01-04-18) / end of the year (31-03-19)	% of total shares of the Company				No. of Shares	
6	Mr. Anil Kumar Khanna	0	0.00	1-Apr-18			0	0.00
		0	0.00	31-Mar-19	-	-	0	0.00
7	Mr. Bidadi Anjani Kumar	0	0.00	1-Apr-18			0	0.00
		0	0.00	31-Mar-19	-	-	0	0.00
8	Mr. Vinit Taneja	5600	0.03	1-Apr-18			5600	0.03
		5600	0.03	31-Mar-19	-	-	5600	0.03
9	Anant Jaivant Talaulicar	0	0.00	1-Apr-18	-	-	0	0.00
		0	0.00	31-Mar-19	-	-	0	0.00
10	Mr. Krishna Chandra Verma	0	0.00	1-Apr-18	-	-	0	0.00
		0	0.00	31-Mar-19	-	-	0	0.00
11	Mr. Prosad Das Gupta	2000	0.00	1-Apr-18			2000	0.00
		2000	0.00	31-Mar-19	-		2000	0.00
12	Ms. Malini Sud	0	0.00	1-Apr-18			0	0.00
		0	0.00	31-Mar-19	-	-	0	0.00
B	**KEY MANAGERIAL PERSONNEL**		0.00					
13	Mr. Vijay Mathur (CFO) (01.04.2018-22.02.19)	20	0.00	1-Apr-18			20	0.00
		20	0.00	22-Feb-19	-	-	20	0.00
14	Mr. Dinesh Chand Sharma (CFO) (25.02.2019-31.03.2019)	0	0.00	25-Feb-19			0	0.00
		0	0.00	31-Mar-19	-	-	0	0.00
15	Mr. S.K. Khatri (CS)	0	0.00	1-Apr-18			0	0.00
		0	0.00	31-Mar-19	-	-	0	0.00

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

(Amount in million)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1819.50	-	-	1819.50
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	11.75	-	-	11.75
Total (i+ii+iii)	**1831.25**	**-**	**-**	**1831.25**
Change in Indebtedness during the financial year				
* Addition	777.43	-	-	777.43
* Reduction	62.66	-	-	62.66
Net Change	**714.77**	**-**	**-**	**714.77**
Indebtedness at the end of the financial year				
i) Principal Amount	2534.27	-	-	2534.27
ii) Interest due but not paid	0	-	-	0
iii) Interest accrued but not due	15.00	-	-	15.00
Total (i+ii+iii)	**2549.27**	**-**	**-**	**2549.27**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in million)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Deep Kapuria (Chairman)	Mr. Pranav Kapuria (MD)	Mr. Anuj Kapuria (WTD)	
		2018-19	2018-19	2018-19	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12.67	5.24	4.34	22.25
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.88	0.41	0.64	1.93
	(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…	6.73* 1.59%	4.94* 1.16%	4.94* 1.16%	16.61* 3.91%

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Deep Kapuria (Chairman)	Mr. Pranav Kapuria (MD)	Mr. Anuj Kapuria (WTD)	
		2018-19	2018-19	2018-19	
5	Others, please specify	NIL	NIL	NIL	NIL
	Total (A)	**20.28**	**10.59**	**9.92**	**40.79**
	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.			

* The Commission relates to 2018-19, however the same is still to be disbursed.

B. Remuneration to other directors (Amount in million)

S. No.	Name of the Directors & Designation	Commission	Sitting Fees	Total Amount
1	Mr. Sandeep Dinodia, Independent Director	0.24	0.14	0.38
2	Mr. Krishna Chandra Verma, Independent Director	0.24	0.13	0.37
3	Mr. Vinit Taneja, Independent Director	0.24	0.10	0.34
4	Mr. Anil Kumar Khanna, Independent Director	0.24	0.08	0.32
5	Mr. Ramesh Chandra Jain, Non-Executive Director	0.24	0.06	0.30
6	Mr. Bidadi Anjani Kumar, Non-Executive Director	0.24	0.05	0.29
7	Mr. Prosad Dasgupta, Independent Director	0.24	0.07	0.31
8	Ms. Malini Sud, Independent Director	0.24	0.05	0.29
9	Mr. Anant Jaivant Talaulicar, Non-Executive Director	0.20	0.01	0.21
Total (B)		**2.12**	**0.69**	**2.81**
Ceiling as per the Act		1% of the net profit of the Company as calculated as per section 197, 198 & other applicable provisions of Companies Act, 2013. However the payout is restricted to 0.5% of the Net Profits calculated in terms of section 197, 198 & other applicable provisions of the Companies Act, 2013.		

Total Managerial Remuneration ceiling as per Act, i.e 11% of the net profit of the Company as calculated as per section 197, 198 & other applicable provisions of Companies Act, 2013. Out of this 10% is utilized for remuneration to whole time directors and 0.5% to Non Executive Directors (other than sitting fee) Total Managerial Remuneration (Total A+B) is Rs. 43.60 million.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (Amount in million)

S. No.	Particulars of Remuneration	Mr. Vijay Mathur	Mr. Dinesh Chand Sharma	Mr. S.K. Khatri	Total
		CFO	CFO	CS	
		2018-19 (01.04.2018 to 22.02.2019)	2018-19 (25.02.2019 to 31.03. 2019)	2018-19	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.08	0.91	2.15	6.14
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00*	NIL	0.00*	0.00
	(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	NIL NIL
5	Others, please specify	NIL	NIL	NIL	NIL
	Total	**3.08**	**0.91**	**2.15**	**6.14**

* Value of perquisites is Rs. 1500/- u/s 17(2) Income-tax Act, 1961.

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, 2019.

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:

- Used IE4 Grade highly energy efficient motor in 90 KW Kaeser Compressor.
- Replacement of all 4x54 watt T5 Lamps in Shop floor with 100 Watt LED Light.
- Enhance the STP Plant capacity from 20 KLD to 40KLD to treat and reuse the waste water.
- Installation of Robot in Mazak Machine Cell for Shaft machining operation.
- Controlling of Air leakages from Air Pressure Gauges unit thru sensors and pneumatic valve.
- Regular Air Leakage & Water Leakage Audit and subsequently plugging the leakage points.
- Providing interlocking to stop preheating & Tempering furnace, if run idle more than ten minutes.
- Electricity utilisation thru two solar plants of 400 KW and 250KW on roof top of 2 manufacturing units.
- Maintaining temperature of panel AC's of machines in range of 24 to 28 C
- Energy Conservation by Automation of CNC machines by auto switching Off of Hydraulic electric motors & chip conveyor motors when machine stopped for more than 3 minutes
- Provide Solar Reflexive paint on Roof to reduce the shop floor temp. by 2DegC
- Energy Audits are done on periodic basis and corrective actions taken, wherever required.
- Energy conservation by adaptation & continuous running of VFD in 570 CFM Air compressor
- Various Modules are developed to conserve and save the energy. The same are monitored thru Project Management system.
- Conversion of normal Lamps with LED lamps in Shop floor
- Adaptation of energy efficient motors in Forced Duct Ventilators - replaced with old motors
- Automation of Cooling Tower pumps and motors for energy saving

WATER CONSERVATION MEASURES

- Continious usage of Drip Irrigation system for the Shrub, Grass and the Plant to reduce the water consumption
- Adaptation of low water consumption faucets and fixtures to minimize water consumption in general use and in Canteen
- Maintaining Rain water harvesting system in good working condition for maintaining ground water level.
- Use of ETP water for gardening and other miscellaneous usages.
- Enhancement of greenery landscape

Additionally, the state of the art new plant in Bhiwadi, an 'ECOFAC Plant', i.e. a sustainable green manufacturing plant is working to satisfy all green needs. It has many energy conservation features. The Plant has received Platinum rating from the Indian Green Building Council.

It is further to inform that the Manesar Manufacturing Unit has also upgraded its facility and become another "ECOFAC Plant'. This Unit is also awarded Platinum Award from Indian Green Building Council.

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 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 endeavoured to acquire world-class technology both in hardware and software.

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

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

Research & Development were carried in product development/ process development/ energy conservation/ environment protection/ cost reduction and automation. In aforesaid process design and material data base are continuously improved and enhanced.

The Company is continuing to absorb the innovative Solution Ideas in product specification tool and end products. The Company is continuously working in the direction to prepare parts for itself for the technological changes in the auto sector, including electrification of vehicles, as mandated by government.

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

- Reduction in process losses by continues identifying the area of operation.
- Development of new products
- New measures required for the utilization of the renewable energy
- Project adopted for optimizing the motor capacity in machines.

- Run the Plant on Solar Power thru bilateral Capex model.

v. Expenditure on Research & Development

Development and improvement of products has been an inbuilt and ongoing activity within the existing manufacturing facilities, however management has identified an amount of Rs. 26 million on account of R&D. Note no. 44 of the Notes to Accounts of standalone Financials may be referred for the details.

C. FOREIGN EXCHANGE EARNINGS & OUTGO

The Company recorded an export turnover of Rs. 1912.1 million as compare to Rs. 1304.38 million in the previous year, thereby recorded an increase of 46.60 %. The total exports are now 29.54% of the total turnover. The details of Foreign Exchange Inflow and outflow are as under:

(Amount in million)

Particulars	(2017-18)	(2018-19)
Inflow	1304.38	1912.1
Outflow		
Capital Equipment	23.41	325.24
Consumables	11.01	30.60
Raw Material	2.32	44.86
Others	84.07	112.3*

* It includes ECB Loan repayment amount of Rs. 71.15 million.

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. The Company has developed and implemented a policy pursuant to the provisions of section 135 of Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy), Rules 2014. The same is available on the website of the Company.

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 and available at the website of the Company under the web-link at http://www.thehitechgears.com.

Composition of the CSR Committee

Mr. Krishna Chandra Verma	Chairman	-	Independent Director
Mr. Deep Kapuria	Member	-	Executive Director
Mr. Pranav Kapuria	Member	-	Executive Director
Mr. Ramesh Chandra Jain*	Member	-	Non-Executive Director

*During the year, the CSR committee was reconstituted by introducing a new director, Mr. Ramesh Chandra Jain, as member in the CSR Committee

The Committee met twice during the year under review. Details of the same are provided in Corporate Governance Report attached to the Annual Report.

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

Average net profit: Rs. 377,948,648/-

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

The Company was required to spend Rs. 7.56 million towards CSR during the financial year 2018-19.

Details of CSR spent during the financial year:

a) Total amount spent for the financial year; Rs. 7.78 million

b) Amount unspent, if any; NIL

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

(Amount in million)

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 & Rajasthan	5.25	5.25	5.25	Direct
2	**Integrated Community Development**	Building of tube well, water harvesting & women development	Local Area i.e. Rajasthan & Delhi	1.33	1.33	6.58	Direct
3	**Disaster Management**	Support to victims of natural calamities & disaster through Prime Minister Relief fund and other agencies	Local Area i.e New Delhi	1.20	1.20	7.78	Direct

Responsibility Statement by the Corporate Social Responsibility Committee:

The responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

(Company Secretary)

(Chief Executive Officer or Managing Director or Director)

(Chairman CSR Committee)

ANNEXURE- V

Form No. AOC-2

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

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain 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 (Aquarian)**	**The Hi-Tech Robotic Systemz Limited (HRSL)**	**Vulcan Electro Controls Limited (Vulcan)**	**The Hi-Tech Eng. Systems Private Limited (HESPL)**
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. 24.0 million for the financial year 2018-19	In tune with market parameters estimated annual value of Rs185 million for the financial year 2018-19	In tune with market parameters estimated annual value of Rs 2000 million for all contracts for the financial year 2018-19	In tune with market parameters estimated annual value of Rs 1250 million for all contracts for the financial year 2018-19
Date(s) of approval by the Board	August 03, 2018	August 03, 2018	August 03, 2018	August 03, 2018
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

- Above is the statement of all contracts which may be considered as related party transactions.
- Company has taken Omnibus approval from the Audit Committee for the Related Party Transactions for the financial year 2018-19.
- Out of the above contracts with Vulcan & HESPL are considered material Related Party Transactions.
- During the year under review, the Company has incorporated a Company in Canada. Refer Board Report for brief of transaction. The Company has invested Rs. 13.78 million in Subsidiary Company. The Investment in equity is pursuant to Section 186 is well within the sanctioned limit by the Shareholders. Further Related Party Transactions with the overseas wholly owned subsidiaries, if any is exempt within the purview of taking shareholders approval pursuant to Section 188.
- For Material related party transactions, approval of the Shareholders have been obtained.
- For exact value of Related Party Transactions, please refer chapter XII of the Corporate Governance Report and note 36 of the standalone financial statement of the Company.

ANNEXURE-VI

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 33rd Directors' Report for the financial year ended on March 31, 2019.

(Rs. In million)

Name	Designation	Age	Nature of Employment & other terms and conditions	Nature of Duties	Remuneration received	Qualification	Exp. (Yrs)	Date of Commencement of initial Employment	% of Equity shares held	Last Employment & Designation
Mr. Deep Kapuria	Chairman	70	Contractual appointment for a period of 5 year w.e.f. 01.01.2017	Overall Control and policy formulation	21.23	*BE (Hons) from B.I.T.S., Pilani *Advance Management Programme from IIM (A) *Lead Assessor Course *Owner Management Programme from Harvard Business School	46	01.01.1987	3117461 (16.61%)	Business
Mr. Pranav Kapuria	Managing Director	44	Contractual appointment for a period of 5 years w.e.f. 01.08.2015	Overall control of day to day management of the Company	10.98	*B. Com (H) from Delhi University *MBA from Cardiff Business School *Certificate Program on Lean Manufacturing from University of Michigan	18	01.08.2000	848102 (4.52%)	With The Hi-Tech Gears Ltd. as Director
Mr. Anuj Kapuria	Whole Time Director	41	Contractual appointment for a period of 5 years w.e.f. 15.05.2015	Overall control of day to day management of the Company	10.25	*BE in Robotic and Automated Manufacture engineering from Sussex university, U.K *Master's Degree in Robotics from Carnegie Mellon University	13	30.05.2005	844062 (4.50%)	With The Hi-Tech Gears Ltd. as Director

Note:

Information has been furnished in respect of all Whole Time Directors. There was no employees who was in receipt of remuneration which in aggregate was not less than Rs. 102 Lakhs per annum or was not less than Rs. 8.50 Lakhs per month. Remuneration includes salary, allowance, commission, expenditure on perquisites and Company's contribution to provident fund. Commission is pending for disbursement till the finalization of this Report. 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, 2 % or more of the equity shares of the Company. Information pursuant to Rule 5(2) shall be made available to any shareholder on a specific request made by him in writing before the date of Annual General Meeting. 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-51.24; Mr. Pranav Kapuria, Managing Director-26.51; Mr. Anuj Kapuria, Executive Director- 24.73

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- 0.77; Mr. Sandeep Dinodia, Independent Director-0.92; Mr. Vinit Taneja, Independent Director-0.82; Mr. Prosad Dasgupta, Independent Director- 0.75; Mr. Krishna Chandra Verma, Independent Director- 0.89; Mr. Ramesh Chandra Jain, Non-Executive Director-0.72, Ms. Malini Sud, Independent Director-0.70; Mr. Bidadi Anjani Kumar, Non-Executive Director- 0.70 and Mr. Anant Jaivant Talaulicar, Non-Executive Director-0.51

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

2. There were 903 number of permanent employees on the rolls of company as on 31st March, 2019;

3. The company registered a growth of 22.75% in operating income as compared to average percentage increase in median remuneration of employees is 8.90% in financial year 2018-19.

4. (a) Financial Performance of the Company

S. No.	Particulars	2018-19 (Rs in million)	2017-18 (Rs in million)	% Change
1	Turnover of the Company (net of excise duty)	6472.15	5272.65	22.75%
2	Profit Before Tax	531.22	483.87	9.79%
3	Profit After Tax	354.84	319.12	11.19%

5.

(a) The Market capitalization as on 31st March, 2019 was Rs 5408 million and Rs 7475.3 million as on 31st March, 2018 which shown decline of 27.66 %.

(b) Price Earnings ratio of the Company was 15.23 as at 31st March, 2019 and 23.43 as on 31st March, 2018 which shows a decrease of 35%.

(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;

6. 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.

7. There is no employee who receive remuneration in excess of the highest paid director during the year

8. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer or Company Secretary are as under:

Name of Director and DIN	Designation	% Change in remuneration
Mr. Deep Kapuria	Executive Chairman	(11.94)
Mr. Pranav Kapuria	Managing Director	(11.77)
Mr. Anuj Kapuria	Executive Director	(12.11)
Mr. Sandeep Dinodia	Independent Director	(25.58)
Mr. Krishna Chandra Verma	Independent Director	(25.58)
Mr. Vinit Taneja	Independent Director	(25.58)
Mr. Anil Kumar Khanna	Independent Director	(25.58)
Mr. Ramesh Chandra Jain	Director	(25.58)
Mr. Bidadi Anjani Kumar	Director	(25.58)
Mr. Prosad Dasgupta	Independent Director	(25.58)
Ms. Malini Sud	Independent Director	(25.58)
Mr. Anant Jaivant Talaulicar	Director	N.A.
Mr. Vijay Mathur (upto February 22, 2019)	Chief Financial Officer	6.20
Mr. Dinesh Chand Sharma (from February 25, 2019)	Chief Financial Officer	N.A
Mr. S.K Khatri	Company Secretary	7.44

Note:

a) Sitting fees payable to Non-Executive Directors (including Independent Directors) for attending Meeting of Board of Directors including Committee Meetings of the Company. Hence, it is not considered as remuneration in case of Non-Executive Directors.

b) In case of Executive Directors, the remuneration is as per the provisions of the Companies Act, 2013.

c) Mr. Anant Jaivant Talaulicar joined the Board on May 21, 2018, hence this section is not applicable.

d) Mr. Dinesh Chand Sharma joined as Chief Financial Officer w.e.f. February 25, 2019 hence this section is not applicable.

9. It is affirmed that the remuneration is paid as per the remuneration policy of the Company.

MANAGEMENT DISCUSSION ANALYSIS

Brief about the Company

The Hi-Tech Gears Ltd. is an auto component manufacturer (Tier 1 supplier) of world class repute. The Company has a foothold in US and Canada with aggregate revenue of over Rs. 9300 million in FY 2018-19.

The Company spans a spectrum of products, including transmission and engine components, driveline components, engines design services and advanced technology-enabled products and solutions at the fore front of cutting edge technology.

Company continues to focus on creating products and technology, which enable its customers and stakeholders to rise. By focusing on customer centricity, frugal innovation and enhancing people capabilities, the Company continues to consolidate its leadership position in the domestic market while continuously pursuing global expansion.

The Macro Economic Environment

Global Economy

Growth is projected at 2.8% in 2018 on continued benign global financing conditions and modest recovery in emerging market and developing economies (EMDEs). Global growth in 2019 is expected to continue to slow, reflecting weaker-than-expected trade and investment at the start of the year, weakness in trade and manufacturing across all economies especially in Eurozone. It is mainly due to reasons like introduction of new and retaliatory tariff measures, heightened US-China trade tensions, weaker global economic growth, volatility in financial markets and absence of Government's support on major trade issues. U.S. growth is forecast to ease to 2.5% this year and further decelerate in 2020.

At a time when the global economy been disrupted by slowdown, US and China, world's largest and biggest trading nations, are driven in part by fallout from the trade war, which has spread to other nations, raising supply chain costs, chilling exports and worrying political & economic leaders. The idea that you could slow down the global growth engine and not affect other countries is just not credible. Recently, both countries showed some potentials of trade talk during G-20 summit. However, there is no progress thereafter, rather US imposed new sanctions in first week of August, China to follow the suit. The main focus of tensions is likely to remain and there will always be the risk of this escalating into other countries and trade territories.

Current economic momentum remains weak, while heightened debt levels and subdued investment growth in developing economies are holding countries back from achieving their potential. Manufacturing, which is especially vulnerable to trade, is slowing across advanced economies even as service industries hold up. It is urgent for such countries to make significant structural reforms that improve the business climate and attract investment.

India's Economy

From a long time, both India and China are the fastest growing continental sized emerging markets of the world. However, growth has been slowing down for both nations. The second advance estimate of national income released by the Central Statistical organization estimated India's real GDP growth for 2018-19 at 6.8%, a 20 basis points decline compared to previous estimate.

India's economic slowdown shows no signs of abating, with a sizeable number of indicators of domestic demand still flashing red upto recent time. The overall scenario remained unchanged despite some improvement on the external front largely because of fresh incoming data on the current account balance as a share of GDP, which narrowed sharply in the quarter ended June 2019. Consumption has always been a strong and major driver of growth in the economy, however from last few months, there has been continuous fall in this direction also.

With global economic uncertainties rising and with fresh investments in the country at a decade low, the IMF, ADB as well as the RBI have pared down India's growth forecasts, citing both rising risks to global economic growth as well as weakening domestic investment activity for their subdued forecast.

Industry and Segment dynamics

FDI inflows grew by 14.57% in FY19 and has been growing at a high rate since 2015. Among the top sectors attracting FDI equity inflows, services, automobiles and chemicals were the major categories. However in given situations, it would be difficult to sustain the growth amidst fears of withdrawal of funds by FIIs. The share market is responding to the development in global and Indian Economy in same manner. Another cause of concern is that Government wants to raise the threshold for minimum public shareholding in the listed entities from 25% to 35%, which seems difficult to achieve in this era of liquidity crisis.

After two years of good agriculture growth, real growth in 'agriculture & allied' sector was lower in 2018-19 at 2.9%. Growth in manufacturing sector picked up initially, but the momentum slowed down towards the end of the financial year with a growth of 3.1% in fourth quarter.

Overall Index of Eight Core Industries registered a growth rate of 4.3% in FY19. However, India's ranking improved to 77th position in 2018 among 190 countries assessed by the World Bank Doing Business Report, 2019. Rail freight and passenger traffic grew by 5.33% and 0.64 % respectively in FY19 as compared to FY18. The installed capacity of electricity has increased to 3,56,100 MW from 3,44,002 MW in previous year.

Last few years have not been good for the Indian banking sector. They have been dealing with twin balance sheet problem, which refers to stressed, corporate and bank balance sheets. The increase in NPA of banks led to strain on balance sheets of banks. Due to inherent advantages, NBFCs could rapidly scale their businesses where the formal banking system was slow in lending. However, adding to the heat in financial sector, major NBFCs are falling, which is another cause of concern for Government.

At the same time right implementation of the IBC Code led to recovery and resolution of significant amount of distressed assets and improved business culture. Till March 31, 2019, the CIRP yielded resolutions involving claims worth Rs. 1,73,359 crores out of which, Rs. 75,000 crores received by banks from previously non-performing accounts.

Service sector is the most dynamic sector in the economy and has remained the key driver of economic growth along with being a major contributor to GDP and export basket of the Indian Economy. Service exports has become one of the mainstays of India's total exports increasing manifold, from Rs. 0.746 lakh crore in 2000-01 to Rs. 14.389 lakh crore (USD 204.43 Billion) in 2018-19, raising its share in total exports to 38.4%.

However, Indian information technology industry which shares a major chunk in the service sector is in a rough ride this year, as the overall services market is likely to face slowdown pangs. The growth rate is slow to 3.8% in FY19, compared to 6.7% last year due to softness in banking, financial services, insurance in Europe, apart from the manufacturing vertical, is responsible for slowing book.

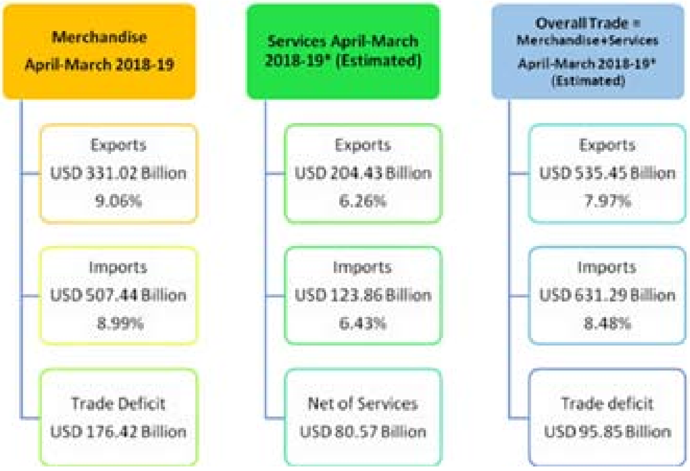
On positive side, India has taken lead in the directions of using the renewal energy. India now stands at 4th in wind power, 5th in solar power. Share of renewables in total electricity generation increased from 6% in to 10% in four years. The results are very encouraging, Rs 50k crore saved and 108.28 million tonnes of Co_2 emissions reduced by energy efficiency programmes in India.

Benchmark policy rate first hiked by 50 bps and later reduced by 110 bps upto now. Last rate cut being in August 2019. This is the fourth time in a row that the central bank has cut key rates this calendar year to boost the economy.

India's Foreign Trade

India's overall exports (Merchandise and Services combined) in FY19 are estimated to be USD 535.45 Billion, exhibiting a positive growth of 7.97% over the same period last year. Overall imports in April-March 2018-19 are estimated to be USD 631.29 Billion, exhibiting a growth of 8.48% over the same period last year.

Taking merchandise and services tog ether, overall trade deficit for April-March 2018-19 is estimated at USD95.85 Billion as compared to USD 86.05 Billion in April-March 2017-18.



Automobile Sector and Production Trends

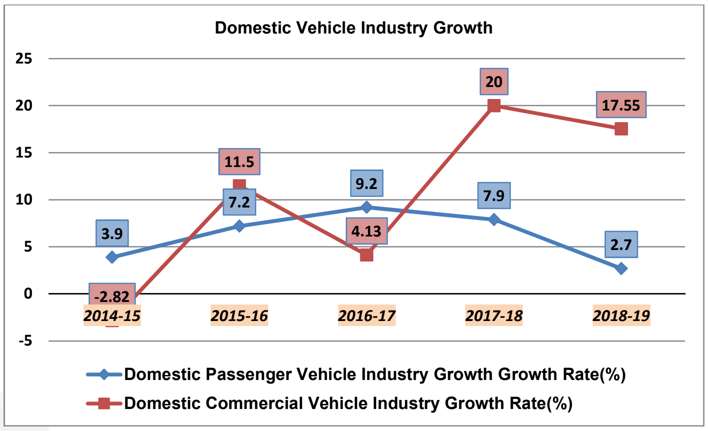
The Indian auto industry is one of the largest in the world and is also regarded engine of growth and, it roughly accounts 7.5% of national GDP. Till now, the industry flourished with rapid urbanisation, coupled with increase in purchasing power of people, availability of capital and labour, favourable government policies, FDI and support from the efficient auto component suppliers within India. Similarly, the Indian auto component industry was also one of the fastest growing industries and was riding on the success of automobile sector.

Presently, the growth momentum is grossly disturbed, and the sector is slowing down with unprecedented rate. But the trade and Government policies cannot be held only culprit behind slowing business. The other reasons responsible are, a continuing, structural slowdown in international growth, technological changes and tensions from Britain's attempted exit from the EU.

As per SIAM figures, the performance of the auto component industry was reasonably satisfactory despite less than expected performance in some categories and exports in FY19.

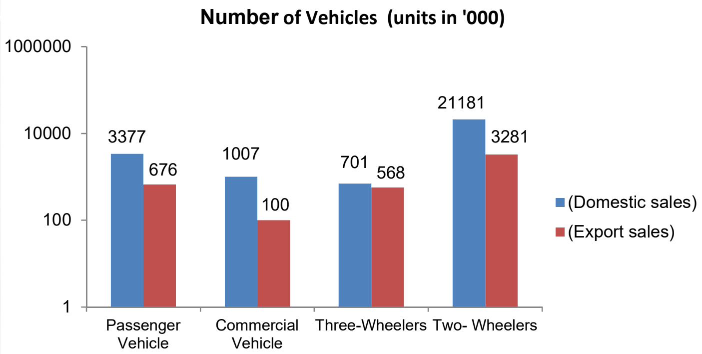
The industry produced a total of 3,09,15,420 vehicles in FY 19 as against 2,90,94,447 vehicles in previous year, registering a growth of 6.26%. The production of Passenger Vehicles grew by 0.14 % (units 40,26,047). Within the Passenger Vehicles segment, Passenger Cars declined by 1.33%, Utility Vehicles and Vans grew by 0.48%, 20.61% respectively. In 2018-19 the growth was majorly led by Commercial Vehicle segment which registered a growth of 24.20 % with the recording of total vehicle production to 11,12,176 units (PY 8,95,448 units). Again within the Commercial Vehicles segment Medium & Heavy Commercial Vehicles (M&HCVs) grew by 28.91% and Light Commercial Vehicles grew by 21.26 %. The Two-Wheeler segment registered a growth of mere 5.82% in FY 2018-19 over previous year by recording total production of 2,45,03,086 units (PY 2,31,54,838 units). Within this segment, Scooters/ Scooterette registered a de-growth of (-) 0.32 % while Motorcycles and Mopeds registered a growth of 8.80 % and 4.10 % respectively in FY 2018-19 over FY 2017-18. In recent time, the major attraction is the quadricycle, which grew by 214.54% due to its easy maintenance and city driving convenience.

Overall domestic automobiles sales increased at 5.15% CAGR in FY19 with 2,62,67,783 vehicles. During FY19, highest year-on-year growth in domestic sales among all the categories was recorded in commercial vehicles at 17.55% followed by 10.27% year-on-year growth in the sales of three-wheelers .



Premium motorbike sales in India again crossed one million units in FY19. The total of India's automotive exports stood at 46,29,054 in 2018-19 as compared to 40,42,841 in the year 2017-18.

Indian automotive industry (including component manufacturing) is expected to reach US $ 300 billion by 2026 with exports of US $ 80 billion. Two-wheelers are expected to grow at steady rate of 9% and lead the show.



Once, the growth returns, the Indian auto-components industry would set to become the third largest in the world. Rapidly globalising world to open up newer avenues for the transportation industry, especially while it makes a shift towards electric, electronic and hybrid cars, which are deemed more efficient, safe and reliable modes of transportation. Over the next decade, this will lead to newer verticals and opportunities for auto-component manufacturers, who would need to adapt to the change via systematic research and development. Indian auto-component makers are also well positioned to benefit from the globalisation of the sector as exports potential could increase by up to US$ 30 billion by 2022

Risk & Concerns in Automobile and Component Segment

The automobile industry is at that point, where it is facing many disruptions at the same time. Urgent test for automakers is to meet the technological changes as BS VI emission norms are being implemented from April 01, 2020 and thereafter application of Corporate Average Fuel Efficiency norms. This invariably result in increased vehicle's cost on one side and increased period of return of investment on the other side

The NITI Aayog has also set up an ambitious plan of having only electric vehicles being sold in the country. The Ministry of Heavy Industries, Government of India has shortlisted 11 cities in the country for introduction of Electric vehicles (EVs) in their public transport systems under the FAME. This move of NITI Aayog is heavily criticized for considering a proposal to ban internal combustion engine (ICE)-powered vehicles in the market.

It is proposed to ban traditional three- and two-wheelers (with an engine capacity of less than 150cc) by FY2023 and FY2025, respectively, and replace them with electric vehicles (EVs).

Vehicle manufacturing is the backbone of many economies and is dependent on China for growth. As trade tensions exacerbate China's economic weakening, manufacturers in other economies, including India pay the price.

On the auto component side, it is regarded as a low operational cost and low margin business. The auto component industry has been battling with its industry specific issues/ challenges such as:

- Infrastructure Challenges & Cost
- Problem of counterfeit parts
- Availability of skilled manpower
- Building R&D competence and Ecosystem
- Fast technological changes
- Implementation of BS VI effective next year, without proper preparation
- Heavy capex cost due to fast technological changes for EV.

The auto component industry is not new to the above challenges and it is dealing with them at its best from quite some time. It has almost overpowered the under capacity utilisation and excessive imports of raw material and capital goods. However, from last year it is experiencing the heat of high energy and fuel cost and extreme volatility of currency due to higher crude products prices.

Outlook

India is now acting as a global hub for manufacture of commercial vehicles, small & mid size cars and two wheelers. Rapid increase in sales of the small car segment in India has prompted a number of global automobile companies to enhance their capacities for domestic as well as export market.

The Global automotive industry is undergoing a cascade of disruptions that will reshape it in unexpected ways and India is no exception to it.

The rapidly globalising world is opening newer avenues for the transportation industry, especially while it makes a shift towards electric, electronic and hybrid cars, which are deemed more efficient, safe and reliable modes of transportation. Over the next decade, this will lead to newer verticals and opportunities for auto-component manufacturers, who would need to adapt to the changes via systematic research and development.

The effects of demonetisation and teething problems of the initial rollout of GST have been diminishing and are now rather helping the economy and the industry to grow. Below normal monsoon was expected initially, but as per the current report, it is improving, which will in turn help in sowing and harvesting more yield. Additionally, increasing rural demand, growing urbanization, swelling replacement demand etc. may further accelerate the growth of the automobile industry and in turn the auto component industry. Once there is clarity on technological changes, BS VI and EV implementation, the long-term prospects are bright & the demand will grow due to the aforesaid factors.

In view of the opportunities, the Company will leverage its positioning as it is ready for the BS VI and also rely on building its relationships and product development plans to grow further. The export programmes are also expected to gain momentum. Overall, the focus will continue to be on quality delivery at optimum costs. The Company believes that FY 2019, while being challenging, will be a year when not only the Company will continue its growth momentum, but also will consolidate its position in the top league.

Opportunities, Threat and Mitigation Strategies

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

Foreign Exchange Fluctuation: The volatility in foreign exchange is now a major concern for the Company for the repayments of the ECB loans. To mitigate the risk, the Company has a natural edge, as the Company is receiving almost 30% of its revenue in foreign exchange through its export sales. Additionally, the management has taken another source of mitigation i.e. fixing LIBOR component in total interest rate agreed for the External Commercial Borrowings to avoid the risk of fluctuation.

Input material: Steel is the primary source and raw material for the products of the Company. It is an important 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.

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 its competitors. Additionally, the Company is not dependent upon a single source/ supplier. A core team is constituted which has expertise in vendor management and keeps a track on the price of steel. This team negotiates the price in the best interest of the Company.

Power: The other major cost in production is the energy cost. Presently the Company is getting power from the State Electricity Board as per the prevailing tariff. The current tariffs are very high and occupy a major portion in the overall costing of the product.

To address the energy cost, the Company has implemented a process, whereby it is purchasing electricity through the Electricity Exchange by getting competitive quotes. Further, solar power plants of 400 KW & 250 KW have been successfully installed to reduce the energy cost. Additionally the Company is in talk for CAPTIVE consumption, which will reduce the cost considerably.

Customer profile: The 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 financials of the Company. To mitigate this risk the Company is focusing on widening its customer base, entering new user segments and spreading operations across geographies to mitigate the market risks.

Two-Wheeler business: A major share of the Company's business is still generated from the two wheeler segment and is evident from the financials. Competition in the business has also increased significantly. This has had a serious adverse impact on the margins of the component manufacturers. To overcome the risk of dependency on its two wheeler business, the Company has been developing clients for engine and transmission components in India and abroad.

Technology Risk: One of the major challenges for the industry is to build R&D competence and an ecosystem. OEMs have been working on various technologies simultaneously. OEMs expect Tier-1 suppliers for technology updation and material changes. Thus, the Company needs to continuously stay in touch with such progress & needs to evaluate ways to address these issues as well as develop technologies which are affordable and accessible. To mitigate the risks, the Company has always invested in upgrading its technology to meet the changing customer demand.

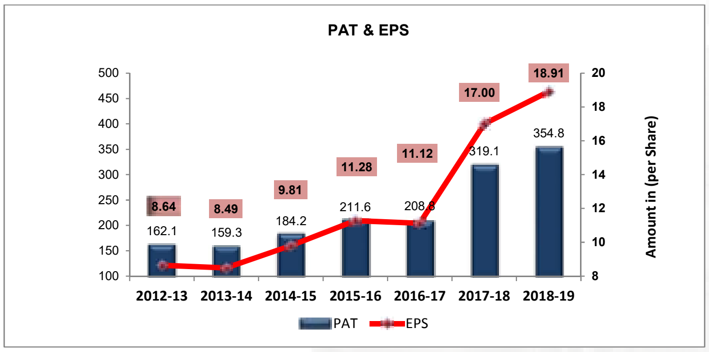
Geographical limitations: Auto component companies have another issue that is geographical limitations. Practically, it is difficult for them to expand beyond certain geographies. Expanding beyond such limits will provide more fruits in terms of revenue and profits. However, tapping into such markets is also not easy due to many factors such as acceptability, quality of the product, regulations, lack of capital, limited manpower and other resources.

To address the above mentioned concern, the Company has been regular in reaching out to other geographies. It has almost achieved the exports to the tune of around 30% of the total exports. We are committed to increase this number. Further, the Company has acquired few entities in the NAFTA region which will be a progressive step in the right direction.

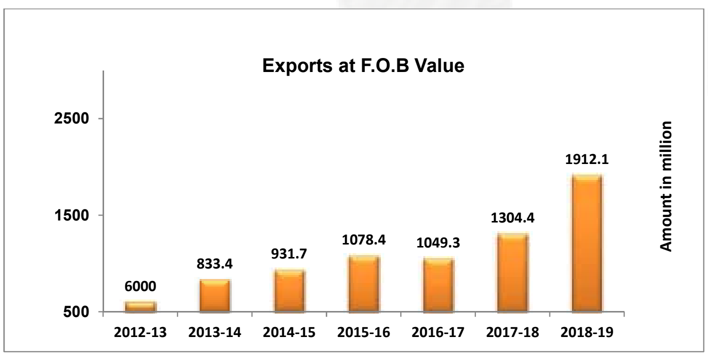
Regulatory Change: Regulations are changing to accommodate the awareness about environmental responsibilities. Stringent emission and safety norms are playing an increasingly important role globally. In the recent past, the government has focused on tighter emission norms. Now, the focus is also coming on to battery and hybrid vehicles to promote green vehicles. Of late, safety has also been attracting governmental attention. The Company is committed to comply with all applicable environmental and related regulations by gearing up for the technological changes in the products, so that it meets the requirements. Keeping this in mind, Company has invested some funds in a South Indian entity in research and advancement of leading edge expertise in the design and manufacturing of high reliability motors, drive system, long battery life for the electrification of road transport, carbon free electric vehicles.

Brief of Financial Results

On standalone basis, the total turnover stood at Rs. 6634.52 million compared to Rs. 5515.71 million during the previous year. The Company first time touched the Rs. 650 million mark in terms of total revenue. The total turnover from operations stood at Rs. 6,472.15 million as compared to Rs. 5,383.82 million in FY 2017-18, registering a growth of 20.21%. Growth in all verticals was clearly visible. The profit before tax stood at Rs 531.22 million as compared to Rs 483.87 million in the previous year, recording an increase of 9.78%. EPS stood at Rs. 18.91. Similarly, the net profit after tax is Rs. 354.84 million as compared to Rs 319.12 million in previous year, which is about 11.19% compared to the previous year.



The Company recorded an export turnover of Rs. 1912.1 million compared to Rs. 1304.38 million during the previous year, recording an increase of 46.60%. The total exports are now 29.54% of the total turnover.



On the consolidated side, the turnover was recorded till the close of the financial year at Rs. 9306.81 million compared to Rs. 7,794.91 million during the previous year. The profit before tax stood at Rs. 585.27 million as compared to Rs. 515.18 million in previous year. The consolidated financials of the Company with its subsidiaries are attached at the relevant part of this Report.

An amount of Rs. 65.69 million is being paid out by way of dividends for the year 2018-19 compared to Rs. 65.98 million in previous year, out of which an interim dividend of 15% was declared and already paid in Feb/Mar 2019, and a final dividend of 20% is being recommended to the shareholders for their approval.

Key Ratios

Key financial ratios are given below:

Particulars	Unit	2018-19	2017-18	Change over previous year	Reason for material change
Debtors Turnover	Times	5.9	5.4	9.26	Debtors exceeds due to increase in export sales from previous period.
Inventory Turnover	Times	8.7	11.8	-26.27	In the first three quarters, the demand was high and steel prices were increasing. Company procured large quantity of inputs, including steels to counter the demand & increased input costs. However, due to low demand in last few months, inventory of input, including steel piled up.
Current Ratio	Times	1.5	1.3	15.39	Due to increase in current assets over current liabilities
Debt Equity Ratio	Times	0.95	0.75	26.67	Mainly due to Increase in debts (Term Loan & Working capital) taken for new projects
Interest Coverage Ratio	Times	3.9	6.3	-38.10	Due to increase in Interest on Term Loan & Loss due to exchange rate fluctuation (Part of Finance Cost)
Operating Profit (EBIDTA) Margin	%	15.2	15.6	-2.57	Higher EBITDA due to Higher Sales and lower increase in Fixed cost
Net Profit Margin	%	5.5	5.9	-6.78	Higher PBT due to Higher Sales and lower increase in Fixed cost
Return on Networth	%	13.3%	13.4%	-0.74	Due to Higher PBT

Operational Excellence, Awards & Recognitions

The Company is continuing its success journey and has recently in the true sense become a global footprint company while setting a benchmark for other peer group companies. It follows world class manufacturing systems, as manifested in its vision statement. In this drive, our efforts have been recognized by our esteemed customers, who have continuously appreciated our quality & efforts and supported us from time to time.

Steps initiated by the Company for implementation and absorption of Lean Manufacturing and Total Productivity Maintenance (TPM) practices are consistently showing encouraging results. Customer recognitions are the strongest testimony to a company's excellence. The ECOFAC Plants at Bhiwadi and Manesar are unique & one of its kind. These Plants have been conferred the Platinum category by the Green Building Council. ECOFAC means a sustainable green manufacturing plant. The Company's Plants have all features of safety, energy & water conservation, & waste management etc.

The Company has successfully installed two roof top Solar Power Plants of 400 KW and 250 KW in Manesar and Bhiwadi manufacturing units respectively as part of its commitment to conserve the environment and reduce the energy cost.All modern concepts of Lean, TPM and TEI for best utility are being implemented in these Plants from the initial stage. Our efforts have not only been appreciated by the concerned authorities but also by customers and will become a model for future sustainable manufacturing growth.

CRISIL Limited has rated The Hi-Tech Gears Ltd. (HGL) as 'BBB+'. The outlook is stable. The rating upgrade reflects the growth in HGL's revenue as well as improvement in its credit profile. The company's liquidity remained comfortable as strong cash generation.

Segment Reporting

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

Internal Controls & their adequacy

The Company has a properly designed and consistently enforced system of internal control to safeguard the Company's properties, interests and resources, Further, to have better and sustainable control, a new ERP system has been implemented which is showing the desired results.

The same 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. Grant Thornton India, LLP a renowned and one of the largest assurance, tax, and advisory firms in India has been working as Internal Auditor of the Company.

The 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 a more stringent manner. Further, the Company has always efficiently used the various components of working capital cycle. It has also effectively controlled the inventories and receivables.

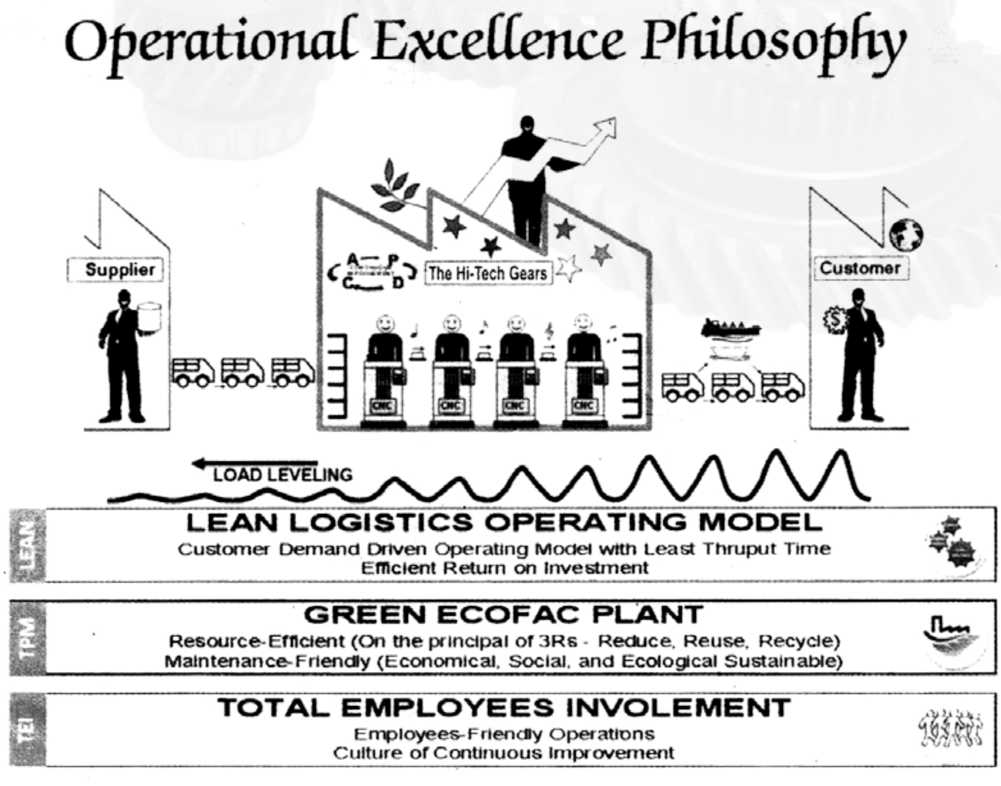
Human Resources

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 a 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. During the period under review cordial relation were maintained at all levels. Detail of number of employees and other material information is provided in Directors' Report.

The Company continues 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 have been 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 33rd Directors' Report

I. Company's Philosophy on Corporate Governance

The Hi-Tech Gears Limited ("Company"), 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, outcomes of the Board Meetings, constitution of various Committees of Directors, stated policies on remuneration and retirement, formation & adherence of many policies, 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.

The Company has complied and observed with all the mandatory provisions of the SEBI Listing Regulations, as amended from time to time, with regard to Corporate Governance. Company is maintaining maximum transparency in passing on information to the shareholders. Additionally, 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 occupy dual responsibility, i.e., Agent & Fiduciary. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors including Independent Directors and Woman Director.

The Board of the Company presently consist of 13 members out of them 10 are Non-Executive Directors from different fields such as Engineering, Finance, Treasury, Business Management, Administration, Human Resource, Corporate Planning, Corporate Law, etc. 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, are overseeing the day to day operations of the Company. All the remaining Directors, except Mr. Ramesh Chandra Jain, Mr. Bidadi Anjani Kumar and Mr. Anant Jaivant Talaulicar, are independent and not related to each other.

All Directors, Executive or Non-Executive, are professionally competent and experienced in their respective fields. The Details of Directors as on March 31, 2019 are as follows:-

Name of Director and DIN	Designation	Category	No. of Directorships	No. of Board Committees position as Member	No. of Board Committee position as Chairman
Mr. Deep Kapuria (00006185)	Executive Chairman	Promoter, Executive	Eight	One	Nil
Mr. Anil Kumar Khanna (00207839)	Director	Independent, Non-Executive	Eleven	Two	One
Mr. Sandeep Dinodia (00005395)	Director	Independent, Non-Executive	Two	Three	Two
Mr. Pranav Kapuria (00006195)	Managing Director	Promoter, Executive	Seven	Nil	Nil
Mr. Anuj Kapuria (00006366)	Executive Director	Promoter, Executive	Ten	Two	Nil
Mr. Vinit Taneja (02647727)	Director	Independent, Non-Executive	One	One	Nil
Mr. Bidadi Anjani Kumar (00022417)	Director	Non Independent, Non-Executive	Six	Two	One
Mr. Ramesh Chandra Jain (00038529)	Director	Non Independent Non-Executive	Six	Three	Nil
Mr. Krishna Chandra Verma (03636488)	Director	Independent, Non-Executive	One	One	Nil
Mr. Prosad Dasgupta (00243254)	Director	Independent, Non-Executive	One	Nil	Nil
Ms. Malini Sud (01297943)	Director	Independent, Non-Executive	Four	One	Nil
Mr. Anant Jaivant Talaulicar * (00031051)	Director	Non-Independent, Non-Executive	Seven	Two	One
Mr. Neville D'Souza ** (08536411)	Additional Director	Independent, Non-Executive	One	Nil	Nil

* Mr. Anant Jaivant Talaulicar, Non-Independent & Non-Executive Director, was appointed as an Additional Director on Board of the Company on May 21, 2018. Thereafter, his appointment was ratified/ confirmed by shareholders at 32nd Annual General Meeting of the Company.

** Mr. Neville D'Souza, Independent & Non-Executive Director was appointed as an Additional Independent Director on Board of the Company on August 14, 2019.

Note-1 Board Committee for the above purpose means Audit Committee and Stakeholder Relationship Committee (Including Board Committees of The Hi-Tech Gears Limited).

Note-2 Directorship/ Membership of all Companies, whether listed or not, (including The Hi-Tech Gears Limited), Section 8 Companies but excluding foreign companies.

Number of Board Meetings held during the year 2018-19

During the year under review, the members of the Board have met 6 (Six) times to review, discuss and decide about the activities of business of the Company. The dates of the meetings are (1) April 04, 2018 (2) May 21, 2018, (3) August 03, 2018 (4) October 31, 2018, (5) January 08, 2019 (6) February 02, 2019.

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

Attendance of each Director at the Board Meetings and the last Annual General Meeting are given below:

Name of Director	Attendance in the Board Meetings	Attendance in the last Annual General Meeting
Mr. Deep Kapuria	6 (Six)	No
Mr. Anil Kumar Khanna	3 (Three)	No
Mr. Sandeep Dinodia	6 (Six)	Yes
Mr. Bidadi Anjani Kumar	5 (Five)	No
Mr. Vinit Taneja	6 (Six)	Yes
Mr. Pranav Kapuria	6 (Six)	No
Mr. Anuj Kapuria	6 (Six)	Yes
Mr. Ramesh Chandra Jain	6 (Six)	No
Mr. Krishna Chandra Verma	6 (Six)	No
Mr. Prosad Dasgupta	6 (Six)	Yes
Ms. Malini Sud	4 (Four)	No
Mr. Anant Jaivant Talaulicar	1 (One)	No

Directorship of Board Members in other listed entity

Pursuant to the amended SEBI Listing Regulation, the name of the other listed entity where the board members are holding directorship as on March

31, 2019 are given below:

Name of Director	Name of the Listed Entity	Category
Mr. Deep Kapuria	Omax Autos Limited	Non-Executive - Independent Director
Mr. Sandeep Dinodia	Ester Industries Limited	Non-Executive - Independent Director
Mr. Bidadi Anjani Kumar	Kennametal India Limited	Non-Executive - Independent Director
Mr. Ramesh Chandra Jain	Frick India Limited	Non-Executive - Independent Director
Ms. Malini Sud	Sterling Tools Limited	Non-Executive - Independent Director
Mr. Anant Jaivant Talaulicar	Force Motors Limited	Non-Executive - Independent Director
	Birlasoft Limited	Non-Executive - Independent Director

Details of Shares held by Non-Executive Director(s)

Mr. Vinit Taneja holds 5600 equity shares and Mr. Prosad Dasgupta holds 2000 equity shares as on March 31, 2019. No other Non-Executive Director holds any equity shares as on that date. Shares held by Executive Directors are mentioned in Directors' Report.

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. New Director is also explained in detail the compliances required from him/her under the Companies Act, 2013 and Rules made thereunder, At a separate meeting of the Independent Directors, participants normally discuss, a brief details about the Company, nature of the industry in which Company operates, its business model apart from roles and responsibilities of Independent Directors.

Disclosure with regard to the core skills/ expertise/ competencies of the Board

The Board of Directors in their meeting held on May 27, 2019 have identified the core skills/ expertise/ competencies of the Board in the context of the business and sector in which the company's operations, to function effectively in accordance with amended provisions of the SEBI Listing Regulations.

The detailed Chart/ Matrix of such core skills/ expertise/ competencies as identified by the Board, is given in the below table:

Sr. No.	Core skills/ expertise/ competencies
1	Management, Strategy and Planning
2	Policy Development
3	Governance, Risk and Compliance
4	Finance and Taxation
5	Mechanical and Engineering Expertise
6	Quality consciousness
7	Government Relations (policy & process)
8	Member and stakeholder engagement
9	Commercial Experience
10	Legal & Corporate Laws
11	Human Resource Management
12	Interpersonal Skills
13	Technical Expertise
14	Critical Thinking and Innovation
15	Global business leadership
16	Manufacturing, automobile engineering and project management
17	Research & Development
18	CSR Management
19	Regulatory, Government and Security matters
20	Economics and Statistics

Confirmation of the Board on Independence of Independent Directors

The Hi-Tech Gears Limited has optimum combination of Board of Directors comprises of Three Executive Directors, Three Non-Executive Directors and Six Independent Directors as on March 31, 2019 under the provisions of SEBI Listing Regulation, as amended from time to time,.

The Board has received the requisite declarations from the independent directors of the Company under the provisions of Companies Act, 2013 read with Rules made thereunder and SEBI Listing Regulation, as amended from time to time. Therefore, the Board hereby confirmed that on the basis of such declaration that the independent directors fulfill the conditions as specified in the above said regulations and are independent of the management.

During the year under review, none of the Independent Director of the company has resigned before the expiry of their tenure.

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 & annually financial 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 services 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 as whole and Individual Directors including Independent Directors.
- Any other important matter relating to the working of the Company.

- All matters which are required to be exercised by the Board of Directors in terms of the provisions of the Companies Act 2013 or SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

The Chairman of the Board, Managing Director and the Company Secretary in consultation with other concerned members of the Senior Management of the company finalize the agenda papers/ documents etc for the Board Meetings.

III. Audit Committee

Brief description of terms of reference

The Audit Committee of your Company consists of Four Directors. Three of the members are Non-Executive & Independent Directors and One is an Executive Director viz., Mr. Sandeep Dinodia and Mr. Anil Kumar Khanna both are Fellow members of the Institute of Chartered Accountants of India & Mr. Krishna Chandra Verma, has immense knowledge of Administration and Mr. Anuj Kapuria has a wide experience and specialization in Computer Vision, Artificial Intelligence. Company Secretary acts as the Secretary of the Audit Committee. The scope, compliances & functions of the Audit committee is in line with the provisions of Regulation 18 of SEBI Listing Regulations, as amended from time to time and the provisions of Section 177 of the Companies Act, 2013 along with rules made thereunder.

As part of the evaluation process, the Board has evaluated the working of Audit Committee for the FY 2018-19.

Meeting and attendance

The Audit Committee met 4 (Four) times during the financial year 2018-19 on the following dates: (1) May 21, 2018, (2) August 03, 2018 (3) October 31, 2018 (4) February 02, 2019. 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	Non-Executive & Independent Director	4	4
Mr. Anil Kumar Khanna	Member	Non-Executive & Independent Director	4	3
Mr. Krishna Chandra Verma	Member	Non-Executive & Independent Director	4	4
Mr. Anuj Kapuria	Member	Executive Director	4	4

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:-

Audit Committee performs its duties, roles & responsibilities in terms of the Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 & Section 177 of the Companies Act, 2013, the major are being:

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. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval.
4. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
5. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
6. Approval or any subsequent modification of transactions of the company with related parties;
7. Scrutiny of inter-corporate loans and investments;
8. Valuation of undertakings or assets of the company, wherever it is necessary;
9. Evaluation of internal financial controls and risk management systems;
10. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
11. 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;
12. To review the functioning of the Whistle Blower mechanism;
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee, in Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 or any other statutory regulation, document or otherwise.

Invitees

Managing Director, Chief Financial Officer, Statutory Auditors, Internal Auditors & Finance Team are normally invited 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 are 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.

Company Secretary acts as the Secretary of the Remuneration Committee.

The Nomination & Remuneration Committee consists of three (3) Independent Non-Executive Directors.

As part of the evaluation process, Board has evaluated the working of Nomination & Remuneration Committee for the FY 2018-19.

Meetings and attendance

The Nomination & Remuneration Committee met two (2) times during the financial year 2018-19 on May 19, 2018 and August 03, 2018.

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	Non-executive & Independent Director	2	2
Mr. Sandeep Dinodia	Member	Non-executive & Independent Director	2	2
Mr. Anil Kumar Khanna	Member	Non-executive & Independent Director	2	1

Nomination & Remuneration Committee have following Roles & Responsibilities

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Nomination and Remuneration Committee also provides the manner in which the performance evaluation of Board, its

Committees and Individual Directors are done and provides the review process.

3. Devising a policy on Board diversity;
4. Formulate a Remuneration Policy as specified under Section 178 of the Companies Act, 2013 and under SEBI Listing Regulation, as amended 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, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 or any other statutory regulation, document or otherwise.

Remuneration of Directors

The Company's Nomination & Remuneration Policy for Directors, Key Managerial Personnel and other employees approved by Board of Directors in their meeting held on August 07, 2014. Similarly, the Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors.

Pursuant to the SEBI Listing Regulations, complete Nomination and Remuneration Policy of your Company can be viewed at the following link: www.thehitechgears.com. The salient features of the Remuneration Policy are as under:

i. To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
ii. To determine remuneration of Directors, KMPs and other senior management personnel, keeping in view all relevant factors including industry trends and practices.
iii. The policy is directed towards rewarding performance based on review of achievements periodically.
iv. The policy is in consonance with the existing industry practice.
v. To ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks

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.

The Company did not advance any loan to any of Director during the period under review.

1. The details of the remuneration paid/payable to the Chairman, Managing Director and Whole Time Director for the year ended March 31, 2019, are as under: -

(Amount in Millions)

Name of Director	Designation	Salary	Perquisites	EPF	Commission	Total
Mr. Deep Kapuria	Executive Chairman	12.67	0.88	0.95	6.73	21.23
Mr. Pranav Kapuria	Managing Director	5.24	0.41	0.39	4.94	10.98
Mr. Anuj Kapuria	Executive Director	4.34	0.64	0.33	4.94	10.25
Total		**22.25**	**1.93**	**1.67**	**16.61**	**42.46**

Notes:-

a. Salary includes basic salary & HRA, perquisites includes medical & other perquisites. EPF includes contribution to provident fund and other statutory funds.
b. 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 are 1.59% for Mr. Deep Kapuria & 1.16% each for Mr. Pranav Kapuria & Mr. Anuj Kapuria.
c. Commission is pending for disbursement till the finalization of this Report.

2. 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, 2019 are as under: -

(Amount in Millions)

No.	Name of the Non-Executive Directors	Sitting fees	Commission	Total
1.	Mr. Anil Kumar Khanna	0.08	0.24	0.32
2.	Mr. Sandeep Dinodia	0.14	0.24	0.38
3.	Mr. Vinit Taneja	0.10	0.24	0.34
4.	Mr. Ramesh Chandra Jain	0.06	0.24	0.30
5.	Mr. Prosad Dasgupta	0.07	0.24	0.31
6.	Mr. Krishna Chandra Verma	0.13	0.24	0.37
7.	Mr. Bidadi Anjani Kumar	0.05	0.24	0.29
8.	Ms. Malini Sud	0.05	0.24	0.29
9.	Mr. Anant Jaivant Talaulicar*	0.01	0.20	0.21
	Total	**0.69**	**2.12**	**2.81**

* Mr. Anant Jaivant Talaulicar was appointed as Non-Executive Director on the Board of the Company with effect from May 21, 2018 in office; therefore the amount of his commission is calculated on the basis of number of days during the financial 2018-19.

Notes:

a. Directors other than Executive Directors were entitled to sitting fee & Commission on the Net Profit of the Company.
b. There were no other pecuniary transactions/ relationship with Non-Executive Directors.
c. There is no service contract, notice period, severance fees payable to Non-Executive Directors.
d. No stock option scheme has been launched by the Company till date.

V. 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 SEBI Listing Regulations, as amended from time to time and the provisions of Section 178 of the Companies Act, 2013 along with rules made thereunder.

As part of the evaluation process, the Board has evaluated the working of Stakeholder Relationship Committee for FY 2018-19.

Meetings and attendance

The Stakeholder Relationship Committee met One (1) time during the financial year 2018-19 on February 02, 2019. This meeting was attended by members as detailed given below:-

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

Company Secretary acts as the Secretary of the Committee.

Investors Complaints during the financial year ended March 31, 2019

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

VI. Other Committees

(a) Corporate Social Responsibility Committee

Brief description of terms of reference

The CSR Committee has been formed pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The aforesaid provisions 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.

During the financial year 2018-19, Corporate & Social Responsibility Committee of the company was reconstituted by introducing Mr. Ramesh Chandra Jain, Non-Executive Director as member of the Committee. Presently, the Corporate Social Responsibility Committee of your Company consists of Four Directors.

As part of the evaluation process, the Board has evaluated the working of the Corporate Social Responsibility Committee for FY 2018-19.

Meetings and attendance

The Corporate Social Responsibility Committee met Two (2) times during the financial year 2018-19 on May 21, 2018 and January 28, 2019. The meeting was attended by members as detailed below:-

Name	Position/ Composition	Category	No. of meetings during the tenure	No. of meetings attended
Mr. Krishna Chandra Verma	Chairman	Non-Executive Independent Director	2	2
Mr. Deep Kapuria	Member	Executive Director	2	2
Mr. Pranav Kapuria	Member	Executive Director	2	2
Mr. Ramesh Chandra Jain	Member	Non-Executive Directors	2	1

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 the various projects pursuant to Schedule VII of the Act & CSR Policy of Company. During the financial year 2018-19, Company spent a sum of Rs. 7.78 million as per details mentioned in **Annexure IV** to the Directors' Report.

(b) Share Transfer Committee

Brief description of terms of reference

The equity 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 the statutory period.

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

Meetings and attendance

The Share Transfer Committee met 8 (Eight) times during the financial year 2018-19 on April 30, 2018, July 15, 2018, November 21, 2018, November 30, 2018, December 03, 2018, December 31, 2018, February 11, 2019 and February 23, 2019. 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. Pursuant to Regulation 39(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company has opened a separate Demat Suspense Account.

As on March 31, 2019 no equity shares were pending for transfer.

VII Separate Independent Directors' Meetings

As per the Schedule IV of Companies Act, 2013 and SEBI Listing Regulations, as amended from time to time, Independent Directors shall 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 May 21, 2018, 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.

Six Independent Directors were present at the meeting.

During the year under review, there were no pecuniary transactions with any Non-Executive Directors of the Company.

VIII. General Body Meeting

a) Details of last three Annual General Meetings (AGM) of the Company are given hereunder:

Financial Year	Date of Meeting	Time	Location/ Venue	No. of Special Resolution Passed
2017-18	September 29, 2018	11.00 A.M.	A-589, Industrial Complex, Bhiwadi –301019 (Rajasthan)	One
2016-17	September 29, 2017	11.00 A.M.	A-589, Industrial Complex, Bhiwadi –301019 (Rajasthan)	-
2015-16	September 23, 2016	11.00 A.M.	A-589, Industrial Complex, Bhiwadi –301019 (Rajasthan)	Five

During the financial year 2018-19, a Special Resolution was passed through the process of Postal Ballot including e-voting on January 30, 2019 for shifting of its registered office from the state of Rajasthan to the state of Haryana in accordance with the provisions & procedure of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and SEBI Listing Regulations, as amended from time to time.

The Voting Result of the Postal Ballot was announced on February 01, 2019 and details of voting results are given below:

		Number of Votes (No. of shares and %)	
Sr. No.	Description of Resolution	In favour	Against
1	Approval of shifting of registered office of the company from the State of Rajasthan to the State of Haryana	10419723 (100%)	16 (0%)

Ms. Akarshika Goel, Partner of M/s Grover Ahuja & Associates, Practicing Company Secretaries was appointed to act as the Scrutinizer. She conducted voting process in a fair and transparent manner and provided the report in prescribed time period.

b) Dividend history of last five years

S. No.	Financial year	Rate of Dividend	Date of Declaration
1	2017-18	Interim-15% Final- 20%	February 02, 2018 September 29, 2018
2	2016-17	Interim-12.5% Final- 12.5%	February 10, 2017 September 29, 2017
3	2015-16	Interim-15% Final- 15%	February 12, 2016 September 23, 2016
4	2014-15	Interim-10% Final- 15%	February 12, 2015 September 29, 2015
5	2013-14	Interim-10% Final- 15%	February 14, 2014 September 18, 2014

For the year 2018-19, the interim dividend @ 15% was declared on February 02, 2019. The dividend was paid from Special Dividend Account to all the shareholders who are entitled to receive the same within mandated time period.

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 first by the Nomination and Remuneration Committee and then by the Board, for appointment, as Independent Directors on the Board. The Committee and Board, 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 MEANS OF COMMUNICATION

1. The quarterly, half yearly and annual financial results (consolidated and standalone) and quarterly shareholding pattern are posted on the Company's official website i.e. www.thehitechgears.com as per the requirements of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, as amended from time to time. The Company has also submitted all periodical Compliance filings on NSE Electronic Application System (NEAPS) and BSE Corporate Compliance & Listing Centre (BSE Listing Centre).
2. Full version of the Annual Report including the notice of Annual General Meeting, Management & Discussion Analysis, Directors' Report, Corporate Governance Report and Audited (Standalone & Consolidated) Financial Statement including Cash Flow Statement etc. were sent to the shareholders & Stock Exchanges within the stipulated time and also uploaded the same on Company's Official website i.e. www.thehitechgears.com. 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 – through email by providing a link/Annual Report.
   ii. To others – Through 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 and also upload these information on the website of Stock Exchanges through NSE Electronic Application System (NEAPS) and BSE Corporate Compliance & Listing Centre (BSE Listing Centre).
4. The Company has not displayed any official news release during the year under review except as required by the SEBI Listing Regulation as mentioned in point 1 above.
5. The Company generally publishes its financial results in the Business Standard (English) and Dainik Lokmat (Hindi). The details are provided in Section XI, Clause 1 herein below.

XI General Shareholder information

1. Annual General Meeting:

33rd Annual General Meeting of the Company will be held on Friday the 27th day of September, 2019 at 11:00 A.M at the Registered Office of the Company situated at Plot No 24-26, Sector-7, IMT Manesar, Gurgaon-122050, Haryana.

Financial Calendar for FY 2018-19	Results were announced on	Newspapers	Date of Publication
Financial Reporting for the 1st quarter ended June 30, 2018	August 03, 2018	Business Standard	August 04, 2018
		Dainik Lokmat	August 04, 2018
Financial Reporting for the 2nd quarter and half year ended September 30, 2018	October 31, 2018	Business Standard	November 02, 2018
		Dainik Lokmat	November 02, 2018

Financial Calendar for FY 2018-19	Results were announced on	Newspapers	Date of Publication
Financial Reporting for the 3rd quarter ended December 31, 2018	February 02, 2019	Business Standard	February 04, 2019
		Dainik Lokmat	February 04, 2019
Financial Reporting for the 4th quarter and year ended 31 March, 2019	May 27, 2019	Business Standard	May 29, 2019
		Dainik Lokmat	May 29, 2019

2. Financial Calendar for 2019-2020
(Tentative and subject to change)

Financial Reporting for the 1st quarter ended June 30, 2019	August 14, 2019
Financial Reporting for the 2nd quarter and half year ended September 30, 2019	November, 2019 (1st Week)
Financial Reporting for the 3rd quarter ended December 31, 2019	February, 2020 (2nd Week)
Financial Reporting for the year ended March 31, 2020.	May, 2020 (Last week)
Annual General Meeting for the year 2018-19	September 27, 2019

3. Date of Book Closure — September 21, 2019 to September 27 , 2019 (Both days inclusive)

E-Voting Cut-Off Date — September 20, 2019

E- Voting period — September 24, 2019 (9:00 A.M.) to September 26, 2019 (5:00 P.M.)

Dividend payment — Dividend, if declared by the shareholders in the Annual General Meeting, shall be paid at Rs. 2.00/- per share i.e. @ 20%.

4. Listing on Stock Exchanges — As on March 31, 2019 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 Stock Code- HITECHGEAR

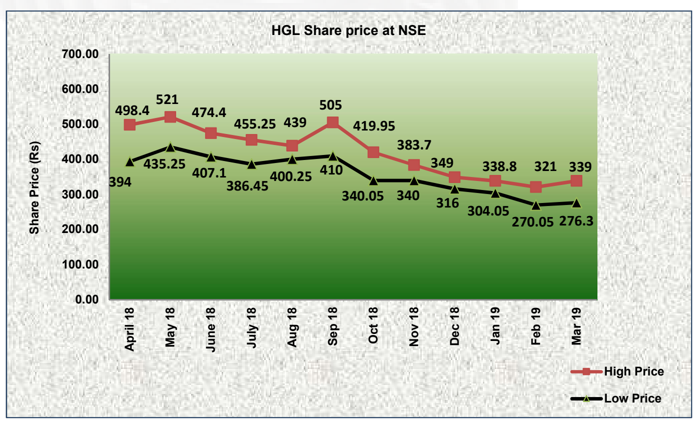
b) Bombay Stock Exchange Limited — Phiroze Jeejeebhoy Towers, 25th Floor, Dalal Street, Mumbai-400001 Scrip Code –522073

Note : The listing fee for the year 2018-2019 and 2019-20 has been paid to the respective Stock Exchanges within the stipulated time.

5. Market Price Data

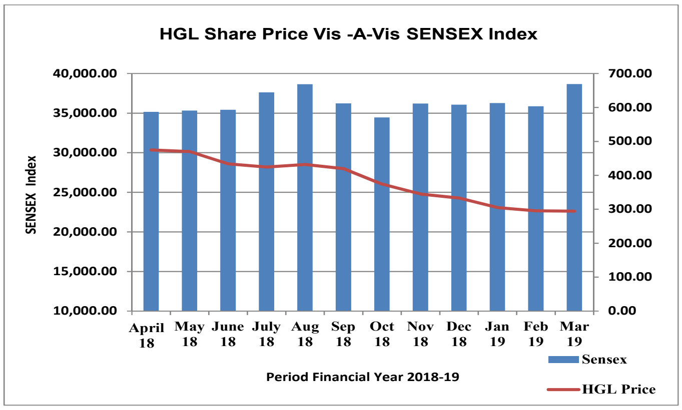
Monthly high and low prices of equity shares of the Company at BSE and NSE during the year under review are given hereunder.

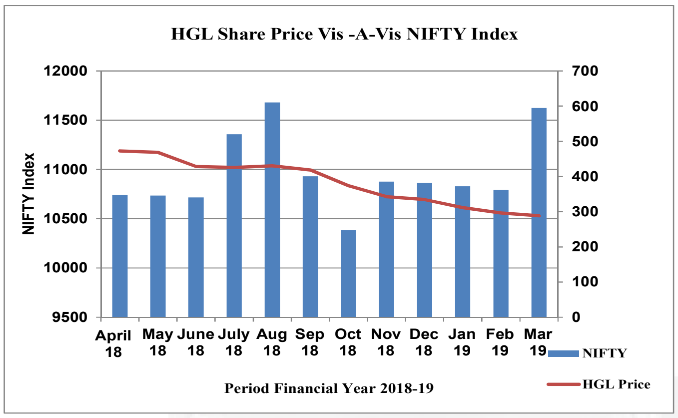
Month	BSE					NSE				
	Share Price (Rs)		Sensex		No. of shares traded	Share Price (Rs)		Nifty		No. of shares traded
	High Price	Low Price	High	Low		High Price	Low Price	High	Low	
April 18	494.00	393.45	35,213.30	32,972.56	114269	498.4	394.00	10759.00	10111.30	458206
May 18	526.15	437.05	35,993.53	34,302.89	115541	521.00	435.25	10929.20	10417.80	355426
June 18	475.25	406.55	35,877.41	34,784.68	24,876	474.40	407.10	10893.25	10550.90	97462
July 18	454.00	385.00	37,644.59	35,106.57	36,604	455.25	386.45	11328.10	10604.65	104257
Aug 18	440.70	400.05	38,989.65	37,128.99	27,529	439.00	400.25	11760.20	11234.95	121411
Sep 18	505.00	414.00	38,934.35	35,985.63	65,348	505.00	410.00	11751.80	10850.30	273610
Oct 18	425.00	343.00	36,616.64	33,291.58	39,690	419.95	340.05	11035.65	10004.55	122184
Nov 18	399.80	339.75	36,389.22	34,303.38	17,934	383.70	340.00	10922.45	10341.90	39155
Dec 18	368.00	315.00	36,554.99	34,426.29	35,025	349.00	316.00	10985.15	10333.85	74911
Jan 19	348.00	301.00	36,701.03	35,375.51	52,690	338.80	304.05	10987.45	10583.65	33202
Feb 19	325.50	270.00	37,172.18	35,287.16	38,239	321.00	270.05	11118.10	10585.65	70628
Mar 19	339.00	275.70	38,748.54	35,926.94	34,129	339.00	276.30	11630.35	10817.00	97922



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 (RTA) of the Company for handling the share transfer work both in physical and electronic form. All the correspondences relating to share transfer, transmission, dematerialization, rematerialization etc. can be made at the following address:-

MAS Services Limited
(Unit: The 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 Regulation 13 of the SEBI (LODR) Regulations 2015, Company has created a separate Email ID for redressal of Investor Complaints and Grievances. The Email ID is secretarial@thehitechgears.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 (RTA) 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 three Directors. Share transfer/ transmission approved by the Committee is placed at the meeting of the Board of Directors from time to time

As per the requirements of Regulation 40(9) of the SEBI (LODR) Regulations 2015, the Company has obtained the Half Yearly Compliance Certificate from a Company Secretary in Practice for due compliance of Share Transfer formalities and the same has been filed with National Stock Exchange of India Limited (NSE) through NSE Electronic Application Processing System (NEAPS) and with BSE Limited (BSE) through BSE Listing Centre accordingly.

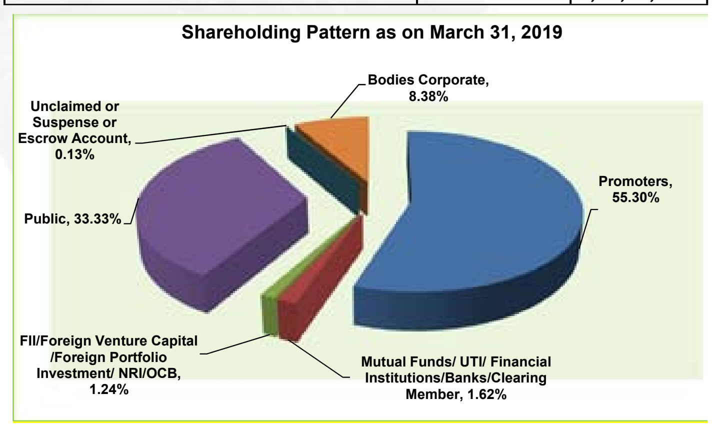
9. **(a) Distribution of shareholding**

As on March 31, 2019 the distribution of shareholding was as follows:

Range of No. of Equity Shares held	**No. of share**	**% (No. of share)**	**No. of shareholders**	**% (No. of shareholders)**
1 to 5,000	511404	2.725	4215	80.362
5,001 to 10,000	361130	1.924	451	8.599
10,001 to 20,000	340027	1.812	222	4.233
20,001 to 30,000	263978	1.407	103	1.964
30,001 to 40,000	211027	1.124	58	1.106
40,001 to 50,000	191379	1.020	41	0.782
50,001 to 100,000	481918	2.568	67	1.277
100,001 and above	16407137	87.421	88	1.678
TOTAL	**18,768,000**	**100.00**	**5245**	**100.00**

(b) Category wise shareholding as on March 31, 2019

Category	**% of Shareholders**	**No. of shares held**
Promoters	55.30%	1,03,78,621
Mutual Funds/ UTI/ Financial Institutions/ Banks/Clearing Member	1.62%	3,04,816
FII/Foreign Venture Capital /Foreign Portfolio Investment/ NRI/ OCB	1.24%	2,33,244
Public	33.33%	62,55,267
Unclaimed or Suspense or Escrow Account	0.13%	24,193
Bodies Corporate	8.38%	15,71,859
Total	**100%**	**1,87,68,000**



10. **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, 2019 is given hereunder:

Particulars	As on March 31, 2019	
	No. of Shares	% age
No. of Shares dematerialized		
-NSDL	15783514	84.10
-CDSL	2907782	15.49
No. of shares in physical form	76704	0.41
Total	**18,768,000**	**100.00**

(3) Liquidity

The equity shares of the Company are liquid and frequently traded on the stock exchanges.

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. Activities relating to Commodity Price Risk or Foreign Exchange Risk etc.

The details of Activities relating to Commodity Price Risk or Foreign Exchange Risk etc. are provided under the head Risk & Concerns in Automobile and Component Segment Management Discussion Analysis Report form part of the Annual Report.

13. 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– 301019, Rajasthan
2	Plot No. 24, 25 & 26, Sector 7, IMT Manesar, Gurgaon-122050, Haryana
3.	SPL-146, Industrial Complex, Bhiwadi, District Alwar–301019, Rajasthan

14. Disclosures with respect to Unpaid/ Unclaimed Dividend and Shares

Pursuant to provisions of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), as amended from time to time, if any dividend is not claimed for a consecutive period of 7 years from the date of transfer of the total amount of dividend which remained unpaid or unclaimed to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF) established under sub-section (1) of section 125 of the Act.

Further, the shares in respect of above unpaid or unclaimed dividend for a period of 7 consecutive years, are also liable to be transferred to the Demat Account of IEPF Authority in pursuance to the provisions of the Act read with its Rules made thereunder.

In this regard, the company has sent periodical reminders by sending notice individually and also by publishing the same in newspaper. The list of unclaimed dividend and shareholders whose shares are liable to be transferred to the IEPF Authority, were also placed on the website of the Company in the interest of the shareholders, in order to avoid transfer of dividend/Shares to said Authority.

In light of the aforesaid provisions, the Company has transferred the amount of unclaimed dividends outstanding for a consecutive period of 7 years to IEPF during the year. Further, the shares in respect of which dividend has not been claimed for 7 consecutive years or more, have also been transferred to the demat account of IEPF Authority. The details of unclaimed dividends transferred to IEPF during the year 2018-19 are as follows:

Type of Dividend	Date of Declaration of Dividend	Date of transfer to IEPF	Amount transferred to IEPF
Final Dividend (Financial Year 2010-11)	September 27, 2011	November 15, 2018	Rs. 1,34,123.00
Interim Dividend (Financial Year 2011-12)	February 14, 2012	April 03, 2019	Rs. 1,08,830.00
The proposed due date for the transfer of unclaimed final dividend for the year 2011-12 to IEPF is 03rd November, 2019.			

The details of Shares transferred to IEPF during the year 2018-19 are as follows:

Financial Year	Date of Transfer of Shares to IEPF	No of Shares transferred
2010-11	July 13, 2018	12152
2010-11	December 01, 2018	800

No claim shall lie against the Company in respect of the dividend/shares so transferred. The members who have a claim on the above dividends and shares may claim the same from IEPF Authority by submitting an application in the prescribed Forms.

During the year under review, pursuant to SEBI Listing Regulation details relating to shares in the Demat Account of IEPF Authority or Unclaimed or Suspense Account, as applicable are given below:

S. No.	Particulars	Status
1	Aggregate number of shareholders and the outstanding shares in the IEPF Account lying at the beginning of the year (i.e. April 01, 2018)	No of shareholders: 32 No of shares: 11,241
2	Number of shareholders who approached listed entity for transfer of shares from IEPF Account during the year	Nil
3	Number of shareholders to whom shares were transferred from IEPF Account during the year	Nil
4	Aggregate number of shareholders and the outstanding shares in the IEPF Account lying at the end of the year (i.e. March 31, 2019)	No of shareholders: 68 No of shares: 24,193
5	Voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares	Voting Rights frozen

15. Address for correspondence

A. Transfer/ dematerialization of shares and any other queries relating to Shares : **MAS Services Limited**
(Unit: The 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

B. Queries related to Payment of dividend on Shares, Annual Report and others : Mr. S. K. Khatri
Company Secretary & Compliance Officer
14th Floor, Tower-B, Unitech's Millennium Plaza, Sushant Lok-1, Sector – 27, Gurgaon-122009, Haryana
Tel No: (0124) – 4715100
Fax No: (0124) – 2806085
Email : secretarial@thehitechgears.com

16. 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.thehitechgears.com. In terms of revised Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a confirmation from the Managing Director and CEO regarding compliance with the Code of Conduct by all the Directors and Senior Management is given along with this report.

17. CEO/CFO Certification

In terms of Regulation 17(8) read with Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 27, 2019. A copy of the same certificate is given along with this report.

18 Compliance Certificate

The company has obtained the compliance certificate from Practicing Company Secretary with regard to the compliances of the provisions relating corporate governance requirements specified in regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (LODR) Regulation, 2015, as amended from time to time. This certificate is annexed to this Report.

19. Insider Trading Code

The Company has formulated a code of conduct for prevention of Insider Trading pursuant to SEBI` (Prohibition of 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.

During the year, the company has amended the said code of conduct to regulate, monitor and report trading by designated persons and their immediate relatives in pursuance to the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 including the code of practices and procedures of fair disclosure of unpublished price sensitive information. The same has been placed on the Company's Official website i.e. www.thehitechgears.com.

20. 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 2018-2019.

XII. Other 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 Regulation 34(3) read with Schedule V(A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Related Party Disclosure for the period ended March 31, 2019 **(Amount in Millions)**

Particulars	Aquarian Fibrecement Pvt. Ltd	Vulcan Electro Controls Ltd.	The Hi-Tech Engineering Systems Pvt. Ltd.	The Hi-Tech Robotic Systemz Ltd.	Subsidiary Companies			KMPs (only WTDs)	Total
					2545887 Ontario Inc.	The Hi-Tech Gears Canada Inc. (Formerly known as Teutech Industries Inc.)	Neo Tech Smart Solutions Inc.		
Nature of Relationship									
Rent	18.00	-	-	-	-	-	-	-	18.00
Sale of Goods	-	1.68	117.94	-	-	77.55	-	-	197.17
Rendering of Job Work/ Services	-	4.55	3.54	-	-	-	-	-	8.09
Receiving of Job Work/ Services	-	173.31	-	46.20	-	-	-	-	219.51
Purchased of Goods	-	1,358.50	329.05	-	-	-	-	-	1,687.55
Purchase of Assets	-	-	-	-	-	-	-	-	-
Director's Remuneration	-	-	-	-	-	-	-	42.46	42.46
Sale of Fixed Assets	-	1.00	-	-	-	-	-	-	1.00
Investment in equity capital	-	-	-	-	-	-	13.78	-	137.80

- 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.
- The transactions with Vulcan Electro Controls Limited & The Hi-Tech Engineering Systems Private Limited are regarded material in terms of Companies Act & SEBI Listing Regulations for which the necessary approvals have been obtained.
- Transactions relating to KMPs are remuneration to Whole Time Directors. Remuneration to include salary, HRA, perquisites including

medical reimbursement etc. and contribution towards EPF. Details in Note No. 36 of Notes to Financial Statements may differ due to inclusion/ non-inclusion of certain items. Remuneration to other KMPs, such as Chief Financial Officer & Company Secretary is provided in Form MGT-9.

The Board of Directors has formulated a policy on related party transactions pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, as amended from time to time which has been uploaded and available on the company website at www.thehitechgears.com.

B. There has neither been any non-compliance of any legal provision of applicable laws, nor any penalty or stricture imposed by the Stock Exchanges or Securities and Exchange Board of India (SEBI) or any other authorities, on any matters related to capital markets, during the last three years.

C. As per the requirement of the Companies Act, 2013 and SEBI Listing Regulations as amended from time to time, the Company has established vigil mechanism to enable directors and employees to report concerns about unethical behaviors, actual or suspected fraud or violation of the Company's code of conduct or ethical policy. The whistle blowers may lodge their complaints/concern with the Chairman of the Audit Committee, whose contact details are provided in the Whistle Blower Policy of the Company. The policy offers appropriate protection to the whistle blowers from victimization, harassment or disciplinary proceedings. The Whistle Blower Policy is also available on the website at www.thehitechgears.com.

D. The Company has adhered to all the mandatory requirements of Corporate Governance norms as prescribed under the SEBI Listing Regulations, as amended from time to time, to the extent applicable on the Company. The certificate regarding compliance with the conditions of Corporate Governance received from Practicing Company Secretary is also annexed to this Report.

E. The Company has Nine Subsidiaries and out of them **"2545887 Ontario Inc.", "The Hi-Tech Gears Canada Inc."** (Formerly known as Teutech Industries Inc) and **"Teutech Holding Co."** are considered as Material Subsidiaries of the Company in terms of the provisions of SEBI Listing Regulations, as amended from time to time. For further details refer to Form AOC-1 & Form MGT-9 and consolidated Financial Statements.

The company has framed the policy for determining "Material Subsidiaries" and which has been updated/ amended during the year in order to align with the amended provisions of the SEBI Listing Regulations and other applicable Laws. The said amended policy has been placed on the website of the Company at www.thehitechgears.com.

F. The Company's Policy is to take forward cover in respect of is foreign currency exposure. In view of this, the company has fixed LIBOR component in total interest rate agreed for the external commercial borrowings to mitigate the risk of fluctuation. During the financial year ended March 31, 2019, the Company did not engage in commodity hedging activities.

G. During the year under review, the company has not raised any fund through preferential allotment or qualified institutions placements as specified under regulation 32(7A) of SEBI (LODR) Regulation, 2015

H. Certification from Practicing Company Secretary

In accordance with the amended provisions of the SEBI Listing Regulations, the Company has received a certificate from M/s Grover Ahuja & Associates, Practicing Company Secretaries to the effect that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of the Company by the Ministry of Corporate Affairs or any other statutory authority. The same forms part of this report.

I. M/s O.P Dadu, Chartered Accountants are the Statutory Auditors of the company. The details of all remuneration including fees etc. paid during the financial year 2018-19 by the company and its subsidiaries, on consolidated basis to such auditor including all entities in the network firm/ entity of which such auditor is a part, are given below:

S. No.	Particulars	Amount (In Rupees Mn)
1	Audit Fees	1.20
2	Reimbursement of expenses	0.07
3	Certification fees	0.08
4	Other Services	0.30
	Total	**1.65**

J. As per the requirement of the Companies Act, 2013 and SEBI Listing Regulations as amended from time to time, the disclosure as required under provision of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is duly provided in the Directors' Report of the Company. In view of this, the company has implemented policy as **"Policy on Prevention and Redressal of Sexual Harassment of Women at Workplace"** which is available at the official website of the company i.e. www.thehitechgears.com.

Pursuant to the amended SEBI Listing Regulations, details of complaints received, disposed-of and pending in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is given below:

- Number of complaints filed during the financial year: NIL
- Number of complaints disposed of during the financial year: NIL
- Number of complaints pending as on end of the financial year: NIL

K. During the year under review, the company has duly complied with all the requirements related to the Corporate Governance as specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulation") as amended from time to time.

XII During the year under review, the following Discretionary Requirements as specified in Part E of Schedule II of SEBI Listing regulation, as amended from time to time has been adopted by the company.

Compliance status with **Discretionary Requirements** is given below:

(i) During the year under review, the company has received only unmodified audit opinion from statutory auditors of the company.

(ii) The Internal Auditors report directly to the Audit Committee.

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

Place : New Delhi — **Deep Kapuria**
Dated : August 14, 2019 — **Chairman**

CERTIFICATION BY CEO AND CFO

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

Ref: Certification by CEO and CFO for Financial Year 2018-19

(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 2018-19 and that to the best of our knowledge and belief:

 i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

 ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or 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:

 i. significant changes in internal control over financial reporting during the year;

 ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

 iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For The Hi-Tech Gears Limited

Dinesh Chand Sharma
Chief Financial officer

Pranav Kapuria
Chief Executive Officer

Place: New Delhi
Date: May 27, 2019

CERTIFICATE FROM PRACTICING COMPANY SECRETARY ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To
The Members of
The Hi-Tech Gears Limited

We have examined the compliance of the conditions of Corporate Governance by The Hi-Tech Gears Limited ('the Company'), for the year ended on March 31, 2019, as stipulated under regulation 17-27, clause (b) to (i) of sub-regulation (2) of regulation 46 and para C, D & E of schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulation").

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 implementation thereof, as 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, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2019.

We further 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 Grover Ahuja & Associates
Company Secretaries

Akarshika Goel
(Partner)
COP No. 12770
Membership No. 29525

Place: New Delhi
Date: May 24, 2019

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of
The Hi-Tech Gears Limited
Plot No. 24, 25, 26, Sector-7
IMT Manesar Gurgaon-122050

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of The Hi-Tech Gears Limited having CIN: L29130HR1986PLC081555 and having registered office at Plot No. 24, 25, 26, Sector-7, IMT Manesar Gurgaon-122050 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Ensuring the eligibility for appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Grover Ahuja & Associates
Company Secretaries

Akarshika Goel
(Partner)
COP No. 12770
Membership No. 29525

Date : August 02, 2019
Place: New Delhi

COMPLIANCE WITH CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SR. MANAGEMENT PERSONNEL

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

I, Pranav Kapuria, Chief Executive Officer of the Company hereby certify that the Board of Directors and the Sr. Management Personnel have affirmed compliance with the code of conduct for Board of Directors and Sr. Management Personnel for the Financial Year 2018-19.

For The Hi-Tech Gears Limited

Pranav Kapuria
Chief Executive Officer

Place : New Delhi
Date : May 27, 2019

SHAREHOLDERS’ INFORMATION

Corporate Identification Number : L29130HR1986PLC081555 **PAN:** AAACH0156K

Registered Office & Works II

Plot No. 24-26, Sector-7, IMT Manesar, Gurgaon-122050, Haryana
Tel No: (0124) – 4715200, Web site: www.thehitechgears.com

Previous Registered Office & Works I

A-589, Industrial Complex, Bhiwadi - 301019, District Alwar, (Rajasthan)
Tel No: (01493) – 265000/265050, Web site: www.thehitechgears.com
(The Registered Office of the Company has been shifted from the State of Rajasthan to the State of Haryana with effect from June 19, 2019)

Corporate Office
14th Floor, Tower-B, Unitech’s Millennium Plaza,
Sushant Lok-I, Sector – 27, Gurgaon, Haryana-122009
Tel No: (0124) – 4715100, Fax No: (0124) – 2806085
Email: secretarial@thehitechgears.com

Listing

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

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

Interim Dividend for the year 2018-19
The Board of Directors in their meeting held on February 02, 2019 have approved an interim dividend of Rs 1.50/- (Rupee One and Paisa Fifty 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.

33rd Annual General Meeting
Date & Time : Friday the 27th day of September, 2019 at 11:00 A.M.
Venue : Plot No. 24-26, Sector-7, IMT Manesar, Gurgaon-122050, Haryana

Book Closure Dates
September 21, 2019 to September 27, 2019 (both days inclusive)

Cut-off date for e-voting
September 20, 2019

E-Voting
The voting period begins on September 24, 2019 at 09:00 A.M. and ends on September 26, 2019 at 05:00 P.M.

EVEN (Electronic Voting Event Number)
EVEN of The Hi-Tech Gears Limited is **111428**.

Final Dividend
The Board of Directors in their meeting held on May 27, 2019 have recommended final dividend of Rs. 2.00/- per equity share (@ 20%) subject to the approval of the members in their Annual General Meeting.

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 shareholders whose name appears on the Register of members as on September 27, 2019. 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 20, 2019.

Dividend payment date

The management will organize the necessary documentations & manage the Schedule for payment of final dividend, if declared by the shareholders. Estimate period of disbursement is 3rd week of October, 2019

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: The Hi-Tech Gears Limited)
T-34, 2nd Floor, Okhla Industrial Area,
Phase –II, New Delhi – 110020
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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THE HI-TECH GEARS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of THE HI-TECH GEARS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	Auditor's Response
1. Contingent liabilities	
There are legal and tax cases against the Company which have been identified as a key audit matter due to the uncertainties involved in these tax and legal claims and significant judgement is required. Refer to the note no.38 "Contingent liabilities" to the notes to the standalone financial statements.	Audit procedures in respect of this area: • We gained an understanding of the process of identification of legal and tax cases and evaluated the design and implementation of controls in respect of these contingent liabilities. • For legal and tax matters, our procedures included testing key controls surrounding litigation and tax procedures; discussing matters with the Company's litigation and tax teams; and assessing management's conclusions through understanding precedents set in similar cases. • Validated the completeness and appropriateness of the related disclosures with regard to the facts and circumstances of the legal and tax matters.
2. Borrowings	
The Company had a borrowing liability (current and non-current) of Rs.2534.27 million as at 31st March, 2019. The borrowings are under agreements with terms and conditions detailed in notes no. 19A and 19B to the notes of the standalone financial statements. Keeping in view the size of the borrowings, the Company's borrowings is considered as key audit matter.	Audit procedures in respect of this area: • We have gone through the agreements between the Company and its lenders. • We obtained confirmations from the Company's banks/financial institutions to confirm the outstanding balances. • Where debt is regarded as non-current, we tested whether the Company has the unconditional right to defer payment such that there were no repayments required within 12 months from the balance date. • We further considered whether the disclosures related to the borrowings in the standalone financial statements are appropriate in all material respects.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion & Analysis Report and Board's Report, including Annexures to Board's Report, but does not include the standalone financial statements and our auditor's report thereon. The Management Discussion & Analysis Report and Board's Report, including Annexures to Board's Report, is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Management Discussion & Analysis Report and Boards Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure **B**".
   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
   h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:-
      a) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements-Refer Note 38 to the standalone financial statements;
      b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      c) There has been no delay in transferring amount, required to be Transferred, to the Investor Education and Protection Fund by the Company.

FOR O.P.DADU & CO.
CHARTERED ACCOUNTANTS
FRN. 001201N

(AMIT GUPTA)
PARTNER
M.NO. 094202

PLACE : NEW DELHI
DATED : 27TH MAY, 2019

Annexure 'A' To the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2019, we report that:

(i)

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

(b) 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.

(c) On the basis of information and explanation provided by the management, the title deeds of immovable properties are held in the name of the Company.

(ii) According to information and explanation given to us inventories have been physically verified by the management during the year except for stock-in-transit. In our opinion, the frequency of such verification is reasonable. No material discrepancies were noticed on physical verification of inventories by the management.

(iii) According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of paragraphs 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has not entered into any transaction covered under Sections 185 of the Act. The company has complied with the provisions of Sections 186 of the Act in respect of investments made. The Company has not granted any loans, and has not provided any guarantees or securities to parties covered under Section 186 of the Act.

(v) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits from the public in accordance with the provisions of Sections 73 to 76 of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under subsection (I) of Section 148 of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, duty of excise, duty of customs, goods and service tax, cess and other applicable statutory dues with the appropriate authorities.

There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, duty of excise, duty of customs, goods and service tax, cess and other applicable statutory dues in arrears as at March 31 2019 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 are no dues of income tax, sales tax, value added tax, service tax, goods and service tax, duty of customs, duty of excise which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned as under:

Name of the Statue	Nature of Dues	Period to which the amount relates	Amount (Rs. In Mn)	Forum Where Dispute is Pending
Income Tax Act, 1961	Income Tax	A.Y. 2012-13	0.23	Commissioner of Income Tax (Appeals), Delhi
Income Tax Act, 1961	Income Tax	A.Y. 2010-11	2.54	Income Tax Appellate Tribunal, Delhi
Income Tax Act , 1961	Income Tax	A.Y.2012-13	0.23	Commissioner of Income Tax (Appeals), Delhi
Income Tax Act , 1961	Income Tax	A.Y. 2016-17	0.60	Commissioner of Income Tax (Appeals), Delhi
Income Tax Act, 1961	Income Tax	A.Y 2019-20	0.08	Assistant Commissioner of Income Tax (TDS)

(viii) Based on our audit procedures and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to any bank or to any financial institution. The Company has not borrowed any loan from Government. The Company has not issued any debentures.

(ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments). 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.

(x) According to the information and explanations given to us, no fraud by the Company has been noticed or reported during the year, further the company has reported that one employee of the company has embezzled money by making unauthorised withdrawl of Rs. 2.23 Mn during the year.

(xi) The Company has paid or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to Act.

(xii) The Company is not a nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

FOR O.P.DADU & CO.
CHARTERED ACCOUNTANTS
FRN. 001201N

(AMIT GUPTA
PARTNER
M.NO. 094202

PLACE : NEW DELHI
DATED: 27TH MAY, 2019

Annexure 'B' To the Independent Auditors' Report

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

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **The Hi-Tech Gears Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR O.P.DADU & CO.
CHARTERED ACCOUNTANTS
FRN. 001201N

(AMIT GUPTA)
PARTNER
M.NO. 094202

PLACE : NEW DELHI
DATED: 27TH MAY, 2019

THE HI-TECH GEARS LIMITED

Standalone Balance Sheet as at 31 March, 2019

(₹ in Mn)

	Note		31 March 2019	31 March 2018
Assets				
Non-current assets				
Property, plant and equipment	6		1,740.67	1,678.08
Capital work-in-progress	6		138.04	21.13
Intangible assets	7		9.76	15.24
Financial assets				
Investments	8		1,584.65	1,535.72
Loans	9	A	33.29	17.93
Other financial assets	10	A	5.22	0.14
Other non-current assets	11	A	324.40	40.30
Total non-current assets			**3,836.03**	**3,308.54**
Current assets				
Inventories	12		739.73	457.06
Financial assets				
Trade receivables	13		1,090.31	997.08
Cash and cash equivalents	14		293.69	75.20
Other bank balances	15		124.11	165.84
Loans	9	B	10.46	7.33
Other financial assets	10	B	66.34	70.42
Current tax assets (net)	16		19.71	21.12
Other current assets	11	B	144.99	104.91
Total current assets			**2,489.34**	**1,898.96**
Total assets			**6,325.37**	**5,207.50**
Equity and liabilities				
Equity				
Equity share capital	17		187.68	187.68
Other equity	18		2,494.11	2,216.68
Total equity			**2,681.79**	**2,404.36**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	19	A	1,641.25	1,222.42
Provisions	20	A	46.32	33.43
Deferred tax liabilities (net)	21		13.70	3.32
Other non-current liabilities	22	A	23.13	36.74
Total non-current liabilities			**1,724.40**	**1,295.91**
Current liabilities				
Financial liabilities				
Borrowings	19	B	715.59	568.70
Trade payables	23			
- total outstanding dues of micro enterprises and small enterprises			35.81	16.44
- total outstanding dues of creditors other than micro enterprises and small enterprises			594.78	537.44
Other financial liabilities	24		459.25	260.98
Other current liabilities	22	B	77.96	89.22
Provisions	20	B	35.79	34.45
Total current liabilities			**1,919.18**	**1,507.23**
Total equity and liabilities			**6,325.37**	**5,207.50**

Summary of significant accounting policies and accompanying notes form an integral part of these financial statements.
This is the balance sheet referred to in our report of even date.

For O. P. Dadu & Co.
Chartered Accountants
Firm Registration No. 001201N

For and on behalf of
The Hi-Tech Gears Limited

CA. Amit Gupta
Partner
Membership No. 094202

Deep Kapuria
Executive Chairman
DIN 00006185

Pranav Kapuria
Managing Director
DIN 00006195

Place: New Delhi
Date: 27 May 2019

Dinesh Chand Sharma
Chief Financial Officer

S. K. Khatri
Company Secretary

THE HI-TECH GEARS LIMITED
Standalone statement of Profit and Loss for the period ended 31 March, 2019

(₹ in Mn)

	Note	31 March 2019	31 March 2018
Revenue			
Revenue from operations	25	6,472.15	5,383.82
Other income	26	162.37	131.89
Total revenue		**6,634.52**	**5,515.71**
Expenses			
Cost of materials consumed	27	3,234.03	2,537.09
Purchase of traded goods	28	316.20	312.28
Changes in inventories of finished goods and work-in-progress	29	(90.46)	(45.05)
Excise duty on sale of goods		-	111.17
Employee benefits expenses	30	1,005.41	792.91
Finance costs	31	184.10	90.57
Depreciation and amortisation expense	6 & 7	270.80	262.98
Other expenses	32	1,183.22	969.89
Total expenses		**6,103.30**	**5,031.84**
Profit before tax		**531.22**	**483.87**
Tax expense	33		
Current tax		166.00	180.00
Deferred tax charged/(credit)		10.38	(15.25)
Profit for the year		**354.84**	**319.12**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gain on defined benefit plans		2.51	4.59
Fair Value of Equity Instruments through Other Comprehensive Income		0.15	(0.05)
Income tax relating to items that will not be reclassified to profit and loss		(0.88)	(1.59)
Total comprehensive income for the year		**356.62**	**322.07**
Earnings per equity share (₹ 10 per share)	34		
Basic (₹)		18.91	17.00
Diluted (₹)		18.91	17.00

Summary of significant accounting policies and accompanying notes form an integral part of these financial statements.
This is the statement of profit or loss referred to in our report of even date.

For O. P. Dadu & Co.
Chartered Accountants
Firm Registration No. 001201N

For and on behalf of
The Hi-Tech Gears Limited

CA. Amit Gupta
Partner
Membership No. 094202

Deep Kapuria
Executive Chairman
DIN 00006185

Pranav Kapuria
Managing Director
DIN 00006195

Place: New Delhi
Date: 27 May 2019

Dinesh Chand Sharma
Chief Financial Officer

S. K. Khatri
Company Secretary

THE HI-TECH GEARS LIMITED

Standalone statement of changes in Equity as at 31st March 2019

A. Equity share capital* **(₹ in Mn)**

Particulars	**Opening balance as at 1 April 2017**	**Changes during the year**	**Balance as at 31 March 2018**	**Changes during the year**	**Balance as at 31 March 2019**
Equity share capital	187.68	-	187.68	-	187.68

B. Other equity** **(₹ in Mn)**

Particulars	**Reserves and surplus**		**Other Comprehensive Income**	**Total**
	General reserve	**Retained earnings**	**Equity instrument through Other Comprehensive Income**	
Balance as at 1 April 2017	**308.08**	**1,648.12**	**0.53**	**1,956.73**
Profit for the period	-	319.12	-	**319.12**
Other comprehensive income (net of tax impact)	-	3.00	(0.05)	**2.95**
Dividend paid during the year including tax impact, refer note 39	-	(62.12)	-	**(62.12)**
Balance as at 31 March 2018	**308.08**	**1,908.12**	**0.48**	**2,216.68**
Profit for the period	-	354.84	-	**354.84**
Other comprehensive income (net of tax impact)	-	1.63	0.15	**1.78**
Dividend paid during the year including tax impact, refer note 39	-	(79.19)	-	**(79.19)**
Balance as at 31 March 2019	**308.08**	**2,185.40**	**0.63**	**2,494.11**

**Refer note 17 for details*

***Refer note 18 for details*

Summary of significant accounting policies and accompanying notes form an integral part of these financial statements.

This is the statement of change in equity referred to in our report of even date.

For O. P. Dadu & Co.
Chartered Accountants
Firm Registration No. 001201N

CA. Amit Gupta
Partner
Membership No. 094202

Place: New Delhi
Date: 27 May 2019

For and on behalf of
The Hi-Tech Gears Limited

Deep Kapuria
Executive Chairman
DIN 00006185

Pranav Kapuria
Managing Director
DIN 00006195

Dinesh Chand Sharma
Chief Financial Officer

S. K. Khatri
Company Secretary

THE HI-TECH GEARS LIMITED

Standalone Cash Flow Statement for the period ended 31 March 2019

(₹ in Mn)

	Particulars	31 March 2019	31 March 2018
A	**Cash flow from operating activities**		
	Profit before tax	531.22	483.87
	Adjustments for:		
	Depreciation and amortisation expense	270.80	262.98
	Gain on disposal of property, plant and equipment (net)	(91.42)	(3.64)
	Interest income classified as investing cash flows	(35.11)	(5.09)
	Income recognised on account of government assistance	(13.62)	(15.07)
	Dividend income classified as investing cash flows	-	(0.01)
	Provisions written back	(21.87)	(61.04)
	Provision for doubtful debts	6.72	2.28
	Unrealised foreign exchange (net)	16.01	0.17
	Unrealised profit on mark to market of forward contracts	-	(0.30)
	Finance cost paid	184.10	88.07
	Operating profit before working capital changes	**846.83**	**752.22**
	Movement in working capital		
	Increase in inventories	(282.68)	(109.98)
	Decrease in other financial assets	4.08	6.02
	Increase in trade receivables	(112.71)	(268.12)
	(Increase)/decrease in other non-current assets	(0.61)	0.23
	(Increase)/decrease in other current assets	(40.08)	1.14
	Increase/(decrease) in other financial liability	20.84	(3.69)
	Decrease in other current liability	(12.47)	(3.80)
	Increase in provision	38.63	66.54
	(Decrease)/Increase in other non-current liabilities	(0.00)	7.69
	Increase in trade and other payables	74.67	178.36
	Cash flow from operating activities post working capital changes	**536.50**	**626.61**
	Income tax paid (net)	(165.46)	(171.79)
	Net cash flows from operating activities (A)	**371.04**	**454.82**
B	**Cash flows from investing activities**		
	Payment for acquisition of subsidiary, net of cash acquired	(35.01)	(520.63)
	Purchase of non-current investments	(13.78)	-
	Payments for property, plant and equipment and capital work-in-progress	(957.06)	(278.22)
	Proceeds from sale of property, plant and equipment	320.16	8.33
	Payment for margin money and bank deposits	44.40	(91.82)
	Repayment loans and advances	(18.49)	(3.33)
	Interest received	27.36	3.83
	Dividend received	-	0.01
	Net cash used in investing activities (B)	**(632.42)**	**(881.83)**
C	**Cash flows from financing activities***		
	Finance cost paid	(150.74)	(73.92)
	Proceeds from borrowings	768.37	571.38
	Repayment of borrowings	(58.57)	(1.47)
	Dividends paid (including tax)	(79.19)	(62.12)
	Net cash flow from financing activities (C)	**479.87**	**433.87**
	Net increase (decrease) in cash and cash equivalents (A+B+C)	218.49	6.86
	Cash and cash equivalents at the beginning of the year	75.20	68.34
	Cash and cash equivalents at the end of the year	**293.69**	**75.20**

**Refer note 19 for reconciliation of liabilities arising from financing activities*

This is the Cash Flow Statement referred to in our report of even date.

Note: The above cash flow statement has been prepared under the "Indirect method" as set out in Indian Accounting Standard (IND AS-7) statement of cash flow

For O. P. Dadu & Co.
Chartered Accountants
Firm Registration No. 001201N

For and on behalf of
The Hi-Tech Gears Limited

CA. Amit Gupta
Partner
Membership No. 094202

Deep Kapuria
Executive Chairman
DIN 00006185

Pranav Kapuria
Managing Director
DIN 00006195

Place: New Delhi
Date: 27 May 2019

Dinesh Chand Sharma
Chief Financial Officer

S. K. Khatri
Company Secretary

Notes to the standalone financial statements for the year ended 31 March 2019

1. **Nature of operations**

The Hi-Tech Gears Limited ('the Company') is an auto component manufacturer (a Tier 1 supplier).The Company is domiciled in India and its corporate office is situated at 14th Floor, Tower-B, Millennium Plaza, Sushant Lok-I, Sector-27, Gurgaon-122002, Haryana, India.

2. **General information and compliance with Ind AS**

These financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies for the periods presented.

These financial statements are separate financial statements of the Company. The Company has also prepared consolidated financial statements for the year ended 31 March 2019 in accordance with Ind AS 110 and the same were also approved for issue by the Board of Directors on 27 May 2019.

3. **Basis of preparation**

The financial statements have been prepared on going concern basis in accordance with generally accepted accounting principles in India. Further, the financial statements have been prepared on a historical cost basis except for following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefits (assets)/liability	Fair value of plan assets less present value of defined benefits obligations.

4. **Recent accounting pronouncement**

In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying amendments to Ind AS 12, 'Income taxes', Ind AS 19, 'Employee benefits, Ind AS 23, 'Borrowing costs and also Ind AS 116 'Leases'. These amendments rules are applicable to the Company from 1 April 2019.

Ind AS 116- Leases:

On 30 March 2019, MCA has notified Ind AS 116, Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application

Ind AS 116, which is effective for annual periods beginning on or after 01 April 2019, requires lessees and lessors to make more extensive disclosures than under Ind AS 17. The Company is evaluating the requirements of this new standard on its financial statements.

Appendix C to Ind AS 12, Uncertainty over income tax treatment:

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed.

The standard permits two possible methods of transition:

- Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The interpretation is effective for annual reporting periods beginning on or after 01 April 2019. The Company is evaluating the impact of this amendment on its financial statements.

Amendments to Ind AS 19, Plan amendment, curtailment or settlement:

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 01 April 2019, with early application permitted. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Company. The Company does not expect any impact on its financial statements of such amendment.

Amendments to Ind AS 23, Borrowing costs:

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 01 April 2019, with early application permitted. The Company is evaluating the impact of this amendment on its financial statements.

5. Summary of significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These were used throughout all periods presented in the financial statements.

5.1 Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Companies Act, 2013.

5.2 Property, plant and equipment (PPE)

Recognition and initial measurement

Properties plant and equipment are stated at their cost of acquisition. Any trade discount and rebates are deducted in arriving at the purchase price. Property, plant and equipment purchased on deferred payment basis are recorded at equivalent cash price. The difference between the cash price equivalent and the amount payable is recognised as interest expense over the deferred payment period.

Spares having useful life of more than one year and having material value in each case, are capitalised under the respective heads as and when available for use.

Subsequent measurement (depreciation and useful lives)

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. 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.Depreciation on rest of the property, plant and equipment 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.

De-recognition

An item of property, plant and equipment and any significant component initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset/ significant component (calculated as the difference between the net disposal proceeds and the carrying amount of the asset/significant component) is recognised in statement of profit and loss, when the asset is derecognised.

5.3 Intangible assets

Recognition and initial measurement

Intangible assets are stated at their cost of acquisition. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent measurement (amortisation)

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.

5.4 Inventories

Inventories are valued as follows:

Raw materials, loose tools and stores and spares

Raw materials, loose tools and stores and spares are valued at lower of cost and net realizable value. Cost of raw materials, loose tools and stores and spares is determined on a FIFO (First in first out) basis.

Work-in-progress and finished goods

Work-in-progress and finished goods is measured at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

Scrap

Scrap is measured at net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

5.5 Revenue recognition

Revenue arises mainly from the sale of manufactured and traded goods.

To determine whether to recognise revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is measured at fair value of consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and service tax, etc.

Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers.

Sale of goods

Revenue from sale of goods is recognised when the control of goods is transferred to the buyer as per the terms of the contract, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods. Control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods.

Sale of services

Revenue from services is recognised when Company satisfies the performance obligations by transferring the promised services to its customers.

Export benefits

Export benefits constituting Duty Draw Back and Export Promotion Capital Goods Scheme (EPCG) are accounted for on accrual basis when there is reasonable assurance that the company will comply with the conditions attached to them and the export benefits will be received. Export benefits under Duty Draw back scheme and EPCG are considered as other operating income.

Interest income

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

Dividend income

Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

5.6 Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized 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 as expense to the statement of profit and loss in the period for which they relate to.

5.7 Leases

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss. Contingent rentals are recognised as expenses in the periods in which they are incurred. Lease management fees, legal charges and other initial direct costs are capitalized.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, except in case where lease rentals are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost.

5.8 Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the recoverable amount of the asset or the cash generating unit is estimated. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount. The carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.

5.9 Foreign currency

Functional and presentation currency

The financial statements are presented in Indian Rupee ('₹') which is also the functional and presentation currency of the Company.

Initial recognition

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange difference

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognised in the statement of profit and loss in the year in which they arise.

5.10 Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below.

Non-derivative financial assets

Subsequent measurement

i. **Financial assets carried at amortised cost**– A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

ii. **Investments in equity instruments of subsidiary–** Investments in equity instruments of subsidiary are accounted for at cost in accordance with Ind AS 27 Separate Financial Statements.

iii. **Investments in other equity instruments –** Investments in equity instruments which are held for trading are classified at Fair Value Through Profit or Loss (FVTPL). For all other equity instruments, the Company makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at Fair Value through Other Comprehensive Income (FVOCI) or Fair Value Through Profit or Loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Company transfers the cumulative gain or loss within equity. Dividends on such investments are recognized in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

De-recognition of financial assets

A financial asset is primarily de-recognised when the contractual rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Non-derivative financial liabilities

Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Forward contracts

The Company has entered into certain forward (derivative) contracts to hedge risks which are not designated as hedges. These derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. Any profit or loss arising on cancellation or renewal of such derivative contract is recognised as income or as expense in statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

5.11 Impairment of financial assets

In accordance with IndAS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. The Company assesses on forward looking basis the expected credit losses associated with its assets and impairment methodology applied depends on whether there has been a significant increase in credit risk.

Trade receivables

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Other financial assets

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, , the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort.

5.12 Income taxes

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity).

5.13 Cash and cash equivalents

Cash and cash equivalents include cash in hand, balance with banks in current in current accounts and other short term highly liquid investments with original maturity of three months and less.

5.14 Research and Development Costs

Revenue expenditure incurred on research and development has been charged to the statement of profit and loss for the year in which it is incurred. Capital expenditure is included in respective heads under Property, plant and equipment.

5.15 Employee benefits

Short term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short term employee benefits to be paid in exchange for employee services are recognised as an expense as the related service is rendered by employees.

Defined Contribution Plan

Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Company has no further obligations. Payments to defined contribution retirement benefit schemes (such as Provident Fund, Employee's State Insurance Corporation) are charged to the statement of profit and loss of the year in which contribution to such schemes becomes due.

Defined Benefit Plan

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 gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

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.

The Company makes annual contribution to the Employee's Company 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.

Other long-term employee benefits

Liability in respect of leave encashment becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of discounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of leave encashment becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to statement of profit and loss in the year in which such gains or losses are determined.

5.16 Provisions

Provisions are recognized when the Company has a present obligation as a result of past events, for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions required to settle are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation. Provisions are discounted to their present values, where the time value of money is material.

5.17 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

5.18 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.

5.19 Significant management judgement and estimates

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Identification and Classification of leases-The Company enters into take or pay arrangements and leasing arrangements for use of various assets. The identification of arrangement as a lease and subsequent classification of leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

Recognition of deferred tax assets– The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.

Evaluation of indicators for impairment of assets– The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Contingent liabilities– At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Significant estimates

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Government grants– Grants receivables are based on estimates for utilisation of grant as per the regulations as well as analysing actual outcomes on a regular basis and compliance with stipulated conditions. Changes in estimates or non-compliance of stipulated conditions could lead to significant changes in grant income and are accounted prospectively over the balance life of asset.

Defined benefit obligation (DBO)– Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Useful lives of depreciable/amortisable assets– Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utilisation of assets.

Provisions– Estimate for provisions recognised is based on management best estimate of the expenditure required to settle the present obligation at the year end and is based on historical experience, expected changes in economic conditions, changes in exchange rates.

Fair value measurements– Management applies valuation techniques to determine the fair value of financial instruments such as derivatives. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

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Note - 6

Property, plant and equipment

(₹ in Mn)

Particulars	Freehold land	Leasehold land	Residential flats	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Total	Capital work-in-progress
Gross carrying amount										
At 1 April 2017	412.82	18.59	5.76	402.61	3,148.09	27.63	62.92	38.30	4,116.72	28.10
Additions	-	-	-	-	225.88	0.25	11.75	-	237.88	21.77
Disposals	-	-	-	-	(43.44)	-	-	(0.03)	(43.47)	(28.74)
Balance as at 31 March 2018	**412.82**	**18.59**	**5.76**	**402.61**	**3,330.53**	**27.88**	**74.67**	**38.27**	**4,311.13**	**21.13**
Additions	1.63	-	-	5.55	509.99	4.47	4.15	30.47	556.26	673.17
Disposals	(218.64)	-	(1.21)	-	(173.52)	-	(2.40)	(5.18)	(400.95)	-
Capitalised during the year	-	-	-	-	-	-	-	-	-	(556.26)
Balance as at 31 March 2019	**195.81**	**18.59**	**4.55**	**408.16**	**3,667.00**	**32.35**	**76.42**	**63.56**	**4,466.44**	**138.04**
Accumulated depreciation										
At 1 April 2017	-	0.77	1.64	107.09	2,194.17	24.21	56.40	31.25	2,415.53	-
Charge for the year	-	0.18	0.09	12.23	233.86	0.73	7.11	2.11	256.31	-
Adjustments for disposals	-	-	-	-	(38.77)	-	-	(0.02)	(38.79)	-
Balance as at 31 March 2018	**-**	**0.95**	**1.73**	**119.32**	**2,389.26**	**24.94**	**63.51**	**33.34**	**2,633.05**	**-**
Charge for the year	-	0.19	0.08	11.86	242.87	0.70	5.94	3.29	264.93	-
Adjustments for disposals	-	-	(0.40)	-	(164.64)	-	(2.27)	(4.90)	(172.21)	-
Balance as at 31 March 2019	**-**	**1.14**	**1.41**	**131.18**	**2,467.49**	**25.64**	**67.18**	**31.73**	**2,725.77**	**-**
Net carrying amount as at 31 March 2018	**412.82**	**17.64**	**4.03**	**283.29**	**941.27**	**2.94**	**11.16**	**4.93**	**1,678.08**	**21.13**
Net carrying amount as at 31 March 2019	**195.81**	**17.45**	**3.14**	**276.98**	**1,199.51**	**6.71**	**9.24**	**31.83**	**1,740.67**	**138.04**

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Note - 7
Intangible assets

(₹ in Mn)

Particulars	Softwares	Total
Gross carrying amount		
At 1 April 2017	77.94	77.94
Additions	17.94	17.94
Balance as at 31 March 2018	**95.88**	**95.88**
Additions	0.39	0.39
Balance as at 31 March 2019	**96.27**	**96.27**
Accumulated amortisation		
At 1 April 2017	73.97	73.97
Charge for the year	6.67	6.67
Balance as at 31 March 2018	**80.64**	**80.64**
Charge for the year	5.87	5.87
Balance as at 31 March 2019	**86.51**	**86.51**
Net carrying amount as at 31 March 2018	**15.24**	**15.24**
Net carrying amount as at 31 March 2019	**9.76**	**9.76**

Note - 8

(₹ in Mn)

		31 March 2019	31 March 2018
A	**Investments - non current**		
	Equity instruments		
	Investment in foreign subsidiary companies (unquoted, measured at cost)		
	2545887 Ontario Inc. 29,864,225 common shares of CAD $1 each (previous year 31 March 2018: 29,864,225 common shares).	1,534.55	1,534.55
	Neo-Tech Auto System Inc.,USA 1,000,000 common shares of USD $0.01 each (previous year 31 March 2018: 1,000,000 common shares acquired on 21 September 2017) fully paid up.	0.64	0.64
	Neo Tech Smart Solutions Inc., Canada* 250,000 common shares of CAD $ 1 each fully paid up (previous year Nil)	13.78	-
	Other investment		
	(quoted, measured at FVOCI)		
	2100 Equity shares of Rs. 10/- each fully paid up of State Bank of India (previous year 31 March 2018 : 2100 Equity shares of Rs. 10/- each fully paid up).	0.67	0.53
	(unquoted, measured at FVOCI)		
	8200 Equity shares of Rs. 1/- each fully paid up of Altigreen Propulsion Labs Pvt. Ltd. (previous year Nil) **	35.01	-
		1,584.65	**1,535.72**
	Aggregate market value of quoted investments	0.67	0.53
	Aggregate amount of unquoted investments and market value thereof	1,583.98	1,535.19
	Aggregate value of impairment in the value of investments	-	-

Information about subsidiaries company

Particulars	Principal place of business	Ownership interests	Accounted on
2545887 Ontario Inc	Canada	100%	As per provision of Ind AS 27 ‘Separate Financial Statements’
Neo-Tech Auto System Inc.	USA	100%	
Neo-Tech Smart Solutions Inc.	Canada	100%	

*During the current financial year, the Company has incorporated a Wholly Owned Subsidiary Company in Canada viz. Neo-Tech Smart Solutions Inc. by acquiring its 100% common shares on 22 October 2018.

** During the current financial year, the Company has made investment in equity shares of Altigreen Propulsion Labs Pvt. Ltd. amounting to Rs. 35.01 Mn (including a security premium of Rs. 35.01 Mn).

Note - 9

(₹ in Mn)

		31 March 2019	31 March 2018
A	**Loans - non current**		
	(Unsecured, considered good)		
	Security deposits with government bodies	32.36	16.64
	Loan to employees	0.93	1.29
		33.29	**17.93**
B	**Loans - current**		
	(Unsecured, considered good)		
	Security deposits - others	4.05	3.46
	Loan to employees	6.41	3.87
		10.46	**7.33**

Note - 10

(₹ in Mn)

		31 March 2019	31 March 2018
A	**Other financial assets - non current**		
	Balance held as margin money (against letter of credit and bank guarantees)*	5.22	0.14
		5.22	**0.14**
	*Margin money deposits having remaining maturity of more than 12 months.		
B	**Other financial assets - current**		
	Earnest money deposit	0.04	0.04
	Derivative assets- foreign exchange forward contracts	-	0.30
	Other receivable*		
	Considered good	66.30	70.08
	Considered credit impaired (refer note below)	2.05	-
	Less: Impairment allowance (allowance for bad and doubtful debts)	(2.05)	-
		66.34	**70.42**

*It includes amount receivable from customers for new product development like making, changing in nature of specific components on demand of customers, insurance claim receivable, provision for rate revision in case of steel cost.

Note: One employee (Mr. K. P. Yadav, Assistant Manager in finance & accounts) had embezzled money by making unauthorised withdrawal of Rs.2.23 Mn in his personal account during the period December 2017 to April 2018. On detecting the above fraud, the Company immediately terminated him from his services and lodged the FIR against him. Till now, the Company had made recovery of Rs.0.18 Mn out of above amount and created the provision for the balance amount as on 31 March 2019. Appropriate actions for discovery, prevention of fraud and strengthening of Internal controls has been put in place by the Company.

Note - 11

(₹ in Mn)

A	**Other non-current assets**	31 March 2019	31 March 2018
	Capital advance*	322.11	38.62
	Prepaid expenses	2.29	1.68
		324.40	**40.30**

*For capital commitments refer note - 38 B

B	**Other current assets**	31 March 2019	31 March 2018
	Advances to suppliers	46.66	20.18
	Advances to employees	1.02	-
	Prepaid expenses	21.64	15.58
	Balance with statutory authorities	75.67	69.15
		144.99	**104.91**

Note - 12

(₹ in Mn)

	31 March 2019	31 March 2018
Inventories		
(Valued at lower of cost or net realisable value)		
Finished goods (goods in transit)	61.37	48.11
Raw materials and components	238.33	104.78
Stores and spares	195.38	136.61
Work-in-progress	244.11	166.91
Scrap (at realisable value)	0.54	0.65
	739.73	**457.06**

Note - 13

(₹ in Mn)

Trade receivables*	31 March 2019	31 March 2018
(Unsecured)		
Considered good	1,095.60	998.75
Having significant increase in credit risk	6.45	5.40
Credit impaired	4.06	4.06
Less: Impairment loss allowance	(15.80)	(11.13)
	1,090.31	**997.08**

*for related party balances refer note 36

Note - 14

(₹ in Mn)

Cash and cash equivalents	31 March 2019	31 March 2018
Cash on hand	0.51	0.71
Balances with banks		
In current accounts	69.49	74.49
Bank deposits with original maturity less than three months	223.69	-
	293.69	**75.20**

Note - 15

(₹ in Mn)

	31 March 2019	31 March 2018
Other bank balances		
Margin money	-	9.20
Standard Chartered Bank - DSRA a/c*	-	63.70
Deposits with Standard Chartered Bank (DSRA) maturity of more than three months and upto twelve months**	77.40	-
Bank deposits with maturity of more than three months and upto twelve months	45.52	91.67
Unclaimed dividend	1.19	1.27
	124.11	**165.84**

*Balance lying in Debt Service Reserve Account (DSRA) a/c, which is charged to lender pursuant to the facility agreement (refer note 19 borrowings current for details).

**Amount deposited in fixed deposits of Rs.77.40 Mn which is Charged to Lender persuant to the facility agreement (refer note 19 borrowings current for details).

Note - 16

(₹ in Mn)

	31 March 2019	31 March 2018
Current tax assets (net)		
Advance income tax	186.59	315.71
Less: Provision for taxation	(166.88)	(294.59)
	19.71	**21.12**

Note - 17

(₹ in Mn)

		31 March 2019		31 March 2018	
Equity share capital					
i	**Authorised**	**Number**	**Amount**	**Number**	**Amount**
	20,000,000 equity shares of ₹ 10/- each with voting rights	2,00,00,000	200.00	2,00,00,000	200.00
			200.00		**200.00**
ii	**Issued, subscribed and fully paid up**				
	Equity share capital of face value of ₹ 10/- each	1,87,68,000	187.68	1,87,68,000	187.68
			187.68		**187.68**
iii	**Reconciliation of number of equity shares outstanding at the beginning and at the end of the year**				
	Equity shares				
	Balance at the beginning of the year	1,87,68,000	187.68	1,87,68,000	187.68
	Add : Shares issued during the year	-	-	-	-
	Balance at the end of the year	**1,87,68,000**	**187.68**	**1,87,68,000**	**187.68**

iv Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares with paid up value of ₹ 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 and 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 Regulations.

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.

v Details of shareholders holding more than 5% share capital

	31 March 2019		31 March 2018	
Name of the equity shareholders	**Number**	%	**Number**	%
Vulcan Electro Controls Limited	10,82,000	5.77%	10,82,000	5.77%
Olympus Electrical Industries Private Limited	17,45,200	9.30%	17,45,200	9.30%
Hi Tech Portfolio Investments Limited	19,71,876	10.51%	19,71,876	10.51%
Mr. Deep Kapuria	31,17,461	16.61%	31,17,461	16.61%

vi Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, by way of bonus shares and shares bought back for the period of 5 years immediately preceding the balance sheet date

The Company has not issued any shares pursuant to contract(s) without payment being received in cash.

No bonus shares have been issued in preceding 5 years.

The Company has not undertaken any buy back of shares.

Note - 18*

Other equity

(i) Nature and purpose of other reserves

General reserve

General reserve is created out of the accumulated profits of the Company as per the provisions of Companies Act.

Retained earnings

All the profits made by the Company are transferred to retained earnings from statement of profit and loss.

Other comprehensive income

Other comprehensive income represents balance arising on account of changes in fair value of equity instruments carried at fair value through other comprehensive income and gain/(loss) booked on re-measurement of defined benefit plans.

*Refer Part B (Other equity) of standalone statement of changes in equity as at 31 March 2019.

Note - 19

(₹ in Mn)

	31 March 2019	31 March 2018
A Borrowings non-current		
Secured		
Term loans		
From banks		
External commercial borrowing	1,101.30	1,200.79
Rupee Loan	503.83	-
From others		
Vehicle loan	19.51	-
Long term maturities of finance lease obligations	16.61	21.63
	1,641.25	**1,222.42**

Particulars	Nature of security	Terms of repayment	Interest rate	Maturity	31 March 2019	31 March 2018
Secured **External commercial borrowing** Standard Chartered Bank (USD 12,000,000) through IDBI Trusteeship Limited.	• First pari pasu charge on the following immovable fixed assets of the Company: A-589, Industrial Complex, Bhiwadi, District, Alwar, Rajasthan-301019. 2) Plot No 24-26, Sector 7, IMT Manesar, Gurgaon, Haryana 122050 3) SPL-146, Industrial Complex, Bhiwadi-304019, District Alwar, Rajasthan • First pari pasu charge on movable fixed assets (except those specifically charged) situated at following locations: 1) A-589, Industrial Complex, Bhiwadi, District, Alwar, Rajasthan-301019. 2) Plot No. 24-26, Sector 7, IMT Manesar, Gurgaon, Haryana 122050 3) SPL-146, Industrial Complex, Bhiwadi-301019, District Alwar, Rajasthan	Quarterly repayment starts from February 2019. 5 instalments @ 2.25% of loan amount 4 instalments @ 3.00% of loan amount. 12 instalment @ 6.40% of loan amount.	3 Month LIBOR+3.29% p.a. (previous year 3 Month LIBOR+3.29% p.a.)	February, 2024	828.49	802.44
Standard Chartered Bank (USD 7,561,789) through IDBI Trusteeship Limited.	• First pari pasu charge on the following immovable fixed assets of the company: 1) A-589, Industrial Complex, Bhiwadi, District, Alwar, Rajasthan-301019. 2) Plot No 24-26, Sector 7, IMT Manesar, Gurgaon, Haryana 122050 3) SPL-146, Industrial Complex, Bhiwadi-304019, District Alwar, Rajasthan • First pari pasu charge on movable fixed assets (except those specifically charged) situated at following locations: 1) A-589, Industrial Complex, Bhiwadi, District, Alwar, Rajasthan-301019. 2) Plot No. 24-26, Sector 7, IMT Manesar, Gurgaon, Haryana 122050 3) SPL-146, Industrial Complex, Bhiwadi-301019, District Alwar, Rajasthan	Quarterly repayment starts from February 2019. 5 instalments @ 5.375% of loan amount 4 instalments @ 5.5% of loan amount 12 instalments @4.26% of loan amount	3 Month LIBOR+3.00% p.a. (previous year 3 Month LIBOR+3.00% p.a.)	February, 2024	505.38	505.66

Particulars	Nature of security	Terms of repayment	Interest rate	Maturity	31 March 2019	31 March 2018
Term loan						
HDFC Bank Ltd - Rupee Loan	1) First mortgage and charge in favour of lender, on company's immovable properties in new plant at Trichy, present and future. 2) First charge by way of hypothecation in favour of the Lender, of company's movables including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures and all other movable assets, present and future for new plant at Trichy. 3) First charge by way of assignment or creation of charge in favour of the lenders of (i) all the right, title, interest, benefits, claims and demands whatsoever of the company in the project documents, duly acknowledged and consented to by the relevant counter parties to such project documents, all as amended, varied or supplemented from time to time in respect to new plant at Trichy; 4) First pari passu charge by way of hypothecation in favour of the Lender, of company's movables including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures and all other movable assets, present and future which are not exclusively charged to any other lenders. 5) First pari passu mortgage and charge in favour of lender, on company's immovable properties at A-589, Industrial Area, Bhiwadi Plant. The aforesaid mortgage assignment and charges mentioned in point no. 1, 2, 3 shall be on exclusive basis with the lender.	Repayment in 16 quarterly instalment starts from December,2020	9.2% /9.3% /9.35% p.a.	December, 2024	505.00	-
Vehicle loan						
From bank						
ICICI bank	Hypothecation of specific car.	60 monthly equal instalments of ₹ 53,871.	(previous year 10.50% p.a.)	January, 2019	-	0.50
Interest rate						
Kotak Mahindra Prime Limited	Hypothecation of specific car.	36 monthly equal instalments of ₹ 87,461.	(previous year 10.30% p.a.)	January, 2019	-	0.83
Vehicle loan						
From others						
BMW Financial Service	Hypothecation of specific car.	47 monthly equal instalments of ₹ 132,801 & 48th instalment of ₹ 30,21,700.	9.75% p.a.	August, 2022	6.69	-
Daimler Financial Services Pvt Ltd	Hypothecation of specific car.	35 monthly equal instalments of ₹ 4,51,854 & 36th instalment of ₹ 82,25,900.	11.74% p.a.	October, 2021	17.33	-
Finance lease obligation	Lease liabilities are effectively secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.	Monthly instalments	6.25% p.a. (previous year 6.25% p.a.)		19.36	24.68
Unamortised upfront fees on borrowing					(63.57)	(83.31)
Total borrowings					**1,818.68**	**1,250.80**
Less : Current maturities of long term borrowings					177.43	28.38
Non current borrowings					**1,641.25**	**1,222.42**

(₹ in Mn)

	31 March 2019	31 March 2018
B Borrowings - current		
Secured		
Working capital loans repayable on demand from banks	715.59	568.70
	715.59	**568.70**

Particulars	Nature of security	Interest rate	31 March 2019	31 March 2018
Citi bank, N.A.	• First pari passu charge on present and future stocks and book debts of the Company. • Second pari passu charge on present and future fixed assets excluding assets specifically charged to other lenders.	9.75% p.a. (previous year 9.75% p.a.)	158.57	201.88
Citi bank-packing credit	• Second pari passu charge by way of equitable mortgage on land and building located at A-589, Industrial Complex, Bhiwadi.	6.10% p.a. (previous year 5.20% p.a.)	50.00	120.00
Standard chartered bank-packing credit	• First pari passu charge over stock and book debts of the borrower both present and future. • Second pari passu charge on movable Fixed assets (excluding the assets specifically charged to other lenders). • Second pari passu charge on immovable fixed assets at A-589, RIICO, Bhiwadi.	6.00% p.a. (previous year 5.20% p.a.)	11.22	90.00
Standard chartered bank-Working capital loan		10.95% p.a.	37.88	-
Standard chartered bank-Working capital demand loan		9.40% p.a.	60.00	-
State Bank of India-packing credit	• First pari passu charge on all the current assets with working capital lender banks under multiple banking arrangement. • Second pari passu charge on Fixed assets (movable and immovable at factory A-589, Industrial Complex, Bhiwadi, Rajasthan-3010019) with working capital lender banks under multiple banking arrangement.	8.30% p.a. (previous year 5.55% p.a.)	120.00	60.33
State Bank of India-Working capital loan		9.25% p.a. (previous year 9.25% p.a.)	-	90.50
Kotak Mahindra bank-PCRE	• 1st PP charge on all existing and future current assets of the Company. • 2nd PP charge on all existing and future Movable Fixed Assets (other than those exclusively charged to other lenders, (if any) of the Company. • 2nd PP charge on immovable property being land and building situated at A-589, RIICO Bhiwadi, Alwar belonging to the Company.	8.65% p.a.	50.00	-
HDFC Bank Ltd-Working capital loan	• First pari passu charge by way of hypothecation on entire current assets of the Company, both present and future. • Second pari passu charge by way of hypothecation on entire movable fixed assets (Other than those exclusively charged to other lenders, if any) of the Company.	9.2% p.a.	192.70	-
ICICI Bank Limited-Working capital loan	• First charge by way of hypothecation of the Company's entire stocks of raw materials, semi finished and finished goods, consumables stores and spares and such other movables including book-debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the Bank, ranking pari passu with other participating banks. • Second pari passu charge on immovable fixed assets of the company by way of equitable mortgage on property situated at A-589, Industrial Complex, Bhiwadi.	9.75% p.a. (previous year 9.75% p.a.)	35.22	5.99
Total			**715.59**	**568.70**

Reconciliation of liabilities arising from financing activities

The changes in the Company's liabilities arising from financing activities can be classified as follows:

(₹ in Mn)

Particulars	**Long-term borrowings**	**Short-term borrowings**	**Lease obligations**	**Total**
01 April 2017	**721.57**	**513.88**	**-**	**1,235.45**
Cash flows:				
- Repayment	(1.47)	(40.94)	-	(42.41)
- Proceeds	520.17	95.76	24.68	640.61
- Foreign exchange	(14.15)	-	-	(14.15)
31 March 2018	**1,226.12**	**568.70**	**24.68**	**1,819.50**
Cash flows:				
- Repayment	(53.25)	(4.09)	(5.32)	(62.66)
- Proceeds	529.62	150.98	-	680.60
- Foreign exchange	75.36	-	-	75.36
- Amortisation	21.47	-	-	21.47
31 March 2019	**1,799.32**	**715.59**	**19.36**	**2,534.27**

Note - 20

(₹ in Mn)

		31 March 2019	**31 March 2018**
A	**Provisions - non current**		
	Provisions for employee benefits		
	Compensated absences	46.32	33.43
		46.32	**33.43**

For movements in provision during the financial year, refer note 41

(₹ in Mn)

B	**Provisions - current**	**31 March 2019**	**31 March 2018**
	Provisions for employee benefits		
	Gratuity	1.32	1.44
	Compensated absences	6.67	5.21
	Provision on rate difference	27.80	27.80
		35.79	**34.45**

For movements in each class of provision during the financial year, refer note 41 & 43

Note - 21

(₹ in Mn)

	31 March 2019	**31 March 2018**
Deferred tax liabilities (net)		
Deferred tax liabilities arising on account of :		
Depreciation	60.46	40.71
Deferred government grant	13.62	5.22
Derivatives not designated as hedges	-	0.10
Deferred tax assets arising on account of :		
Provision for rate difference	(9.71)	(9.62)
Provision for leave encashment	(18.52)	(13.38)
Plant and machinery recognised on account of government grant	(13.62)	(5.22)
Provision for bonus	(12.29)	(10.64)
Provision for doubtful debts and advances	(6.24)	(3.85)
	13.70	**3.32**

(i) **Movement in deferred tax liabilities (net)** (₹ in Mn)

Particulars	31 March 2018	Recognised/ reversed through profit and loss	31 March 2019
Liabilities			
Depreciation	40.71	19.75	60.46
Deferred government grant	5.22	8.40	13.62
Derivatives not designated as hedges	0.10	(0.10)	-
Assets			
Provision for rate difference	(9.62)	(0.09)	(9.71)
Provision for leave encashment	(13.38)	(5.14)	(18.52)
Plant and machinery recognised on account of government grant	(5.22)	(8.40)	(13.62)
Provision for bonus	(10.64)	(1.65)	(12.29)
Provision for doubtful debts and advances	(3.85)	(2.39)	(6.24)
Total	**3.32**	**10.38**	**13.70**

(₹ in Mn)

Particulars	01 April 2017	Recognised/ reversed through profit and loss	31 March 2018
Liabilities			
Deferred government grant	15.27	25.44	40.71
Depreciation	50.67	(45.45)	5.22
Derivatives not designated as hedges	3.04	(2.94)	0.10
Assets			
Provision for leave encashment	(13.28)	3.66	(9.62)
Provision for bonus	(10.29)	(3.09)	(13.38)
Provision for doubtful debts and advances	(3.17)	(2.05)	(5.22)
Provision for rate difference	(8.40)	(2.24)	(10.64)
Plant and machinery recognised on account of government grant	(15.27)	11.42	(3.85)
Total	**18.57**	**(15.25)**	**3.32**

Note - 22

(₹ in Mn)

	31 March 2019	31 March 2018
A Other non - current liabilities		
Deferred income*	23.13	36.74
	23.13	**36.74**

* Represents government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme on purchase of property, plant and equipment accounted for as government grant and being amortised over the useful life of such assets.

	31 March 2019	31 March 2018
B Other current liabilities		
Payable to statutory authorities	27.71	26.57
Advance received from customers	50.25	62.65
	77.96	**89.22**

Note - 23

(₹ in Mn)

	31 March 2019	31 March 2018
Trade payables		
- total outstanding dues of micro enterprises and small enterprises	35.81	16.44
- total outstanding dues of creditors other than micro enterprises and small enterprises	594.78	537.44
	630.59	**553.88**

*Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") as at 31 March 2019 and 31 March 2018:

(₹ in Mn.)

Particulars		**31 March 2019**	**31 March 2018**
i	Principal amount remaining unpaid to any supplier as at the end of the accounting year;	35.81	16.18
ii	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year;	-	0.26
iii	The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
iv	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-
v	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
vi	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

Note - 24

(₹ in Mn.)

	31 March 2019	**31 March 2018**
Other financial liabilities		
Current maturities of long term borrowings	174.68	25.33
Current maturities of finance lease obligations	2.75	3.05
Interest accrued but not due	15.00	11.75
Earnest money and security deposits	2.15	1.25
Unclaimed dividend	1.19	1.28
Others*	263.48	218.32
	459.25	**260.98**

*Others include reimbursement of expenses, provision for expenses, liabilities related to compensation/claim, etc.

Note - 25

(₹ in Mn)

	31 March 2019	**31 March 2018**
Revenue from operations		
Sale of products		
Transmission gears and shafts-domestic	4,336.85	3,927.76
Transmission gears and shafts-export	1,906.34	1,298.63
Sale of services		
Software export	5.76	5.75
Software services	-	0.26
Sales jobwork	8.12	14.80
Other operating income		
Export incentives	72.24	37.57
Scrap sales	142.84	99.05
	6,472.15	**5,383.82**

Note - 26

(₹ in Mn)

Other income	**31 March 2019**	**31 March 2018**
Interest income		
Bank deposits	11.85	4.15
Others	23.25	0.95
Provision written Back	21.87	61.04
Dividend income	-	0.01
Net gain on exchange fluctuations	-	3.15
Net gain on disposal of property, plant and equipment	91.42	3.64
Fair value gain on derivatives not designated as hedges	0.25	34.52
Income recognised on account of government assistance	13.62	15.07
Miscellaneous income	0.11	9.36
	162.37	**131.89**

Note - 27

(₹ in Mn)

	31 March 2019	31 March 2018
Cost of materials consumed		
Opening stock of raw material (steel rod and forgings)	104.78	42.08
Add: Purchase during the year (net of discount)	3,367.58	2,599.79
	3,472.36	2,641.87
Less: Closing stock of raw material (steel rod and forgings)	238.33	104.78
	3,234.03	**2,537.09**

Note - 28

(₹ in Mn)

	31 March 2019	31 March 2018
Purchase of traded goods		
Opening stock of purchase of traded goods (transmission gears and shafts)	-	-
Add: Purchase during the year (transmission gears and shafts)	316.20	312.28
	316.20	312.28
Less: Closing stock of purchase of traded goods (transmission gears and shafts)	-	-
	316.20	**312.28**

Note - 29

(₹ in Mn)

	31 March 2019	31 March 2018
Changes in inventories of finished goods and work-in-progress		
Inventories at the end of the year:		
Finished goods (transmission gears and shafts)	61.37	48.11
Work-in-progress (transmission gears and shafts)	244.11	166.91
Inventories at the beginning of the year:		
Finished goods (transmission gears and shafts)	48.11	40.87
Work-in-progress (transmission gears and shafts)	166.91	129.10
	(90.46)	**(45.05)**

Note - 30

(₹ in Mn)

	31 March 2019	31 March 2018
Employee benefits expense		
Salaries, wages and other benefits	904.28	709.72
Contributions to provident and other funds	33.64	28.89
Gratuity fund contributions	12.18	12.03
Staff welfare expenses	55.31	42.27
	1,005.41	**792.91**

Note - 31

(₹ in Mn)

Finance costs	31 March 2019	31 March 2018
Interest on		
Loan from banks	139.54	84.91
Others	4.02	1.24
Bank commission and charges	6.74	4.42
Loss on exchange rate fluctuation	33.80	-
	184.10	**90.57**

Note - 32

(₹ in Mn)

Other expenses	31 March 2019	31 March 2018
Water, electricity and allied charges	333.75	301.07
Stores and spares consumed	425.03	333.59
Professional expenses	72.25	76.45
Repair and maintenance		
Plant and machinery	25.27	30.12
Buildings	7.72	5.96

(₹ in Mn.)

	31 March 2019	31 March 2018
Rent	20.57	18.89
Insurance	20.80	17.06
Corporate social responsibility expenses	7.78	6.22
Rates and taxes	3.56	4.86
Provision for doubtful debts	6.72	2.28
Auditor's remuneration*	1.65	1.85
Balance written off	0.49	1.29
Director's sitting fees	0.69	0.57
Freight and handling expenses	87.31	45.37
Charity and donation	0.46	0.25
Loss on exchange fluctuation other than finance cost	7.83	-
Miscellaneous expenses	161.34	124.06
	1,183.22	**969.89**

***Remuneration to auditors comprises of:**		
Audit fees	1.20	1.21
Reimbursement of expenses	0.07	0.31
Certification fees	0.08	-
Other services	0.30	0.33
	1.65	**1.85**

i Corporate social responsibility expenses

The requisite disclosure relating to CSR expenditure in terms on Guidance Note on Corporate Social Responsibility (CSR) issued by Institute of Chartered Accountants of India:

a) Gross amount required to be spent by the Company during the year is Rs. 7.65 Mn (previous year 6.22 Mn).

b) Amount spent during the financial year ended 31 March 2019 and 31 March 2018 on:

(₹ in Mn.)

Particulars	Period	Bank payment	Yet to be paid in cash	Total
Education, technical education including research and development	31 March 2019	4.75	-	**4.75**
	31 March 2018	5.50	-	**5.50**
Health	31 March 2019	0.50	-	**0.50**
	31 March 2018	0.50	-	**0.50**
Integrity community development	31 March 2019	1.33	-	**1.33**
	31 March 2018	0.22	-	**0.22**
Disaster management	31 March 2019	0.20	-	**0.20**
	31 March 2018	-	-	**-**
Prime Minister National Relief Fund	31 March 2019	1.00	-	**1.00**
	31 March 2018	-	-	**-**
Total	31 March 2019	**7.78**	**-**	**7.78**
	31 March 2018	**6.22**	**-**	**6.22**

Note - 33

(₹ in Mn.)

	31 March 2019	31 March 2018
Income tax		
Tax expense comprises of:		
Current tax	166.00	180.00
Deferred tax credit	10.38	(15.25)
Earlier years tax adjustments (net)	-	-
Income tax expense reported in the statement of profit and loss	**176.38**	**164.75**

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 34.944% (31 March 2018: 34.608%) and the reported tax expense in profit or loss are as follows:

(₹ in Mn.)

Accounting profit before income tax	**531.22**	**483.87**
At India's statutory income tax rate of 34.944% (31 March 2018: 34.608%)	185.63	167.46
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Tax impact of exempted income	-	-
Effect of tax incentive	-	(0.97)
Impact of different tax rate on certain items	(35.74)	-
Tax impact of expenses which will never be allowed	27.78	-
Earlier years tax adjustments (net)	0.14	-
Others	(1.43)	(1.74)
Income tax expense	**176.38**	**164.75**

Note - 34

(₹ in Mn.)

Earnings per share	**31 March 2019**	**31 March 2018**
Net profit attributable to equity shareholders		
Net profit for the year	354.84	319.12
Nominal value of equity share (₹)	10	10
Total number of equity shares outstanding at the beginning of the year	1,87,68,000	1,87,68,000
Total number of equity shares outstanding at the end of the year	1,87,68,000	1,87,68,000
Weighted average number of equity shares	1,87,68,000	1,87,68,000
(1) Basic (₹)	18.91	17.00
(2) Diluted (₹)	18.91	17.00

Note - 35A

Financial instruments

i) Fair values hierarchy

Financial assets and liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

ii) Financial instruments by category

For amortised cost instruments, carrying value represents the best estimate of fair value. **(₹ in Mn)**

Particulars	**31 March 2019**			**31 March 2018**		
	FVTPL	**FVOCI**	**Amortised cost**	**FVTPL**	**FVOCI**	**Amortised cost**
Financial assets						
Investment in equity instrument through OCI	-	35.68	-	-	0.53	-
Trade receivables	-	-	1,090.31	-	-	997.08
Loans	-	-	7.33	-	-	5.15
Cash and cash equivalents	-	-	293.69	-	-	75.20
Other bank balances		-	124.11	-	-	165.84
Other financial assets	-	-	71.55	0.30	-	70.26
Security deposits	-	-	36.42	-	-	20.11
Total financial assets	**-**	**35.68**	**1,623.41**	**0.30**	**0.53**	**1,333.65**
Financial liabilities						
Borrowings	-	-	2,534.27	-	-	1,819.50
Trade payables	-	-	630.59	-	-	553.88
Other financial liabilities	-	-	281.82	-	-	232.59
Total financial liabilities	**-**	**-**	**3,446.68**	**-**	**-**	**2,605.97**

Investment in subsidiaries are measured at cost and hence are not required to be disclosed as per Ind AS 107 “Financial Instruments Disclosures”. Hence, the same have been excluded from the above table.

Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

(a) the use of quoted market prices for quoted equity instruments.

(b) for unquoted equity instruments, the Company has used earning capitalisation method (fair value approach) discounted at a rate to reflect the risk involved in the business.

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

(₹ in Mn)

Particulars	Fair value		Significant unobservable inputs	Data inputs	
	31 March 2019	31 March 2018		31 March 2019	31 March 2018
Unquoted equity investments	35.01	-	Earnings growth rate	5.00%	NA
			Risk adjusted discount rate	21.18%	NA

Sensitivity analysis **(₹ in Mn)**

Description	31 March 2019	31 March 2018
Impact on fair value if change in earnings growth rate		
- Impact of increase in discount rate by 0.5 %	36.28	-
- Impact of decrease in discount rate by 0.5 %	33.83	-
Impact on fair value if change in risk adjusted discount rate		
- Impact of increase in discount rate by 0.5 %	33.17	-
- Impact of decrease in discount rate by 0.5 %	37.00	-

The following table presents the changes in level 3 items for the periods ended 31 March 2019 and 31 March 2018: **(₹ in Mn)**

Particulars	Unquoted equity shares
As at 31 March 2018	**-**
Acquisition	35.01
Gain/(loss) recognised in other comprehensive income	-
As at 31 March 2019	**35.01**

iii) Financial assets measured at fair value - recurring fair value measurements

The following table shows the levels within the hierarchy of financial assets measured at fair value on a recurring basis at 31 March 2019 and 31 March 2018:

(₹ in Mn)

Particulars	Period	Level 1	Level 2	Level 3	Total
Financial assets					
Investments at fair value through other comprehensive income					
Equity investments	31 March 2019	0.67	-	35.01	**35.68**
	31 March 2018	0.53	-	-	**0.53**
At fair value through profit or loss					
Derivative financial assets	31 March 2019	-	-	-	**-**
	31 March 2018	-	0.30	-	**0.30**

iv) Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows:

(₹ in Mn)

Particulars	Level	31 March 2019		31 March 2018	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Loans	Level 3	33.29	33.29	17.93	17.93
Other financial assets	Level 3	5.22	5.22	0.14	0.14
Total financial assets		**38.51**	**38.51**	**18.07**	**18.07**
Financial liabilities					
Borrowings	Level 3	2,534.27	2,534.27	1,819.50	1,819.50
Total financial liabilities		**2,534.27**	**2,534.27**	**1,819.50**	**1,819.50**

The management assessed that cash and cash equivalents, trade receivables, other receivables, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

(i) The fair values of the Company’s interest-bearing borrowings, loans and receivables are determined by applying discounted cash flows (‘DCF’) method, using discount rate that reflects the issuer’s borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2019 was assessed to be insignificant.

Note - 35B

Financial risk management

The Company's activities expose it to credit risk, liquidity risk and market risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, other financial assets	Ageing analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities.
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting	Forward contract/hedging, if required.
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors.
Market risk - security price	Investments in equity securities.	Sensitivity analysis	Portfolio diversification.

A) Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

a) Credit risk management

i) Credit risk rating

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

A: Low
B: Medium
C: High

The Company provides for expected credit loss based on the following:

Asset groups	Basis of categorisation	Provision for expected credit loss
Low	Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets	12 month expected credit loss
Medium	Trade receivables and other financial asset	Life time expected credit loss or 12 month expected credit loss
High	Trade receivables and other financial asset	Life time expected credit loss

Life time expected credit loss is provided for trade receivables.

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

(₹ in Mn)

Credit rating	Particulars	31 March 2019	31 March 2018
A: Low	Cash and cash equivalents, other bank balances, loans and other financial assets	533.10	336.86
B: Medium	Trade receivables and other financial asset	1,095.60	998.75
C: High	Trade receivables and other financial asset	12.56	9.46

ii) Concentration of trade receivables

The Company's exposure to credit risk for trade receivables is presented as below. Loans and other financial assets majorly represents loans to employees and deposits given for business purposes.

(₹ in Mn)

Particulars	31 March 2019	31 March 2018
Original equipment manufacturer	705.64	627.10
Others	400.47	381.11
Total	**1,106.11**	**1,008.21**

b) Credit risk exposure

i) Provision for expected credit losses

The Company provides for 12 month expected credit losses for following financial assets –

As at 31 March 2019 **(₹ in Mn)**

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	293.69	-	293.69
Other bank balances	129.32	-	129.32
Loans	43.75	-	43.75
Other financial assets	68.39	2.05	66.34

As at 31 March 2018 **(₹ in Mn)**

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	75.20	-	75.20
Other bank balances	165.98	-	165.98
Loans	25.26	-	25.26
Other financial assets	70.42	-	70.42

ii) Expected credit loss for trade receivables under simplified approach

As at 31 March 2019 **(₹ in Mn)**

Period	Gross carrying value	Expected credit loss (provision)	Carrying amount (net of impairment)
0 - 90 Days	934.74	2.99	931.75
90 - 180 Days	128.36	2.80	125.56
180 - 270 Days	28.35	3.30	25.05
270 - 360 Days	4.18	0.42	3.76
More than 360 Days	10.48	6.30	4.18

As at 31 March 2018 **(₹ in Mn)**

Period	Gross carrying value	Expected credit loss (provision)	Carrying amount (net of impairment)
0 - 90 Days	871.52	1.23	870.29
90 - 180 Days	102.28	3.23	99.05
180 - 270 Days	19.52	1.40	18.12
270 - 360 Days	6.05	0.07	5.98
More than 360 Days	8.84	5.20	3.64

Reconciliation of loss provision – lifetime expected credit losses **(₹ in Mn)**

Reconciliation of loss allowance	Trade receivables	Other financial asset
Loss allowance as on 31 March 2017	**9.15**	-
Impairment loss recognised/reversed during the year	2.28	-
Amounts written off	(0.30)	-
Loss allowance on 31 March 2018	**11.13**	**-**
Impairment loss recognised during the year	4.67	2.05
Loss allowance on 31 March 2019	**15.80**	**2.05**

B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

(₹ in Mn)

31 March 2019	Less than 1 year	More than 1 year	Total
Non-derivatives			
Borrowings	989.93	1,842.65	2,832.58
Trade payable	630.59	-	630.59
Other financial liabilities	266.82	-	266.82
Total	**1,887.34**	**1,842.65**	**3,729.99**

(₹ in Mn)

31 March 2018	Less than 1 year	More than 1 year	Total
Non-derivatives			
Borrowings	689.59	1,460.47	2,150.06
Trade payable	553.88	-	553.88
Other financial liabilities	220.85	-	220.85
Total	**1,464.32**	**1,460.47**	**2,924.79**

The Company had access to following funding facilities :

As at 31 March 2019 (₹ in Mn)

Funding facilities	Total facility	Drawn	Undrawn
Less than 1 year	825.00	715.59	109.41
Total	**825.00**	**715.59**	**109.41**

As at 31 March 2018 (₹ in Mn)

Funding facilities	Total facility	Drawn	Undrawn
Less than 1 year	655.00	568.70	86.30
Total	**655.00**	**568.70**	**86.30**

C) Market risk

i) Foreign exchange risk

The Company has international transactions and is exposed to foreign exchange risk arising from foreign currency transactions (imports and exports). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency. The Company does not hedge its foreign exchange receivables/payables.

ii) Derivative financial instrument

The Company uses derivative instruments as part of its management of exposure to fluctuations in foreign currency exchange rates. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. The Company does not enter into complex derivative transactions to manage the risks. The derivative transactions are normally in the form of forward contracts and these are subject to the Company guidelines and policies. The fair values of all derivatives are separately recorded in the balance sheet within current financial assets. Derivatives that are designated as hedges are classified as current depending on the maturity of the derivative. The use of derivatives can give rise to credit and market risk. The Company tries to control credit risk as far as possible by only entering into contracts with reputable banks and financial institutions. The use of derivative instruments is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The market risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

a) Fair value hedge

The fair value hedges relate to forward covers taken to hedge currency exposure risks.

The Company uses foreign exchange contracts from time to time to optimize currency risk exposure on its foreign currency transactions. Fair value changes on such forward contracts are recognized in profit or loss.

b) Non-qualifying/economic hedge

The Company enters into derivative contracts which are not designated as hedges for accounting purposes, but provide an economic hedge of a particular transaction risk or a risk component of a transaction. Fair value changes on such derivative instruments are recognized in profit or loss.

(₹ in Mn)

Derivative financial instruments	31 March 2019	31 March 2018
Current		
Non Qualifying hedges		
- Derivative assets	-	0.30
Total	**-**	**0.30**

Foreign currency risk exposure: (₹ in Mn)

Particulars	Currency	Amount in foreign currency		Amount in INR	
		31 March 2019	31 March 2018	31 March 2019	31 March 2018
Receivables					
Export trade receivable	USD	4.20	4.26	284.61	271.65
	EURO	0.70	0.66	53.04	52.40
	GBP	0.04	0.04	3.36	3.44
Payables					
Payable for imports and others	USD	(0.13)	(0.60)	(8.84)	(39.83)
	EURO	(0.03)	(0.05)	(2.66)	(4.31)
Foreign currency loans	USD	(11.73)	(12.00)	(828.49)	(802.44)
	USD	(7.16)	(7.56)	(505.38)	(505.66)
Interest on foreign currency loans	USD	(0.08)	(0.13)	(5.32)	(8.84)
	USD	(0.04)	(0.04)	(3.09)	(2.48)

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

(₹ in Mn)

Particulars	Currency	Exchange rate increase by 5%		Exchange rate decrease by 5%	
		31 March 2019	31 March 2018	31 March 2019	31 March 2018
Receivables					
Export trade receivable	USD	14.23	13.58	(14.23)	(13.58)
	EURO	2.65	2.62	(2.65)	(2.62)
	GBP	0.17	0.17	(0.17)	(0.17)
Payables					
Payable for imports and others	USD	0.44	1.99	(0.44)	(1.99)
	EURO	0.13	0.22	(0.13)	(0.22)
Foreign currency loans					
	USD	41.42	40.12	(41.42)	(40.12)
	USD	25.27	25.28	(25.27)	(25.28)
Interest on foreign currency loans					
	USD	0.27	0.44	(0.27)	(0.44)
	USD	0.15	0.12	(0.15)	(0.12)

ii) Interest rate risk

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company's variable rate borrowing is subject to interest rate. Below is the overall exposure of the borrowing: **(₹ in Mn)**

Particulars	31 March 2019	31 March 2018
Variable rate borrowing	1,275.99	1,226.12
Fixed rate borrowing	1,258.28	593.38
Total borrowings	**2,534.27**	**1,819.50**

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

(₹ in Mn)

Particulars	31 March 2019	31 March 2018
Interest rates – increase by 50 basis points	(6.38)	(6.13)
Interest rates – decrease by 50 basis points	6.38	6.13

iii) Price risk

The Company's exposure to price risk arises from investments held and classified as FVOCI/ FVTPL. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

Sensitivity analysis

Profit or loss and equity is sensitive to higher/lower prices of instruments on the Company's profit for the year - **(₹ in Mn)**

Particulars	31 March 2019	31 March 2018
Price sensitivity		
Price increase by (5%) - FVOCI*	0.03	0.03
Price decrease by (5%) - FVOCI	(0.03)	(0.03)
Price increase by (5%) - FVTPL	-	0.01
Price decrease by (5%) - FVTPL	-	(0.01)

* For sensitivity analysis in equity investment in shares of Altigreen, refer note 35 A, level 3 disclosure.

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Note - 36

Related party disclosures

List of related parties and relationships

i) Parties where control exists:

Subsidiary Company:

(a) 2545887 Ontario Inc., Canada

Step down subsidiaries:

(i) The Hi-Tech Gears Canada Inc.
(ii) Teutech Holding Corporation, USA
(iii) Teutech LLC, USA
(iv) Teutech Leasing Corporation, USA
(v) 2504584 Ontario Inc., Canada
(vi) 2323532 Ontario Inc., Canada

(b) Neo Tech Auto Systems Inc., USA

(C) Neo Tech Smart Solutions Inc., Canada

Key Management Personnel (KMP) and their Relatives

(i) Mr. Deep Kapuria (Executive Chairman and Whole Time Director)
(ii) Mr. Pranav Kapuria (Managing Director)
(iii) Mr. Anuj Kapuria (Whole Time Director)
(iv) Mr. Sandeep Dinodia (Independent Director)
(v) Mr. Anil Kumar Khanna (Independent Director)
(vi) Mr. Krishna Chandra Verma (Independent Director)
(vii) Ms. Malini Sud (Independent Director)
(viii) Mr. Prosad Dasgupta (Independent Director)
(ix) Mr. Vinit Taneja (Independent Director)
(x) Mr. Ramesh Chandra Jain (Non Executive Director)
(xi) Mr. Bidadi Anjani Kumar (Non Executive Director)
(xii) Mr. Anant Jaivant Talaulicar (Non Executive Director)
(xiii) Mr. Dinesh Chand Sharma (Chief Financial Officer)*
(xiv) Mr. Shital Kumar Khatri (Company Secretary)
(xv) Mr. Vijay Mathur (Chief Financial Officer)*

** Mr. Dinesh Chand Sharma has been appointed(from 25/02/2019) as Chief Financial Officer in place of Mr. Vijay Mathur(till 22/02/2019)*

Enterprises over which key management personnel and relatives of such personnel exercise significant influence with whom transactions has been undertaken:-

(i) Aquarian Fibrecement Private Limited
(ii) Vulcan Electro Controls Limited
(iii) The Hi-Tech Robotic Systemz Limited
(iv) The Hi-Tech Engineering Systems Private Limited

(This space has been intentionally left blank)

(a) Transactions with related parties carried out in the ordinary course of business: **(₹ in Mn.)**

S. No	Particulars	Year	Subsidiary Company			Enterprise over which Key Management personnel and their relatives exercise significant influence				Key Management Personnel and its relatives	Total
			2545887 Ontario Inc., Canada	Neo Tech Smart Solutions Inc.	The Hi-Tech Gears Canada Inc.	Aquarian Fibrecement Private Limited	Vulcan Electro Controls Limited	The Hi-Tech Engineering Systems Private Limited	The Hi-Tech Robotic Systemz Limited		
1	Purchase of goods	31 March 2019	-	-	-	-	1,358.50	329.05	-	-	**1,687.55**
		31 March 2018	-	-	-	-	925.79	301.17	-	-	**1,226.96**
2	Sale of goods	31 March 2019	-	-	77.55	-	1.68	117.94	-	-	**197.18**
		31 March 2018	-	-	7.18	-	0.06	78.13	-	-	**85.37**
3	Rendering of job work/services	31 March 2019	-	-	-	-	4.55	3.54	-	-	**8.08**
		31 March 2018	-	-	-	-	5.50	7.64	-	-	**13.14**
4	Sale of assets	31 March 2019	-	-	-	-	1.00	-	-	-	**1.00**
		31 March 2018	-	-	6.91	-	1.04	0.10	-	-	**8.06**
5	Purchase of asset	31 March 2019	-	-	-	-	-	-	-	-	**-**
		31 March 2018	-	-	-	-	-	-	4.41	-	**4.41**
6	Receiving of job work/services	31 March 2019	-	-	-	-	173.31	-	46.20	-	**219.51**
		31 March 2018	-	-	-	-	186.87	-	45.11	-	**231.98**
7	Leasing or hire purchase arrangements	31 March 2019	-	-	-	18.00	-	-	-	-	**18.00**
		31 March 2018	-	-	-	18.00	-	-	-	-	**18.00**
8	Remuneration paid*	31 March 2019	-	-	-	-	-	-	-	53.01	**53.01**
		31 March 2018	-	-	-	-	-	-	-	57.80	**57.80**
9	Sitting fees	31 March 2019	-	-	-	-	-	-	-	0.69	**0.69**
		31 March 2018	-	-	-	-	-	-	-	0.57	**0.57**
10	Re-imbursement paid	31 March 2019		-	3.71	-	4.40	-	-	-	**8.12**
		31 March 2018	-	-	-	-	0.20	-	-	-	**0.20**
11	Re-imbursement received	31 March 2019	-	-	1.60	-	0.24	1.17	-	-	**3.01**
		31 March 2018	-	-	10.54	-	1.38	1.83	0.92	-	**14.66**
12	Investment in equity instrument	31 March 2019	-	13.78	-	-	-	-	-	-	**13.78**
		31 March 2018	520.64	-	-	-	-	-	-	-	**520.64**

***The remuneration of Key Managerial Personnel included in various schedules to statement of profit and loss is as under:**

(₹ in Mn.)

Particulars*	**31 March 2019**	**31 March 2018**
Short term employee benefits	51.34	56.29
Defined contribution plan	1.67	1.86

* Does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for all the employees together.

(b) Closing balance with related parties in the ordinary course of business : **(₹ in Mn.)**

S. No	**Particulars**	**Related Parties**									**Total**
		Year	**Subsidiary Company**			**Enterprise over which Key Management personnel and their relatives exercise significant influence**				**Key Management Personnel and its relatives**	
			2545887 Ontario Inc., Canada	**Neo Tech Smart Solutions Inc.**	**The Hi-Tech Gears Canada Inc.**	**Aquarian Fibrecement Private Limited**	**Vulcan Electro Controls Limited**	**The Hi-Tech Engineering Systems Private Limited**	**The Hi-Tech Robotic Systemz Limited**		
1	Trade receivable	31 March 2019	3.05	-	1.04	-	-	-	-	-	**4.09**
		31 March 2018	2.86	-	12.46	-	-	-	-	-	**15.32**
2	Trade payable	31 March 2019	-	-	-	1.62	64.42	72.12	2.80	-	**140.96**
		31 March 2018	-	-	-	-	64.99	110.87	1.79	-	**177.65**
3	Other payable	31 March 2019	-	-	-	-	-	-	-	20.07	**20.07**
		31 March 2018	-	-	-	-	-	-	-	28.45	**28.45**

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Note - 37

Capital management

The Company's objectives when managing capital are to:

- To ensure Company's ability to continue as a going concern, and
- To provide adequate return to shareholders

Management assesses the capital requirements in order to maintain an efficient overall financing structure. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company manages its capital requirements by overseeing the following ratios -

(₹ in Mn)

Particulars	31 March 2019	31 March 2018
Net debt*	2,255.58	1,756.05
Total equity	2,681.79	2,404.36
Net debt to equity ratio	**0.84**	**0.73**

*Net debt = non-current borrowings + current borrowings + current maturities of non-current borrowings + interest accrued - cash and cash equivalents

Note - 38

Contingent liabilities and commitments

(to the extent not provided for)

A *Contingent liabilities*

1) Details of bank guarantees are as under:- **(₹ in Mn.)**

S. No	Name of the beneficiary	31 March 2019	31 March 2018
1	Dy. Commissioner Customs Export, Tughlakabad, Delhi	0.15	0.15
2	Deputy Commissioner of Customs	1.18	1.18
3	The President of India (Through Asstt./Dy Commissioner of Customs)	0.06	0.06
4	Commissioner of Custom	0.03	0.03
5	Dy. Commissioner Customs Export	0.13	0.13
6	The President of India (Through Asstt./Dy Commissioner of Customs)	0.48	0.48
7	The Assessing Authority Sales Tax Department, Haryana	0.05	0.05
8	Deputy Commissioner of Customs	0.84	0.84
9	The Assessing Authority Sales Tax Department, Haryana	0.05	0.05
10	GST Gurgaon	-	1.00
	Total	**2.97**	**3.97**

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

(₹ in Mn)

S. No	Particulars	Period to which the amount relates	31 March 2019	31 March 2018
1	Income Tax Act, 1961 (Commissioner of Income Tax/Income Tax Appellate Tribunal)	Assessment Year 2012-13	0.23	0.35
2	Income Tax Act, 1961 (Income Tax Appellate Tribunal)	Assessment Year 2008-09	-	0.26
3	Income Tax Act, 1961 (Income Tax Appellate Tribunal, Delhi)	Assessment Year 2010-11	2.54	2.54
4	Income Tax Act, 1961(Commissioner of Income Tax (Appeals), Delhi-4)	Assessment Year 2012-13	0.23	-
5	Income Tax Act, 1961(Commissioner of Income Tax (Appeals), Delhi-4)	Assessment Year 2016-17	0.60	-
6	Income Tax Act, 1961 (Assistant Commissioner of Income Tax(TDS))	Assessment Year 2019-20	0.08	-
	Total		**3.68**	**3.15**

Statutory demands for which showcause notice issued to the Company: **(₹ in Mn)**

S. No	Particulars	Period to which the amount relates	31 March 2019	31 March 2018
1	Central Excise Act, 1944 (Additional Commissioner, Central Excise, Gurgaon, Haryana)	April 2005 to March 2018	1.04	1.04
2	Central Excise Act, 1944 (Additional Commissioner, Central Excise, Gurgaon, Haryana)	August 2014 to July 2015	2.02	2.02
3	Central Excise Act, 1944 (Joint Commissioner, Central Excise, Gurgaon, Haryana)	August 2015 to February 2017	3.62	3.62
4	Central Excise Act, 1944 (Deputy Commissioner, CGST, Gurugram, Haryana)	March 2017 to June 2017	1.60	-
	Total		**8.28**	**6.68**

3) There are five legal cases filed by past employees against the Company for re-instatement/settlement of their dues/remuneration related matters. Out of the aforesaid five cases, four cases are pending at various stages at Camp Court, Bhiwadi, Rajasthan and one case is pending at District Court, Gurgaon, Haryana. The financial impact of these cases, if any, is not identifiable and hence the same has not been provided in the financial statements of the Company.

B *Commitments (Net of Advance):*

Estimated amount of contracts remaining to be executed on capital accounts Rs 582.39 Mn net of advances (Previous years: 31 March 2018: Rs 101.92 Mn).

Note - 39

Dividends

A The Board of directors at their meeting held on 27 May 2019 has proposed a final dividend of ₹ 2 per share for financial year 31 March 2019 (previous year: ₹ 2.00 per share) subject to approval of shareholders in annual general meeting. The above is in addition to an interim dividend of ₹ 1.5 per share for financial year 31 March 2019 (previous year ₹ 1.5 per share) declared and already paid.

B Dividend declared and paid in earlier years are as follows –

(₹ in Mn.)

Nature	31 March 2019	31 March 2018
Interim dividend (including dividend tax)	33.94	33.88
Final dividend (including dividend tax)	45.25	28.24

Note - 40

Leases disclosure as lessee

Operating leases

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:

(₹ in Mn)

Particulars	31 March 2019	31 March 2018
Within one year	20.63	12.00
Later than one year but not later than five years	63.00	2.63
Later than five years	-	-

Finance leases

The Company had taken solar power plant on finance lease. The Company's obligations under finance leases are secured by the lessor's title to the leased assets. Future minimum lease payments under finance lease are, as follows:

(₹ in Mn)

Particulars	31 March 2019	31 March 2018
Within one year	2.75	6.59
Later than one year but not later than five years	10.71	13.46
Later than five years	13.37	13.37

(₹ in Mn)

Particulars	31 March 2019	31 March 2018
Within one year	2.45	6.39
Later than one year but not later than five years	8.17	10.62
Later than five years	7.16	7.16
Amounts representing finance charges	**9.05**	**9.25**

Note - 41
Employee benefits

A ***Compensated absences - earned leave***

Risk

Salary Increases	Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment Risk	If plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount Rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality & disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

i) Amounts recognised in the balance sheet: **(₹ in Mn)**

Particulars	31 March 2019	31 March 2018
Present value of the obligation	52.99	38.65
Fair value of plan assets	-	-
Net obligation recognised in balance sheet as provision	52.99	38.65
Current liability (amount due within one year)	**6.67**	**5.22**
Non-current liability (amount due over one year)	**46.32**	**33.43**

ii) Expenses recognised in statement of profit and loss: **(₹ in Mn)**

Particulars	31 March 2019	31 March 2018
Current service cost	15.99	7.93
Interest cost	2.99	2.83
Actuarial (gain)/loss net on account of:		
- Changes in demographic assumptions	-	-
- Changes in financial assumptions	1.77	(1.48)
- Changes in experience adjustment	3.77	0.70
Cost recognised during the year	**24.52**	**9.98**

iii) Movement in the liability recognised in the balance sheet is as under: **(₹ in Mn)**

Particulars	31 March 2019	31 March 2018
Present value of defined benefit obligation at the beginning of the year	38.65	38.36
Current service cost	15.99	7.93
Interest cost	2.99	2.83
Actuarial (gain)/loss net	5.54	(0.78)
Benefits paid	(10.18)	(9.69)
Present value of defined benefit obligation at the end of the year	**52.99**	**38.65**

iv) (a) For determination of the liability of the Company the following actuarial assumptions were used:

Particulars	31 March 2019	31 March 2018
Discount rate	7.66%	7.73%
Salary escalation rate	9.25%	9.00%
Retirement Age (years)	58.00	58.00
Ages	**Withdrawal rate (%)**	
Up to 30 Years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%
Leave		
Leave availment rate	5.00%	5.00%
Leave lapse rate while in service	-	-
Leave lapse rate on exit	-	-
Leave encashment rate while in service	5.00%	5.00%

Mortality rates inclusive of provision for disability -100% of IALM (2006 – 08)

iv) (b) Maturity profile of defined benefit obligation **(₹ in Mn)**

Particulars	31 March 2019	31 March 2018
0 to 1 year	6.67	5.22
1 to 2 year	1.57	1.86
2 to 3 year	2.02	0.96
3 to 4 year	1.60	1.39
4 to 5 year	1.56	1.20
5 to 6 year	3.09	1.58
6 year onwards	36.47	26.45

v) Sensitivity analysis for compensated absences liability **(₹ in Mn)**

Particulars	31 March 2019	31 March 2018
a) Impact of the change in discount rate		
Present value of obligation at the end of the year	52.99	38.65
Impact due to increase of 0.50 %	(2.76)	(1.91)
Impact due to decrease of 0.50 %	3.00	2.08
b) Impact of the change in salary increase		
Present value of obligation at the end of the year	52.99	38.65
Impact due to increase of 0.50 %	2.94	2.04
Impact due to decrease of 0.50 %	(2.73)	(1.90)

Sensitivities due to mortality and withdrawals are not material. Hence impact of change is not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

B ***Gratuity***

Risk

Salary Increases	Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment Risk	If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount Rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality & disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

i) Amounts recognised in the balance sheet: **(₹ in Mn)**

Particulars	31 March 2019	31 March 2018
Present value of the obligation	137.14	122.12
Fair value of plan assets	135.82	120.68
Net obligation recognised in balance sheet as provision	(1.32)	(1.44)
Current liability (amount due within one year)	**(1.32)**	**(1.44)**
Non-current liability (amount due over one year)	**-**	**-**

ii) Gain recognised in other comprehensive income: **(₹ in Mn)**

Particulars	31 March 2019	31 March 2018
Actuarial gain/(loss) on asset	(0.02)	(7.33)
Actuarial gain on PBO	2.54	11.92
Gain recognised in other comprehensive income	2.52	4.59

iii) Actuarial (gain)/loss on obligation: (₹ in Mn)

Particulars	31 March 2019	31 March 2018
Actuarial (gain)/loss net on account of:		
-Changes in demographic assumptions	-	-
-Changes in financial assumptions	3.31	(3.83)
-Changes in experience adjustment	(5.85)	(8.09)

iv) Expenses recognised in statement of profit and loss (₹ in Mn)

Particulars	31 March 2019	31 March 2018
Current service cost	12.46	12.37
Interest cost	(0.53)	0.15
Cost recognised during the year	**11.93**	**12.52**

v) Major categories of plan assets (as percentage of total plan assets)

Particulars	31 March 2019	31 March 2018
Government of India Securities	-	-
State Government securities	-	-
High Quality Corporate Bonds	-	-
Equity Shares of listed companies	-	-
Property	-	-
Funds managed by insurer	100%	100%
Bank Balance	-	-
Total	**100%**	**100%**

vi) Change in plan assets is as under: (₹ in Mn)

Particulars	31 March 2019	31 March 2018
Fair value of plan assets at the beginning of the period	120.68	115.66
Difference in Opening Fund	8.34	-
Actual return on plan assets	9.95	1.20
Employer contribution	1.44	8.73
Fund management charges	(0.25)	(0.23)
Benefits paid	(4.34)	(4.68)
Fair value of plan assets at the end of the period	**135.82**	**120.68**

vii) Movement in the liability recognised in the balance sheet is as under: (₹ in Mn)

Particulars	31 March 2019	31 March 2018
Present value of defined benefit obligation at the beginning of the year	122.12	117.68
Current service cost	12.46	10.12
Past service cost	-	2.25
Interest cost	9.44	8.67
Actuarial (gain)/loss net	(2.54)	(11.92)
Benefits paid	(4.34)	(4.68)
Present value of defined benefit obligation at the end of the year	**137.14**	**122.12**

viii) (a) For determination of the liability of the Company the following actuarial assumptions were used:

Particulars	31 March 2019	31 March 2018
Discount rate	7.66%	7.73%
Salary escalation rate	9.25%	9.00%
Retirement Age (Years)	58.00	58.00
Withdrawal rate		
Up to 30 Years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%
Weighted average duration of PBO	14.24	13.68

Mortality rates inclusive of provision for disability -100% of IALM (2006 – 08)

viii) (b) Maturity profile of defined benefit obligation: **(₹ in Mn)**

Particulars	31 March 2019	31 March 2018
0 to 1 year	16.78	14.43
1 to 2 year	1.87	1.74
2 to 3 year	1.97	1.81
3 to 4 year	2.35	2.93
4 to 5 year	2.02	2.14
5 to 6 year	2.31	2.45
6 year onwards	109.83	96.61

ix) Sensitivity analysis for gratuity liability: **(₹ in Mn)**

Particulars	31 March 2019	31 March 2018
a) Impact of the change in discount rate		
Present value of obligation at the end of the year	137.14	122.12
Impact due to increase of 0.50 %	(5.49)	(5.06)
Impact due to decrease of 0.50 %	5.88	5.42
b) Impact of the change in salary increase		
Present value of obligation at the end of the year	137.14	122.12
Impact due to increase of 0.50 %	5.47	5.17
Impact due to decrease of 0.50 %	(5.24)	(4.88)

Sensitivities due to mortality and withdrawals are not material .Hence impact of change is not calculated

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement

Note - 42

Segment information

In line with the provisions of Ind AS 108 – operating segments, the operations of the Company fall primarily under manufacturing of gears and transmissions , which is considered to be the only reportable segment by the management.

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:

(₹ in Mn.)

Geographical Segment	Revenue	
	31 March 2019	31 March 2018
America	749.62	555.38
India	4,568.31	4,079.43
Others	1,154.22	749.01
Total	6,472.15	5,383.82

Information about major customer

During the year ended 31 March 2019 revenue of approximately 43.4% are derived from one external customer (previous year: 46.93%) from one external customers.

Note - 43

Disclosure under Ind AS - 37 "Provisions, Contingent Liabilities and Contingent Assets": Movements in each class of provision during the financial year, are set out below:

(₹ in Mn.)

Particulars	Provision on rate differences*
As at 31 March 2017	**24.28**
Additional provision recognised	3.52
As at 31 March 2018	**27.80**
Additional provision recognised	-
As at 31 March 2019	**27.80**

*This provision reflects the amount that could be payable on account of foreign exchange adjustment on export.

Note - 44

Research and development expenditure includes employee benefits expenses amounting to ₹ 16.14 Mn (31 March 2018: ₹ 15.12 Mn), material consumed amounting to ₹ 1.40 Mn (31 March 2018: ₹ 0.99 Mn) and stores and spares consumed of ₹ 8.46 Mn (31 March 2018: ₹ 6.02 Mn).

Note - 45

New standards adopted - Revenue from Contracts with Customers

Indian Accounting Standard 115 Revenue from Contracts with Customers ("Ind AS 115"), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:

(i) Identify the contract(s) with customer;
(ii) Identify separate performance obligations in the contract;
(iii) Determine the transaction price;
(iv) Allocate the transaction price to the performance obligations; and
(v) Recognise revenue when a performance obligation is satisfied.

The Company has adopted the standard on 1 April 2018 using modified retrospective approach with a cumulative catch-up adjustment made in retained earnings at the beginning of the current financial year, i.e., 1 April 2018 as if the standard had always been in effect. The standard is applied only to contracts that are not completed as at 1 April 2018. Comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods. The adoption of the new standard did not result in any adjustments to the Company's revenue or net income.

Significant changes in contract assets and liabilities

There has been no significant changes in contact assets/contract liabilities during the year.

Revenue recognised in relation to contract liabilities

Ind AS 115 also requires disclosure of major changes on account of revenue recognised in the reporting period from the contract liability balance at the beginning of the period and other changes, as summarised below:

(₹ in Mn.)

Description	**Year ended 31 March 2019**
Contract liabilities at the beginning of the year	62.65
Less: performance obligations satisfied in current year	(17.57)
Add: advance received during the year.	5.17
	50.25

Disaggregation of revenue

Revenue arises mainly from the sale of manufactured and traded goods, sale of software, and jobwork services.

(₹ in Mn.)

Description	**Year ended 31 March 2019**
Sale of goods	6,458.27
Sale of softwares	5.76
Job work	8.12
	6,472.15

(₹ in Mn.)

Description	**Year ended 31 March 2019**
America	749.62
India	4,568.31
Others	1,154.22
	6,472.15

Reconcile the amount of revenue recognised in the statement of profit and loss with the contracted price **(₹ in Mn.)**

Description	Year ended 31 March 2019
Revenue recognised during the year	6,487.04
Less: Discount, rebates, credits etc.	(14.89)
Revenue as per the contact	**6,472.15**

Assets and liabilities related to contracts with customers

(₹ in Mn.)

Description	As at 31 March 2019	As at 31 March 2018
Contract assets related to sale of service		
Current assets		
Trade receivables	1,090.31	997.08
Contract liabilities related to sale of service		
Current liabilities		
Advance from customers	50.25	62.65
Deferred income	23.13	36.74

Note - 46

Other matters

(i) 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 realised in the ordinary course of business.

(ii) 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.

For O. P. Dadu & Co.
Chartered Accountants
Firm Registration No. 001201N

For and on behalf of
The Hi-Tech Gears Limited

CA. Amit Gupta
Partner
Membership No. 094202

Deep Kapuria
Executive Chairman
DIN 00006185

Pranav Kapuria
Managing Director
DIN 00006195

Place: New Delhi
Date: 27 May 2019

Dinesh Chand Sharma
Chief Financial Officer

S. K. Khatri
Company Secretary

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE HI-TECH GEARS LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of The HI-TECH GEARS LIMITED (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as the "Group"), which comprise the consolidated Balance Sheet as at March 31, 2019, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.

Key audit matters	Auditor's Response
1. Contingent liabilities	
There are legal and tax cases against the Group which have been identified as a key audit matter due to the uncertainties involved in these tax and legal claims and significant judgement is required. Refer to the note no.40 "Contingent liabilities" to the notes to the consolidated financial statements.	Audit procedures in respect of this area: • We gained an understanding of the process of identification of legal and tax cases and evaluated the design and implementation of controls in respect of these contingent liabilities. • For legal and tax matters, our procedures included testing key controls surrounding litigation and tax procedures; discussing matters with the Group's litigation and tax teams; and assessing management's conclusions through understanding precedents set in similar cases. • Validated the completeness and appropriateness of the related disclosures with regard to the facts and circumstances of the legal and tax matters.
2. Borrowings	
The Group had a borrowing liability (current and non-current) of Rs.4401.35 million as at 31st March, 2019. The borrowings are under agreements with terms and conditions detailed in notes no. 19A and 19B to the notes of the consolidated financial statements. Keeping in view the size of the borrowings, the Group's borrowings is considered as key audit matter.	Audit procedures in respect of this area: • We have gone through the agreements between the Holding Company and its lenders. • We obtained confirmations from the Holding Company's banks/financial institutions to confirm the outstanding balances. • Where debt is regarded as non-current, we tested whether the Holding Company has the unconditional right to defer payment such that there were no repayments required within 12 months from the balance date. • We further considered whether the disclosures related to the borrowings in the consolidated financial statements are appropriate in all material respects.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion & Analysis Report and Board's Report including Annexures to Board's Report, but does not include the consolidated financial statements and our auditor's report thereon. The Management Discussion & Analysis Report and Board's Report including Annexures to Board's Report, are expected to be made available to us after the date of this auditors' report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

When we read Management Discussion & Analysis Report and Boards Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the holding company, which is a company incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements/financial information of one subsidiary (and its six step down subsidiaries), whose financial statements/financial information reflect total assets of Rs.3,915.47 million as at 31st March, 2019, total revenues of Rs.2,742.27 million and net cash flows amounting to (Rs1.85) million for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidairy and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.

(b) We did not audit the financial statements/financial information of two subsidiaries, whose financial statements/financial information reflect total assets of Rs.12.67 million as at 31st March, 2019, total revenues Rs.7.57 million and net cash flows amounting to Rs7.57 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements/financial information.

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

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated

Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in “Annexure A”.

(g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditor’s) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group. - Refer Note 40 to the consolidated financial statements.

ii. The Group 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 Education and Protection Fund by the Holding Company.

FOR O.P.DADU & CO.
CHARTERED ACCOUNTANTS
FRN. 001201N

(AMIT GUPTA)
PARTNER
M.NO. 094202

PLACE : NEW DELHI
DATED : 27TH MAY, 2019

Annexure 'A' To the Independent Auditors' Report of even date on the Consolidated Financial Statement of The Hi-Tech Gears Limited

(Referred to in paragraph 1(f) under "Report on Other Legal and Regulatory Requirements" section of our report of even date to the Members of The Hi-Tech Gears Limited)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of The Hi-Tech Gears Limited (hereinafter referred to as "the Company" or the "Holding Company") which is a company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company, which is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of based on our audit. We conducted our audit in accordance with the Guidance Note on audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, which is a company incorporated in India, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on "the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to the Holding Company, which is a Company incorporated in India. We did not audit the internal financial controls over financial reporting in so far as it relates to the subsidiary companies, which are companies incorporated outside India and whose financial statements/ financial information reflect total assets of Rs.3,928.14 million as at March 31, 2019, total revenue of Rs.2749.84 million and net cash inflows amounting to Rs. 5.72 million for the year ended March 31, 2019, as considered in the consolidated financial statements.

FOR O.P.DADU & CO.
CHARTERED ACCOUNTANTS
FRN. 001201N

(AMIT GUPTA)
PARTNER
M.NO. 094202

PLACE : NEW DELHI
DATED: 27TH MAY, 2019

THE HI-TECH GEARS LIMITED

Consolidated Balance Sheet as at 31 March 2019

(₹ in Mn)

	Note		31 March 2019	31 March 2018
Assets				
Non-current assets				
Property, plant and equipment	6		3,334.44	3,083.90
Capital work-in-progress	6		194.23	129.08
Goodwill	7		472.88	463.33
Other intangible assets	7		633.92	683.85
Financial assets				
Investments	8		35.68	0.52
Loans	9	A	35.07	17.93
Other financial assets	10	A	5.21	0.14
Deferred tax assets (net)	21		2.41	-
Other non-current assets	11	A	324.40	66.37
Total non-current assets			**5,038.24**	**4,445.12**
Current assets				
Inventories	12		1,070.25	669.63
Financial assets				
Trade receivables	13		1,692.91	1,535.04
Cash and cash equivalents	14		469.55	245.34
Other bank balances	15		124.11	165.85
Loans	9	B	10.46	7.79
Other financial assets	10	B	66.34	70.42
Current tax assets (net)	16		22.97	58.97
Other current assets	11	B	181.19	143.48
Total current assets			**3,637.78**	**2,896.52**
Total assets			**8,676.02**	**7,341.64**
Equity and liabilities				
Equity				
Equity share capital	17		187.68	187.68
Other equity	18		2,529.70	2,220.69
Total equity			**2,717.38**	**2,408.37**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	19	A	3,093.81	2,844.41
Provisions	20	A	46.32	33.43
Deferred tax liabilities (net)	21		94.21	32.69
Other non-current liabilities	22	A	23.13	36.74
Total non-current liabilities			**3,257.47**	**2,947.27**
Current liabilities				
Financial liabilities				
Borrowings	19	B	927.44	585.20
Trade payables	23			
- total outstanding dues of micro enterprises and small enterprises			35.81	16.44
- total outstanding dues of creditors other than micro enterprises and small enterprises			934.82	740.34
Other financial liabilities	24		683.90	510.23
Other current liabilities	22	B	83.41	99.34
Provisions	20	B	35.79	34.45
Total current liabilities			**2,701.17**	**1,986.00**
Total equity and liabilities			**8,676.02**	**7,341.64**

Summary of significant accounting policies and accompanying notes form an integral part of these consolidated financial statements.
This is the consolidated balance sheet referred to in our report of even date.

For O. P. Dadu & Co.
Chartered Accountants
Firm Registration No. 001201N

For and on behalf of
The Hi-Tech Gears Limited

CA. Amit Gupta
Partner
Membership No. 094202

Deep Kapuria
Executive Chairman
DIN 00006185

Pranav Kapuria
Managing Director
DIN 00006195

Place: New Delhi
Date: 27 May 2019

Dinesh Chand Sharma
Chief Financial Officer

S. K. Khatri
Company Secretary

THE HI-TECH GEARS LIMITED

Consolidated statement of Profit and Loss for the year ended 31 March 2019

(₹ in Mn)

	Note	31 March 2019	31 March 2018
Revenue			
Revenue from operations	25	9,137.22	7,596.81
Other income	26	169.59	198.10
Total revenue		**9,306.81**	**7,794.91**
Expenses			
Cost of materials consumed	27	4,334.60	3,425.08
Purchase of traded goods	28	323.72	312.28
Changes in inventories of finished goods and work-in-progress	29	(165.71)	(55.04)
Excise duty on sale of goods		-	111.17
Employee benefits expense	30	1,921.71	1,504.60
Finance costs	31	294.81	235.12
Depreciation and amortisation expense	6 & 7	421.91	394.25
Other expenses	32	1,590.50	1,352.27
Total expenses		**8,721.54**	**7,279.73**
Profit before tax		**585.27**	**515.18**
Tax expense	33		
Current tax		176.56	190.80
Deferred tax charge/(credit)		52.93	(18.05)
Earlier years tax adjustments (net)		-	-
Profit for the year		**355.78**	**342.43**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gain on defined benefit plans		2.51	4.59
Equity Instruments through Other Comprehensive Income		0.15	(0.05)
Income tax relating to items that will not be reclassified to profit and loss		(0.88)	(1.59)
Items that will be reclassified to profit or loss			
Exchange differences on translating foreign operations		35.70	150.25
Income tax relating to items that will be reclassified to profit and loss		(5.06)	(39.81)
Total comprehensive income for the year		**388.20**	**455.82**
Earnings per equity share (₹ 10 per share)	34		
Basic (₹)		18.96	18.25
Diluted (₹)		18.96	18.25

Summary of significant accounting policies and accompanying notes form an integral part of these consolidated financial statements.
This is the consolidated statement of profit or loss referred to in our report of even date

For O. P. Dadu & Co.
Chartered Accountants
Firm Registration No. 001201N

For and on behalf of
The Hi-Tech Gears Limited

CA. Amit Gupta
Partner
Membership No. 094202

Deep Kapuria
Executive Chairman
DIN 00006185

Pranav Kapuria
Managing Director
DIN 00006195

Place: New Delhi
Date: 27 May 2019

Dinesh Chand Sharma
Chief Financial Officer

S. K. Khatri
Company Secretary

THE HI-TECH GEARS LIMITED

Consolidated statement of changes in equity as at 31 March 2019

(₹ in Mn)

A. Equity share capital*

Particulars	Opening balance as at 1 April 2017	Changes during the year	Balance as at 31 March 2018	Changes during the year	Balance as at 31 March 2019
Equity share capital	187.68	-	187.68	-	187.68

B. Other equity**

(₹ in Mn)

Particulars	Reserves and surplus			Other Comprehensive Income	Total
	General reserve	Retained earnings	Foreign currency translation reserve	FVOCI - equity investments	
Balance as at 1 April 2017	**308.08**	**1,640.75**	**(122.31)**	**0.53**	**1,827.05**
Profit for the period	-	342.43	-	-	**342.43**
Acquisition through business combination	-	(0.06)	-	-	**(0.06)**
Other comprehensive income for the year (net of tax impact)	-	3.00	110.44	(0.05)	**113.39**
Dividend paid during the year including tax impact refer note no.43	-	(62.12)	-	-	**(62.12)**
Balance as at 31 March 2018	**308.08**	**1,924.00**	**(11.87)**	**0.48**	**2220.69**
Profit for the period	-	355.78	-	-	**355.78**
Other comprehensive income (net of tax impact)	-	1.63	30.64	0.15	**32.42**
Dividend paid during the year including tax impact (refer note no.43)	-	(79.19)	-	-	**(79.19)**
Balance as at 31 March 2019	**308.08**	**2,202.22**	**18.77**	**0.63**	**2,529.70**

**Refer note 17 for details*

***Refer note 18 for details*

For O. P. Dadu & Co.
Chartered Accountants
Firm Registration No. 001201N

For and on behalf of
The Hi-Tech Gears Limited

CA. Amit Gupta
Partner
Membership No. 094202

Deep Kapuria
Executive Chairman
DIN 00006185

Pranav Kapuria
Managing Director
DIN 00006195

Place: New Delhi
Date: 27 May 2019

Dinesh Chand Sharma
Chief Financial Officer

S. K. Khatri
Company Secretary

THE HI-TECH GEARS LIMITED

Consolidated Cash Flow Statement for the year ended 31 March 2019

(₹ in Mn)

A	Cash flow from operating activities	31 March 2019	31 March 2018
	Profit before tax	585.27	515.18
	Adjustments for:		
	Depreciation and amortisation expense	421.91	394.25
	Gain on disposal of property, plant and equipment (net)	(91.42)	-
	Interest income classified as investing cash flows	(36.27)	(6.52)
	Income recognised on account of government assistance	(13.62)	(15.08)
	Dividend income classified as investing cash flows	-	(0.01)
	Provisions written back	(21.87)	(61.04)
	Provision for doubtful debts	6.72	2.28
	Unrealised (profit)/loss foreign exchange (net)	(67.71)	(3.27)
	Unrealised (profit)/loss on mark to market of forward contracts	3.80	6.45
	Finance costs	294.81	232.62
	Operating profit before working capital changes	**1,081.62**	**1,064.86**
	Movement in working capital		
	Increase in inventories	(400.62)	(106.37)
	Decrease in other financial assets	0.31	3.87
	Increase in trade receivables	(53.37)	(474.17)
	(Increase)/decrease in other non-current assets	(0.61)	0.23
	(Increase)/decrease in other current assets	(37.71)	6.70
	(Decrease) in other financial liability	(206.42)	(532.14)
	(Decrease)/increase in other current liability	(17.14)	0.81
	Decrease in provision	74.32	217.34
	Increase in other non-current liabilities	-	7.69
	Increase in trade and other payables	171.55	184.75
	Cash flow from operating activities post working capital changes	**611.93**	**373.57**
	Income tax paid (net)	(140.31)	(220.43)
	Net cash flows from operating activities (A)	**471.62**	**153.14**
B	**Cash flows from investing activities**		
	Purchase of non-current investments	(35.01)	0.64
	Payments for property, plant and equipment and capital work-in-progress	(1,183.40)	(662.11)
	Proceeds from sale of property, plant and equipment	320.16	32.51
	Payment for margin money and bank deposits	36.66	(93.09)
	Repayment of loans and advances	(19.81)	(3.26)
	Interest received	36.27	6.52
	Dividend received	-	0.01
	Net cash used in investing activities (B)	**(845.13)**	**(718.78)**
C	**Cash flows from financing activities***		
	Finance cost paid	(261.44)	(227.62)
	Proceeds from borrowings	1,201.54	487.00
	Repayment of borrowings	(263.19)	(18.26)
	Dividends paid (including tax)	(79.19)	(62.12)
	Net cash flow from financing activities (C)	**597.72**	**179.00**
	Net (decrease)/increase in cash and cash equivalents (A+B+C)	224.21	(386.63)
	Cash and cash equivalents at the beginning of the year	245.34	631.97
	Cash and cash equivalents at the end of the year	**469.55**	**245.34**

**Refer note 19 for reconciliation of liabilities arising from financing activities*

Note: The above consolidated cash flow statement has been prepared under the "Indirect method" as set out in the Indian Accounting Standard (IND AS-7) statement of cash flow.

This is the consolidated cash flow statement referred to in our report of even date.

For O. P. Dadu & Co.
Chartered Accountants
Firm Registration No. 001201N

For and on behalf of
The Hi-Tech Gears Limited

CA. Amit Gupta
Partner
Membership No. 094202

Deep Kapuria
Executive Chairman
DIN 00006185

Pranav Kapuria
Managing Director
DIN 00006195

Place: New Delhi
Date: 27 May 2019

Dinesh Chand Sharma
Chief Financial Officer

S. K. Khatri
Company Secretary

Notes to the consolidated financial statements for the year ended 31 March 2019

1. **Nature of operations**

The Hi-Tech Gears Limited ('the Company') together with its subsidiaries (collectively referred to as 'Group') is an auto component manufacturer (a Tier 1 supplier).The Company is domiciled in India and its corporate office is situated at 14th Floor, Tower-B, Millennium Plaza, Sushant Lok-I, Sector-27, Gurgaon-122002, Haryana, India.

General information and compliance with Ind AS

The consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Group has uniformly applied the accounting policies for the periods presented.

The consolidated financial statements for the year ended 31 March 2019 along with the comparative financial information were authorized and approved for issue by the Board of Directors on 27 May 2019. The revisions to the consolidated financial statements are permitted by the Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

2. **Basis of preparation**

The consolidated financial statements have been prepared on going concern basis in accordance with generally accepted accounting principles in India. Further, the consolidated financial statements have been prepared on a historical cost basis except for following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefits (assets)/liability	Fair value of plan assets less present value of defined benefits obligations.

3. **Recent accounting pronouncement**

In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying amendments to Ind AS 12, 'Income taxes', Ind AS 19, 'Employee benefits, Ind AS 23, 'Borrowing costs and also Ind AS 116 'Leases'. These amendments rules are applicable to the Group from 1 April 2019.

Ind AS 116- Leases:

On 30 March 2019, MCA has notified Ind AS 116, Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application

Ind AS 116, which is effective for annual periods beginning on or after 01 April 2019, requires lessees and lessors to make more extensive disclosures than under Ind AS 17. The Group is evaluating the requirements of this new standard on its financial statements.

Appendix C to Ind AS 12, Uncertainty over income tax treatment:

The Interpretation addresses the accounting for income taxes when tax treatment involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed.

The standard permits two possible methods of transition:

- Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The interpretation is effective for annual reporting periods beginning on or after 01 April 2019. The Group is evaluating the impact of this amendment on its financial statements.

Amendments to Ind AS 19, Plan amendment, curtailment or settlement:

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 01 April 2019, with early application permitted. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Group. The Group does not expect any impact on its financial statements of such amendment.

Amendments to Ind AS 23, Borrowing costs:

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 01 April 2019, with early application permitted. The Group is evaluating the impact of this amendment on its financial statements.

4. Basis of consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. The Group can have power over the investee even if it owns less than majority voting rights i.e. rights arising from other contractual arrangements. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Statement of profit and loss (including other comprehensive income ('OCI')) of subsidiaries acquired or disposed of during the period are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group combines the financial statements of the Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests, presented as part of equity, represents the portion of a subsidiary's statement of profit and loss and net assets that is not held by the Group. Statement of profit and loss (including other comprehensive income ('OCI')) is attributed to the equity holders of the Company and to the non-controlling interests' basis their respective ownership interests and such balance is attributed even if this results in controlling interests having a deficit balance.

Non-controlling interests, presented as part of equity, represents the portion of a subsidiary's statement of profit and loss and net assets that is not held by the Group. Statement of profit and loss (including other comprehensive income ('OCI')) is attributed to the equity holders of the Company and to the non-controlling interests' basis their respective ownership interests and such balance is attributed even if this results in controlling interests having a deficit balance.

5. Summary of significant accounting policies

The consolidated financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These were used throughout all periods presented in the consolidated financial statements.

5.1 Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's operating cycle and other criteria set out in the Companies Act, 2013.

5.2 Property, plant and equipment (PPE)

Recognition and initial measurement

Properties plant and equipment are stated at their cost of acquisition. Any trade discount and rebates are deducted in arriving at the purchase price. Property, plant and equipment purchased on deferred payment basis are recorded at equivalent cash price. The difference between the cash price equivalent and the amount payable is recognised as interest expense over the deferred payment period.

Spares having useful life of more than one year and having material value in each case, are capitalised under the respective heads as and when available for use.

Subsequent measurement (depreciation and useful lives)

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses.Taking into account these factors, the Group have decided to applydepreciation on Buildings and Plant and Equipment 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 and on rest of the property, plant and equipment 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.

De-recognition

An item of property, plant and equipment and any significant component initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset/ significant component (calculated as the difference between the net disposal proceeds and the carrying amount of the asset/significant component) is recognised in statement of profit and loss, when the asset is derecognised.

In respect of subsidiary companies, Property, plant and equipment are recorded at cost less applicable investment tax credits and accumulated amortisation.

Depreciation is recorded over the estimated useful lives of the assets at the following annual rates:

Buildings	-	4% declining balance
Automobiles	-	20% declining balance

Dies and tooling	-	10% declining balance
Manufacturing equipment	-	10% declining balance
Office equipment	-	20% declining balance
Leasehold improvements	-	As per term of the lease
Furniture & Fixtures	-	20% declining balance

5.3 Intangible assets

Goodwill

Goodwill is an asset that represents the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. Goodwill is assigned as of the date of acquisition. Goodwill is not amortized. Goodwill is tested for impairment at least annually. When the carrying amount exceeds its recoverable amount, which is the higher of fair value less cost of disposal and value-in-use, an impairment loss is recognized in an amount equal to the excess. The impairment loss, however, cannot exceed the carrying amount of goodwill.

Other intangible assets

Recognition and initial measurement

Intangible assets purchased, including those acquired in business combinations, are measured at cost or fair value as of the date of acquisition where applicable less accumulated amortization and accumulated impairment, if any.

Subsequent measurement (amortisation)

Computer Software are amortized over their respective individual estimated useful life on written down value basis commencing from the date, the asset is available to the Group for its use.In respect of subsidiary companies, Customer relationships, non-competition arrangements and brand names are recorded at cost less accumulated amortisation and are amortised on a straight line basis over their estimated useful lives as follows:

Estimated useful lives of assets are as follows:

Type of asset	Estimated useful life
Computer software	5 years
Customer relationship	16 years
Non-compete arrangement	5 years
Brand name	2 years

5.4 Inventories

Inventories are valued as follows:

Raw materials, loose tools and stores and spares

Raw materials, loose tools and stores and spares are valued at lower of cost and net realizable value. Cost of raw materials, loose tools and stores and spares is determined on a FIFO (First in first out) basis.

Work-in-progress and finished goods

Work-in-progress and finished goods is measured at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

Scrap

Scrap is measured at net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

5.5 Revenue recognition

Revenue arises mainly from the sale of manufactured and traded goods.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation (s) are satisfied.

Revenue is measured at fair value of consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and service tax, etc.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Sale of goods

Revenue from sale of goods is recognised when the control of goods is transferred to the buyer as per the terms of the contract, in an amount that reflects the consideration the Group expects to be entitled to in exchange for those goods. Control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods.

Sale of services

Revenue from services is recognised when Group satisfies the performance obligations by transferring the promised services to its customers.

Export benefits

Export benefits constituting Duty Draw Back and Export Promotion Capital Goods Scheme (EPCG) are accounted for on accrual basis when there is reasonable assurance that the Group will comply with the conditions attached to them and the export benefits will be received. Export benefits under Duty Draw back scheme and EPCG are considered as other operating income.

Interest income

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

Dividend income

Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

5.6 Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized 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 as expense to the statement of profit and loss in the period for which they relate to.

5.7 Leases

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss. Contingent rentals are recognised as expenses in the periods in which they are incurred. Lease management fees, legal charges and other initial direct costs are capitalized.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, except in case where lease rentals are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease except in case where lease rentals are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

5.8 Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the recoverable amount of the asset or the cash generating unit is estimated. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount. The carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.

5.9 Foreign currency

Functional and presentation currency

The consolidated financial statements are presented in Indian Rupee ('₹') which is also the functional and presentation currency of the Company.

Initial recognition

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange difference

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognised in the statement of profit and loss in the year in which they arise.

5.10 Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below.

Non-derivative financial assets

Subsequent measurement

i. **Financial assets carried at amortised cost**– A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

ii. **Investments in equity instruments –** Investments in equity instruments which are held for trading are classified at Fair Value Through Profit or Loss (FVTPL). For all other equity instruments, the Group makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at Fair Value through Other Comprehensive Income (FVOCI) or Fair Value Through Profit or Loss (FVTPL). Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Group transfers the cumulative gain or loss within equity. Dividends on such investments are recognized in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

De-recognition of financial assets

A financial asset is primarily de-recognised when the contractual rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

Non-derivative financial liabilities

Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Forward contracts

The Group has entered into certain forward (derivative) contracts to hedge risks which are not designated as hedges. These derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. Any profit or loss arising on cancellation or renewal of such derivative contract is recognised as income or as expense in statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

5.11 Impairment of financial assets

In accordance with IndAS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. The Group assesses on forward looking basis the expected credit losses associated with its assets and impairment methodology applied depends on whether there has been a significant increase in credit risk.

Trade receivables

In respect of trade receivables, the Group applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Other financial assets

In respect of its other financial assets, the Group assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Group compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort.

5.12 Income taxes

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity).

5.13 Cash and cash equivalents

Cash and cash equivalents include cash in hand, balance with banks in current in current accounts and other short term highly liquid investments with original maturity of three months and less.

5.14 Research and Development Costs

Revenue expenditure incurred on research and development has been charged to the statement of profit and loss for the year in which it is incurred. Capital expenditure is included in respective heads under Property, plant and equipment.

5.15 Employee benefits

Short term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short term employee benefits to be paid in exchange for employee services are recognised as an expense as the related service is rendered by employees.

Defined Contribution Plan

Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Group has no further obligations. Payments to defined contribution retirement benefit schemes (such as Provident Fund, Employee's State Insurance Corporation) are charged to the statement of profit and loss of the year in which contribution to such schemes becomes due.

Defined Benefit Plan

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 gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

The retirement benefit obligation recognized in the Consolidated 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.

The Company in India makes annual contribution to the Employee's 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.

Other long-term employee benefits

Liability in respect of leave encashment becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of discounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of leave encashment becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to statement of profit and loss in the year in which such gains or losses are determined.

5.16 Provisions

Provisions are recognized when the Group has a present obligation as a result of past events, for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions required to settle are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation. Provisions are discounted to their present values, where the time value of money is material.

5.17 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

5.18 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.

5.19 Significant management judgement and estimates

When preparing the consolidated financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the consolidated financial statements.

Identification and Classification of leases-The Group enters into take or pay arrangements and leasing arrangements for use of various assets. The identification of arrangement as a lease and subsequent classification of leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

Recognition of deferred tax assets– The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilized.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Contingent liabilities– At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Significant estimates

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Government grants – Grants receivables are based on estimates for utilisation of grant as per the regulations as well as analysing actual outcomes on a regular basis and compliance with stipulated conditions. Changes in estimates or non-compliance of stipulated conditions could lead to significant changes in grant income and are accounted prospectively over the balance life of asset.

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Useful lives of depreciable/amortisable assets – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utilisation of assets.

Provisions – estimate for provisions recognised is based on management best estimate of the expenditure required to settle the present obligation at the year end and is based on historical experience, expected changes in economic conditions, changes in exchange rates.

Fair value measurements– Management applies valuation techniques to determine the fair value of financial instruments such as derivatives. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

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THE HI-TECH GEARS LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2019

Note - 6

Property, plant and equipment

(₹ in Mn)

Particulars	Freehold land	Leasehold land	Residential flats	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Total	Capital work-in-progress
Gross carrying amount										
At 1 April 2017	796.14	18.59	5.76	810.54	4,321.82	27.63	87.42	53.95	6,121.85	109.04
Additions	-	-	-	-	225.88	0.25	11.74	-	237.87	14.86
Acquisition through business combination	28.14	-	-	84.48	78.08	5.47	0.23	10.44	206.84	28.53
Net exchange differences	23.31	-	-	24.75	69.71	0.10	1.47	1.14	120.48	5.39
Disposals	-	-	-	-	(42.53)	-	-	(0.03)	(42.56)	(28.74)
Balance as at 31 March 2018	**847.59**	**18.59**	**5.76**	**919.77**	**4,652.96**	**33.45**	**100.86**	**65.50**	**6,644.48**	**129.08**
Additions	1.63	-	-	9.49	751.43	4.53	5.84	30.47	803.39	735.63
Net exchange differences	9.43	-	-	14.16	35.33	0.11	0.56	0.56	60.15	1.82
Disposals	(218.64)	-	(1.21)	-	(173.52)	-	(2.40)	(5.18)	(400.95)	-
Capitalised during the year	-	-	-	-	-	-	-	-	-	(672.30)
Balance as at 31 March 2019	**640.01**	**18.59**	**4.55**	**943.42**	**5,266.20**	**38.09**	**104.86**	**91.35**	**7,107.07**	**194.23**
Accumulated depreciation										
At 1 April 2017	-	0.77	1.64	158.13	2,914.84	24.21	79.98	41.68	3,221.25	-
Charge for the year	-	0.18	0.09	31.09	285.20	1.82	7.53	4.63	330.54	-
Net exchange differences	-	-	-	3.23	42.24	0.02	1.42	0.67	47.58	-
Adjustments for disposals	-	-	-	-	(38.77)	-	-	(0.02)	(38.79)	-
Balance as at 31 March 2018	**-**	**0.95**	**1.73**	**192.45**	**3,203.51**	**26.05**	**88.93**	**46.96**	**3,560.58**	**-**
Charge for the year	-	0.19	0.08	31.83	310.19	1.81	7.46	6.84	358.40	-
Net exchange differences	-	-	-	2.47	22.49	0.03	0.55	0.32	25.86	-
Adjustments for disposals	-	-	(0.40)	-	(164.64)	-	(2.27)	(4.90)	(172.21)	-
Balance as at 31 March 2019	**-**	**1.14**	**1.41**	**226.75**	**3,371.55**	**27.89**	**94.67**	**49.22**	**3,772.63**	**-**
Net carrying amount as at 31 March 2018	**847.59**	**17.64**	**4.03**	**727.32**	**1,449.45**	**7.40**	**11.93**	**18.54**	**3,083.90**	**129.08**
Net carrying amount as at 31 March 2019	**640.01**	**17.45**	**3.14**	**716.67**	**1,894.65**	**10.20**	**10.19**	**42.13**	**3,334.44**	**194.23**

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Note - 7

Goodwill & Other Intangible Assets

(₹ in Mn)

Particulars	Other intangible assets				Goodwill
	Customer relationship and brand name	Non-compete fees	Softwares	Total	
Gross carrying amount					
At 1 April 2017	680.82	9.52	77.94	768.28	437.16
Additions	-	-	17.95	17.95	-
Net exchange differences	40.75	0.57	-	41.32	26.17
Balance as at 31 March 2018	**721.57**	**10.09**	**95.89**	**827.55**	**463.33**
Additions	-	-	0.39	0.39	-
Net exchange differences	14.87	0.21	-	15.08	9.55
Balance as at 31 March 2019	**736.44**	**10.30**	**96.28**	**843.02**	**472.88**
Accumulated amortisation					
At 1 April 2017	4.50	0.16	73.97	78.63	-
Amortisation charge for the year	55.06	1.98	6.67	63.71	-
Net exchange differences	1.31	0.05	-	1.36	-
Balance as at 31 March 2018	**60.87**	**2.19**	**80.64**	**143.70**	**-**
Amortisation charge for the year	55.60	2.04	5.87	63.51	-
Net exchange differences	1.82	0.07	-	1.89	-
Balance as at 31 March 2019	**118.29**	**4.30**	**86.51**	**209.10**	**-**
Net carrying amount as at 31 March 2018	**660.70**	**7.90**	**15.25**	**683.85**	**463.33**
Net carrying amount as at 31 March 2019	**618.15**	**6.00**	**9.77**	**633.92**	**472.88**

Note - 8

(₹ in Mn)

	31 March 2019	31 March 2018
A Investments - non current		
Investment in Equity Instrument (quoted, measured at FVOCI)		
2100 Equity shares of Rs. 10/- each fully paid up of State Bank of India (previous year 31 March 2018 : 2100 Equity shares of Rs. 10/- each fully paid up)	0.67	0.52
Other Investment (un quoted, at measured at fair value)*		
8200 Equity shares of Rs. 1/- each fully paid up including security premium of Altigreen Propulsion Labs Pvt. Ltd. (previous year NIL)	35.01	-
	35.68	**0.52**
Aggregate amount of quoted investments	0.04	0.04
Aggregate market value of quoted investments	0.67	0.52
Aggregate amount of unquoted investments	35.01	-
Aggregate value of impairment in the value of investments	-	-

'* During the current financial year, Company has made investment in equity shares of Altigreen Propulsion Labs Pvt. Ltd. during the year amounting to ₹. 35.01 Mn. (including a security premium of ₹. 35.01 Mn.)

Note - 9

(₹ in Mn)

	31 March 2019	31 March 2018
A Loans - non current		
(Unsecured, considered good)		
Security deposits with government bodies	32.36	16.64
Loan to employees	2.71	1.29
	35.07	**17.93**
B Loans - current		
(Unsecured, considered good)		
Security deposits - others	4.05	3.46
Loan to employees	6.41	4.33
	10.46	**7.79**

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Note - 10

(₹ in Mn)

		31 March 2019	31 March 2018
A	**Other financial assets - non current**		
	Balance held as margin money (against letter of credit and bank guarantees)*	5.21	0.14
		5.21	**0.14**
	*Margin money deposits having remaining maturity of more than 12 months.		
B	**Other financial assets - current**		
	Earnest money deposit	0.04	0.04
	Derivative assets- foreign exchange forward contracts	-	0.30
	Other receivable*		
	Considered good	66.30	70.08
	Considered credit impaired	2.05	-
	Less: Impairment loss allowance	(2.05)	-
		66.34	**70.42**

*It includes amount receivable from customers for new product development like making, changing in nature of specific components on demand of customers, insurance claim receivable, provision for rate revision in case of steel cost.

Note: One employee (Mr. K. P. Yadav, Assistant Manager in finance & accounts) had embezzled money by making unauthorised withdrawal of Rs.2.23 Mn in his personal account during the period December 2017 to April 2018. On detecting the above fraud, the Company immediately terminated him from his services and lodged the FIR against him. Till now, the Company has made recovery of Rs.0.18 Mn out of above amount and created the provision for the balance amount as on 31.03.2019. Appropriate actions for discovery, prevention of fraud and strengthening of Internal controls has been put in place by the Company.

Note - 11

(₹ in Mn)

A	**Other non-current assets**	31 March 2019	31 March 2018
	Capital advance*	322.11	64.69
	Prepaid expenses	2.29	1.68
		324.40	**66.37**

*For capital commitments refer Note - 40

B	**Other current assets**	31 March 2019	31 March 2018
	Advances to suppliers	46.66	20.18
	Advances to employees	1.02	-
	Prepaid expenses	34.37	28.53
	Balance with statutory authorities	99.14	94.77
		181.19	**143.48**

Note - 12

(₹ in Mn)

	31 March 2019	31 March 2018
Inventories		
(Valued at lower of cost or net realisable value)		
Finished goods (Goods in transit)	96.22	57.96
Raw materials and components	325.87	154.41
Stores and spares	279.83	216.27
Work-in-progress	367.79	240.34
Scrap (at realizable value)	0.54	0.65
	1,070.25	**669.63**

Note - 13

(₹ in Mn)

Trade receivables*	31 March 2019	31 March 2018
(Unsecured)		
Considered good	1,698.20	1,536.71
Having significant increase in credit risk	6.45	5.40
Credit impaired	4.06	4.06
Less: Impairment loss allowance	(15.80)	(11.13)
	1,692.91	**1,535.04**

*For related party balances refer note Note - 37

Note - 14

(₹ in Mn)

Cash and cash equivalents	31 March 2019	31 March 2018
Cash on hand	0.56	0.72
Balances with banks		
In current accounts	245.30	244.62
Bank deposits with original maturity less than three months	223.69	-
	469.55	**245.34**

Note - 15

(₹ in Mn)

	31 March 2019	31 March 2018
Other bank balances		
Margin money	0.00	9.20
Standard Chartered Bank- DSRA a/c*	-	63.70
Deposits with Standard Chartered Bank (DSRA) maturity having more than three months and up to twelve months**	77.40	-
Bank deposits with maturity of more than three months and up to twelve months	45.52	91.67
Unpaid dividend	1.19	1.28
	124.11	**165.85**

*Balance lying in Debt Service Reserve Account (DSRA) a/c, which is charged to lender pursuant to the facility agreement (refer note 19 borrowings current for details)

**Amount deposited in fixed deposits of ₹.77.4 Mn which is Charged to Lender pursuant to the facility agreement (refer note no borrowings current for details)

Note - 16

(₹ in Mn)

	31 March 2019	31 March 2018
Current tax assets (net)		
Advance income tax	189.85	353.56
Less: Provision for taxation	(166.88)	(294.59)
	22.97	**58.97**

Note - 17

(₹ in Mn)

		31 March 2019		31 March 2018	
Equity share capital					
i	**Authorised**	**Number**	**Amount**	**Number**	**Amount**
	20,000,000 Equity shares of ₹ 10/- each with voting rights	20000000	200.00	20000000	200.00
			200.00		**200.00**
ii	**Issued, subscribed and fully paid up**	18768000		18768000	
	Equity share capital of face value of ₹ 10 /- each		187.68		187.68
			187.68		**187.68**
iii	**Reconciliation of number of equity shares outstanding at the beginning and at the end of the year**				
	Equity shares				
	Balance at the beginning of the year	18768000	187.68	18768000	187.68
	Add : Shares issued during the year	-	-	-	-
	Balance at the end of the year	**18768000**	**187.68**	**18768000**	**187.68**

iv Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares with paid up value of ₹ 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 and 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 Regulations.

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.

v Details of shareholders holding more than 5% share capital

Name of the equity shareholders	31 March 2019		31 March 2018	
	Number	%	Number	%
Vulcan Electro Controls Limited	1082000	5.77%	1082000	5.77%
Olympus Electrical Industries Private Limited	1745200	9.30%	1745200	9.30%
Hi-Tech Portfolio Investments Limited	1971876	10.51%	1971876	10.51%
Mr. Deep Kapuria	3117461	16.61%	3117461	16.61%

vi Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, by way of bonus shares and shares bought back for the period of 5 years immediately preceding the balance sheet date

The Company has not issued any shares pursuant to contract(s) without payment being received in cash.

The bonus issue is made by capitalisation of profit. However no bonus issues have been done in preceding 5 years

The Company has not undertaken any buy back of shares.

Note - 18

Other equity*

(i) Nature and purpose of other reserves

General reserve

General reserve is created out of the accumulated profits of the Company as per the provisions of Companies Act.

Retained earnings

All the profits made by the Company are transferred to retained earnings from statement of profit and loss.

Other comprehensive income

Other comprehensive income represents balance arising on account of changes in fair value of equity instruments carried at fair value through other comprehensive income, gain/(loss) booked on re-measurement of defined benefit plans and exchange differences on translating foreign operations.

*Refer Part B (Other equity) of consolidated statement of changes in equity as at 31 March 2019.

Note - 19

(₹ in Mn)

	31 March 2019	31 March 2018
A Borrowings non-current		
Secured		
Term loans		
From banks		
External commercial borrowing	2,480.08	2,746.05
Rupee Loan	503.83	-
Housing loan	73.78	67.41
From others		
Long term maturities of finance lease obligations	16.61	21.63
Vehicle loan	19.51	9.32
	3,093.81	**2,844.41**

Particulars	Nature of security	Terms of repayment	Interest rate	Maturity	31 March 2019	31 March 2018
Secured **External commercial borrowing** Standard Chartered Bank (USD 12,000,000) through IDBI Trusteeship Limited.	• First pari pasu charge on the following immovable fixed assets of the Company: 1) A-589, Industrial Complex, Bhiwadi, District, Alwar, Rajasthan-301019. 2) Plot No 24-26, Sector 7, IMT Manesar, Gurgaon, Haryana 122050 3) SPL-146, Industrial Complex, Bhiwadi-304019, District Alwar, Rajasthan • First pari pasu charge on movable fixed assets (except those specifically charged) situated at following locations: 1) A-589, Industrial Complex, Bhiwadi, District, Alwar, Rajasthan-301019. 2) Plot No. 24-26, Sector 7, IMT Manesar, Gurgaon, Haryana 122050 3) SPL-146, Industrial Complex, Bhiwadi-301019, District Alwar, Rajasthan	Quarterly repayment starts from February 2019. 5 instalments @ 2.25% of loan amount 4 instalments @ 3.00% of loan amount. 12 instalment @ 6.40% of loan amount.	3 Month LIBOR+3.29% p.a. (previous year 3 Month LIBOR+3.29% p.a.)	February, 2024	828.49	802.44
IAM - Security assets dealt along with their value as on closing date.	First fixed charge on all fixed assets of the Company, 2545887 Ontario Inc. and working capital assets except that bank operating facility will rank senior on accounts receivable and Inventory.	108 equal monthly instalments of CAD 3,24,074.00 starting from March 2018	6 % p.a. (previous year 6 % p.a.)	February, 2027	1,585.53	1,749.75
Standard Chartered Bank (USD 7,561,789) through IDBI Trusteeship Limited.	• First pari pasu charge on the following immovable fixed assets of the Company: 1) A-589, Industrial Complex, Bhiwadi, District, Alwar, Rajasthan-301019. 2) Plot No 24-26, Sector 7, IMT Manesar, Gurgaon, Haryana 122050 3) SPL-146, Industrial Complex, Bhiwadi-304019, District Alwar, Rajasthan • First pari pasu charge on movable fixed assets (except those specifically charged) situated at following locations: 1) A-589, Industrial Complex, Bhiwadi, District, Alwar, Rajasthan-301019. 2) Plot No. 24-26, Sector 7, IMT Manesar, Gurgaon, Haryana 122050 3) SPL-146, Industrial Complex, Bhiwadi-301019, District Alwar, Rajasthan	Quarterly repayment starts from February 2019. 5 instalments @ 5.375% of loan amount 4 instalments @ 5.5% of loan amount 12 instalments @4.26% of loan amount	3 Month LIBOR+3.00% p.a. (previous year 3 Month LIBOR+3.00% p.a.)	February, 2024	505.38	505.66
Housing Loan Canadian Imperial Bank of Commerce	Hypothecation of residential house property at 6 Carlaw Place, Guelph, Ontario, Canada.	300 monthly instalments of CAD 6,784.22 @ 2.89% p.a. interest is fixed @2.89% p.a for 60 months starting May 2017, thereafter will become floating rate	2.89 % p.a. (previous year 2.89 % p.a.)	May, 2042	70.87	71.52
Term loan HDFC Bank Ltd - Rupee Loan.	1) First mortgage and charge in favour of lender, on Company's immovable properties in new plant at Trichy, present and future. 2) First charge by way of hypothecation in favour of the Lender, of Company's movables including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures and all other movable assets, present and future for new plant at Trichy.	Repayment in 16 quarterly instalment starts from December,2020	9.2%/9.3%/ 9.35% p.a.	Dec, 2024	505.00	-

Particulars	Nature of security	Terms of repayment	Interest rate	Maturity	31 March 2019	31 March 2018
	3) First charge by way of assignment or creation of charge in favour of the lenders of (i) all the right, title, interest, benefits, claims and demands whatsoever of the Company in the project documents, duly acknowledged and consented to by the relevant counter parties to such project documents, all as amended, varied or supplemented from time to time in respect to new plant at Trichy; 4) First pari passu charge by way of hypothecation in favour of the Lender, of Company's movables including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures and all other movable assets, present and future which are not exclusively charged to any other lenders. 5) First pari passu mortgage and charge in favour of lender, on Company's immovable properties at A-589, Industrial Area, Bhiwadi Plant. The aforesaid mortgage assignment and charges mentioned in point no. 1, 2, 3 shall be on exclusive basis with the lender.					
Vehicle loan						
Travellers finance	Hypothecation of specific car.	60 monthly instalments of CAD 2324.61	4.88 % p.a. (previous year 4.88 % p.a.)	Jun, 2022	4.14	5.30
Audi finance	Hypothecation of specific car.	60 monthly instalments of CAD 1686.77	3.90 % p.a. (previous year 3.90 % p.a.)	Jul, 2022	3.15	4.02
ICICI bank	Hypothecation of specific car.	60 monthly equal instalments of ₹ 53,871.	(previous year 10.50% p.a.)	Jan, 2019	-	0.50
Kotak Mahindra Prime Limited	Hypothecation of specific car.	36 monthly equal instalments of ₹ 87,461.	(previous year 10.30% p.a.)	Jan, 2019	-	0.83
BMW Financial Service	Hypothecation of specific car.	47 monthly equal instalments of ₹ 132,801 & 48th instalment of ₹ 30,21,700.	9.75% p.a.	Aug, 2022	6.69	-
Daimler Financial Services Pvt Ltd	Hypothecation of specific car.	35 monthly equal instalments of ₹4,51,854 & 36th instalment of ₹82,25,900.	11.74% p.a.	Oct, 2021	17.33	-
Long term maturities of finance lease obligation	Lease liabilities are effectively secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.	Monthly instalments			19.36	24.68
Unamortised upfront fees on borrowing					(72.03)	(93.79)
Total borrowings					**3,473.91**	**3,070.91**
Less: Current maturities of long term borrowings					380.09	226.50
Non current borrowings					**3,093.82**	**2,844.41**

(₹ in Mn)

	31 March 2019	31 March 2018
B Borrowings - current		
Secured loans		
Working capital loans repayable on demand		
From banks	927.44	585.20
	927.44	**585.20**

Particulars	Nature of security	Interest rate	31 March 2019	31 March 2018
Citi bank, N.A.	• First parri passu charge on present and future stocks and book debts of the Company. • Second pari passu charge on present and future fixed assets excluding assets specifically charged to other lenders. • Second pari passu charge by way of equitable mortgage on land and building located at A-589, Industrial Complex, Bhiwadi.	9.75% p.a (previous year 9.75% p.a.)	158.57	201.88
Citi bank - Packing credit		6.10% p.a (previous year 5.20% p.a)	50.00	120.00
Standard chartered bank - Packing credit	• First pari passu charge over stock and book debts of the borrower both present and future. • Second pari passu charge on movable Fixed assets (excluding the assets specifically charged to other lenders) for working capital facilities. • Second pari passu charge on immovable fixed assets at A-589, RIICO, Bhiwadi.	6.00% p.a (previous year 5.20% p.a)	11.22	90.00
Standard chartered bank - Working capital loan		10.95%p.a	37.88	-
Standard chartered bank - Working capital demand loan		9.40% p.a	60.00	-
State Bank of India-packing credit	First pari passu charge on all present and future current asset of the Company. Second pari passu charge over the present and future Fixed assets of the Company.	8.30% p.a (previous year 5.55% p.a)	120.00	60.33
State Bank of India-Working capital loan		9.25% p.a (previous year 9.25% p.a)	-	90.50
Kotak Mahindra bank-PCRE	• 1st PP charge on all existing and future current assets of the Company. • 2nd PP charge on all existing and future Movable Fixed Assets (other than those exclusively charged to other lenders, (if any) of the Company. • 2nd PP charge on immovable property being land and building situated at A-589, RIICO Bhiwadi, Alwar belonging to the Company.	8.65% p.a	50.00	-
HDFC Bank Ltd-Working capital loan	• First pari pasu charge by way of hypothecation on entire assets of the borrower, both present and future. • Second pari passu charge by way of hypothecation on entire movable fixed assets (Other than those exclusively charged to other lenders, if any) of the borrower.	9.2% p.a.	192.70	-
ICICI Bank Limited-Working capital loan	• First charge by way of hypothecation of the Company's entire stocks of raw materials, semi finished and finished goods, consumables stores and spares and such other movables including book-debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the Bank, ranking pari passu with other participating banks. • Second pari passu charge on immovable fixed assets of the company by way of equitable mortgage on property situated at A-589, Industrial Complex, Bhiwadi.	9.75% p.a (Previous year 9.75% p.a)	35.22	5.99
CIBC Canada -	First charge on accounts receivable and inventory of The Hi-Tech Gears Canada Inc.	Prime rate +0.5%. currently prime rate is around 3.45% p.a. (Previous year prime rate +0.5%. currently prime rate is around 3.45% p.a.)	211.85	16.50
Total			**927.44**	**585.20**

Reconciliation of liabilities arising from financing activities

The changes in the Company's liabilities arising from financing activities can be classified as follows:

(₹ in Mn)

Particulars			31 March 2019	31 March 2018
	Long-term borrowings	Short-term borrowings	Lease obligations	Total
01 April 2017	**2,443.19**	**743.73**	**-**	**3,186.92**
Cash flows:				
- Repayment	(18.26)	(40.94)	-	(59.20)
- Proceeds	621.29	(117.60)	24.68	528.37
31 March 2018	**3,046.22**	**585.19**	**24.68**	**3,656.09**
Cash flows:				
- Repayment	(268.51)	(4.09)	(5.32)	(277.92)
- Proceeds	529.62	346.33	-	875.95
- Foreign exchange	123.50	-	-	123.50
- Amortisation charge of transaction cost	23.71	-	-	23.71
31 March 2019	**3,454.54**	**927.43**	**19.36**	**4,401.33**

Note - 20

(₹ in Mn)

	31 March 2019	31 March 2018
A Provisions - non current		
Provisions for employee benefits		
Compensated absences	46.32	33.43
	46.32	**33.43**

For movements in each class of provision during the financial year, refer note 43

(₹ in Mn)

B Provisions - current	31 March 2019	31 March 2018
Provisions for employee benefits		
Gratuity	1.32	1.43
Compensated absences	6.67	5.22
Provision on rate difference	27.80	27.80
	35.79	**34.45**

For movements in each class of provision during the financial year, refer note 43 & 44

Note - 21

(₹ in Mn)

	31 March 2019	31 March 2018
Deferred tax assets (net)		
Deferred tax asset arising on account of :		
Processing fee netted off from borrowing	1.34	-
Derivatives not designated as hedges	0.77	-
Foreign currency translation reserve	0.30	-
	2.41	**-**

Deferred tax liabilities (net)	31 March 2019	31 March 2018
Deferred tax liabilities arising on account of :		
Depreciation and amortisation	140.97	77.90
Deferred government grant	13.62	5.22
Derivatives not designated as hedges	-	(1.64)
Deferred tax asset arising on account of :		
Employee benefits:		
Provision for leave encashment	(18.52)	(13.37)
Provision for bonus	(12.29)	(10.64)
Plant and machinery recognised on account of government grant	(13.62)	(5.22)
Provision for doubtful debts and advances	(6.24)	(3.85)
Provision for rate difference	(9.71)	(10.35)
Foreign currency translation reserve	-	(5.36)
	94.21	**32.69**

(i) Movement in deferred tax liabilities (net) **(₹ in Mn)**

Particulars	1 Apr 2018	Recognised/ reversed through profit and loss	Recognised/ reversed in other comprehensive income	Exchange differences on foreign operation	31 March 2019
Liabilities					
Deferred government grant	5.22	8.40	-	-	13.62
Depreciation and amortisation	77.90	63.07	-	(1.19)	140.97
Derivatives not designated as hedges	(1.64)	0.87	-	0.03	(0.77)
Assets					
Provision for leave encashment	(13.37)	(5.15)	-	-	(18.52)
Provision for bonus	(10.64)	(1.65)	-	-	(12.29)
Provision for doubtful debts and advances	(3.85)	(2.39)	-	-	(6.24)
Provision for rate difference	(10.35)	0.64	-	-	(9.71)
Foreign currency translation reserve	(5.36)	-	5.06	-	(0.30)
Plant and machinery recognised on account of government grant	(5.22)	(8.40)	-	-	(13.62)
Processing fee netted off from borrowing	-	(1.33)	-	0.02	(1.33)
Total	**32.69**	**54.06**	**5.06**	**(1.14)**	**91.81**

Particulars	01 April 2017	Recognised/ reversed through profit and loss	Recognised/ reversed in other comprehensive income	31 March 2018
Liabilities				
Deferred government grant	15.27	(10.05)	-	5.22
Depreciation and amortisation	86.63	(9.40)	0.67	77.90
Derivatives not designated as hedges	4.07	(5.68)	(0.03)	(1.64)
Assets				
Provision for leave encashment	(13.27)	(0.10)	-	(13.37)
Provision for bonus	(10.28)	(0.35)	-	(10.64)
Provision for doubtful debts and advances	(3.17)	(0.69)	-	(3.85)
Provision for rate difference	(8.40)	(1.95)	-	(10.35)
Foreign currency translation reserve	(45.15)	-	39.19	(5.36)
Plant and machinery recognised on account of government grant	(15.27)	10.05	-	(5.22)
Financial instruments measured at amortised cost	(0.10)	0.11	(0.01)	-
Total	**10.32**	**(18.05)**	**39.81**	**32.69**

Note - 22

(₹ in Mn)

		31 March 2019	31 March 2018
A	**Other non - current liabilities**		
	Deferred income*	23.13	36.74
		23.13	**36.74**

* Represents government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme on purchase of property, plant and equipment accounted for as government grant and being amortised over the useful life of such assets.

		31 March 2019	31 March 2018
B	**Other current liabilities**		
	Payable to statutory authorities	33.16	36.68
	Advance from customers	50.25	62.66
		83.41	**99.34**

Note - 23

(₹ in Mn)

	31 March 2019	31 March 2018
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	35.81	16.44
- Total outstanding dues of creditors other than micro enterprises and small enterprises	934.82	740.34
	970.63	**756.78**

*Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") as at 31 March 2019 and 31 March 2018:

(₹ in Mn.)

Particulars		31 March 2019	31 March 2018
i	Principal amount remaining unpaid to any supplier as at the end of the accounting year;	35.81	16.18
ii	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year;	-	0.26
iii	The amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
iv	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-
v	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
vi	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group.

Note - 24

(₹ in Mn.)

	31 March 2019	31 March 2018
Other financial liabilities - current		
Current maturities of long term debts	377.34	223.45
Current maturities of finance lease obligations	2.75	3.05
Interest accrued but not due	19.13	16.38
Earnest money and security deposits	2.15	1.25
Derivative liability	2.89	6.57
Unpaid dividend	1.19	1.28
Others*	278.45	258.25
	683.90	**510.23**

*Others include reimbursement of expenses, provision for expenses, liabilities related to compensation/claim, etc.

Note - 25

(₹ in Mn)

	31 March 2019	31 March 2018
Revenue from operations		
Sale of products:		
Transmission gears and shafts - domestic net of discount	4,903.80	4,095.24
Transmission gears and shafts - export	3,978.81	3,032.00
Sale of Services:		
Software export	5.76	5.75
Software -services	-	0.26
Sales job work	8.12	309.68
Other operating income:		
Export incentives	72.24	37.57
Scrap sales	168.49	116.31
	9,137.22	**7,596.81**

Note - 26

(₹ in Mn)

Other income	31 March 2019	31 March 2018
Interest income		
Bank deposits	13.02	5.57
Security deposits	23.25	0.94
Provision written Back	21.87	-
Rent	5.68	10.57
Allowance for doubtful debts written back	-	61.04
Dividend income	-	0.01
Gain on foreign exchange fluctuations (Net)	-	58.88
Gain on sale of property, plant and equipment (Net)	91.42	-
Fair value gain on derivatives not designated as hedges	0.25	34.52
Income recognised on account of government assistance	13.62	15.08
Miscellaneous income	0.48	11.49
	169.59	**198.10**

Note - 27

(₹ in Mn)

	31 March 2019	31 March 2018
Cost of materials consumed		
Opening stock of raw material (steel rod and forgings)	154.41	111.08
Add: Purchase during the year (net of discount)	4,506.06	3,468.41
	4,660.47	3,579.49
Less: Closing stock of raw material (steel rod and forgings)	325.87	154.41
Materials consumed (steel rod and forgings)	**4,334.60**	**3,425.08**

Note - 28

(₹ in Mn)

	31 March 2019	31 March 2018
Purchase of traded goods		
Opening stock of purchase of traded goods (transmission gears and shafts)	-	-
Add: Purchase during the year (transmission gears and shafts)	323.72	312.28
	323.72	312.28
Less: Closing stock of purchase of traded goods (transmission gears and shafts)	-	-
	323.72	**312.28**

Note - 29

(₹ in Mn)

	31 March 2019	31 March 2018
Changes in inventories of finished goods and work-in-progress		
Inventories at the end of the year:		
Finished goods (transmission gears and shafts)	96.22	57.96
Work-in-progress (transmission gears and shafts)	367.79	240.34
Acquisition through business combination		
Finished goods (transmission gears and shafts)	-	6.01
Work-in-progress (transmission gears and shafts)	-	67.29
Inventories at the beginning of the year:		
Finished goods (transmission gears and shafts)	57.96	40.86
Work-in-progress (transmission gears and shafts)	240.34	129.10
	(165.71)	**(55.04)**

Note - 30

(₹ in Mn)

	31 March 2019	31 March 2018
Employee benefits expense		
Salaries, wages and other benefits	1,818.27	1,420.52
Contributions to provident and other funds	33.64	28.89
Gratuity fund contributions	12.18	12.03
Staff welfare expenses	57.62	43.16
	1,921.71	**1,504.60**

Note - 31

(₹ in Mn)

Finance costs	31 March 2019	31 March 2018
Interest on		
Term and working capital loans from banks	244.80	200.73
Financial instruments carried at amortised cost	-	24.76
Others	4.56	2.45
Bank commission and charges	11.65	7.18
Loss on exchange rate fluctuation	33.80	-
	294.81	**235.12**

Note - 32

(₹ in Mn)

Other expenses	31 March 2019	31 March 2018
Water electricity and allied charges	409.81	377.26
Stores and spares consumed	620.42	468.20
Professional charges	72.25	76.45
Repair and maintenance		
Plant and machinery	66.78	73.15
Buildings	7.72	5.96
Insurance	36.19	33.62
Rates and taxes	24.34	22.73
Rent	20.60	19.19
Loss on mark to market of forward contracts	2.86	6.45
Corporate social responsibility	7.78	6.22
Loss on sale of property, plant and equipment (Net)	-	2.35
Provision for doubtful debts	6.72	2.28
Auditor's remuneration*	1.65	1.85
Balance written off	0.49	1.29
Director's sitting fee	0.69	0.57
Freight and handling expenses	87.31	-
Charity and donation	0.56	0.26
Loss on exchange fluctuation other than finance cost	14.85	-
Miscellaneous expenses	209.48	254.44
	1,590.50	**1,352.27**

***Remuneration to auditors comprises of:**

Audit fees	1.20	1.21
Reimbursement of expenses	0.07	0.31
Certification fees	0.08	-
Other services	0.30	0.33
	1.65	**1.85**

i Corporate social responsibility expenses

The requisite disclosure relating to CSR expenditure in terms on Guidance Note on Corporate Social Responsibility (CSR) issued by Institute of Chartered Accountants of India:

a) Gross amount required to be spent by the Group during the year is Rs. 7.65 Mn (previous year 6.22 Mn).

b) Amount spent during the financial year ended 31 March 2019 and 31 March 2018 on:

(₹ in Mn.)

Particulars	Period	Bank payment	Yet to be paid in cash	Total
Education, technical education including research and development	31 March 2019	4.75	-	**4.75**
	31 March 2018	5.50	-	**5.50**
Health	31 March 2019	0.50	-	**0.50**
	31 March 2018	0.50	-	**0.50**

Particulars	Period	Bank payment	Yet to be paid in cash	Total
Integrity community development	31 March 2019	1.33	-	**1.33**
	31 March 2018	0.23	-	**0.23**
Disaster management	31 March 2019	0.20	-	**0.20**
	31 March 2018	-	-	**-**
Prime Minister National Relief Fund	31 March 2019	1.00	-	**1.00**
	31 March 2018	-	-	**-**
Total	31 March 2019	**7.78**	**-**	**7.78**
	31 March 2018	**6.22**	**-**	**6.22**

Note - 33

(₹ in Mn.)

	31 March 2019	31 March 2018
Income tax		
Tax expense comprises of:		
Current tax	176.56	190.80
Deferred tax credit	52.93	(18.05)
Earlier years tax adjustments (net)	-	-
Income tax expense reported in the statement of profit and loss	**229.49**	**172.75**

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 34.944% (Previous year 34.608%) and the reported tax expense in profit or loss are as follows:

(₹ in Mn.)

Accounting profit before income tax	**585.27**	**515.18**
At India's statutory income tax rate of 34.944% (31 March 2018: 34.608%)	204.52	178.29
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Tax impact of exempted income	7.88	(7.63)
Effect of tax incentive	-	(3.25)
Impact of different tax rate on certain items	(35.73)	-
Tax impact of expenses which will never be allowed	49.60	-
Earlier years tax adjustments (net)	0.14	0.49
Others	(1.43)	-
Allowable expenses	-	0.54
Difference in overseas tax rate	4.51	4.31
Income tax expense	**229.49**	**172.75**

Note - 34

(₹ in Mn.)

Earnings per share	31 March 2019	31 March 2018
Net profit attributable to equity shareholders		
Net profit for the year	355.78	342.43
Nominal value of equity share (₹)	10	10
Total number of equity shares outstanding at the beginning of the year	1,87,68,000	1,87,68,000
Total number of equity shares outstanding at the end of the year	1,87,68,000	1,87,68,000
Weighted average number of equity shares	1,87,68,000	1,87,68,000
(1) Basic (₹)	18.96	18.25
(2) Diluted (₹)	18.96	18.25

Note - 35A

Financial instruments

i) Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

ii) **Financial instruments by category**

For amortised cost instruments, carrying value represents the best estimate of fair value. **(₹ in Mn)**

Particulars	31 March 2019			31 March 2018		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investment in equity instrument through OCI	-	35.68	-	-	0.52	-
Trade receivables	-	-	1,692.91	-	-	1,535.04
Loans	-	-	9.12	-	-	5.62
Cash and cash equivalents	-	-	469.55	-	-	245.34
Other bank balances	-	-	124.11	-	-	165.85
Other financial assets	-	-	71.55	0.30	-	70.26
Security deposits	-	-	36.42	-	-	20.11
Total financial assets	**-**	**35.68**	**2,403.66**	**0.30**	**0.52**	**2,042.22**
Financial liabilities						
Borrowings	-	-	4,401.34	-	-	3,656.11
Trade payables	-	-	970.63	-	-	756.78
Other financial liabilities	2.89	-	300.92	-	-	277.16
Total financial liabilities	**2.89**	**-**	**5,672.89**	**-**	**-**	**4,690.05**

Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

(a) the use of quoted market prices for quoted equity instruments.

(b) for unquoted equity instruments, the Group's has used earning capitalisation method (fair value approach) discounted at a rate to reflect the risk involved in the business.

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

(₹ in Mn)

Particulars	Fair value		Significant unobservable inputs	Data inputs	
	31 March 2019	31 March 2018		31 March 2019	31 March 2018
Unquoted equity investments	35.01	-	Earnings growth rate	5.00%	NA
			Risk adjusted discount rate	21.18%	NA

Sensitivity analysis **(₹ in Mn)**

Description	31 March 2019	31 March 2018
Impact on fair value if change in earnings growth rate		
- Impact of increase in discount rate by 0.5 %	36.28	-
- Impact of decrease in discount rate by 0.5 %	33.83	-
Impact on fair value if change in risk adjusted discount rate		
- Impact of increase in discount rate by 0.5 %	33.17	-
- Impact of decrease in discount rate by 0.5 %	37.00	-

The following table presents the changes in level 3 items for the periods ended 31 March 2019 and 31 March 2018: **(₹ in Mn)**

Particulars	Unquoted equity shares
As at 31 March 2018	**-**
Acquisition	35.01
Gain/(loss) recognised in other comprehensive income	-
As at 31 March 2019	**35.01**

iii) **Financial assets measured at fair value - recurring fair value measurements**

The following table shows the levels within the hierarchy of financial assets measured at fair value on a recurring basis at 31 March 2019 and 31 March 2018:

(₹ in Mn)

Particulars	Period	Level 1	Level 2	Level 3	Total
Financial assets					
Investments at fair value through other comprehensive income					
Equity investments	31 March 2019	0.67	-	35.01	**35.68**
	31 March 2018	0.52	-	-	**0.52**
At fair value through profit or loss					
Derivative financial assets	31 March 2019		-	-	-
	31 March 2018		0.30	-	**0.30**
Derivative financial liability	31 March 2019	-	2.89	-	**2.89**
	31 March 2018	6.57	-	-	**6.57**

iv) Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows:

(₹ in Mn)

Particulars	Level	31 March 2019		31 March 2018	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Loans	Level 3	35.07	35.07	17.93	17.93
Other financial assets	Level 3	5.21	5.21	0.14	0.14
Total financial assets		**40.28**	**40.28**	**18.07**	**18.07**
Financial liabilities					
Borrowings	Level 3	4,401.34	4,401.34	3,656.11	3,656.11
Total financial liabilities		**4,401.34**	**4,401.34**	**3,656.11**	**3,656.11**

The management assessed that cash and cash equivalents, trade receivables, other receivables, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

(i) The fair values of the Group's interest-bearing borrowings, loans and receivables are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2019 was assessed to be insignificant.

Note - 35B

Financial risk management

The Group's activities expose it to credit risk, liquidity risk and market risk. The respective group companies board of directors has overall responsibility for the establishment and oversight of the risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, other financial assets	Ageing analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities.
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting	Forward contract/hedging, if required.
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors.
Market risk - security price	Investments in equity securities.	Sensitivity analysis	Portfolio diversification.

A) Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Group. The Group's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

a) Credit risk management

i) Credit risk rating

The Group assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets. The Group assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

A: Low
B: Medium
C: High

The Group provides for expected credit loss based on the following:

Asset groups	Basis of categorisation	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets	12 month expected credit loss
Moderate credit risk	Trade receivables and other financial asset	Life time expected credit loss or 12 month expected credit loss
High credit risk	Trade receivables and other financial asset	Life time expected credit loss fully provided for

Life time expected credit loss is provided for trade receivables.

Based on business environment in which the Group operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Group. The Group continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

(₹ in Mn)

Credit rating	Particulars	31 March 2019	31 March 2018
A: Low credit risk	Cash and cash equivalents, other bank balances, loans and other financial assets	710.74	507.47
B: Moderate credit risk	Trade receivables and other financial asset	1,698.20	1,536.71
C: High credit risk	Trade receivables and other financial asset	12.56	9.46

ii) Concentration of trade receivables

The Group's exposure to credit risk for trade receivables is presented as below. Loans and other financial assets majorly represents loans to employees and deposits given for business purposes.

(₹ in Mn)

Particulars	31 March 2019	31 March 2018
Original equipment manufacturer	705.64	627.10
Others	1,003.08	919.07
Total	**1,708.72**	**1,546.17**

b) Credit risk exposure

i) Provision for expected credit losses

The Group provides for 12 month expected credit losses for following financial assets –

As at 31 March 2019 **(₹ in Mn)**

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	469.55	-	469.55
Other bank balances	129.32	-	129.32
Loans	45.54	-	45.54
Other financial assets	68.39	2.05	66.34

As at 31 March 2018 **(₹ in Mn)**

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	245.34	-	245.34
Other bank balances	165.99	-	165.99
Loans	25.72	-	25.72
Other financial assets	70.42	-	70.42

ii) Expected credit loss for trade receivables under simplified approach

As at 31 March 2019 **(₹ in Mn)**

Period	Gross carrying value	Expected credit loss (provision)	Carrying amount (net of impairment)
0 - 90 Days	1,524.18	2.99	1,521.19
90 - 180 Days	139.69	2.80	136.89
180 - 270 Days	30.19	3.30	26.89
270 - 360 Days	4.18	0.42	3.76
More than 360 Days	10.48	6.30	4.18

As at 31 March 2018 **(₹ in Mn)**

Period	Gross carrying value	Expected credit loss (provision)	Carrying amount (net of impairment)
0 - 90 Days	1,409.10	1.23	1,407.87
90 - 180 Days	102.61	3.23	99.38
180 - 270 Days	19.58	1.40	18.18
270 - 360 Days	6.05	0.07	5.98
More than 360 Days	8.84	5.20	3.64

Reconciliation of loss provision – lifetime expected credit losses **(₹ in Mn)**

Reconciliation of loss allowance	Trade receivables	Other financial asset
Loss allowance on 1 Apr 2017	**9.15**	-
Impairment loss recognised/reversed during the year	2.28	-
Amounts written off	(0.30)	-
Loss allowance on 31 March 2018	**11.13**	**-**
Impairment loss recognised/reversed during the year	4.67	2.05
Loss allowance on 31 March 2019	**15.80**	**2.05**

B) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates.

Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities.

(₹ in Mn)

31 March 2019	Less than 1 year	More than 1 year	Total
Borrowings	1,286.50	3,617.41	4,903.91
Trade payable	970.63	-	970.63
'Derivative financial liabilities	2.89	-	2.89
Other financial liabilities	281.79	-	281.79
Total	**2,541.81**	**3,617.41**	**6,159.22**

(₹ in Mn)

31 March 2018	Less than 1 year	More than 1 year	Total
Borrowings	1,006.43	3,482.29	4,488.72
Trade payable	756.78	-	756.78
'Derivative financial liabilities	6.57	-	6.57
Other financial liabilities	260.78	-	260.78
Total	**2,030.56**	**3,482.29**	**5,512.85**

'The Group had access to following funding facilities :

As at 31 March 2019 **(₹ in Mn)**

Funding facilities	Total facility	Drawn	Undrawn
Less than 1 year	1,159.75	927.44	232.31
Above 1 year	-	-	-
Total	**1,159.75**	**927.44**	**232.31**

As at 31 March 2018 **(₹ in Mn)**

Funding facilities	Total facility	Drawn	Undrawn
Less than 1 year	982.99	585.20	397.79
Above 1 year	-	-	-
Total	**982.99**	**585.20**	**397.79**

C) Market risk

i) Foreign exchange risk

The Group has international transactions and is exposed to foreign exchange risk arising from foreign currency transactions (imports and exports). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency. The Group does not hedge its foreign exchange receivables/payables.

ii) Derivative financial instrument

The Group uses derivative instruments as part of its management of exposure to fluctuations in foreign currency exchange rates. The Group does not acquire or issue derivative financial instruments for trading or speculative purposes. The Group does not enter into complex derivative transactions to manage the risks. The derivative transactions are normally in the form of forward contracts and these are subject to the Group guidelines and policies. The fair values of all derivatives are separately recorded in the balance sheet within current financial assets. Derivatives that are designated as hedges are classified as current depending on the maturity of the derivative. The use of derivatives can give rise to credit and market risk. The Group tries to control credit risk as far as possible by only entering into contracts with reputable banks and financial institutions. The use of derivative instruments is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The market risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

a) Fair value hedge

The fair value hedges relate to forward covers taken to hedge currency exposure risks.

The Group uses foreign exchange contracts from time to time to optimize currency risk exposure on its foreign currency transactions. Fair value changes on such forward contracts are recognized in profit or loss.

b) Non-qualifying/economic hedge

The Group enters into derivative contracts which are not designated as hedges for accounting purposes, but provide an economic hedge of a particular transaction risk or a risk component of a transaction. . Fair value changes on such derivative instruments are recognized in profit or loss.

(₹ in Mn)

Derivative financial instruments	31 March 2019	31 March 2018
Current		
Non Qualifying hedges		
Derivative assets	-	0.30
Derivative liability	2.89	6.57
Total	**2.89**	**6.87**

Foreign currency risk exposure: **(₹ in Mn)**

Particulars	Currency	Amount in foreign currency		Amount in ₹	
		31 March 2019	31 March 2018	31 March 2019	31 March 2018
Receivables					
Export trade receivable	USD	4.20	4.26	284.61	271.65
	EURO	0.70	0.66	53.04	52.40
	GBP	0.04	0.04	3.36	3.44
Payables					
Payable for imports and others	USD	(0.13)	(0.60)	(8.84)	(39.83)
	EURO	(0.03)	(0.05)	(2.66)	(4.31)
Foreign currency loans	USD	(11.73)	(12.00)	(828.49)	(802.44)
	USD	(7.16)	(7.56)	(505.38)	(505.66)
Interest on foreign currency loans	USD	(0.08)	(0.13)	(5.32)	(8.84)
	USD	(0.04)	(0.04)	(3.09)	(2.48)

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

(₹ in Mn)

Particulars	Currency	Exchange rate increase by 5%		Exchange rate decrease by 5%	
		31 March 2019	31 March 2018	31 March 2019	31 March 2018
Receivables					
Export trade receivable	USD	14.23	13.58	(14.23)	(13.58)
	EURO	2.65	2.62	(2.65)	(2.62)
	GBP	0.17	0.17	(0.17)	(0.17)
Payables					
Payable for imports and others	USD	0.44	1.99	(0.44)	(1.99)
	EURO	0.13	0.22	(0.13)	(0.22)
Foreign currency loans					
	USD	41.42	40.12	(41.42)	(40.12)
	USD	25.27	25.28	(25.27)	(25.28)
Interest on foreign currency loans					
	USD	0.27	0.44	(0.27)	(0.44)
	USD	0.15	0.12	(0.15)	(0.12)

ii) Interest rate risk

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's variable rate borrowing is subject to interest rate. Below is the overall exposure of the borrowing: **(₹ in Mn)**

Particulars	31 March 2019	31 March 2018
Variable rate borrowing	2,857.42	2,969.50
Fixed rate borrowing	1,543.92	686.62
Total borrowings	**4,401.34**	**3,656.12**

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

(₹ in Mn)

Particulars	31 March 2019	31 March 2018
Interest rates – increase by 50 basis points	14.29	(14.85)
Interest rates – decrease by 50 basis points	(14.29)	14.85

iii) Price risk

The Group's exposure to price risk arises from investments held and classified as FVOCI/ FVTPL. To manage the price risk arising from investments, the Group diversifies its portfolio of assets.

Sensitivity analysis

Profit or loss and equity is sensitive to higher/lower prices of instruments on the Group's profit for the year - **(₹ in Mn)**

Particulars	31 March 2019	31 March 2018
Price sensitivity		
Price increase by (5%) - FVOCI*	0.03	0.03
Price decrease by (5%) - FVOCI	(0.03)	(0.03)
Price increase by (5%) - FVTPL	0.14	0.34
Price decrease by (5%) - FVTPL	(0.14)	(0.34)

'* For sensitivity analysis in equity investment in shares of Altigreen, refer note 35 A, level 3 disclosure.

Note - 36

Disclosures as per Indian Accounting Standard (Ind AS) 108 “Operating Segments”

a) Operating segments

Management currently identifies the Group’s two service areas as its operating segments as follows:

India

Canada

b) Segment revenue and expenses

Revenue and expenses directly attributable to the segment is considered as ‘Segment Revenue and Segment Expenses’.

c) Segment assets and liabilities

Segment assets and liabilities include the respective directly identifiable to each of the segments.

These operating segments are monitored by the chief operating decision maker and strategic decisions are made on the basis of segment operating results. Segment performance is evaluated based on the profit of each segment.

The following tables present revenue and profit information and certain asset and liability information regarding the reportable segments for the years ended 31 March 2019 and 31 March 2018.

(₹ in Mn)

Particulars	**India**		**Canada**		**Others**		**Total**	
	31 March 2019	**31 March 2018**	**31 March 2019**	**31 March 2018**	**31 March 2019**	**31 March 2018**	**31 March 2019**	**31 March 2018**
Revenue								
Sales to external customers	6,257.07	5,247.19	2,490.90	2,048.93	226.08	153.98	8,974.05	7,450.10
Inter-segment sale	(77.55)	(7.18)	-	-	-	-	(77.55)	(7.18)
Segment revenue	**6,179.52**	**5,240.01**	**2,490.90**	**2,048.93**	**226.08**	**153.98**	**8,896.50**	**7,442.92**
Interest revenue	35.11	5.09	1.17	1.43	-	-	36.28	6.52
Interest expense	143.57	90.57	105.80	144.43	-	0.12	249.37	235.12
Depreciation and amortisation	270.80	262.98	141.59	126.67	9.51	4.60	421.90	394.25
Reversal of provisions	21.87	61.04	-	-	-	-	21.87	61.04
Dividend revenue	-	0.01	-	-	-	-	-	0.01
Disposals of property, plant and equipment	91.42	3.65	-	(6.45)	-	-	91.42	(2.80)
Segment result (profit before tax)	**531.21**	**470.69**	**34.84**	**31.54**	**19.22**	**12.95**	**585.27**	**515.18**
Income tax expense	176.38	164.75	53.10	8.00	-	-	229.48	172.75
Segment assets	**4,772.32**	**3,657.58**	**3,336.20**	**3,206.28**	**567.53**	**477.77**	**8,676.05**	**7,341.63**
Segment liabilities	**3,643.59**	**2,803.15**	**1,954.01**	**1,802.94**	**361.04**	**327.17**	**5,958.64**	**4,933.26**
Additions to non-current assets other than financial instruments, deferred tax assets, net defined benefit assets.	556.65	277.59	247.13	371.26	-	0.87	803.78	649.72

Information about major customer

During the year ended 31 March 2019 revenue of approximately 63.49% are derived from three external customers (previous year: 66.93% are derived from three external customers).

Note - 37

Related party disclosures

List of related parties and relationships

i) Parties where control exists:

Subsidiary Company:

(a) 2545887 Ontario Inc., Canada

Step down subsidiaries:

(i) The Hi-Tech Gears Canada Inc.
(ii) Teutech Holding Corporation, USA
(iii) Teutech LLC, USA
(iv) Teutech Leasing Corporation, USA
(v) 2504584 Ontario Inc., Canada
(vi) 2323532 Ontario Inc., Canada

(b) Neo Tech Auto Systems Inc., USA

(C) Neo Tech Smart Solutions Inc., Canada

Key Management Personnel (KMP) and their Relatives

(i) Mr. Deep Kapuria (Executive Chairman and Whole Time Director)
(ii) Mr. Pranav Kapuria (Managing Director)
(iii) Mr. Anuj Kapuria (Whole Time Director)
(iv) Mr. Sandeep Dinodia (Independent Director)
(v) Mr. Anil Kumar Khanna (Independent Director)
(vi) Mr. Krishna Chandra Verma (Independent Director)
(vii) Ms. Malini Sud (Independent Director)
(viii) Mr. Prosad Dasgupta (Independent Director)
(ix) Mr. Vinit Taneja (Independent Director)
(x) Mr. Ramesh Chandra Jain (Non Executive Director)
(xi) Mr. Bidadi Anjani Kumar (Non Executive Director)
(xii) Mr. Anant Jaivant Talaulicar (Non Executive Director)
(xiii) Mr. Dinesh Chand Sharma (Chief Financial Officer)*
(xiv) Mr. Shital Kumar Khatri (Company Secretary)
(xv) Mr. Vijay Mathur (Chief Financial Officer)*

** Mr. Dinesh Chand Sharma has been appointed(from 25/02/2019) as Chief Financial Officer in place of Mr. Vijay Mathur(till 22/02/2019)*

Enterprises over which key management personnel and relatives of such personnel exercise significant influence with whom transactions has been undertaken:-

(i) Aquarian Fibrecement Private Limited
(ii) Vulcan Electro Controls Limited
(iii) The Hi-Tech Robotic Systemz Limited
(iv) The Hi-Tech Engineering Systems Private Limited

(a) Transactions with related parties carried out in the ordinary course of business: **(₹ in Mn.)**

S. No	Particulars	Year	Related Parties					Total
			Enterprise over which Key Management personnel and their relatives exercise significant influence				Key Management Personnel and its relatives	
			Aquarian Fibrecement Private Limited	Vulcan Electro Controls Limited	The Hi-Tech Engineering Systems Private Limited	The Hi-Tech Robotic Systemz Limited		
1	Purchase of goods	31 March 2019	-	1,358.50	329.05	7.51	-	**1,695.06**
		31 March 2018	-	925.79	301.17	-	-	**1,226.96**
2	Sale of goods	31 March 2019	-	1.68	117.94	-	-	**119.62**
		31 March 2018	-	0.06	78.13	-	-	**78.19**
3	Rendering of job work/services	31 March 2019	-	4.55	3.54	-	-	**8.09**
		31 March 2018	-	5.50	7.64	-	-	**13.14**
4	Sale of assets	31 March 2019	-	1.00	-	-	-	**1.00**
		31 March 2018	-	1.04	0.10	-	-	**1.14**
5	Purchase of asset	31 March 2019	-	-	-	-	-	**-**
		31 March 2018	-	-	-	4.41	-	**4.41**
6	Receiving of job work/services	31 March 2019	-	173.31	-	46.20		**219.51**
		31 March 2018	-	186.87	-	45.11	-	**231.98**
7	Leasing or hire purchase arrangements	31 March 2019	18.00	-	-	-	-	**18.00**
		31 March 2018	18.00	-	-	-	-	**18.00**
8	Remuneration paid*	31 March 2019	-	-	-		70.02	**70.02**
		31 March 2018	-	-	-	-	71.66	**71.66**
9	Sitting fees	31 March 2019	-	-	-		0.69	**0.69**
		31 March 2018	-	-	-	-	0.57	**0.57**
10	Re-imbursement paid	31 March 2019	-	4.40	-	-	-	**4.40**
		31 March 2018	-	0.20	-	-	-	**0.20**
11	Re-imbursement received	31 March 2019	-	0.24	1.17	-	-	**1.41**
		31 March 2018	-	1.38	1.83	0.92	-	**4.13**

***The remuneration of Key Managerial Personnel included in various schedules to statement of profit and loss is as under:**

(₹ in Mn.)

Particulars*	**31 March 2019**	**31 March 2018**
Short term employee benefits	68.35	69.65
Defined contribution plan	1.67	1.52

* Does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for all the employees together.

(b) Closing balance with related parties in the ordinary course of business : (₹ in Mn.)

S. No	Particulars	Year	Related Parties					Total
			Enterprise over which Key Management personnel and their relatives exercise significant influence				Key Management Personnel and its relatives	
			Aquarian Fibrecement Private Limited	Vulcan Electro Controls Limited	The Hi-Tech Engineering Systems Private Limited	The Hi-Tech Robotic Systemz Limited		
1	Trade receivable	31 March 2019	-	-	-	-	-	**-**
		31 March 2018	-	-	-	-	-	**-**
2	Trade payable	31 March 2019	1.62	64.42	72.12	5.46	-	**143.62**
		31 March 2018	-	64.99	110.87	1.79	-	**177.65**
3	Other payable	31 March 2019	-	-	-	-	20.07	**20.07**
		31 March 2018	-	-	-	-	28.45	**28.45**

Note - 38

Interest in other entities

The Group's subsidiaries at 31 March 2019 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group.

Name of entity	Country of incorporation	Functional currency	Ownership interest held by the Group		Principal activities
			31 March 2019	31 March 2018	
2545887 Ontario Inc	Canada	CAD	100%	100%	Asset ownership, real estate.
Neo-Tech Auto System Inc.	USA	USD	100%	100%	Manufacturing and sales of auto components.
The Hi-Tech Gears Canada Inc.	Canada	CAD	100%	100%	Manufacturing and sales of automotive parts/ components.
Teutech Holding Corporation	USA	USD	100%	100%	Asset ownership.
Teutech LLC	USA	USD	100%	100%	Machining and job work of automotive components.
Teutech Leasing Corporation	USA	USD	100%	100%	Asset ownership, real estate.
2504584 Ontario Inc	Canada	CAD	100%	100%	Real estate.
Neo-Tech Smart Solutions Inc.	Canada	CAD	100%	NA	Manufacturing and sales of General Engineering, Industrial Components and Automotive Industry.
2323532 Ontario Inc	Canada	CAD	100%	100%	Asset ownership, real estate.

Note - 39

Capital management

The Group's objectives when managing capital are to:

- To ensure Group's ability to continue as a going concern, and

- To provide adequate return to shareholders

Management assesses the capital requirements in order to maintain an efficient overall financing structure. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Group manages its capital requirements by overseeing the following ratios -

(₹ in Mn)

Particulars	31 March 2019	31 March 2018
Net debt*	3,950.92	3,427.16
Total equity	2,717.38	2,408.37
Net debt to equity ratio	**1.45**	**1.42**

**Net debt = non-current borrowings + current borrowings + current maturities of non-current borrowings + interest accrued - cash and cash equivalents*

Note - 40

Contingent liabilities and commitments

(to the extent not provided for)

A *Contingent liabilities*

1) Details of bank guarantees are as under:- **(₹ in Mn.)**

S. No	Name of the beneficiary	31 March 2019	31 March 2018
1	Dy. Commissioner Customs Export, Tughlakabad, Delhi	0.15	0.15
2	Deputy Commissioner of Customs	1.18	1.18
3	The President of India (Through Asstt./Dy Commissioner of Customs)	0.06	0.06
4	Commissioner of Custom	0.03	0.03
5	Dy. Commissioner Customs Export	0.13	0.13
6	The President of India (Through Asstt./Dy Commissioner of Customs)	0.48	0.48
7	The Assessing Authority Sales Tax Department, Haryana	0.05	0.05
8	Deputy Commissioner of Customs	0.84	0.84
9	The Assessing Authority Sales Tax Department, Haryana	0.05	0.05
10	GST Gurgaon	-	1.00
	Total	**2.97**	**3.97**

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

(₹ in Mn)

S. No	Particulars	Period to which the amount relates	31 March 2019	31 March 2018
1	Income Tax Act, 1961 (Income Tax Appellate Tribunal)	Assessment year 2008-09	-	0.26
2	Income Tax Act, 1961 (Deputy Commissioner of Income Tax (Appeals), Delhi)	Assessment year 2012-13	0.23	0.35
3	Income Tax Act, 1961 (Income Tax Appellate Tribunal, Delhi)	Assessment year 2010-11	2.54	2.54
4	Income Tax Act, 1961 (Commissioner of Income Tax (Appeals), Delhi-4)	Assessment Year 2012-13	0.23	-
5	Income Tax Act, 1961 (Commissioner of Income Tax (Appeals), Delhi-4)	Assessment Year 2016-17	0.60	-
6	Income Tax Act, 1961 (Assistant Commissioner of Income Tax (TDS))	Assessment Year 2019-20	0.08	-
	Total		**3.68**	**3.15**

Statutory demands for which show - cause notice issued to the Group: **(₹ in Mn)**

S. No	Particulars	Period to which the amount relates	31 March 2019	31 March 2018
1	Central Excise Act, 1944 (Additional Commissioner, Central Excise, Gurgaon, Haryana)	April 2005 to March 2018	1.04	1.04
2	Central Excise Act, 1944 (Additional Commissioner, Central Excise, Gurgaon, Haryana)	August 2014 to July 2015	2.02	2.02
3	Central Excise Act, 1944 (Additional Commissioner, Central Excise, Gurgaon, Haryana)	August 2015 to February 2017	3.62	3.62
4	Central Excise Act, 1944 (Deputy Commissioner, CGST, Gurugram, Haryana)	March 2017 to June 2017	1.60	-
	Total		**8.28**	**6.68**

3) There are five legal cases filed by past employees against the Company for re-instatement/settlement of their dues/remuneration related matters. Out of the aforesaid five cases, four cases are pending at various stages at Camp Court, Bhiwadi, Rajasthan and one case is pending at District Court, Gurgaon, Haryana. The financial impact of these cases, if any, is not identifiable and hence the same has not been provided in the financial statements of the Company.

B *Commitments (Net of Advance):*

Estimated amount of contracts remaining to be executed on capital accounts ₹ 589.08 Mn net of advances (Previous years: 31 March 2018: ₹ 101.92 Mn).

Note - 41

Dividends

A The Board of directors at their meeting held on 27 May 2019 has proposed a final dividend of ₹ 2 per share for financial year 31 March 2019 (previous year: ₹ 2.00 per share) subject to approval of shareholders in annual general meeting. The above is in addition to an interim dividend of ₹ 1.5 per share for financial year 31 March 2019 (previous year ₹ 1.5 per share) declared and already paid.

B Dividend declared and paid in earlier years are as follows –

(₹ in Mn.)

Particulars	31 March 2019	31 March 2018
Interim dividend (including dividend tax)	33.94	33.88
Final dividend (including dividend tax)	45.25	28.24

Note - 42

Leases disclosure as lessee

Operating leases

The Group 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:

(₹ in Mn)

Particulars	31 March 2019	31 March 2018
Within one year	20.63	18.00
Later than one year but not later than five years	63.00	9.00
Later than five years	-	-

Finance leases

The Group's had taken solar power plant on finance lease. The Group's obligations under finance leases are secured by the lessor's title to the leased assets. Future minimum lease payments under finance lease are, as follows:

(₹ in Mn)

Particulars	31 March 2019	31 March 2018
Within one year	2.75	6.59
Later than one year but not later than five years	10.71	13.46
Later than five years	13.37	13.37

(₹ in Mn)

Particulars	31 March 2019	31 March 2018
Within one year	2.45	6.39
Later than one year but not later than five years	8.17	10.62
Later than five years	7.16	7.16
Amounts representing finance charges	**9.05**	**9.25**

Note - 43

Employee benefits

A ***Compensated absences - earned leave***

Risk

Salary Increases	Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment Risk	If plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount Rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality and disability	Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

i) Amounts recognized in the consolidated balance sheet **(₹ in Mn)**

Particulars	31 March 2019	31 March 2018
Present value of the obligation at end	52.99	38.65
Fair value of plan assets	-	-
Net obligation recognised in balance sheet as provision	52.99	38.65
Current liability (amount due within one year)	**6.67**	**5.22**
Non-current liability (amount due over one year)	**46.32**	**33.43**

ii) Expenses recognized in consolidated statement of profit and loss **(₹ in Mn)**

Particulars	31 March 2019	31 March 2018
Current service cost	15.99	7.93
Interest cost	2.99	2.83
Actuarial (gain)/loss net on account of:		
Changes in demographic assumptions	-	-
Changes in financial assumptions	1.77	(1.48)
Changes in experience adjustment	3.77	0.70
Cost recognised during the year	**24.52**	**9.98**

iii) Movement in the liability recognized in the consolidated balance sheet is as under: **(₹ in Mn)**

Particulars	31 March 2019	31 March 2018
Present value of defined benefit obligation at the beginning of the year	38.65	38.36
Current service cost	15.99	7.93
Interest cost	2.99	2.83
Actuarial (gain)/loss net	5.54	(0.78)
Benefits paid	(10.18)	(9.69)
Present value of defined benefit obligation at the end of the year	**52.99**	**38.65**

iv) (a) For determination of the liability of the Group the following actuarial assumptions were used:

Particulars	31 March 2019	31 March 2018
Discount rate	7.66%	7.37%
Salary escalation rate	9.25%	9.00%
Retirement Age (years)	58.00	58.00
Ages	**Withdrawal rate (%)**	
Up to 30 Years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%
Leave		
Leave availment rate	5.00%	5.00%
Leave lapse rate while in service	-	-
Leave lapse rate on exit	-	-
Leave encashment rate while in service	5.00%	5.00%

Mortality rates inclusive of provision for disability -100% of IALM (2006 – 08)

iv) (b) Maturity Profile of defined benefit obligation **(₹ in Mn)**

Particulars	31 March 2019	31 March 2018
0 to 1 year	6.67	5.22
1 to 2 year	1.57	1.86
2 to 3 year	2.02	0.96
3 to 4 year	1.60	1.39
4 to 5 year	1.56	1.20
5 to 6 year	3.09	1.58
6 year onwards	36.47	26.45

v) Sensitivity analysis for compensated absences liability **(₹ in Mn)**

Particulars	31 March 2019	31 March 2018
a) Impact of the change in discount rate		
Present value of obligation at the end of the year	52.99	38.65
Impact due to increase of 0.50 %	(2.76)	(1.91)
Impact due to decrease of 0.50 %	3.00	2.08
b) Impact of the change in salary increase		
Present value of obligation at the end of the year	52.99	38.65
Impact due to increase of 0.50 %	2.94	2.04
Impact due to decrease of 0.50 %	(2.73)	(1.90)

Sensitivities due to mortality and withdrawals are not material. Hence impact of change is not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

B *Gratuity*

Risk

Salary Increases	Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment Risk	If plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount Rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality & disability	Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

i) Amounts recognized in the consolidated balance sheet **(₹ in Mn)**

Particulars	31 March 2019	31 March 2018
Present value of the obligation	137.14	122.12
Fair value of plan assets	135.82	120.68
Net obligation recognised in balance sheet as provision	(1.32)	1.44
Current liability (amount due within one year)	(1.32)	1.44
Non-current liability (amount due over one year)	-	-

ii) Expenses recognized in other comprehensive income **(₹ in Mn)**

Particulars	31 March 2019	31 March 2018
Actuarial gains/(loss) on asset	(0.02)	(7.33)
Actuarial gains/(loss) on PBO	2.54	11.92
Expenses recognized in other comprehensive income	2.52	4.59

iii) Actuarial (gain)/loss on obligation **(₹ in Mn)**

Particulars	31 March 2019	31 March 2018
Actuarial (gain)/loss net on account of:		
- Changes in demographic assumptions	-	-
- Changes in financial assumptions	3.31	(3.83)
- Changes in experience adjustment	(5.85)	(8.09)

iv) Expenses recognized in consolidated statement of profit and loss **(₹ in Mn)**

Particulars	31 March 2019	31 March 2018
Current service cost	12.46	12.37
Interest cost	(0.53)	0.15
Cost recognised during the year	**11.93**	**12.52**

v) Major categories of plan assets (as percentage of total plan assets)

Particulars	31 March 2019	31 March 2018
Funds managed by insurer	100%	100%
Total	**100%**	**100%**

vi) Change in plan assets is as under: **(₹ in Mn)**

Particulars	31 March 2019	31 March 2018
Fair value of plan assets at the beginning of the period	120.68	115.66
Difference in Opening Fund	8.34	-
Actual return on plan assets	9.95	1.20
Employer contribution	1.44	8.73
Fund management charges	(0.25)	(0.23)
Benefits paid	(4.34)	(4.68)
Present value of defined benefit obligation at the end of the year	**135.82**	**120.68**

vii) Movement in the liability recognised in the consolidated balance sheet is as under: **(₹ in Mn)**

Particulars	31 March 2019	31 March 2018
Present value of defined benefit obligation at the beginning of the year	122.12	117.68
Current service cost	12.46	10.12
Past service cost	-	2.25
Interest cost	9.44	8.67
Actuarial (gain)/loss net	(2.54)	(11.92)
Benefits paid	(4.34)	(4.68)
Present value of defined benefit obligation at the end of the year	**137.14**	**122.12**

viii) (a) For determination of the liability of the Group the following actuarial assumptions were used:

Particulars	31 March 2019	31 March 2018
Discount rate	7.66%	7.73%
Salary escalation rate	9.25%	9.00%
Retirement Age (Years)	58.00	58.00
Withdrawal rate		
Up to 30 Years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%
Weighted average duration of PBO	14.24	13.68

Mortality rates inclusive of provision for disability -100% of IALM (2006 – 08)

viii) (b) Maturity profile of defined benefit obligation: **(₹ in Mn)**

Particulars	31 March 2019	31 March 2018
0 to 1 year	16.78	144.31
1 to 2 year	1.87	17.38
2 to 3 year	1.97	18.15
3 to 4 year	2.35	29.32
4 to 5 year	2.02	21.39
5 to 6 year	2.31	24.54
6 year onwards	109.83	966.10

viii) Sensitivity analysis for compensated absences liability **(₹ in Mn)**

Particulars	31 March 2019	31 March 2018
a) Impact of the change in discount rate		
Present value of obligation at the end of the year	137.14	122.12
Impact due to increase of 0.50 %	(5.49)	(5.06)
Impact due to decrease of 0.50 %	5.88	5.42
b) Impact of the change in salary increase		
Present value of obligation at the end of the year	137.14	122.12
Impact due to increase of 0.50 %	5.47	5.17
Impact due to decrease of 0.50 %	(5.24)	(4.88)

Sensitivities due to mortality and withdrawals are not material. Hence impact of change is not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

Note - 44

Disclosure under Ind AS - 37 "Provisions, Contingent Liabilities and Contingent Assets": Movements in each class of provision during the financial year, are set out below:

(₹ in Mn.)

Particulars	Provision on rate differences*
As at 01 April 2017	**24.28**
Amounts used during the year	3.51
As at 31 March 2018	**27.80**
Additional provision recognised	-
As at 31 March 2019	**27.80**

*This provision reflects the amount that could be payable on account of foreign exchange adjustment on export.

Note - 45

Research and development expenditure includes employee benefits expenses amounting to ₹ 16.14 Mn (31 March 2018: ₹ 15.12 Mn), material consumed amounting to ₹ 1.40 Mn (31 March 2018: ₹ 0.99 Mn) and stores and spares consumed of ₹ 8.46 Mn (31 March 2018: ₹ 6.02 Mn).

Note - 46

New standards adopted - Revenue from Contracts with Customers

Indian Accounting Standard 115 Revenue from Contracts with Customers (“Ind AS 115”), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:

(i) Identify the contract(s) with customer;
(ii) Identify separate performance obligations in the contract;
(iii) Determine the transaction price;
(iv) Allocate the transaction price to the performance obligations; and
(v) Recognise revenue when a performance obligation is satisfied.

The Company has adopted the standard on 1 April 2018 using modified retrospective approach with a cumulative catch-up adjustment made in retained earnings at the beginning of the current financial year, i.e., 1 April 2018 as if the standard had always been in effect. The standard is applied only to contracts that are not completed as at 1 April 2018. Comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods. The adoption of the new standard did not result in any adjustments to the Company’s revenue or net income.

Significant changes in contract assets and liabilities

There has been no significant changes in contact assets/contract liabilities during the year.

Revenue recognised in relation to contract liabilities

Ind AS 115 also requires disclosure of major changes on account of revenue recognised in the reporting period from the contract liability balance at the beginning of the period and other changes, as summarised below:

(₹ in Mn)

Description	**Year ended 31 March 2019**
Contract liabilities at the beginning of the year	62.66
Less: performance obligations satisfied in current year	(17.58)
Add: advance received during the year.	5.17
	50.25

Disaggregation of revenue

Revenue arises mainly from the sale of manufactured and traded goods, sale of software, and job work services.

(₹ in Mn)

Description	**Year ended 31 March 2019**
Sale of goods	9,123.34
Sale of softwares	5.76
Job work	8.12
	9,137.22

(₹ in Mn)

Description	**Year ended 31 March 2019**
America	2,745.86
India	4,568.31
Others	2,030.15
	9,344.32

Reconcile the amount of revenue recognised in the statement of profit and loss with the contracted price

Description	**Year ended 31 March 2019**
Revenue recognised during the year	9,359.21
Less: Discount, rebates, credits etc.	(14.89)
Add/Less: Any adjustment during the year	-
Revenue as per the contact	**9,344.32**

Assets and liabilities related to contracts with customers **(₹ in Mn)**

Description	As at 31 March 2019		As at 31 March 2018	
	Non-current	Current	Non-current	Current
Contract assets related to sale of service				
Trade receivables	-	1,692.91	-	1,535.04
Contract liabilities related to sale of service				
Advance from customers	-	50.25	-	62.66
Deferred income	-	23.13	-	36.74

Note - 47

Other matters

(i) 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 consolidated balance sheet, if realized in the ordinary course of business.

(ii) 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 - 48

Notes to the consolidated financial statements for the year ended 31 March 2019

FORM AOC -1

Pursuant to first proviso to sub- section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014. Statement containing salient features of the financial statement of subsidiaries

Part - "A" : Subsidiaries

(₹ in Mn)

S. No	Name of Subsidiary	2545887 Ontario Inc. ('254')	2504584 Ontario Inc. ('250')	2323532 Ontario Inc. ('232')	The Hi-Tech Gears Canada Inc (Formerly known as Teutech Industries Inc.) ('Teutech')	Teutech Holding Corp. ('Teutech Holding')	Teutech Leasing Corporation	Teutech LLC	Neo-Tech Auto Systemz, Inc.	Neo-Tech Smart Solutions Inc.
1	Reporting period	April 18 to March 19	April 18 to March 19	April 18 to March 19	April 18 to March 19	April 18 to March 19	April 18 to March 19	April 18 to March 19	April 18 to March 19	April 18 to March 19
2	Reporting currency	CAD	CAD	CAD	CAD	USD	USD	USD	USD	CAD
3	Exchange rate	Rs 51.5/CAD for BS Rs 50.98/CAD for PL	Rs 51.5/CAD for BS Rs 50.98/CAD for PL	Rs 51.5/CAD for BS Rs 50.98/CAD for PL	Rs 51.5/CAD for BS Rs 50.98/CAD for PL	CAD 1.34/USD and then Rs 51.5/CAD for BS Rs 50.98/CAD for PL	CAD 1.34/USD and then Rs 51.5/ CAD for BS Rs 50.98/CAD for PL	CAD 1.34/USD and then Rs 51.5/ CAD for BS Rs 50.98/CAD for PL	Rs 69.21/USD for BS Rs 67.08/USD for PL	Rs 51.5/CAD for BS Rs 50.98/CAD for PL
4	Share Capital	1,534.55	0.01	0.01	2,456.99	162.03	0.00	-	0.64	13.78
5	Reserves & Surplus	(182.88)	-	57.32	(874.53)	163.53	(6.40)	(112.67)	(0.06)	(24.05)
6	Total Liabilities	1,746.34	-	102.85	633.00	-	116.05	243.77	-	22.36
7	Total Assets	3,098.01	0.01	160.18	2,215.46	325.56	109.65	131.10	0.58	12.09
8	Investments	2,619.96	0.01	-	162.03	-	-	-	-	-
9	Turnover	35.72	-	29.95	2,514.45	-	32.58	226.10	-	7.57
10	Profit/(Loss) before Taxation	(73.63)	-	25.78	157.64	(0.03)	26.89	25.04	(0.03)	(23.22)
11	Provision for Taxation	-	-	6.99	63.05	-	4.43	-	-	-
12	Profit/(Loss) after Taxation	(73.63)	-	18.79	94.59	(0.03)	22.46	25.04	(0.03)	(23.22)
13	Proposed dividend	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
14	% of shareholding	100%	100% (step down subsidiary)	100% (step down subsidiary)	100% (step down subsidiary)	100% (step down subsidiary)	100% (step down subsidiary)	100% (step down subsidiary)	100%	100%

Comparative period 17-18

S. No	Name of Subsidiary	2545887 Ontario Inc. ('254')	2504584 Ontario Inc. ('250')	2323532 Ontario Inc. ('232')	The Hi-Tech Gears Canada Inc (Formerly known as Teutech Industries Inc.) ('Teutech')	Teutech Holding Corp. ('Teutech Holding')	Teutech Leasing Corporation	Teutech LLC	Neo-Tech Auto Systemz, Inc.
1	Reporting period	April 17 to March 18	April 17 to March 18	April 17 to March 18	April 17 to March 18	April 17 to March 18	April 17 to March 18	April 17 to March 18	April 17 to March 18
2	Reporting currency	CAD	CAD	CAD	CAD	USD	USD	USD	USD
3	Exchange rate	Rs 50.46/CAD for BS Rs 49.52/CAD for PL	Rs 50.46/CAD for BS Rs 49.52/CAD for PL	Rs 50.46/CAD for BS Rs 49.52/CAD for PL	Rs 50.46/CAD for BS Rs 49.52/CAD for PL	CAD 1.29/USD and then Rs 50.46/CAD for BS Rs 49.52/CAD for PL	CAD 1.29/USD and then Rs 50.46/CAD for BS Rs 49.52/CAD for PL	CAD 1.29/USD and then Rs 50.46/CAD for BS	Rs 64.29/USD for BS Rs 64.88/USD for PL
4	Share capital	1,534.55	0.01	0.01	2,407.37	158.76	0.00	-	0.64
5	Reserves & surplus	(137.79)	-	37.56	(962.77)	149.31	(27.53)	(129.93)	(0.06)
6	Total assets	3,143.73	0.01	160.01	1,927.05	308.07	110.94	58.77	-
7	Total liabilities	1,746.97	-	122.44	482.45	-	138.47	188.70	-
8	Investments	2,567.05	0.01	-	158.76	-	-	-	-
9	Turnover	32.47	-	31.20	2,132.42	-	35.60	154.00	-
10	Profit/(loss) before taxation	(92.68)	-	27.59	168.58	(0.01)	30.81	17.83	(0.02)
11	Provision for taxation	(0.62)	-	7.31	14.25	-	1.46	-	-
12	Profit/(loss) after taxation	(92.06)	-	20.28	154.33	(0.01)	29.35	17.83	(0.02)
13	Proposed dividend	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
14	% of shareholding	100%	100% (step down subsidiary)	100% (step down subsidiary)	100% (step down subsidiary)	100% (step down subsidiary)	100% (step down subsidiary)	100% (step down subsidiary)	100%

Notes:

a) Subsidiary Company(ies) do not have any investment in the Holding Company.

b) Though, the reporting period is different from the Holding Company, however the consolidated financials statements have been drawn as per the financial year of the Holding Company.

c) There are no associate or joint venture of the Holding Company, hence Part - B of AOC - 1 is not applicable.

Note - 49

Additional information in pursuant to Schedule III of the Companies Act, 2013

S. No	Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
		% of consolidated net assets	Amount (₹ in Mn)	% of consolidated net assets	Amount (₹ in Mn)	% of consolidated OCI	Amount (₹ in Mn)	% of consolidated total OCI	Amount (₹ in Mn)
1	**Parent**	98.69%	2,681.78	99.73%	354.83	5.50%	1.78	91.86%	356.61
2	**Subsidiaries**								
	2545887 Ontario Inc.	-10.47%	(284.52)	-20.69%	(73.63)	84.53%	27.41	-11.91%	(46.22)
	The Hi-Tech Gears Canada Inc.	10.02%	272.29	8.88%	31.58	0.00%	-	8.14%	31.58
	Teutech Holding Corporation	0.20%	5.37	-0.01%	(0.04)	25.07%	8.13	2.08%	8.09
	Teutech LLC	1.18%	31.97	7.04%	25.04	-11.94%	(3.87)	5.45%	21.17
	Teutech Leasing Corporation	0.92%	25.06	6.31%	22.46	-0.70%	(0.23)	5.73%	22.24
	2504584 Ontario Inc	0.00%	-	0.00%	-	0.00%	-	0.00%	-
	2323532 Ontario Inc	0.35%	9.54	5.28%	18.78	0.00%	-	4.84%	18.78
	Neo-Tech Smart Solutions Inc., Canada	-0.89%	(24.11)	-6.52%	(23.21)	-2.59%	(0.84)	-6.19%	(24.05)
	Neo-Tech Auto System, Inc., USA	0.00%	0.00	-0.01%	(0.03)	0.11%	0.04	0.00%	0.00
	Total	**100%**	**2,717.38**	**100%**	**355.78**	**100%**	**32.42**	**100%**	**388.20**

Comparative period 17-18

S. No	Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
		% of consolidated net assets	Amount (₹ in Mn)	% of consolidated net assets	Amount (₹ in Mn)	% of consolidated OCI	Amount (₹ in Mn)	% of consolidated total OCI	Amount (₹ in Mn)
1	**Parent**	99.83%	2,404.36	93.19%	319.12	2.60%	2.95	70.66%	322.07
2	**Subsidiaries**								
	2545887 Ontario Inc.	-9.89%	(238.30)	-57.73%	(197.68)	98.03%	111.16	-18.98%	(86.53)
	The Hi-Tech Gears Canada Inc.	9.99%	240.71	63.70%	218.13	-0.05%	(0.06)	47.84%	218.08
	Teutech Holding Corporation	-0.11%	(2.72)	0.00%	(0.01)	-2.61%	(2.96)	-0.65%	(2.97)
	Teutech LLC	0.45%	10.80	2.49%	8.54	1.36%	1.54	2.21%	10.07
	Teutech Leasing Corporation	0.12%	2.82	0.78%	2.68	0.66%	0.75	0.75%	3.43
	2504584 Ontario Inc	0.00%	-	0.00%	-	0.00%	-	0.00%	-
	2323532 Ontario Inc	-0.38%	(9.24)	-2.43%	(8.32)	0.00%	-	-1.83%	(8.32)
	Neo-Tech Auto System, Inc., USA	0.00%	(0.06)	0.00%	(0.02)	0.01%	0.01	0.00%	(0.01)
	Total	**100.00%**	**2,408.37**	**100.00%**	**342.44**	**99.99%**	**113.39**	**100.00%**	**455.82**

For O. P. Dadu & Co.
Chartered Accountants
Firm Registration No. 001201N

For and on behalf of
The Hi-Tech Gears Limited

CA. Amit Gupta
Partner
Membership No. 094202

Deep Kapuria
Executive Chairman
DIN 00006185

Pranav Kapuria
Managing Director
DIN 00006195

Place: New Delhi
Date: 27 May 2019

Dinesh Chand Sharma
Chief Financial Officer

S. K. Khatri
Company Secretary

NOTICE

NOTICE is hereby given that the Thirty Third Annual General Meeting of the Members of The Hi-Tech Gears Limited will be held on Friday, 27th September, 2019 at 11.00 A.M at the registered office of the Company at Plot No. 24-26, Sector-7, IMT Manesar, Gurgaon-122050, Haryana to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2019, together with the Report of the Directors' and Auditors' thereon.
2. To confirm the payment of Interim Dividend and to declare the Final Dividend on equity shares for the financial year 2018-19.
3. To appoint a director in place of Mr. Anuj Kapuria (DIN-00006366), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. **Re-appointment of Mr. Sandeep Dinodia (DIN-00005395) as an Independent 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 the provision of section 149, 152 and any other applicable provisions of Companies Act, 2013 ("the Act") read with the Companies (Appointment & Qualification of Directors) Rules, 2014 & Schedule IV of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Sandeep Dinodia (DIN – 00005395), who was appointed as Independent Director in 28th Annual General Meeting and who is eligible for re-appointment for another term of five years and who meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI Listing Regulations and in respect of whom the Company has received a notice in writing under section 160 of the Act, from a member proposing his candidature for the office of Director be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for another term of five consecutive years effective from September 18, 2019 till the date of 38th Annual General Meeting.

   RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed proper and expedient to give effect to this resolution, including necessary documentations such as issuance of appointment letter detailing the terms & conditions, duties & responsibilities be issued by the Board of Directors (including a duly constituted Committee), filing of necessary returns/forms to the appropriate authorities."

5. **Re-appointment of Mr. Anil Kumar Khanna (DIN – 00207839) as an Independent 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 the provision of section 149, 152 and any other applicable provisions of Companies Act, 2013 ("the Act") read with the Companies (Appointment & Qualification of Directors) Rules, 2014 & Schedule IV of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Anil Kumar Khanna (DIN – 00207839), who was appointed as Independent Director in 28th Annual General Meeting and who is eligible for re-appointment for another term of five years and who meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI Listing Regulations and in respect of whom the Company has received a notice in writing under section 160 of the Act, from a member proposing his candidature for the office of Director be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for another term of five consecutive years effective from September 18, 2019 till the date of 38th Annual General Meeting.

   RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed proper and expedient to give effect to this Resolution, including necessary documentations such as issuance of appointment letter detailing the terms & conditions, duties & responsibilities be issued by the Board of Directors (including a duly constituted Committee), filing of necessary returns/forms to the appropriate authorities."

6. **Re-appointment of Ms. Malini Sud (DIN: 01297943) as an Independent 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 the provision of section 149, 152 and any other applicable provisions of Companies Act, 2013 ("the Act") read with the Companies (Appointment & Qualification of Directors) Rules, 2014 & Schedule IV of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms. Malini Sud (DIN: 01297943), who holds the office as Independent Director upto February 11, 2020 and who is eligible for re-appointment for another term of five years and who meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI Listing Regulations and in respect of whom the Company has received a notice in writing under section 160 of the Act, from a member proposing her candidature for the office of Director be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for another term of five consecutive years effective from February 12, 2020 to February 11, 2025.

   RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed proper and expedient to give effect to this Resolution, including necessary documentations such as issuance of appointment letter detailing the terms & conditions, duties & responsibilities be issued by the Board of Directors (including a duly constituted Committee), filing of necessary returns/forms to the appropriate authorities."

7. **Re-appointment of Mr. Vinit Taneja (DIN – 02647727) as an Independent 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 the provision of section 149, 152 and any other applicable provisions of Companies Act, 2013 ("the Act") read with the Companies (Appointment & Qualification of Directors) Rules, 2014 & Schedule IV of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Vinit Taneja (DIN – 02647727), who was appointed as Independent Director in 28th Annual General Meeting and who is eligible for re-appointment for another term of five years and who meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI Listing Regulations and in respect of whom the Company has received a notice in writing under section 160 of the Act, from a member proposing his candidature for the office of Director be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for another term of five consecutive years effective from September 18, 2019 till the date of 38th Annual General Meeting.

   RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed proper and expedient to give effect to this Resolution, including necessary documentations such as issuance of appointment letter detailing the terms & conditions, duties & responsibilities be issued by the Board of Directors (including a duly constituted Committee), filing of necessary returns/forms to the appropriate authorities."

8. Re-appointment of Mr. Krishna Chandra Verma (DIN – 03636488) as an Independent 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 the provision of section 149, 152 and any other applicable provisions of Companies Act, 2013 ("the Act") read with the Companies (Appointment & Qualification of Directors) Rules, 2014 & Schedule IV of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Krishna Chandra Verma (DIN – 03636488), who was appointed as Independent Director in 28th Annual General Meeting and who is eligible for re-appointment for another term of five years and who meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI Listing Regulations and in respect of whom the Company has received a notice in writing under section 160 of the Act, from a member proposing his candidature for the office of Director be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for another term of five consecutive years effective from September 18, 2019 till the date of 38th Annual General Meeting.

RESOLVED FURTHER THAT pursuant to the provisions of Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and other applicable provisions if any, consent of members of the Company be and is hereby accorded for continuation of Directorship of Mr. Krishna Chandra Verma, who is proposed to be reappointed as Independent Directors of the Company aforesaid for an another period of 5 years and who will attain the age of 75 years during the term of his proposed tenure of Directorship as Independent Director of the Company.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed proper and expedient to give effect to this Resolution, including necessary documentations such as issuance of appointment letter detailing the terms & conditions, duties & responsibilities be issued by the Board of Directors (including a duly constituted Committee), filing of necessary returns/forms to the appropriate authorities."

9. Re-appointment of Mr. Prosad Dasgupta (DIN – 00243254) as an Independent 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 the provision of section 149, 152 and any other applicable provisions of Companies Act, 2013 ("the Act") read with the Companies (Appointment & Qualification of Directors) Rules, 2014 & Schedule IV of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Prosad Dasgupta (DIN – 00243254), who was appointed as Independent Director in 28th Annual General Meeting and who is eligible for re-appointment for another term of five years and who meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI Listing Regulations and in respect of whom the Company has received a notice in writing under section 160 of the Act, from a member proposing his candidature for the office of Director be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for another term of five consecutive years effective from September 18, 2019 till the date of 38th Annual General Meeting.

RESOLVED FURTHER THAT pursuant to the provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and other applicable provisions if any, consent of members of the Company be and is hereby accorded for continuation of Directorship of Mr. Prosad Dasgupta (DIN: 00243254), who is proposed to be reappointed as Independent Directors of the Company aforesaid for an another period of 5 years and who will attain the age of 75 years during the term of his proposed tenure of Directorship as Independent Director of the Company.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed proper and expedient to give effect to this Resolution, including necessary documentations such as issuance of appointment letter detailing the terms & conditions, duties & responsibilities be issued by the Board of Directors (including a duly constituted Committee), filing of necessary returns/forms to the appropriate authorities."

10. Appointment of Mr. Neville D'Souza (DIN: 08536411) 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, 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 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification, amendment or re-enactment thereof for the time being in force and as may be enacted from time to time), and the provisions of Articles of Association of the Company, Mr. Neville D'Souza (DIN- 08536411), who was appointed as an Additional Director in the capacity of Independent Director by the Board of Directors in their meeting held on August 14, 2019, to hold the office till the date of this Annual General Meeting and who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under section 160 of the Act from a member proposing his 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 a term of five consecutive years effective from August 14, 2019.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed proper and expedient to give effect to this resolution, including necessary documentations such as issuance of appointment letter detailing the terms & conditions, duties & responsibilities be issued by the Board of Directors (including a duly constituted Committee), filing of necessary returns/forms to the appropriate authorities."

11. To approve the payment of remuneration to Non-Executive Directors

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 SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 as amended from time to time, Articles of Association of the Company and in accordance with the provisions of Companies Act, 2013 ('Act') and other applicable Laws, if any, consent be and is hereby accorded to the Board of Directors (including a duly constituted committee) to pay remuneration including commission, sitting fees for attending Board and Committee Meetings etc. to all the Non-Executive Directors including Independent Directors of the Company up to the maximum rate as mentioned/provided in above provisions, of the net profits of the Company in each financial year to be calculated in accordance with the provisions of Section 197, 198 & other applicable provision of the Act read with its Rules & Schedules made thereunder to be divided between such Directors in such manner as the Board of Directors (including a duly constituted Committee) may determine from time to time.

RESOLVED FURTHER THAT pursuant to the provisions of the Act read with its Rules & Schedules made thereunder, the Non-Executive Directors including Independent Directors be paid/reimbursed expenses for attending Board & Committee Meetings or for company work."

12. **Approval of remuneration of Cost Auditor for the financial year 2019-20**

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, 2020, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all steps as may be necessary, proper or expedient to give effect to the above Resolution."

13. **Re-appointment & Remuneration of Mr. Deep Kapuria (DIN-00006185) as Chairman & Whole Time Director of the Company, to be designated as Executive Chairman**

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

"RESOLVED THAT in supersession to the earlier resolution passed by the members of the Company, pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V (Part II, Section II) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and subject to the other statutory approvals, if any, approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Deep Kapuria (DIN:00006185) as Chairman & Whole Time Director of the Company, to be designated as Executive Chairman of the Company, not liable to retire by rotation, for a period of three years effective from October 01, 2019 to September 30, 2022.

RESOLVED FURTHER THAT Mr. Deep Kapuria, Executive Chairman be paid the following remuneration effective from October 01, 2019, for a period of three years (i.e. October 01, 2019, to September 30, 2022):

Salary, Allowances & Perquisites (all together) not to exceed as under:

From October 01, 2019 to Septemebr 30, 2020	Upto Rs.25.00 Million per annum
From October 01, 2020 to September 30, 2021	Upto Rs.30.00 Million per annum
From October 01, 2021 to September 30, 2022	Upto Rs. 36.00 Million per annum

The allowances and perquisites payable shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and/or allowance for utilisation of gas, electricity, water, furnishing and repairs; medical reimbursement and leave travel concession for self and family including dependents, club fees, medical insurance and personal accident insurance; and such other perquisites and/or allowances as may be determined from time to time up to the amounts specified above. The said allowances and perquisites shall be evaluated, wherever applicable, as per the Income Tax Act, 1961 or any rules thereunder [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force].

RESOLVED FURTHER THAT pursuant to the provisions of Section 196 of the Companies Act, 2013, Rules made thereunder and other applicable provisions, if any, consent of the Company be and is hereby accorded to continue the employment of Mr. Deep Kapuria as Executive Chairman after attaining the age of 70 years.

RESOLVED FURTHER THAT the Board be and is hereby authorised to make a proper remuneration package consisting of various component within the overall aforesaid limit and to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including seeking approval of the other authorities as may be applicable and to settle any question that may arise in relation thereto, in order to give effect to this resolution."

14. **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 in supersession to the earlier resolution passed by the members of the Company, pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V (Part II, Section II) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and subject to the other statutory approvals, if any, approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Pranav Kapuria (DIN:00006195) as Managing Director of the Company, liable to retire by rotation, for a period of three years effective from October 01, 2019 to September 30, 2022.

RESOLVED FURTHER THAT Mr. Pranav Kapuria, Managing Director of the Company be paid the following remuneration effective from October 01, 2019, for a period of three years (i.e. October 01, 2019, to September 30, 2022):

Salary, Allowances & Perquisites (all together) not to exceed as under:

From October 01, 2019 to Septemebr 30, 2020	Upto Rs.16.00 Million per annum
From October 01, 2020 to September 30, 2021	Upto Rs. 20.00 Million per annum
From October 01, 2021 to September 30, 2022	Upto Rs. 24.00 Million per annum

The allowances and perquisites payable shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and/or allowance for utilisation of gas, electricity, water, furnishing and repairs; medical reimbursement and leave travel concession for self and family including dependents, club fees, medical insurance and personal accident insurance; and such other perquisites and/or allowances as may be determined from time to time up to the amounts specified above. The said allowances and perquisites shall be evaluated, wherever applicable, as per the Income Tax Act, 1961 or any rules thereunder [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force].

RESOLVED FURTHER THAT the Board be and is hereby authorised to make a proper remuneration package consisting of various component within the overall aforesaid limit and to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including seeking approval of the other authorities as may be applicable and to settle any question that may arise in relation thereto, in order to give effect to this resolution."

15. **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 in supersession to the earlier resolution passed by the members of the Company, pursuant to the provisions of

Sections 196, 197, 198 and 203 read with Schedule V (Part II, Section II) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and subject to the other statutory approvals, if any, approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Anuj Kapuria (DIN:00006366) as Executive Whole Time Director of the Company to be designated as Executive Director, liable to retire by rotation, for a period of three years effective from October 01, 2019 to September 30, 2022.

RESOLVED FURTHER THAT Mr. Anuj Kapuria, Executive Director of the Company be paid the following remuneration effective from October 01, 2019, for a period of three years (i.e. October 01, 2019, to September 30, 2022):

Salary, Allowances & Perquisites (all together) not to exceed as under:

From October 01, 2019 to Septemebr 30, 2020	Upto Rs.16.00 Million per annum
From October 01, 2020 to September 30, 2021	Upto Rs. 20.00 Million per annum
From October 01, 2021 to September 30, 2022	Upto Rs. 24.00 Million per annum

The allowances and perquisites payable shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and/or allowance for utilisation of gas, electricity, water, furnishing and repairs; medical reimbursement and leave travel concession for self and family including dependents, club fees, medical insurance and personal accident insurance; and such other perquisites and/or allowances as may be determined from time to time up to the amounts specified above. The said allowances and perquisites shall be evaluated, wherever applicable, as per the Income Tax Act, 1961 or any rules thereunder [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force].

RESOLVED FURTHER THAT the Board be and is hereby authorised to make a proper remuneration package consisting of various component within the overall aforesaid limit and to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including seeking approval of the other authorities as may be applicable and to settle any question that may arise in relation thereto, in order to give effect to this resolution."

16. To approve continuation of payment of remuneration to Executive Directors who are Promoters pursuant to SEBI (LODR) (Amendment) Regulations, 2018

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

"RESOLVED THAT pursuant to Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], approval of the Members be and is hereby accorded for payment of remuneration to one or more Executive Directors of the company, who are promoters of the Company, notwithstanding that the remuneration payable to them in any financial year exceeds the aggregate annual remuneration as per the limits stipulated under the said regulations, during the tenure of their appointment.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board of Directors
The Hi-Tech Gears Limited

S.K. Khatri
Company Secretary
Membership No: - F5459

Place: New Delhi
Date : August 14, 2019

Registered Office:
Plot No. 24,25,26, Sector-7,
IMT Manesar, Gurgaon
Haryana 122050

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 ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE (ON A POLL ONLY) INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT TO BE A MEMBER OF THE COMPANY.**
3. 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 carrying voting rights. A member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy, provided that the person does not act as proxy for any other shareholder. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate certified copy of the Board resolution to the Company.
4. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a duly certified copy of the Board Resolution to the Company, pursuant to Section 113 & other applicable provisions of the Companies Act, 2013 and Rules made thereunder.
5. 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. A proxy form for the AGM is enclosed.
6. Pursuant to Section 91 of the Companies Act, 2013 and Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and the Share Transfer books of the Company will remain closed from Saturday, September 21, 2019 to Friday, September 27, 2019 (both days inclusive) for annual closing and determining the entitlement of shareholders to the Final Dividend for the financial year 2018-19, as may be approved by the members at the meeting.
7. The Directors have recommended to the shareholders a final dividend @ 20%, i.e. Rs. 2.00 per equity share. If final dividend on shares is approved at the Annual General Meeting (AGM), payment of such dividend will be made to those members whose names appear in the Register of Members on September 27, 2019. In respect of the shares held in electronic form, the dividend will be payable to the beneficial owners of the shares as on the closing hours of business on September 20, 2019, as per the details to be furnished by the depositories for this purpose.
8. The relevant details under Regulation 36(3) of SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015 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.
9. Pursuant to the SEBI Circular No SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018, every listed company has to update the Bank Account details and PAN of all the members of the Company. In view of above, members are requested to intimate changes, if any, pertaining to their name, postal address, email address (if any) telephone and mobile number, Permanent Account Number (PAN), mandates, nomination, power of attorney, Bank details such as, Name of the Bank and Branch, Bank Account Number, MICR code, IFSC code etc. to their respective Depository Participants (DPs) in case if share are held in electronic form. The Company or its Register and Share Transfer Agent (RTA)(Mas Services Limited) cannot act on any request received directly from members for any change of bank particulars. Such changes are to be intimated only to the Depository Participants of the members.

   In case, members holding shares in physical form are requested to submit the changes in above particulars to the Company's RTA. The request form for providing the above details (in case if shares are in physical form) is available on website of the Company i.e. www.thehitechgears.com.
10. Pursuant to the provision of SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 dated June 08, 2018, which provides that with effect from **December 05, 2018**, no request for transfer of securities shall be processed by the Company or RTA, as the case may be, until and unless the securities are held in the dematerialized form with a depository.

    In view of above, the Members holding shares in physical form are requested to consider the same and convert their holding into dematerialized form to eliminate all risk associated with the physical shares. Members can contact the Company or RTA for any further assistance in this regard.
11. Pursuant to the provision of Section 124, 125 and other applicable provisions, if any, of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the amount of dividend which remains 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.

    Accordingly, in respect of Dividend for the financial year 2011-12 (Final Dividend) the shareholders who have not yet encashed their dividend warrants are requested in their own interest to write to the Company or its RTA (M/s Mas Services Limited) immediately for claiming outstanding dividends. The proposed date for the transfer of unclaimed final dividend for the year 2011-12 to IEPF by the Company is November 03, 2019. In case valid claim is not received by that date, the Company will proceed to transfer the respective shares to the IEPF Account in terms of the IEPF Rules.

    Further all shares, in respect of which dividends remain unclaimed/unpaid for seven consecutive years or more, are also required to be transferred to IEPF Authority. Accordingly, the Company identified 4 cases, total consisting of 570 shares which are to be transferred to the demat account of IEPF Authority after following due process. A list of such cases is available on the company website.
12. 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 Depository Participants for availing this facility.
13. As per the provision of Section 89 read with Section 90 of the Companies Act, 2013, the combined effect of both the sections is that every person who is holding a beneficial interest in the shares of the Company shall submit his/her declaration to the Company in the prescribed form and thereafter the Company shall intimate to the Registrar in the prescribed form along with such declaration.

    For the purpose of the above provisions every person means an individual who holds, directly or indirectly, beneficial interest of not less than 10% in the shares of the Company. Therefore every members of the Company is requested to provide the declaration(s) regarding their beneficial interest, if any in the shares of the Company under the said provision of Act. The shareholders are further advised to refer Companies (Significant Beneficial Owners) Amendment Rules, 2019 before making declaration in respect of Beneficial Owner and Significant Beneficial Owner.
14. 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.
15. Electronic copy of the Annual Report for 2018-19 along with the

Notice of the 33rd Annual General Meeting of the Company (including Attendance Slip and Proxy Form) are 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 FY 2018-19 along with Notice of the 33rd 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.

16. Members may also note that the Notice of the 33rd Annual General Meeting and the Annual Report for 2018-19 will also be available on the Company's website www.thehitechgears.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@thehitechgears.com.

17. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have mandated that for making dividend payments, companies whose securities are listed on the stock exchanges shall use electronic clearing services (local, regional or national), direct credit, real time gross settlement, national electronic funds transfer etc. The companies and the registrar and share transfer agents are required to seek relevant bank details of shareholders from depositories/ investors for making payment of dividends in electronic mode. It is also mandatory to print the bank details on the physical instrument if the payment is made in physical mode. Accordingly, shareholders are requested to provide or update (as the case may be) their bank details with the respective Depository Participants for the shares held in dematerialized form and with the Registrar in respect of shares held in physical form.

18. 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 that not less than 3 (three) days of notice in writing is given to the Company before the commencement of the meeting.

19. Route Map and details of Prominent Landmarks of the venue of the meeting is annexed with this notice.

20. Voting through electronic means:

a. Pursuant to section 108 of the Companies Act, 2013 and the Rules framed thereunder and as per Regulation 44 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, 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 33rd AGM Notice of the Company. 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. The Company has fixed September 20, 2019 as the Cut –off Date for remote e-voting. The remote-evoting/ voting rights of the shareholders/ beneficial owners shall be reckoned on the equity shares held by them as at close of business hours on the Cut-off Date i.e, September 20, 2019 only. A person who is not a member as on the Cut-Off date should treat this Notice for information purposes only.

c. The remote e-voting period commences on September 24, 2019 (9:00 A.M. IST) and ends on September 26, 2019 (5:00 P.M. IST). 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 20, 2019, may cast their vote by remote e-voting. The E-voting module shall be disabled by NSDL for voting after 05:00 p.m (IST) on September 26, 2019.

d. Ms. Akarshika Goel, partner of M/s Grover Ahuja & Associates, Practicing Company Secretaries have been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

e. 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.

f. 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 votes again.

g. 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.

h. The process and manner for remote e-voting are as under:

1. (I) In case of Members receiving e-mail from NSDL/RTA/ Company (For those members whose e- mail addresses are registered with Company/Depositories):

i. Open the PDF file attached to the email, using your Client Id/ Folio No. as password. The PDF file contains your User Id and Password for remote e-voting. Please note that the password provided in PDF file is 'Initial Password'.

ii. Launch internet browser and open https://www.evoting.nsdl.com/

iii. Click on Shareholder – Login.

iv. 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.

v. If you are logging in for the first time, please enter the 'User Id' and 'Initial Password' as noted in step (i) above and click on 'Login'.

vi. Password change menu will appear. Change the 'Initial Password' with a new Password of your choice with minimum 8 digits/ characters or combination thereof. Note the new Password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

vii. Home page of remote e-voting will open. Click on remote e-voting: Active Voting Cycles.

viii. Select 'EVEN' i.e. 111428 of '**THE HI-TECH GEARS LIMITED**'.

ix. Now you are ready for remote e-voting as 'Cast Vote' page opens.

x. Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'Confirm' when prompted.

xi. Upon confirmation, the message 'Vote cast successfully' will be displayed.

xii. Once you have confirmed your vote on the resolution, you cannot modify your vote.

xiii. 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@thehitechgears.com with a copy marked to evoting@nsdl.co.in.

(II) In case of Members receiving Physical copy of Notice of 33rd 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 communication leaf.

b. Please follow all steps from Sr. No. (i) to Sr. No. (xiii) as mentioned in (I) above, to cast your 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 i.e. **Friday, September 20, 2019.**

6. Any person, who acquires shares and becomes member of the Company after dispatch of the notice and holding shares as on the cut-off date, i.e. Friday, September 20, 2019 (end of day), may obtain the login ID and password by sending a request to NSDL at evoting@nsdl.co.in or to the Company's Registrar - Mas Services Limited at info@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.

Note: If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option directly available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID).

In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).

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. 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.

10. 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.

11. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.thehitechgears.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 BUSINESSES PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No.4 to 9

Pursuant to the provisions of Section 149, Schedule IV and any other applicable provisions of Companies Act, 2013 ('Act') read with Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

Mr. Sandeep Dinodia, Mr. Anil Kumar Khanna, Mr. Krishna Chandra Verma, Mr. Vinit Taneja and Mr. Prosad Dasgupta were appointed as an Independent Directors of the Company by the members at their 28th Annual General Meeting held on September 18, 2014 for a term of five consecutive years. Ms. Malini Sud was appointed as an Women Independent Director by the Board in its meeting held on February 12, 2015 and was confirmed as Director, by the shareholders in their meeting held on September 29, 2015.

In view of the aforesaid provision, the term of five consecutive years of the aforementioned Independent Directors have come to an end except of Ms. Malini Sud, who would complete her term as Independent Director on February 11, 2020. Based on recommendation of Nomination and Remuneration Committee (N&R Committee) and pursuant of provisions of Section 149, 150, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board has proposed their re-appointment as an Independent Director at this Annual General Meeting of the Company for second term of five years effective from September 18, 2019 till the date of 38th Annual General Meeting and re-appointment of Ms. Malini Sud as an Independent Director for second term of five years effective from February 12, 2020 to February 11, 2025, not liable to retire by rotation.

They are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013 and have given their consent to act as Directors. The Company has received notices under Section 160 of the Companies Act, 2013 proposing their candidature for the office of Independent Director of the Company.

The Company has also received declaration(s) from them that they meet with the criteria of independence as prescribed under Section 149(6) of the Act & Rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, in terms of the recently notified Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, prescribes that consent of the Members by way of Special Resolution is required for continuation of a Non-Executive Director beyond the age of seventy five years. During the proposed term of re-appointment, Mr. Prosad Dasgupta and Mr. Krishna Chandra Verma will attain the age of seventy five years. The respective Special Resolutions once passed, shall also be regarded as your approval under the aforesaid Regulation, for continuation of Mr. Prosad Dasgupta and Mr. Krishna Chandra Verma as an Independent Directors beyond the age of seventy five years.

In the opinion of the Board, all the Directors aforesaid fulfill the conditions for appointment as an Independent Director as specified in the Act & SEBI Listing Regulations and are independent of the management. The terms and conditions of their appointment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day (except Saturday and Sunday) and will also be kept open at the venue of the AGM till the conclusion of the AGM.

The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail services of above mentioned as an Independent Directors. Accordingly, the Board recommends the resolutions set forth in item no. 4 to 9 as the Special Resolution in relation to re-appointment of Independent Directors for another term of five consecutive years for the approval by the members of the Company.

Except, Mr. Sandeep Dinodia, Mr. Anil Kumar Khanna, Mrs. Malini Sud, Mr. Vinit Taneja, Mr. Krishna Chandra Verma and Mr. Prosad Dasgupta, being appointees in their respective resolutions, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the agenda as set out in item no. 4 to 9.

The Brief profiles of the Directors are as under:-

Particulars	Mr. Sandeep Dinodia	Mr. Anil Kumar Khanna	Ms. Malini Sud	Mr. Krishna Chandra Verma	Mr. Vinit Taneja	Mr. Prosad Dasgupta
Directors Identification Number (DIN)	00005395	00207839	01297943	03636488	02647727	00243254
Date of Birth & Age	04/04/1962 57 Years	17/07/1953 66 Years	06/03/1956 63 Years	30/08/1949 70 years	15/10/1957 61 Years	26/02/1947 72 Years
Date of Initial Appointment	28/10/2002	17/09/1987	12/02/2015	12/11/2011	23/05/2009	14/02/2012
Experience & Expertise	Mr. Dinodia has rich experience in the fields of Audits, Assurance, Regulatory and Financial Consulting. Additionally he possesses expertise in Direct & Indirect taxes, National & International taxations. He has more than thirty years experience in his areas of practice and has been instrumental in the setting up of various enterprises in India with the collaboration from International companies. He is the Chairman of Audit Committee and ensures the various Rules & Regulations mandated by Companies Act, 2013 and SEBI Listing Regulations are complied with. He provides valuable insights into how companies can grow, diversify, and prosper to maximize their shareholder's wealth.	Mr. Khanna having a wide base of clients in diverse business / industry segments. He has over 30 years of rich experience in managing business strategies, successfully as well as handling complexities of finances. Mr. Khanna has been associated with administration of various sports at regional / national and International levels for a very long time. His focus has mainly been in the administration of Tennis and he has long association with International Tennis Federation, Asian Tennis Association as well as All India Tennis Association.	Ms. Malini Sud, has rich experience 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. Ms. Sud specializes in international equity and debt offerings and has been engaged in the capital markets practice. She has been involved in innumerable civil and commercial litigations with broad experience in a wide range of substantive areas including International Commercial Arbitrations. Ms. Sud also has vide experience in strategic counsel, mergers and acqisitons, joint ventures, financing transactions, executive compensation and corporate governance matters.	He joined the Indian Police Service in 1971 and was selected to join the Intelligence Bureau in 1976. Over the next thirty years, he served in many states within the country as well as abroad. He headed the Narcotics Control Bureau from late 2005 till 2008. Mr. Verma also led several Indian delegations to bilateral and international conferences. During 2008, he was Secretary (Security) in the Cabinet Secretariat and supervised the security of the senior most leaders in the country and also functioned as Internal Security Adviser to the Union Home Minister. Before he retired, he headed the RAW in 2010. He is recipient of the Police Medal for Meritorious Service and the President's Police Medal for Distinguished Service. Mr. Verma has had vast exposure to organizational issues, including planning, personnel, administration and training. He has expertise in crisis management, systemic reforms, calibrated expansion and greater efficiency.	Mr. Taneja is the Founder of Tresonance Consulting, an organization engaged in leadership development and change management facilitation for organizations. Mr. Taneja has more than 18 years of experience in sales, supply chain, HR, customer service in reputed organizations like Metal Box, Johnson & Johnson, Gillette and Bharti Airtel. He also has a Consulting experience of 20 years in Institute of Quality Limited (IQL), Prerna Centre of Learning and Tresonance Consulting. Mr. Taneja focuses on holistic personal well being and competency development of leaders through training and coaching, and developing and deploying long term institutional building strategies for his client organizations.	Mr. Dasgupta possess key competencies such as strategic international partnerships, acquisitions and mergers, leadership developments, managing the larger policy framing environment and interface with various Government Ministries. He has Public & Private Partnership framework by adapting the best of the public sector practices and private sector efficiencies. He was associated with Hero Honda as CFO of the Company from 1988 to 1997. Mr. Dasgupta also occupied the position of CFO in Essar Tele Holdings, Appollo Tyres. He joined Petronet-LNG Ltd. as Director (F&C) in 2003 & was elevated to MD & CEO in 2005.
Qualification	1 Bachelor of Commerce from Shriram College of Commerce, Delhi University. 2. L.L.B. from Delhi University 3. Fellow member of the Institute of Chartered Accountants of India.	1. Economics Graduate from St. Stephen's College, Delhi University 2. Fellow Member of the Institute of Chartered Accountants of India 3. Fellow Member of the Institute of Chartered Accountants (England & Wales).	1. B.A. from Delhi University 2. LL.B from Faculty of Law, Delhi University.	1. Graduation from St. Stephen's College, University of Delhi. 2. Indian Police Service in 1971	1. Graduate in Mechanical Engineering from IIT Delhi 2. Post Graduate Diploma in Management from IIM Calcutta.	Fellow member of the Institute of Chartered Accountants of India

Particulars	Mr. Sandeep Dinodia	Mr. Anil Kumar Khanna	Ms. Malini Sud	Mr. Krishna Chandra Verma	Mr. Vinit Taneja	Mr. Prosad Dasgupta
Board Membership of other Companies as on 31/03/2019.	1.Ester Industries Limited	1. SU Sampark Private Limited 2. All India Tennis Association 3. Telecom Finance (India) Ltd. 4. JMD Exports Private Limited. 5. AsahiComponents Limited 6. Aquarius Travels Pvt Ltd. 7. Chitra Utsav Video Pvt Ltd 8. ULL Securities Pvt Ltd 9. RLF Securities Pvt Ltd 10. Chene Capital Pvt Ltd	1. Capex Enterprises Private Limited. 2. Boutique Holdings Private Limited 3. Sterling Tools Limited	-	-	-
Chairman/Member of the Committee of the Board of Directors as on 31/03/2019	**The Hi-Tech Gears Limited** Audit Committee (Chairman) Nomination and Remuneration Committee (Member) Stakeholder Relationship Committee (Member) **Ester Industries Limited** Audit Committee (Chairman)	**The Hi-Tech Gears Limited** Audit Committee (Member) Nomination and Remuneration Committee (Member) Stakeholder Relationship Committee (Chairman)	**Sterling Tools Limited** Audit Committee (Member) Nomination and Remuneration Committee (Member)	**The Hi-Tech Gears Limited** Audit Committee (Member) Corporate Social Responsibility (Chairman)	**The Hi-Tech Gears Limited** Nomination and Remuneration Committee (Chairman) Stakeholder Relationship Committee (Member)	-
Number of shares held in the Company as on 31/03/2019	-	-	-	-	5600 Equity Shares	2000 Equity Shares
Relationship with Directors	None	None	None	None	None	None

Your Directors recommend the resolutions set forth in Item No. 4 to 9 for approval of the members as **Special Resolution.**

Item No. 10

The Board of Directors ("the Board"), upon the recommendation of the Nomination and Remuneration Committee, appointed Mr. Neville D'Souza as an Additional Director in the capacity of Independent Director. His appointment is effective from August 14, 2019 for a period of 5 (five) years not liable to retire by rotation. In first instance, he holds the office till the date of present meeting, but the members may appoint him as a regular director.

Nomination and Remuneration Committee has recommended his appointment as regular director. Further, the Company has received a Notice in writing from a Member of the Company under Section 160 of the Act proposing the candidature of Mr. Neville D'Souza for the office of Director of the Company. Mr. Neville D'Souza is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director of the Company .The Company has received a declaration from Mr. Neville D'Souza that he meets the criteria of independence as provided under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

A brief resume & additional information of Mr. Neville D'Souza is annexed herewith in **Annexure A**, mentioning therein the nature of his expertise in specific functional areas and the name of the companies in which he holds the position of a Director as per the Listing Regulations.

Copy of the draft letter for appointment having the term and conditions of appointment of Mr. Neville D'Souza 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).

In the opinion of the Nomination and Remuneration Committee and the Board, Mr. Neville D'Souza fulfils the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulations. Mr. Neville D'Souza is independent of the management and possesses appropriate skills, experience & knowledge. His appointment as an Independent Director will be in the interest of the Company and the Company will be benefited with his contribution in the Board process, Governance and overall working.

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

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

Except Mr. Neville D'Souza, 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

Item No.11

The Compliance of various provisions of corporate governance and Companies Act, 2013 ("the Act") requires the Non- Executive directors to devote extra time. They are required to formulate various strategies and policies in the interest of the Company.

Therefore, it has been prudent and fair to compensate the Non- Executive Directors for their services to the Company. It is proposed that the Non-Executive Directors may be paid commission, sitting fee and expenses for Company work upto maximum limit as mentioned in section 197 & 198 of the Act and Rules made thereunder as amended from time to time, for the period of their term of appointment. The net profit of the Company in each financial year to be calculated in accordance with the provisions of section 197, 198 and other applicable provisions of the Act & Rules made thereunder and other regulations, if any.

The members in their meeting held on September 18, 2014, approved, by way of Special resolution, payment of Commission to all Non-Executive Directors of the Company for a period of 5 years. Therefore, Company needs to renew the approval for payment to Non-Executive Directors.

The Board accordingly recommends to pass resolution set forth in item no. 11 as an **Ordinary Resolution.**

All the Non-Executive Directors may be considered interested or concerned in the resolution to the extent of commission, fees etc, they will receive.

Item No. 12

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 2019-20 at a fee of upto Rs. 0.15 million 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 for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2020.

Your Directors recommend the resolution set forth in item no. 12 for approval of the members as an **Ordinary Resolution.**

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. 12 of the Notice.

Item No.13

Mr. Deep Kapuria was re-appointed in his present term as Chairman & Whole Time Director designated as Executive Chairman of the Company for a period of 5 years. The appointment was effective from January 1, 2017. The approval for the same was accorded by the members in their 30th Annual General Meeting held on September 23, 2016.

In terms of the provisions of sections 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, re-appointment of the Whole Time Director and payment of remuneration requires approval of the members of the Company where the Company has inadequate profit or no profit. In view of this, in supersession to the earlier resolution passed by the same authority, the re-appointment and remuneration payable to Mr. Deep Kapuria as Chairman & Whole Time Director shall require a fresh approval of shareholders of the Company.

Further, the company has not committed any default in payment of dues to any bank or public financial institutions or non -convertible debentures holders or any other secured creditor. Keeping in view the contribution made by Mr. Deep Kapuria since inception of the Company, your Board of Directors upon the recommendation of the Nomination & Remuneration Committee, in its meeting held on August 14, 2019, have considered & approved the re-appointment and remuneration payable to Mr. Deep Kapuria as Executive Chairman for a period of three years w.e.f. October 01, 2019 subject to the approval of shareholders of the Company and other concerned statutory & other authorities, if applicable.

In terms of provisions of section 196 of Companies Act, 2013, Mr. Deep Kapuria has attained the age of 70 years. Hence continuation of his employment as Executive Chairman requires the approval of Shareholders by way of a special resolution. The Board of Directors of the Company recommends to continue the employment of Mr. Deep Kapuria as Executive Chairman after attaining the age of 70 years. He is founder director of the Company and associated with the company since inception. He is a technocrat and expert in Gear Manufacturing & Designing, Business Management & Finance. He has great experience of dealing with customers, both domestic & overseas and understanding their requirements. Mr. Deep Kapuria has rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time; it would be in the interest of the Company to continue the engagement of Mr. Deep Kapuria as Chairman & Whole Time Director, designated as Executive Chairman, even after attaining the age of 70 years. Further, Mr Deep Kapuria is not debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI, Ministry of Corporate Affairs or any other Statutory Authority.

The particulars as required to be disclosed in accordance with the provisions of Section II of Part II of Schedule V of the Companies Act, 2013 and information/details as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings are given in Annexure -B

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. 13 of the notice.

Your Directors recommend the resolution set forth in item no. 13 for approval of the members as **Special Resolution**.

Item No.14

Mr. Pranav Kapuria was re-appointed in his present term as Managing Director of the Company for a period of 5 years. The appointment was effective from August 1, 2015. The approval for the same was accorded by the members in their 29th Annual General Meeting held on September 29, 2015.

In terms of the provisions of sections 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, re-appointment of the Managing Director and payment of remuneration requires approval of the members of the Company where the Company has inadequate profit or no profit. In view of this, in supersession to the earlier resolution passed by the same authority, the reappointment and remuneration payable to Mr. Pranav Kapuria as Managing Director shall require a fresh approval of shareholders of the company.

Further, the company has not committed any default in payment of dues to any bank or public financial institutions or non -convertible debentures holders or any other secured creditor.

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, your Board of Directors upon the recommendation of the Nomination & Remuneration Committee, in its meeting held on August 14, 2019, have considered & approved the re-appointment and remuneration payable to Mr. Pranav Kapuria as Managing Director for a period of three years w.e.f. October 01, 2019 subject to the approval of shareholders of the Company and other concerned statutory & other authorities, if applicable.

Further, Mr Pranav Kapuria is not debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI, Ministry of Corporate Affairs or any other Statutory Authority.

The particulars as required to be disclosed in accordance with the provisions of Section II of Part II of Schedule V of the Companies Act, 2013 and information/details as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings are given in Annexure -B

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. 14 of the notice.

Your Directors recommend the resolution set forth in item no. 14 for approval of the members as **Special Resolution.**

Item No.15

Mr. Anuj Kapuria was re-appointed in his present term as Executive Director of the Company for a period of 5 years. The appointment was effective from May 15, 2015. The approval for the same was accorded by the members in their 29th Annual General Meeting held on September 29, 2015.

In terms of the provisions of sections 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, re-appointment of the Executive Whole Time Director to be designated as Executive Director and payment of remuneration requires approval of the members of the Company where the Company has inadequate profit or no profit. In view of this, in supersession to the earlier resolution passed by the same authority, the re-appointment and remuneration payable to Mr. Anuj Kapuria as Executive Whole Time Director shall require a fresh approval of shareholders of the company.

In view of his experience & valuable contribution made by him towards the growth of the Company & the job responsibilities handled by Mr. Anuj Kapuria, your Board of Directors upon the recommendation of the Nomination & Remuneration Committee, in its meeting held on August 14, 2019, have considered & approved the re-appointment and remuneration payable to Mr. Anuj Kapuria as Executive Whole Time Director for a period of three years w.e.f. October 01, 2019 subject to the approval of shareholders of the Company and other concerned statutory & other authorities, if applicable.

Further, the company has not committed any default in payment of dues to any bank or public financial institutions or non -convertible debentures holders or any other secured creditor. Mr. Anuj Kapuria is not debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI, Ministry of Corporate Affairs or any other Statutory Authority.

The particulars as required to be disclosed in accordance with the provisions of Section II of Part II of Schedule V of the Companies Act, 2013 and information/details as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings are given in Annexure -B

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. 15 of the notice.

Your Directors recommend the resolution set forth in item no. 15 for approval of the members as **Special Resolution.**

Item No. 16

In terms of amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (Listing Regulations), effective from 1st April, 2019, the remuneration payable to all Executive Directors, who are Promoters, shall be subject to the approval of the shareholders by way of special resolution if the aggregate annual remuneration to such Directors exceeds 5 (five) percent of the net profits of the Company in any financial year.

The shareholders have already approved remuneration payable to aforesaid Directors within the overall limit as prescribed as per Companies Act, 2013, which exceeds the limits of amended Listing Regulation. However, the amendment necessitates seeking fresh approval of the shareholders by way of special resolution for payment of remuneration beyond 5% to all Executive Directors.

The Board, therefore, recommends the **Special Resolution** as set out at Item No.16 for your approval.

Except Mr. Deep Kapuria, Mr. Pranav Kapuria, and Mr. Anuj Kapuria being Promoter Executive directors and relative to each other, none of the Directors / Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the aforesaid resolution.

By order of the Board of Directors
The Hi-Tech Gears Limited

S.K. Khatri
Company Secretary
Membership No: - F5459

Place: New Delhi
Date: August 14, 2019

Registered Office:
Plot No. 24,25,26, Sector-7,
IMT Manesar, Gurgaon
Haryana 122050

ANNEXURE-A

Particulars	Mr. Anuj Kapuria	Mr. Neville D'Souza
Directors Identification Number (DIN)	00006366	08536411
Date of Birth & Age	26/08/1978, 41 years	28/04/1953, 66 years
Date of Initial appointment	30/05/2005	14/08/2019
Date of current re-appointment	27/09/2019 (being proposed)*	To be regularized in the ensuing annual general meeting.
Experience & Expertise	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 filed for more than 17 patents in India and abroad	Mr. Neville D'Souza is an experienced and successful outside-the-box strategic thinker with a comprehensive exposure to the functioning of business and government in the field of trade and investment development. He has an outstanding knowledge of international commerce across multi sectors and multi markets. His collaborative leadership style focused on achieving objectives through teamwork and to take projects through from concept to reality. He was awarded the "D" Group award for "Outstanding Export Achievement" presented by Mr. Derek Fatchett, former UK Minister of State for Foreign & Commonwealth Affairs. He was also elected member of the British Embassy Post Management Committee.
Qualification	He is an Engineer with a Master's degree in Robotics with specialization in Computer Vision, Artificial Intelligence and Intelligent Robotics from Carnegie Mellon University (CMU), U.S.A.	He has done Bachelor of Commerce from ST Joseph's College, Bangalore
Board Membership of other Companies as on 31/03/2019**	1. Manu Farms Private Limited 2. Chetana Inlease Pvt. Limited 3. Summit Inport Services Limited 4. Ultimate Fincap Limited 5. Vulcan Electro Controls Limited 6. The Hitech and Associates Limited 7. The Hi-Tech Robotic Systemz Limited 8. Novus Autotech Pvt. Ltd. (Formerly known as Hi-Tech Esoft Engineering Pvt. Ltd) 9. Hi-Tech Portfolio Investments Limited	-

Particulars	Mr. Anuj Kapuria	Mr. Neville D'Souza
Chairman/Member of the Committee of the Board of Directors as on 31/03/2019**	**The Hi-Tech Gears Limited** Audit Committee (Member) **The Hi-Tech Robotic Systemz Limited** Corporate Social Responsibility (Member) **Vulcan Electro Controls Limited** Audit Committee (Member)	-
Number of shares held in the Company as on 31/03/2019	844,062	NIL
Relationship with Directors	Mr. Deep Kapuria- Father Mr. Pranav Kapuria- Brother	None

** For the purpose of Board and Membership/Chairman of Committees, Indian Companies are considered.

* Mr. Anuj Kapuria was re-appointed as Whole Time Director on May 15, 2015, which was confirmed at the 29th Annual General Meeting held on September 29, 2015. His appointment is liable to retire by rotation.

ANNEXURE B

Statement/Disclosure as required under Part II, Section II of the Schedule V to the Companies Act, 2013 with respect to the Special Resolutions at Item No.13, 14 & 15 of this Notice

I. General Information

Nature of Industry	The Company is an auto component manufacturer (Tier 1 supplier) of world class repute and is engaged in the business of manufacturing, selling, exporting, and dealing automobile parts. The Company spans a spectrum of products, including transmission and engine components, driveline components, engines design services and advanced technology-enabled products and solutions at the fore front of cutting edge technology.
Date of Commercial Production	Commercial production has already commenced.
Financial Performance	The financial performance of the Company during the last three financial years is as under: (Amount in million except per share data)

Financial Parameters	Year ended 31.03.2017	Year ended 31.03.2018	Year ended 31.03.2019
Total Revenue	**4978.38**	**5515.70**	**6634.52**
Net Profit before Tax	**325.79**	**483.87**	**531.22**
Net Profit after tax	**208.75**	**319.12**	**354.84**
Paid Up Capital	**187.68**	**187.68**	**187.68**
Other Equity	**1956.73**	**2216.68**	**2494.11**
Dividend (Interim & Final)	**51.61**	**51.61**	**65.69**
Earnings Per Share (EPS)	**11.12**	**17.00**	**18.91**

Financial Performance based on given indicators	The Company is a Tier-1 manufacturer of Auto components. Auto component industry is directly connected to the growth of automobile manufacturers (OEMs). Hence, Company's sales are impacted corresponding to growth of Indian Auto Component Industry
Foreign Investments or Collaboration, if any	The Company has nine Foreign Wholly Owned Subsidiaries namely: i. 2545887 Ontario Inc., Canada ii. 2504584 Ontario Inc., Canada iii. 2323532 Ontario Inc., Canada iv. The Hi-Tech Gears Canada Inc., Canada v. Teutech Holding Corporation, USA vi. Teutech, L.L.C., USA vii. Teutech Leasing Corp, USA viii. Neo-Tech Auto Systemz Inc., USA ix. Neo –Tech Smart Solutions Inc., Canada Non- resident holding in the Company is 1.24 % (as on March 31, 2019). Further, the Company has no foreign collaboration/Joint Venture as on date.

II. Information About the appointee

Particulars	Mr. Deep Kapuria	Mr. Pranav Kapuria	Mr. Anuj Kapuria
Background details	Mr. Deep Kapuria born on August 5, 1949 is founder Director of the Company and designated as the Executive Chairman of the Company. He is a technocrat and expert in Gear Manufacturing & Designing, Business Management & Finance. He possesses the following qualifications:	Mr. Pranav Kapuria, aged 44 years is presently designated as Managing Director of the Company. He joined the company as a Whole Time Director-operations in the year 2000. Taking into consideration the contribution made by him for the growth of business, he was promoted as Deputy Managing Director of the Company on 1st August 2005 & thereafter as Managing Director w.e.f 01.08.2010.	Mr. Anuj Kapuria born on 26th August, 1978, joined the Company in the year 2005.He was re-appointed as Executive (Whole Time Director) w.e.f May 15, 2015. 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.

<table>
<tr><th>Particulars</th><th>Mr. Deep Kapuria</th><th>Mr. Pranav Kapuria</th><th>Mr. Anuj Kapuria</th></tr>
<tr><td></td><td>1. Bachelor of Engineering (Honors') from B.I.T.S., Pilani;
2. Advance Management Programme from Indian Institute of Management, Ahmedabad
3. Lead Assessor Course for ISO 9000 from P.E. Batalas Ltd., UK
4. Owner Management Programme from Harvard Business School, USA
Mr. Deep Kapuria has vast experience of decades in the industry and has been instrumental in the growth of the Company.</td><td>He has done Bachelor of Commerce with Honors from Delhi University, also 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.
Because of his sustained efforts, the Company has sustained a growth pattern and has achieved success in creating a brand image in the Automotive Parts Industry</td><td>Mr. Anuj Kapuria has been contributing in the growth of the company through his enhanced knowledge in the field of Robotic & Artificial Intelligence.</td></tr>
<tr><td>Past Remuneration</td><td>The remuneration drawn by Mr. Deep Kapuria during the past three financial years is as under:<table><tr><th>Financial year</th><th>Amount in million</th></tr><tr><td>2016-17</td><td>15.25</td></tr><tr><td>2017-18</td><td>24.11</td></tr><tr><td>2018-19</td><td>21.23</td></tr></table></td><td>The remuneration drawn by Mr. Pranav Kapuria during the past three financial years is as under:<table><tr><th>Financial year</th><th>Amount in million</th></tr><tr><td>2016-17</td><td>7.98</td></tr><tr><td>2017-18</td><td>12.45</td></tr><tr><td>2018-19</td><td>10.98</td></tr></table></td><td>The remuneration drawn by Mr. Anuj Kapuria during the past three financial years is as under::<table><tr><th>Financial year</th><th>Amount in million</th></tr><tr><td>2016-17</td><td>7.27</td></tr><tr><td>2017-18</td><td>11.66</td></tr><tr><td>2018-19</td><td>10.25</td></tr></table></td></tr>
<tr><td>Recognition and Awards</td><td>Mr. Deep Kapuria has the distinction of being President of ACMA twice and has led various overseas CII/ ACMA Delegations including at WTO ministerial.
He regularly represents Indian Industry at the Indian Government/Ministerial Business Delegation across the globe.
He is Co-Chairman of CII Trade Fairs Council & Advance Manufacturing and Indo-UK Working Group-JETCO (Joint Economic and Trade Committee), Chairman of CII Regional Committee on Central Europe and Globalization Committee of ACMA and immediate past president of CII MSME Council.</td><td>Distinction in lean Manufacturing and TPM processes.

Instrumental in achieving ACMA Export Awards for the Company.

Resonsible for the inorganic growth through acquisition of entities in US and Canada.</td><td>He has many registered patents in his name.

Visiting faculty for Robotics at Crnegie Mallon university

Young entrepreneur Award from Honorable Prime Minster of India.</td></tr>
<tr><td>Job Profile & Suitability</td><td>Mr. Deep Kapuria is member of Board of Director since October 23, 1986. He has vast experience of decades in the field of business strategy and development, planning, marketing and distribution, finance, production technology etc.
He has wholesome exposure on all aspects of business of the Company and is engaged in supervision & conduct of business of all the industrial units of Company.
Mr. Deep Kapuria is a think tanker and plays a major role in providing thought leadership and strategic inputs to the Company.</td><td>Mr. Pranav Kapuria, Managing Director is vested with substantial powers of the Company under the superintendence, control and directions of the Board of Directors.
The Company has been substantially benefitted by his vision, professional knowledge and managerial expertise and has made enormous progress.
Your Company explored new avenues of further inorganic growth by way of mergers and also tapping new geographies, such as Canada and US. Despite headwinds being faced, Company made continued progress under his leadership.
Considering the performance of existing projects and expansion plans, the Company is expected to register a growth in the years to come.</td><td>Mr. Anuj Kapuria has been instrumental in keeping abreast with the latest technology for delivering the highest quality of products. He has inherited an enormous legacy and shouldered higher assignments during his tenure with the Company.
His sincerity, commitment and ideas have resulted in opening up of new opportunities of the Company.
Mr. Anuj Kapuria is a technology freak, has to his credit, modernisation of old plant's training, development & research in ongoing projects.
In view of his enriched experience, appreciable contribution and enlarged leadership, he is proposed by the Board of Directors for re-appointment.</td></tr>
</table>

<table>
<tr><th>Particulars</th><th>Mr. Deep Kapuria</th><th>Mr. Pranav Kapuria</th><th>Mr. Anuj Kapuria</th></tr>
<tr><td></td><td>Under his vision and leadership, company has made its presence globally thru successful acquisition of some entities in Canada and the US. Company is not confined to only domestic manufacturing facilities and exposure to global environment will lead to strong growth opportunities.</td><td>He is devoting his full time in managing the business of the Company. He is, therefore, best suitable for the job.</td><td></td></tr>
<tr><td>Remuneration Proposed (01/10/2019 to 30/09/2022)</td><td>Salary, Allowances & Perquisites (all together) not to exceed as under:<table><tr><td>From 01.10.2019 to 30.09.2020</td><td>Upto Rs.25.00 million per annum</td></tr><tr><td>From 01.10.2020 to 30.09. 2021</td><td>Upto Rs. 30.00 million per annum</td></tr><tr><td>From 01.10. 2021 to 30.09. 2022</td><td>Upto Rs. 36.00 million per annum</td></tr></table></td><td>Salary, Allowances & Perquisites (all together) not to exceed as under:<table><tr><td>From 01.10.2019 to 30.09.2020</td><td>Upto Rs. 16.00 million per annum</td></tr><tr><td>From 01.10.2020 to 30.09. 2021</td><td>Upto Rs. 20.00 million per annum</td></tr><tr><td>From 01.10. 2021 to 30.09. 2022</td><td>Upto Rs. 24.00 million per annum</td></tr></table></td><td>Salary, Allowances & Perquisites (all together) not to exceed as under:<table><tr><td>From 01.10.2019 to 30.09.2020</td><td>Upto Rs. 16.00 million per annum</td></tr><tr><td>From 01.10.2020 to 30.09. 2021</td><td>Upto Rs. 20.00 million per annum</td></tr><tr><td>From 01.10. 2021 to 30.09. 2022</td><td>Upto Rs. 24.00 million per annum</td></tr></table></td></tr>
<tr><td>Comparative Remuneration Profile with respect to industry, size of the Company, profile of the position and person</td><td colspan="3">The remuneration proposed to be paid to the above appointees are in line with the remuneration paid to the managerial personnel in other Companies engaged in the similar Industry. Keeping in view their job profiles, positions and responsibilities remuneration being given or proposed is not even close to or higher than that prevailing in the market. The Nomination and Remuneration Committee while recommending the proposed resolution has taken into account all these factors.</td></tr>
<tr><td>Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any</td><td>Besides the remuneration proposed herein, Mr. Deep Kapuria has no other pecuniary relationship with the Company (Other than the dividend to the extent of his shareholding).
Further, he is related to Mr. Pranav Kapuria, Managing Director and Mr. Anuj Kapuria, Whole Time Director of the Company as per the Companies Act, 2013 read with Rules made thereunder.</td><td>Besides the remuneration proposed herein, Mr. Pranav Kapuria has no other pecuniary relationship with the Company (Other than the dividend to the extent of his shareholding).
Further, he is related to Mr. Deep Kapuria, Executive Chairman and Mr. Anuj Kapuria, Whole Time Director of the Company as per the Companies Act, 2013 read with Rules made thereunder.</td><td>Besides the remuneration proposed herein, Mr. Anuj Kapuria has no other pecuniary relationship with the Company (Other than the dividend to the extent of his shareholding).
Further, he is related to Mr. Deep Kapuria, Executive Chairman and Mr. Pranav Kapuria, Managing Director of the Company as per the Companies Act, 2013 read with Rules made thereunder.</td></tr>
<tr><td>Board Meeting Attended and Shareholding</td><td>During the year 2018-19, he attended 6 Board Meetings and is holding 31,17,461 (16.61%) equity shares of Rs. 10/- each.</td><td>During the year 2018-19, he attended 6 Board Meetings and is holding 8,48,102 (4.52%) equity shares of Rs. 10/- each.</td><td>During the year 2018-19, he attended 6 Board Meetings and is holding 8,44,062 (4.50%) equity shares of Rs. 10/- each.</td></tr>
<tr><td colspan="4">III. Other Information</td></tr>
<tr><td>Reasons of Loss or Inadequate Profits</td><td colspan="3">The Company has a consistent profit and dividend track record. The Company has registered a net profit of 354.84 million for the F.Y. March 31, 2019 despite the turmoil in the auto component segment. Currently, the Company is into growth phase and investing on additional capacity & technical knowledge build up. However, the financial performance of the Company is being impacted due to the slowdown in the Auto Industry and the Economy. Further, the challenges & risks which are discussed in Management Discussion & Analysis, despite of Company's best efforts, the Company may not be able to earn adequate profits for some time to come.</td></tr>
<tr><td>Steps taken or proposed to be taken for improvement</td><td colspan="3">The Company is taking series of strategic and operational measures to tackle the adverse market scenario and to improve the profitability. Following measures has been adopted to improve the profitability:
Widening of customer base and better market penetration, especially in overseas market.
Conscious effort to develop products/customers base in alternate market segments.
Technology upgradation by way of investing in state of the art machinery to meet stringent quality requirements of customers.
Focus on significant improvements in operating costs.
Cost control in all areas
Modernisation of existing facilities to improve overall operating efficiency and gear up for catering to higher demand from OEMs
Improvement in export sales
Improving the quality of product to make to competitive in Indian and overseas market</td></tr>
<tr><td>Expected increase in Productivity and Profits in Measurable Terms</td><td colspan="3">The aforesaid steps being taken by the Company would increase the productivity and profits of the Company. The Company would continue its endeavour to increase the revenues & to improve the Profitability in the coming years.</td></tr>
<tr><td colspan="4">IV. DISCLOSURES</td></tr>
<tr><td colspan="4">The requisite disclosures of remuneration package, details of fixed component and performance linked incentive etc are duly disclosed in the Board of Director under the heading of ‘Corporate Governance’ forming part of Annual Report. At present, there is no stock option scheme available in the Company.</td></tr>
</table>

THE HI-TECH GEARS LIMITED

Registered Office: - Plot No. 24-26, Sector-7,IMT Manesar, Gurgaon Haryana 122050
CIN- L29130HR1986PLC081555, Website: - www.thehitechgears.com
Tel.: +91(124)4715100, **Fax:** +91(124)2806085, **e-mail id:** secretarial@thehitechgears.com

FORM NO. MGT-11
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 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 33rd Annual General Meeting of the Company, to be held on Friday the 27th day of September, 2019 at 11:00 A.M. at registered office at Plot No. 24-26, Sector-7, IMT Manesar, Gurgaon Haryana 122050 and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Resolutions	No. of shares	For*	Against*
Ordinary Business:				
1	To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the financial year ended March 31, 2019, together with the reports of the Director's and Auditor's thereon – Ordinary Resolution			
2	To confirm the interim dividend & to declare the final dividend on equity shares for the financial year 2018-19 – Ordinary Resolution			
3	To appoint a director in place of Mr. Anuj Kapuria (DIN-00006366) who retires by rotation and being eligible has offered himself for re-appointment – Ordinary Resolution			
Special Business:				
4	Re-appointment of Mr. Sandeep Dinodia (DIN-00005395) as an Independent Director – Special Resolution			
5	Re-appointment of Mr. Anil Kumar Khanna (DIN – 00207839) as an Independent Director – Special Resolution			
6	Re-appointment of Ms. Malini Sud (DIN: 01297943) as an Independent Director – Special Resolution			
7	Re-appointment of Mr. Vinit Taneja (DIN – 02647727) as an Independent Director – Special Resolution			
8	Re-appointment of Mr. Krishna Chandra Verma (DIN – 03636488) as an Independent Director – Special Resolution			
9	Re-appointment of Mr. Prosad Dasgupta (DIN – 00243254) as an Independent Director – Special Resolution			
10	Appointment of Mr. Neville D'Souza (DIN:08536411) as Independent Director of the Company – Ordinary Resolution			
11	To approve the payment of remuneration to Non-Executive Directors – Ordinary Resolution			
12	Approval of remuneration of Cost Auditor for the financial year 2019-20 – Ordinary Resolution			
13	Re-appointment & Remuneration of Mr. Deep Kapuria (DIN-00006185) as Chairman & Whole Time Director of the Company to be designated as Executive Chairman – Special Resolution			
14	Re-appointment & Remuneration of Mr. Pranav Kapuria (DIN-00006195) as Managing Director – Special Resolution			
15	Re-appointment & Remuneration of Mr. Anuj Kapuria (DIN-00006366) as Executive Director – Special Resolution			
16	To approve continuation of payment of remuneration to Executive Directors who are Promoters pursuant to SEBI (LODR) (Amendment) Regulations, 2018 – Special Resolution			

Signed this .... day of….............................. 2019.
(Date) (Month)

Signature of the Shareholder(s)

Affix Revenue Stamp

Signatures of:

....	....	....
First Proxy Holder	**Second Proxy Holder**	**Third Proxy Holder**

Notes:-

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

2. Proxy needs 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 Plot No. 24-,26, Sector-7, IMT Manesar, Gurgaon Haryana 122050 at least 48 hours before the time of the Meeting.

THE HI-TECH GEARS LIMITED

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CIN- L29130HR1986PLC081555 Website: - www.thehitechgears.com
Tel.: +91(124)4715100 **Fax:** +91(124)2806085 **e-mail id:** secretarial@thehitechgears.com

ELECTRONIC VOTING PARTICULARS

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

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

Commencement of e-voting	**From 09:00 A.M. (IST) on September 24, 2019**
End of e-voting	**Upto 05:00 P.M. (IST) on September 26, 2019**

The cut-off date (i.e. the record date) for the purpose of e-voting is September 20, 2019

✂……..................✂…….........✂….........✂.........✂......... TEAR HERE …….........✂……........✂….........✂.........✂.....................✂

THE HI-TECH GEARS LIMITED

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ATTENDANCE SLIP

I/We hereby record my presence at the 33rd Annual General Meeting held on Friday, September 27, 2019 at 11.00 A.M. at the registered office of the Company at Plot No. 24-26, Sector-7,IMT Manesar, Gurgaon Haryana 122050

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

No. of Shares Held ....

Regd. Folio No./DPID-CLID ....

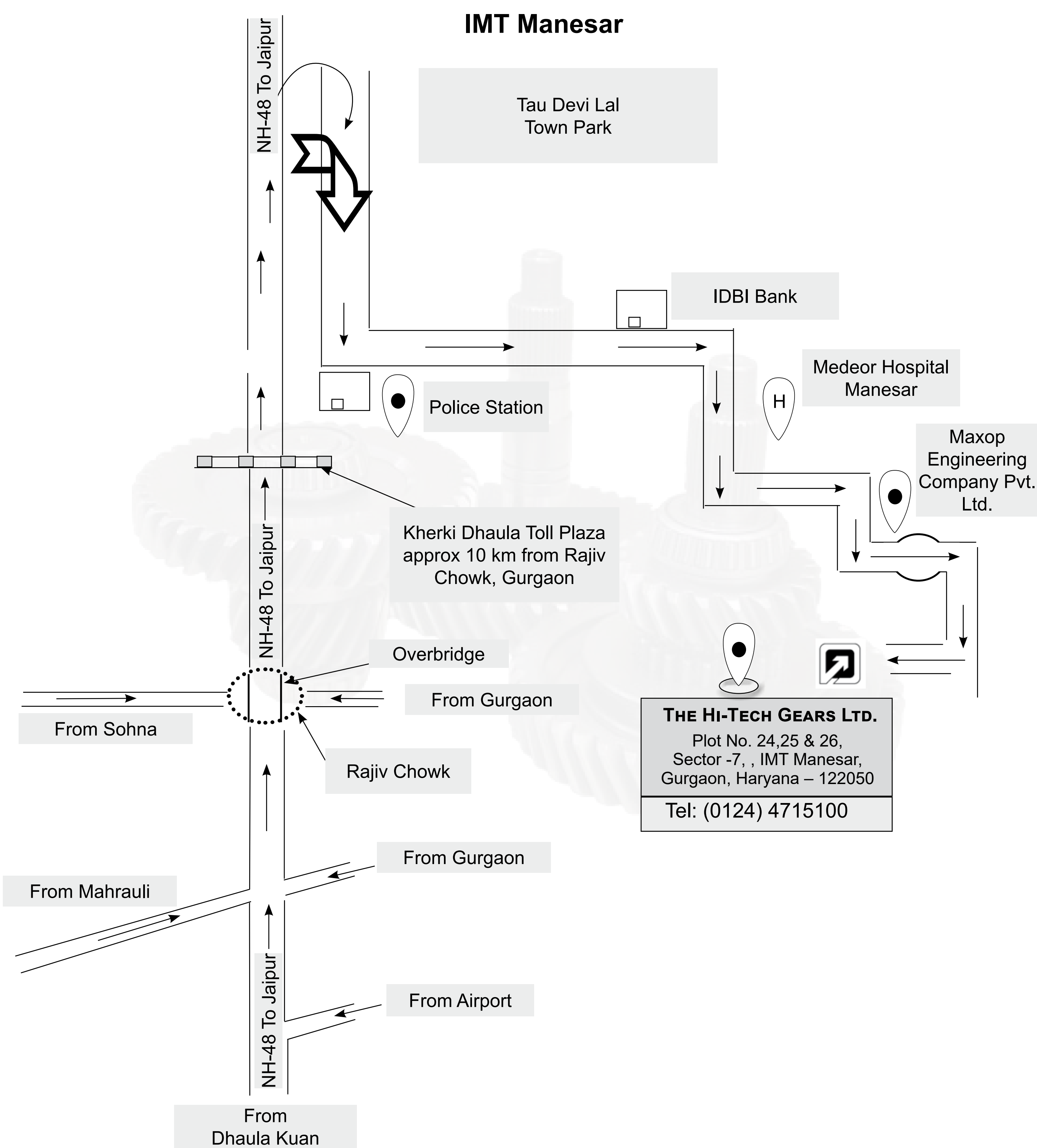
....

(Signature of the Shareholder/Proxy)

Note:

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

ROUTE MAP


IMT Manesar
NH-48 To Jaipur
Tau Devi Lal
Town Park
IDBI Bank
Medeor Hospital
Manesar
H
Police Station
Maxop
Engineering
Company Pvt.
Ltd.
Kherki Dhaula Toll Plaza
approx 10 km from Rajiv
Chowk, Gurgaon
NH-48 To Jaipur
Overbridge
From Gurgaon
From Sohna
Rajiv Chowk
THE HI-TECH GEARS LTD.
Plot No. 24,25 & 26,
Sector -7, , IMT Manesar,
Gurgaon, Haryana – 122050
Tel: (0124) 4715100
From Gurgaon
From Mahrauli
From Airport
NH-48 To Jaipur
From
Dhaula Kuan

NOTES

Global Clientele

THE HI-TECH GEARS LTD.
CIN- L29130HR1986PLC081555
Regd. Off. : Plot No. 24,25 & 26 , Sector -7, IMT Manesar, Gurgaon, Haryana - 122050
Corp. Off. : Millennium Plaza, Tower-B, Sushant Lok-I, Sector-27
Gurgaon-122009, Haryana. **Tel.**: + 91(124) 4715100 **Fax:** + 91(124) 2806085
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