



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 E-mail: secretarial@thehitechgears.com

Date: August 28, 2024

The Manager,
Listing Department,
National Stock Exchange of India Limited,
"Exchange Plaza", C-1, Block – G
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

Subject: Intimation for Submission of Annual Report of the Company for the Financial Year 2023-24

Dear Sir/Madam,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Annual Report of the Company for the Financial Year 2023-24 inter-alia containing the Notice of 38th Annual General Meeting of the Company.

The Annual Report containing the Notice is also uploaded on the Company's website at www.thehitechgears.com

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

Thanking You,
Yours faithfully,

For The Hi-Tech Gears Limited

(Naveen Jain)
Company Secretary & Compliance Officer
Membership No. A15237

Encl: as above

www.thehitechgears.com

Works I: A-589, Industrial Complex, Bhiwadi - 301 019 Rajasthan INDIA Tel.: +91(1493) 265000
Regd. Office & Works-II: Plot No. 24,25,26 Sector-7, IMT Manesar - 122050 Gurugram, Haryana INDIA Tel.: +91 (124) 4715200

Works-III: Plot No. SP-146A, Industrial Complex, Bhiwadi - 301019 Rajasthan 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

passion to succeed



passion | innovation | technology



THE HI-TECH GEARS LTD.

**38th ANNUAL REPORT
2023-2024**

ENGINEERING
CONVERGENCE
SOLUTIONS FOR
A LEAN WORLD

ENGINEERING
MANUFACTURING
ROBOTICS



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, 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, Board's Report together with its Annexures are the statement of the financial figures, hence are provided in Rupees in million, 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.

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Registered Office & Plant II

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

Corporate Office

14th Floor, Tower – B,
Millennium Plaza,
Sushant Lok – 1, Sector – 27,
Gurugram,
Haryana - 122002
Tel : (0124) 4715100,
Email : secretarial@thehitechgears.com

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
Citi Bank
ICICI Bank Ltd.
HDFC Bank
Bajaj Finance
The Federal Bank Limited
Yes Bank Limited

Registrar & Transfer Agent

M/s MAS Services Limited
T-34, 2nd Floor Okhla Industrial Area,
Phase-II, New Delhi – 110020
Tel : + (011) 26387281, 82, 83
Fax: (011) 26387384

Cost Auditors

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

Board of Directors

Mr. Deep Kapuria - Executive Chairman
Mr. Anant Jaivant Talaulicar - Vice Chairman
Mr. Pranav Kapuria - Managing Director
Mr. Anuj Kapuria - Executive Director
Mr. Amresh Kumar Verma - Executive Director
Mr. Girish Narang - Executive Director
Mr. Bidadi Anjani Kumar - Non Executive Director
Mr. Kawal Jain - Non Executive Director
Mr. Anil Kumar Khanna - Independent Director
Mr. Sandeep Dinodia - Independent Director
Mr. Vinit Taneja - Independent Director
Mr. Krishna Chandra Verma - Independent Director
Ms. Malini Sud - Independent Director
Mr. Rajiv Batra - Independent Director
Mr. Ramesh Shankarmal Pilani - Independent Director
Mr. Sameer Gupta - Independent Director
Mr. Arjun Juneja - Independent Director
Mr. Vikram Rupchand Jaisinghani - Independent Director
Mr. Deval Mahadev Desai - Independent Director

Key Managerial Personnel

Mr. Kapil Rajora - Chief Financial Officer
Mr. Naveen Jain - GM Legal & Company Secretary

Statutory Auditors

M/s YAPL & Co.
Chartered Accountants
102-Kismat Complex, G.T. Road Millar Ganj,
Ludhiana-141003

Internal Auditors

M/s Grant Thornton Bharat LLP
(Formerly known as Grant Thornton India LLP)
21st Floor, DLF Square Jacaranda Marg,
DLF Phase-II, Gurugram-122002, India

Secretarial Auditors

M/s Grover Ahuja & Associates
Company Secretaries
302, Third Floor, Gagandeep Building
Rajendra Place, New Delhi-110008



THE HI-TECH GEARS LTD.

MILESTONES

1986 ONWARDS...

- 1986 Incorporated as a Public Limited Company
- 1988 Commencement of Production and Company 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 Manufacturing
- 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.
- 2019 Achieved a Turnover of INR 9,000 Million (on consolidated basis)
- 2023 Achieved a Turnover of INR 10,000 Million (on Consolidated Basis)

CUSTOMERS



BHARATBENZ



TATA MOTORS



Mahindra





CHAIRMAN'S STATEMENT



Dear Shareholders,

With utmost privilege and delight, I am presenting the 38th Annual Report for the Financial Year ended on March 31, 2024.

As we take a moment to contemplate the outstanding achievements and significant milestones of the past year, we feel an immense sense of pride in our steady performance and a deep sense of optimism for the future that lies ahead of us. In a time of unprecedented challenges, your company has demonstrated resilience, adaptability, and a firm commitment to its core values. We reinforce our dedication to honesty and integrity by being transparent about our accomplishments, difficulties, and long-term goals. We have continued to navigate the ever-evolving landscape of the automotive industry with innovation, collaboration, and a customer-centric approach. This, in turn, strengthens the trust that shareholders place in us as stewards of their investments.

Global and Domestic Economic Affairs

The world is in a constant state of flux, marked by new technological innovations, geopolitical shifts, and environmental crises. Industrial strategies are now recognized as multifaceted tools, impacting economic, social and national security dimensions. Your Company has also adopted

a number of strategies to face obstacles and boost performance in the future.

The global economy remains remarkably resilient, with growth holding steady as inflation returns to target. Although, the journey has been eventful, starting with supply-chain disruptions in the aftermath of the pandemic, a Russian - Ukraine war augmented with Isarel- Hamas war have triggered a global energy and food crisis, a considerable surge in inflation, followed by a globally synchronized monetary policy tightening.

Due to unprecedented Isarel conflict, the Red Sea region has become a focal point of concern due to the skirmishes that have developed around it, involving several West Asian countries and non-state factors. This region is highly critical for global trade as the gateway to the Suez Canal, the fastest route for freight movement from Asia to Europe, through which about 12% of global shipping traffic passes. India too, is heavily reliant on the Red Sea for approximately 80% of its exports to Europe. It therefore faces significant challenges due to significant maritime chokehold.

It is noticed that on a year-over-year basis, global growth bottomed out at the end of 2022 at 3.5 percent followed with 3.3% in 2023. According to latest projections of IMF, growth for 2024 and 2025 will hold steady around 3.2 percent, with median headline inflation declining from 5.9 percent at the end of 2024 to 4.5 percent at the end of 2025. Most indicators point to a soft landing.

According to Ministry of Finance, the Indian Gross Domestic Product (GDP) grew by 8.2% in the financial year ending March 2024, well above the initial print of 7.3%, and revised higher from the second estimate of 7.6%, to consolidate India as the fastest-growing major economy in the world.

Recently, the Asian Development Bank (ADB) also upgraded India's GDP growth forecast for Financial Year 2024-25 from 6.7% to 7% and 7.2% in Financial Year 2025-26, driven by robust public and private investment and strong services sector. The triggers for growth in FY 2024 are expected to come from higher capital expenditure on infrastructure development both by central and state governments, rise in private corporate investment, strong service sector performance and improved consumer confidence. Growth momentum will pick up in FY 2025 backed by improved goods exports and an increase in manufacturing productivity and agricultural output.

Due to consistent efforts of the Government, the monetary policy may become less restrictive, which is expected to facilitate rapid offtake of bank credit. Demand for financial, real estate, and professional services will grow while manufacturing will benefit from muted input cost pressures that will boost industry sentiment. Expectations of a normal monsoon will help boost the growth of the agriculture sector.



I am confident that the Indian economy is on FastTrack and we all can look forward to a robust economy and expected to achieve the motto of becoming the 3rd Largest Economy in the coming years.

Indian Automotive Sector - Future Outlook

The Indian automobile industry has historically been a good indicator of how well the economy is doing, as the automobile sector plays a key role in both the macroeconomic expansion and technological advancement. The two-wheeler segment dominates the market in terms of volume, owing to a growing middle class and a huge percentage of India's population being young.

Moreover, the growing interest of companies in exploring the rural markets further aided the growth of this sector. The rising logistics and passenger transportation industries are driving up demand for commercial vehicles. Future market growth is anticipated to be fuelled by new trends including the electrification of vehicles, particularly three-wheelers and small passenger automobiles.

As per the Society of Indian Automobile Manufacturers (SIAM), the Auto industry generates employment of 13 (thirteen) persons for each truck, 6 (six) persons for each car, 4 (four) persons for every three wheeler, and 1 (one) person for each two-wheeler. The Automotive Mission Plan (2016-26) projects to provide direct incremental employment to 3.2 million by 2026. The industry is a leader in exports and provides jobs to over 3.7 crore people.

It is expected that by 2026, the automobile component sector will contribute 5-7% of India's GDP. In terms of market size, the Indian passenger car market was valued at US\$ 32.70 billion in 2021, and it is expected to reach a value of US\$ 54.84 billion by 2027 while registering a CAGR of over 9% between 2022-27. India has ample growth potential for the automobile industry considering that car ownership in India lags significantly behind developed regions like the US, China, and Europe, where 80-90% of the population owns a car, compared to only around 8% in India.

As a part of the Government's initiatives to boost the automotive sector, under phase-II of FAME India Scheme, a subsidy amounting to US\$ 696.8 million (₹ 5790 crores) has been awarded to EV manufacturers on the sale of 16,70,736 electric vehicles in the financial year 2023-24. To give a further push to clean mobility in the country, the Ministry of Heavy Industries has announced that the scheme outlay of FAME India scheme has been enhanced from ₹ 10,000 crore to ₹ 11,500 crore under Phase II.

By adopting an optimistic approach, coupled with confidence and diligence, we can thoroughly explore the myriad opportunities that lie ahead. Maintaining a positive outlook amid ongoing positive trends is crucial and this mindset not only propels us forward but also enables us to capitalize on these favourable circumstances to achieve our goals and aspirations.

Company Performance and Strategy

I would like to acknowledge the performance of your company throughout the Financial Year 2023-24 and extend my appreciation to our stakeholders. Our team has demonstrated a commitment to our core business values of integrity, excellence, commitment, and transparency, reflecting these principles in their work.

Your company is currently dedicated to enhancing asset utilization by strategically utilizing existing capacity, fostering deeper engagement with customers, and implementing cost-saving measures. Moving forward, our primary focus will remain on achieving manufacturing excellence and ensuring top-quality products while optimizing costs.

To summarise the financial results for the Financial Year 2023-24, your Company achieved a turnover of ₹ 7,799.84 million and profit after tax of ₹ 492.69 million on a standalone basis despite challenges. After consolidating the financials of the Company with its Subsidiaries, the company achieved a turnover of ₹ 11,069.05 million and profit after tax of ₹ 1,142.53 million (including ₹ 770 million as an exceptional items) on a consolidated basis.

On the export front, on a standalone basis, your Company recorded an export turnover of ₹ 2,293.81 million as compared to ₹ 2,262.22 million in previous financial year. The share of total export turnover stood at 29.41% of the total turnover of the Company.

We have enough expertise in our portfolio as Manufacturers and suppliers of gears and transmission equipment which helps us to tap into new markets. The Board continued to perform its role of monitoring the Company's performance including its operational & financial performance and progress in delivering new growth. Further, the Company is strategically following a consistent and long-term approach, to grow cash flow across the cycle and deliver competitive returns through a focus on operating efficiencies, quality, and timely delivery. Considering the interest of the Shareholders, your Company has decided to share the profits with the Shareholders by recommending the highest ever dividend of 50% i.e. ₹ 5 per equity share of ₹ 10 each for Financial Year 2023-24.

The overarching strategy for the company revolves around optimizing asset utilization by strategically leveraging existing capacities to drive operational efficiency and achieve targeted growth objectives.

The timeless wisdom of the Vedas, that teaches us that true prosperity is not measured solely by material wealth, but by the positive impact we make on the world around us. "तमसो मा ज्योतिर्गमय" This shloka inspires us to lead others from darkness to light, symbolizing our dedication to illuminating the path of knowledge through education and research. 'To transcend ignorance and embrace enlightenment' is the essence of this idea. At your



company, we deeply embrace this ethos in our work culture, which is also reflected in our CSR Policy. Our policy underscores our commitment to being a socially responsible corporate entity, dedicated to making meaningful contributions to the society. To exhibit the commitment, your Company has year-marked contributions of ₹ 1,18,00,000/- (Rupees One Crore Eighteen Lakhs) for the betterment of society during the Financial Year 2023-24 as per the stipulations under CSR Rules and regulations.

As I conclude my address, I, along with my colleagues on the Board of the Company would like to thank and record our sincere gratitude to all our

stakeholders for the confidence & trust reposed upon us and our deep appreciation to all employees of the Company for their hard work, commitment and wholehearted support for achieving company's goals and targets. I further thank all our customers, our supply chain partners and our bankers for reposing their confidence & supporting us. I am confident that this journey will continue to be equally fulfilling and rewarding as we move ahead.

Deep Kapuria
Chairman





MANAGING DIRECTOR'S STATEMENT



Dear Shareholders,

It gives me immense pleasure to present to you the 38th Annual Report of your company, as it offers me an excellent platform to discuss the economic health, industry performance, and accomplishments of your Company.

India is poised on a growth path and the manufacturing industry including the automobile industry is emerging as a notable contributor to the growth engine.

As we navigate this journey together, we remain steadfast with our unwavering commitment to excellence in technology, product innovation, manufacturing, R&D capabilities and customer satisfaction. We take pride in announcing that your company has sustained its performance in FY 2023-24 and maintained its consolidated revenue at more than the ₹ 1,000 crore mark. Although the full-year standalone India's business revenues for FY 2023-24 remained consistent with FY 2022-23, the growth in Q4 reflects a promising trajectory for the company's future. Despite facing daunting challenges such as inflationary pressures, global conflicts, and supply chain constraints, your company has consistently delivered excellent products throughout the year.

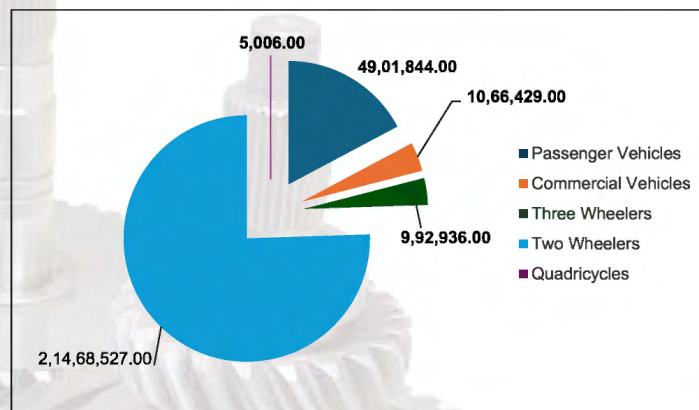
The Automotive Sector and Growth Prospects

On the backdrop of robust GDP growth of 8.2 per cent based on the conducive policies of the government, the Indian automobile industry has posted a very positive performance with the domestic industry growing by 12.5 per cent during the last financial year, driven by a burgeoning middle

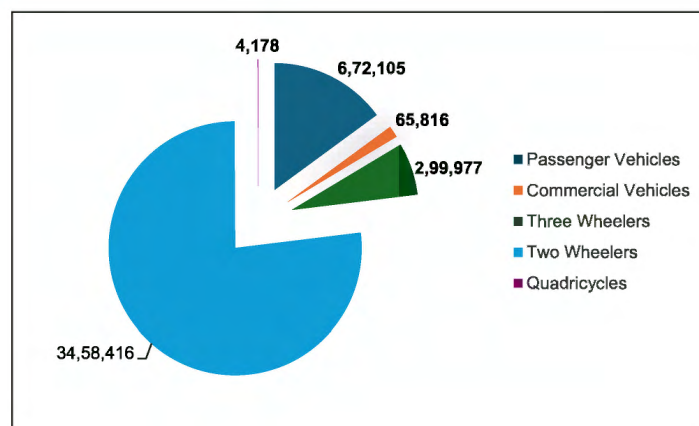
class, increased disposable incomes, evolving consumer preferences and enhanced infrastructure. Notably, substantial growth was witnessed across various segments, with Passenger vehicles leading the growth, followed by robust performance in the 2W and 3W segments, albeit marginal CV segment growth.

According to the statistics by Society of Indian Automobile Manufacturers (SIAM), the Automotive Industry has produced a total of 2,84,34,742 vehicles including Passenger Vehicles, Commercial Vehicles, Three Wheelers, Two Wheelers, and Quadricycles in the FY 2023-24 as against 2,59,40,344 units in FY 2022-23 showing an overall growth of approximately 9.62% on a YoY basis.

To summarise the above, sales of Commercial Vehicles increased from 10,35,626 to 10,66,429 units in the FY 2023-24, compared to the previous year. The sales of Three Wheelers have increased from 8,55,696 to 9,92,936 units and that of the Two Wheelers from 1,94,59,009 to 2,14,68,527 units, in FY 2023-24 as compared to the previous year. Segment-wise sales are described in the below Table: I



Due to challenging global economic conditions, vehicle exports were adversely affected for two financial years in a row, resulting in decline in overall export figures of (-) 5.48% for the Financial Year 2023-24 except export of Passenger Vehicle which was increased from 6,62,891 to 6,72,105 units while Commercial Vehicle Exports decreased from 78,645 to 65,816. The export of Three-Wheelers decreased from 3,65,549 to 2,99,977 and that of Two Wheelers decreased from 36,52,122 to 34,58,416 units in Financial Year 2023-24 compared to the previous year. Segment-wise exports are described in the below Table: II





The automobile sector showcased its commitment to sustainability and eco-friendly solutions, with a surge in the sale of environmentally compliant vehicles and significant growth of 90% in Electric Passenger Vehicles and 41% across all segments of Electric Vehicles for FY 2023-24 in comparison with FY 2022-23.

The Government of India consistently demonstrates its commitment to establishing India as a worldwide leader in the electric vehicle (EV) industry. After the implementation of the FAME (Faster Adoption and Manufacturing of Electric & Hybrid Vehicles in India) and PLI (Production Linked Incentive) scheme aimed at increasing the penetration of EVs into the Indian market, the Government of India approves e-Vehicle policy to promote India as Manufacturing designation for e-vehicles, which is expected to drive foreign EV majors to manufacture e-vehicles in India.

This undoubtedly would help the domestic auto-component industry and potentially result in foreign investment in the component manufacturing sector. The new policy favouring steep duty reduction on electric passenger cars could be a game changer for India in boosting its position in world market, which is currently dominated by China, Germany, and the US.

In terms of future outlook, the industry is expected to remain optimistic as the macroeconomic outlook remains positive. Coupled with good monsoon outlook, the industry is expecting continued growth this year as well.

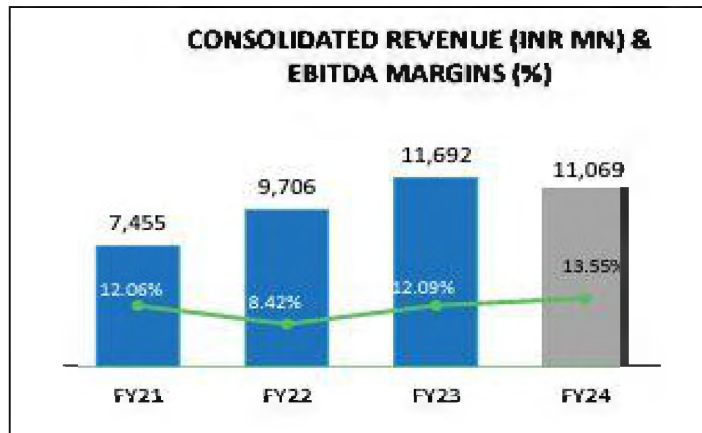
Your Company's Performance

Financial Year 2023-24 has demonstrated that our diligent efforts and effective management have generated sustainable results, overcoming global geopolitical challenges and economic volatility and I feel delighted in presenting the performance of your Company in this Annual Report.

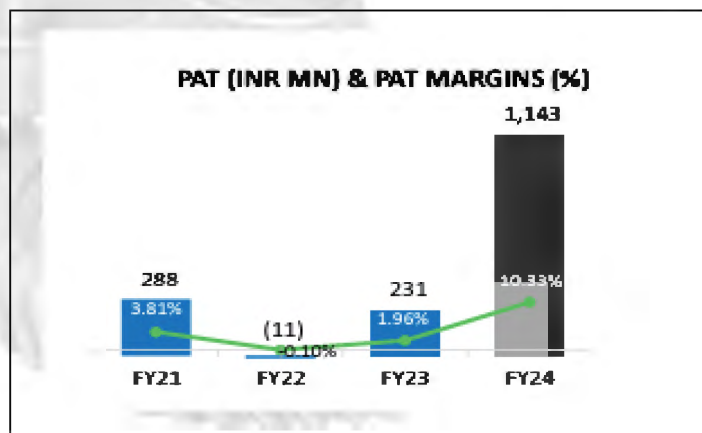
At The Hi-tech Gears Limited, our vision is to "Be A Global Footprint Company and A Benchmark for World Class Manufacturing Systems." This vision drives our efforts to innovate, expand into new markets, and continuously enhance our manufacturing excellence. We continue to leverage operational efficiency to navigate through the challenges faced by Auto Industry and remain focussed to create strong order book, elevate operational efficiency, strengthen cash flow, reduce loans and work towards emerging technologies.

During Financial Year 2023-24, our company has shown consistent results across all verticals. We have successfully met all expectations and performed admirably across all fronts. The standalone total sales turnover remained steady, matching the previous year, at ₹ 7,799.84 million. The Profit Before Tax (PBT) stood at ₹ 647.26 million and Profit After Tax (PAT) stood at ₹ 492.69 million. Basic Earnings per share (EPS) was ₹ 26.24 during FY 2023-24 marginal decrease to the previous year.

Despite lower sales, profitability has improved against FY 2022-23 in the overseas operations on account of productivity improvements and reduction in head count resulting in lower break-even and continuous improvement in internal efficiencies and reducing conversion costs. The company is focused on improving asset utilizations through targeted selling of existing capacities.



In FY 2023-24 consolidated revenue share of Two-Wheeler (TW) is 26%; Commercial Vehicle (CV), Agriculture and Off-Highway is 31% and Passenger Vehicles (PV) is 42%. Post consolidation with the overseas subsidiaries, the total turnover stood at ₹ 11,069.05 million. Profit Before Tax on a consolidated basis stood at ₹ 1379.31 million compared to ₹ 339.42 million in previous FY 2022-23 and Profit After Tax on consolidated basis stood at ₹ 1,142.53 million (including ₹ 770 million as an exceptional item) compared to ₹ 231.14 million in the previous FY 2022-23. Even without the exceptional item, the consolidated Profit After Tax has shown a significant increase of around 60%.



Furthermore, there has been a significant reduction in long-term borrowing on a year-on-year basis. Specifically, standalone borrowings have decreased substantially by approximately ₹ 427 million (Outstanding as of March 31, 2024, stands at approximately ₹ 801 million), while consolidated borrowings have been reduced by about ₹ 1,423 million (Outstanding as of March 31, 2024, stands at approximately ₹ 1,829 million).

The company's stable financial results are the manifestations of its operational excellence, a testament to your steadfast confidence in the company's promoters and management.



Your company stands prominently as a leading supplier to OEMs engaged in the manufacture of two-wheelers, commercial vehicles and off-road vehicles in both Indian and international markets. Through our continuous efforts, we have successfully initiated relationships with esteemed new customers, consistently striving to expand our portfolio and always demonstrated high standards of quality.

Finally with these words, I would like to take this occasion to express my gratitude to all of our important stakeholders, including our bankers, financial institutions, customers, employees, vendors and shareholders, for their unwavering support and guidance.

Pranav Kapuria
Managing Director





BOARD'S REPORT

Dear Members,

Your directors have great pleasure in presenting the 38th Annual Report of your Company, together with the Audited Financial Statements of the Company for the Financial Year ended March 31, 2024. Further, the consolidated performance of the Company and its subsidiaries have been referred to wherever required.

Financial Results

The highlights of the Standalone and Consolidated financial performance of the Company are as under:

(₹ in million except EPS)

Particulars	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
1 Income				
a) Revenue from operations	7590.33	7554.2	10837.72	11403.17
b) Other operating revenues	209.51	263.94	231.33	289.06
c) Other income	93.09	87.91	99.3	79.32
Total Income	7892.93	7906.05	11168.35	11771.55
2 Expenses				
a) Cost of material consumed	3999.65	3977.25	5486.35	5748.92
b) Purchases of stock-in-trade	210.2	168.93	210.20	168.93
c) Changes in inventories of finished goods and work in progress	-5.62	49.86	-3.64	74.69
d) Employee benefits expense	1095.69	1,104.39	1967.10	2184.12
e) Finance costs	181.86	170.83	377.70	331.66
f) Depreciation and Amortization expense	316.14	316.10	611.73	821.51
g) Other expenses	1447.75	1,424.74	1909.66	2102.3
Total expenses	7245.67	7,212.10	10559.10	11432.13
3 Profit/(loss) before exceptional items and tax (1-2)	647.26	693.95	609.25	339.42
4 Income from exceptional items	0	0	770.06	0
5 Profit/(loss) before tax (3+4)	647.26	693.95	1379.31	339.42
6 Total Tax Expense	154.57	190.55	236.78	108.28
7 Net Profit for the Year (5-6)	492.69	503.40	1142.53	231.14
8 Other Comprehensive Income	4.23	3.85	17.96	29.50
9 Total Comprehensive Income for The Year (7+8)	496.92	507.25	1160.49	260.64
10 Other equity as per statement of assets and liabilities	4242.88	3788.52	4473.75	3356.58
11 Paid-up equity share capital (Face value of ₹ 10/- per equity share)	187.78	187.68	187.78	187.68
12 Earnings per equity share (Face value of ₹ 10/- per equity share)				
(a) Basic (in ₹)	26.24	26.82	60.86	12.32
(b) Diluted (in ₹)	26.19	26.79	60.73	12.30

General Information

Your Company's continuous efforts to fulfill the aspirations of our esteemed stakeholders, coupled with our persistent efforts to nurture an innovative and supportive culture & cost saving measures, have been crucial in sustaining consistent financial performance. Through embracing innovation, leveraging technology, and integrating sustainability into our core business practices, we have achieved significant success across various fronts. These strategic initiatives have not only facilitated sustainable growth but also bolstered our market presence, reaffirming our commitment to delivering value and excellence to our stakeholders.

The Indian automotive industry occupies a central role as a crucial cornerstone of the nation's economy. Its extensive backward and forward linkages make substantial contributions to overall economic expansion. Through liberalization and strategic policy measures, the industry has thrived, creating a dynamic and competitive market environment. This has enabled the entry of many new participants, expanding the capacity of the automotive sector and generating significant employment opportunities

throughout the country. The automobile sector is a major indicator of economic development and is essential to the development of India's industrial structure as well as its long-term success.

According to the data released by Society of Indian Automobile Manufacturers ("SIAM") for the Financial Year 2023-24, the automotive industry achieved significant growth. Total vehicle production during April 2023 to March 2024 reached 2,84,34,742 units, marking an increase from 24,94,398 units in the previous year (April 2022 to March 2023). The domestic sales for the same period also showed substantial progress, reaching 2,38,53,463 units, compared to 2,12,04,162 units in the previous year. However, exports witnessed a decline, to 45,00,492 units in the current year, down from 47,61,487 units in the previous year.

Notably, the domestic sales of Three Wheelers and Two Wheelers experienced remarkable growth in Financial Year 2023-24. Three Wheelers sales rose from 4,88,768 units to 6,91,749 units, and Two Wheelers sales increased from 1,58,62,087 units to 1,79,74,365 units, compared to the previous year.

Regarding exports, there was a mixed trend. While Passenger Vehicle Exports saw a marginal rise from 6,62,891 units to 6,72,105 units in Financial Year 2023-24, Commercial Vehicle, Three-Wheeler, and Two Wheelers exports decreased from 78,645 to 65,816 units, from 3,65,549 to 2,99,977 units, and from 36,52,122 to 34,58,416 units, respectively, compared to the previous year.

Your Company demonstrated remarkable agility and foresight in swiftly implementing strategic actions to tackle the challenges arising from high inflation and escalating input costs. By proactively adapting to the changing economic landscape, the Company effectively mitigated potential risks and maintained its competitive edge. This proactive approach exemplifies the Company's dedication to achieving sustainable growth and its capacity to adeptly navigate dynamic market conditions with precision and resilience.

State of Company Affairs

Your company stands out among industrial leaders by achieving world-class status as a distinguished Indian brand, distinguished by its green and sustainable growth strategy, even amidst a progressively volatile economic and business landscape. Beyond cost competitiveness, the pivotal keys to the success of your company include adhering to stringent schedules and maintaining high-quality standards, crucial factors for entering and expanding in export markets.

Detailed information on the operations and on the state of affairs of the Company are majorly covered in the Management Discussion and Analysis Report, forming part of this report. Throughout the financial year, your company has consistently maintained an operational efficiency, resulting in steady growth and stability.

During the Financial Year 2023-24, on standalone basis, the total revenue stood at, ₹ 7,892.93 million maintaining a consistency with the last Financial Year 2022-23 at, ₹ 7,906.05 million. The Profit Before Tax during the year is ₹ 647.26 million. Similarly, the Net Profit After Tax of the Company is ₹ 492.69 million.

On a consolidated basis, the total revenue is ₹ 11,168.35 million in Financial Year 2023-24. The Profit Before Tax is ₹ 1379.31 (including ₹ 770 million as an exceptional item) million as compared to ₹ 339.42 millions in previous Financial Year 2022-23. Similarly, the Profit After Tax of the Company is also on the upside at ₹ 1,142.53 million as comparison to ₹ 231.14 million in previous year. Even without the exceptional item, the consolidated PAT has shown a significant increase of around 60%.

During the year 2023-24, The Hi-Tech Gears Canada Inc. ('THGCA'), a wholly owned step-down subsidiary operating in Canada entered into Sale & lease back Agreement ('S&LB') with 1787377 Ontario Inc. on August 31, 2023 for Land and Building located at Guelph, Ontario, Canada, where the plant of THGCA is located. The Income from exceptional items represents an amount of ₹ 770.06 Mn earned on account of Sale and Lease back transaction translated and calculated in accordance with provisions of Ind-AS.

On the export front, on a standalone basis, the Company recorded an export turnover of ₹ 2,293.81 million as compared to ₹ 2,262.22 million in the previous year. The share of total export turnover stood at 29.41% of the total turnover of the Company.

Your Company expects to continue to benefit in future with its strategy and operating efficiencies. In view of this, barring unforeseen events and circumstances, the long-term prospects of your Company look positive.

Consolidated Financial Statements

In accordance with the provisions of the Companies Act, 2013 ('the Act') and IND AS-110 on Consolidated Financial Statements, read with IND AS-28 on Investments in subsidiaries outside India, the Audited Consolidated Financial Statements for the Financial Year ended March 31, 2024, are forming part of this report.

The Hi-Tech Gears Limited Stock Incentive Plan, 2021 ("THGL SIP 2021" / "Plan")

Your Company has implemented an employee stock option plan namely 'The Hi-Tech Gears Limited Stock Incentive Plan, 2021 covering the Employees of the Company and its existing or future Subsidiary Companies.

The scheme was approved by the shareholders in the Annual General Meeting of the Company held on Wednesday, September 29, 2021, by way of Special Resolution.

In line with Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, a statement giving complete details, as on March 31, 2024, is available on the website of the Company: <https://www.thehitechgears.com/investors.php>.

During the financial year under review, Nomination and Remuneration Committee vide its resolution dated January 09, 2024 has allotted 10,186 equity shares of ₹ 10/- each in the Company, pursuant to exercise of stock options by the eligible employees of the Company and its subsidiary companies, under the "The Hi-Tech Gears Limited Stock Incentive Plan, 2021". As a result of such allotment, the paid-up share capital has increased from ₹ 187.68 Million (comprising of 1,87,68,000 equity share of ₹ 10/- each) to ₹ 187.78 million (comprising of 1,87,78,186 equity share of ₹ 10/- each).

Share Capital

During the starting of the financial year under review, the paid-up Equity Share Capital of the Company stood at ₹ 187.68 million (comprising of 1,87,68,000 Equity Share of ₹ 10/- each). During the financial year, the paid-up Equity Share capital of the Company increased to ₹ 187.78 million (comprising of 1,87,78,186 Equity Share of ₹ 10/- each) pursuant to allotted of 10,186 equity shares of ₹ 10/- each, to the eligible employees of the Company and its subsidiary companies, under the "The Hi-Tech Gears Limited Stock Incentive Plan, 2021". The equity shares allotted rank pari-passu with the existing share capital of the Company. Except as stated herein, there was no other change in the share capital of the Company.

Dividend

The Board of Directors, at its meeting held on May 29, 2024, recommended a final dividend @ 50% i.e. ₹ 5.00/- per equity share of ₹ 10/- each amounting to ₹ 93.89 million subject to the approval of the shareholders at the forthcoming Annual General Meeting.

Pursuant to the Indian Finance Act, 2020 read with Income Tax Act, 1961 dividend declared/recommended and paid by the Company after April 1, 2020, is taxable in the hands of shareholders and the Company is required to deduct the tax at source ("TDS") on the distribution of dividend income to its shareholders at the prescribed applicable rates. In view of this, the Company has sent the communication to shareholders to inform them of their status, PAN, and other details, so that the Company can comply the provisions accordingly.

Transfer to Reserves

During the Financial Year under review, no amount has been transferred to the Reserves of the Company.

Change in the nature of business

There was no change in the nature of the business of the Company during the Financial Year 2023-24.

Compliance with Secretarial Standards "SS"

The company has complied with all the applicable SS issued by the Institute of Company Secretaries of India (ICSI). The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

Directors Responsibility Statement

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost, secretarial auditors and external agencies, including audit of internal controls over financial reporting by the Statutory Auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during Financial 2023-24.



In terms of section 134(3)(c) and 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:

- that in preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any.
- that such accounting policies have been selected and applied them consistently and made 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, 2024, and of the profit and loss of the Company for the year ended on that date;
- 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;
- that the annual financial statements have been prepared on going concern basis;
- that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively, and
- 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 and implemented 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 and 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 financial control framework.

Details of Subsidiary/Joint Ventures/Associate Companies

Sr. No.	Name of Subsidiary	Place of Incorporation
1.	2545887 Ontario Inc.	Canada
2.	Neo-Tech Smart Solutions Inc.	Canada
3.	Neo-Tech Auto Systemz Inc.	USA
4.	The Hi-Tech Gears Canada Inc.	Canada
5.	Teutech Holdings Co.	USA
6.	Teutech Leasing Co.	USA
7.	Teutech LLC.	USA

Note: Two wholly-owned step-down subsidiaries, namely 2323532 Ontario Inc. and 2504584 Ontario Inc., were amalgamated with 'The Hi-Tech Gears Canada Inc.', another wholly-owned step-down subsidiary of the company, effective June 15, 2023. As a result, both 2323532 Ontario Inc. and 2504584 Ontario Inc. ceased to exist w.e.f. June 15, 2023.

The Board has 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 (Listing Obligations and Disclosure Requirements) Regulations 2015.

Further, there is no material change in the business of 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 attached AOC-1 form as Annexure I (Statement containing salient features of the financial statement

of subsidiaries), pursuant to section 129 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's policy for determining material subsidiaries in terms of applicable SEBI (LODR) Regulations, 2015 and other applicable laws is available at <https://www.thehitechgears.com/investors.php>.

Directors, Key Managerial Personnel's and Evaluation

The Board is duly constituted with proper balance of Executive, Non-Executive Directors, Independent Directors, Woman Independent Director. The composition of the Board is in conformity with Regulation 17 of the SEBI (LODR) Regulations, 2015 read with Section 149 of the Companies Act, 2013.

The changes in the composition of the Board of Directors and Key Managerial Personnel of the Company during the year under review are as under:

a) Appointment / Re-appointment

The Board of Directors on recommendation of the Nomination and Remuneration Committee have approved the appointment of Mr. Amresh Kumar Verma as Whole Time Director & Key Managerial Personnel designated as "Executive Director", Mr. Kawal Jain as Non-Executive - Non-Independent Director and Mr. Ramesh Shankarmal Pilani as Non-Executive - Independent Director in the Company with effect from October 26, 2023, as per applicable provisions of companies Act, 2013 & SEBI (LODR) Regulations, 2015.

Subsequently, the approval of members was also obtained through Postal Ballot for aforesaid appointments.

Further, the Board of Directors in its meeting held on August 06, 2024 have approved the appointment of following Directors w.e.f. August 06, 2024, subject to the approval of the Shareholders within a period of 3 months:

Sr. No.	Name	Designation
1.	Mr. Vikram Rupchand Jaisinghani	Additional Non-Executive - Independent Director
2.	Mr. Deval Mahadev Desai	Additional Non-Executive - Independent Director
3.	Mr. Arjun Juneja	Additional Non-Executive - Independent Director
4.	Mr. Girish Narang	Whole Time Director and Key Managerial Personnel designated as Executive Director
5.	Mr. Sameer Gupta	Additional Non-Executive - Independent Director

(b) Retirement by Rotation

Pursuant to the provisions of Companies Act, 2013 and Article of Association of the Company, Mr. Pranav Kapuria (DIN: 00006195) and Mr. Bidadi Anjani Kumar, (DIN:00022417) are liable to retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment. A brief profile of Mr. Pranav Kapuria (DIN: 00006195) and Mr. Bidadi Anjani Kumar, (DIN:00022417) is provided in the Notice convening the 38th Annual General Meeting.

(C) Resignation/Retirement of Director

During the Financial Year under review, Mr. Subir Kumar Chowdhury tendered his resignation from the position Whole Time Director & Key Managerial Personnel designated as "Executive Director and President," of the Company, w.e.f. October 18, 2023.

Further, the Board of Director in its meeting held on August 06, 2024 have considered the early retirement request of Mr. Amresh Kumar

Verma and decided to relieve him from the office of "Whole Time Director & Key Managerial Personnel" designated as "Executive Director of the Company w.e.f. closure of business hours of August 06, 2024.

(d) Changes in Key Managerial Personnel

During the Financial Year under review Mr. Sumeet Kumar has resigned from the post of Group Chief Financial Officer and Key Managerial Personnel of the Company with effect from the closure of business hours of 14th August, 2023 and Mr. Kapil Rajora was appointed as a Chief Financial Officer & Key Managerial Personnel of the Company with effect from August 15, 2023.

Except as stated above, there was no change in the Directors or Key Managerial Personnel of the Company during the year.

(e) Key Managerial Personnel's ("KMP")

All the Whole Time Directors i.e. Mr. Deep Kapuria, Executive Chairman, Mr. Pranav Kapuria, Managing Director, Mr. Anuj Kapuria, Executive Director and Mr. Amresh Kumar Verma, Executive Director, Chief Financial Officer (C.F.O.) and Company Secretary (CS) are regarded as KMP.

(f) Independent Directors

The Board has 7 (Seven) Independent Directors including (1) one Woman Independent Director as on March 31, 2024, representing diversified fields and expertise. Details are provided in the appropriate section of the Corporate Governance Report.

The Independent Directors have submitted their declaration of independence, pursuant to the provisions of section 149 (7) of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of SEBI (LODR) Regulations, 2015, 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 applicable provisions the SEBI (LODR) Regulations, 2015.

Over the years, your Company has developed a robust familiarization process for the Independent Directors with respect to their roles and responsibilities. The process has been aligned with the requirements under the Act and other related regulations. This process inter-alia includes providing an overview of the Corporate Profile, Organizational structure, details of associate/ subsidiary companies, details of other Directors on Board, Code of Conduct for Non-Executive Directors, Code of Conduct on Insider Trading applicable to Non-Executive Directors, Mandates of various Committees of which the Director is inducted etc.

Details of the familiarization programme are explained in the Corporate Governance Report and are also available on your Company's website and can be accessed at <https://www.thehitechgears.com/investors.php>

(g) Meetings of the Board

The Board met 5 (Five) times during the Financial Year 2023-24 to conduct the operations of the Company. The details of the Meetings are given in the Corporate Governance Report, which forms part of this Annual Report. It is confirmed that the gap between two consecutive meetings were not more than (120) One Hundred and Twenty Days as provided in section 173 of the Act.

(h) 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 a formal annual performance evaluation of its own performance, the Chairman, individual Directors 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 questionnaires, 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 other Directors as mandated.

The Company has also devised a policy for evaluating the performance of Independent Directors, Board, Committees, and other individual Directors which forms part of the NRC policy and is also available on <https://www.thehitechgears.com/investors.php>.

Auditors and their Reports

a) Statutory Auditors

M/s YAPL and Co., Chartered Accountants (Firm Registration No. 017800N) the Statutory Auditors of the Company, were appointed in the 36th Annual General Meeting for a term of five consecutive years, till the conclusion of 41st Annual General Meeting of the Company to be held in the year 2027.

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 tax matters for which the Company has preferred appeal to Appellate Authorities. The necessary explanations are also provided in Note 38 to the Standalone Financial Statements. The rest of the report by the Statutory Auditors is self-explanatory. Please refer to the Notes to Accounts, wherever necessary. Further, there were no frauds reported by the Statutory Auditors to the Audit Committee or the Board under Section 143(12) of the Companies Act, 2013.

a) Cost Auditors

As per Section 148 of the Companies Act, 2013, the Company is required to have the audit of its cost records conducted by a Cost Accountant. The Board of the Company has on the recommendation of the Audit Committee, approved the appointment of M/s Kabra and Associates, Cost Accountants (Registration No. 00075) as the Cost Auditors of the Company to conduct cost audit for relevant products prescribed under the Companies (Cost Records and Audit) Rules, 2014 for the year ending March 31, 2025. They provided a certificate confirming their eligibility and consent for appointment under Section 139(1) of the Act and the corresponding Rules.

The Board on recommendations of the Audit Committee has approved the remuneration payable to the Cost Auditor, subject to ratification of their remuneration by the Members at this Annual General Meeting. The resolution approving the above proposal is being placed for approval of the Members in the Annual General Meeting. In view of this, your approval for payment of remuneration to Cost Auditors is being sought at the ensuing Annual General Meeting.

The cost accounts and records of the Company are duly prepared and maintained as required under Section 148(1) of the Companies Act, 2013.

b) Secretarial Auditors

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

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, 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 and Associates, Practising Company Secretaries as Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial Year ended March 31, 2024. and their report is annexed to this Board Report (Annexure-II). The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. Additionally, pursuant to Regulation 24(A) of the SEBI (LODR) Regulations, 2015, read with SEBI circular 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 and Associates, Practising 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. M/s. Grant Thornton Bharat LLP is the continuing Internal Auditors, who regularly presents 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 transfer of dividend amount in Unpaid Dividend Account.

Similarly, the MCA has notified Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 effective from September 7, 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 XIII of Corporate Governance Report. A list of such cases is also available at the website of the Company at <https://www.thehitechgears.com/investors.php>.

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 Authority and further, the necessary information in this regard is available on the website of the Company <https://www.thehitechgears.com/investors.php> for the convenience of the shareholders. Members may refer to the Refund Procedure for claiming the aforementioned amounts and shares transferred to the IEPF Authority as detailed on <http://www.iepf.gov.in/IEPF/refund.html>.

In view of this, those shareholders whose dividend is unpaid or unclaimed must claim it at the earliest. The dividend and equity shares once transferred into IEPF A/c 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 2023-24 and upto the date of approval of Board Report, the Company has transferred 3,822 equity shares to the IEPF Authority, 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.

Mr. Naveen Jain, Company Secretary is also the Nodal Officer of the Company, pursuant to rule 7(2A) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the details of which are available on the website of the Company at <https://www.thehitechgears.com/investors.php>.

Annual Return

As required pursuant to Section 92(3) and 134(3)(a) of the Companies Act, 2013 and rules made thereunder, the Annual Return of the Company for the Financial Year 2023-24 shall be filed within 60 days from the ensuing AGM or within such extended time as may be provided by the MCA through notification and same shall be uploaded on the Company's website and can be accessed at <https://www.thehitechgears.com/investors.php>. The Annual Return for the Financial Year 2022-23 filed with the Ministry of Corporate Affairs after the 37th Annual General Meeting held in the year 2023 is available on the Company's website at <https://www.thehitechgears.com/investors.php>.

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

Details of Energy Conservation, Technology Absorption, Research and 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 SEBI (LODR) Regulations, 2015, a report on Corporate Governance is given separately and forming part of this report and a certificate from the M/s Grover Ahuja and Associates, Practicing Company Secretaries confirming compliance with the provisions of Corporate Governance is also annexed to the report.

Management Discussion and Analysis Report

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

Risk Management Policy

Although, pursuant to Regulation 21 of SEBI (LODR) Regulations, 2015, provisions of constituting Risk Management Committee are not applicable to the Company. 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 "CSR"

Pursuant to the provisions of Section 135 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder the Company has adopted and 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 activities are provided in **Annexure-IV**.

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 <https://www.thehitechgears.com/investors.php>.

Particulars of contracts or arrangements with related parties

All transactions entered by the Company with the parties, which may be regarded as 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 is annexed to this report as **Annexure-V**. Disclosures on related party transactions are also set out in **Note No. 36(b)** to the Standalone Financial Statements and **Note No. 37(b)** to the Consolidated Financial Statements.

The Policy on materiality of related party transactions pursuant to Regulation 23 of SEBI (LODR) Regulations, 2015, as approved by the Board can be accessed on the Company's website <https://www.thehitechgears.com/investors.php>.

Pursuant to provisions of Section 188 of the Companies Act, 2013 read with Regulation 23 of the SEBI (LODR) Regulations, 2015, all Material Related Party Transactions ('RPT') / Contracts shall require prior approval of the shareholders by means of an Ordinary Resolution, even if such transaction(s) are in the ordinary course of business and at an arm's length pricing basis. The approval of the Audit Committee and Board were sought for all material RPTs. The approval of Shareholders was also obtained by means of ordinary resolution whenever required.

Electronic Clearing Services (ECS)

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

Postal Ballot during the Financial Year 2023-24

During Financial Year 2023-24, the Company has taken approval from members 2 times through postal ballot details of which are mentioned in **Point X "General Body Meeting"** of Corporate Governance 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. The same has been placed on the Company's website <https://www.thehitechgears.com/investors.php>.

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 the occurrence of price sensitive events as per the said Code of Conduct.

Code of Conduct

Your Company has adopted the Code of Conduct for its Board Members and Senior Management personnel pursuant to SEBI (LODR) Regulations, 2015. The code of conduct is also placed on the website of the Company <https://www.thehitechgears.com/investors.php>.

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

Share Capital Audit

M/s Grover Ahuja and Associates, practicing Company Secretaries carried out the Share Capital 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 March 31, 2024 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 Certificates were submitted to the Stock Exchanges on a quarterly basis and were also placed before the Board Meetings.

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 of the Country viz., the National Stock Exchange of India Limited (NSE) and the BSE Limited (BSE). Pursuant to Regulation 14 of SEBI (LODR) Regulations, 2015, the annual listing fees for the year 2024-25 have been paid within the prescribed time period.

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

99.72% 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 March 31, 2024.

Further, as per SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 and SEBI vide Gazette Notification no. SEBI/LAD-NRO/GN/2022/66 dated January 24, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests, viz., Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. The RTA shall verify and process the service requests and thereafter issue a 'Letter of confirmation' in lieu of physical securities certificate(s), to the securities holder/claimant within 30 days of its receipt of such request after removing objections, if any.

In view of the above SEBI Circular, the validity of the Letter of Confirmation only for a period of 120 days from the date of its issue within which you have to raise demat request with the DP as above. Any request for processing demat after the expiry of the aforesaid 120 days will not be entertained and as per the operating guidelines issued by SEBI, the subject shares shall be transferred to a Suspense Unclaimed Escrow Demat Account of the Company.

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

Particulars of Employees

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to the Report as Annexure-VI. Statement containing particulars of top 10 employees and the employees drawing remuneration in excess of limits prescribed under Section 197 (12) of the Act read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as a separate Annexure forming part of this Report. In terms of proviso to Section 136(1) of the Act, the Report and Accounts are being sent to the Members, excluding the aforesaid Annexure. The said Statement is also open for inspection by the Members through electronic mode. Any Member interested in obtaining a copy of the same may write to the Company Secretary at secretarial@thehitechgears.com.

Remuneration Policy

In terms of provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI (LODR) regulation 2015, a policy relating to remuneration for the Directors, Key Managerial Personnel and other senior employees has been adopted by the Board of Directors of the Company in pursuance of its formulation an recommendation by the Nomination and Remuneration Committee thereby analyzing the criteria for determining qualifications, positive attributes and independence of a Director. The said policy is available on the website of the Company at <https://www.thehitechgears.com/investors.php>. The salient features of the policy are provided in the attached Corporate Governance Report.

Audit Committee

The Company has duly constituted Audit Committee, which meets on regular intervals for the business required to be transacted thereat. The recommendations made by the Committee are accepted by the Board. The details of the Audit Committee are given 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 <https://www.thehitechgears.com/investors.php>.



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

The Company has implemented the policy as “Policy on Prevention and Redressal of Sexual Harassment of Women at Workplace” which is available at the website of the Company at <https://www.thehitechgears.com/investors.php>.

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.

During the year, the Company has not received any complaint of sexual harassment.

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

During the financial year under review the Company has not extended any Loans to its Wholly owned Subsidiaries. However, there is an outstanding loan of ₹ 78.34 Million as on March 31, 2024 which was extended to 2545887 Ontario Inc. during Financial Year 2021-22. The details of the investments made by the Company are mentioned in notes no. 8 of the standalone Financial Statements for the year ended March 31, 2024.

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.

Details of Proceedings pending under the Insolvency and Bankruptcy Code, 2016

Following are the details of proceedings and their status thereof at the end of the Financial Year 2023-24:

Sl. No.	Name of the Applicant	Status
1.	Happy Forgings Ltd.	Happy Forgings Pvt. Ltd. filed an application in Financial Year 2020-21. However, this was preferred as withdrawn by Applicant itself. The Hon'ble NCLT, Chandigarh Bench, rejected accordingly. Applicant filed another CP (Company Petition) before Hon'ble NCLT against which the notice was issued to the Company. The application is pending before Hon'ble NCLT Chandigarh Bench for arguments.

Detail of difference between amount of valuation done at the time of one-time settlement and the valuation done while taking loan from the Bank or Financial Institutions along with the reasons thereof: Not Applicable

Business Responsibility & Sustainability Reporting

As per Regulation 34 of SEBI (LODR) Regulations, 2015, Business Responsibility & Sustainability Reporting is not applicable to the Company.

Personnel

The Board of Directors places on record their appreciation of the untiring efforts of the employees of the organization 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 and recognizing employees for their long-term commitment as and when the opportunity arises.

Trade Relations

The Board of Directors place on record the 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

The Board of Directors places on record their sincere appreciation for the assistance, cooperation and valuable support provided to the Company by Customers, Vendors, Banks and 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 and confidence in the management of the Company.

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

**Place: New Delhi
Dated:06.08.2024**

**Sd/-
Deep Kapuria
Chairman**

ANNEXURE - I OF BOARD'S REPORT

FORM AOC - 1

Statement containing salient features of the financial statement of subsidiaries companies

(Amount 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 23 to March 24	April 23 to March 24	April 23 to March 24	April 23 to March 24	April 23 to March 24	April 23 to March 24	April 23 to March 24	April 23 to March 24	April 23 to March 24
2	Reporting currency	CAD	CAD	CAD	CAD	USD	USD	USD	USD	CAD
3	Exchange rate	Rs 61.28/CAD for BS Rs 61.30/CAD for PL	Rs 61.28/CAD for BS Rs 61.30/CAD for PL	Rs 61.28/CAD for BS Rs 61.30/CAD for PL	Rs 61.28/CAD for BS Rs 61.30/CAD for PL	CAD 1.355/USD and then Rs 61.28/CAD for BS Rs 61.30/CAD for PL	CAD 1.355/USD and then Rs 61.28/CAD for BS Rs 61.30/CAD for PL	CAD 1.355/USD and then Rs 61.28/CAD for BS Rs 61.30/CAD for PL	Rs 83.41/USD for BS Rs 82.69/USD for PL	Rs 61.28/CAD for BS Rs 61.30/CAD for PL
4	Share Capital	1,534.55	-	-	2,456.99	162.03	0.00	-	0.64	13.78
5	Reserves & Surplus	-470.03	-	-	-764.03	224.43	121.49	-114.01	0.52	-11.50
6	Total Liabilities	1,950.37	-	-	2,616.15	3.06	316.37	394.09	1.88	1.06
7	Total Assets	3,014.89	-	-	4,309.11	389.52	437.86	280.08	3.04	3.35
8	Investments	2,844.66	-	-	192.80	-	-	-	-	-
9	Turnover	14.13	-	7.55	3,270.98	-	35.30	269.11	-	-
10	Profit/(Loss) before Taxation	-84.36	-	1.52	143.31	-0.64	29.31	-14.34	-0.00	-0.57
11	Provision for Taxation/Earlier year Tax/DTA/DTL	-	-	0.45	120.46	-	1.66	0.76	-	-
12	Profit/(Loss) after Taxation	-84.36	-	1.07	22.85	-0.64	27.66	-15.10	-0.00	-0.57
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%

Note: Two wholly-owned step-down subsidiaries, namely 2323532 Ontario Inc. and 2504584 Ontario Inc., were amalgamated with 'The Hi-Tech Gears Canada Inc.', another wholly-owned step-down subsidiary of the company, effective June 15, 2023. As a result, both 2323532 Ontario Inc. and 2504584 Ontario Inc. ceased to exist from June 15, 2023.



ANNEXURE - II OF BOARD'S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

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

To
The Members,
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 Company's Books, Papers, Minutes Books, Forms and Returns filed and other records maintained 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, 2024, 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, 2024 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 Byelaws 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:-

- a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- b. 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;
- c. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- d. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

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

f. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

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:-

- a. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- c. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- d. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;

- (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) Code on Wages, 2019;
- (xii) Contract Labour Act, 1970;
- (xiii) Employee's State Insurance Act, 1948 and other applicable Labour & Industrial Laws.

We have also examined compliance with the Secretarial Standards issued by the Institute of Company Secretaries of India.

(a) 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 observations as mentioned below:

- i. The following Forms under Companies Act, 2013 has been filed by the Company after the due date as mentioned below:

Sr. No.	Details of Transaction	Date of Events	Due date	Filing Date	Name of Form
1	Modification of charge ID: 100233349 dated 27-02-2024 favoring HDFC Bank amounting to ₹ 94 crore	27.02.2024	27.03.2024	02.04.2024	CHG-1

We further report that compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

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. Further during the Financial Year, following changes took place in the composition of Board of Directors and KMPs:

- a) Mr. Sumit Kumar resigned from CFO of the Company w.e.f. 14-08-2023;
- b) Mr. Subir Kumar Chowdhary appointed as Whole Time Director w.e.f. 01-04-2023 and resigned from the same post w.e.f. 18-10-2023;
- c) Mr. Kapil Rajora was appointed as CFO of the Company w.e.f. 15-08-2023;
- d) Mr. Ramesh Shankarmal Pilani was appointed as an Independent Additional Director w.e.f. 26-10-2023 and was regularized as Director w.e.f. 23-12-2023;
- e) Mr. Kawal Jain was appointed as an Additional Director (Non-Executive) w.e.f. 26-10-2023 and was regularized as Director w.e.f. 23-12-2023;
- f) Mr. Amresh Kumar Verma was appointed as an Additional Director w.e.f. 26-10-2023 and was appointed as Whole Time Director on the same date which was approved by the shareholder on 23-12-2023

The changes in the composition of the Board of Directors that took place during the year under review was 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 or otherwise at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation in the meeting.

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

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.

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.

We further report that during the audit period, the Company has:

- 1) Allotted 10,186 equity shares @ INR 10/- per share upon exercise of vested options with the Employees under "The Hi-Tech Gears Limited Stock Incentive Plan, 2021" ("THGL SIP, 2021"/ "Plan") on 09-01-2024.

**For Grover Ahuja & Associates
Company Secretaries**

**Sd/-
Akarshika Goel
(Partner)**

Place: New Delhi
Date: 27.05.2024

ACS No.: 29525
C.P No.: 12770
UDIN: A029525F000457392
Peer Review No.: 2528/2022

To,
The Members,
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 an 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. Wherever 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**

**Sd/-
Akarshika Goel
(Partner)**

ACS No.: 29525
C.P No.: 12770

UDIN: A029525F000457392
Peer Review No.: 2528/2022

Place: New Delhi
Date: 27.05.2024

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-III OF BOARD'S REPORT

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 BOARD'S REPORT FOR THE YEAR ENDED MARCH 31, 2024

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

A. CONSERVATION OF ENERGY

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

- Commissioned 3.25 MW Captive Solar Power plant and taking benefits of 70,26,905 units /year reducing the carbon foot prints
- Installed 160,000 CFM Air Washers improving the air quality on the shop floor and reduced 100C of shopfloor temperature
- Energy saving by adaptation of Variable Frequency Drive on 1000 CFM Air Compressor (31000 kwh per month)
- 4 Nos Induction Billet Heaters energy consumption reduced from 180 KW to 120 KW
- 4 Nos SQF furnaces relined thus reducing power consumption by 10 KW
- Installed efficient new cooling tower in place of old cooling tower which reduces approx. 15Ton CFP/Year.
- Energy saving by adaptation of Variable Frequency Drive on 936CFM Air Compressor and gets approx. 40000 Kwh/Month by it which is reducing approx. 38Ton CFP/Year.
- Conversion of normal and halogen lights to LED saving 2 KW per day
- Old package AC of 17 TR removed and 8 TR AC 3Star installed
- Dual fuel kit installed on DG (1,500 Kva) set for using PNG and diesel in 70-30% ratio instead of 100% diesel as fuel. (running successfully since Feb 23)
- Replaced the LPG and installed PNG as an alternate fuel on Sealed quench furnaces and kitchen.
- Usage of renewable energy solar Power from Solar power plants of 400 KW and 250KW capacity
- Auto shut off when machines not operating during shift change & breaks @ 1.5 hrs per day, for 3 shifts, 150 machines
- Installation of new air compressor (35 Kw) for energy saving for use in tandem with 90 Kw in place of 160 Kw compressor.
- Energy Saving by adaptation of Thyristors in Sealed Quench Furnaces in Heat Treatment by temperature controls.
- Energy cost saving by temperature control of Fan motor and pumps in Cooling Tower;
- Use of high energy efficient motors for high rated electric motors in Forced Duct Ventilators;

- Energy cost saving in FDV's by controlling pulleys alignment & belt tightness and controlled running;
- Provide Solar Reflexive paint on Roof to reduce the shop floor temp. by 2 Deg C;
- Adoption of Automatic Power factor control panels (APFC) to maintain overall PF above 0.99, thus improving energy costs.
- Energy conservation by reduction of generated pressure of Air Compressor by 1 Bar by adaptation of Air boosters at machines and furnaces with high pressure requirements.

WATER CONSERVATION MEASURES

- Enhance the STP Plant capacity from 20 KLD to 40KLD to treat and reuse the wastewater.
- Installed Online ETP water standard monitoring device and reduced chemical dosing consumption and 5 KL water/day
- Maintaining Rainwater harvesting system in good working condition for maintaining ground water level;
- Energy conservation by using air pressure regulator for machine shop. Improvement of cooling tower efficiency and elimination of one cooling tower thus saved 15KL/Day of water extraction.
- Continuous usage of ETP water for gardening and other miscellaneous usages
- Enhancement of greenery landscape;
- Improvement of Cooling tower efficiency and elimination of one cooling tower thus saved 15 KL/Day of water extraction;
- Usage of coil coolers for DG sets instead of cooling tower.
- Drip Irrigation system for the Shrub, Grass and the Plant to reduce the water consumption
- Maintaining Rainwater harvesting system in good working condition for maintaining ground water level.
- Elimination of old phosphating process and installation of improved process and saving 10 KL Water per day
- Usage of coil coolers for DG sets instead of cooling tower.

Additionally, the state-of-the-art 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.

The Manesar Manufacturing Unit, which was also upgraded to ECOFAC Plant is also working fine. This Unit is also awarded Platinum Award from Indian Green Building Council.

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

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

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 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. The steps initiated by the Company for implementation and absorption of Lean Manufacturing are consistently showing encouraging outcome. Further, Your Company has continuously endeavored to acquire world-class technology both in hardware and software. The benefit and impact of the above-mentioned measures are lead time reduction of the various complex methods, elimination of waste and saving of time and efforts.

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

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

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

iii. Benefits derived from 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

- i. Development of new products
- ii. Run the Plant on Solar Power through bilateral Capex model, there has been considerable progress on the project. The Management is hopeful to get the benefits in coming years
- iv. Use of another 100 KW roof top solar plant to reduce energy cost
- v. Reduction in process losses by continues identifying the area of operation.
- vi. New measures required for the utilization of the renewable energy
- vii. Project adopted for optimizing the motor capacity in machines.

v. Expenditure on Research and Development

Development and improvement of products has been built and ongoing activity within the existing manufacturing facilities.

vi. Steps towards new technology absorption and Innovation are as under:

- 3 Nos HVLS (High Volume Low Speed) Energy Efficient Fan Installed in Shop Floor.
- Study Initiated on Carbon Emission measurement and Control with Chitkara University Research Innovation Team and M/s Accacia for Software support.

C. FOREIGN EXCHANGE EARNINGS and OUTGO

The Company recorded an export turnover of ₹ 2293.81 million in Financial Year 2023-24 as compared to ₹ 2262.22 million in the previous year 2022-23, thereby record a increase of 1.40%. The total exports are now 29.41% of the total turnover. The details of Foreign Exchange Inflow and outflow are as under:

Particulars	(₹ in million)	
	(2023-24)	(2022-23)
Inflow	2293.81	2262.22
Outflow		
Capital Equipment	20.68	-
Consumables	84.44	88.33
Raw Material	-	-
Others*	417.97*	380.25*

*It includes ECB Loan repayment amount including interest of ₹ 376.61 million for Financial Year 2023-24 and ₹ 336.51 million for Financial Year 2022-23 respectively.



ANNEXURE-IV OF BOARD'S REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITIES (CSR) ACTIVITIES

CSR is a commitment to improve the quality of life of the local community and society at large. It includes ensuring environmental sustainability, promoting gender equality, education etc. Business entities can no longer limit themselves to use 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 a 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.

1. Brief outline on CSR Policy of the Company:

The Company's CSR policy has been uploaded and available at the website of the Company under the web-link at www.thehitechgears.com.

2. Composition of the CSR Committee:

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

3. Weblink of Composition of the CSR Committee and CSR Policy- https://thehitechgears.com/Content/pdf/Corporate_Social_Responsibility_policy.pdf

Weblink of CSR Projects approved by the Board of Directors: https://www.thehitechgears.com/Content/pdf/CSR-Activities_Apr22.pdf

4. Impact Assessment of CSR projects carried out in pursuance of sub rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if any- N.A

5. a. Average Net Profit of the Company as per sub-section (5) of Section 135 - ₹ 57,93,83,556.93/-
b. Two percent of average net profit of the Company as per sub-section (5) of Section 135 ₹ 1,15,87,671.14/-

c. Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years - Nil

d. Amount required to be set-off for the Financial Year, if any - Nil

e. Total CSR obligation for the Financial Year [(b)+(c)-(d)] – ₹ 1,15,87,671.14/-

6. a. Amount spent on CSR Projects (both Ongoing projects and other than ongoing projects). ₹ 1,18,00,000/-

b. Amount spent in administrative overheads.: Nil

c. Amount spent on Impact Assessment, if applicable.: N.A

d. Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 1,18,00,000

e. CSR amount spent or unspent for the Financial Year:

Total Amount spent for the Financial Year (In ₹)	Amount unspent (In Rupees)				
	Total Amount transferred to unspent CSR Account as per Section 135 (6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135 (5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
1,18,00,000	90,00,000	April 18, 2024	Not Applicable		

f. **Excess amount for set off, if any:**

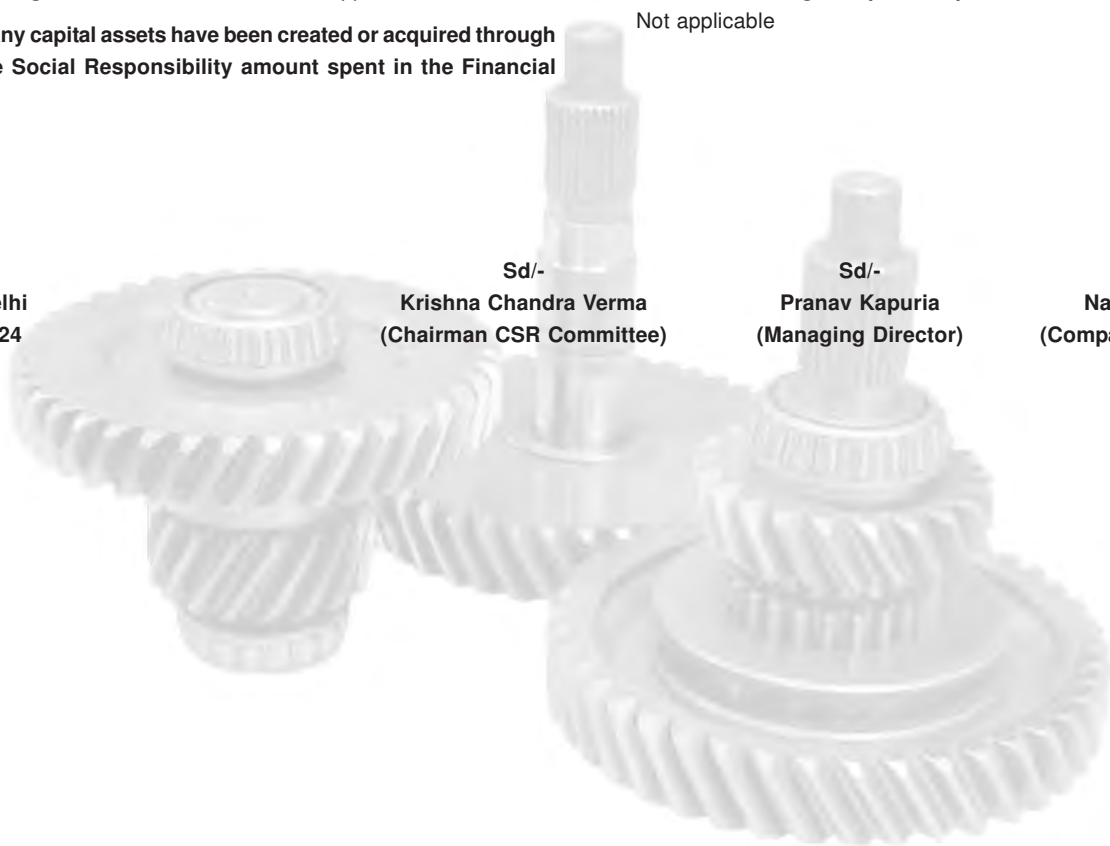
SI No.	Particulars	Amount (in ₹)
1.	Two percent of average net profit of the Company as per Section 135(5)	1,15,87,671
2.	Total amount spent for the Financial Year 2023-24	1,18,00,000
3.	Excess amount spent for the Financial Year 2023-24 (2-1)	2,12,329
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	N.A
5.	Amount available for set off in succeeding financial years (3-4)	2,12,329

7. **Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years :** Not applicable

9. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135.:**
Not applicable

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:** No

Place: New Delhi
Date: 06.08.2024



Sd/-
Krishna Chandra Verma
(Chairman CSR Committee)

Sd/-
Pranav Kapuria
(Managing Director)

Sd/-
Naveen Jain
(Company Secretary)



ANNEXURE-V OF BOARD'S REPORT

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 arm's 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	Vulcan Electro Controls Limited ('Vulcan')	The Hi-Tech Engineering Systems Private Limited ('THESPL')
Nature of contracts/ arrangements/ Transactions	Sale/Purchase/ Receiving and Rendering of Job work/ services	Sale/Purchase/ Receiving/Rendering of services
Duration of the contracts / arrangements/ Transactions	Ongoing	Ongoing
Salient terms of the contracts or arrangements or transactions including the value, if any	In tune with market parameters estimated annual value 4,020 million for all contracts for financial year 2023-24.	In tune with market parameters estimated annual value 2,009 million for all contracts for financial year 2023-24
Date of approval by the Board	August 08, 2022	August 08, 2022
Amount paid as advances, if any	As per normal commercial T&C	As per normal commercial T&C

- Company has taken Omnibus approval from the Audit Committee for the Related Party Transactions for the financial year 2023-24.
- During the year under review, the Company also have certain transactions with wholly owned subsidiaries. The Investment in subsidiaries or other entity(ies) in equity are pursuant to Section 186 of the Companies Act, 2013 are well within the sanctioned limit by the Shareholders Further Related Party Transactions with the overseas wholly owned subsidiaries, if any exempt within the purview of taking shareholders approval pursuant to Section 188 of the Companies Act, 2013.
- For Material related party transactions, approval of the Shareholders has been obtained.
- For exact value of Related Party Transactions, please refer chapter XIV of the Corporate Governance Report and Note 36 of the standalone financial statements and Note 37 of the consolidated financial statements of the Company.

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

Place: New Delhi
Date: 06.08.2024

Sd/-
Deep Kapuria
Chairman

ANNEXURE-VI OF BOARD'S REPORT

Pursuant to Section 197 (12) of the Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

1. The median annual remuneration of all permanent employees at the end of Financial Year 2023-24 was ₹ 5,19,120/- which was 4.95% increase on the identical figure for 2022-23.
2. 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-78.94; Mr. Pranav Kapuria, Managing Director-52.79 Mr. Anuj Kapuria, Executive Director- 52.79, Mr. Subir Kumar Chowdhury*, Executive Director and President of the Company – 19.74 and Mr. Amresh Kumar Verma* Whole Time Director - Executive Director - 3.25

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

*During the financial year under review, Mr. Subir Kumar Chowdhury – Whole Time Director and Key Managerial Personnel designated as Executive Director and President of the Company, resigned from the Board w.e.f. October 18, 2023.

Appointed Mr. Amresh Kumar Verma as the Whole Time Director and Key Managerial Personnel designated as Executive Director of the Company effective from October 26, 2023

(b) Non-Executive Director

Mr. Anil Kumar Khanna, Independent Director- 1.80; Mr. Sandeep Dinodia, Independent Director- 1.88; Mr. Vinit Taneja, Independent Director- 1.72; Mr. Krishna Chandra Verma, Independent Director- 1.76; Mrs. Malini Sud, Independent Director- 1.58; Mr. Bidadi Anjani Kumar, Non-Executive Director- 1.67, Mr. Anant Jaivant Talaulicar, Non-Executive Director- 1.55, Mr. Rajiv Batra, Independent Director- 1.58 and Mr. Ramesh Shankarmal Palani#, Independent Director- 0.62 and Mr. Kawal Jain#, Non-Executive Director - 0.66 Sitting Fee is out of scope of remuneration as per Companies Act, 2013, however for the aforesaid purpose, remuneration of Non- Executive Directors includes Sitting fees and Commission.

#Mr. Ramesh Shankarmal Piloni and Mr. Kawal Jain were appointed on Board w.e.f. October 26, 2023.

3. There were 552 numbers of permanent employees on the rolls of Company as on March 31, 2024;
4. (a) The Market capitalization as on March 31, 2024 was ₹ 14448.87 million and ₹ 4741.34 million as on March 31, 2023 which shows an increase by 204.71%.
(b) Price Earnings ratio (calculated on the basis of Basic Earnings Per Equity Share) as on March 31, 2024 was 41.70 and 9.42 as on March 31, 2023 which shows increase of 77.41%.
(c) The Company has not made any public offer in the recent past and accordingly, the comparison of public offer price and the current market price of the Company's shares will not be relevant.
5. 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 and Remuneration Committee as per the remuneration policy for Directors, Key Managerial Personnel, Senior Management and other employee.
6. Taking into account the total remuneration of all employees on the pay roll of the Company in the financial year 2023-24 and dividing it by the number of such employees as at the end of the year, we arrive at the average remuneration per employee during the said year. When we compare the average remuneration per employee derived for 2023-24 with the identical computation for 2022-23, we get the percent increase/decrease in Financial Year 2023-24 over its previous year.

The said comparison for employees other than the four Executive Directors in 2023-24 indicates decrease of 11-36% as compared to previous year. The comparison for the four Executive Directors indicates increase of 5.00% as compared to the previous year.
7. There is no employee who receives remuneration in excess of the highest paid director during the Year.



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

Name of Director	Designation	% Change in remuneration
Mr. Deep Kapuria	Executive Chairman	5.45
Mr. Pranav Kapuria	Managing Director	5.10
Mr. Anuj Kapuria	Executive Director	5.10
Mr. Sandeep Dinodia	Independent Director	(8.50)
Mr. Krishna Chandra Verma	Independent Director	(8.50)
Mr. Vinit Taneja	Independent Director	(8.50)
Mr. Anil Kumar Khanna	Independent Director	(8.50)
Mr. Bidadi Anjani Kumar	Director	(8.50)
Ms. Malini Sud	Independent Director	(8.50)
Mr. Anant Jaivant Talaulicar	Vice Chairman	(8.50)
Mr. Rajiv Batra	Independent Director	(8.50)
Mr. Sumeet Kumar ^(c)	Chief Financial Officer	NA
Mr. Subir Kumar Chowdhury ^(d)	Executive Director	NA
Mr. Kawal Jain ^(e)	Non-Executive - Non-Independent Director	NA
Mr. Ramesh Shankar Pilani ^(e)	Non-Executive - Independent Director	NA
Mr. Amresh Kumar Verma ^(f)	Executive Director	NA
Mr. Naveen Jain	Company Secretary	20.48
Mr. Kapil Rajora ^(g)	Chief Financial Officer	NA

Note:

- Sitting fees payable to Non-Executive Directors (including Independent Directors) for attending the Meeting of Board of Directors includes Committee Meetings of the Company. Hence, it is not considered as remuneration in the case of Non-Executive Directors. Further, the % change in remuneration of directors other than WTD's are attributable to payment of commission for the Financial Year 2023-24.
 - In case of Executive Directors, the remuneration is as per the provisions of the Companies Act, 2013 read with rules and schedule made thereunder.
 - Mr. Sumeet Kumar, Group Chief Financial Officer and Key Managerial Personnel of the Company, resigned from his position w.e.f. closure of business hours August 14, 2023. Hence this section is not comparable for their terms with full Financial Year 2023-24.
 - Mr. Subir Kumar Chowdhury, Whole time Director and Key Managerial Personnel designated as Executive Director and President, of the Company, resigned from the Board w.e.f. closure of business hours October 18, 2023. Hence this section is not comparable for their terms with full Financial Year 2023-24.
 - Mr. Ramesh Shankarmal Pilani, Non-Executive Independent Director, and Mr. Kawal Jain, Non-Executive Non- Independent Director, were appointed on Board w.e.f. October 26, 2023. Hence this section is not comparable for their terms with full Financial Year 2023-24.
 - Mr. Amersh Kumar Verma, Whole Time Director and Key Managerial Personnel designated as Executive Director was appointed on Board w.e.f. October 26, 2023. Hence this section is not comparable for their terms with full Financial Year 2023-24.
 - Mr. Kapil Rajora was appointed as Chief Financial officer and Key Managerial Personnel of the Company w.e.f. August 15, 2023.
9. It is affirmed that the remuneration is paid as per the remuneration policy of the Company.

Management Discussion and Analysis

GLOBAL ECONOMIC – REVIEW

Despite gloomy predictions, the global economy remains remarkably resilient, with steady growth and inflation slowing almost as quickly as it rose. The journey has been eventful, starting with supply-chain disruptions in the aftermath of the pandemic, an energy and food crisis triggered by Russia's war on Ukraine, a considerable surge in inflation, followed by a globally synchronized monetary policy tightening. According to latest projections of IMF, growth for 2024 and 2025 will hold steady around 3.2 percent, with median headline inflation starting at 6.8% in 2023 and decreasing to 5.9% in 2024, followed by a further decrease to 4.5% in 2025. Most indicators point to a soft landing.

Advanced economies are expected to reach their inflation targets earlier than their counterparts in emerging markets and developing economies. Core inflation is expected to decline more gradually compared to headline inflation.

Looking forward, several key actions are essential for enhancing global growth prospects in the medium term. It is crucial to rebuild fiscal buffers to reduce funding costs and enhance financial stability. Additionally, improving the allocation of resources can boost growth by increasing efficiency and productivity. Furthermore, advancing towards a green and climate-resilient future is vital for sustainable economic development, requiring significant investments in green technologies and initiatives. To navigate these challenges effectively and capitalize on opportunities, multilateral cooperation is indispensable for tackling complex global issues and promoting economic stability.

INDIAN ECONOMIC – REVIEW

Despite the pessimistic view of the global economy, numerous analysts argue that the coming decade could be favourable for India. There are compelling reasons and data indicating that the Indian economy has performed more robust than previous estimate, despite ongoing global uncertainties. According to the most recent figures released by the government, the real GDP for the fiscal year 2023-24 is expanded at 8.2%, real Gross Value Added (GVA) has grown by 7.2% in 2023-24 over 6.7% in 2022-23. This GVA growth has been mainly due to significant growth of 9.9% in Manufacturing Sector in 2023-24 over -2.2% in 2022-23.

India's robust growth is driven by its large and youthful upper middle-income population, which fuels consumption-led economic expansion. Public investment also plays a crucial role, positioning India as the fastest-growing

major economy globally. These investments are expected to provide the necessary impetus for sustained growth driven by domestic demand.

Furthermore, there was a noticeable uptick in private consumption, underscoring increased consumer confidence and purchasing power. This robust domestic demand persisted despite challenges stemming from the global economic environment. This resilience was evidenced by significant increases in e-way bills and toll collections recorded in February 2024, indicating ongoing economic activity and trade dynamics within the nation.

Although growth performed well in FY 2023-24, momentum is anticipated to moderate in 2024-2025. This moderation is attributed to waning pent-up domestic demand, geopolitical tensions, and the delayed impact of tightening monetary policies.

Moreover, strategic investments by the Indian Government in public infrastructure and the financial sector were pivotal in bolstering economic stability amid external uncertainties. These initiatives not only fuelled economic growth but also fortified the country's resilience against global shocks, ensuring sustained advancement and prosperity.

Looking forward, the Indian economy is set to continue its upward trajectory towards achieving the milestone of USD 7 trillion by 2031, reinforcing its status as the world's third-largest economy. Enhancements in capital and productivity, supported by the seamless integration of digital and physical infrastructure, will be instrumental in driving this growth. Moreover, the manufacturing sector is anticipated to experience a resurgence, capitalizing on international prospects, domestic policy initiatives, and a shift towards sustainable energy solutions.

In summary, India's economic outlook underscores the significant role of demographics and public investment in driving growth, while acknowledging the impact of global uncertainties on future economic performance.

Looking ahead, growth in the near term is forecasted to align closely with previous projections, with slight adjustments due to a higher base effect.

INDIAN AUTO SECTOR AND PRODUCTION TREND

The Indian auto industry holds a promising long-term growth outlook fuelled by several factors: a strong economic growth trajectory, targeted government policies aligned with long-term vision through 2047, emphasis on road and infrastructure expansion, rising income levels, relatively low vehicle penetration rates, rapid urbanization, and a sizable, youthful population with ambitious aspirations. These dynamics collectively contribute to the industry's optimistic growth prospects.

Tab I: Automobile production trends

Category	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Passenger Vehicles	40,28,471	34,24,564	30,62,280	36,50,698	45,78,639	49,01,844
Commercial Vehicles	11,12,405	7,56,725	6,24,939	8,05,527	10,35,626	10,66,429
Three Wheelers	12,68,833	11,32,982	6,14,613	7,58,669	8,55,696	9,92,936
Two Wheelers	2,44,99,777	2,10,32,927	1,83,49,941	1,78,21,111	1,94,59,009	2,14,68,527
Grand Total	3,09,09,486	2,63,47,198	2,26,51,773	2,30,36,005	2,59,28,970	2,84,29,736

[Source: Society of Indian Automobile Manufacturers (SIAM)]

Following the normalization of global semiconductor supply post-COVID-19, the shortage was alleviated last year. Concurrently, increased demand was driven by factors such as higher disposable incomes, improved credit availability, new product launches, and minimal regulatory impacts.

Tab II: Automobile domestic sales trends

Category	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Passenger Vehicles	33,77,389	27,73,519	27,11,457	30,69,523	38,90,114	42,18,746
Commercial Vehicles	10,07,311	7,17,593	5,68,559	7,16,566	9,62,468	9,67,878
Three Wheelers	7,01,005	6,37,065	2,19,446	2,61,385	4,88,768	6,91,749
Two Wheelers	2,11,79,847	1,74,16,432	1,51,20,783	1,35,70,008	1,58,62,087	1,79,74,365
Grand Total	2,62,65,552	2,15,44,609	1,86,20,245	1,76,17,482	2,12,03,437	2,38,52,738

[Source: Society of Indian Automobile Manufacturers (SIAM)]



The Government has designated Electric Vehicle (EV) technology and Hydrogen Fuel Cell technology as advanced automotive technologies under the PLI (Production Linked Incentive) scheme. Additionally, the approval of the E-Vehicle policy aims to position India as a prominent manufacturing hub for electric vehicles. These initiatives will enable Indian consumers to access cutting-edge technologies, bolster the Make in India initiative, and enhance the EV ecosystem through healthy competition among industry players. This competition is expected to drive increased production, achieve economies of scale, reduce production costs, lessen crude oil imports, thereby lowering the trade deficit, and positively impacting the environment.

Internationally, there has been a noticeable shift in favour of sourcing from India. Despite economic downturns in key markets, exports experienced significant growth thanks to this favourable sentiment, boosted further by the adoption of diversification strategies such as "China+1."

Moreover, there are emerging opportunities for export-oriented manufacturing in India, particularly in traditional sectors like castings, forgings, and injection modules, which may not be as competitive in Western markets but show promise within India's manufacturing landscape.

There are, several factors expected to have a positive impact on Indian auto component suppliers in the medium to long term. These include increased supplies to new platforms, higher value addition, and potential growth in aftermarket demand in international markets. Additionally, opportunities in the electric vehicle (EV) segment, vehicle customization trends, localization efforts, and evolving regulatory standards are anticipated to contribute to steady growth for auto component suppliers, driven by increased content per vehicle.

(Source: <https://www.india-briefing.com>)

RISKS AND CONCERNS IN AUTOMOBILE AND AUTO COMPONENT SEGMENT

The stricter Real Driving Emissions ("RDE") norms has come into effect in India and require carmakers to conduct tests in a laboratory as well as in real-world conditions.

The Real Driving Emission (RDE) Norms are the driving force behind Phase II of the BS6 norms. Currently, in order to comply with the Bharat Stage Norms, vehicle emission measurements and tests are largely tested and determined in the laboratory with scenarios that replicate the real world without any external influence. As a result, carmakers' emission values generally differ greatly from real-world conditions.

This has prompted the government to develop a testing method that can measure emissions in actual driving conditions rather than labs. With effect from April 1, 2023, RDE Norms binds carmakers to test and measure pollutants emitted from their vehicles in a real-world driving scenario. For this purpose, carmakers will be required to equip their vehicles with a Portable Emissions Measurement System (PEMS).

All vehicles running on a diesel engine will be required to have Selective Catalytic Reduction (SCR) systems onboard. By using Diesel Exhaust Fluid (AdBlue), the Selective Catalytic Reduction systems will greatly reduce emissions of compounds such as nitrogen oxides (NOx) by converting pollutants into water, nitrogen and minute amounts of carbon dioxide.

Before Phase II of the BS6 norms, carmakers were able to comply with ongoing BS6 regulations through the Lean NOx Trap (LNT) system. This allowed smaller-capacity diesel engines (usually below 2.0 litres) to achieve lower pollution levels in a bid to comply with the current emission standards.

However, with Phase II now imminent, carmakers will have to use more sophisticated and expensive SCR systems. It is pertinent to note that larger diesel engines, such as those exceeding 2.0 litres, are already upgraded to the SCR system during the initial phase of the BS6 transition.

While the carmakers bearing the biggest impact of the RDE Norms, buyers are facing the impact mainly in the form of a price increase. Since RDE Norms require carmakers to incur additional costs in order to make their powertrain fully BS6 compliant, the overall production cost has increased, a part of which has been passed on to the consumers through price hikes.

Moreover, since an upgrade to the SCR system requires carmakers to undertake several highly valued changes, the entire cost of conversion results too costly for smaller engines and vehicles, which results in their untimely discontinuation.

OUTLOOK

According to ICRA, revenue growth in auto component industry to moderate to 5-7% in FY-2024-2025 and industry likely to incur capex of at least ₹ 20,000-25,000 crores in FY-2024-2025 towards capacity expansion and technological developments, with incremental investments being towards new product additions, product development for committed platforms, and development of advanced technology and EV components, apart from capex for capacity enhancements and upcoming regulatory changes. The PLI scheme will also contribute to accelerating capex towards advanced technology and EV components over the medium-term. We are confident in our ability to align our growth with the market by leveraging our strong foundation in New Product Development (NPD) across different platforms and variants. Our ongoing initiatives to optimize capacity utilization and reduce raw material costs are expected to further support this growth. Moreover, our implementation of Total Productive Maintenance will enhance efficiency by minimizing waste and optimizing resource utilization in critical processes. Our primary objective remains to expand our market share through the introduction of innovative products while maintaining a strong focus on cost competitiveness, productivity, and quality.

Looking ahead, despite potential challenges such as rising interest rates and increased costs due to new emission and safety standards, the Indian automotive industry is poised for sustained growth momentum. The introduction of a vehicle scrapping policy aimed at replacing older vehicles is expected to bolster industry growth. Additionally, the adoption of Electric Vehicles (EVs) is set to accelerate, driven by improving cost competitiveness, supportive government policies, expanding charging infrastructure, and growing consumer preference for clean and sustainable mobility solutions.

OPPORTUNITIES, THREATS AND MITIGATION STRATEGIES

OPPORTUNITIES:

The rapidly globalising world is creating newer opportunities for the transportation industry, especially while shifting 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. To help them adjust to the shifting dynamics of the sector, the Indian government has already offered various production incentives. India is also investing heavily in electric car infrastructure.

As the automotive industry continues to evolve, the auto components sector will play a crucial role in shaping the future of mobility. Collaboration with automakers, investment in research and development, and adaptation to changing regulations will be key factors for success in this dynamic and competitive market.

THREATS AND MITIGATION STRATEGIES:

Geopolitical Risk:

As a global organization, we face exposure to shifts in the geopolitical landscape and various external factors, including trade tensions, localization requirements, conflicts, and natural disasters. Recent conflicts have underscored the unpredictability of geopolitical tensions, which can lead to significant disruptions with potentially prolonged effects.

We remain vigilant in monitoring global developments that could impact our sourcing, order fulfilment, turnaround times (TAT), and overall financial performance. We are committed to promptly implement mitigation plans as needed to address these challenges effectively.

Input Material cost:

The Company is currently grappling with the significant challenge of escalating steel prices, a critical raw material for its products, exacerbated by geopolitical tensions such as the Russia-Ukraine conflict. This poses a direct threat to the Company's profit margins in the highly competitive auto component sector.

To mitigate this risk, the Company remains committed to improving operational efficiency and advancing the development of cutting-edge components that outperform competitors' offerings. Moreover, the Company has strategically diversified its supply chain, reducing dependence on any single source or supplier. A specialized team proficient in vendor

management closely monitors steel price trends and negotiates diligently to secure favourable pricing terms, aiming to protect the Company's profitability.

Through continuous pursuit of operational excellence, ongoing technological innovation, and robust vendor management practices, the Company aims to navigate the challenges posed by soaring steel prices and global uncertainties. This strategic approach underscores the Company's commitment to maintaining competitiveness and sustaining growth in the dynamic auto component industry.

Disrupted Supply Chain:

Our manufacturing operations depend on third-party sources for raw materials, parts, and components, and their timely supply is crucial for meeting production schedules successfully. While bottlenecks are gradually improving, challenges such as geopolitical tensions, constrained shipping routes, port congestion, and severe weather events continue to strain the supply chain.

Despite these challenges, we are proactively addressing uncertainties through an effective supply chain risk management strategy. This includes fostering and strengthening strategic partnerships with key suppliers to ensure a consistent and reliable future supply of components. We remain vigilant in monitoring developments and are committed to keeping our customers informed about progress and our ongoing efforts to implement alternative strategies to mitigate risks.

Change in customer behaviour:

Indian auto component manufacturers have observed a notable shift in customer preferences recently, driven by various factors such as evolving economic conditions, changing market dynamics, and advancements in automotive technology.







Customers now prioritize product quality, reliability, and innovation more than ever before. They seek components that offer advanced features, superior performance, and enhanced safety standards. Additionally, there is a growing awareness of environmental issues, leading to a preference for eco-friendly components. The demand for electric vehicle parts, energy-efficient solutions, and sustainable manufacturing practices is also on the rise.

To respond to these evolving customer preferences, the Company's management is focusing on product innovation, technological advancements, sustainable practices, and digital transformation. Investments in research and development and the adoption of agile manufacturing processes are key strategies aimed at meeting customer demands and maintaining a competitive position in the market.

Technology Risk: In addition to the government's efforts to explore alternative fuels such as electrification, natural gas, and biofuel blends, the Indian automotive sector is poised to undergo numerous new regulations in the coming years, including CAFÉ, iRDE, FAME, and TREM. These regulatory changes will impact various market segments. Given the array of fuel technology choices available to consumers, accurately identifying customer demand and volume will necessitate increased effort and time.

To manage these challenges, our Company has consistently invested in technology upgrades to align with shifting customer expectations. We are actively engaged in extensive R&D efforts to understand and adapt to changing market dynamics. By emphasizing technology and innovation, we aim to sustain our competitive advantage and meet the evolving demands of our customers effectively.

Strength of the Company

 <p>One of the leading manufacturers of critical high-precision gears, shafts and Transmission components</p>	 <p>One of the very few component manufacturers catering to diverse segments of automobiles and engines</p>	 <p>Strategically located state-of-the-art manufacturing facilities in India, Canada and USA</p>
 <p>Long-standing strong relationships with customers and suppliers</p>	 <p>Operational excellence drive through 'Lean' manufacturing principles and TPM practices</p>	 <p>Entrepreneurial, Empowered, loyal & committed team</p>

BRIEF OF FINANCIAL RESULTS

During the Financial Year 2023-24, your company delivered consistent performance across all verticals. On standalone basis, total sales turnover remained steady at ₹ 7799.84 million, matching the previous year. Profit Before Tax (PBT) stood at ₹ 647.26 million, with Profit After Tax (PAT) at ₹ 492.69 million. Basic Earnings Per Share (EPS) for the year was ₹ 26.24.

Despite lower sales, our overseas operations showed improved profitability compared to Financial Year-2022-23. This was driven by enhanced productivity, a reduction in headcount leading to lower break-even points, and continuous improvement in internal efficiencies, thereby reducing conversion costs. The company's strategic focus on optimizing asset utilization through targeted sales of existing capacities further contributed to these positive outcomes.

On the consolidated side, the total turnover was remain steady at ₹ 11,069.05. The profit after tax stood at ₹ 1,142.53 million (including ₹ 770 Million as an Exceptional Items) as compared to ₹ 231.14 million in previous year. The consolidated financials of the Company with its subsidiaries are attached at the relevant part of this Report.

Despite lower sales, profitability improved against Financial Year-2022-23 due to improvement in the Overseas operations on account of:

1. Productivity improvements and reduction in head count resulting in lower break-even
2. Continuous improvement on improving internal efficiencies and reducing conversion costs

The Company recorded an export turnover of ₹ 2,293.81 million compared to ₹ 2263.22 million during the previous year, recording an increase of 1.40%. The total exports are now 29.41% of the total turnover.

These results underscore our resilience and strategic effectiveness amidst challenging market conditions.

KEY FINANCIAL RATIOS ARE GIVEN BELOW

Particulars	Unit	2023-24	2022-23	Change over previous year	Reason for material change
Debtors Turnover	Times	5.31	5.64	-5.96%	Average Trade receivable has increased but revenue had not increased, resulting in negative change of debtor turnover ratio.
Inventory Turnover	Times	5.07	5.29	-4.19%	Inventory turnover ratio decreased due to increase in inventory for mitigating future sales plan.



Particulars	Unit	2023-24	2022-23	Change over previous year	Reason for material change
Current Ratio	Times	1.53	1.21	26.94%	Current ratio improved, mainly due to re-payments of debts.
Debt Equity Ratio	Times	0.33	0.50	-33.87%	Debt Equity ratio is improved due to increase in Net worth and reduction in Debt.
Interest Coverage Ratio	Times	1.23	1.38	-10.91%	Reduced due to re-payment of long-term debts.
Operating Profit (EBIDTA) Margin	%	14.51	14.94	-0.43%	Minor Change due to notional impact of steel price & consumable cost increase.
Net Profit Margin	%	6.32	6.44	-0.12%	Nominal impact on Net profit margin due to reduction in EBITDA margin.
Return on Net Worth	%	11.12	12.66	-1.54%	Decreased due to decrease in Net Profit.

EXCELLENCE, AWARDS AND RECOGNITIONS

Our organization is dedicated to upholding world-class manufacturing standards, as outlined in our vision statement. Through our unwavering commitment, we have earned recognition and appreciation from our valued customers who consistently support us. These acknowledgments from our customers stand as strong testimony to our company's excellence.

Our Company won "EV business from Hero Moto Corp and Dana" – currently in Production Active quotes across customers in EV space.

Our company has taken the initiative in Advance Technology Components by enhancing Engineering Capability to design and manufacture advance technology components and Gear Box.

The Manesar Manufacturing Unit, which was upgraded to an ECOFAC Plant, continues to operate successfully. It has also been honoured with the Platinum Award by the Indian Green Building Council.

By integrating these principles into our manufacturing processes, we prioritize environmental stewardship, optimize resource utilization, and uphold responsible waste management practices. This commitment reflects our dedication to sustainability and underscores our ongoing pursuit of operational excellence.

SEGMENT REPORTING

The Company's primary business operations focus on gears and transmission components, which share common risks and returns. Therefore, these operations are consolidated and reported as a single segment in the disclosures provided.

However, to offer a comprehensive view of the Company's global footprint, it is segmented into three distinct geographical regions, as outlined in the financial statements. This segmentation adheres to the principles of the applicable Accounting Standard on Segment Reporting, ensuring accurate financial reporting and disclosure.

By consolidating gears and transmission components into a single segment and presenting geographic segments separately, the Company aims to increase transparency and enable a more precise evaluation of its operational performance across different regions.

This segmentation approach not only complies with regulatory requirements but also provides stakeholders with pertinent financial information to assess the Company's overall performance effectively.

INTERNAL CONTROLS AND THEIR ADEQUACY

The Company has a robust system of internal controls with well-documented procedures to safeguard its assets, interests, and resources. These controls are designed to enhance operational efficiency, ensure the adequacy of asset protection, strengthen financial controls, and ensure compliance with applicable laws and regulations.

In addition to these measures, we have implemented a comprehensive internal audit program. This program includes regular reviews conducted by management and is supported by documented policies, guidelines, and procedures. Internal audits are conducted by our appointed Internal Auditors, who report directly to the Audit Committee and the Board of Directors. We are privileged to engage M/s. Grant Thornton Bharat LLP, a leading assurance, tax, and advisory firm in India, as our Internal Auditor.

These initiatives collectively underscore our commitment to maintaining robust internal controls and adhering to industry standards and regulatory requirements.

HUMAN RESOURCES

The Company takes pride in its longstanding commitment to fostering harmonious industrial relations since its inception. It maintains a distinctive paternal culture across all operational sites. A robust health and safety program has been instituted, encompassing various initiatives aimed at improving the well-being and safety of our workforce and associates. Performance measurement systems and skill enhancement programs have been implemented throughout the organization.

Throughout the reporting period, the Company maintained cordial relations at all levels. For further details on employee figures and relevant information, please refer to the Board Report.

Disclaimer

This report includes statements that the Company considers forward-looking. These statements may use words such as 'plan', 'anticipate', 'expect', 'intend', 'aim', or similar expressions. All such statements are subject to risks and uncertainties that could cause actual results to differ materially from those anticipated in these forward-looking statements.

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 38th Board 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, prior intimation of date of Board Meetings which are convened at frequent intervals, outcomes of the Board Meetings, constitution of various Committees of Directors, formation and 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 all the mandatory provisions of the SEBI (LODR) Regulations, 2015, as amended from time to time, with regard to Corporate Governance. We are maintaining the maximum transparency in passing on information to the shareholders and other stakeholders of the Company. Additionally, your Company believes in complying with all the applicable laws of the Country in its letter as well in spirit.

The details of the Directors as on March 31, 2024, are as follows:-

Sr. No.	Name of Director and DIN	Designation	Category	Relationship with other directors	No. of Directorships ⁽¹⁾	No. of Audit/ Stakeholder Committee as Member ⁽²⁾	No. of Audit/ Stakeholder Committee as Chairperson ⁽²⁾
1.	Mr. Deep Kapuria (00006185)	Executive Chairman	Promoter, Executive Director	Father of Mr. Pranav Kapuria and Mr. Anuj Kapuria	Six	Nil	Nil
2.	Mr. Pranav Kapuria (00006195)	Managing Director	Promoter, Executive	Son of Mr. Deep Kapuria and brother of Mr. Anuj Kapuria	Five	Nil	Nil
3.	Mr. Anuj Kapuria (00006366)	Executive Director	Promoter, Executive	Son of Mr. Deep Kapuria And brother of Mr. Pranav Kapuria	Eight	Two	Nil
4.	Mr. Anant Jaivant Talaulicar (00031051)	Vice Chairman	Non-Independent, Non-Executive	-	Eleven	Five	One
5.	Mr. Bidadi Anjani Kumar (00022417)	Director	Non- Independent, Non-Executive	-	Three	Two	Two
6.	Mr. Anil Kumar Khanna (00207839)	Director	Independent, Non-Executive	-	Thirteen	Two	One
7.	Mr. Sandeep Dinodia (00005395)	Director	Independent, Non-Executive	-	Three	Four	Two
8.	Mr. Vinit Taneja (02647727)	Director	Independent, Non-Executive	-	One	One	Nil
9.	Mr. Krishna Chandra Verma (03636488)	Director	Independent, Non-Executive	-	One	One	Nil
10.	Ms. Malini Sud (01297943)	Director	Independent, Non-Executive	-	Two	Nil	Nil
11.	Mr. Rajiv Batra (00082866)	Director	Independent, Non-Executive	-	Seven	Five	Two
12.	Mr. Kawal Jain (00910924)	Director	Non-Independent, Non-Executive Director	-	Two	Nil	Nil
13.	Mr. Amresh Kumar Verma (09587704)	Executive Director	Executive Director	-	Three	One	Nil
14.	Mr. Ramesh Shankarmal Pilani (00901506)	Director	Independent Director, Non-Executive	-	Thirteen	Nil	Nil

Note:-

- (1) Includes directorship in listed (including The Hi-Tech Gears Limited) and public companies, private companies, Section 8 Companies except foreign companies and LLPs.
- (2) Pertains to memberships/chairpersonship held in the Audit Committee and Stakeholders' Relationship Committee of other Indian public companies (Listed and Unlisted) as per Regulation 26(1)(b) of the SEBI Listing Regulations.
- (3) During the financial year under review Mr. Subir Kumar Chowdhury, Whole Time Director & Key Managerial Personnel designated as Executive Director and President of the Company, resigned from the Board w.e.f. closure of the business hours of 18.10.2023

II. Composition of Board of Directors

The Board of Directors, being the apex body has dual responsibility, as an Agent and a Fiduciary of the Shareholders and Company. The Board of Directors of the Company is duly constituted as per the stipulated requirements under SEBI (LODR) Regulations, 2015 with proper balance of Executive Directors, Non-Executive Directors including (Independent Directors) and a Woman (Independent) Director.

As on March 31, 2024, there were total 14 Directors on the Board of the Company consisting of 7 Independent & Non-Executive Directors, 3 Non-Independent & Non-Executive Directors and 4 Executive Directors having expertise and experience background from different fields such as Engineering, Finance, Treasury, Business Management, Administration, Human Resource, Corporate Planning, Corporate Law etc. All Directors on the Board are professionally competent and experienced in their respective fields.

During the financial year under review, the Board of Directors upon recommendation by the Nomination and Remuneration Committee (NRC) appointed Mr. Amresh Kumar Verma as the Whole Time Director and Key Managerial Personnel designated as Executive Director of the Company effective from October 26, 2023 Additionally Mr. Kawal Jain has been appointed as a Non-Executive - Non-Independent Director, and Mr. Ramesh Shankarmal Pilani has been appointed as a Non-Executive - Independent Director in the Company with effect from October 26, 2023.



Number of Board Meetings held during the financial year 2023-24

During the financial year under review, Board meetings were held 5 (Five) times to review, discuss and decide on the various business matters of the Company. Following are the particulars of the meetings:-

- (1) May 27, 2023
- (2) August 14, 2023
- (3) October 26, 2023
- (4) November 07, 2023
- (5) February 13, 2024.

It is confirmed that the gap between the two (2) consecutive meetings of the Board did not exceed one hundred and twenty (120) days. The necessary quorum was present in all the meetings.

Attendance of each Director at the Board Meetings during financial year under review and the last Annual General Meeting are given as following: -

Name of Director	Attendance in the Board Meetings	Attendance in the last Annual General Meeting
Mr. Deep Kapuria	4	No
Mr. Anil Kumar Khanna	4	Yes
Mr. Sandeep Dinodia	5	Yes
Mr. Bidadi Anjani Kumar	5	Yes
Mr. Vinit Taneja	5	Yes
Mr. Pranav Kapuria	5	Yes
Mr. Anuj Kapuria	5	Yes
Mr. Krishna Chandra Verma	5	Yes
Ms. Malini Sud	5	Yes
Mr. Anant Jaivant Talaulicar	5	Yes
Mr. Rajiv Batra	5	Yes
*Mr. Subir Kumar Chowdhury	2	Yes
**Mr. Amresh kumar Verma	2	NA
**Mr. Kawal Jain	2	NA
**Mr. Ramesh Shankarmal Pilani	1	NA

Note :

- *1. Mr. Subir Kumar Chowdhury resigned w.e.f. closure of the business hours of October 18, 2023.
- **2. Mr. Amresh Kumar Verma, Mr. Kawal Jain and Mr. Ramesh Shankarmal Pilani were appointed w.e.f. October 26, 2023.

Directorship of Board Members in other listed entity

Pursuant to the amended SEBI (LODR) Regulations, 2015, the name of the other listed entity where the Board Members are holding directorship as on March 31, 2024, are given below:

Name of Director	Name of the Listed Entity	Category
Mr. Anant Jaivant Talaulicar	India Nippon Electricals Limited	Non-Executive - Independent Director
	Endurance Technologies Limited	Non-Executive - Independent Director
	Everest Industries Limited	Non-Executive - Independent Director, Chairperson
	KPIT Technologies Limited	Non-Executive - Independent Director
Mr. Bidadi Anjani Kumar	Kennametal India Limited	Non-Executive - Independent Director, Chairperson

Name of Director	Name of the Listed Entity	Category
Mr. Sandeep Dinodia	Ester Industries Limited	Non-Executive - Independent Director
	Sandhar Technologies Limited	Non-Executive - Non-Independent Director
Mr. Anil Kumar Khanna	United Leasing and Industries Limited	Managing Director
Ms. Malini Sud	Sterling Tools Limited	Non-Executive - Independent Director Ceased to be independent director on 31-03-2024 in Sterling Tools Limited
Mr. Rajiv Batra	UFO Moviez India Limited	Non-Executive - Independent Director
	UNO Minda Limited	Non-Executive - Independent Director

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

Mr. Vinit Taneja held 5600 equity shares, Mr. Krishna Chandra Verma held 4100 and Mr. Kawal Jain held 1,100 equity shares as on March 31, 2024. No other Non-Executive Director held any equity shares as on March 31, 2024.

Familiarization Programme

The Board acquainted with all information about the Company and its operations may make a substantial contribution to the efficient execution of its fiduciary duties in a way that satisfies the expectations of stakeholders and the general public. To help them make timely and well-informed decisions, the Company's Directors are kept informed about significant changes and developments in the domestic and international corporate and industry scene, including those related to statutes, legislation, and the economic environment. The Directors are also informed about all business-related topics, such as the company's new initiatives, CSR and sustainability activities, risk assessment and minimization methods, and management development processes.

Details regarding the familiarization programs provided to independent directors are available for review at <https://www.thehitechgears.com/investors.php>.

The Company has devised a policy for performance evaluation of Independent Directors, Board, Committees, and other individual Directors which forms part of the NRC policy and is also available on <https://www.thehitechgears.com/investors.php>

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

Pursuant to Schedule V of the SEBI (LODR) Regulations, 2015, core skills/ expertise /competencies, as required in the context of the business and sector for it to function effectively and those actually available with the Board have been identified by the Board of Directors.

The detailed Chart/ Matrix of such core skills/ expertise/ competencies along with the names of the Directors who possess such skills is given as following:-

S. No	Name of the Director	Designation	Core skills/ Expertise/ Competencies
1	Mr. Deep Kapuria	Executive Chairman	Management, Strategy and Planning, Global business leadership, Manufacturing, automobile engineering and project management, CSR and Sustainability matters, Critical and Innovative Thinker

S. No	Name of the Director	Designation	Core skills/ Expertise/ Competencies
2	Mr. Pranav Kapuria	Managing Director	Management, Strategy and Planning, Governance, Risk and Compliance, Commercial Experience, Global business leadership, Manufacturing, automobile engineering and project management, Vision and value creation
3	Mr. Anuj Kapuria	Executive Director	Commercial Experience, Manufacturing, automobile engineering and project management, Automation and Innovation, New Product Development
4	Mr. Anant Jaivant Talaulicar	Non-Independent, Non-Executive	Mechanical and Engineering Expertise, Quality consciousness, Technical Expertise, Strategic thinking, Active contribution towards Strategy and Planning.
5	Mr. Anil Kumar Khanna	Independent, Non-Executive	Member and stakeholder engagement, Economics and Statistics
6	Mr. Sandeep Dinodia	Independent, Non-Executive	Audit and Risk management, Policy Development, Finance and Taxation,
7	Mr. Bidadi Anjani Kumar	Non-Independent, Non-Executive	Finance and Taxation, Economics and Statistics, Policy Development
8	Mr. Vinit Taneja	Independent, Non-Executive	Policy Development, Human Resource Management, Interpersonal Skills
9	Mr. Krishna Chandra Verma	Independent, Non-Executive	Government Relations (policy and process), Critical Thinking and Innovation, CSR Management, Regulatory, Government and Security matters, CSR matters, Active contribution
10	Mr. Rajiv Batra	Independent, Non-Executive	Governance, Risk and Compliance, Strategic thinking.
11	Mrs. Malini Sud	Independent, Non-Executive	Management and Strategy, Legal and Corporate Laws
12	Mr. Amresh Kumar Verma	Executive Director	Operations management, establishing cost efficient initiatives, planning, and achieving the merits on operational scale, Expertise knowledge of manufacturing operations of Auto-Components dynamics.
13	Mr. Kawal Jain	Non-Executive - Non-Independent Director	Accounting, Finance, Taxation, and Management Advisory.
14	Mr. Ramesh Shankarmal Pilani	Non-Executive - Independent Director	profound knowledge, and comprehension of the manufacturing sector, Innovation, dedication, and leadership skills, knowledge and Board dynamics, better governance understanding of the manufacturing sector.

Confirmation of the Board on independence of Independent Directors

The Board has received the necessary declaration from the Independent Directors of the Company pursuant to Section 149 of the Companies Act, 2013, in conjunction with the relevant Rules and Regulation 25 of the SEBI

(LODR) Regulations, 2015, as periodically amended. Consequently, the Board hereby affirms that, based on this declaration, the Independent Directors meet the criteria outlined in the aforementioned regulations and maintain autonomy from the management.

During the financial year no Independent Director of the Company has tendered their resignation from their position.

III. Audit Committee

Brief description of terms of reference

As per the Companies Act, 2013, the Audit Committee of your Company consist of five (5) Directors, bifurcating into four (4) members who are Non-Executive and Independent Directors, namely Mr. Sandeep Dinodia Mr. Anil Kumar Khanna and Mr. Rajiv Batra* are esteemed Fellow members of the Institute of Chartered Accountants of India, and Mr. Krishna Chandra Verma, distinguished for his profound understanding of Administration. Additionally, one member serves as an Executive Director, Mr. Anuj Kapuria, recognized for his vast experience and specialization in Computer Vision and Artificial Intelligence. Please refer to skill/expertise/competencies former part of this report for detailed competencies and expertise.

Further, the Board of Director in their meeting held on February 13, 2024 have inducted Mr. Rajiv Batra as Member of the Audit Committee w.e.f. February 13, 2024.

Furthermore, Mr. Naveen Jain, Company Secretary of the Company, assumes the role of Secretary of the Audit Committee. The functions and responsibilities of the Audit Committee align with the provisions outlined in Regulation 18 of the SEBI (LODR) Regulations, 2015, as amended, and Section 177 of the Companies Act, 2013, along with the respective rules.

In accordance with the requirements of the Companies Act, 2013, and the SEBI (LODR) Regulations, 2015, all committee members possess financial literacy and expertise in accounting or related financial management.

Composition, Meetings and Attendance

During the financial year under review, the Audit Committee meetings were held 4 (four) times on the following dates:-

- (1) May 27, 2023
- (2) August 14, 2023
- (3) November 07, 2023
- (4) February 13, 2024

Attendance of the members at the Audit Committee Meetings during financial year under review are given as following:-

Name	Position/ Composition	Category	No. of meetings held during the tenure	No. of meetings attended
Mr. Sandeep Dinodia	Chairman	Non-Executive and Independent Director	4	4
Mr. Anil Kumar Khanna	Member	Non-Executive and Independent Director	4	3
Mr. Krishna Chandra Verma	Member	Non-Executive and Independent Director	4	4
Mr. Anuj Kapuria	Member	Executive Director	4	4
*Mr. Rajiv Batra	Member	Non-Executive and Independent Director	NA	NA

Note : * Appointed as member of the Audit Committee w.e.f. February 13, 2024.



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 is considered necessary.

Roles and Responsibilities of Audit Committee

Audit Committee performs its duties, roles and responsibilities in terms of the Regulation 18 of the SEBI (LODR) Regulations, 2015 and 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. Approval of Payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the board for approval.
5. Reviewing with the management, the quarterly financial statements before submission to the board for approval.
6. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
7. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a [public issue or rights issue or preferential issue or qualified institutions placement], and making appropriate recommendations to the board to take up steps in this matter.
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To review the functioning of the Whistle Blower mechanism.
19. Approval of appointment of chief financial officer after assessing the qualifications, experience, and background, etc. of the candidate.
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee, in Companies Act, 2013, SEBI (LODR) Regulations, 2015 or any other statutory regulation, document or otherwise.

21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary.
22. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

IV. Nomination and Remuneration Committee (NRC)

Brief description of terms of reference

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

Mr. Naveen Jain, Company Secretary of the Company, acts as the Secretary of the Nomination and Remuneration Committee.

During the financial year under review the Company has revised Nomination and Remuneration Policy ("NRC Policy") for Directors, Key Managerial Personnel, Senior Management Personnel and other senior employees w.e.f. January 17, 2023. The said policy is placed on the website of the Company can be access on <https://www.thehitechgears.com/investors.php>.

The NRC consists of four (4) Non-Executive Directors out of whom three (3) are & Independent Non-executive Directors and one (1) is Non-executive & Non-Independent Director.

Composition, Meetings and Attendance

During the financial year under review, the Nomination and Remuneration Committee meeting were held four (4) times on the following dates: -

- (1) August 12, 2023
- (2) October 26, 2023
- (3) January 09, 2024
- (4) February 12, 2024

Attendance of the members at the Nomination and Remuneration Committee Meetings held during financial year under review are given as following: -

Name	Position/ Composition	Category	No. of meetings held during the tenure	No. of meetings attended
Mr. Vinit Taneja	Chairman	Non-executive and Independent Director	4	4
Mr. Sandeep Dinodia	Member	Non-executive and Independent Director	4	4
Mr. Anil Kumar Khanna	Member	Non-executive and Independent Director	4	4
Mr. Bidadi Anjani Kumar	Member	Non-executive and non-Independent Director	4	4

Roles and Responsibilities of Nomination and Remuneration Committee

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. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board

for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- a. uses the services of an external agencies, if required.
 - b. Consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. Consider the time commitments of the candidates.
3. Formulation of criteria for evaluation of performance of independent directors and the board of directors.
 4. Devising a policy on Board diversity
 5. Formulate a Remuneration Policy as specified under Section 178 of the Companies Act, 2013 and under SEBI (LODR) Regulations, 2015, as amended from time to time.
 6. Identifying people who are qualified to become directors and who may be appointed in senior management in accordance with the criteria 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.
 7. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
 8. Recommend to the board all remuneration, in whatever form, payable to senior management.
 9. Implement and administer the Employees Stock Option Scheme(s) approved by the Board from time to time and to establish, amend and rescind any rules and regulations relating to the Scheme(s), and to make any other determinations that it deems necessary or desirable in connection with the Scheme.
 10. Carrying out any other function as is mentioned in the terms of reference of the Nomination and Remuneration Committee, in Companies Act, 2013, SEBI (LODR) Regulations, 2015 or any other statutory regulation, document or otherwise.

V. Stakeholder Relationship Committee (SRC)

Brief description of terms of reference

The Stakeholder Relationship Committee of your Company consists of three Directors. All members are Independent and Non-Executive Directors. The scope, compliances and functions of the Stakeholder Relationship Committee is in line with the SEBI (LODR) Regulations, 2015, as amended from time to time and the provisions of Section 178 of the Companies Act, 2013 along with rules made thereunder.

Meetings and attendance

During the financial year under review, the Stakeholder Relationship Committee meeting was held one (1) time on the following date:

- (1) February 02, 2024

Attendance of the members at the Stakeholder Relationship Committee Meeting held during financial year under review are given as following: -

Name	Position/Composition	Category	No. of meetings held 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

Mr. Naveen Jain, Company Secretary of the Company, also acts as the Secretary of the Stakeholder Relationship Committee.

Roles and Responsibilities of Stakeholder Relationship Committee:

- (1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (2) Review of measures taken for effective exercise of voting rights by shareholders.
- (3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

Investors Complaints during the financial year ended March 31, 2024

Pending at the beginning of the year	Nil
Received during the year	1
Disposed of during the year	1
Remaining unresolved at the end of the year	Nil

VI. Other Committees

(a) Corporate Social Responsibility Committee ("CSR Committee")

Brief description of terms of reference

The Company has CSR Committee formed pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The aforesaid provision mandates the Roles, Responsibilities, Powers and Scope of the CSR Committee and its members.

Meetings and attendance:

During the financial year under review the CSR Committee meeting was held one (1) time on the following date:-

- (1) December 15, 2023.

Attendance of the members at the CSR Committee Meeting held during financial year under review are given as following: -

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

Mr. Naveen Jain, Company Secretary of the Company, also acts as the secretary of the CSR Committee.

Roles and responsibilities of CSR Committee:

1. Formulate a Corporate Social Responsibility Policy "CSR Policy" which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
2. Recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013
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 Corporate Social Responsibility "CSR", the Company has undertaken various projects pursuant to Schedule VII of the Companies Act, 2013 and CSR Policy of Company. The CSR Policy is placed on the website of the Company at <https://www.thehitechgears.com/investors.php>

During the financial year under review, the Company has year marked a contribution of ₹ 11.80 million towards CSR contribution and complied with the mandatory requirements of the Companies Act, 2013. The details pertaining to CSR contribution are provided in Annexure IV to the Board's Report.

(b) Share Transfer Committee (STC)

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.

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

Meetings and attendance

During the financial year under review the STC meeting were held One (1) time on the following date: -

(1) July 25, 2023

The meeting was attended by members as detailed below: -

Name	Position/Composition	Category	No. of meetings held during the tenure	No. of meetings attended
Mr. Deep Kapuria	Member	Executive Director	1	1
Mr. Pranav Kapuria	Member	Executive Director	1	1
Mr. Anuj Kapuria	Member	Executive Director	1	1

Roles and responsibilities of Share Transfer Committee:

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.

VII Separate Independent Directors' Meetings

In terms of the Schedule IV of Companies Act, 2013 and SEBI (LODR) Regulations, 2015, 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.

During the financial year under review, the Independent Directors had One (1) meeting on March 04, 2024, 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, considering 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 perform their duties effectively and reasonably.

VIII Senior Management:

The particulars of the senior management as stipulated under SEBI (LODR) Regulations, 2015 are as follows:

Sr. No.	Name	Designation
1	Mr. Kapil Rajora	Chief Financial Officer
2	Mr. Naveen Jain	GM Legal and Company Secretary
3	Mr. Sharad Mishra	Vice President designated as Senior Management (w.e.f. August 06, 2024)
4	Mr. Mahesh Kumar Agarwal	Senior General Manager designated as Senior Management (w.e.f. August 06, 2024)

Change in Senior Management during the financial year review are tabled hereunder:

Sr. No.	Name	Nature of Change
1.	Mr. Amresh Kumar Verma	Appointed as Whole Time Director and Key Managerial Personnel designated as Executive Director w.e.f. October 26, 2023
2.	Mr. Jawaid Ashraf	Resigned w.e.f. September 15, 2023
3.	Mr. Sumeet Kumar	Resigned w.e.f. August 14, 2023.
4.	Mr. Kapil Rajora	Appointed as Chief Financial officer and Key Managerial Personnel of the Company w.e.f. August 15, 2023

IX Remuneration of Directors:

The Executive Chairman, Managing Director and the Whole Time Director are paid remuneration as approved by the Board of Directors on the recommendation of the Nomination and 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, HRA, allowances, contribution to provident fund and other statutory funds which is in accordance with Section 197, 198 and other applicable provisions of the Companies Act, 2013.

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. Further, the Non-executive Directors do not draw any remuneration from the Company except sitting fees for attending Board and Committee Meetings and commission (as approved by the Board) for the financial year.

1. The details of the remuneration paid/payable to the Executive Chairman, Managing Director and Whole Time Director for the financial year ended March 31, 2024, are as under: -

(Amount in Millions)

Name of Director	Designation	Salary	EPF	Allowances	Total
Mr. Deep Kapuria	Executive Chairman	20.41	1.65	18.92	40.98
Mr. Pranav Kapuria	Managing Director	14.67	1.19	11.55	27.41
Mr. Anuj Kapuria	Executive Director	14.67	1.19	11.55	27.41
Mr. Subir Kumar Chowdhary	Executive Director	8.41	0.47	1.37	10.25
Mr. Amresh Kumar Verma	Executive Director	1.40	0.10	0.19	1.69
Total		59.55	4.61	43.58	107.73

Notes: - Salary includes basic salary and HRA, and allowances include special allowance, medical allowance and education allowance. EPF includes contribution to provident fund and other statutory funds.

2. The Board at its meeting held on August 06, 2024, has resolved to distribute the amount of ₹ 6.594 million (approx.) @ 1.00 % of Commission within the said ceiling amongst the Non-Executive Directors. The details of the remuneration paid/payable to the Non-Executive Directors for the year ended March 31, 2024 are as under:

(Amount in Millions)

Sr. No.	Name of the Non-Executive Directors	Commission	Sitting fees
1	Mr. Bidadi Anjani Kumar	0.744	0.160
2	Mr. Anant Jaivant Talaulicar	0.744	0.100
3	Mr. Anil Kumar Khanna	0.744	0.230
4	Mr. Sandeep Dinodia	0.744	0.270
5	Mr. Krishna Chandra Verma	0.744	0.210
6	Ms. Malini Sud	0.744	0.115
7	Mr. Vinit Taneja	0.744	0.190
8	Mr. Rajiv Batra	0.744	0.115
9	Mr. Ramesh Palani ^(d)	0.321	0.020
10	Mr. Kawal Jain ^(d)	0.321	0.040
	Total	6.594	1.450

Notes:-

- Directors other than Executive Directors were entitled to a sitting fee and commission on the Net Profit of the Company calculated as per section 198 of Companies Act, 2013.
- There were no other pecuniary transactions/ relationships with Non-executive Directors.
- There is no service contract, notice period, severance fees payable to Non-executive Directors.
- Mr. Ramesh Shankarmal Pilani and Mr. Kawal Jain were appointed on Board w.e.f. October 26, 2023

**X. General Body Meeting
Procedure for Postal Ballot**

The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and read with the General Circular nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 8, 2021, 3/2022 dated May 5, 2022, 11/2022 dated December 28, 2022 and 09/2023 dated September 25, 2023 issued by the Ministry of Corporate Affairs ('MCA Circulars'). Pursuant to the provisions of the Act and the Listing Regulations, 2015 during the financial year, the Company provided the facility to the members to exercise votes through electronic voting system ('remote e-voting') for postal ballot. Postal ballot notices, inter alia, detailing the voting instructions were sent through email only, to all those members who had registered their email IDs with the Company/depositories, in view of the relaxation granted by MCA. Arrangements were also made for other members to register their email IDs to receive the postal ballot notice and cast their vote online. The Company also published notice in the newspapers for the information of the members. Voting rights are reckoned on the equity shares held by the members as on the cut-off date. Pursuant to the provisions of the Act, the Company appointed a scrutiniser for conducting the postal ballot process in a fair and transparent manner. The scrutiniser submitted his consolidated report to the Chairman and the voting results were announced by the Chairman by placing the same along with the scrutiniser's report on the Company's website, besides being communicated to the stock exchanges.

- a) Details of the last three (3) Annual General Meetings (AGMs) of the Company are given as following: -

Financial Year	Date of Meeting	Time	Location/ Venue	No. of Special Resolution Passed
2022-23	September 28, 2023	12.00 Noon	Plot No. 24, 25, 26, Sector-7,IMT Manesar, 122050 Haryana	0
2021-22	September 29, 2022	05.00 P.M.	Plot No. 24, 25, 26, Sector-7,IMT Manesar, 122050 Haryana	4
2020-21	September 29, 2021	05.00 P.M.	Plot No. 24, 25, 26, Sector-7,IMT Manesar, 122050 Haryana	3

- (b) Throughout the financial year, postal ballot was conducted two times in FY24 in strict adherence to the provisions outlined within the framework of the Companies Act of 2013 and SEBI (LODR) Regulations, 2015.

- The Company had taken the approval of the shareholders by way of a Special Resolution through notice of postal ballot dated April 05, 2023 for appointment of Mr. Subir Kumar Chowdhury (DIN: 03633998) as Whole-time Director and Key Managerial Personnel designated as "Executive Director & President" and payment of remuneration thereof.

The Resolution was duly passed on May 06, 2023 and the result was announced on May 08, 2023.

The Company had appointed Ms. Akarshika Goyal, Partner of M/s Gover Ahuja & Associates, Practicing Company Secretary (COP No. 12770) as Scrutinizer for conducting the postal ballot including remote e-voting process in a fair and transparent manner, she has submitted her duly signed scrutinizer report with voting results dated May 08, 2023 to the Chairman.

Resolution passed through Postal Ballot	Resolution Required	Votes in favour of the resolution (% of total number of valid votes)	Votes against the resolution (% of total number of valid votes)	Date of Passing Resolution
Appointment of Mr. Subir Kumar Chowdhury (DIN: 03633998) as Whole-time Director and Key Managerial Personnel designated as "Executive Director & President" and payment of remuneration thereof	Special Resolution	10562038 (100%)	267 (0.00%)	May 06, 2023

- The Company had sought the approval of the shareholders by way of a Special Resolution and Ordinary Resolutions through notice of postal ballot dated November 20, 2023 for the purposes mentioned below in table.

The Resolution was duly passed on December 22, 2023 and the results were announced on December 23, 2023.

The Company had appointed Ms. Akarshika Goyal, Partner of M/s Gover Ahuja & Associates, Practicing Company Secretary (COP No. 12770) as Scrutinizer for conducting the postal ballot including remote e-voting process in a fair and transparent manner, she has submitted her duly signed scrutinizer report with voting results dated December 23, 2023 to the Chairman.



Resolution passed through Postal Ballot	Resolution Required	Votes in favour of the resolution (% of total number of valid votes)	Votes against the resolution (% of total number of valid votes)	Date of Passing Resolution
Appointment & Remuneration of Mr. Amresh Kumar Verma (DIN09587704) as Whole Time Director & Key Managerial Personnel designated as "Executive Director" of the Company	Special Resolution	10549296 99.99%	171 0.001	December 22, 2023
Appointment of Mr. Kawal Jain (DIN: 00910924) as a Non-Executive & Non-Independent Director of the Company	Ordinary Resolution	10549296 99.99%	171 0.001%	December 22, 2023
Appointment of Mr. Ramesh Shankarmal Piloni (DIN: 00901506) as a Non-Executive & Independent Director of the Company	Special Resolution	10549296 99.99%	171 0.001%	December 22, 2023
To increase the maximum number of Directors on the Board of the Company.	Special Resolution	10549296 99.99%	171 0.001%	December 22, 2023

b) Dividend history of last five years.

Sr. No.	Financial year	Rate of Dividend	Date of Shareholder's Resolution
1	2022-23	Final Dividend – 25.00%	September 28, 2023
2	2021-22	Final Dividend – 15.00%	September 29, 2022
3	2020-21	Final Dividend- 20.00%	September 29, 2021
4	2019-20	Interim Dividend-15.00%	February 07, 2020
5	2018-19	Interim-15.00% Final Dividend - 20.00%	February 02, 2019, September 27, 2019

c) For the financial year under review, **the Final Dividend @ 50%** i.e. ₹ 5 per equity share of ₹ 10/- each was recommended by the Board of Directors in their meeting held on May 29, 2024.

XI SELECTION OF INDEPENDENT DIRECTORS

Prioritizing the necessity for specialized skill sets on the Board, the Nomination and Remuneration Committee and subsequently the Board itself, diligently scrutinize distinguished individuals renowned for their autonomous standing in their respective fields or professions. Such individuals are sought for their potential to contribute significantly to the Company's strategic decisions and policies. In this meticulous selection process, factors such as qualifications, commendable attributes, expertise domains, and the extent of directorship and committee memberships across other corporate entities are thoroughly evaluated in accordance with the Company's prescribed policy for Director selection and independence determination. The Board, guided by the recommendations of the Nomination and Remuneration Committee, ultimately makes well-considered decisions.

It is imperative for individuals aspiring to serve as Independent Directors to meet the eligibility criteria outlined under Section 149 of the Companies Act, 2013, and the corresponding Regulations specified in the SEBI (LODR) Regulations, 2015.

Furthermore, each Independent Director is required to furnish a declaration at the onset of their participation in the Board meetings and subsequently at the outset of each financial year, affirming their compliance with the independence criteria stipulated under the Companies Act, 2013, and SEBI (LODR) Regulations, 2015.

XII MEANS OF COMMUNICATION

1. The quarterly, half yearly and annual financial results (consolidated and standalone) and quarterly shareholding pattern are updated on the Company's website www.thehitechgears.com as per the requirements of SEBI (LODR) Regulations, 2015, as amended from time to time. The Company has also submitted all periodical Compliance filings on the NSE Electronic Application System (NEAPS) and BSE Corporate Compliance and Listing Centre (BSE Listing Centre).

2. Publication of Financial Results

The approved financial results are published normally in the following newspapers in accordance with the provision of Regulation 47 of SEBI (LODR) Regulations, 2015:

Financial Calendar for financial year 2023-24	Results were announced on	Newspapers	Date of Publication
Financial Reporting for the 1 st quarter ended June 30, 2023	August 14, 2023	Business Standard (National daily newspaper in English)	August 15, 2023
		Business Standard (Regional daily newspaper in Hindi)	August 15, 2023
Financial Reporting for the 2 nd quarter and half year ended September 30, 2023	November 07, 2023	Business Standard (National daily newspaper in English)	November 09, 2023
		Business Standard (Regional daily newspaper in Hindi)	November 09, 2023
Financial Reporting for the 3 rd quarter ended December 31, 2023	February 13, 2024	Business Standard (National daily newspaper in English)	February 14, 2024
		Business Standard (Regional daily newspaper in Hindi)	February 14, 2024
Financial Reporting for the 4 th quarter and year ended March 31, 2024	May 29, 2024	Business Standard (National daily newspaper in English)	May 30, 2024
		Business Standard (Regional daily newspaper in Hindi)	May 30, 2024

3. All material information about the Company and documents under the SEBI (LODR) Regulations, 2015, are also communicated to the concerned Stock Exchanges, besides being placed on the Company's website www.thehitechgears.com

4. The Company has not displayed any official news released during the financial year under review except as required by the SEBI (LODR) Regulations, 2015 as mentioned in point 1 above.

5. The Company generally publishes its financial results in the Business Standard (English) and Business Standard (Hindi). The details are provided in above mentioned Section XII, Clause 2 herein above.

6. The Company's website, <https://www.thehitechgears.com> contains all important public domain information including presentations, if any, made to the media, analysts and institutional investors.

XIII General Shareholder information

1. Financial Calendar for 2024-2025

(Tentative and subject to change)

Financial Reporting for the 1 st quarter ended June 30, 2024	August 06, 2024
Financial Reporting for the 2 nd quarter and half year ended September 30, 2024	November 2024 (1 st /2 nd Week)
Financial Reporting for the 3 rd quarter ended December 31, 2024	February 2025 (1 st /2 nd Week)
Financial Reporting for the year ended March 31, 2024	May 2025 (3 rd /4 th week)
Annual General Meeting for the year 2024-25	September, 2025

2. 38th Annual General Meeting (AGM) Schedule

38th Annual General Meeting of the Company will be held on Thursday, the 26th Day of September, 2024 at 05:00 P.M. (IST) at the Registered Office of the Company situated at Plot No. 24,25,26, Sector-7, IMT Manesar, Gurugram-122050, Haryana.

The company is also providing the facility to attend the meeting through Other Audio Video Means (AOVM)/ Video conference (VC).

Date of Book Closure: September 20, 2024 to September 26, 2024 (Both days inclusive)

E-Voting Cut-Off Date September 19, 2024

E- Voting period September 23, 2024 (9:00 A.M.) to September 25, 2024 (5:00 P.M.)

Dividend payment Particulars of Final dividend financial year 2023-24 declaration/ recommendation is disclosed in the Board Report.

No Interim Dividend has been declared by the Board for the financial year 2023-24.

3. Listing on Stock Exchanges as on March 31, 2024 the equity shares of the Company are listed on the following Stock Exchanges: -

- National Stock Exchange of India Limited:- Exchange Plaza, Plot no. C-1, Block G, Bandra – Kurla Complex, Bandra (E), Mumbai – 400051 Stock Code- HITECHGEAR
- BSE Limited Phiroze Jeejeebhoy Towers, 25th Limited Floor, Dalal Street, Mumbai-400001 Scrip Code 522073.

Note: The listing fees for the financial year under review 2023-24 and financial year 2024-25 has been paid respectively to the respective Stock Exchanges within the stipulated time

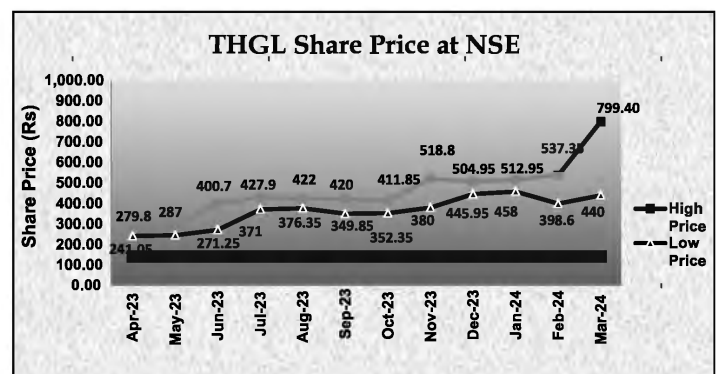
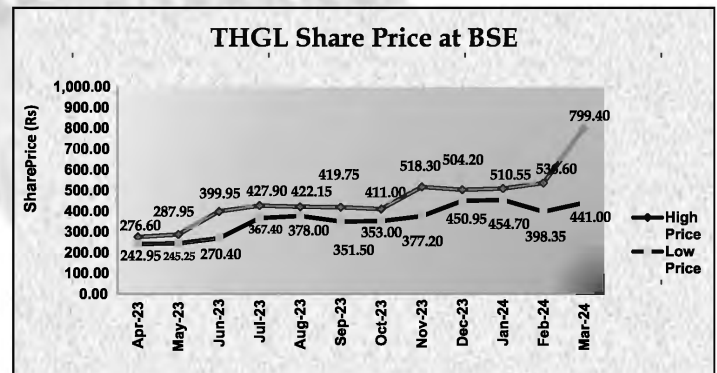
4. Market Price Data

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

Date	THGL High Price	THGL Low Price	THGL Total Traded Volume	NSE Nifty 50 High	NSE Nifty 50 Low
Apr-23	279.8	241.05	89,169	18,089.15	17,312.75
May-23	287	244.95	3,57,190	18,662.45	18,042.40
Jun-23	400.7	271.25	21,61,546	19,201.70	18,464.55
Jul-23	427.9	371	11,09,439	19,991.85	19,234.40
Aug-23	422	376.35	4,07,027	19,795.60	19,223.65
Sep-23	420	349.85	2,73,423	20,222.45	19,255.70

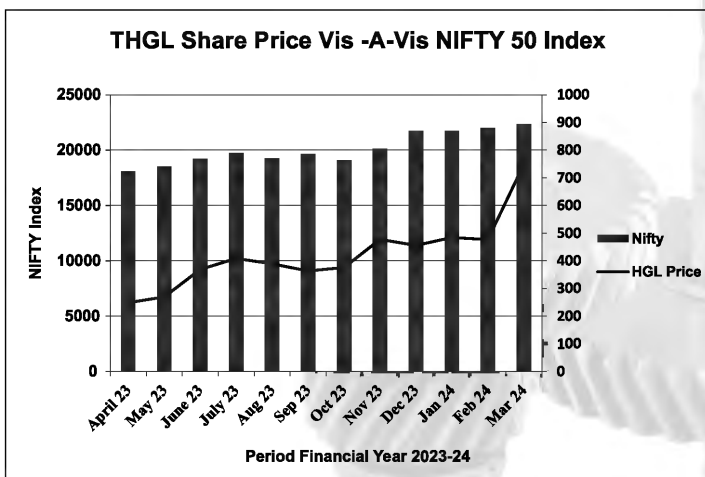
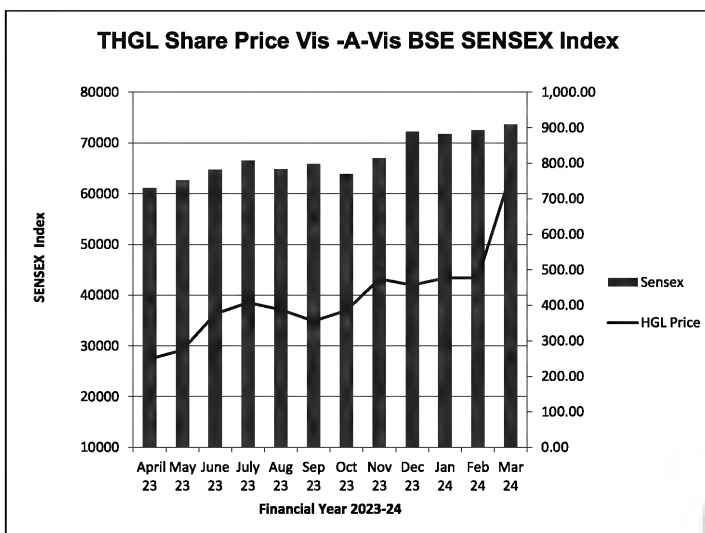
Date	THGL High Price	THGL Low Price	THGL Total Traded Volume	NSE Nifty 50 High	NSE Nifty 50 Low
Oct-23	411.85	352.35	2,58,260	19,849.75	18,837.85
Nov-23	518.8	380	27,02,867	20,158.70	18,973.70
Dec-23	504.95	445.95	5,22,315	21,801.45	20,183.70
Jan-24	512.95	458	5,30,380	22,124.15	21,137.20
Feb-24	537.35	398.6	12,34,711	22,297.50	21,530.20
Mar-24	799.4	440	58,99,314	22,526.60	21,710.20

Date	THGL High Price	THGL Low Price	THGL Total Traded Volume	BSE Sensex High	BSE Sensex Low
Apr-23	276.60	242.95	23,530	61209.46	58793.08
May-23	287.95	245.25	24,777	63036.12	61002.17
Jun-23	399.95	270.4	2,26,181	64768.58	62359.14
Jul-23	427.90	367.4	11,09,439	67619.17	64836.16
Aug-23	422.15	378	4,07,027	66658.12	64723.63
Sep-23	419.75	351.5	2,73,423	67927.23	64818.37
Oct-23	411.00	353	2,58,260	66592.16	63092.98
Nov-23	518.30	377.2	27,02,867	67069.89	63550.46
Dec-23	504.20	450.95	5,22,315	72484.34	67149.07
Jan-24	510.55	454.7	5,30,380	73427.59	70001.6
Feb-24	536.60	398.35	12,34,711	73413.93	70809.84
Mar-24	799.40	441	58,99,314	74245.17	71674.42





5. Performance in comparison to Broad based indices :-



7. Registrar and Share Transfer Agent

M/s 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 (to the extent permitted), and electronic form. All the correspondences relating to share transfer, transposition transmission, dematerialization, rematerialization, issue of duplicate share certificate(s), or any service requests, delivery and correspondence etc. can be made at the following address:

M/s MAS Services Limited

T-34, 2nd Floor, Okhla Industrial Area,

Phase -II, New Delhi – 110020

Ph.: 011 – 26387281, 82, 83

Fax: 011 – 26387384

Web site: www.masserv.com Email: investor@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

Dispute Resolution Mechanisms

SCORES: A centralised web-based complaints redress system 'SCORES' which serves as a centralised database of all complaints received, enables uploading of Action Taken Reports by the concerned companies and online viewing by the investors of actions taken on complaints and its current status.

SEBI vide its press release PR No.06/2024 dated April 01, 2024, launched the new version of the SEBI Complaint Redress System (SCORES 2.0). The new version of SCORES strengthens the investor complaint redress mechanism in the securities market by making the process more efficient through auto-routing, auto-escalation, monitoring by the 'Designated Bodies' and reduction of timelines.

Investors can lodge complaints only through new version of SCORES i.e. <https://scores.sebi.gov.in> from April 01, 2024. In the old SCORES i.e. <https://scores.gov.in> investors would not be able to lodge any new complaint. However, investors can check the status of their complaints already lodged and pending in the old SCORES. Further, the disposed of complaints filed in the old SCORES can be viewed at SCORES 2.0.

Online Dispute Resolution Portal ('ODR Portal')

SEBI has introduced a common Online Dispute Resolution Portal ('ODR Portal') which harnesses online conciliation and online arbitration.

In case a member is not satisfied with the resolution provided by the Company/RTA, then the online dispute resolution process can be initiated through the ODR portal.

A mechanism to streamline and strengthen the existing dispute resolution in the Indian Securities Market, SEBI vide Circular No. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 dated July 31, 2023 (updated as on December 20, 2023), introduced the ODR Portal. This mechanism enhanced the degree of regulatory supervision by SEBI over disputes between aggrieved parties and the ODR order is binding on both the parties to the dispute. Pursuant to above-mentioned circulars, the aggrieved party can initiate the mechanism through the ODR portal, after exercising the primary options to resolve the issue directly with the Company and through the SCORES platform.

8. Share Transfer System

The shares of the Company are traded in the compulsory demat mode only for all investors. All **Investor Service Requests** viz Transfer/ Transmission and Dematerialization are handled by M/s 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 30 days through Letter of Confirmation as per **SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 January 25, 2022 and SEBI/LAD-NRO/GN/2022/66 dated January 24, 2022.**

The 'Letter of Confirmation' shall be valid for a period of 120 days from the date of its issuance, within which the securities holder/ claimant shall make a request to the Depository Participant for dematerializing the said securities. In case of non-receipt of demat request from the securities holder/claimant within 120 days of the date of Letter of Confirmation, the shares will be credited to Suspense Escrow Demat Account of the Company.

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 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.

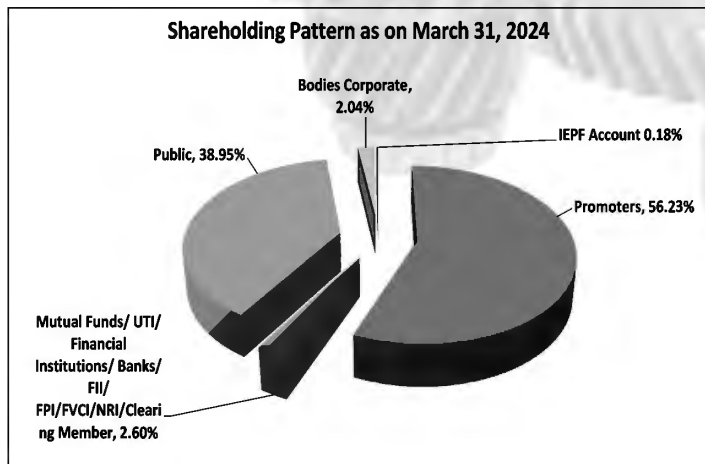
9. (a) **Distribution of shareholding**

As on March 31, 2024 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	6,38,207	3.399	8627	90.175
5,001 to 10,000	3,36,209	1.790	417	4.359
10,001 to 20,000	3,40,398	1.813	227	2.373
20,001 to 30,000	2,02,917	1.081	81	0.847
30,001 to 40,000	1,75,973	0.937	49	0.512
40,001 to 50,000	1,91,287	1.019	41	0.429
50,001 to 100,000	3,94,977	2.103	55	0.575
100,001 and above	1,64,98,218	87.858	70	0.730
TOTAL	1,87,78,186	100%	9,567	100.00%

(b) **Category wise shareholding as on March 31, 2024**

Category	% of Shareholders	No. of shares held
Promoters and Promoters Group	56.23%	1,05,58,602
Mutual Funds/ UTI/ Financial Institutions/Banks/Clearing Member FII/Foreign Venture Capital /Foreign Portfolio Investment/ NRI/ OCB	2.60%	4,88,499
Public	38.95%	73,14,925
IEPF Account	0.18%	33,946
Bodies Corporate	2.04%	3,82,214
Total	100%	1,87,78,186



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, 2024 is given hereunder: -

Particulars	As on March 31, 2024	
	No. of Shares	% age
No. of Shares dematerialized		
-NSDL	1,57,22,855	83.73%
-CDSL	30,03,567	15.99%
No. of shares in physical form	51,764	0.28%
Total	1,87,78,186	100.00

*Note: 154 Shareholders are common in Demat and Physical

Liquidity

The equity shares of the Company are liquid and frequently traded on the stock exchanges i.e. National Stock Exchange of India Limited and BSE Limited.

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 MDA report forming part of the Annual Report of the financial year under review.

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 and 26, Sector 7, IMT Manesar, Gurugaon-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 the 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 rules made thereunder.

In this regard, the Company has sent periodical reminders by sending notice individually and also by publishing the same in newspapers. 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 financial year under review. 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 financial year under review are as follows:

Type of Dividend	Date of transfer of amount to unpaid dividend account of the company	Date of transfer to IEPF	Amount transferred to IEPF
FY-2015-16 Interim dividend	19/03/2016	18/03/2023 (relates to Previous Year)	91,938.00
FY 2015-16 Final dividend	29/10/2016	28/10/2023	106,030.00
FY- 16-17 Interim dividend	19/03/2017	18/03/2024	87,881.00

The details of Shares transferred to IEPF during the financial year under review and upto the date of approval of Board Report are as follows:

Financial Year	Date of Transfer of Shares to IEPF	No of Shares transferred
2015-2016	08.01.2024	1212
2016-2017	03.05.2024	2610

No claim shall lie against the Company/RTA 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 financial year under review, pursuant to SEBI (LODR) Regulations, 2015, 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, 2023)	No of shareholders: 80 No of shares: 31031
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, 2024)	No of shareholders: 86 No of shares: 33,946
5	Voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares	Voting Rights frozen

15. The Company has neither issued any debt instrument and not taken any fixed deposit or any scheme or proposal involving mobilization of funds, whether in India or abroad. However, the Company has obtained ratings for the banking facilities of the Company from CRISIL Ratings Limited.
16. Credit ratings obtained along with revisions thereto during FY24 as per details given below:-

Rating Agency	Period	Credit Rating
CRISIL Ratings Limited	May 17, 2023	CRISIL BBB+/Stable
CRISIL Ratings Limited	February 09, 2024	CRISIL BBB+/Positive

17. Address for correspondence

- A. Transfer/ dematerialization of shares and any other queries relating to Shares : **M/s MAS Services Limited**
(Registrar & Transfer Agent)
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: investor@masserv.com
sm@masserv.com
- B. Queries related to Payment of dividend on Shares, Annual Report, and others : **Mr. Naveen Jain**
Company Secretary and Compliance Officer
14th Floor, Tower-B, Unitech's Millennium Plaza, Sushant Lok-1, Sector – 27 Gurugaon-122002, Haryana
Tel No: (0124) - 4715100
Email : secretarial@thehitechgears.com

18. 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 at <https://www.thehitechgears.com/investors.php>. In terms of revised Regulation 26 of SEBI (LODR) Regulations, 2015, a confirmation from the Managing Director and CEO regarding compliance with the Code of Conduct by all the Directors and Senior Management Personnel is given along with this Report.

19. CEO/CFO Certification

In terms of Regulation 17(8) read with Part B of Schedule II of the SEBI (LODR) 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 29, 2024. A copy of the same certificate is given along with this Report.

20. 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 Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the SEBI (LODR) Regulations, 2015 as amended from time to time. This certificate is annexed to this Report.

21. 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. Naveen Jain, Company Secretary, has been designated as Compliance Officer for this purpose. The Employees of the Company have affirmed compliance with the Insider Trading Code.

22. Legal Compliance

There were no cases of non-compliance by the Company and no material penalties 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 and Regulations framed thereunder during the financial year under review.

23. Disclosure with respect to demat suspense account / unclaimed suspense account

SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/ 2022/8 dated January 25, 2022, directed listed entities to issue securities in dematerialized form only while processing various investor service requests.

Pursuant to the said Circular, SEBI had issued “Guidelines with respect to Procedural Aspects of Suspense Escrow Demat Account” vide its Letter No. SEBI/ HO/MIRSD/PoD-1/OW/P/2022/64923 dated December 30, 2022, to move securities, pertaining to Letter of Confirmation cases, to newly opened Suspense Escrow Demat Account latest by January 31, 2023.

The Company has complied with the said requirements within the stipulated timelines and as per the compliance requirements of the above circulars changed name of the of “UNCLAIMED SUSPENSE ESCROW ACCOUNT” to “SUSPENSE ESCROW DEMAT ACCOUNT”

24. Disclosure of certain types of agreement binding listed entities.

No agreement has been entered by the company during the financial year under review, which is of nature as stipulated in Regulation 30 read with Clause 5A of paragraph A of Part A of Schedule III of SEBI(LODR), 2015 and other applicable regulations thereof.

XIV. Other Disclosures:

A. The Related Party Transaction Policy duly approved by the Board of Directors has been placed on the Company’s website at <https://www.thehitechgears.com/investors.php>. Also, there were no transactions of a material nature during the financial year under review with the Promoters, the Directors or the Management or relatives that may have any potential conflict with the interest of the Company at large. Transactions with related parties as per the requirements of Ind AS 24 are disclosed in Note 36 of the Standalone Financial Statements and note 37 of the Consolidated Financial Statements forming part of the Financial Statements.

B. There has been neither 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 (3) years.

C. As per the requirement of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 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 Chairperson of the Audit Committee, whose contact details are provided in the Whistle Blower Policy of the Company and all employees have access to the Chairperson of the Audit Committee. 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 <https://www.thehitechgears.com/investors.php>.

D. The Company has adhered to all the mandatory requirements of Corporate Governance norms as prescribed under the SEBI (LODR) Regulations, 2015, 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. As on March 31, 2024, the Company had Seven (7) Wholly owned Subsidiaries consisting of three (3) wholly owned subsidiaries viz., 2545887 Ontario Inc., Neo-Tech Smart Solutions Inc. & Neo-Tech Auto Systemz Inc., and four (4) Wholly owned step-down subsidiaries

viz., The Hi-Tech Gears Canada Inc., Teutech Holdings Co., Teutech Leasing Co. and Teutech LLC. Details of which are provided under the head of “**Details of Subsidiary/Joint Ventures/Associate Companies**” of the Board Report.

F. Details of the Material Subsidiaries of the Listed Entity as on March 31, 2024, as per the terms of the provisions of SEBI (LODR) Regulations, 2015 including the date and place of incorporation and the Name and date of Appointment of Statutory Auditors of such Subsidiaries is given as hereunder:

Sr No.	Name of Material Subsidiaries	Date & place of incorporation	Name of Statutory Auditor & date of appointment*
1.	2545887 Ontario Inc	November 14, 2016, Ontario, Canada	RLB LLP Chartered Professional Accountants, Guelph, Ontario (May 27, 2022)
2.	The Hi-Tech Gears Canada Inc. (Formerly known as Teutech Industries Inc)	October 03, 1991 Ontario, Canada	RLB LLP Chartered Professional Accountants, Guelph, Ontario (May 27, 2022)
3.	Teutech Holdings Co.	November 26, 2003 Delaware, USA	RLB LLP Chartered Professional Accountants, Guelph, Ontario (May 27, 2022)

***Note: - 1.** As per the statutory mandate under the law of the Country viz, USA & Canada wherein the Companies are incorporated and registered, the above-mentioned material subsidiaries are not required to appoint the Statutory Auditors therefore, the same is not applicable (NA). However, RLB, Chartered Professional Accountants (Licensed Public Accountants) are appointed as the Auditors of the above subsidiaries to certify the Accounts and Financials thereof.

2. For further details refer to Form AOC-1 (as Annexure-I) forming part of the Board’s report and Consolidated Financial Statements.

The Company has framed the policy for determining “Material Subsidiaries” in order to align with the provisions of the SEBI (LODR), 2015 and other applicable Laws. The said policy as amended from time to time has been placed on the website of the Company at <https://www.thehitechgears.com/investors.php>

G. The Company has framed the policy for “dealing with related party transactions” in order to align with the provisions of SEBI (LODR) Regulations, 2015 and other applicable Laws. The said policy as amended from time to time has been placed on the website of the Company at <https://www.thehitechgears.com/investors.php>

H. The Company has framed the policy for “Criteria for Determining Materiality of Events” in order to align with the provisions of SEBI (LODR) Regulations, 2015 and other applicable Laws. The said policy was revised and adopted with effective from July 07, 2023, has been placed on the website of the Company at <https://www.thehitechgears.com/investors.php>

I. Since, the difference of foreign currency receipts & payment is not substantial, the company does not hedge its foreign exchange receivables/payables/loans as risk is partially covered with natural hedge.

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

K. Certification from Practicing Company Secretary

In accordance with the amended provisions of the SEBI (LODR) Regulations, 2015, the Company has received a certificate from M/s



Grover Ahuja and 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.

- L. The details of all remuneration including fees etc. paid to the statutory auditors of the Company during the financial year under review by the Company to such auditor are given below:

S. No.	Particulars	Amount (In Rupees Mn)
1	Audit Fees	1.70
2	Reimbursement of expenses	0.18
3	Certification fees	-
4	Other Services	0.38
	Total	2.26

- M. As per the requirement of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 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 Board's Report of the Company. The Company has devised a policy namely, "**Policy on Prevention and Redressal of Sexual Harassment of Women at Workplace**" which is available at the website of the Company at <https://www.thehitechgears.com/investors.php>

Pursuant to the amended SEBI (LODR) Regulations, 2015, details of complaints received, disposed-off and pending in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 - **No complaints were received during the year.**

- N. **Disclosure by the Company and its subsidiaries of loans and advances in the nature of loans to firms/companies in which Directors are interested:**

The Company has not extended any loans and advances to companies in which Directors are interested as per the provisions of Section 186 of the Companies Act, 2013 during the Financial Year 2023-24.

However, as on March 31, 2024, the outstanding balance of loan advanced to one of the subsidiaries viz, 2545887 Ontario Inc. stood at ₹ 78.34 million (which was given in financial year 2021-22) and the details is also mentioned in Note 9 (Related Party) of the Standalone Financial Statements for the Financial Year 2023-24.

Further, Mr. Pranav Kapuria, Mr. Anuj Kapuria and Mr. Vinit Taneja are the common directors in the companies.

- O. During the financial 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 (LODR) Regulations, 2015, as amended from time to time.
- XV. **During the financial year under review, the following Discretionary Requirements as specified in Part E of Schedule II of SEBI (LODR) Regulations, 2015, as amended from time to time have been adopted by the Company.**

Shareholder Rights: Annual financial performance including summary of significant events of the Company is sent to all the Members whose e-mail IDs are registered with the Company/ Depositories. The results are also available on the Company's website at <https://thehitechgears.com/quarterlyresult.php>

Modified opinion in Audit Report: During the year under review, there was no modified audit opinion in the Auditors' Report on the Company's financial statements. The Company continues to adopt best practices to ensure a regime of unmodified audit opinions in its financial statements.

Reporting of Internal Auditor: The Internal Auditor reports issued by the internal auditor of the company placed directly before Audit Committee, to ensure independence of the Internal Audit function.

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

**Place: New Delhi
Dated: August 06,2024**

**Sd/-
Deep Kapuria
Chairman**

CERTIFICATION BY CEO AND CFO

The Board of Directors
The Hi-Tech Gears Limited
Plot No. 24-26, Sector-7,
IMT Manesar Gurgaon-122050
Haryana

Ref: Certification by CEO and CFO for Financial Year 2023-24

- (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 2023-24 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 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

Sd/-
Kapil Rajora
Chief Financial Officer (CFO)

Sd/-
Pranav Kapuria
Chief Executive Officer (CEO)

Place: New Delhi
Date: 29.05.2024

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

The Board of Directors
The Hi-Tech Gears Limited
Plot No. 24 - 26, Sector-7,
IMT Manesar, Gurgaon
Haryana-122050

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 2023-24.

For The Hi-Tech Gears Limited

Sd/-
Pranav Kapuria
(Chief Executive Officer)

Place: New Delhi
Date: 29.05.2024





CERTIFICATE FROM PRACTICING COMPANY SECRETARY ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE PURSUANT TO 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, 2024, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, as adopted by the Company for ensuring compliance to the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on 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, 2024.

We further state that such compliance 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 and Associates
Company Secretaries**

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

Place: New Delhi
Date: 27.05.2024

UDIN: A029525F000457304
Peer Review No.: 2528/2022

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. The Hi-Tech Gears Limited having CIN: L29130HR1986PLC081555 and having registered office at Plot No. 24, 25, 26, Sector-7, IMT, Manesar, Gurgaon Haryana 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 for the financial year ended on 31st March, 2024 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 and Associates
Company Secretaries**

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

Place: New Delhi
Date: 27.05.2024

UDIN: A029525F000457361
Peer Review No.: 2528/2022

SHAREHOLDERS' INFORMATION

Corporate Identification Number: L29130HR1986PLC081555

PAN: AAACH0156K

Registered Office

Plot No. 24,25,26, Sector-7, IMT Manesar,
Gurgaon, Haryana- 122050, India
Tel No: (0124) – 4715200,
Website: www.thehitechgears.com

Corporate Office

14th Floor, Millennium Plaza, Tower-B,
Sushant Lok-I, Sector – 27, Gurgaon, Haryana-122002, India
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/Scrip Code
National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai-400051	HITECHGEAR
BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400001	522073

Interim Dividend for the year 2023-24

No Interim Dividend has been declared/paid by the Board for the financial year 2023-24

38th Annual General Meeting

Date and Time	: Thursday, the 26 th Day of September 2024 at 05:00 P.M.
Venue	: Plot No. 24,25,26, Sector-7, IMT Manesar, Gurgaon, Haryana - 122050
Book Closure Dates	: September 20, 2024 to September, 26, 2024
Cut-off date for e-voting	: September 19, 2024
E-Voting	: The voting period begins on September 23 2024 (9:00 A.M.) and ends on September 25, 2024 (5:00 P.M.)

Final Dividend

The Board of Directors in their meeting held on May 29, 2024, recommended Final Dividend of 50% i.e. ₹ 5.00/- (Rupee Five Only) per equity shares of ₹ 10/- (Rupees Ten only) each on the paid-up Share Capital of the Company.

Dividend Payment Date

The management will organize the necessary documentation and manage the Schedule for payment of the final dividend, if approved by the shareholders. The estimated period of disbursement is the 3rd /4th week of October, 2024.

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 i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Registrar and Share Transfer Agent

M/s MAS Services Limited

T-34, 2nd Floor, Okhla Industrial Area,
Phase –II, New Delhi – 110020
Ph.: 011 – 26387281, 82, 83
Fax: 011 – 26387384
Web site: www.masserv.com
Email: info@masserv.com; sm@masserv.com



INDEPENDENT AUDITOR'S 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, 2024, 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 material 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, 2024, 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: <ul style="list-style-type: none"> 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.1158.50 million as at 31 st March, 2024. 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: <ul style="list-style-type: none"> We have gone through the agreements between the Company and its lenders. We obtained confirmations from the Company's banks and others 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 sheet 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.

If, based on the work we have performed on the other information that we obtained prior to the date of auditors' report, we conclude that there is a material misstatement of this information, we are required to report that fact. We have nothing to report in this regard.

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, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

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.
- Obtain sufficient appropriate audit evidence regarding the financial statements/financial information of the branch to express an opinion on the standalone financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of the components which have been audited by us. For the branches included in the standalone financial statements, which have been audited by branch 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 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, 2020 ("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, to the extent applicable.
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 and proper returns adequate for the purpose of our audit have been received from the Branch not visited by us.
 - 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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 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:-



- i) 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;
- ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 44 to the Financial Statements.
- iii) There has been no delay in transferring amount, required to be Transferred, to the Investor Education and Protection Fund by the Company
- iv) a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v) a) The company has declared final dividend during the previous year, no interim dividend was paid during current year. The company has complied with Section 123 of the Act.
- b) Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
- vi) Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.
- As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.
- 3 With respect to the matter to be included in the Auditors' Report under section 197(16):
- In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

**FOR YAPL & CO.
CHARTERED ACCOUNTANTS
FRN. 017800N**

**(CA SAKSHI GARG)
PARTNER
M.NO. 553997**

**PLACE : Ludhiana
DATED : 29.05.2024**

UDIN : 24553997BKBZLM2035

Annexure 'A' To the Independent Auditors' Report

In our opinion, and in so far as we have been able to ascertain from the records produced, Information furnished and the explanations given to us by the Company.

- (i) (a) (A) The company has maintained the proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment
- (B) The company has maintained the proper records showing full particulars of Intangible assets
- (b) The Company has a regular programme of verification of Property, Plant and Equipment. All the Property, Plant and Equipment 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 Property, Plant and Equipment. No material discrepancies were noticed on such verification
- (c) According to the information & explanation given to us, the title deeds of all the immovable properties disclosed in the financial statements are held in the name of the company.
- (d) According to the information & explanation given to us, the company has not revalued any Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information & explanation given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under.
- (ii) (a) 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 coverage and procedures of such verification is appropriate. No discrepancies of 10% or more in aggregate for each class of inventory were noticed.
- (b) According to the information and explanation given to us, the statement filed by the company with bank or financial Institutions in respect of working capital limits in excess of five crores in aggregate on the basis of security of current assets are in agreement with the books of account of the Company.
- (iii) (a) (A) According to the information & explanation given to us, the company has not provided advance in the nature of loan, stood guarantee, provided security to its subsidiaries, the company does not have any joint ventures or associates. The company has provided unsecured loan of Rs. 77.66 million during earlier year i.e. to one of its wholly owned subsidiary companies. The year-end balance of such loan is Rs. 78.34 million.
- (B) The company has not provided loan, advance in the nature of loan, stood guarantee, provided security to parties other than subsidiaries, joint ventures and associate
- (b) According to the information & explanation given to us, the company has not provided any guarantee or given any security, the term and condition of the investments made and grant of unsecured loans are not prejudicial to the company interest.
- (c) According to the information & explanation given to us, repayment of principal and payment of interest shall be payable on demand but not earlier than five years of initial disbursement.
- (d) According to the information & explanation given to us, there is no overdue amount, in respect of grant of loan.
- (e) According to the information & explanation given to us, no loan or advance in the nature of loan granted which has fallen

due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.

- (f) According to the information & explanation given to us, the company has granted unsecured loans repayable on demand to one of its wholly owned subsidiary amounting to Rs.78.34 million which is 100% of the total loan granted.
- (iv) According to the information & explanation given to us, the company has compiled with provisions of sections 185 and 186 of the Companies Act with respect of loans, investments, guarantees, and security.
- (v) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of the Act and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions 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 sub-section (1) of Section 148 of the Act and are of the opinion that, prima facie, the prescribed accounts and record have been made and maintained. However, we have not made a detailed examination of the records.
- (vii) (a) The company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities wherever applicable to.

According to the information and explanation given to us, no undisputed amount payable in respect of statutory dues as including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues on 31.3.2024 for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us, there are no statutory dues referred to in sub-clause (a) have not been deposited on account of any dispute other than those mentioned here under:

Name of the Statute	Nature of Dues	Period to which the amount relates	Amount (₹ In Mn)	Forum Where Dispute is Pending
Income Tax Act, 1961	Income Tax	A.Y 2019-20	2.66	Deputy Commissioner of Income Tax, New Delhi
Finance Act, 1994	Service Tax	June 2016	0.10	Deputy Commissioner (Appeals) Estate GST Alwar Rajasthan

- (viii) According to the information and explanation given to us, the company has not surrendered or disclosed any income during the year in its tax assessments under the Income Tax Act, 1961 (43 of 1961), which has not been recorded in the books of accounts. Accordingly, paragraph 3(viii) of the order is not applicable to the company.
- (ix) (a) Based on our audit procedures and according to the information and explanations given by the management, the Company has not defaulted in repayment of loan or other borrowings or payment of interest thereon to any lender.
- (b) According to the information and explanations given to us, the Company is not a declared wilful defaulter by any bank or financial institution or other lender. Accordingly, paragraph 3(ix)(b) of the Order is not applicable to the Company.
- (c) According to the information and explanation given to us, the



- company has applied term loans for the purpose for which the loans were obtained.
- (d) According to the information and explanation given to us, the fund raised on short term basis were not utilized for Long Term purposes.
- (e) According to the information and explanation given to us, the company has not taken any funds from any entity or person on account of or to meet the obligation of its subsidiaries, the company does not have any Joint Venture or associate.
- (f) According to the information and explanation given to us, the company has not raised any loan during the year on pledge of securities held in its subsidiaries. The company does not have Joint Venture or associate.
- (x) (a) The company did not raise any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(x)(a) of the order is not applicable to the company.
- (b) The company did not make any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, paragraph 3 (x)(b) of the order is not applicable to the company,
- (xi) (a) According to the information and explanation given to us, no fraud by the company or no fraud on the company has been noticed or reported during the course of our audit.
- (b) No report u/s 143 (12) of the Companies Act, 2013 filed by the auditor in form ADT-4 as prescribed under rule 13 of the companies (Audit and Auditor) rules, 2014 with Central Government.
- (c) According to the information and explanation given to us, the company has not received any complaint from the whistleblower.
- (xii) In our opinion and according to information and explanation given to us, 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 explanation given to us, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act and the details have been disclosed in the financial statements, etc., as required by the applicable accounting standards;
- (xiv) (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit report for the period under audit.
- (xv) According to the information and explanation given to us, the company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) (a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).
- (b) According to the information and explanation given to us, the company has not conducted Non-Banking Financial or Housing Finance activities.
- (c) According to the information and explanation given to us, the company is not Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) According to the information and explanation given to us, the company is not Core Investment Company (CIC) , Accordingly, paragraph 3 (xvi)(d) of the order is not applicable to the company.
- (xvii) According to the information and explanation given to us, the company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the Statutory auditor during the year. Accordingly, paragraph 3 (xviii) of the order is not applicable to the company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) (a) Based on our audit procedures and according to the information and explanations given to us, in respect of other than ongoing projects, the Company having spent the required amount, there is no amount pending to be transferred to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act.
- (b) Based on our audit procedures and according to the information and explanations given to us, the Company is not required to transfer unspent amount under sub-section (5) of section 135 of the Companies Act, pursuant to ongoing project to special account in compliance with provision of sub-section (6) of section 135. Accordingly, paragraph 3(xx)(b) of the Order is not applicable to the Company

**FOR YAPL & CO.
CHARTERED ACCOUNTANTS
FRN. 017800N**

**(CA SAKSHI GARG)
PARTNER**

M.NO. 553997

UDIN : 24553997BKBZLM2035

**PLACE : Ludhiana
DATED : 29.05.2024**

Annexure 'B' To the Independent Auditors' Report

(Referred to in paragraph 2(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, 2024 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 with reference to Financial Statements

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 standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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, 2024, 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 YAPL & CO.
CHARTERED ACCOUNTANTS
FRN. 017800N**

**(CA SAKSHI GARG)
PARTNER**

M.NO. 553997

UDIN : 24553997BKBZLM2035

**PLACE : Ludhiana
DATED : 29.05.2024**



The Hi-Tech Gears Limited

Standalone balance sheet as at 31 March 2024

(₹ in Mn)

	Note	31 March 2024	31 March 2023
Assets			
Non-current assets			
Property, plant and equipment	6	1,791.19	1,840.04
Capital work-in-progress	6	32.34	126.41
Right-of-use assets	7	332.24	263.07
Intangible assets	7 A	7.29	7.32
Financial assets			
Investments	8	1,662.85	1,671.03
Loans	9 A	79.01	78.53
Other financial assets	10 A	56.31	52.68
Other non-current assets	11 A	54.70	50.32
Total non-current assets		4,015.93	4,089.40
Current assets			
Inventories	12	853.87	789.38
Financial assets			
Trade receivables	13	1,420.69	1,518.43
Cash and cash equivalents	14	60.20	128.54
Other bank balances	15	398.61	463.94
Loans	9 B	2.29	4.26
Other financial assets	10 B	24.13	78.01
Current tax assets (net)	16	29.51	25.93
Other current assets	11 B	215.28	184.91
Total current assets		3,004.58	3,193.40
Total assets		7,020.51	7,282.80
Equity and liabilities			
Equity			
Equity share capital	17	187.78	187.68
Other equity	18	4,242.88	3,788.52
Total equity		4,430.66	3,976.20
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	19 A	304.12	386.11
Lease liabilities	19 A(i)	272.39	205.06
Provisions	20 A	38.14	38.10
Deferred tax liabilities (net)	21	8.33	25.39
Other non-current liabilities	22 A	8.82	10.24
Total non-current liabilities		631.80	664.90
Current liabilities			
Financial liabilities			
Borrowings	19 B	854.39	1,371.97
Lease liabilities	19 B(i)	42.02	35.29
Trade payables	23		
- total outstanding dues of micro enterprises and small enterprises		111.19	92.44
- total outstanding dues of creditors other than micro enterprises and small enterprises		681.87	750.36
Other financial liabilities	24	178.87	263.77
Other current liabilities	22 B	52.88	104.12
Provisions	20 B	36.83	23.75
Total current liabilities		1,958.05	2,641.70
Total equity and liabilities		7,020.51	7,282.80

Summary of material 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 YAPL & Co.
Chartered Accountants
Firm Registration No. 017800N

CA. Sakshi Garg
(Partner)
Membership No. 553997
UDIN: 24553997BKBZLM2035

Place: Ludhiana
Date: May 29, 2024

Deep Kapuria
Executive Chairman
DIN 00006185
Place: New Delhi

Kapil Rajora
Chief Financial Officer
Place: New Delhi

For and on behalf of
The Hi-Tech Gears Limited

Pranav Kapuria
Managing Director
DIN 00006195
Place: New Delhi

Naveen Jain
Company Secretary
Place: New Delhi

The Hi-Tech Gears Limited

Standalone statement of profit and loss for the year ended 31 March 2024

(₹ in Mn)

	Note	31 March 2024	31 March 2023
Revenue			
Revenue from operations	25	7,799.84	7,818.14
Other income	26	93.09	87.91
Total revenue		7,892.93	7,906.05
Expenses			
Cost of materials consumed	27	3,999.65	3,977.25
Purchase of traded goods	28	210.20	168.93
Changes in inventories of finished goods and work-in-progress	29	(5.62)	49.86
Employee benefits expenses	30	1,095.69	1,104.39
Finance costs	31	181.86	170.83
Depreciation and amortisation expense	6, 7 & 7A	316.14	316.10
Other expenses	32	1,447.75	1,424.74
Total expenses		7,245.67	7,212.10
Profit before tax		647.26	693.95
Tax expense			
Current tax	33	169.02	187.37
Deferred tax charged/(credit)	21	-9.14	-6.36
Earlier years tax adjustments (net)		-5.31	9.54
Profit for the year		492.69	503.40
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gain on defined benefit plans		6.62	12.85
Equity Instruments through Other Comprehensive Income		0.49	0.06
Income tax relating to items that will not be reclassified to profit and loss		-1.67	(3.23)
Items that will be reclassified to profit or loss			
Effective portion of gain/ (loss) on fair value hedge		-7.55	(7.79)
Income tax relating to items that will be reclassified to profit and loss		6.34	1.96
Other comprehensive income net of tax		4.23	3.85
Total comprehensive income for the year		496.92	507.25
Earnings per equity share (₹ 10 per share)			
Basic (₹)	34	26.24	26.82
Diluted (₹)		26.19	26.79

Summary of material 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 YAPL & Co.
Chartered Accountants
Firm Registration No. 017800N

CA. Sakshi Garg
(Partner)
Membership No. 553997
UDIN: 24553997BKBZLM2035

Place: Ludhiana
Date: May 29, 2024

Deep Kapuria
Executive Chairman
DIN 00006185
Place: New Delhi

Kapil Rajora
Chief Financial Officer
Place: New Delhi

For and on behalf of
The Hi-Tech Gears Limited

Pranav Kapuria
Managing Director
DIN 00006195
Place: New Delhi

Naveen Jain
Company Secretary
Place: New Delhi



The Hi-Tech Gears Limited

Standalone statement of changes in equity for the year ended 31 March 2024

A Equity share capital*

(₹ in Mn)

Particulars	Opening balance as at 1 April 2022	Changes during the year	Balance as at 31 March 2023	Changes during the year	Balance as at 31 March 2024
Equity share capital	187.68	-	187.68	0.10	187.78

B Other equity**

(₹ in Mn)

Particulars	Reserves and surplus				Stock Options Outstanding	Other Comprehensive Income		Total
	General reserve	Security Premium	Retained earnings	Prior period error		Equity instrument through Other Comprehensive Income	Cash flow hedge reserve	
Balance as at 1 April 2022	308.08	-	2,926.73	-	-	65.31	4.96	3,305.08
Profit for the year	-	-	503.40	-	-	-	-	503.40
Other comprehensive income (net of tax impact)	-	-	9.62	-	-	0.06	(5.83)	3.85
Share option charge during the year	-	-	-	-	4.34	-	-	4.34
Dividend paid during the year including tax impact, refer note no. 39	-	-	(28.15)	-	-	-	-	(28.15)
Balance as at 31 March 2023	308.08	-	3,411.60	-	4.34	65.37	(0.87)	3,788.52
Profit for the year	-	-	492.69	-	-	-	-	492.69
Other comprehensive income (net of tax impact)	-	-	4.95	-	-	0.49	(1.21)	4.23
Share option charge during the year	-	2.36	-	0.76	1.24	-	-	4.36
Dividend paid during the year including tax impact, refer note no. 39	-	-	(46.92)	-	-	-	-	(46.92)
Balance as at 31 March 2024	308.08	2.36	3,862.32	0.76	5.58	65.86	(2.08)	4,242.88

*Refer note 17 for details

**Refer note 18 for details

Summary of material 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 YAPL & Co.
Chartered Accountants
Firm Registration No. 017800N

For and on behalf of
The Hi-Tech Gears Limited

CA. Sakshi Garg
(Partner)
Membership No. 553997
UDIN: 24553997BKBZLM2035

Deep Kapuria
Executive Chairman
DIN 00006185
Place: New Delhi

Pranav Kapuria
Managing Director
DIN 00006195
Place: New Delhi

Place: Ludhiana
Date: May 29, 2024

Kapil Rajora
Chief Financial Officer
Place: New Delhi

Naveen Jain
Company Secretary
Place: New Delhi

The Hi-Tech Gears Limited

Standalone cash flow statement for the period ended 31 March 2024

(₹ in Mn)

	31 March 2024	31 March 2023
A Cash flow from operating activities		
Profit before tax	647.26	693.95
Adjustments for:		
Depreciation and amortisation expense	316.14	316.10
Impairment of Investment	11.64	-
Gain on disposal of property, plant and equipment (net)	-4.33	(15.14)
Interest income classified as investing cash flows	-39.82	(29.64)
Income recognised on account of government assistance	-1.42	(2.35)
Employee compensation	1.38	4.34
Dividend income classified as investing cash flows	-0.02	(0.03)
Provisions written back	-2.85	(0.54)
Provision for doubtful debts	-17.48	12.38
Unrealised foreign exchange rate difference (net)	21.24	47.04
Unrealised (gain)/loss on mark to market of forward contracts	-7.55	(7.79)
Finance cost	181.86	149.70
Operating profit before working capital changes	1,106.05	1,168.02
Movement in working capital		
(Increase)/decrease in inventories	(64.49)	(2.86)
(Increase)/decrease in other financial assets	53.87	0.09
(Increase)/decrease in trade receivables	102.56	(280.67)
(Increase)/Decrease in other non-current assets	2.50	48.45
(Increase)/decrease in other current assets	(30.38)	(2.27)
Increase/(decrease) in other financial liability	(84.84)	(19.03)
Increase/(decrease) in other current liability	(51.24)	19.82
Increase in provision	40.07	(1.88)
Increase/(decrease) in trade and other payables	(51.98)	(189.08)
Cash flow from operating activities post working capital changes	1,022.12	740.59
Income tax paid (net)	(170.54)	(208.55)
Net cash flows from operating activities (A)	851.58	532.04
B Cash flows from investing activities		
Payment for acquisition of subsidiary, net of cash acquired	(0.00)	-
Payments for property, plant and equipment and capital work-in-progress	(253.17)	(234.04)
Proceeds from sale of property, plant and equipment	8.25	71.60
Proceeds/(Payments) for of margin money and bank deposits	61.69	(218.62)
Proceeds/(Repayment) of loans and advances	0.42	0.68
Interest received	39.82	29.97
Dividend received	0.02	0.03
Net cash used in investing activities (B)	(142.97)	(350.38)
C Cash flows from financing activities*		
Finance cost paid	(178.33)	(140.73)
Proceeds from issue of equity share capital	0.10	-
Proceeds from borrowings	93.33	430.36
Repayment of borrowings	(622.00)	(545.05)
Payment of lease liabilities	(23.13)	(25.54)
Dividends paid (including tax)	(46.92)	(28.15)
Net cash (used)/flow from financing activities (C)	(776.95)	(309.11)
Net increase (decrease) in cash and cash equivalents (A+B+C)	(68.34)	(127.45)
Cash and cash equivalents at the beginning of the year	128.54	255.99
Cash and cash equivalents at the end of the year	60.20	128.54

*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.

Cash flows from operating activities include Rs. 2.80 Mn (31 March 2023 Rs. 8.13 Mn) being expenses towards Corporate Social Responsibility initiatives.

For YAPL & Co.
Chartered Accountants
Firm Registration No. 017800N

CA. Sakshi Garg
(Partner)
Membership No. 553997
UDIN: 24553997BKBZLM2035

Place: Ludhiana
Date: May 29, 2024

Deep Kapuria
Executive Chairman
DIN 00006185
Place: New Delhi

Kapil Rajora
Chief Financial Officer
Place: New Delhi

For and on behalf of
The Hi-Tech Gears Limited

Pranav Kapuria
Managing Director
DIN 00006195
Place: New Delhi

Naveen Jain
Company Secretary
Place: New Delhi



Notes to the financial statements for the year ended 31 March 2024

1. Corporate Information

The Hi -Tech Gears Limited (“the Company”) is a Company domiciled in India and limited by shares (CIN: L29130HR1986PLC081555). The shares of the Company are publicly traded on the National Stock Exchange of India Limited and Bombay Stock Exchange Limited. The address of the Company’s registered office is Plot no 24,25,26 Sector-7 IMT Manesar Gurgaon-122050, Haryana, India.

The Company is an auto component manufacturer (a Tier 1 supplier).

2. General information

These Standalone Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the ‘Ind AS’) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the ‘Act’) and other relevant provisions of the Act.

These financial statements are separate financial statements of the Company. The Company has also prepared consolidated financial statements for the year ended 31 March 2024 in accordance with Ind AS 110 and the same were also approved for issue by the Board of Directors on 29 May 2024.

3. Basis of Preparation of Standalone Financial Statement

3.1 Compliance with Ind AS

These Standalone Financial Statements are prepared on going concern basis following accrual basis of accounting and comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013.

3.2 Basis of measurement/Use of Estimates

(i) The Standalone Financial Statements are prepared on going concern and accrual basis under the historical cost convention except certain financial assets, financial liabilities and defined benefits plans- plan assets that are measured at fair value. The methods used to measure fair values are given below:

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.

(ii) The preparation of Standalone Financial Statements requires judgments, estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the Standalone Financial Statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized. Major Estimates are discussed in note no. 5.18.

3.3 Functional and presentation currency

These Standalone Financial Statements are presented in Indian Rupees (INR), which is the Company’s functional currency. All financial information presented in INR has been rounded to the nearest Million (up to two decimals), except as stated otherwise.

4. New Standards/ Amendments and Other Changes adopted Effective 1 April 2023 or thereafter

(i) Ind AS 1 – Presentation of Financial Statements & Ind AS 34 – Interim Financial Reporting – Material accounting policy information (including focus on how an entity applied the requirements of Ind AS) shall be disclosed instead of significant accounting policies as part of financial statements.

(ii) Ind AS 107 – Financial Instruments: Disclosures – Information about the measurement basis for financial instruments shall be disclosed as part of material accounting policy information.

(iii) Ind AS 8 – Accounting policies, changes in accounting estimate and errors-Clarification on what constitutes an accounting estimate provided.

(iv) Ind AS 12 – Income Taxes – In case of a transaction which give rise to equal taxable and deductible temporary differences, the initial recognition exemption from deferred tax is no longer applicable and deferred tax liability & deferred tax asset shall be recognized on gross basis for such cases.

The Company does not expect the effect of this on the financial statements to be material, based on preliminary evaluation.

Recent Accounting Pronouncements: During the year no new standard or modifications in existing standards have been notified which will be applicable from 1 April 24 or thereafter.

5. Material accounting policies

A summary of the material accounting policies applied in the preparation of the Standalone Financial Statements are as given below. These accounting policies have been applied consistently to all periods presented in the Standalone Financial Statements.

5.1 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.

5.2 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

5.3 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 cost and net realizable value. Cost of raw materials, loose tools and stores and spares is determined on weighted average -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.

5.4 Revenue recognition

Revenue arises mainly from the sale of manufactured and traded goods. Revenue is recognised upon transfer of control of promised products or services to customers for an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. Revenue excludes taxes or duties collected on behalf of the government.

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

- (i) Identifying the contract with a customer
- (ii) Identifying the performance obligations
- (iii) Determining the transaction price
- (iv) Allocating the transaction price to the performance obligations
- (v) Recognising revenue when/as performance obligation(s) are satisfied.

Sale of goods

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold, and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

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

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.

5.5 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.

5.6 Leases

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

- (i) Right-of-use assets

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any

remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

- (ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

- (iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

5.7 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.

5.8 Foreign currency

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.

5.9 Financial instruments

Initial recognition and measurement

All financial assets/liabilities are recognized initially at fair value, plus in the case of financial assets/liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset/liabilities. However, trade receivables that do not contain a significant financing component are measured at transaction price.

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 less impairment (if any) 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.

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.

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.

5.10 Impairment of financial assets

In accordance with Ind AS 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.

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.

5.11 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 (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).

5.12 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 recognized 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 or on termination of employment.

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 recognized 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.

Share based payments.

The fair value on grant date of equity-settled share-based payment arrangements granted to eligible employees of the Company under the Employee Stock Option Scheme ('ESOS') is recognised as employee stock option scheme expenses in the Statement of profit and loss, in relation to options granted to employees of the Company (over the vesting period of the awards), with a corresponding increase in other equity. The amount recognised as an expense to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the

vesting date. The increase in equity recognised in connection with a share based payment transaction is presented in the "Employee stock options outstanding account", as separate component in other equity. For share-based payment awards with market conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. At the end of each period, the Company revises its estimates of the number of options that are expected to be vested based on the non-market performance conditions at the vesting date.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

5.13 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.

5.14 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the 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:

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.

5.15 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.

5.16 Derivative financial instruments and hedge accounting

Derivative financial instruments are accounted for at fair value through profit and loss (FVTPL) except for derivatives designated as hedging instruments in cash flow hedge relationships, which require a specific accounting treatment.

The Company has designated certain derivative contracts as hedging instruments in cash flow hedge relationships.

The Company applied hedge accounting requirements in Ind AS 109 prospectively from 1 April 2019 to derivative instruments which could be designated as effective cash flow hedges. These arrangements had been entered into to mitigate foreign currency exchange risk and interest rate risk arising from highly probable forecasted sales and debt instruments denominated in foreign currency, in accordance with the Company's risk management policy.

All derivative financial instruments used for hedge accounting are recognised initially at fair value and reported subsequently at fair value in the balance sheet.

To the extent that the hedge is effective, changes in the fair value of derivatives designated as hedging instruments in cash flow hedges are recognised in other comprehensive income and included within the cash flow hedge reserve in equity. Any ineffectiveness in the hedge relationship is recognised immediately in profit or loss.

At the time the hedged item affects profit or loss, any gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and presented as a reclassification adjustment within other comprehensive income.

5.17 Government Grant

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received. Government grants are recognised in the Statement of profit and loss on a systematic basis over the periods in which the Company recognises the related costs as expenses, if any, for which the grants are intended to compensate.

5.18 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.

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.

Property, plant and equipment

(₹ in Mn)

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Total	Capital work-in-progress
Gross carrying amount								
At 1 April 2022	157.79	438.56	4,487.36	39.29	83.23	46.69	5,252.92	159.74
Additions	-	-	244.80	14.31	4.72	-	263.83	230.50
Disposals	(56.28)	-	(1.84)	-	(0.89)	(0.69)	(59.70)	(263.83)
Capitalised during the year								
Balance as at 31 March 2023	101.51	438.56	4,730.32	53.60	87.06	46.00	5,457.05	126.41
Additions	-	115.56	123.64	0.69	1.08	-	240.97	146.90
Disposals	-	-1.51	-26.70	-1.85	-6.81	-0.62	(37.49)	(240.97)
Capitalised during the year								
Balance as at 31 March 2024	101.51	552.61	4,827.26	52.44	81.33	45.38	5,660.53	32.34
Accumulated depreciation								
At 1 April 2022	-	167.88	3,018.71	30.04	75.37	25.54	3,317.54	-
Charge for the year	-	12.92	277.65	4.37	3.63	4.14	302.71	-
Adjustments for disposals	-	-	(1.74)	-	(0.85)	(0.65)	(3.24)	-
Balance as at 31 March 2023	-	180.80	3,294.62	34.41	78.15	29.03	3,617.01	-
Charge for the year	-	12.93	261.99	4.40	2.82	4.07	286.21	-
Adjustments for disposals	-	(1.35)	(23.70)	(1.75)	(6.49)	(0.59)	(33.88)	-
Balance as at 31 March 2024	-	192.38	3,532.91	37.06	74.48	32.51	3,869.34	-
Net carrying amount as at 31 March 2023	101.51	257.76	1,435.70	19.19	8.91	16.97	1,840.04	126.41
Net carrying amount as at 31 March 2024	101.51	360.23	1,294.35	15.38	6.85	12.87	1,791.19	32.34



a) CWIP Ageing Schedule as at 31 March 2024

(₹ in Mn)

Capital Work in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress:-					
Plant & Machinery	29.49	0.16	2.69	-	32.34
Project in temporarily suspended :-					
Total	29.49	0.16	2.69	-	32.34

b) CWIP whose completion is overdue or has exceeded its cost compared to its original plan as at 31 March 2024

(₹ in Mn)

Capital Work in Progress	CWIP to be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress:-					
Plant & Machinery	29.49	0.16	2.69	-	32.34
Project in temporarily suspended :-					
Total	29.49	0.16	2.69	-	32.34

c) CWIP Ageing Schedule as at 31 March 2023

(₹ in Mn)

Capital Work in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress:-					
Plant & Machinery	9.87	2.69	-	0.88	13.44
Project in temporarily suspended :-					
Trichy Project	-	14.97	21.03	76.97	112.97
Total	9.87	17.66	21.03	77.85	126.41

d) CWIP whose completion is overdue or has exceeded its cost compared to its original plan as at 31 March 2023

(₹ in Mn)

Capital Work in Progress	CWIP to be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress:-					
Plant & Machinery	9.87	2.69	-	0.88	13.44
Project in temporarily suspended :-					
Trichy Project temporarily suspended		14.97	21.03	76.97	112.97
Total	9.87	17.66	21.03	77.85	126.41

Refer Note 19 for information on property, plant and equipment hypothecated/mortgaged as security by the Company.

Refer Note 38(B) for disclosure of contractual commitment for acquisition of property, plant and equipment.



Note - 7

Right-of-use assets

(₹ in Mn)

Particulars	Land	Residential flats	Buildings	Plant and equipment	Total
Gross carrying amount					
At 1 April 2022	22.73	4.55	65.76	261.10	354.14
Additions	-	-	-	-	-
Adjustments/disposals	-	-	-	-	-
Balance as at 31 March 2023	22.73	4.55	65.76	261.10	354.14
Additions	1.46	-	95.73	-	97.19
Adjustments/disposals	-	(0.51)	(65.76)	-	(66.27)
Balance as at 31 March 2024	24.19	4.04	95.73	261.10	385.06
Accumulated depreciation					
At 1 April 2022	1.97	1.62	61.40	18.40	83.39
Charge for the year	0.36	0.07	-	10.37	10.80
Adjustments for disposals	-	-	(3.12)	-	(3.12)
Balance as at 31 March 2023	2.33	1.69	58.28	28.77	91.07
Charge for the year	0.42	0.06	17.07	10.16	27.71
Adjustments for disposals	-	(0.20)	(65.76)	-	(65.96)
Balance as at 31 March 2024	2.75	1.55	9.59	38.93	52.82
Net carrying amount as at 31 March 2023	20.40	2.86	7.48	232.33	263.07
Net carrying amount as at 31 March 2024	21.44	2.49	86.14	222.17	332.24

Note - 7 A

Intangible assets

(₹ in Mn)

Particulars	Software's	Total
Gross carrying amount		
At 1 April 2022	109.19	109.19
Additions	0.44	0.44
Balance as at 31 March 2023	109.63	109.63
Additions	2.20	2.20
Balance as at 31 March 2024	111.83	111.83
Accumulated amortisation		
At 1 April 2022	99.72	99.72
Charge for the year	2.59	2.59
Impairment charge	-	-
Balance as at 31 March 2023	102.31	102.31
Charge for the year	2.23	2.23
Impairment charge	-	-
Balance as at 31 March 2024	104.54	104.54
Net carrying amount as at 31 March 2023	7.32	7.32
Net carrying amount as at 31 March 2024	7.29	7.29

Note - 8

(₹ in Mn)

	31 March 2024	31 March 2023
A Investments - non-current		
Equity instruments		
Investment in subsidiary companies (unquoted, measured at cost)		
2545887 Ontario Inc., Canada		
29,864,225 common shares of CAD \$1 each (previous year 31 March 2023: 29,864,225 common shares) fully paid up.	1,534.55	1,534.55
Neo-Tech Auto Systemz Inc., USA		
1,000,000 common shares of USD \$0.01 each (previous year 31 March 2023: 1,000,000 common shares) fully paid up.	0.64	0.64
Neo Tech Smart Solutions Inc., Canada*		
250,000 common shares of CAD \$ 1 each (previous year 31 March 2023: 2,50,000 common shares) fully paid up [Cost Rs. 13.78 Mn, impaired during FY 2023-24 Rs. 11.64 Mn (Previous year Nil)]	2.15	13.78
Other investment		
(quoted, measured at FVOCI)		
2100 Equity shares of Rs. 1/- each fully paid up of State Bank of India (previous year 31 March 2023 : 2100 Equity shares of Rs. 1/- each fully paid up).	1.58	1.10
(unquoted, measured at FVOCI)		
8200 Equity shares of Rs. 1/- each fully paid up of Altigreen Propulsion Labs Pvt. Ltd. (previous year 31 March 2023 : 8200 Equity shares of Rs. 1/- each fully paid up)	120.96	120.96
ESOP -18526 shares rights grant to employees of Stepdown-subsiary company "The Hi-Tech Gears Canada Inc." & 3269 shares issued to employees of Stepdown-subsiary company "The Hi-Tech Gears Canada Inc." (previous year 31 March 2023 is Nil) "(refer note- 46)	2.97	-
	1,662.85	1,671.03
Aggregate market value of quoted investments	1.58	1.10
Aggregate amount of unquoted investments and market value thereof	1,661.27	1,669.93
Aggregate value of impairment in the value of investments	11.63	-

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 Systemz Inc.	USA	100%	
Neo-Tech Smart Solutions Inc.	Canada	100%	

Note - 9

(₹ in Mn)

	31 March 2024	31 March 2023
A Loans - non current		
(Unsecured, considered good)		
Loan to Related Party (Subsidiary Company)	78.34	77.66
Loan to Employees	0.67	0.87
	79.01	78.53

Loan to related party details as at 31 March 2024

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances
With specifying terms:-		
Related Party- Subsidiary company	78.34	96%
Total	78.34	96%

Loan to related party details as at 31 March 2023

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances
With specifying terms:-		
Related Party- Subsidiary company	77.66	94%
Total	77.66	94%


B Loans - current

(₹ in Mn)

	31 March 2024	31 March 2023
(Unsecured, considered good)		
Loan to Employees	2.29	4.26
	2.29	4.26

Note - 10

(₹ in Mn)

	31 March 2024	31 March 2023
A Other financial assets - non current		
Interest Accrued on loan to Related party (Subsidiary company)	-	7.16
Balance held as margin money (against letter of credit and bank guarantees)*	3.01	6.49
Security deposits with government bodies	53.30	39.03
	56.31	52.68
*Margin money deposits having remaining maturity of more than 12 months.		
B Other financial assets - current		
Derivative assets	-	4.02
Security deposits - others	1.03	11.67
Other receivable*		
Considered good	23.10	62.32
Considered credit impaired (refer note below)	2.05	2.05
Less: Impairment allowance (allowance for bad and doubtful debts)	(2.05)	(2.05)
	24.13	78.01

*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 in 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)

	31 March 2024	31 March 2023
A Other non-current assets		
Capital advance*	54.24	47.35
Prepaid expenses	0.46	2.97
	54.70	50.32

*For capital commitments refer note - 38(B)

B Other current assets		
Advances to suppliers	46.14	52.41
Advances to employees	0.27	0.84
Prepaid expenses	36.82	37.31
Balance with statutory authorities	118.39	83.22
Others	13.66	11.13
	215.28	184.91

Note - 12

(₹ in Mn)

	31 March 2024	31 March 2023
Inventories		
(Valued at lower of cost or net realisable value)		
Finished goods (including goods in transit)	215.61	240.96
Raw materials and components	96.74	76.00
Stock in trade	-	2.63
Stores and spares	259.95	219.96
Work-in-progress	280.51	249.54
Scrap (at realisable value)	1.06	0.29
	853.87	789.38

Note - 13

(₹ in Mn)

	31 March 2024	31 March 2023
Trade receivables*		
(Unsecured)		
Considered good	1,415.64	1,533.05
Having significant increase in credit risk	18.81	15.65
Credit impaired	0.03	4.06
Total	1,434.48	1,552.76
Less: Impairment loss allowance	(13.79)	(34.33)
	1,420.69	1,518.43

*for related party balances refer note 36

Trade receivables ageing schedule is as follows:

Particulars	As at 31 March 2024							Total
	Unbilled	Not Due	Outstanding for following periods from due date of payment					
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-68.96	1,168.74	305.81	10.05	-	-	-	1,415.64
(ii) Undisputed Trade Receivables – Significant increase in credit risk	-	-	-	-	8.09	5.82	4.90	18.81
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	0.03	0.03
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – Significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Total	-68.96	1,168.74	305.81	10.05	8.09	5.82	4.93	1,434.48

Trade receivables ageing schedule is as follows:

Particulars	As at 31 March 2023							Total
	Unbilled	Not Due	Outstanding for following periods from due date of payment					
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	0.69	1,181.83	306.79	43.74	-	-	-	1,533.05
(ii) Undisputed Trade Receivables – Significant increase in credit risk	-	-	-	-	9.66	3.40	2.59	15.65
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	4.06	4.06
(v) Disputed Trade Receivables – Significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Total	0.69	1,181.83	306.79	43.74	9.66	3.40	6.65	1,552.76

**Note - 14**

(₹ in Mn)

	31 March 2024	31 March 2023
Cash and cash equivalents		
Cash on hand	0.11	0.28
Balances with banks		
In current accounts	40.08	128.26
Bank deposits with original maturity less than three months	20.01	-
	60.20	128.54

Note - 15

(₹ in Mn)

	31 March 2024	31 March 2023
Other bank balances		
Margin money	7.37	3.72
Deposits with Standard Chartered Bank (DSRA) maturity of more than three months and upto twelve months**	-	96.59
Bank deposits with maturity of more than three months and upto twelve months	390.44	362.79
Unclaimed dividend	0.80	0.84
	398.61	463.94

*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.96.59 Mn (previous year Rs.94.85 Mn) which is Charged to Lender pursuant to the facility agreement (refer note 19 borrowings current for details).

Note - 16

(₹ in Mn)

	31 March 2024	31 March 2023
Current tax assets (net)		
Advance income tax	201.78	218.02
Less: Provision for taxation	(172.27)	(192.09)
	29.51	25.93

Note - 17

(₹ in Mn)

	31 March 2024		31 March 2023	
	Number	Amount	Number	Amount
Equity share capital				
i Authorised				
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	1,87,78,186	187.78	1,87,68,000	187.68
		187.78		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*	10,186	0.10	-	-
Balance at the end of the year	1,87,78,186	187.78	1,87,68,000	187.68

*The Nomination and Remuneration Committee of the Board of Directors of the Company vide its resolution dated January 09, 2024, has approved allotment of 10,186 Equity shares of Rs. 10/- each to the eligible employees of the Company pursuant to "The Hi-Tech Gears Limited Stock Incentive Plan, 2021". Therefore, the paid-up equity share capital of the Company has increased from Rs. 18,76,80,000/-consisting of 1,87,68,000 equity shares of Rs. 10/- each to Rs. 18,77,81,860/-consisting of 1,87,78,186 equity shares of Rs. 10/- each.

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 2024		31 March 2023	
	Number	%	Number	%
Vulcan Electro Controls Limited	10,82,000	5.76%	10,82,000	5.77%
Olympus Electrical Industries Private Limited	17,45,200	9.29%	17,45,200	9.30%
Hi Tech Portfolio Investments Limited	19,71,876	10.50%	19,71,876	10.51%
Mr. Deep Kapuria	31,19,461	16.61%	31,19,461	16.62%

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.

vii Details of shares held by promoters

Particulars	Promoter Name	No. of shares at the beginning of the year 01 April 2023	Change during the year	No. of shares at the end of the year 31 March 2024	% of Total Shares	% change during the year
Equity shares of face value Rs 10/-	Master Abhay Kapuria	8,000	-	8,000	0.04%	0.00%
Equity shares of face value Rs 10/-	Deep Kapuria & Sons (Huf)	2,31,780	-	2,31,780	1.23%	0.00%
Equity shares of face value Rs 10/-	Deep Kapuria	31,19,461	-	31,19,461	16.61%	0.00%
Equity shares of face value Rs 10/-	Pranav Kapuria	8,48,102	-	8,48,102	4.52%	0.00%
Equity shares of face value Rs 10/-	Anuj Kapuria	8,44,062	-	8,44,062	4.49%	0.00%
Equity shares of face value Rs 10/-	Veena Kapuria	5,01,120	-	5,01,120	2.67%	0.00%
Equity shares of face value Rs 10/-	Adhiraj Kapuria	19,000	-	19,000	0.10%	0.00%
Equity shares of face value Rs 10/-	Adhiveer Kapuria	19,000	-	19,000	0.10%	0.00%
Equity shares of face value Rs 10/-	Aabha Kapuria	80,811	3,958	84,769	0.45%	4.90%
Equity shares of face value Rs 10/-	Megha Kapuria	80,311	3,921	84,232	0.45%	4.88%
Equity shares of face value Rs 10/-	Hi-Tech Portfolio Investements Ltd	19,71,876	-	19,71,876	10.50%	0.00%
Equity shares of face value Rs 10/-	Olympus Electrical Industries Pvt Ltd	17,45,200	-	17,45,200	9.29%	0.00%
Equity shares of face value Rs 10/-	Vulcan Electro Controls Ltd	10,82,000	-	10,82,000	5.76%	0.00%
Total		1,05,50,723	7,879	1,05,58,602	56.23%	
Total No of Equity shares		1,87,78,186				

Particulars	Promoter Name	No. of shares at the beginning of the year 01 April 2022	Change during the year	No. of shares at the end of the year 31 March 2023	% of Total Shares	% change during the year
Equity shares of face value Rs 10/-	Master Abhay Kapuria	8,000	-	8,000	0.04%	0.00%
Equity shares of face value Rs 10/-	Deep Kapuria & Sons (Huf)	2,31,780	-	2,31,780	1.23%	0.00%
Equity shares of face value Rs 10/-	Deep Kapuria	31,19,461	-	31,19,461	16.62%	0.00%
Equity shares of face value Rs 10/-	Pranav Kapuria	8,48,102	-	8,48,102	4.52%	0.00%
Equity shares of face value Rs 10/-	Anuj Kapuria	8,44,062	-	8,44,062	4.50%	0.00%
Equity shares of face value Rs 10/-	Veena Kapuria	5,01,120	-	5,01,120	2.67%	0.00%
Equity shares of face value Rs 10/-	Adhiraj Kapuria	19,000	-	19,000	0.10%	0.00%
Equity shares of face value Rs 10/-	Adhiveer Kapuria	19,000	-	19,000	0.10%	0.00%
Equity shares of face value Rs 10/-	Aabha Kapuria	80,811	-	80,811	0.43%	0.00%
Equity shares of face value Rs 10/-	Megha Kapuria	80,311	-	80,311	0.43%	0.00%
Equity shares of face value Rs 10/-	Dev Kumari Kapuria	-	-	0	0.00%	#DIV/0!
Equity shares of face value Rs 10/-	Hi-Tech Portfolio Investements Ltd	19,71,876	-	19,71,876	10.51%	0.00%
Equity shares of face value Rs 10/-	Olympus Electrical Industries Pvt Ltd	17,45,200	-	17,45,200	9.30%	0.00%
Equity shares of face value Rs 10/-	Vulcan Electro Controls Ltd	10,82,000	-	10,82,000	5.77%	0.00%
Total		1,05,50,723	-	1,05,50,723	56.22%	
Total No of Equity shares		1,87,68,000				


Note - 18

(₹ in Mn)

	31 March 2024	31 March 2023
Other Equity Reserve & Surplus		
General Reserve		
Balance at the beginning of the year	308.08	308.08
Add: Transfer from retained earnings	-	-
Total (A)	308.08	308.08
Share options outstanding account		
Balance at the beginning of the year	4.34	-
Employee stock option expense	1.24	4.34
Total (B)	5.58	4.34
Security Premium		
Balance at the beginning of the year	-	-
Add: Addition during the year	2.36	-
Total (C)	2.36	-
Retained earnings		
Balance at the beginning of the year	3,411.60	2,926.73
Add: Profit/(Loss) for the year	492.69	503.40
Add: Prior period error	0.76	-
Add: Other comprehensive income (net of tax impact)	4.95	9.62
Less: Dividend paid during the year including tax impact, refer note no. 39	(46.92)	(28.15)
Total (D)	3,863.08	3,411.60
Total (E=A+B+C+D)	4,179.10	3,724.02
Other Comprehensive Income (OCI)		
Equity instrument through Other Comprehensive Income		
Balance at the beginning of the year	65.37	65.31
Add: Movement in OCI (Net) during the year	0.49	0.06
Total (E)	65.86	65.37
Cash flow hedge reserve		
Balance at the beginning of the year	(0.87)	4.96
Add: Movement in OCI (Net) during the year	(1.21)	(5.83)
Total (F)	(2.08)	(0.87)
Total (G=E+F)	63.78	64.50
Total Other Equity (D+G)	4,242.88	3,788.52

(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.

Share options outstanding account

The account is used to recognise the grant date value of options issued to employees under Employee stock option plan and adjusted as and when such options are exercised or otherwise expire.

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.

Cash flow hedge reserve

The Company has taken a cross currency and interest rate swap to hedge the foreign currency risk of highly probable forecasted sales and foreign currency borrowings. To the extent hedge is effective, the change in fair value of hedging instrument is recognised in cash flow reserve.

Note - 19

(₹ in Mn)

	31 March 2024	31 March 2023
A Borrowings non-current		
Secured		
Term loans		
From banks & others		
External commercial borrowing	0.00	-
Rupee Loan	304.12	386.11
	304.12	386.11
A (i) Lease Liabilities		
Lease liabilities	272.39	205.06
	272.39	205.06

Particulars	Nature of security	Terms of repayment	Maturity	31 March 2024	31 March 2023
Secured External commercial borrowing Standard Chartered Bank (USD 12,000,000) through IDBI Trusteeship Limited. Interest rate Standard Chartered Bank External commercial borrowing (USD 7,561,789) through IDBI Trusteeship Limited. Interest rate	a) First pari passu charge on movable fixed assets of the company both present and future. b) First pari passu 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-301019, District Alwar, Rajasthan 4) Plot No. A-7 & A-8, G K Industrial Park, Trichy District Tamil Nadu	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.	February, 2024	-	252.32
				Overnight SOFR+0.2616% +3.29%	3 Month LIBOR+3.29%
	a) First pari passu charge on movable fixed assets of the company both present and future. b) First pari passu 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 4) Plot No. A-7 & A-8, G K Industrial Park, Trichy District Tamil Nadu	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	February, 2024	-	105.91
				Overnight SOFR+0.2616% +3.00%	3 Month LIBOR+3.00%
Term loan HDFC Bank Ltd - Term Loan . Interest Rate	1) First charge by way of hypothecation in favor of the Lender, on company's movables including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures and all other movable assets, present and future for Expansion Project. 2) 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 Expansion Project; 3) 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. 4) First pari passu charge over the present and future immovable fixed assets of the company as given below: a) A-589, Industrial Complex, Bhiwadi, District, Alwar, Rajasthan-301019. b) Plot No 24-26, Sector 7, IMT Manesar, Gurgaon, Haryana 122050 c) SPL-146, Industrial Complex, Bhiwadi-304019, District Alwar, Rajasthan d) Plot No. A-7 & A-8, G K Industrial Park, Trichy District Tamil Nadu	Repayment in 16 quarterly instalment starts from December, 2020	December, 2024	89.59	243.61
				9.65%/9.75%	7.75%/7.80%/8.75%/8.80%/9.15%



(₹ in Mn)

Particulars	Nature of security	Terms of repayment	Maturity	31 March 2024	31 March 2023
HDFC Bank Ltd - Term Loan .	<p>1) First charge by way of hypothecation in favor of the Lender, on company's movables including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures and all other movable assets, present and future for Expansion Project.</p> <p>2) 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 Expansion Project;</p> <p>3) 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.</p> <p>4) First pari passu charge over the present and future immovable fixed assets of the company as given below:</p> <p>a) A-589, Industrial Complex, Bhiwadi, District, Alwar, Rajasthan-301019.</p> <p>b) Plot No 24-26, Sector 7, IMT Manesar, Gurgaon, Haryana 122050</p> <p>c) SPL-146, Industrial Complex, Bhiwadi-304019, District Alwar, Rajasthan</p> <p>d) Plot No. A-7 & A-8, G K Industrial Park, Trichy District Tamil Nadu</p>	Repayment in 20 quarterly instalment starts from June, 2025	March, 2030	100.00	-
Interest Rate				8.50%	-
TERM LOAN Bajaj Finance Limited	<p>a) First pari passu charge on movable fixed assets of the company both present and future.</p> <p>b) First pari pasu charge on the following immovable fixed assets of the company:</p> <p>1) A-589, Industrial Complex, Bhiwadi, District, Alwar, Rajasthan-301019*.</p> <p>2) Plot No 24-26, Sector 7, IMT Manesar, Gurgaon, Haryana 122050</p> <p>3) SPL-146, Industrial Complex, Bhiwadi-304019, District Alwar, Rajasthan</p>	20 equal quarterly instalments starting from the 15th month from the date of first disbursement	Aug, 2026	50.00	140.00
Interest Rate				10.45%	8.95%/9.80%
Federal Bank Limited	<p>a) 'First Pari Passu charge on Moveable fixed assets of the Company, both present & future.</p> <p>b) First Pari Passu charge Immoveable fixed assets situated at :</p> <p>1) Plot No. 24,25 & 26, Sector-7, IMT Manesar, Haryana-122050,</p> <p>2) A-589, RIICO Industrial Area, Bhiwadi, District Alwar, Bhiwadi- 301019, Rajasthan and</p> <p>3) SPL-146A Industrial Complex, Bhiwadi, Rajasthan</p>	18 equal quarterly instalments of 13.2 million each and 1 quarterly installment of 12.4 million starting from the 15th month from the date of first disbursement.	Nov, 2027	197.20	250.00
Interest Rate				9.40%	9.80%

(₹ in Mn)

Particulars	Nature of security	Terms of repayment	Maturity	31 March 2024	31 March 2023
Federal Bank Limited	a) First Pari Passu charge on Moveable fixed assets of the Company, both present & future. b) First Pari Passu charge Immoveable fixed assets situated at : 1) Plot No. 24,25 & 26, Sector-7, IMT Manesar, Haryana-122050, 2) A-589, RIICO Industrial Area, Bhiwadi, District Alwar, Bhiwadi- 301019, Rajasthan and 3) SPL-146A Industrial Complex, Bhiwadi, Rajasthan	11 equal quarterly instalments starting from the 5th Feb 2024.	Aug, 2026	50.00	-
Interest Rate				9.00%	
Lease Liabilities	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		314.40	240.35
Interest rate				6%/9.17%	6%/9.17%
Unamortised upfront fees on borrowing				(0.61)	(4.14)
Total borrowings				800.58	1,228.05
Less : Current maturity of long term loan				224.07	636.88
Non current borrowings				576.51	591.17

(₹ in Mn)

	31 March 2024	31 March 2023
B Borrowings - current		
i) Secured		
Working capital loans repayable on demand from banks	467.73	470.68
Current maturities of long term borrowings	182.05	601.59
ii) Unsecured		
Working capital - Sales Invoice Discounting	204.61	299.70
	854.39	1,371.97
B (i) Lease Liabilities		
Lease liabilities	42.02	35.29
	42.02	35.29

Particulars	Nature of security	Interest rate	31 March 2024	31 March 2023
Standard chartered bank-packing credit	• First Pari Passu Charge over all Current Assets of the Borrower (present and future).	SOFR + 1.75% (previous year SOFR +1.75% p.a)	67.56	115.86
Federal Bank - PCRE	• First Pari Passu Charge over all Current Assets of the Borrower (present and future).	SOFR + 1.75% (previous year SOFR +1.75% p.a)	88.37	147.88
Federal Bank Ltd- Working capital loan	• First Pari Passu Charge over all Current Assets of the Borrower (present and future).	8.20% p.a. (previous year N.A)	80.00	-
HDFC Bank Ltd- Working capital loan	• First pari pasucharge on stocks and receivables of the Company, both present and future.	8.50% p.a. (previous year 8.01% p.a)	90.00	180.00
ICICI Bank Limited-Packing credit	• First Pari Passu charge by way of hypothecation of the Company's all current assets both present and future.	SOFR + 1.79% (SOFR+2.15%)	141.80	26.94
Total			467.73	470.68



Particulars	Nature of security	Interest rate	31 March 2024	31 March 2023
Federal Bank - Sales Invoice Discounting	Unsecured	8.10% p.a (previous year 8.10% p.a)	204.61	299.70
Total			204.61	299.70

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 2022	1,454.68	365.01	265.87	2,085.56
Cash flows:				
- Repayment	(545.05)	-	(25.53)	(570.58)
- Proceeds	25.00	405.37	-	430.37
Other non cash changes:				
- Foreign exchange	44.11	-	-	44.11
- Amortisation of upfront fees and others	8.97	-	-	8.97
31 March 2023	987.71	770.38	240.34	1,998.43
Cash flows:				
- Repayment	(627.81)	(178.04)	(23.13)	(828.98)
- Proceeds	100.00	80.00	97.19	277.19
Other non cash changes:				
- Foreign exchange	22.75	-	-	22.75
- Amortisation of upfront fees and others	3.53	-	-	3.53
31 March 2024	486.18	672.34	314.40	1,472.92

Note - 20

(₹ in Mn)

	31 March 2024	31 March 2023
A Provisions - non current		
Employees' post retirement/long-term benefits		
Compensated absences	38.14	38.10
	38.14	38.10

For movements in each class of provision during the financial year, refer note 40

B Provisions - current		
Employees' post retirement/long-term benefits		
Compensated absences	5.61	7.66
Provision on rate difference	31.22	16.09
	36.83	23.75

For movements in each class of provision during the financial year, refer note 40 and 42

Note - 21

(₹ in Mn)

	31 March 2024	31 March 2023
Deferred tax liabilities (net)	8.33	25.39
Deferred tax assets/liabilities arising on account of :		
Opening balance		
Property, plant & equipment	45.34	55.12
Fair valuation of equity instruments	21.63	21.63
Deferred government grant	0.36	0.59
Deferred tax asset arising on account of :		
Cash flow hedge reserve	-19.47	(11.55)
Right-of-use asset	73.83	54.94
Right-of-use lease liabilities	(79.13)	(59.56)
Provision for rate difference	(7.86)	(4.05)
Provision for leave encashment	(11.01)	(11.52)
Plant and machinery recognised on account of government grant	(0.36)	(0.59)
Provision for bonus	(11.01)	(10.47)
Provision for doubtful debts and advances	(3.99)	(9.15)
	8.33	25.39

(i) Movement in deferred tax liabilities (net)

(₹ in Mn)

Particulars	31 March 2023	Recognised/ reversed through profit and loss	Recognised/ reversed through other comprehensive income	31 March 2024
Deferred tax assets/liabilities arising on account of :				
Property, plant & equipment	55.12	(9.78)	-	45.34
Fair valuation of equity instruments	21.63	-	0.00	21.63
Deferred government grant	0.59	(0.23)	-	0.36
Cash flow hedge reserve	(11.55)	(15.84)	7.92	(19.47)
Right-of-use asset	54.94	18.89	-	73.83
Right-of-use lease liabilities	(59.56)	(19.57)	-	(79.13)
Provision for rate difference	(4.05)	(3.81)	-	(7.86)
Provision for leave encashment	(11.52)	0.51	-	(11.01)
Plant and machinery recognised on account of government grant	(0.59)	0.23	-	(0.36)
Provision for bonus	(10.47)	(0.54)	-	(11.01)
Provision for doubtful debts and advances	(9.15)	5.16	-	(3.99)
Total	25.39	(24.98)	7.92	8.33

Particulars	31 March 2022	Recognised/ reversed through profit and loss	Recognised/ reversed through other comprehensive income	31 March 2023
Deferred tax assets/liabilities arising on account of :				
Property, plant & equipment	65.68	(10.56)	-	55.12
Fair valuation of equity instruments	21.63	-	-	21.63
Deferred government grant	0.63	(0.04)	-	0.59
Cash flow hedge reserve	(8.97)	0.87	(3.45)	(11.55)
Right-of-use asset	57.71	(2.77)	-	54.94
Right-of-use lease liabilities	(64.93)	5.37	-	(59.56)
Provision for rate difference	(9.16)	5.11	-	(4.05)
Provision for leave encashment	(10.25)	(1.27)	-	(11.52)
Plant and machinery recognised on account of government grant	(0.63)	0.04	-	(0.59)
Provision for bonus	(10.46)	(0.01)	-	(10.47)
Provision for doubtful debts and advances	(6.05)	(3.10)	-	(9.15)
Total	35.20	(6.36)	(3.45)	25.39

**Note - 22**

(₹ in Mn)

	31 March 2024	31 March 2023
A Other non - current liabilities		
Deferred income*	8.82	10.24
	8.82	10.24

* 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.

B Other current liabilities		
Payable to statutory authorities	30.41	48.82
Advance received from customers	22.47	55.30
	52.88	104.12

Note - 23

(₹ in Mn)

	31 March 2024	31 March 2023
Trade payables		
- total outstanding dues of micro enterprises and small enterprises	111.19	92.44
- total outstanding dues of creditors other than micro enterprises and small enterprises	681.87	750.36
	793.06	842.80

Trade payables ageing

Particulars			As at 31 March 2024				Total
	Unbilled	Not Due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed- MSME	-	111.19	-	-	-	-	111.19
(ii) Undisputed- Others	57.09	203.38	419.92	0.34	0.13	0.56	681.42
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-	0.45	0.45
Total	57.09	314.57	419.92	0.34	0.13	1.01	793.06

Trade payables ageing

Particulars			As at 31 March 2023				Total
	Unbilled	Not Due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed- MSME	-	92.44	-	-	-	-	92.44
(ii) Undisputed- Others	18.70	446.85	274.18	3.66	0.08	5.36	748.83
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-	1.53	1.53
Total	18.70	539.29	274.18	3.66	0.08	6.89	842.80

*Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") as at 31 March 2023 and 31 March 2024:

(₹ in Mn)

Particulars		31 March 2024	31 March 2023
i	Principal amount remaining unpaid to any supplier as at the end of the accounting year;	111.19	92.44
ii	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year;	-	-
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 2024	31 March 2023
Other financial liabilities			
	Interest accrued but not due	0.76	4.29
	Earnest money and security deposits	3.71	3.40
	Unclaimed dividend	0.80	0.84
	Derivative liability	10.31	25.28
	Others*	163.29	229.96
		178.87	263.77

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

Note - 25

(₹ in Mn)

		31 March 2024	31 March 2023
Revenue from operations			
Sale of products			
	Transmission gears and shafts-domestic	5,293.24	5,285.39
	Transmission gears and shafts-export	2,293.81	2,262.22
Sale of services			
	Sales job work	3.28	6.59
Other operating income			
	Export incentives	54.40	62.66
	Sales scrap	155.11	201.28
		7,799.84	7,818.14

Note - 26

(₹ in Mn)

		31 March 2024	31 March 2023
Other income			
	Interest income		
	Bank deposits	30.96	22.60
	Others	8.86	7.04
	Dividend Income	0.02	0.03
	Provision written back	2.85	0.54
	Net gain on exchange fluctuations	17.41	40.21
	Net gain on sale of property, plant and equipment	4.33	15.14
	Provisions written back - trade receivables	17.48	-
	Income recognised on account of government assistance	1.42	2.35
	Miscellaneous income	9.76	0.00
		93.09	87.91

**Note - 27**

(₹ in Mn)

	31 March 2024	31 March 2023
Cost of materials consumed		
Opening stock of raw material (steel rod and forgings)	76.00	49.13
Add: Purchase during the year (net of discount)	4,020.39	4,004.12
	4,096.39	4,053.25
Less: Closing stock of raw material (steel rod and forgings)	96.74	76.00
Net consumption	3,999.65	3,977.25

Note - 28

(₹ in Mn)

	31 March 2024	31 March 2023
Purchase of traded goods		
Opening stock of purchase of traded goods (transmission gears and shafts)	-	-
Add: Purchase during the year (transmission gears and shafts)	210.20	168.93
	210.20	168.93
Less: Closing stock of purchase of traded goods (transmission gears and shafts)	-	-
	210.20	168.93

Note - 29

(₹ in Mn)

	31 March 2024	31 March 2023
Changes in inventories of finished goods and work-in-progress		
Inventories at the end of the year:		
Finished goods (transmission gears and shafts)	215.61	240.96
Work-in-progress (transmission gears and shafts)	280.51	249.54
Inventories at the beginning of the year:		
Finished goods (transmission gears and shafts)	240.96	308.26
Work-in-progress (transmission gears and shafts)	249.54	232.10
Net (increase)/decrease	(5.62)	49.86

Note - 30

(₹ in Mn)

	31 March 2024	31 March 2023
Employee benefits expense		
Salaries and incentives	1,000.95	1,005.04
Contributions to provident and other funds	36.41	36.76
Gratuity fund contributions	8.72	10.84
Employee compensation expense	1.38	4.34
Staff welfare expenses	48.23	47.41
	1,095.69	1,104.39

Note - 31

(₹ in Mn)

	31 March 2024	31 March 2023
Finance costs		
Interest on		
Loans from banks & others	153.95	144.15
Lease liabilities	23.48	21.13
Others	0.30	1.06
Bank commission and charges	4.13	3.83
Loss on exchange rate fluctuation	-	0.66
	181.86	170.83

Note - 32

(₹ in Mn)

	31 March 2024	31 March 2023
Other expenses		
Water, electricity and allied charges	340.19	315.22
Stores and spares consumed	648.06	534.80
Professional expenses	83.02	66.34
Repair and maintenance		
Plant and machinery	30.63	23.24
Buildings	2.49	8.31
Rent (refer note 45)	5.75	5.30
Insurance	37.25	33.96
Corporate social responsibility expenses (refer note (i) below)	2.80	8.13
Rates and taxes	3.32	5.19
Provision for doubtful debts	-	12.38
Auditor's remuneration*	2.26	1.90
Balances written off	0.68	8.46
Director's sitting fee	1.44	0.80
Freight and handling expenses	118.19	203.15
Charity and donation	0.04	0.11
Impairment of Investment	11.64	
Miscellaneous expenses	159.99	197.45
	1,447.75	1,424.74

*Remuneration to auditors comprises of:		
Audit fees	1.70	1.70
Reimbursement of expenses	0.18	0.05
Certification fees	-	0.08
Other services	0.38	0.08
	2.26	1.91

(i) Details of CSR expenditure:	31 March 2024	31 March 2023
a) Gross amount required to be spent by the company during the year	11.80	8.05
b) Amount approved by the Board to be spent during the year	11.80	8.13
c) Amount spent during the year :		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	2.80	8.13
	2.80	8.13

d) Unspent amount in relation to: - Ongoing project
For the year ended 31 March 2024

Opening Balance		Amount required to be spent during the year	Amount spent		Closing Balance	
with Company	In seprate CSR unspent A/c		From Companys bank a/c	From Separate CSR Unspent A/c	with company	In seprate CSR unspent account
-	-	11.80	2.80	-	-	9.00

For the year ended 31 March 2023

Opening Balance		Amount required to be spent during the year	Amount spent		Closing Balance	
with Company	In seprate CSR unspent A/c		From Companys bank a/c	From Separate CSR Unspent A/c	with company	In seprate CSR unspent account
-	-	8.05	8.13	-	-	-



e) 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) Amount spent during the financial year ended 31 March 2024 and 31 March 2023 on:

(₹ in Mn)

Particulars	Period	Bank payment	Yet to be paid in cash	Total
Education, technical education including research and development	31 March 2024	2.00	-	2.00
	31 March 2023	2.62	-	2.62
Integrity community development	31 March 2024	-	-	-
	31 March 2023	2.31	-	2.31
Prime Minister National Relief Fund	31 March 2024	0.50	-	0.50
	31 March 2023	0.90	-	0.90
Promoting Healthcare including Preventive Healthcare	31 March 2024	-	-	-
	31 March 2023	0.50	-	0.50
Setting up homes for women and orphans/Setting up old age homes, day care centres and such other facilities for senior citizens.	31 March 2024	0.20	-	0.20
	31 March 2023	1.70	-	1.70
Others	31 March 2024	0.10	-	0.10
	31 March 2023	0.10	-	0.10
Total	31 March 2024	2.80	-	2.80
	31 March 2023	8.13	-	8.13

Note - 33

(₹ in Mn)

	31 March 2024	31 March 2023
Income tax		
Tax expense comprises of:		
Current tax	169.02	187.37
Deferred tax charge	-9.14	(6.36)
Earlier years tax adjustments (net)	-5.31	9.54
Income tax expense reported in the statement of profit and loss	154.57	190.55

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 25.167% and the reported tax expense in profit or loss are as follows:

Accounting profit before income tax	647.26	693.95
At India's statutory income tax rate of 25.167%	162.90	174.65
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Tax impact of expenses which will never be allowed	(0.37)	5.16
Earlier years tax adjustments (net)	(5.31)	9.54
Others	(2.65)	1.20
Income tax expense	154.57	190.55

Note - 34

(₹ in Mn)

	31 March 2024	31 March 2023
Earnings per share		
Net profit attributable to equity shareholders		
Net profit for the year	492.69	503.40
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	1,87,78,186	1,87,68,000
Weighted average number of equity shares	1,87,73,093	1,87,68,000
Number of dilutive potential equity shares	33,932	21,411
No. of equity shares used to compute diluted earnings per share	1,88,12,118	1,87,89,411
(1) Basic (₹)	26.24	26.82
(2) Diluted (₹)	26.19	26.79

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 2024			31 March 2023		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investment in equity instrument through OCI	-	122.54	-	-	122.06	-
Trade receivables	-	-	1,420.69	-	-	1,518.43
Loans	-	-	81.29	-	-	82.79
Cash and cash equivalents	-	-	60.20	-	-	128.54
Other bank balances	-	-	398.61	-	-	463.94
Other financial assets	-	-	80.45	-	-	126.67
Derivative Assets	-	-	-	4.02	-	-
Total financial assets	-	122.54	2,041.24	4.02	122.06	2,320.37
Financial liabilities						
Borrowings	-	-	1,473.66	-	-	2,002.72
Trade payables	-	-	793.06	-	-	842.80
Derivative liability	10.31	-	-	25.28	-	-
Other financial liabilities	-	-	167.80	-	-	234.20
Total financial liabilities	10.31	-	2,434.52	25.28	-	3,079.72

Investment in subsidiary is 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:

- the use of quoted market prices for quoted equity instruments.
- for unquoted equity instruments, the Company has used discounted cash flow method (fair value approach) discounted at a rate to reflect the risk involved in the business.
- The use of quoted market prices for derivative contracts at balance sheet date. For hedge related disclosures, refer note 44.



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

(₹ in Mn)

Particulars	Fair value	
	31 March 2024	31 March 2023
Unquoted equity investments	120.96	120.96

* There is no material change in the value of investment during the year

Sensitivity analysis

(₹ in Mn)

Description	31 March 2024	31 March 2023
Impact on fair value if change in earnings growth rate		
- Impact of increase in discount rate by 0.5 %	129.36	129.36
- Impact of decrease in discount rate by 0.5 %	(113.35)	(113.35)
Impact on fair value if change in risk adjusted discount rate		
- Impact of increase in discount rate by 0.5 %	(110.81)	(110.81)
- Impact of decrease in discount rate by 0.5 %	132.24	132.24

The following table presents the changes in level 3 items for the period ended 31 March 2024 and 31 March 2023:

(₹ in Mn)

Particulars	Unquoted equity shares
As at 31 March 2022	120.96
Gain recognised in other comprehensive income	-
As at 31 March 2023	120.96
Gain recognised in other comprehensive income	-
As at 31 March 2024	120.96

iii) Financial assets and Liabilities 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 2024, 31 March 2023:

(₹ 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 2024	1.58	-	120.96	122.54
	31 March 2023	1.10	-	120.96	122.06
At fair value through profit or loss					
Derivative financial assets	31 March 2024	-	-	-	-
	31 March 2023	-	4.02	-	4.02
Derivative financial liabilities	31 March 2024	-	10.31	-	10.31
	31 March 2023	-	25.28	-	25.28

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 2024		31 March 2023	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Loans	Level 3	81.29	81.29	82.79	82.79
Other financial assets	Level 3	80.45	80.45	126.67	126.67
Total financial assets		161.74	161.74	209.46	209.46
Financial liabilities					
Borrowings	Level 3	1,473.66	1,473.66	2,002.72	2,002.72
Total financial liabilities		1,473.66	1,473.66	2,002.72	2,002.72

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 2024 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, Investments, 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, investments, other bank balances, loans, trade receivables other financial assets	Life time expected credit loss or 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 fully provided for

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 2024	31 March 2023
A: Low	Cash and cash equivalents, investments, other bank balances, loans and other financial assets	743.10	928.01
B: Medium	Trade receivables and other financial asset	1,415.64	1,533.05
C: High	Trade receivables and other financial asset	20.88	21.76

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 2024	31 March 2023
Original equipment manufacturer	1,013.09	1,055.72
Others	421.39	497.04
Total	1,434.48	1,552.77

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 2024

(₹ in Mn)

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	60.20	-	60.20
Investment	122.54	-	122.54
Other bank balances	398.61	-	398.61
Loans	81.29	-	81.29
Other financial assets	82.50	2.05	80.45

As at 31 March 2023

(₹ in Mn)

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	128.54	-	128.54
Investment	122.06	-	122.06
Other bank balances	463.94	-	463.94
Loans	82.79	-	82.79
Other financial assets	132.74	2.05	130.69

ii) **Expected credit loss for trade receivables under simplified approach**

As at 31 March 2024

(₹ in Mn)

Period	Gross carrying value	Expected credit loss (provision)	Carrying amount (net of impairment)
0 - 90 Days	1,397.90	4.53	1,393.37
90 - 180 Days	10.02	0.57	9.45
180 - 270 Days	7.21	0.73	6.48
270 - 360 Days	0.21	1.44	-1.23
More than 360 Days	19.14	6.52	12.62

As at 31 March 2023

(₹ in Mn)

Period	Gross carrying value	Expected credit loss (provision)	Carrying amount (net of impairment)
0 - 90 Days	1,380.17	14.38	1,365.78
90 - 180 Days	101.05	2.21	98.84
180 - 270 Days	35.89	1.49	34.40
270 - 360 Days	15.95	3.29	12.66
More than 360 Days	19.71	12.96	6.76

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 2022	21.95	2.05
Impairment loss recognised/reversed during the year	12.38	-
Loss allowance on 31 March 2023	34.33	2.05
Impairment loss recognised/reversed during the year	-20.54	-
Loss allowance on 31 March 2024	13.79	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 2024	Less than 1 year	More than 1 year	Total
Non-derivatives			
Borrowings	235.82	643.80	879.62
Trade payable	793.06	-	793.06
Other financial liabilities	167.80	-	167.80
Derivatives			
Derivative liability	10.31	-	10.31
Total	1,206.99	643.80	1,850.79

(₹ in Mn)

31 March 2023	Less than 1 year	More than 1 year	Total
Non-derivatives			
Borrowings	704.22	642.42	1,346.64
Trade payable	842.80	-	842.80
Other financial liabilities	234.20	-	234.20
Derivatives			
Derivative liability	25.28	-	25.28
Total	1,806.50	642.42	2,448.92

The Company had access to following funding facilities :

As at 31 March 2024

(₹ in Mn)

Funding facilities	Total facility	Drawn	Undrawn
Less than 1 year	1,590.00	672.34	917.66
Total	1,590.00	672.34	917.66

As at 31 March 2023

(₹ in Mn)

Funding facilities	Total facility	Drawn	Undrawn
Less than 1 year	1,140.00	770.38	369.62
Total	1,140.00	770.38	369.62

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.

Foreign currency risk exposure:

(₹ in Mn)

Particulars	Currency	Amount in foreign currency		Amount in INR	
		31 March 2024	31 March 2023	31 March 2024	31 March 2023
Receivables					
Export trade receivable and advances	USD	6.10	5.53	508.62	454.36
	EURO	0.41	0.23	37.24	20.55
	GBP	-	0.04	-	3.77
Foreign currency loans	CAD	1.28	1.28	78.34	77.66
Interest on foreign currency loans	CAD	-	0.12	-	7.16
Payables					
Payable for imports and others	USD	(0.31)	(0.53)	(26.04)	(43.56)
	EURO	(0.00)	(0.01)	(0.17)	(1.03)
	GBP	(0.00)	-	(0.06)	-
Foreign currency loans	CHF	(0.02)	-	(1.90)	-
	USD	-	(3.07)	-	(252.32)
	USD	-	(1.29)	-	(105.91)
Interest on foreign currency loans	USD	-	(0.03)	-	(2.46)
	USD	-	(0.01)	-	(1.00)

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 2024	31 March 2023	31 March 2024	31 March 2023
Receivables					
Export trade receivable	USD	25.43	22.72	(25.43)	(22.72)
	EURO	1.86	1.03	(1.86)	(1.03)
	GBP	-	0.19	-	(0.19)
Foreign currency loans	CAD	3.92	3.88	(3.92)	(3.88)
Interest on foreign currency loans	CAD	-	0.36	-	(0.36)
Payables					
Payable for imports and others	USD	1.30	2.18	(1.30)	(2.18)
	EURO	0.01	0.05	(0.01)	(0.05)
	GBP	0.00	-	(0.00)	-
	CHF	0.09	-	(0.09)	-
Foreign currency loans	USD	-	12.62	-	(12.62)
	USD	-	5.30	-	(5.30)
Interest on foreign currency loans	USD	-	0.12	-	(0.12)
	USD	-	0.05	-	(0.05)

ii) Interest rate risk

a) 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 2024	31 March 2023
Variable rate borrowing	1,473.67	2,002.72
Fixed rate borrowing	-	-
Total borrowings	1,473.67	2,002.72

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 2024	31 March 2023
Interest rates – increase by 50 basis points	(7.37)	(10.01)
Interest rates – decrease by 50 basis points	7.37	10.01

b) Assets

The Company's fixed deposits and loans are carried at fixed rate. Therefore, the said assets are 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 change in market interest rates.

iii) Price risk

The Company's exposure to price risk arises from investments held and classified as FVOCI. 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 2024	31 March 2023
Price sensitivity		
Price increase by (5%) - FVOCI*	0.08	0.05
Price decrease by (5%) - FVOCI	(0.08)	(0.05)

* For sensitivity analysis in equity investment in shares of Altigreen, refer note 35 A, level 3 disclosure.

Note - 36

Related party disclosures

a) 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 Systemz Inc., USA

(c) Neo- Tech Smart Solutions Inc., Canada

*Pursuant to restructuring process, two Step-Down Subsidiaries i.e., 2323532 Ontario Inc. and 2504584 Ontario Inc. have been Amalgamated with The Hi-Tech Gears Canada Inc. (Step down Subsidiary of the Company) w.e.f. 15/06/2023 (IST) by filing of Articles of Amalgamation and confirmation by the Ontario Business Registry by vide OCN 1000501804 and Transaction no 46460689 and both the aforesaid Step-Down Subsidiaries, viz 250 and 232 are ceased to exist w.e.f. 15/06/2023

ii) Key Management Personnel (KMP) and their Relatives

- | | |
|--|---|
| (i) Mr. Deep Kapuria (Executive Chairman and Whole Time Director) | (xi) Mr. Bidadi Anjani Kumar (Non Executive Director) |
| (ii) Mr. Anant Jaivant Talaulicar (Vice Chairman and Non Executive Director) | (xii) Mr. Rajiv Batra (Independent Director) |
| (iii) Mr. Pranav Kapuria (Managing Director) | (xiii) Mr. Vinit Taneja (Independent Director) |
| (iv) Mr. Anuj Kapuria (Whole Time Director) | (xiv) Mr. Kawal Jain (Non Executive Director)3 |
| (v) Mr. Sandeep Dinodia (Independent Director) | (xv) Mr. Ramesh Shankarmal Pilani (Independent Director)4 |
| (vi) Mr. Anil Kumar Khanna (Independent Director) | (xvi) Mr. Sumit Kumar (Chief Financial Officer)5 |
| (vii) Mr. Krishna Chandra Verma (Independent Director) | (xvii) Mr. Kapil Rajora (Chief Financial Officer)6 |
| (viii) Ms. Malini Sud (Independent Director) | (xviii) Mr. Naveen Jain (Company Secretary) |
| (ix) Mr. Amresh Kumar Verma (Whole-time Director)2 | (xix) Mrs. Veena Kapuria (Wife of Mr. Deep Kapuria) |
- (x) Mr. Subir Kumar Chowdhury (Whole-time Director designated as "Executive Director and President")1
1. Mr. Subir Kumar Chowdhury, Whole-time Director designated as Executive Director and President resigned from the Board of the Company w.e.f October 18, 2023.
 2. Mr. Amresh Kumar Verma appointed as Whole-time Director designated as "Key Managerial Personnel" of the Company by the Board in its meeting held on October 26, 2023 with immediate effect
 3. Mr. Kawal Jain appointed as Non Executive Non Independent Director of the Company by the Board in its meeting held on October 26, 2023 with immediate effect
 4. Mr. Ramesh Shankarmal Pilani appointed as Non Executive Independent Director of the Company by the Board in its meeting held on October 26, 2023 with immediate effect
 5. Mr. Sumit Kumar resigned from the position of Chief Financial Officer and KMP with effect from closing of business hours dated August 14, 2023.
 6. Mr. Kapil Rajora appointed as Chief Financial Officer and KMP with effect from dated August 15, 2023.

iii) 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 | (iii) The Hi-Tech Robotic Systemz Limited |
| (ii) Vulcan Electro Controls Limited | (iv) The Hi-Tech Engineering Systems Private Limited |
| (v) Novus Hi-Tech Robotic Systemz Private Limited | |

(b) Transactions with related parties carried out in the ordinary course of business:

S.No	Particulars	Year	Related Parties										Total
			Subsidiary Company		Step down Subsidiary	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. Canada		Neo Tech Auto Systems Inc. USA	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 Systems Limited	
1	Purchase of goods	31 March 2024 31 March 2023	- -	- -	- -	- -	- -	1,612.51 1,742.11	379.59 331.78	- -	- -	- -	1,992.10 2,073.89
2	Sale of goods	31 March 2024 31 March 2023	- -	- -	185.69 173.07	- -	3.39 0.41	- -	- -	- -	- -	- -	189.08 173.48
3	Rendering of job work/services	31 March 2024 31 March 2023	- -	- -	0.62 -	- -	0.02 -	9.10 6.53	- -	- -	- -	- -	9.74 6.53
4	Receiving of job work/services	31 March 2024 31 March 2023	- -	- 1.05	- -	- -	137.10 156.73	- -	- -	35.00 30.00	- -	- -	172.10 187.78
5	Leasing or hire purchase arrangements	31 March 2024 31 March 2023	- -	- -	- -	- -	18.90 18.00	- -	- -	- -	- -	4.85 4.41	23.75 22.41
6	Remuneration paid*	31 March 2024 31 March 2023	- -	- -	- -	- -	- -	- -	- -	- -	- -	133.36 101.09	133.36 101.09
7	Sitting fees	31 March 2024 31 March 2023	- -	- -	- -	- -	- -	- -	- -	- -	- -	1.89 0.80	1.89 0.80
8	Interest on Loan	31 March 2024 31 March 2023	5.23 4.84	- -	- -	- -	- -	- -	- -	- -	- -	- -	5.23 4.84
9	Re-imburement received	31 March 2024 31 March 2023	- -	- -	- -	- -	0.10 0.14	- -	- 0.08	- -	- -	- -	0.10 0.22



***The remuneration of Key Managerial Personnel included in various schedules to statement of profit and loss is as under:**

Particulars*	₹ in Mn)	
	31 March 2024	31 March 2023
Short term employee benefits	127.76	96.88
Defined contribution plan	5.60	4.21

* Does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for all the employees together.

(c) Closing balance with related parties in the ordinary course of business :

S.No	Particulars	Year	Related Parties							Total	
			Subsidiary Company		Step down Subsidiary	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. Canada		Neo Tech Auto Systems Inc. USA	The Hi-Tech Gears Canada Inc.	Aquarian Fibrecement Private Limited			Vulcan Electro Controls Limited
1	Trade receivable	31 March 2024 31 March 2023	- -	- -	- -	21.32 94.76	- -	- -	- -	- -	21.32 94.76
2	Trade payable	31 March 2024 31 March 2023	- -	- -	- -	- -	85.49 165.73	256.52 247.80	1.62	5.40 5.40	347.41 420.55
3	Other payable	31 March 2024 31 March 2023	- -	- -	- -	- -	- -	- -	- -	5.98 11.26	5.98 11.26
4	Other receivable	31 March 2024 31 March 2023	78.34 84.82	- -	- -	- -	- -	- -	- -	- -	78.34 84.82

Terms and conditions of transactions with related parties

- All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis
- For the year ended 31 March, 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2022-23: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

(This space has been intentionally left blank)



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 2024	31 March 2023
Net debt*	1,413.47	1,874.18
Total equity	4,430.66	3,976.20
Net debt to equity ratio	0.32	0.47

*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 2024	31 March 2023
1	Dy. Commissioner Customs Export, Tughlakabad, Delhi	0.15	0.15
2	Deputy Commissioner of Customs	-	1.18
3	The President of India (Through Asstt./Dy Commissioner of Customs)	-	0.06
4	Commissioner of Custom	-	0.03
5	Dy. Commissioner Customs Export	-	0.13
6	The President of India (Through Asstt./Dy Commissioner of Customs)	0.48	0.48
7	Deputy Commissioner of Customs	-	0.84
8	Rajasthan Rajya Vidut Prasaran Nigam Limited	0.03	0.03
9	Haryana City Gas Distribution (Bhiwadi) LTD	2.78	2.78
10	Haryana City Gas Distribution (Bhiwadi) LTD	0.70	0.70
11	The Chief Engineer (NPP And RA), Vidyut Bhawan	2.45	2.45
12	Ministry of Heavy Industries, Government of India, represented by IFCI Limited	10.00	10.00
13	Rajasthan Renewable Energy Corporation Limited	2.25	2.25
14	Rajasthan Renewable Energy Corporation Limited	1.70	1.70
	Total	20.54	22.78

2) Contingent liabilities on account of statutory demands not provided for in the books of account are as follows:-

a) Direct Tax

(₹ in Mn)

S.No	Particulars	Period to which the amount relates	31 March 2024	31 March 2023
1	Income Tax Act, 1961	Assessment Year 2019-20	2.66	2.66
	Income Tax Act, 1961	Assessment Year 2019-20	0.30	-
	Income Tax Act, 1961	Assessment Year 2019-20	0.05	-
	Total		3.01	2.66

b) Indirect Tax

(₹ in Mn)

S.No	Particulars	Period to which the amount relates	31 March 2024	31 March 2023
1	Central Excise Act, 1944	April 2005 to March 2008	1.04	1.04
2	Central Excise Act, 1944	August 2014 to July 2015	2.02	2.02
3	Central Excise Act, 1944	August 2015 to February 2017	3.62	3.62
4	Central Excise Act, 1944	March 2017 to September 2017	1.60	1.60
5	Goods & Service Tax	July 2017 To December 2018	62.87	-
6	Goods & Service Tax	Jan 2019 To March 2019	2.30	-
7	Service Tax	September 2016 to March 2017	0.10	0.10
	Total		73.55	8.38

- 3) There are three legal cases filed by past employees against the Company for re-instatement/settlement of their dues/remuneration related matters. All cases are pending at various stages at Camp Court, Bhiwadi, Rajasthan. There is one case filed in NCLT under the provision of IBC Act related to commercial dispute with parties. 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:

“Capital commitments (Net of advances)”

Estimated amount of contracts remaining to be executed on capital accounts Rs 96.61 Mn after adjusting advances (Previous years: 31 March 2023: Rs 269.16 Mn).

Note - 39**Dividends**

- A** The Board of Directors at its meeting held on May 29, 2024 have recommended a Final dividend of ₹. 5.00/- per equity share of ₹ 10/- each i.e. @ 50% on paid-up equity share capital of the company subject to approval of members at its ensuing Annual General Meeting.

- B** Dividend declared and paid in earlier years are as follows –

(₹ in Mn)

Nature	31 March 2024	31 March 2023
Final dividend	46.92	28.15

Note - 40**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 2024	31 March 2023
Present value of the obligation	43.75	45.76
Net obligation recognised in balance sheet as provision	43.75	45.76
Current liability (amount due within one year)	5.61	7.66
Non-current liability (amount due over one year)	38.14	38.10



ii) Expenses recognised in statement of profit and loss:

(₹ in Mn)

Particulars	31 March 2024	31 March 2023
Current service cost	7.16	8.41
Interest cost	3.37	2.90
Actuarial (gain)/loss net on account of:		
-Changes in experience adjustment	3.50	2.63
Cost recognised during the year	14.03	13.95

iii) Movement in the liability recognised in the balance sheet is as under:

(₹ in Mn)

Particulars	31 March 2024	31 March 2023
Present value of defined benefit obligation at the beginning of the year	45.76	40.72
Current service cost	7.16	8.41
Interest cost	3.37	2.90
Actuarial (gain)/loss net	3.50	2.63
Benefits paid	(16.04)	(8.90)
Present value of defined benefit obligation at the end of the year	43.75	45.76

iv) (a) For determination of the liability of the Company the following actuarial assumptions were used:

Particulars	31 March 2024	31 March 2023
Discount rate	7.23%	7.37%
Salary escalation rate	8.50%	8.50%
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	0.00%	0.00%
Leave lapse rate on exit	0.00%	0.00%
Leave encashment rate while in service	5.00%	5.00%

Mortality rates inclusive of provision for disability -100% of IALM 2012-14

(b) Maturity profile of defined benefit obligation

(₹ in Mn)

Particulars	31 March 2024	31 March 2023
0 to 1 year	5.61	7.66
1 to 2 year	2.34	2.53
2 to 3 year	1.78	2.38
3 to 4 year	2.82	1.71
4 to 5 year	2.50	2.52
5 to 6 year	2.21	2.51
6 year onwards	26.48	26.44

v) Sensitivity analysis for compensated absences liability

(₹ in Mn)

Particulars	31 March 2024	31 March 2023
a) Impact of the change in discount rate		
Present value of obligation at the end of the year	43.75	45.76
Impact due to increase of 0.50 %	(1.85)	(1.84)
Impact due to decrease of 0.50 %	1.99	1.98
b) Impact of the change in salary increase		
Present value of obligation at the end of the year	43.75	45.76
Impact due to increase of 0.50 %	1.95	1.95
Impact due to decrease of 0.50 %	(1.83)	(1.83)

Sensitivities due to mortality and withdrawals are not material. Hence impact of change is not calculated.

Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable.

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 2024	31 March 2023
Present value of the obligation	142.89	145.62
Fair value of plan assets	156.55	156.75
Net (assets) / liability recognised in balance sheet as provision	(13.66)	(11.13)
Current (assets) liability (amount due within one year)	(13.66)	(11.13)

ii) Gain recognised in other comprehensive income:

(₹ in Mn)

Particulars	31 March 2024	31 March 2023
Actuarial gain/(loss) on asset	(0.33)	(0.34)
Actuarial gain on PBO	6.95	13.19
Gain recognised in other comprehensive income	6.62	12.85

iii) Actuarial (gain)/loss on obligation:

(₹ in Mn)

Particulars	31 March 2024	31 March 2023
Actuarial (gain)/loss net on account of:		
-Changes in demographic assumptions	-	-
-Changes in financial assumptions	1.23	(2.22)
-Changes in experience adjustment	(8.18)	(10.97)

iv) Expenses recognised in statement of profit and loss

(₹ in Mn)

Particulars	31 March 2024	31 March 2023
Current service cost	9.54	11.15
Interest cost	(0.82)	-0.50
Cost recognised during the year	8.72	10.65



v) Major categories of plan assets (as percentage of total plan assets)

Particulars	31 March 2024	31 March 2023
Government of India Securities	0%	0%
State Government securities	0%	0%
High Quality Corporate Bonds	0%	0%
Equity Shares of listed companies	0%	0%
Funds managed by insurer	100%	100%
Bank Balance	0%	0%
Total	100%	100%

vi) Change in plan assets is as under:

(₹ in Mn)

Particulars	31 March 2024	31 March 2023
Fair value of plan assets at the beginning of the period	156.76	154.92
Difference in opening fund	-	-
Actual return on plan assets	11.22	10.71
Employer contributions	4.63	1.88
Fund management charges	-	-
Benefits paid	(16.06)	(10.75)
Fair value of plan assets at the end of the period	156.55	156.76

vii) Movement in the liability recognised in the balance sheet is as under:

(₹ in Mn)

Particulars	31 March 2024	31 March 2023
Present value of defined benefit obligation at the beginning of the year	145.62	147.89
Current service cost	9.54	11.15
Interest cost	10.73	10.53
Actuarial gain net	(6.95)	(13.19)
Benefits paid	(16.05)	(10.75)
Present value of defined benefit obligation at the end of the year	142.89	145.63

viii) (a) For determination of the liability of the Company the following actuarial assumptions were used:

Particulars	31 March 2024	31 March 2023
Discount rate	7.23%	7.37%
Salary escalation rate	8.50%	8.50%
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	10.58	11.17

Mortality rates inclusive of provision for disability -100% of IALM 2012-14 (P.Y. 2012 – 14)

(b) Maturity profile of defined benefit obligation:

(₹ in Mn)

Particulars	31 March 2024	31 March 2023
0 to 1 year	21.76	22.95
1 to 2 year	9.85	10.25
2 to 3 year	9.42	10.49
3 to 4 year	10.97	9.11
4 to 5 year	12.44	10.62
5 to 6 year	11.14	11.24
6 year onwards	67.31	70.95

ix) Sensitivity analysis for gratuity liability:

(₹ in Mn)

Particulars	31 March 2024	31 March 2023
a) Impact of the change in discount rate		
Present value of obligation at the end of the year	142.89	145.62
Impact due to increase of 0.50 %	(4.35)	(4.46)
Impact due to decrease of 0.50 %	4.62	4.74
b) Impact of the change in salary increase		
Present value of obligation at the end of the year	142.89	145.62
Impact due to increase of 0.50 %	4.26	4.39
Impact due to decrease of 0.50 %	(4.08)	(4.23)

Sensitivities due to mortality and withdrawals are not material .Hence impact of change is not calculated

Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable.

Note - 41

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 2024	31 March 2023
India	5,648.40	5,622.81
America	1,041.63	1,408.25
Others	1,109.81	787.08
Total	7,799.84	7,818.14

Information about major customer

During the year ended 31 March 2024 revenue of approximately 69.17% are derived from 3 external customer (previous year: 55.01% was derived from 2 external customer) having more than 10% share independently

Note - 42

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 2022	36.40
Less: Amounts used during the year	-20.31
As at 31 March 2023	16.09
Add: Amounts provision during the year	15.13
As at 31 March 2024	31.22

*This provision reflects the amount that could be payable on account of foreign exchange adjustment on export.



Note - 43

Revenue recognised in relation to contract liabilities

Ind AS 115 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:

Description	(₹ in Mn)	
	Year ended 31 March 2024	Year ended 31 March 2023
Contract liabilities at the beginning of the year	55.30	38.13
Less: performance obligations satisfied in current year	(37.68)	(2.28)
Add: advance received during the year.	4.85	19.45
Contract liabilities at the end of the year	22.47	55.30

Disaggregation of revenue

Revenue arises mainly from the sale of manufactured and traded goods, sale of software, and job work services.

Description	(₹ in Mn)	
	Year ended 31 March 2024	Year ended 31 March 2023
Sale of goods	7,796.56	7,811.55
Job work	3.28	6.59
	7,799.84	7,818.14

Geographical markets	(₹ in Mn)	
	Year ended 31 March 2024	Year ended 31 March 2023
India	5,648.40	5,622.81
America	1,041.63	1,408.25
Others	1,109.81	787.08
	7,799.84	7,818.14

Reconcile the amount of revenue recognised in the statement of profit and loss with the contracted price

Description	(₹ in Mn)	
	Year ended 31 March 2024	Year ended 31 March 2023
Revenue recognised during the year	7,799.84	7,820.55
Less: Discount, rebates, credits etc.	-	(2.41)
Revenue as per the contract	7,799.84	7,818.14

Timing of Revenue recognition:

Description	(₹ in Mn)	
	Year ended 31 March 2024	Year ended 31 March 2023
Revenue recognised at point in time		
Sale of goods	7,796.56	7,811.55
Revenue recognised over time		
Job work	3.28	6.59
	7,799.84	7,818.14

Note - 44

Derivative financial instruments and hedge accounting

The Company is exposed to foreign currency risk from foreign currency borrowings and highly probable forecasted sales, primarily denominated in USD and EURO. The Company has a risk management policy which aims to hedge foreign currency and interest rate arising from its borrowings denominated in a currency other than the functional currency of the Company. The Company uses cross currency swap and interest rate swaps to hedge its exposure to foreign currency and interest rate risk. The Company designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in cash flow hedges.

Hedge ineffectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company uses dollar offset method using a hypothetical derivatives, dollar offset method is a quantitative method that consists of comparing the change in fair value or cash flows of the hedging instrument with the change in fair value or cash flows of the hedged item attributable to the hedged risk.

The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk and notional amount of the hedging instruments are identical to the hedged items.

Impact of hedging activities

(a) Disclosures of effects of hedge accounting on balance sheet:

As on 31 March 2024

(₹ in Mn)

Type of hedge and risks	Notional amount	Carrying amount of hedging instruments		Maturity dates	Hedge ratio	Weighted average strike price/rate	Change in fair value of hedging instruments	Change in value of hedged item used as the basis for recognising hedge effectiveness
		Assets (₹ in mn)	Liabilities (₹ in mn)					
Cash flow hedge								
<i>Foreign exchange risk</i>								
(i) Cross currency swaps	EUR 6.46	-	10.31	Jun 2020 - Dec 2024	1:1	78.18	(13.83)	13.83
<i>Interest rate risk</i>								
(ii) Interest rate swaps	USD -	-	-	-	-	-	-22.52	22.52

As on 31 March 2023

(₹ in Mn)

Type of hedge and risks	Notional amount	Carrying amount of hedging instruments		Maturity dates	Hedge ratio	Weighted average strike price/rate	Change in fair value of hedging instruments	Change in value of hedged item used as the basis for recognising hedge effectiveness
		Assets (₹ in mn)	Liabilities (₹ in mn)					
Cash flow hedge								
<i>Foreign exchange risk</i>								
(i) Cross currency swaps	EUR 6.46	-	25.28	Jun 2020 - Dec 2024	1:1	78.18	-25.02	25.02
<i>Interest rate risk</i>								
(ii) Interest rate swaps	USD 18.21	4.02	-	May 2020 - Feb 2024	1:1	3.18%	-7.14	7.14

(b) Disclosure of effects of hedge accounting on statement of profit and loss

For the year ended 31 March 2024

(₹ in Mn)

Type of hedge	Change in value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised	Amount reclassified from cash flow hedge reserve	Line item affected on reclassification
Cash flow hedge				
Foreign exchange risk	(13.83)	-	28.79	Revenue
Interest rate risk	(22.52)	-	-	Finance cost

For the year ended 31 March 2023

(₹ in Mn)

Type of hedge	Change in value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised	Amount reclassified from cash flow hedge reserve	Line item affected on reclassification
Cash flow hedge				
Foreign exchange risk	(25.02)	-	25.53	Revenue
Interest rate risk	(7.14)	-	(1.16)	Finance cost



(c) Movement in cash flow hedging reserve

(₹ in Mn)

	Year ended 31 March 2024	Year ended 31 March 2023
<u>Cash flow hedge reserve</u>		
Opening Balance	(0.87)	4.96
Add: Changes in fair value of hedging instruments	(36.34)	(32.16)
Less: Amounts reclassified to profit or loss	28.79	24.37
Less: Deferred tax relating to above (net)	6.34	1.96
Closing Balance	(2.08)	(0.87)

Note - 45

Lease related disclosures

The Company has leases for land, solar plants, flat and office building. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability as a borrowings. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublease the asset to another party, the right-of-use asset can only be used by the Company. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and other premises the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease.

A Lease payments not included in measurement of lease liability

The expense relating to payments not included in the measurement of the lease liability is as follows:

(₹ in Mn)

Particulars	31 March 2024	31 March 2023
Short-term leases	5.75	5.30
Leases of low value assets	-	-
Variable lease payments	-	-

B Total cash outflow for leases for the year ended 31 March 2024 was Rs. 46.61 Mn (previous year 31 March 2023 was Rs. 51.96).

C The Company has total commitment for short-term leases of Rs. 3.56 Mn as at 31 March 2024 (previous year 31 March 2023 was Rs. 5.67 Mn).

D Amounts recognised in the statement of profit or loss:

(₹ in Mn)

Particulars	31 March 2024	31 March 2023
Amortization on right-of-use assets	27.71	10.80
Interest on lease liabilities	23.48	21.13

E Maturity of lease liabilities

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

(₹ in Mn)

31 March 2024	Minimum lease payments due						
	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
Lease payments	44.67	46.57	48.67	51.00	37.64	356.62	585.17
Interest expense	26.22	24.41	22.23	19.68	16.98	161.25	270.77
Net present values	18.45	22.16	26.44	31.32	20.66	195.37	314.40

31 March 2023	Minimum lease payments due						
	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
Lease payments	36.71	23.73	23.55	23.36	23.18	376.62	507.15
Interest expense	19.31	18.52	18.07	17.60	17.15	176.21	266.85
Net present values	17.40	5.21	5.48	5.76	6.03	200.42	240.30

F Variable lease payments are expensed in the period they are incurred. Expected future cash outflow as at 31 March 2024 is Nil (31 March 2023 is of Rs.Nil).

G Information about extension and termination options

Right of use assets	Number of leases	Range of remaining term	Average remaining lease term	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
Land	6	21-92 years	59 years	2	4	2
Residential flat*	6	71-76 years	75 years	0	6	0
Office premises	1	1 year	1 year	1	0	1
Factory premises	1	5 years	5 years	1	0	1
Solar plants	1	22 years	22 years	1	1	1

*Out of 6 residential flats above, company has sold 2 residential flats on dated 16-May-2024

Note - 46

ESOP Related Disclosure

a. Description of share based payment arrangements

i. Share Options Schemes

The Hi-Tech Gears Limited Stock Incentives Plan, 2021

The Scheme has been adopted by the Board of Directors on 12 April 2021, read with the Special Resolution passed by the Members of the Company on 29 September 2021 and shall be deemed to come into force with effect from 29 September 2021 being the date of approval by the Members. The maximum number of options that can be granted to any eligible employee were reserved at 600,000 Equity shares representing 3.20% of the outstanding number of shares issued by the company on the date when the plan is approved. For vesting, there shall be a lock in of minimum period of one year between Grant of options and its vesting. Vesting of Options will take place over period of four years in the manner as under:

- On completion of Year 3 from date of Grant: 50% of options granted
- On completion of Year 4 from date of Grant: 50% of options granted
- Employee's continuity in the organization
- No disciplinary proceeding pending against the Participants on the date of vesting

Further, vesting condition has been revised in the meetings of Board of Directors on 5 Nov. 2022 & 22 Nov. 2022 as follows:-

Vesting Schedule: end of		
1st Year	2nd Year	3rd Year
34%	33%	33%

Set out below is a summary of options granted under the plan:

	31 March 2024		31 March 2023	
	Weighted average exercise price per share option (INR)	Number of options	Weighted average exercise price per share option (INR)	Number of options
Opening balance	10	81,887	-	-
Granted during the year	10	17,583	10	95,220
Exercised during the year	10	(10,186)	-	-
Forfeited/expired during the year	10	(42,162)	10	(13,333)
Closing balance	10	47,122	10	81,887
Vested and exercisable	10	4,185	-	-



Share options outstanding at the end of the year has following exercise prices and weighted average remaining contractual life:

Grant date	31 March 2024			31 March 2023		
	Exercise price	Share options	weighted average remaining contractual life	Exercise price	Share options	weighted average remaining contractual life
05 November 2022	10	-	2.10	10	12,545	3.10
05 November 2022	10	3,666	3.10	10	12,172	4.10
05 November 2022	10	3,666	4.10	10	12,172	5.10
22 November 2022	10	4,185	2.15	10	15,300	3.15
22 November 2022	10	9,011	3.15	10	14,849	4.15
22 November 2022	10	9,011	4.15	10	14,849	5.15
09 January 2024	10	5,981	3.28	-	-	-
09 January 2024	10	5,801	4.28	-	-	-
09 January 2024	10	5,801	5.28	-	-	-

b. Measurement of fair values

The fair values are measured based on the Black-Scholes-Merton model. The fair value of the options and inputs used in the measurement of the grant date and measurement date fair values of the equity -settled and cash settled share based payments are as follows:

Options granted on	Fair value per Option at grant date (in INR)	Share price at grant date (in INR)	Exercise price (in INR)	Expected volatility	Expected life (in years)	Expected dividend yield	Risk-free interest rate
05 November 2022	211.94	225.85	10	59.71%	3.50	0.66%	6.96%
05 November 2022	211.94	225.85	10	55.49%	4.50	0.66%	7.07%
05 November 2022	211.94	225.85	10	53.10%	5.50	0.66%	7.13%
22 November 2022	244.12	258.10	10	59.71%	3.50	0.58%	6.81%
22 November 2022	244.12	258.10	10	55.49%	4.50	0.58%	6.91%
22 November 2022	244.12	258.10	10	53.10%	5.50	0.58%	6.97%
09 January 2024	469.93	488.40	10	55.78%	3.50	0.51%	6.78%
09 January 2024	469.93	488.40	10	58.62%	4.50	0.51%	6.80%
09 January 2024	469.93	488.40	10	56.48%	5.50	0.51%	6.82%

c. Effect of employee stock option schemes on the statement of profit and loss

Particulars	31 March 2024	31 March 2023
Employee stock option scheme expense	1.38	4.34
	1.38	4.34

Note - 47

Ratio	Numerator	Denominator	31 March 2024	31 March 2023	% Change
Current ratio	Current Assets	Current Liabilities	1.53	1.21	26.94%
Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.33	0.50	-33.87%
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses+Interest	Debt service = Interest & Lease Payments + Principal Repayments	1.23	1.38	-10.91%
Return on Equity ratio	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	11.74%	13.51%	-1.77%
Inventory Turnover ratio	Cost of goods sold	Average Inventory	5.07	5.29	-4.19%
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	5.31	5.64	-5.96%
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	5.17	4.45	16.11%
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	7.45	14.17	-47.41%
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	6.32%	6.44%	-0.12%
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	15.82%	16.54%	-0.71%
Return on Investment	Change in value of investment and dividend income	Investment	0.41%	0.08%	0.34%

Note - 48

OTHER STATUTORY INFORMATION

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company do not have any transactions with companies struck off.
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (viii) The Company has borrowings from banks and others on the basis of security of current assets. The quarterly returns or statements of current assets filed by the company with banks and others are in agreement with the books of accounts.

For YAPL & Co.
Chartered Accountants
Firm Registration No. 017800N

CA. Sakshi Garg
(Partner)
Membership No. 553997
UDIN: 24553997BKBZLM2035

Place: Ludhiana
Date: May 29, 2024

Deep Kapuria
Executive Chairman
DIN 00006185
Place: New Delhi

Kapil Rajora
Chief Financial Officer
Place: New Delhi

For and on behalf of
The Hi-Tech Gears Limited

Pranav Kapuria
Managing Director
DIN 00006195
Place: New Delhi

Naveen Jain
Company Secretary
Place: New Delhi



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, 2024, 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 material 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, and based on the consideration of report of other auditors on separate financial statements of subsidiaries 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, 2024, 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 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 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.	<p>Audit procedures in respect of this area:</p> <ul style="list-style-type: none"> 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. 1946.03 million as at 31 st March, 2024. 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.	<p>Audit procedures in respect of this area:</p> <ul style="list-style-type: none"> We have gone through the agreements between the Holding Company and its lenders. We obtained confirmations from the Holding Company's banks and other lenders 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 material audit findings, including any material 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. The consolidated financial statements of one subsidiary (and its four step down subsidiaries) and financial statements of other two subsidiaries are included in the consolidated financial Statement, whose annual financial statements reflect total assets of Rs. 3952.00 million as at 31 March 2024, as well as the total revenue of Rs. 3466.30 million, total net profit after tax of Rs. 637.61 million, total comprehensive income of Rs. 651.34 million and net cash outflow of Rs. (126.38) million for the year ended 31 March 2024, which have not been audited by us. These financial statements/ financial information have been audited by other auditors whose report has been furnished to us by Management of the Company, and our opinion on the consolidated financial Statement, to the extent they have been derived from such annual financial statements is based solely on the report of such other auditors. Our opinion on the consolidated financial Statement 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.

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 and on the basis of consideration of report of the auditor on a separate financial statement and the other information of the subsidiaries, as noted in the Other Matters paragraph, 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, 2024 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, 2024 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 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 has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 45A to the Financial Statements
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.
- iv) a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- c) Based on such audit procedures that the we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v) a) The company has declared final dividend during the previous year no interim dividend was paid during current year, the company has complied with Section 123 of the Act.
- b) Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
- vi) Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024. Further, in regard to above mentioned Subsidiaries and step down subsidiaries, this rule is not applicable for Companies incorporated outside India (refer Para 17 of Guidance note on Audit Trail, issued by ICAI)
- vii) CARO 2020 is not applicable on the Report of the other Auditors of the subsidiary companies.
- 3 With respect to the matter to be included in the Auditors' Report under section 197(16):
- In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

**FOR YAPL & CO.
CHARTERED ACCOUNTANTS
FRN. 017800N**

**(CA SAKSHI GARG)
PARTNER**

**PLACE : Ludhiana
DATED : 29.05.2024**

**M.NO. 553997
UDIN: 24553997BKBZL08584**

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, 2024, 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 with reference to Financial Statements

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 consolidated financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements.

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, 2024, 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 in so far 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. 3952.00 million as at 31 March 2024, as well as the total revenue of Rs. 3466.30 million, total net profit after tax of Rs. 637.61 million, total comprehensive income of Rs. 651.34 million and net cash outflow of Rs. (126.38) million for the year ended 31 March 2024, as considered in the consolidated financial statements.

**FOR YAPL & CO.
CHARTERED ACCOUNTANTS
FRN. 017800N**

**(CA SAKSHI GARG)
PARTNER**

**PLACE : Ludhiana
DATED : 29.05.2024**

**M.NO. 553997
UDIN: 24553997BKBZL08584**



The Hi-Tech Gears Limited

Consolidated Balance Sheet as at 31 March 2024

(₹ in Mn)

	Note	31 March 2024	31 March 2023
Assets			
Non-current assets			
Property, plant and equipment	6	3,416.67	3,853.05
Capital work-in-progress	6	36.72	131.61
Right-of-use assets	7A	408.58	263.06
Goodwill	7	319.97	314.49
Other intangible assets	7	478.58	526.33
Financial assets			
Investments	8	122.54	122.06
Loans	9 A	0.67	0.87
Other financial assets	10 A	86.95	45.52
Deferred tax assets (net)	21	-	82.95
Other non-current assets	11 A	54.70	50.32
Total non-current assets		4,925.38	5,390.26
Current assets			
Inventories	12	1,236.34	1,234.86
Financial assets			
Trade receivables	13	2,004.10	2,086.43
Cash and cash equivalents	14	139.81	334.53
Other bank balances	15	398.62	463.94
Loans	9 B	2.40	6.95
Other financial assets	10 B	61.25	86.93
Current tax assets (net)	16	31.29	27.71
Other current assets	11 B	284.99	222.99
Total current assets		4,158.80	4,464.34
Total assets		9,084.18	9,854.60
Equity and liabilities			
Equity			
Equity share capital	17	187.78	187.68
Other equity	18	4,473.75	3,356.58
Total equity		4,661.53	3,544.26
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	19 A	530.30	2,196.29
Lease liabilities	19 A(i)	904.85	205.06
Provisions	20 A	38.14	38.10
Deferred tax liabilities (net)	21	3.40	25.39
Other non-current liabilities	22 A	8.82	10.24
Total non-current liabilities		1,485.51	2,475.08
Current liabilities			
Financial liabilities			
Borrowings	19 B	1,415.73	2,136.05
Lease liabilities	19 B(i)	133.67	35.29
Trade payables	23		
- total outstanding dues of micro enterprises and small enterprises		111.19	92.44
- total outstanding dues of creditors other than micro enterprises and small enterprises		965.25	1,113.28
Other financial liabilities	24	221.59	330.33
Other current liabilities	22 B	52.88	104.12
Provisions	20 B	36.83	23.75
Total current liabilities		2,937.14	3,835.26
Total equity and liabilities		9,084.18	9,854.60

Summary of material 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 YAPL & Co.
Chartered Accountants
Firm Registration No. 017800N

For and on behalf of
The Hi-Tech Gears Limited

CA. Sakshi Garg
(Partner)
Membership No. 553997
UDIN: 24553997BKBZL08584

Deep Kapuria
Executive Chairman
DIN 00006185
Place: New Delhi

Pranav Kapuria
Managing Director
DIN 00006195
Place: New Delhi

Place: Ludhiana
Date: May 29, 2024

Kapil Rajora
Chief Financial Officer
Place: New Delhi

Naveen Jain
Company Secretary
Place: New Delhi

The Hi-Tech Gears Limited

Consolidated statement of profit and loss for the year ended 31 March 2024

(₹ in Mn)

	Note	31 March 2024	31 March 2023
Revenue			
Income from operations	25	11,069.05	11,692.23
Other income	26	99.30	79.32
Total Income		11,168.35	11,771.55
Expenses			
Cost of materials consumed	27	5,486.35	5,748.92
Purchase of traded goods	28	210.20	168.93
Changes in inventories of finished goods and work-in-progress	29	(3.64)	74.69
Employee benefits expense	30	1,967.10	2,184.12
Finance costs	31	377.70	331.66
Depreciation and amortisation expense	6 , 7 & 7A	611.73	821.51
Other expenses	32	1,909.66	2,102.30
Total expenses		10,559.10	11,432.13
Profit before exeptional items and tax		609.25	339.42
Income from exeptional items		770.06	-
Profit before and tax		1,379.31	339.42
Tax expense			
Current tax	33	169.02	187.37
Deferred tax charge/(credit)	33	69.71	(90.60)
Earlier years tax adjustments (net)		(1.95)	11.51
Profit for the year		1,142.53	231.14
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gain on defined benefit plans		6.62	12.85
Equity Instruments through Other Comprehensive Income		0.48	0.06
Income tax relating to items that will not be reclassified to profit and loss		(1.67)	(3.23)
Items that will be reclassified to profit or loss			
Effective portion of gain/ (loss) on fair value hedge		(7.55)	(7.79)
Exchange differences on translating foreign operations		13.74	25.65
Income tax relating to items that will be reclassified to profit and loss		6.34	1.96
Other Comprehensive Income, net of tax		17.96	29.50
Total comprehensive income for the year		1,160.49	260.64
Earnings per equity share (₹ 10 per share)	34		
Basic (₹)		60.86	12.32
Diluted (₹)		60.73	12.30

Summary of material 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 YAPL & Co.
Chartered Accountants
Firm Registration No. 017800N

CA. Sakshi Garg
(Partner)
Membership No. 553997
UDIN: 24553997BKBZL08584

Place: Ludhiana
Date: May 29, 2024

Deep Kapuria
Executive Chairman
DIN 00006185
Place: New Delhi

Kapil Rajora
Chief Financial Officer
Place: New Delhi

For and on behalf of
The Hi-Tech Gears Limited

Pranav Kapuria
Managing Director
DIN 00006195
Place: New Delhi

Naveen Jain
Company Secretary
Place: New Delhi



The Hi-Tech Gears Limited

Consolidated statement of changes in equity for the year ended 31 March 2024

A Equity share capital*

(₹ in Mn)

Particulars	Opening balance as at 1 April 2023	Changes during the year	Balance as at 31 March 2023	Changes during the year	Balance as at 31 March 2024
Equity share capital	187.68	-	187.68	0.10	187.78

B Other equity**

(₹ in Mn)

Particulars	Reserves and surplus			Other Comprehensive Income				Total
	General reserve	Security Premium	Retained earnings	Stock Options Outstanding	Foreign currency translation reserve	Cash flow hedge reserve	FVOCI - equity investments	
Balance as at 1 April 2022	308.08	-	2,467.67	-	273.74	4.95	65.31	3,119.75
Profit for the year	-	-	231.14	-	-	-	-	231.14
Other comprehensive income for the year (net of tax impact)	-	-	9.61	-	25.65	(5.82)	0.06	29.50
Share option charge during the year	-	-	-	4.34	-	-	-	4.34
Dividend paid during the year including tax impact refer note no.41	-	-	(28.15)	-	-	-	-	(28.15)
Balance as at 31 March 2023	308.08	-	2,680.27	4.34	299.39	(0.87)	65.37	3,356.58
IND AS 116	-	-	-	-	-	-	-	-
Profit for the year	-	-	1,142.53	-	-	-	-	1,142.53
Other comprehensive income (net of tax impact)	-	-	4.95	-	13.74	(1.21)	0.48	17.96
Share option charge during the year	-	2.36	-	1.24	-	-	-	3.60
Dividend paid during the year including tax impact (refer note no.41)	-	-	(46.92)	-	-	-	-	(46.92)
Created during the year/Prior Period adjustment	-	-	(0.00)	-	-	-	-	(0.00)
Balance as at 31 March 2024	308.08	2.36	3,780.83	5.58	313.13	(2.08)	65.85	4,473.75

*Refer note 17 for details

**Refer note 18 for details

Summary of material accounting policies and accompanying notes form an integral part of these consolidated financial statements. This is the statement of change in equity referred to in our report of even date.

For YAPL & Co.
Chartered Accountants
Firm Registration No. 017800N

For and on behalf of
The Hi-Tech Gears Limited

CA. Sakshi Garg
(Partner)
Membership No. 553997
UDIN: 24553997BKBZL08584

Deep Kapuria
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Place: New Delhi

Place: Ludhiana
Date: May 29, 2024

Kapil Rajora
Chief Financial Officer
Place: New Delhi

Naveen Jain
Company Secretary
Place: New Delhi

The Hi Tech Gears Limited

Consolidated cash flow statement for the year ended 31 March 2024

(₹ in Mn)

	31 March 2024	31 March 2023
A Cash flow from operating activities		
Profit before tax	1,379.31	339.42
Adjustments for:		
Depreciation and amortisation expense	611.73	821.51
Gain on disposal of property, plant and equipment (net)	(774.39)	(15.14)
Interest income classified as investing cash flows	(37.68)	(27.13)
Income recognised on account of government assistance	(1.42)	(2.35)
Employee compensation	3.60	4.34
Dividend income classified as investing cash flows	(0.02)	(0.03)
Provisions written back	(2.85)	(0.54)
Provision for doubtful debts	(17.48)	12.38
Unrealised foreign exchange rate difference (net)	34.93	64.33
Unrealised (profit)/loss on mark to market of forward contracts	(7.55)	(7.79)
Finance costs	377.70	294.28
Operating profit before working capital changes	1,565.88	1,483.28
Movement in working capital		
(Increase)/decrease in inventories	(1.47)	(73.62)
(Increase)/decrease in other financial assets	25.68	(0.39)
(Increase)/decrease in trade receivables	87.15	(363.24)
(Increase)/decrease in other non-current assets	2.50	48.45
(Increase)/decrease in other current assets	(62.01)	(1.64)
Increase/(decrease) in other financial liability	(108.77)	(33.73)
Increase/(decrease) in other current liability	(51.24)	17.78
Increase/(decrease) in provision	23.02	(94.29)
Increase/(decrease) in trade and other payables	(131.52)	(228.66)
Cash flow from operating activities post working capital changes	1,349.22	753.94
Income tax paid (net)	(174.72)	(212.49)
Net cash flows from operating activities (A)	1,174.50	541.45
B Cash flows from investing activities		
Payments for property, plant and equipment and capital work-in-progress	(340.05)	(295.55)
Proceeds from sale of property, plant and equipment	1,707.75	74.15
Proceeds/(Payments) for of margin money and bank deposits	23.91	(213.38)
Proceeds/(Repayment) of loans and advances	3.68	0.47
Interest received	37.68	27.13
Dividend received	0.02	0.03
Net cash used in investing activities (B)	1,432.99	(407.15)
C Cash flows from financing activities*		
Finance cost paid	(374.17)	(282.72)
Proceeds from issue of equity share capital	0.10	-
Payment of lease liability	(81.23)	(25.53)
Proceeds from borrowings	79.64	551.71
Repayment of borrowings	(2,379.63)	(624.21)
Dividends paid (including tax)	(46.92)	(28.15)
Net cash flow from financing activities (C)	(2,802.21)	(408.90)
Net increase (decrease) in cash and cash equivalents (A+B+C)	(194.73)	(274.60)
Cash and cash equivalents at the beginning of the year	334.53	609.13
Cash and cash equivalents at the end of the year	139.80	334.53

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

This is the consolidated cash flow statement referred to in our report of even date.

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.

Cash flows from operating activities include Rs. 2.80 Mn (31 March 2023 Rs. 8.13 Mn) being expenses towards Corporate Social Responsibility initiatives.

For YAPL & Co.
Chartered Accountants
Firm Registration No. 017800N

CA. Sakshi Garg
(Partner)
Membership No. 553997
UDIN: 24553997BKBZL08584

Place: Ludhiana
Date: May 29, 2024

Deep Kapuria
Executive Chairman
DIN 00006185
Place: New Delhi

Kapil Rajora
Chief Financial Officer
Place: New Delhi

For and on behalf of
The Hi-Tech Gears Limited

Pranav Kapuria
Managing Director
DIN 00006195
Place: New Delhi

Naveen Jain
Company Secretary
Place: New Delhi



Notes to the consolidated financial statements for the year ended 31 March 2024

1. Corporate Information

The Hi -Tech Gears Limited ("the Company") together with its subsidiaries (collectively referred to as 'Group') is a Company domiciled in India and limited by shares (CIN: L29130HR1986PLC081555). The shares of the Company are publicly traded on the National Stock Exchange of India Limited and Bombay Stock Exchange Limited. The address of the Company's registered office is Plot no 24,25,26 Sector-7 IMT Manesar Gurgaon-122050, Haryana, India.

The Company is an auto component manufacturer (a Tier 1 supplier).

2. General information

These Consolidated Financial Statements of the Group have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act. The Group has uniformly applied the accounting policies for the periods presented.

These consolidated financial statements for the year ended 31 March 2024 in accordance with Ind AS 110 and the same were also approved for issue by the Board of Directors on 29 May 2024.

3. Basis of Preparation of Consolidated Financial Statement

3.1 Compliance with Ind AS

These Consolidated Financial Statements are prepared on going concern basis following accrual basis of accounting and comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013.

3.2 Basis of measurement/Use of Estimates

(i) The Consolidated Financial Statements are prepared on going concern and accrual basis under the historical cost convention except certain financial assets, financial liabilities and defined benefits plans- plan assets that are measured at fair value. The methods used to measure fair values are given below:

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.

(ii) The preparation of Consolidated Financial Statements requires judgments, estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the Consolidated Financial Statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized. Major Estimates are discussed in note no. 5.18.

3.3 New Standards/ Amendments and Other Changes adopted Effective 1 April 2023 or thereafter

- (i) Ind AS 1 – Presentation of Financial Statements & Ind AS 34 – Interim Financial Reporting – Material accounting policy information (including focus on how an entity applied the requirements of Ind AS) shall be disclosed instead of significant accounting policies as part of financial statements.
- (ii) Ind AS 107 – Financial Instruments: Disclosures – Information about the measurement basis for financial instruments shall be disclosed as part of material accounting policy information.
- (iii) Ind AS 8 – Accounting policies, changes in accounting estimate and errors-Clarification on what constitutes an accounting estimate provided.

- (iv) Ind AS 12 – Income Taxes – In case of a transaction which give rise to equal taxable and deductible temporary differences, the initial recognition exemption from deferred tax is no longer applicable and deferred tax liability & deferred tax asset shall be recognized on gross basis for such cases.

The Group does not expect the effect of this on the financial statements to be material, based on preliminary evaluation.

3.4 Recent Accounting Pronouncements: During the year no new standard or modifications in existing standards have been notified which will be applicable from 1 April 24 or thereafter.

3.5 Functional and presentation currency

These Consolidated Financial Statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest Million (up to two decimals), except as stated otherwise.

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 Group and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter Group 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 Group 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 Group 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. Material accounting policies

A summary of the material accounting policies applied in the preparation of the Consolidated Financial Statements are as given below. These accounting policies have been applied consistently to all periods presented in the Consolidated Financial Statements.

5.1 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 apply 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.

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	-	25 years straight line basis
Vehicles	-	5 years straight line basis
Furniture & equipment	-	5 years straight line basis
Manufacturing equipment	-	10 years straight line basis
Leasehold improvements	-	Straight line basis as per term of the lease

5.2 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

5.3 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 cost and net realizable value. Cost of raw materials, loose tools and stores and spares is determined on weighted average -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.

5.4 Revenue recognition

Revenue arises mainly from the sale of manufactured and traded goods. Revenue is recognised upon transfer of control of promised products or services to customers for an amount that reflects the consideration which the Group expects to receive in exchange for those products or services. Revenue excludes taxes or duties collected on behalf of the government.

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

- (i) Identifying the contract with a customer
- (ii) Identifying the performance obligations
- (iii) Determining the transaction price
- (iv) Allocating the transaction price to the performance obligations
- (v) Recognising revenue when/as performance obligation(s) are satisfied.

Sale of goods

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold, and services rendered is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract.

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

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.

5.5 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.



5.6 Leases

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

5.7 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.

5.8 Foreign currency

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.

5.9 Financial instruments

Initial recognition and measurement

All financial assets/liabilities are recognized initially at fair value, plus in the case of financial assets/liabilities not recorded at fair value

through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset/liabilities. However, trade receivables that do not contain a significant financing component are measured at transaction price.

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 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 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.

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.

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.

5.10 Impairment of financial assets

In accordance with Ind AS 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.

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.

5.11 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 (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).

5.12 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 recognized 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 Group 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 or on termination of employment.

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 recognized 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.

Share based payments.

The fair value on grant date of equity-settled share-based payment arrangements granted to eligible employees of the Group under the Employee Stock Option Scheme ('ESOS') is recognised as employee stock option scheme expenses in the Statement of profit and loss, in relation to options granted to employees of the Group (over the vesting period of the awards), with a corresponding increase in other equity. The amount recognised as an expense to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. The increase in equity recognised in connection with a share based payment transaction is presented in the "Employee stock options outstanding account", as separate component in other equity. For share-based payment awards with market conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. At the end of each period, the Group revises its estimates of the number of options that are expected to be vested based on the non-market performance conditions at the vesting date.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

5.13 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.

5.14 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the 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:

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.

5.15 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.



5.16 Derivative financial instruments and hedge accounting

Derivative financial instruments are accounted for at fair value through profit and loss (FVTPL) except for derivatives designated as hedging instruments in cash flow hedge relationships, which require a specific accounting treatment.

The Group has designated certain derivative contracts as hedging instruments in cash flow hedge relationships.

The Group applied hedge accounting requirements in Ind AS 109 prospectively from 1 April 2019 to derivative instruments which could be designated as effective cash flow hedges. These arrangements had been entered into to mitigate foreign currency exchange risk and interest rate risk arising from highly probable forecasted sales and debt instruments denominated in foreign currency, in accordance with the Group's risk management policy.

All derivative financial instruments used for hedge accounting are recognised initially at fair value and reported subsequently at fair value in the balance sheet.

To the extent that the hedge is effective, changes in the fair value of derivatives designated as hedging instruments in cash flow hedges are recognised in other comprehensive income and included within the cash flow hedge reserve in equity. Any ineffectiveness in the hedge relationship is recognised immediately in profit or loss.

At the time the hedged item affects profit or loss, any gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and presented as a reclassification adjustment within other comprehensive income.

5.17 Government Grant

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received. Government grants are recognised in the Statement of profit and loss on a systematic basis over the periods in which the Group recognises the related costs as expenses, if any, for which the grants are intended to compensate.

5.18 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 financial statements.

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.

Note - 6

Property, plant and equipment

(₹ in Mn)

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Total	Capital work-in-progress
Gross carrying amount								
At 1 April 2022	565.53	818.33	7,183.30	46.06	117.43	79.44	8,810.09	382.02
Additions	-	6.27	517.41	14.23	4.42	-	542.33	13.48
Net exchange differences	1.15	9.11	20.76	(0.00)	0.01	(0.01)	31.02	(0.06)
Disposals	(56.28)	-	(11.12)	-	(0.89)	(0.69)	(68.98)	-
Capitalised during the year	-	-	-	-	-	-	-	(263.83)
Balance as at 31 March 2023	510.40	833.71	7,710.35	60.29	120.97	78.74	9,314.46	131.61
Additions	-	115.56	127.98	1.16	3.50	-	248.20	146.91
Net exchange differences	4.04	3.89	29.77	0.07	0.33	0.32	38.42	0.05
Disposals	(85.79)	(170.02)	(32.12)	(1.85)	(6.81)	(0.62)	(297.21)	(0.88)
Capitalised during the year	-	-	-	-	-	-	-	(240.97)
Balance as at 31 March 2024	428.65	783.14	7,835.98	59.67	117.99	78.44	9,303.87	36.72
Accumulated depreciation								
At 1 April 2022	-	299.70	4,439.65	36.58	109.48	54.05	4,939.46	-
Charge for the year	-	26.28	474.27	4.46	3.84	4.20	513.05	-
Net exchange differences	-	3.16	15.73	(0.00)	0.01	(0.02)	18.88	-
Adjustments for disposals	-	-	(7.71)	(0.06)	(1.56)	(0.65)	(9.98)	-
Balance as at 31 March 2023	-	329.14	4,921.94	40.98	111.77	57.58	5,461.41	-
Charge for the year	16.09	23.56	473.20	4.53	2.92	4.09	524.39	-
Net exchange differences	-	1.36	16.27	0.06	0.33	0.28	18.30	-
Adjustments for disposals	-	(81.69)	(26.38)	(1.75)	(6.49)	(0.59)	(116.90)	-
Balance as at 31 March 2024	16.09	272.37	5,385.03	43.82	108.53	61.36	5,887.20	-
Net carrying amount as at 31 March 2023	510.40	504.57	2,788.41	19.31	9.20	21.16	3,853.05	131.61
Net carrying amount as at 31 March 2024	412.56	510.77	2,450.95	15.85	9.46	17.08	3,416.67	36.72



a) CWIP Ageing Schedule as at 31 March 2024

Capital Work in Progress	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	2-3 years	
Project in progress:-				
Plant & Machinery	29.49	0.16	2.69	36.72
Project in temporarily suspended :-				
Total	29.49	0.16	2.69	36.72

b) CWIP whose completion is overdue or has exceeded its cost compared to its original plan as at 31 March 2024

Capital Work in Progress	CWIP to be completed in			Total
	Less than 1 year	1-2 years	2-3 years	
Project in progress:-				
Plant & Machinery	29.49	0.16	2.69	36.72
Project in temporarily suspended :-				
Total	29.49	0.16	2.69	36.72

c) CWIP Ageing Schedule as at 31 March 2023

Capital Work in Progress	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	2-3 years	
Project in progress:-				
Plant & Machinery	10.92	2.69	4.15	18.64
Project in temporarily suspended :-				
Trichy Project	-	14.97	21.03	112.97
Total	10.92	17.66	25.18	131.61

d) CWIP whose completion is overdue or has exceeded its cost compared to its original plan as at 31 March 2023

Capital Work in Progress	CWIP to be completed in			Total
	Less than 1 year	1-2 years	2-3 years	
Project in progress:-				
Plant & Machinery	10.92	2.69	4.15	18.64
Project in temporarily suspended :-				
Trichy Project temporarily suspended	-	14.97	21.03	112.97
Total	10.92	17.66	25.18	131.61

Refer Note 19 for information on property, plant and equipment hypothecated/mortgaged as security by the Group.

Refer Note 40(B) for disclosure of contractual commitment for acquisition of property, plant and equipment.

Note - 7

Goodwill & Other Intangible Assets

(₹ in Mn)

Particulars	Other intangible assets				Goodwill
	Customer relationship and brand name	Non-competee fees	Softwares	Total	
Gross carrying amount					
At 1 April 2022	867.97	12.14	109.20	989.31	557.32
Additions	-	-	0.44	0.44	-
Net exchange differences	(0.23)	(0.00)	-	(0.23)	(0.15)
Balance as at 31 March 2023	867.74	12.14	109.64	989.52	557.17
Additions	-	-	2.20	2.20	-
Net exchange differences	8.54	0.12	-	8.66	5.48
Balance as at 31 March 2024	876.28	12.26	111.84	1,000.38	562.65
Accumulated amortisation					
At 1 April 2022	296.51	12.14	99.73	408.38	-
Amortisation charge for the year	52.38	-	2.60	54.98	242.68
Net exchange differences	(0.16)	(0.00)	-	(0.16)	-
Balance as at 31 March 2023	348.73	12.14	102.33	463.20	242.68
Charge for the year	-	-	-	-	-
Amortisation charge for the year	52.84	-	2.23	55.07	-
Net exchange differences	3.41	0.12	-	3.53	-
Balance as at 31 March 2024	404.98	12.26	104.56	521.80	242.68
Net carrying amount as at 31 March 2023	519.01	-	7.31	526.32	314.49
Net carrying amount as at 31 March 2024	471.30	-	7.28	478.58	319.97

Impairment of goodwill

Goodwill on consolidation is attributed to respective subsidiary entity "CGU" within the Group.

The carrying amount of goodwill is attributable to the following CGU / group of CGUs:

Particulars	31 March 2024	31 March 2023
2545887 Ontario Inc., Canada	314.49	314.49
Total	314.49	314.49

During the year, Impairment of Rs. Nil (Previous year Rs. 242.68 mn) is recorded in respect of goodwill, while on account of net exchange difference increase Rs. 5.48 Mn (Previous year decrease Rs. 0.15 mn).

Note - 7A

Right of use

(₹ in Mn)

Particulars	Land	Residential flats	Buildings	Plant and equipment	Total
Gross block					
At 1 April 2022	22.73	4.55	65.76	261.11	354.15
Additions	-	-	-	-	-
Adjustments/disposals	-	-	-	-	-
Exchange impact	-	-	-	-	-
Balance as at 31 March 2023	22.73	4.55	65.76	261.11	354.15
Additions	1.46	-	176.64	-	178.10
Adjustments/disposals	-	(0.51)	(65.76)	-	(66.27)
Exchange impact	-	-	-	-	-
Balance as at 31 March 2024	24.19	4.04	176.64	261.11	465.98
Accumulated depreciation					
At 1 April 2022	1.98	1.62	61.40	18.40	83.40
Charge for the year	0.36	0.07	-	10.38	10.81
Adjustments for disposals	-	-	(3.12)	-	(3.12)
Exchange impact	-	-	-	-	-



Particulars	Land	Residential flats	Buildings	Plant and equipment	Total
Balance as at 31 March 2023	2.34	1.69	58.28	28.78	91.09
Charge for the year	0.42	0.06	21.63	10.16	32.27
Adjustments	-	(0.20)	(65.76)	-	(65.96)
Exchange impact	-	-	(0.00)	-	(0.00)
Balance as at 31 March 2024	2.76	1.55	14.15	38.94	57.40
Net block as at 31 March 2023	20.39	2.86	7.48	232.33	263.06
Net block as at 31 March 2024	21.43	2.49	162.49	222.17	408.58

Note - 8

(₹ in Mn)

	31 March 2024	31 March 2023
A Investments - non current		
Equity instruments		
Investment in Equity Instrument (quoted, measured at FVOCI)		
2100 Equity shares of Rs. 1/- each fully paid up of State Bank of India (previous year 31 March 2023 : 2100 Equity shares of Rs. 1/- each fully paid up)	1.58	1.10
Other Investment (un quoted, at measured at fair value)		
8200 Equity shares of Rs. 1/- each fully paid up of Altigreen Propulsion Labs Pvt. Ltd. (previous year 31 March 2023 : 8200 Equity shares of Rs. 1/- each fully paid up)	120.96	120.96
	122.54	122.06
Aggregate market value of quoted investments	1.58	1.10
Aggregate amount of unquoted investments	120.96	120.96

Note - 9

(₹ in Mn)

	31 March 2024	31 March 2023
A Loans - non current		
(Unsecured, considered good)		
Loan to employees	0.67	0.87
	0.67	0.87
B Loans - current		
(Unsecured, considered good)		
Loan to employees	2.40	6.95
	2.40	6.95

Note - 10

(₹ in Mn)

	31 March 2024	31 March 2023
A Other financial assets - non-current		
(Unsecured, considered good)		
Balance held as margin money (against letter of credit and bank guarantees)*	3.01	6.49
Security deposits with government bodies	53.30	39.03
Security deposits - others	30.64	-
	86.95	45.52
*Margin money deposits having remaining maturity of more than 12 months.		
B Other financial assets - current		
Derivative assets	-	4.02
Security deposits - others	33.35	11.67
Other receivable*		
Considered good	23.10	62.32
Considered credit impaired (refer note below)	2.05	2.05
Less: Impairment loss allowance	(2.05)	(2.05)
Amount receivable	4.80	8.92
	61.25	86.93

*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)

	31 March 2024	31 March 2023
A Other non-current assets		
(Unsecured, considered good)		
Capital advance*	54.24	47.35
Prepaid expenses	0.46	2.97
	54.70	50.32

*For capital commitments refer Note - 40

B Other current assets		
Advances to suppliers	46.14	52.41
Advances to employees	0.27	0.84
Prepaid expenses	64.27	56.42
Balance with statutory authorities	160.65	102.19
Others	13.66	11.13
	284.99	222.99

Note - 12

(₹ in Mn)

	31 March 2024	31 March 2023
Inventories		
(Valued at lower of cost or net realisable value)		
Finished goods (Goods in transit)	270.30	277.12
Raw materials and components	214.52	263.49
Stock in trade	-	2.63
Stores and spares	410.98	362.31
Work-in-progress	339.48	329.02
Scrap (at realizable value)	1.06	0.29
	1,236.34	1,234.86

Note - 13

(₹ in Mn)

	31 March 2024	31 March 2023
Trade receivables*		
(Unsecured)		
Considered good	1,999.05	2,101.05
Having significant increase in credit risk	18.81	15.65
Credit impaired	0.03	4.06
	2,017.89	2,120.76
Less: Impairment loss allowance	(13.79)	(34.33)
	2,004.10	2,086.43



Trade receivables ageing schedule is as follows:

Particulars	As at 31 March 2024							Total
	Unbilled	Not Due	Outstanding for following periods from due date of payment					
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-68.34	1,752.11	305.23	10.05				1,999.05
(ii) Undisputed Trade Receivables – Significant increase in credit risk					8.09	5.82	4.90	18.81
(iii) Undisputed Trade Receivables – credit impaired							0.03	0.03
(iv) Disputed Trade receivables – considered good								-
(v) Disputed Trade Receivables – Significant increase in credit risk								-
(vi) Disputed Trade Receivables – credit impaired								-
Total	-68.34	1,752.11	305.23	10.05	8.09	5.82	4.92	2,017.89

Trade receivables ageing schedule is as follows:

Particulars	As at 31 March 2023							Total
	Unbilled	Not Due	Outstanding for following periods from due date of payment					
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	0.69	1,694.85	361.30	44.21	-	-	-	2,101.05
(ii) Undisputed Trade Receivables – Significant increase in credit risk	-	-	-	-	9.66	3.40	2.59	15.65
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	4.06	4.06
(v) Disputed Trade Receivables – Significant increase in credit risk								-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Total	0.69	1,694.85	361.30	44.21	9.66	3.40	6.66	2,120.76

Note - 14

(₹ in Mn)

	31 March 2024	31 March 2023
Cash and cash equivalents		
Cash on hand	0.12	0.29
Balances with banks		
In current accounts	119.68	334.24
Bank deposits with original maturity less than three months	20.01	-
	139.81	334.53

Note - 15

(₹ in Mn)

	31 March 2024	31 March 2023
Other bank balances		
Margin money	7.38	3.72
Deposits with Standard Chartered Bank (DSRA) maturity having more than three months and up to twelve months**	-	96.59
Bank deposits with maturity of more than three months and up to twelve months	390.44	362.79
Unpaid dividend	0.80	0.84
	398.62	463.94

**Amount deposited in fixed deposits of Rs.96.59 Mn (previous year Rs.94.85 Mn) which is Charged to Lender pursuant to the facility agreement (refer note 19 borrowings current for details)

Note - 16

(₹ in Mn)

	31 March 2024	31 March 2023
Current tax assets (net)		
Advance income tax	204.16	219.80
Less: Provision for taxation	-172.87	(192.09)
	31.29	27.71

Note - 17

(₹ in Mn)

	31 March 2024		31 March 2023	
	Number	Amount	Number	Amount
Equity share capital				
i Authorised				
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				
Equity share capital of face value of ₹ 10 /- each	18778186	187.78	18768000	187.68
		187.78		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	10186	0.10	-	-
Balance at the end of the year	18778186	187.78	18768000	187.68

*The Nomination and Remuneration Committee of the Board of Directors of the Company vide its resolution dated January 09, 2024, has approved allotment of 10,186 Equity shares of Rs. 10/- each to the eligible employees of the Company pursuant to "The Hi-Tech Gears Limited Stock Incentive Plan, 2021". Therefore, the paid-up equity share capital of the Company has increased from Rs. 18,76,80,000/-consisting of 1,87,68,000 equity shares of Rs. 10/- each to Rs. 18,77,81,860/-consisting of 1,87,78,186 equity shares of Rs. 10/- each.

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 2024		31 March 2023	
	Number	% Held	Number	% Held
Vulcan Electro Controls Limited	1082000	5.76%	1082000	5.77%
Olympus Electrical Industries Private Limited	1745200	9.29%	1745200	9.30%
Hi-Tech Portfolio Investments Limited	1971876	10.50%	1971876	10.51%
Mr. Deep Kapuria	3119461	16.61%	3119461	16.62%



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.

vii Details of shares held by promoters

Particulars	Promoter Name	No. of shares at the beginning of the year 01 April 2022	Change during the year	No. of shares at the end of the year 31 March 2024	% of Total Shares	% change during the year
Equity shares of face value Rs 10/-	Master Abhay Kapuria	8,000	-	8,000	0.04%	0.00%
Equity shares of face value Rs 10/-	Deep Kapuria & Sons (Huf)	2,31,780	-	2,31,780	1.23%	0.00%
Equity shares of face value Rs 10/-	Deep Kapuria	31,19,461	-	31,19,461	16.61%	0.00%
Equity shares of face value Rs 10/-	Pranav Kapuria	8,48,102	-	8,48,102	4.52%	0.00%
Equity shares of face value Rs 10/-	Anuj Kapuria	8,44,062	-	8,44,062	4.49%	0.00%
Equity shares of face value Rs 10/-	Veena Kapuria	5,01,120	-	5,01,120	2.67%	0.00%
Equity shares of face value Rs 10/-	Adhiraj Kapuria	19,000	-	19,000	0.10%	0.00%
Equity shares of face value Rs 10/-	Adhiveer Kapuria	19,000	-	19,000	0.10%	0.00%
Equity shares of face value Rs 10/-	Aabha Kapuria	80,811	3,958	84,769	0.45%	4.90%
Equity shares of face value Rs 10/-	Megha Kapuria	80,311	3,921	84,232	0.45%	4.88%
Equity shares of face value Rs 10/-	Hi-Tech Portfolio Investements Ltd	19,71,876	-	19,71,876	10.50%	0.00%
Equity shares of face value Rs 10/-	Olympus Electrical Industries Pvt Ltd	17,45,200	-	17,45,200	9.29%	0.00%
Equity shares of face value Rs 10/-	Vulcan Electro Controls Ltd	10,82,000	-	10,82,000	5.76%	0.00%
Total		1,05,50,723	7,879	1,05,58,602	56.23%	
Total No of Equity shares		1,87,78,186				

Particulars	Promoter Name	No. of shares at the beginning of the year 01 April 2022	Change during the year	No. of shares at the end of the year 31 March 2023	% of Total Shares	% change during the year
Equity shares of face value Rs 10/-	Master Abhay Kapuria	8,000	-	8,000	0.04%	0.00%
Equity shares of face value Rs 10/-	Deep Kapuria & Sons (Huf)	2,31,780	-	2,31,780	1.23%	0.00%
Equity shares of face value Rs 10/-	Deep Kapuria	31,19,461	-	31,19,461	16.62%	0.00%
Equity shares of face value Rs 10/-	Pranav Kapuria	8,48,102	-	8,48,102	4.52%	0.00%
Equity shares of face value Rs 10/-	Anuj Kapuria	8,44,062	-	8,44,062	4.50%	0.00%
Equity shares of face value Rs 10/-	Veena Kapuria	5,01,120	-	5,01,120	2.67%	0.00%
Equity shares of face value Rs 10/-	Adhiraj Kapuria	19,000	-	19,000	0.10%	0.00%
Equity shares of face value Rs 10/-	Adhiveer Kapuria	19,000	-	19,000	0.10%	0.00%
Equity shares of face value Rs 10/-	Aabha Kapuria	80,811	-	80,811	0.43%	0.00%
Equity shares of face value Rs 10/-	Megha Kapuria	80,311	-	80,311	0.43%	0.00%
Equity shares of face value Rs 10/-	Hi-Tech Portfolio Investements Ltd	19,71,876	-	19,71,876	10.51%	0.00%
Equity shares of face value Rs 10/-	Olympus Electrical Industries Pvt Ltd	17,45,200	-	17,45,200	9.30%	0.00%
Equity shares of face value Rs 10/-	Vulcan Electro Controls Ltd	10,82,000	-	10,82,000	5.77%	0.00%
Total		1,05,50,723	-	1,05,50,723	56.22%	
Total No of Equity shares		1,87,68,000				

Note - 18

(₹ in Mn)

	31 March 2024	31 March 2023
Other Equity		
Reserve & Surplus		
General Reserve		
Balance at the beginning of the year	308.08	308.08
Add: Transfer from retained earnings	-	-
Total (A)	308.08	308.08
Share options outstanding account		
Balance at the beginning of the year	4.34	-
Employee stock option expense	1.24	4.34
Total (B)	5.58	4.34
Security Premium		
Balance at the beginning of the year	-	-
Add: Addition during the year	2.36	-
Total (C)	2.36	-
Retained earnings		
Balance at the beginning of the year	2,680.27	2,467.67
Add: Profit/(Loss) for the year	1,142.53	231.14
Add: Other comprehensive income (net of tax impact)	4.95	9.61
Less: Dividend paid during the year including tax impact, refer note no. 41	(46.92)	(28.15)
Total (D)	3,780.83	2,680.27
Total (E=A+B+C+D)	4,096.85	2,992.69
Other Comprehensive Income (OCI)		
Equity instrument through Other Comprehensive Income		
Balance at the beginning of the year	65.37	65.31
Add: Movement in OCI (Net) during the year	0.48	0.06
Total (F)	65.85	65.37
Foreign currency translation reserve		
Balance at the beginning of the year	299.39	273.74
Add: Movement in OCI (Net) during the year	13.74	25.65
Total (G)	313.13	299.39
Cash flow hedge reserve		
Balance at the beginning of the year	(0.87)	4.95
Add: Movement in OCI (Net) during the year	(1.21)	(5.82)
Total (H)	(2.08)	(0.87)
Total (I=F+G+H)	376.90	363.89
Total Other Equity (E+I)	4,473.75	3,356.58

(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.

Share options outstanding account

The account is used to recognise the grant date value of options issued to employees under Employee stock option plan and adjusted as and when such options are exercised or otherwise expire.

Retained earnings

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

Equity instrument through other comprehensive income

Equity instrument through 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.

Foreign currency translation reserve

The Group recognised exchange differences arising on translation of the foreign operations in other comprehensive income and accumulated in foreign currency translation reserve in other equity.

Cash flow hedge reserve

The Company has taken a cross currency and interest rate swap to hedge the foreign currency risk of highly probable forecasted sales and foreign currency borrowings. To the extent hedge is effective, the change in fair value of hedging instrument is recognised in cash flow reserve.



Note - 19

(₹ in Mn)

	31 March 2024	31 March 2023
A Borrowings non-current		
Secured		
Term loans		
From banks		
Ruppee Loan	304.12	1,912.17
Housing loan	73.19	68.52
Others	152.99	215.60
	530.30	2,196.29
A (i) Lease Liabilities		
Lease liabilities	904.85	205.06
	904.85	205.06

(₹ in Mn)

Particulars	Nature of security	Terms of repayment	Interest Rate	Maturity	31 March 2024	31 March 2023
Secured External commercial borrowing Standard Chartered Bank (USD 12,000,000) through IDBI Trusteeship Limited.	a) First pari passu charge on movable fixed assets of the company both present and future. b) 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-301019, District Alwar, Rajasthan 4) Plot No. A-7 & A-8, G K Industrial Park, Trichy District Tamil Nadu	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.	Overnight SOFR+0.2616% +3.29% (previous year 3 Month LIBOR+3.29% p.a.)	'February, 2024	-	252.32
Fiera Private Debt (FPD) (previously known as IAM) - Security assets dealt along with their value as on closing date.	First fixed charge on all fixed assets of 2545887 Ontario Inc. and The Hi-Tech Gears Canada Inc. and working capital assets except that bank operating facility will rank senior on accounts receivable and Inventory. Other North American entities (WOSs) have provided security and guaranty to secure the loan. Second charge on company guest house property at 6 Carlaw Place, Guelph, Ontario, Canada. The limit is now additionally charged by second charge on the fixed assets of Teutech LLC	26 equal monthly instalments of CAD 3,24,074.00 starting from March 2018 & 45 instalments of CAD 3,24,074.00 Apr-20 to Jan 24 will be paid at maturity date And 63 instalment of CAD 1,90,329.22 From Feb 24 to Apr-29 . Pursuant to addendum to agreement for 36 month from 15 Feb-21 to 14 Jan-24 only interest is to be paid in two ways, i.e. a. upto 15th Oct 2022 @ 2% and b. from 16th Oct 2022 onwards @5.99%.	5.99 % p.a (previous year 2 % p.a.)	'April, 2029	-	1,661.31
Standard Chartered Bank (USD 7,561,789) through IDBI Trusteeship Limited.	a) First pari passu charge on movable fixed assets of the company both present and future. b) 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 4) Plot No. A-7 & A-8, G K Industrial Park, Trichy District Tamil Nadu	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	Overnight SOFR+0.2616% +3.00% (previous year 3 Month LIBOR+3.00% p.a.)	February, 2024	-	105.91

Particulars	Nature of security	Terms of repayment	Interest Rate	Maturity	31 March 2024	31 March 2023
Canadian Imperial Bank of Commerce	First charge by way of mortgage of company guest house property at 6 Carlaw Place, Guelph, Ontario, Canada.	300 monthly instalments of CAD 6,943.59 @ 2.740% p.a. interest is fixed for first 60 months starting May 2017. Effective May 2022, interest is reset for another 60 instalments @ 5.740% and thereafter to be fixed as per the prevailing rate.	5.740 % p.a. (previous year 2.740 % p.a.)	May, 2042	73.71	73.57
Equipment Finance-Scotia Bank	Hypothecation of specified assets such as machines and equipment 361, Speedvale Avenue West, Guelph Ontario.	Blended monthly instalments of \$119,857,	4.85 % p.a. (previous year 4.85 % p.a.)	Jan, 2027	230.89	302.13
'Bajaj Finance Limited	<p>a) First pari passu charge on movable fixed assets of the company both present and future.</p> <p>b) First pari passu charge on the following immovable fixed assets of the company:</p> <ol style="list-style-type: none"> 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 	20 equal quarterly instalments starting from the 15th month from the date of first disbursement	10.45%(Previous year 8.95%/9.80%)	Aug, 2026	50.00	140.00
HDFC Bank Ltd - Term Loan .	<ol style="list-style-type: none"> 1) First charge by way of hypothecation in favor of the Lender, on company's movables including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures and all other movable assets, present and future for Expansion Project. 2) 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 Expansion Project; 3) 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. 4) First pari passu charge over the present and future immovable fixed assets of the company as given below: <ol style="list-style-type: none"> a) A-589, Industrial Complex, Bhiwadi, District, Alwar, Rajasthan-301019. b) Plot No 24-26, Sector 7, IMT Manesar, Gurgaon, Haryana 122050 c) SPL-146, Industrial Complex, Bhiwadi-304019, District Alwar, Rajasthan d) Plot No. A-7 & A-8, G K Industrial Park, Trichy District Tamil Nadu 	Repayment in 16 quarterly instalment starts from December,2020	'9.65%/9.75% (Previous year '7.75%/7.80%/ 8.75%/8.80%/ 9.15%)	Dec, 2024	89.59	243.61



Particulars	Nature of security	Terms of repayment	Interest Rate	Maturity	31 March 2024	31 March 2023
Federal Bank Limited	a) 'First Pari Passu charge on Moveable fixed assets of the Company, both present & future. b) First Pari Passu charge Immoveable fixed assets situated at : 1) Plot No. 24,25 & 26, Sector-7, IMT Manesar, Haryana-122050, 2) A-589, RIICO Industrial Area, Bhiwadi, District Alwar, Bhiwadi- 301019, Rajasthan and 3) SPL-146A Industrial Complex, Bhiwadi, Rajasthan	18 equal quarterly instalments of 13.2 million each and 1 quarterly installment of 12.4 million starting from the 15th month from the date of first disbursement.	9.40% (Previous year 9.80%)	Nov, 2027	197.20	250.00
Interest Rate						
HDFC Bank Ltd - Term Loan .	1) First charge by way of hypothecation in favor of the Lender, on company's movables including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures and all other movable assets, present and future for Expansion Project. 2) 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 Expansion Project; 3) 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. 4) First pari passu charge over the present and future immovable fixed assets of the company as given below: a) A-589, Industrial Complex, Bhiwadi, District, Alwar, Rajasthan-301019. b) Plot No 24-26, Sector 7, IMT Manesar, Gurgaon, Haryana 122050 c) SPL-146, Industrial Complex, Bhiwadi-304019, District Alwar, Rajasthan d) Plot No. A-7 & A-8, G K Industrial Park, Trichy District Tamil Nadu	Repayment in 20 quarterly instalment starts from June, 2025	8.50%	March, 2030	100.00	-
Federal Bank Limited	a) 'First Pari Passu charge on Moveable fixed assets of the Company, both present & future. b) First Pari Passu charge Immoveable fixed assets situated at : 1) Plot No. 24,25 & 26, Sector-7, IMT Manesar, Haryana-122050, 2) A-589, RIICO Industrial Area, Bhiwadi, District Alwar, Bhiwadi- 301019, Rajasthan and 3) SPL-146A Industrial Complex, Bhiwadi, Rajasthan	11 equal quarterly instalments starting from the 5th Feb 2024. '60 monthly instalments of CAD 2324.61	9.00%	Aug, 2026	50.00	-
Lease Liabilities	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%/9.17% (Previous year 6%/9.17%)		1,038.52	240.35
Unamortised upfront fees on borrowing					(0.62)	(16.78)
Total borrowings					1,829.29	3,252.42
Less: Current maturities of long term borrowings					394.14	851.08
Non current borrowings					1,435.15	2,401.34

(₹ in Mn)

	31 March 2024	31 March 2023
B Borrowings - current		
i) Secured loans		
Working capital loans repayable on demand from banks	950.65	1,020.56
Current maturity of long term debts	260.47	815.79
ii) Unsecured		
Working capital - Sales Invoice Discounting	204.61	299.70
	1,415.73	2,136.05
B (i) Lease Liabilities		
Lease liabilities	133.67	35.29
	133.67	35.29

Particulars	Nature of security	Interest rate	31 March 2024	31 March 2023
Standard chartered bank - Packing credit	• First pari passu charge on all stock and book debts present and future of the Company.	SOFR + 1.75% (previous year SOFR+ 1.75% p.a)	67.56	115.86
Federal Bank - PCRE	• First Pari Passu Charge over all Current Assets of the Borrower (present and future).	SOFR + 1.75% (previous year SOFR+ 1.75% p.a)	88.37	147.88
Federal Bank Ltd- Working capital loan	• First Pari Passu Charge over all Current Assets of the Borrower (present and future).	8.20% p.a. (previous year N.A)	80.00	-
HDFC Bank Ltd - Working capital loan	• First pari pasucharge by way of hypothecation on stocks and book debts 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.	8.50% p.a. (previous year 8.01% p.a)	90.00	180.00
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.	SOFR + 1.79% (SOFR+2.15%)	141.80	26.94
Pathward- Working capital loan (earlier known as Crestmark)	*First charge on accounts receivable and inventory of The Hi-Tech Gears Canada Inc. Second charge on all other assets existing and future of borrower and guarnter including intelectual property and equipment registered in all appropriate jurisdiction.	Prime Rate + 1.00% with a floor of 5.25%. Advances under the CAD facility bear interest at the Canadian Dollar Prime Rate (as determined by CIBC) +2.00% with a floor of 5.25% (Previous year Prime Rate + 1.75% with a floor of 5.25%. Advances under the CAD facility bear interest at the Canadian Dollar Prime Rate (as determined by CIBC) +2.75% with a floor of 5.25%)	482.92	549.88
Total			950.65	1,020.56

Particulars	Nature of security	Interest rate	31 March 2024	31 March 2023
Federal Bank - Sales Invoice Discounting	Unsecured	8.10% p.a (previous year 8.10% p.a)	204.61	299.70
Total			204.61	299.70



Reconciliation of liabilities arising from financing activities

The changes in the Group'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 2022	3,524.84	912.00	265.88	4,702.72
Cash flows:				
- Repayment	(624.21)	-	(25.53)	(649.74)
- Proceeds	143.45	408.26	-	551.71
Other non cash changes:				
- Foreign exchange	(46.39)	-	-	(46.39)
- Amortisation charge of transaction cost	14.38	-	-	14.38
31 March 2023	3,012.07	1,320.26	240.35	4,572.68
Cash flows:				
- Repayment	(2,379.63)	-	(81.23)	(2,460.86)
- Proceeds	102.91	-165.00	-	(62.09)
Other non cash changes:				
- Foreign exchange	36.44	-	-	36.44
- Amortisation charge of transaction cost	18.98	-	879.40	898.38
31 March 2024	790.76	1,155.26	1,038.52	2,984.55

Note - 20

(₹ in Mn)

	31 March 2024	31 March 2023
A Provisions - non current		
Provisions for employee benefits		
Compensated absences	38.14	38.10
	38.14	38.10

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

B Provisions - current		
Provisions for employee benefits		
Compensated absences	5.61	7.66
Provision on rate difference	31.22	16.09
	36.83	23.75

For movements in each class of provision during the financial year, refer note 43 & 44

Note - 21

(₹ in Mn)

	31 March 2024	31 March 2023
Deferred tax		
Deferred tax assets (net)	0.55	82.95
Deferred tax liabilities (net)	(3.95)	(25.39)
Net Deferred tax assets/(liabilities)	(3.40)	57.56

(i) Movement in deferred tax liabilities (net)

(₹ in Mn)

Particulars	01 April 2023	Recognised/ reversed through profit and loss	Recognised/ reversed in other comprehensive income	31 March 2024
Deferred tax assets/liabilities arising on account of :				
Property, plant & equipment	30.52	(95.80)	-	(65.28)
Fair valuation of equity instruments	(21.63)	(2.81)	2.81	(21.63)
Deferred government grant	(0.59)	0.23	-	(0.36)
Cash flow hedge reserve	11.55	(0.00)	7.92	19.47
Right-of-use asset	(54.94)	-	-	(73.83)
Right-of-use lease liabilities	59.56	43.89	-	103.45
Provision for rate difference	4.05	3.81	-	7.86
Provision for leave encashment	11.52	(0.50)	-	11.01
Plant and machinery recognised on account of government grant	0.59	(0.23)	-	0.36
Deferred tax liabilities - Ind AS adjustments	(3.35)	3.35	-	-
Provision for bonus	10.47	0.53	-	11.01
Provision for doubtful debts and advances	9.15	(5.17)	-	3.99
Foreign currency translation reserve	-	-	-	-
Provision for profit elimination on unsold inventory	0.66	(0.11)	-	0.55
Total	57.56	(52.81)	10.73	3.40

Particulars	01 April 2022	Recognised/ reversed through profit and loss	Recognised/ reversed in other comprehensive income	31 March 2023
Deferred tax assets/liabilities arising on account of :				
Property, plant & equipment	63.58	(33.06)	-	30.52
Fair valuation of equity instruments	21.63	(43.26)	-	(21.63)
Deferred government grant	0.63	(1.22)	-	(0.59)
Cash flow hedge reserve	(8.97)	23.97	(3.45)	11.55
Right-of-use asset	(57.71)	2.77	-	(54.94)
Right-of-use lease liabilities	64.93	(5.37)	-	59.56
Provision for rate difference	(9.16)	13.21	-	4.05
Provision for leave encashment	(10.25)	21.77	-	11.52
Plant and machinery recognised on account of government grant	(0.63)	1.22	-	0.59
Derivatives not designated as hedges	4.04	(7.39)	-	(3.35)
Provision for bonus	(10.46)	20.93	-	10.47
Provision for doubtful debts and advances	(6.05)	15.20	-	9.15
Foreign currency translation reserve	(0.00)	0.00	-	-
Provision for profit elimination on unsold inventory	(0.77)	1.43	-	0.66
Total	36.37	24.65	(3.45)	57.56

Note - 22

(₹ in Mn)

A Other non - current liabilities	31 March 2024	31 March 2023
	Deferred income*	8.82
	8.82	10.24

* 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.

B Other current liabilities	31 March 2024	31 March 2023
	Payable to statutory authorities	30.41
Advance from customers	22.47	55.30
	52.88	104.12


Note - 23

(₹ in Mn)

	31 March 2024	31 March 2023
Trade payables		
- total outstanding dues of micro enterprises and small enterprises	111.19	92.44
- total outstanding dues of creditors other than micro enterprises and small enterprises	965.25	1,113.28
	1,076.44	1,205.72

Trade payables ageing

Particulars			As at 31 March 2024				Total
	Unbilled	Not Due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed- MSME	-	111.19					111.19
(ii) Undisputed- Others	57.09	478.17	428.24	0.61	0.13	0.56	964.80
(iii) Disputed dues- MSME	-				-	-	-
(iv) Disputed dues- others	-				-	0.45	0.45
Total	57.09	589.36	428.24	0.61	0.13	1.01	1,076.44

Trade payables ageing

Particulars			As at 31 March 2023				Total
	Unbilled	Not Due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed- MSME	-	92.44	-	-	-	-	92.44
(ii) Undisputed- Others	18.70	729.40	354.40	3.81	0.08	5.36	1,111.75
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-	1.53	1.53
Total	18.70	821.84	354.40	3.81	0.08	6.89	1,205.72

*Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") as at 31 March 2024, 31 March 2023:

(₹ in Mn)

Particulars		31 March 2024	31 March 2023
i	Principal amount remaining unpaid to any supplier as at the end of the accounting year;	111.19	92.44
ii	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year;	-	-
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 2024	31 March 2023
Other financial liabilities - current		
Interest accrued but not due	0.76	8.32
Earnest money and security deposits	3.71	3.40
Derivative liability	10.31	25.28
Unclaimed dividend	0.80	0.84
Others*	206.01	292.49
	221.59	330.33

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

Note - 25

(₹ in Mn)

	31 March 2024	31 March 2023
Revenue from operations		
Sale of products:		
Transmission gears and shafts - domestic	5,433.00	5,412.27
Transmission gears and shafts - export	5,139.10	5,678.26
Sale of Services:		
Other-services	-	0.05
Sales job work	265.62	312.59
Other operating income:		
Export incentives	54.40	62.66
Scrap sales	176.93	226.40
	11,069.05	11,692.23

Note - 26

(₹ in Mn)

	31 March 2024	31 March 2023
Other income		
Interest income		
Bank deposits	34.02	24.98
Others	3.66	2.16
Provision written Back	2.85	0.54
Rent	0.46	1.09
Dividend	0.02	0.03
Gain on foreign exchange fluctuations (Net)	17.97	33.03
Gain on sale of property, plant and equipment (Net)	4.33	15.14
Provisions written back - trade receivables	17.48	-
Income recognised on account of government assistance	1.42	2.35
Miscellaneous income	17.09	0.00
	99.30	79.32

Note - 27

(₹ in Mn)

	31 March 2024	31 March 2023
Cost of materials consumed		
Opening stock of raw material (steel rod and forgings)	263.49	162.25
Add: Purchase during the year (net of discount)	5,437.38	5,850.16
	5,700.87	6,012.41
Less: Closing stock of raw material (steel rod and forgings)	214.52	263.49
	5,486.35	5,748.92

Note - 28

(₹ in Mn)

	31 March 2024	31 March 2023
Purchase of traded goods		
Opening stock of purchase of traded goods (transmission gears and shafts)	-	-
Add: Purchase during the year (transmission gears and shafts)	210.20	168.93
	210.20	168.93
Less: Closing stock of purchase of traded goods (transmission gears and shafts)	-	-
	210.20	168.93

Note - 29

(₹ in Mn)

	31 March 2024	31 March 2023
Changes in inventories of finished goods and work-in-progress		
Inventories at the end of the year:		
Finished goods (transmission gears and shafts)	270.30	277.12
Work-in-progress (transmission gears and shafts)	339.48	329.02
Inventories at the beginning of the year:		
Finished goods (transmission gears and shafts)	277.12	350.43
Work-in-progress (transmission gears and shafts)	329.02	330.40
	(3.64)	74.69


Note - 30

(₹ in Mn)

	31 March 2024	31 March 2023
Employee benefits expense		
Salaries, wages and other benefits	1,794.69	2,082.97
Contributions to provident and other funds	36.41	36.76
Gratuity fund contributions	8.72	10.84
Employee compensation expense	1.38	4.34
Staff welfare expenses	125.90	49.21
	1,967.10	2,184.12

Note - 31

(₹ in Mn)

	31 March 2024	31 March 2023
Finance costs		
Interest on:		
Loans from banks & others	215.75	205.52
Lease liabilities	55.39	23.09
Others	45.56	15.89
Bank commission and charges	61.00	7.56
Loss on exchange rate fluctuation	-	12.41
	377.70	264.47

Note - 32

(₹ in Mn)

	31 March 2024	31 March 2023
Other expenses		
Water electricity and allied charges	413.26	399.64
Stores and spares consumed	888.73	902.47
Professional charges	112.03	115.64
Repair and maintenance		
Plant and machinery	56.51	70.74
Buildings	16.16	27.03
Insurance	74.90	73.51
Rates and taxes	16.87	17.31
Rent (refer note 45)	5.75	5.30
Corporate social responsibility expenses (refer note (i) below)	2.80	8.13
Provision for doubtful debts	-	12.38
Auditor's remuneration*	2.76	4.67
Balances written off	0.68	8.46
Director's sitting fee	1.44	0.80
Freight and handling expenses	118.25	207.44
Charity and donation	0.04	0.11
Miscellaneous expenses	199.48	248.67
	1,909.66	2,102.30

***Remuneration to auditors comprises of:**

Audit fees	2.20	4.47
Reimbursement of expenses	0.18	0.05
Certification Fees	-	0.08
Other services	0.38	0.07
	2.76	4.67

Income from exceptional items

Income from sale of Land & Building	770.06	770.06
	770.06	770.06

(i) Details of CSR expenditure:

	31 March 2024	31 March 2023
a) Gross amount required to be spent by the company during the year	11.80	8.05
b) Amount approved by the Board to be spent during the year	11.80	8.13
c) Amount spent during the year :		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	2.80	8.13
	2.80	8.13

d) Unspent amount in relation to: - Ongoing project
For the year ended 31 March 2024

Opening Balance		Amount required to be spent during the year	Amount spent		Closing Balance	
with Company	In seprate CSR unspent A/c		From Companys bank a/c	From Separate CSR Unspent A/c	with company	In seprate CSR unspent account
-	-	11.80	2.80	-	-	9.00

For the year ended 31 March 2023

Opening Balance		Amount required to be spent during the year	Amount spent		Closing Balance	
with Company	In seprate CSR unspent A/c		From Companys bank a/c	From Separate CSR Unspent A/c	with company	In seprate CSR unspent account
-	-	8.05	8.13	-	-	-

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) Amount spent during the financial year ended 31 March 2024 and 31 March 2023 on:

(₹ in Mn)

Particulars	Period	Bank payment	Yet to be paid in cash	Total
Education, technical education including research and development	31-Mar-24	2.00	-	2.00
	31-Mar-23	2.62	-	2.62
Integrity community development	31-Mar-24	-	-	-
	31-Mar-23	2.31	-	2.31
Prime Minister National Relief Fund	31-Mar-24	0.50	-	0.50
	31-Mar-23	0.90	-	0.90
Promoting Healthcare including Preventive Healthcare	31-Mar-24	-	-	-
	31-Mar-23	0.50	-	0.50
Setting up homes for women and orphans/Setting up old age homes, day care centres and such other facilities for senior citizens	31-Mar-24	0.20	-	0.20
	31-Mar-23	1.70	-	1.70
Others	31-Mar-24	0.10	-	0.10
	31-Mar-23	0.10	-	0.10
Total	31-Mar-24	2.80	-	2.80
	31-Mar-23	8.13	-	8.13

Note - 33

(₹ in Mn)

	31 March 2024	31 March 2023
Income tax		
Tax expense comprises of:		
Current tax	169.02	187.37
Deferred tax credit	69.71	(90.60)
Earlier years tax adjustments (net)	(1.95)	11.51
Income tax expense reported in the statement of profit and loss	236.78	108.28
Accounting profit before income tax	609.25	337.15
At India's statutory income tax rate of 25.167%	153.33	84.85
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Tax impact of expenses which will never be allowed	(0.37)	5.16
Earlier years tax adjustments (net)	(1.95)	11.42
Others	85.77	6.28
Income tax expense	236.78	107.71



Note - 34

(₹ in Mn)

	31 March 2024	31 March 2023
Earnings per share		
Net profit attributable to equity shareholders		
Net profit for the year	1,142.53	228.87
Nominal value of equity share (₹)	10.00	10.00
Total number of equity shares outstanding at the beginning of the year	18768000	18768000
Total number of equity shares outstanding at the end of the year	18778186	18768000
Weighted average number of equity shares	18773093	18768000
Number of dilutive potential equity shares	33,932	21,411.00
No. of equity shares used to compute diluted earnings per share	1,88,12,118	1,87,89,411
(1) Basic (₹)	60.86	12.19
(2) Diluted (₹)	60.73	12.18

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 2024			31 March 2023		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investment in equity instrument through OCI	-	122.54	-	-	122.06	-
Trade receivables	-	-	2,004.10	-	-	2,086.43
Loans	-	-	3.07	-	-	7.82
Cash and cash equivalents	-	-	139.81	-	-	334.53
Other bank balances	-	-	398.62	-	-	463.94
Other financial assets	-	-	148.20	-	-	128.43
Derivative assets	-	-	-	4.02	-	-
Total financial assets	-	122.54	2,693.80	4.02	122.06	3,021.15
Financial liabilities						
Borrowings	-	-	2,985.30	-	-	4,581.00
Trade payables	-	-	1,076.44	-	-	1,205.72
Derivate Liabilities	10.31	-	-	25.28	-	-
Other financial liabilities	-	-	210.52	-	-	296.73
Total financial liabilities	10.31	-	4,272.26	25.28	-	6,083.45

Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices for quoted equity instruments.
- 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 use of quoted market prices for derivative contracts at balance sheet date. For hedge related disclosures, refer note 45A.

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

(₹ in Mn)

Particulars	Fair value	
	31 March 2024	31 March 2023
Unquoted equity investments	120.96	120.96

* There is no material change in the value of investment during the year

Sensitivity analysis

(₹ in Mn)

Description	31 March 2024	31 March 2023
Impact on fair value if change in earnings growth rate		
- Impact of increase in discount rate by 0.5 %	129.36	129.36
- Impact of decrease in discount rate by 0.5 %	(113.35)	(113.35)
Impact on fair value if change in risk adjusted discount rate		
- Impact of increase in discount rate by 0.5 %	(110.81)	(110.81)
- Impact of decrease in discount rate by 0.5 %	132.24	132.24

The following table presents the changes in level 3 items for the periods ended 31 March 2024 and 31 March 2023:

(₹ in Mn)

Particulars	Unquoted equity shares
As at 31 March 2022	120.96
Acquisition	-
Gain/(loss) recognised in other comprehensive income	-
As at 31 March 2023	120.96
Acquisition	-
Gain/(loss) recognised in other comprehensive income	-
As at 31 March 2024	120.96

(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 2024 and 31 March 2023 :

(₹ 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 2024	1.58	-	120.96	122.54
	31 March 2023	1.10	-	120.96	122.06
At fair value through profit or loss					
Derivative financial assets	31 March 2024	-	-	-	-
	31 March 2023	-	4.02	-	4.02
Derivative financial liability	31 March 2024	-	10.31	-	10.31
	31 March 2023	-	25.28	-	25.28

(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 2024		31 March 2023	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Loans	Level 3	3.07	3.07	7.82	7.82
Other financial assets	Level 3	148.20	148.20	128.43	128.43
Total financial assets		151.27	151.27	136.25	136.25
Financial liabilities					
Borrowings	Level 3	2,985.30	2,985.30	4,581.00	4,581.00
Total financial liabilities		2,985.30	2,985.30	4,581.00	4,581.00



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 2024 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 2024	31 March 2023
A: Low credit risk	Cash and cash equivalents, other bank balances, loans and other financial assets	812.24	1,060.80
B: Moderate credit risk	Trade receivables and other financial asset	1,999.05	2,101.05
C: High credit risk	Trade receivables and other financial asset	20.88	21.76

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 2024	31 March 2023
Original equipment manufacturer	1,013.09	1,055.72
Other	1,004.80	1,065.04
Total	2,017.89	2,120.76

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 2024

(₹ in Mn)

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	139.81	-	139.81
Investment	122.54	-	122.54
Other bank balances	398.62	-	398.62
Loans	3.07	-	3.07
Other financial assets	150.25	2.05	148.20

As at 31 March 2023

(₹ in Mn)

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	334.53	-	334.53
Investment	122.06	-	122.06
Other bank balances	463.94	-	463.94
Loans	7.82	-	7.82
Other financial assets	134.50	2.05	132.45

(ii) **Expected credit loss for trade receivables under simplified approach**

As at 31 March 2024

(₹ in Mn)

Period	Gross carrying value	Expected credit loss (provision)	Carrying amount (net of impairment)
0 - 90 Days	1,979.37	4.53	1,974.84
90 - 180 Days	11.96	0.57	11.38
180 - 270 Days	7.22	0.72	6.49
270 - 360 Days	0.21	1.44	(1.23)
More than 360 Days	19.14	6.52	12.62

As at 31 March 2023

(₹ in Mn)

Period	Gross carrying value	Expected credit loss (provision)	Carrying amount (net of impairment)
0 - 90 Days	1,893.18	14.38	1,878.80
90 - 180 Days	155.55	2.21	153.35
180 - 270 Days	36.36	1.49	34.87
270 - 360 Days	15.95	3.29	12.66
More than 360 Days	19.71	12.96	6.76



Reconciliation of loss provision – lifetime expected credit losses

(₹ in Mn)

Reconciliation of loss allowance	Trade receivables	Other financial asset
Loss allowance on 1 April 2022	21.95	2.05
Impairment loss recognised/reversed during the year	12.38	-
Loss allowance on 31 March 2023	34.33	2.05
Impairment loss recognised/reversed during the year	(20.54)	-
Loss allowance on 31 March 2024	13.79	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 2024	Less than 1 year	More than 1 year	Total
Borrowings	328.31	970.44	1,298.75
Trade payable	1,076.44	-	1,076.44
Derivative financial liabilities	10.31	-	10.31
Other financial liabilities	210.52	-	210.52
Total	1,625.58	970.44	2,596.02

(₹ in Mn)

31 March 2023	Less than 1 year	More than 1 year	Total
Borrowings	918.42	2,603.37	3,521.79
Trade payable	1,205.72	-	1,205.72
Derivative financial liabilities	25.28	-	25.28
Other financial liabilities	296.73	-	296.73
Total	2,446.15	2,603.37	5,049.52

The Group had access to following funding facilities :

As at 31 March 2024

(₹ in Mn)

Funding facilities	Total facility	Drawn	Undrawn
Less than 1 year	2,285.35	1,155.26	1,130.09
Above 1 year	-	-	-
Total	2,285.35	1,155.26	1,130.09

As at 31 March 2023

(₹ in Mn)

Funding facilities	Total facility	Drawn	Undrawn
Less than 1 year	1,825.84	1,320.26	505.58
Above 1 year	-	-	-
Total	1,825.84	1,320.26	505.58

(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.

Foreign currency risk exposure:**(₹ in Mn)**

Particulars	Currency	Amount in foreign currency (in Mn)		Amount in ₹ in Mn	
		31 March 2024	31 March 2023	31 March 2024	31 March 2023
Receivables					
Export trade receivable and advances	USD	13.00	13.20	1,084.41	1,084.88
	EURO	0.41	0.23	37.24	20.55
	GBP	-	0.04	-	3.77
Payables					
Payable for imports and others	USD	(3.57)	(5.25)	(297.91)	(431.18)
	EURO	(0.00)	(0.01)	(0.17)	(1.03)
	GBP	(0.00)	-	(0.06)	-
	CHF	(0.02)	-	(1.90)	-
Foreign currency loans					
	USD	-	(3.07)	-	(252.32)
	USD	-	(1.29)	-	(105.91)
Interest on foreign currency loans					
	USD	-	(0.03)	-	(2.46)
	USD	-	(0.01)	-	(1.00)



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 2024	31 March 2023	31 March 2024	31 March 2023
Receivables					
Export trade receivable	USD	54.22	54.24	(54.22)	(54.24)
	EURO	1.86	1.03	(1.86)	(1.03)
	GBP	-	0.19	-	(0.19)
Payables					
Payable for imports and others	USD	14.90	21.56	(14.90)	(21.56)
	EURO	0.01	0.05	(0.01)	(0.05)
	GBP	0.00	-	(0.00)	-
	JPY	0.09	-	(0.09)	-
Foreign currency loans					
	USD	-	12.62	-	(12.62)
	USD	-	5.30	-	(5.30)
Interest on foreign currency loans					
	USD	-	0.12	-	(0.12)
	USD	-	0.05	-	(0.05)

(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 2024	31 March 2023
Variable rate borrowing	2,680.70	2,556.63
Fixed rate borrowing	304.60	2,024.37
Total borrowings	2,985.30	4,581.00

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 2024	31 March 2023
Interest rates – increase by 50 basis points	13.40	12.78
Interest rates – decrease by 50 basis points	(13.40)	(12.78)

(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 2024	31 March 2023
Price sensitivity		
Price increase by (5%) - FVOCI*	0.08	0.05
Price decrease by (5%) - FVOCI	(0.08)	(0.05)

* 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 three service areas as its operating segments as follows:

- India
- Canada
- Others

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 2024 and 31 March 2023.

(₹ in Mn)

Particulars	India		Canada		Others		Total	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Revenue								
Sales to external customers	7,590.34	7,554.20	3,169.91	3,716.70	263.16	306.32	11,023.41	11,577.22
Inter-segment sale	(185.69)	(173.07)	-	(0.96)	-	-	(185.69)	(174.03)
Segment revenue	7,404.65	7,381.13	3,169.91	3,715.74	263.16	306.32	10,837.72	11,403.19
Interest revenue	34.62	24.76	3.06	2.37	-	-	37.68	27.13
Interest expense	153.95	160.40	61.80	125.87	-	-	215.75	286.27
Depreciation and amortisation	316.14	316.09	295.58	505.42	-	-	611.73	821.51
Reversal of provisions	2.85	0.54	-	-	-	-	2.85	0.54
Dividend revenue	0.02	0.03	-	-	-	-	0.02	0.03
Gain (Loss) Disposals of of property, plant and equipment	4.32	15.14	-	-	-	-	4.32	15.14
Exceptional items	-	-	770.06	-	-	-	770.06	-
Segment result (profit before tax)	636.21	672.77	728.74	(371.60)	14.36	38.25	1,379.31	339.42
Income tax expense	154.57	190.54	82.21	(82.26)	-	-	236.78	108.28
Segment assets	5,502.25	5,733.83	3,578.89	4,117.86	3.04	2.91	9,084.18	9,854.60
Segment liabilities	2,589.85	3,306.59	1,830.93	2,998.04	1.88	5.71	4,422.65	6,310.34
Additions to non-current assets other than financial instruments, deferred tax assets, net defined benefit assets.	421.28	264.28	7.23	278.49	-	-	428.51	542.77

Information about major customer

During the year ended 31 March 2024 revenue of approximately 64.05% are derived from Four external customers (previous year: 61.53% are derived from four external customers).



Note - 37

Related party disclosures

a) 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.

(iv) Teutech Leasing Corporation, USA

(ii) Teutech Holding Corporation, USA

(v) 2504584 Ontario Inc., Canada*

(iii) Teutech LLC, USA

(vi) 2323532 Ontario Inc., Canada*

(b) Neo Tech Auto Systems Inc., USA

(c) Neo Tech Smart Solutions Inc., Canada

*Pursuant to restructuring process, two Step-Down Subsidiaries i.e., 2323532 Ontario Inc. and 2504584 Ontario Inc. have been Amalgamated with The Hi-Tech Gears Canada Inc. (Step down Subsidiary of the Company) w.e.f. 15/06/2023 (IST) by filing of Articles of Amalgamation and confirmation by the Ontario Business Registry by vide OCN 1000501804 and Transaction no 46460689 and both the aforesaid Step-Down Subsidiaries, viz 250 and 232 are ceased to exist w.e.f. 15/06/2023

ii) Key Management Personnel (KMP) and their relatives

(i) Mr. Deep Kapuria (Executive Chairman and Whole Time Director)

(xii) Mr. Rajiv Batra (Independent Director)

(ii) Mr. Anant Jaivant Talaulicar (Vice Chairman and Non Executive Director)

(xiii) Mr. Vinit Taneja (Independent Director)

(iii) Mr. Pranav Kapuria (Managing Director)

(xiv) Mr. Kawal Jain (Non Executive Director)³

(iv) Mr. Anuj Kapuria (Whole Time Director)

(xv) Mr. Ramesh Shankarmal Piloni (Independent Director)⁴

(v) Mr. Sandeep Dinodia (Independent Director)

(xvi) Mr. Sumit Kumar (Chief Financial Officer)⁵

(vi) Mr. Anil Kumar Khanna (Independent Director)

(xvii) Mr. Kapil Rajora (Chief Financial Officer)⁶

(vii) Mr. Krishna Chandra Verma (Independent Director)

(xviii) Mr. Naveen Jain (Company Secretary)

(viii) Ms. Malini Sud (Independent Director)

(xix) Mrs. Veena Kapuria (Wife of Mr. Deep Kapuria)

(ix) Mr. Subir Kumar Chowdhury (Whole-time Director designated as "Executive Director and President")¹

(xvii) Mr. William J Costantino.(Independent Director)

(x) Mr. Amresh Kumar Verma (Whole-time Director)²

(xviii) Mr. Rajesh Kumar

(xi) Mr. Bidadi Anjani Kumar (Non Executive Director)

1. Mr. Subir Kumar Chowdhury, Whole-time Director designated as Executive Director and President resigned from the Board of the Company w.e.f October 18, 2023.

2. Mr. Amresh Kumar Verma appointed as Whole-time Director designated as "Key Managerial Personnel" of the Company by the Board in its meeting held on October 26, 2023 with immediate effect

3. Mr. Kawal Jain appointed as Non Executive Non Independent Director of the Company by the Board in its meeting held on October 26, 2023 with immediate effect

4. Mr. Ramesh Shankarmal Piloni appointed as Non Executive Independent Director of the Company by the Board in its meeting held on October 26, 2023 with immediate effect

5. Mr. Sumit Kumar resigned from the position of Chief Financial Officer and KMP with effect from closing of business hours dated August 14, 2023.

6. Mr. Kapil Rajora appointed as Chief Financial Officer and KMP with effect from dated August 15, 2023.

iii) 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

(v) Novus Hi-Tech Robotic Systemz Private Limited

(b) Transactions with related parties carried out in the ordinary course of business:**(₹ in Mn.)**

S.No	Particulars	Year	Subsidiary Group	Related Parties					Total
				Enterprise over which Key Management personnel and their relatives exercise significant influence					
				Aquarian Fibrecement Private Limited	Vulcan Electro Controls Limited	The Hi-Tech Engineering Systems Private Limited	The Hi-Tech Robotic Systems Limited	Key Management Personnel and its relatives	
1	Purchase of goods	31 March 2024 31 March 2023	- -	1,612.51 1,742.11	379.59 331.78	- -	- -	1,992.10 2,073.89	
2	Sale of goods	31 March 2024 31 March 2023	- -	3.39 0.41	- -	- -	- -	3.39 0.41	
3	Rendering of job work/services	31 March 2024 31 March 2023	- -	0.02 -	9.10 6.53	- -	- -	9.12 6.53	
5	Receiving of job work/services	31 March 2024 31 March 2023	- -	137.10 156.73	- -	35.00 30.00	- -	172.10 186.73	
6	Leasing or hire purchase arrangements	31 March 2024 31 March 2023	- -	18.90 18.00	- -	- -	4.85 4.41	23.75 22.41	
7	Remuneration paid*	31 March 2024 31 March 2023	- -	- -	- -	- -	146.65 105.94	146.65 105.94	
8	Sitting fees	31 March 2024 31 March 2023	- -	- -	- -	- -	1.89 0.80	1.89 0.80	
9	Re-imbusement received	31 March 2024 31 March 2023	- -	0.10 0.14	- 0.08	- -	- -	0.10 0.22	

* The remuneration of Key Managerial Personnel included in various schedules to statement of profit and loss is as under:

Particulars*	₹ in Mn)	
	31 March 2024	31 March 2023
Short term employee benefits	141.04	101.73
Post employee defined benefit		
Defined contribution plan	5.60	4.21

* Does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for all the employees together.

(c) Closing balance with related parties in the ordinary course of business :

S.No	Particulars	Year	Subsidiary Group	Related Parties					Total
				Enterprise over which Key Management personnel and their relatives exercise significant influence					
				Aquarian Fibrecement Private Limited	Vulcan Electro Controls Limited	The Hi-Tech Engineering Systems Private Limited	The Hi-Tech Robotic Systems Limited	Key Management Personnel and its relatives	
1	Trade payable	31 March 2024	-	256.52	85.49	5.40	5.40	-	347.41
		31 March 2023	-	247.80	165.73	5.40	5.40	-	420.55
2	Other payable	31 March 2024	-	-	-	-	-	5.98	5.98
		31 March 2023	-	-	-	-	-	11.26	11.26

Terms and conditions of transactions with related parties

- All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis
- For the year ended 31 March, 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (Previous year 31 March, 2023: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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Note - 38

Interest in other entities

The Group's subsidiaries at 31 March 2024 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 2024	31 March 2023	
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	NIL	100%	Real estate.
Neo-Tech Smart Solutions Inc.	Canada	CAD	100%	100%	Manufacturing and sales of General Engineering, Industrial Components and Automotive Industry.
2323532 Ontario Inc*	Canada	CAD	NIL	100%	Asset ownership, real estate.

*Pursuant to restructuring process, two Step-Down Subsidiaries i.e., 2323532 Ontario Inc. and 2504584 Ontario Inc. have been Amalgamated with 'The Hi-Tech Gears Canada Inc. (Step down Subsidiary of the Company) w.e.f. 15/06/2023 (IST) by filing of Articles of Amalgamation and confirmation by the Ontario Business Registry by vide OCN 1000501804 and Transaction no 46460689 and both the aforesaid Step-Down Subsidiaries, viz 250 and 232 are ceased to exist w.e.f. 15/06/2023

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 2024	31 March 2023
Net debt*	2,845.50	4,108.42
Total equity	4,661.53	3,307.43
Net debt to equity ratio	0.61	1.24

*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 2024	31 March 2023
1	Dy. Commissioner Customs Export, Tughlakabad, Delhi	0.15	0.15
2	Deputy Commissioner of Customs	-	1.18
3	The President of India (Through Asstt. / Dy Commissioner of Customs)	-	0.06
4	Commissioner of Custom	-	0.03
5	Dy. Commissioner Customs Export	-	0.13
6	The President of India (Through Asstt. / Dy Commissioner of Customs)	0.48	0.48
7	Deputy Commissioner of Customs	-	0.84
8	Rajasthan Rajya Vidut Prasaran Nigam Limited	0.03	0.03
9	Haryana City Gas Distribution (Bhiwadi) LTD	2.78	2.78
10	Haryana City Gas Distribution (Bhiwadi) LTD	0.70	0.70
11	The Chief Engineer (NPP And RA), Vidyut Bhawan	2.45	2.45
12	Ministry of Heavy Industries, Government of India, represented by IFCI Limited	10.00	10.00
13	Rajasthan Renewable Energy Corporation Limited	2.25	2.25
14	Rajasthan Renewable Energy Corporation Limited	1.70	1.70
	Total	20.54	22.78



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

a) Direct Tax

(₹ in Mn)

S.No	Particulars	Period to which the amount relates	31 March 2024	31 March 2023
1	Income Tax Act, 1961 (Assistant Commissioner of Income Tax(TDS))	Assessment Year 2019-20	2.66	2.66
2	Income Tax Act, 1961	Assessment Year 2019-20	0.30	-
3	Income Tax Act, 1961	Assessment Year 2019-20	0.05	-
Total			3.01	2.66

b) Indirect Tax

(₹ in Mn)

S.No	Particulars	Period to which the amount relates	31 March 2024	31 March 2023
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 September 2017	1.60	1.60
5	Central Goods & Service Tax Act, 2017 (Deputy Commissioner, State GST Circle-B,-Bhiwadi)	July 2017 To December 2018	62.87	-
6	Central Goods & Service Tax Act, 2017 (Deputy Commissioner, State GST Circle-B,-Bhiwadi)	Jan 2019 To March 2019	2.30	-
7	Central Goods & Service Tax Act, 2017 (Deputy Commissioner, State GST Circle-B,-Bhiwadi)	September 2016 to September 2016	0.10	0.10
	Total		73.55	8.38

(3) There are three legal cases filed by past employees against the Company for re-instatement/settlement of their dues/remuneration related matters. All cases are pending at various stages at Camp Court, Bhiwadi, Rajasthan. There is one case filed in NCLT under the provision of IBC Act related to commercial dispute with parties. 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 ₹ 111.92 Mn after adjusting advances (Previous years: 31 March 2023: ₹ 269.16 Mn).

Note - 41

Dividends

A The Board of Directors at its meeting held on May 29, 2024 have recommended a Final dividend of ₹ . 5.00/- per equity share of ₹ 10/- each i.e. @ 50% on paid-up equity share capital of the company subject to approval of members at its ensuing Annual General Meeting.

B Dividend declared and paid in earlier years are as follows –

(₹ in Mn)

Nature	31 March 2024	31 March 2023
Final dividend	46.92	28.15

Note - 42

Leases disclosure as lessee

The Group has leases for land, solar plants, flat and office building. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability as a borrowings. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublease the asset to another party, the right-of-use asset can only be used by the Group. Some leases contain an option to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and other premises the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease.

A Lease payments not included in measurement of lease liability

The expense relating to payments not included in the measurement of the lease liability is as follows:

(₹ in Mn)

Particulars	31 March 2024	31 March 2023
Short-term leases	5.75	5.30
Leases of low value assets	-	-
Variable lease payments	-	-

B Total cash outflow for leases for the year ended 31 March 2024 was Rs. 46.61 Mn (previous year 31 March 2023 was Rs. 51.96 Mn).

C The Company has total commitment for short-term leases of Rs. 3.56 Mn as at 31 March 2024 (previous year 31 March 2023 was Rs. 5.67 Mn).

D Amounts recognised in the statement of profit or loss:

(₹ in Mn)

Particulars	31 March 2024	31 March 2023
Amortization on right-of-use assets	27.71	10.80
Interest on lease liabilities	23.48	21.13

E Maturity of lease liabilities

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

(₹ in Mn)

31 March 2024	Minimum lease payments due						
	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
Lease payments	44.67	46.57	48.67	51.00	37.64	356.62	585.17
Interest expense	26.22	24.41	22.23	19.68	16.98	161.25	270.77
Net present values	18.45	22.16	26.44	31.32	20.66	195.37	314.40

31 March 2023	Minimum lease payments due						
	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
Lease payments	36.71	23.73	23.55	23.36	23.18	376.62	507.15
Interest expense	19.31	18.52	18.07	17.60	17.15	176.21	266.85
Net present values	17.40	5.21	5.48	5.76	6.03	200.42	240.30

F Variable lease payments are expensed in the period they are incurred. Expected future cash outflow as at 31 March 2024 is Nil (31 March 2023 is of Rs.Nil).

G Information about extension and termination options

Right of use assets	Number of leases	Range of remaining term	Average remaining lease term	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
Land	6	21-92 years	59 years	2	4	2
Residential flat	6	71-76 years	75 years	0	6	0
Office premises	1	1 year	1 year	1	0	1
Factory premises	2	5-10 years	7 years	2	0	2
Solar plants	1	22 years	22 years	1	1	1



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 2024	31 March 2023
Present value of the obligation at end	43.75	45.76
Net obligation recognised in balance sheet as provision	43.75	45.76
Current liability (amount due within one year)	5.61	7.66
Non-current liability (amount due over one year)	38.14	38.10

ii) Expenses recognized in consolidated statement of profit and loss

(₹ in Mn)

Particulars	31 March 2024	31 March 2023
Current service cost	7.16	8.41
Interest cost	3.37	2.90
Actuarial (gain)/loss net on account of: Changes in experience adjustment	3.50	2.63
Cost recognized during the year	14.03	13.95

iii) Movement in the liability recognized in the consolidated balance sheet is as under:

(₹ in Mn)

Particulars	31 March 2024	31 March 2023
Present value of defined benefit obligation at the beginning of the year	45.76	40.72
Current service cost	7.16	8.41
Interest cost	3.37	2.90
Actuarial (gain)/loss net	3.50	2.63
Benefits paid	(16.04)	(8.90)
Present value of defined benefit obligation at the end of the year	43.75	45.76

iv) (a) For determination of the liability of the Group the following actuarial assumptions were used:

Particulars	31 March 2024	31 March 2023
Discount rate	7.23%	7.37%
Salary escalation rate	8.50%	8.50%
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	0.00%	0.00%
Leave lapse rate on exit	0.00%	0.00%
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 2024	31 March 2023
0 to 1 year	5.61	7.66
1 to 2 year	2.34	2.53
2 to 3 year	1.78	2.38
3 to 4 year	2.82	1.71
4 to 5 year	2.50	2.52
5 to 6 year	2.21	2.51
6 year onwards	26.48	26.44

v) **Sensitivity analysis for compensated absences liability**

(₹ in Mn)

Particulars	31 March 2024	31 March 2023
a) Impact of the change in discount rate		
Present value of obligation at the end of the year	43.75	45.76
Impact due to increase of 0.50 %	(1.85)	(1.84)
Impact due to decrease of 0.50 %	1.99	1.98
b) Impact of the change in salary increase		
Present value of obligation at the end of the year	43.75	45.76
Impact due to increase of 0.50 %	1.95	1.95
Impact due to decrease of 0.50 %	(1.83)	(1.83)

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 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 2024	31 March 2023
Present value of the obligation	142.89	145.62
Fair value of plan assets	156.55	156.75
Net (assets) / liability recognised in balance sheet as provision	(13.66)	(11.13)
Current (assets) liability (amount due within one year)	(13.66)	(11.13)

ii) **Gain recognised in other comprehensive income:**

(₹ in Mn)

Particulars	31 March 2024	31 March 2023
Actuarial gains/(loss) on asset	(0.33)	(0.34)
Actuarial gains/(loss) on PBO	6.95	13.19
Gain recognised in other comprehensive income	6.62	12.85

**iii) Actuarial (gain)/loss on obligation**

(₹ in Mn)

Particulars	31 March 2024	31 March 2023
Actuarial (gain)/loss net on account of:		
Changes in demographic assumptions	-	-
Changes in financial assumptions	1.23	(2.22)
Changes in experience adjustment	(8.18)	(10.97)

iv) Expenses recognized in consolidated statement of profit and loss

(₹ in Mn)

Particulars	31 March 2024	31 March 2023
Current service cost	9.54	11.15
Interest cost	(0.82)	(0.50)
Cost recognized during the year	8.72	10.65

v) Major categories of plan assets (as percentage of total plan assets)

Particulars	31 March 2024	31 March 2023
Government of India Securities	0%	0%
State Government securities	0%	0%
High Quality Corporate Bonds	0%	0%
Equity Shares of listed companies	0%	0%
Funds managed by insurer	100%	100%
Bank Balance	0%	0%
Total	100%	100%

vi) Change in plan assets is as under:

(₹ in Mn)

Particulars	31 March 2024	31 March 2023
Fair value of plan assets at the beginning of the period	156.76	154.92
Difference in Opening Fund	-	-
Actual return on plan assets	11.22	10.71
Employer contribution	4.63	1.88
Fund management charges	-	-
Benefits paid	(16.06)	(10.75)
Present value of defined benefit obligation at the end of the year	156.55	156.76

vii) Movement in the liability recognised in the consolidated balance sheet is as under:

(₹ in Mn)

Particulars	31 March 2024	31 March 2023
Present value of defined benefit obligation at the beginning of the year	145.62	147.89
Current service cost	9.54	11.15
Interest cost	10.73	10.53
Actuarial (gain)/loss net	(6.95)	(13.19)
Benefits paid	(16.05)	(10.75)
Present value of defined benefit obligation at the end of the year	142.89	145.63

viii) (a) For determination of the liability of the Group the following actuarial assumptions were used:

Particulars	31 March 2024	31 March 2023
Discount rate	7.23%	7.37%
Salary escalation rate	8.50%	8.50%
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	10.58	11.17

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 2024	31 March 2023
0 to 1 year	21.76	22.95
1 to 2 year	9.85	10.25
2 to 3 year	9.42	10.49
3 to 4 year	10.97	9.11
4 to 5 year	12.44	10.62
5 to 6 year	11.14	11.24
6 year onwards	67.31	70.95

ix) Sensitivity analysis for compensated absences liability

(₹ in Mn)

Particulars	31 March 2024	31 March 2023
a) Impact of the change in discount rate		
Present value of obligation at the end of the year	142.89	145.62
Impact due to increase of 0.50 %	(4.35)	(4.46)
Impact due to decrease of 0.50 %	4.62	4.74
b) Impact of the change in salary increase		
Present value of obligation at the end of the year	142.89	145.62
Impact due to increase of 0.50 %	4.26	4.39
Impact due to decrease of 0.50 %	(4.08)	(4.23)

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 1 April 2022	36.40
Additional provision recognised	(20.31)
As at '31 March 2023	16.09
Additional provision recognised	15.13
As at '31 March 2024	31.22

*This provision reflects the amount that could be payable on account of foreign exchange adjustment on export.

Note - 45**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	31 March 2024	31 March 2023
Contract liabilities at the beginning of the year	55.30	38.13
Less: performance obligations satisfied in current year	(37.68)	(2.28)
Add: advance received during the year.	4.85	19.45
	22.47	55.30



Disaggregation of revenue

Revenue arises mainly from the sale of manufactured and traded goods, sale of software, and job work services.

(₹ in Mn)

Description	31 March 2024	31 March 2023
Sale of goods	10,803.43	11,379.64
Job work	265.62	312.59
	11,069.05	11,692.23

(₹ in Mn)

Description	31 March 2024	31 March 2023
India	5,648.40	5,622.81
America	4,334.94	5,303.36
Others	1,085.71	766.06
	11,069.05	11,692.23

Reconcile the amount of revenue recognised in the statement of profit and loss with the contracted price

(₹ in Mn)

Description	31 March 2024	31 March 2023
Revenue recognised during the year	11,069.05	11,694.64
Less: Discount, rebates, credits etc.	-	(2.41)
Revenue as per the contract	11,069.05	11,692.23

Timing of Revenue recognition:

(₹ in Mn)

Description	Year ended 31 March 2024	Year ended 31 March 2023
Revenue recognised at point in time		
Sale of goods	10,803.43	11,379.64
Revenue recognised over time		
Job work	265.62	312.59
	11,069.05	11,692.23

Note - 45A

Derivative financial instruments and hedge accounting

The Company is exposed to foreign currency risk from foreign currency borrowings and highly probable forecasted sales, primarily denominated in USD and EURO. The Company has a risk management policy which aims to hedge foreign currency and interest rate arising from its borrowings denominated in a currency other than the functional currency of the Company. The Company uses cross currency swap and interest rate swaps to hedge its exposure to foreign currency and interest rate risk. The Company designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in cash flow hedges.

Hedge ineffectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company uses dollar offset method using a hypothetical derivatives, dollar offset method is a quantitative method that consists of comparing the change in fair value or cash flows of the hedging instrument with the change in fair value or cash flows of the hedged item attributable to the hedged risk.

The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk and notional amount of the hedging instruments are identical to the hedged items.

Impact of hedging activities

(a) Disclosures of effects of hedge accounting on balance sheet:

As on 31 March 2024

(₹ in Mn)

Type of hedge and risks	Notional amount	Carrying amount of hedging instruments		Maturity dates	Hedge ratio	Weighted average strike price/rate	Change in fair value of hedging instruments	Change in value of hedged item used as the basis for recognising hedge effectiveness
		Assets (₹ in mn)	Liabilities (₹ in mn)					
Cash flow hedge								
<i>Foreign exchange risk</i>								
(i) Cross currency swaps	EUR 6.46	-	10.31	Jun 2020 - Dec 2024	1:1	78.18	(13.83)	13.83
<i>Interest rate risk</i>								
(ii) Interest rate swaps	USD -	-	-				(22.52)	22.52

As on 31 March 2023

(₹ in Mn)

Type of hedge and risks	Notional amount	Carrying amount of hedging instruments		Maturity dates	Hedge ratio	Weighted average strike price/rate	Change in fair value of hedging instruments	Change in value of hedged item used as the basis for recognising hedge effectiveness
		Assets (₹ in mn)	Liabilities (₹ in mn)					
Cash flow hedge								
<i>Foreign exchange risk</i>								
(i) Cross currency swaps	EUR 6.46	-	25.28	Jun 2020 - Dec 2024	1:1	78.18	-25.02	25.02
<i>Interest rate risk</i>								
(ii) Interest rate swaps	USD 18.21	4.02	-	May 2020 - Feb 2024	1:1	3.18%	-7.14	7.14

(b) Disclosure of effects of hedge accounting on statement of profit and loss

For the year ended 31 March 2024

(₹ in Mn)

Type of hedge	Change in value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised	Amount reclassified from cash flow hedge reserve	Line item affected on reclassification
Cash flow hedge				
Foreign exchange risk	(13.83)	-	28.79	Revenue
Interest rate risk	(22.52)	-	-	Finance cost

For the year ended 31 March 2023

(₹ in Mn)

Type of hedge	Change in value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised	Amount reclassified from cash flow hedge reserve	Line item affected on reclassification
Cash flow hedge				
Foreign exchange risk	-25.02	-	25.53	Revenue
Interest rate risk	(7.14)	-	-1.16	Finance cost

(c) Movement in cash flow hedging reserve

(₹ in Mn)

	Year ended 31 March 2024	Year ended 31 March 2023
<u>Cash flow hedge reserve</u>		
Opening Balance	(0.87)	4.96
Add: Changes in fair value of hedging instruments	(36.34)	(32.16)
Less: Amounts reclassified to profit or loss	28.79	24.37
Less: Deferred tax relating to above (net)	6.34	1.96
Balance as at 31 March 2024	(2.08)	(0.87)

Note - 46

Notes to the consolidated financial statements for the year ended 31 March 2024

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	254587 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 23 to March 24	April 23 to March 24	April 23 to March 24	April 23 to March 24	April 23 to March 24	April 23 to March 24	April 23 to March 24	April 23 to March 24	April 23 to March 24
2	Reporting currency	CAD	CAD	CAD	CAD	USD	USD	USD	USD	CAD
3	Exchange rate	Rs 61.28/CAD for BSRs 61.30/CAD for PL	Rs 61.28/CAD for BSRs 61.30/CAD for PL	Rs 61.28/CAD for BSRs 61.30/CAD for PL	CAD 1.355/USD and then Rs 61.28/CAD for BS Rs 61.30/CAD for PL	CAD 1.355/USD and then Rs 61.28/CAD for BS Rs 61.30/CAD for PL	CAD 1.355/USD and then Rs 61.28/CAD for BS Rs 61.30/CAD for PL	CAD 1.355/USD and then Rs 61.28/CAD for BS Rs 61.30/CAD for PL	Rs 83.41/USD for BS Rs 82.69/USD for PL	Rs 61.28/CAD for BS Rs 61.30/CAD for PL
4	Share Capital	1,534.55	-	-	2,456.99	162.03	0.00	-	0.64	13.78
5	Reserves & Surplus	(470.03)	-	-	(764.03)	224.43	121.49	(114.01)	0.52	(11.50)
6	Total Liabilities	1,950.37	-	-	2,616.15	3.06	316.37	394.09	1.88	1.06
7	Total Assets	3,014.89	-	-	4,309.11	389.52	437.86	280.08	3.04	3.35
8	Investments	2,844.66	-	-	192.80	-	-	-	-	-
9	Turnover	14.13	-	7.55	3,270.98	-	35.30	269.11	-	-
10	Profit/(Loss) before Taxation	(84.36)	-	1.52	143.31	(0.64)	29.31	(14.94)	(0.00)	(0.57)
11	Provision for Taxation/Earlier year Tax/DTA/DTL	-	-	0.45	120.46	-	1.66	0.76	-	-
12	Profit/(Loss) after Taxation	(84.36)	-	1.07	22.85	(0.64)	27.66	(15.10)	(0.00)	(0.57)
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%



For the year ended 31 March 2023

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 22 to March 23	April 22 to March 23	April 22 to March 23	April 22 to March 23	April 22 to March 23	April 22 to March 23	April 22 to March 23	April 22 to March 23	April 22 to March 23
2	Reporting currency	CAD	CAD	CAD	CAD	USD	USD	USD	USD	CAD
3	Exchange rate	Rs 60.68/CAD for BS Rs 60.77/CAD for PL	Rs 60.68/CAD for BS Rs 60.77/CAD for PL	Rs 60.68/CAD for BS Rs 60.77/CAD for PL	Rs 60.68/CAD for BS Rs 60.77/CAD for PL	CAD 1.35/USD and then Rs 60.68/CAD for BS Rs 60.77/CAD for PL	CAD 1.35/USD and then Rs 60.68/CAD for BS Rs 60.77/CAD for PL	CAD 1.35/USD and then Rs 60.68/CAD for BS Rs 60.77/CAD for PL	Rs 82.18/USD for BS Rs 80.41/USD for PL	Rs 60.68/CAD for BS Rs 60.77/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	(126.78)	0.00	89.50	(895.91)	220.81	92.81	(97.83)	0.50	(10.96)
6	Total Liabilities	1,927.15	-	167.63	1,663.18	2.39	312.66	372.64	1.77	0.42
7	Total Assets	3,334.91	0.01	257.14	3,224.25	385.23	405.47	274.81	2.91	3.25
8	Investments	3,087.03	0.01	-	190.92	-	-	-	-	-
9	Turnover	14.13	-	36.19	3,740.88	-	34.77	360.72	-	1.01
10	Profit/(Loss) before Taxation	(95.23)	-	0.71	(4.99)	(0.59)	19.46	19.73	(0.37)	0.35
11	Provision for Tax/Earlier year Tax Adj	-	-	0.44	(69.29)	-	1.54	-	-	-
12	Profit/(Loss) after Taxation	(95.23)	-	0.27	64.29	(0.59)	17.92	19.73	(0.37)	0.35
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%

Notes:

- a) Subsidiary Company(ies) do not have any investment in the Holding Company.
- b) There are no associate or joint venture of the Holding Company, hence Part - B of AOC - 1 is not applicable.

Note - 47

Additional information in pursuant to Schedule III of the Companies Act, 2013

For the year ended 31 March 2024

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	Holding	94.97%	4,427.14	44.14%	504.33	23.53%	4.23	43.82%	508.56
2	Subsidiaries Neo-Tech Auto System, Inc., USA Neo-Tech Smart Solutions Inc., Canada 2545887 Ontario Inc.	0.02% 0.05% -9.98%	1.16 2.28 (465.00)	0.00% -0.05% -7.38%	(0.00) (0.57) (84.36)	0.10% 0.17% 76.21%	0.02 0.03 13.69	0.00% -0.05% -6.09%	0.01 (0.54) - 70.67
3	Step down subsidiaries The Hi-Tech Gears Canada Inc Teutech Holding Corporation Teutech LLC Teutech Leasing Corporation 2504584 Ontario Inc 2323532 Ontario Inc	11.36% -0.48% 1.00% 3.06% 0.00% 0.00%	529.33 (22.24) 46.42 142.44 - -	62.16% -0.06% -1.32% 2.42% 0.00% 0.09%	710.15 (0.64) (15.10) 27.66 - 1.07	0.00% 0.00% 0.00% 0.00% 0.00% 0.00%	- - - - - -	61.19% -0.06% -1.30% 2.38% 0.00% 0.09%	710.15 (0.64) (15.10) 27.66 - 1.07
	Total	100.00%	4,661.53	100.00%	1,142.53	100.00%	17.96	100.00%	1,160.49

For the year ended 31 March 2023

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	Holding	112.19%	3,976.22	217.81%	503.44	13.06%	3.85	194.63%	507.29
2	Subsidiaries Neo-Tech Auto System, Inc., USA Neo-Tech Smart Solutions Inc., Canada 2545887 Ontario Inc.	0.01% -0.31% -11.13%	0.50 (10.96) (394.32)	-0.16% 0.15% -146.20%	(0.37) 0.35 (337.93)	0.37% -0.86% 87.43%	0.11 (0.25) 25.79	-0.10% 0.04% -119.76%	(0.26) 0.10 (312.14)
3	Step down subsidiaries The Hi-Tech Gears Canada Inc Teutech Holding Corporation Teutech LLC Teutech Leasing Corporation 2504584 Ontario Inc 2323532 Ontario Inc	-5.97% -0.61% 1.74% 3.24% 0.00% 0.84%	(211.71) (21.60) 61.52 114.78 - 29.83	12.25% -0.25% 8.54% 7.75% 0.00% 0.12%	28.32 (0.59) 19.73 17.92 - 0.27	0.00% 0.00% 0.00% 0.00% 0.00% 0.00%	- - - - - -	10.87% -0.23% 7.57% 6.88% 0.00% 0.10%	28.32 (0.59) 19.73 17.92 - 0.27
	Total	100.00%	3,544.26	100.00%	231.14	100.00%	29.50	100.00%	260.64



Note - 48

ESOP Related Disclosure

a. Description of share based payment arrangements

i. Share Options Schemes

The Hi-Tech Gears Limited Stock Incentives Plan, 2021

The Scheme has been adopted by the Board of Directors on 12 April 2021, read with the Special Resolution passed by the Members of the Company on 29 September 2021 and shall be deemed to come into force with effect from 29 September 2021 being the date of approval by the Members. The maximum number of options that can be granted to any eligible employee were reserved at 600,000 Equity shares representing 3.20% of the outstanding number of shares issued by the company on the date when the plan is approved. For vesting, there shall be a lock in of minimum period of one year between Grant of options and its vesting. Vesting of Options will take place over period of four years in the manner as under:

- On completion of Year 3 from date of Grant: 50% of options granted
- On completion of Year 4 from date of Grant: 50% of options granted
- Employee's continuity in the organization
- No disciplinary proceeding pending against the Participants on the date of vesting

Further, vesting condition has been revised in the meetings of Board of Directors on 5 Nov. 2022 & 22 Nov. 2022 as follows:-

Vesting Schedule: end of		
1st Year	2nd Year	3rd Year
34%	33%	33%

Set out below is a summary of options granted under the plan:

	31 March 2024		31 March 2023	
	Weighted average exercise price per share option (INR)	Number of options	Weighted average exercise price per share option (INR)	Number of options
Opening balance	10	81,887	-	-
Granted during the year	10	17,583	10	95,220
Exercised during the year	10	(10,186)	-	-
Forfeited/expired during the year	10	(42,162)	10	(13,333)
Closing balance	10	47,122	10	81,887
Vested and exercisable	10	4185	-	-

Share options outstanding at the end of the year has following exercise prices and weighted average remaining contractual life:

Grant date	31 March 2024			31 March 2023		
	Exercise price	Share options	weighted average remaining contractual life	Exercise price	Share options	weighted average remaining contractual life
05 November 2022	10	0	2.10	10	12,545	3.10
05 November 2022	10	3666	3.10	10	12,172	4.10
05 November 2022	10	3666	4.10	10	12,172	5.10
22 November 2022	10	4185	2.15	10	15,300	3.15
22 November 2022	10	9011	3.15	10	14,849	4.15
22 November 2022	10	9011	4.15	10	14,849	5.15
09 January 2024	10	5981	3.28	-	-	-
09 January 2024	10	5801	4.28	-	-	-
09 January 2024	10	5801	5.28	-	-	-

**b. Measurement of fair values**

The fair values are measured based on the Black-Scholes-Merton model. The fair value of the options and inputs used in the measurement of the grant date and measurement date fair values of the equity -settled and cash settled share based payments are as follows:

Options granted on	Fair value per Option at grant date (in INR)	Share price at grant date (in INR)	Exercise price (in INR)	Expected volatility	Expected life (in years)	Expected dividend yield	Risk-free interest rate
05 November 2022	211.94	225.85	10	59.71%	3.50	0.66%	6.96%
05 November 2022	211.94	225.85	10	55.49%	4.50	0.66%	7.07%
05 November 2022	211.94	225.85	10	53.10%	5.50	0.66%	7.13%
22 November 2022	244.12	258.1	10	59.71%	3.50	0.58%	6.81%
22 November 2022	244.12	258.1	10	55.49%	4.50	0.58%	6.91%
22 November 2022	244.12	258.1	10	53.10%	5.50	0.58%	6.97%
09 Janaury 2024	469.93	488.4	10	55.78%	3.50	0.51%	6.78%
09 Janaury 2024	469.93	488.4	10	58.62%	4.50	0.51%	6.80%
09 Janaury 2024	469.93	488.4	10	56.48%	5.50	0.51%	6.82%

c. Effect of employee stock option schemes on the statement of profit and loss

Particulars	31 March 2024	31 March 2023
Employee stock option scheme expense	1.38	4.34
	1.38	4.34

Note - 49**OTHER STATUTORY INFORMATION**

- (i) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Group do not have any transactions with companies struck off.
- (iii) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The Group have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (viii) The Group has borrowings from banks and others on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Group with banks and others are in agreement with the books of accounts.

For YAPL & Co.
Chartered Accountants
Firm Registration No. 017800N

For and on behalf of
The Hi-Tech Gears Limited

CA. Sakshi Garg
(Partner)
Membership No. 553997
UDIN: 24553997BKBZL08584

Deep Kapuria
Executive Chairman
DIN 00006185
Place: New Delhi

Pranav Kapuria
Managing Director
DIN 00006195
Place: New Delhi

Place: Ludhiana
Date: May 29, 2024

Kapil Rajora
Chief Financial Officer
Place: New Delhi

Naveen Jain
Company Secretary
Place: New Delhi

NOTICE

NOTICE is hereby given that the 38th Annual General Meeting ("AGM") of the Members of M/s The Hi-Tech Gears Limited will be held on Thursday, September 26, 2024 at 5:00 P.M. (IST) at the registered office of the Company at Plot No. 24, 25, 26, Sector-7, IMT Manesar, Gurugram, Haryana-122050 along with the facility to attend the AGM through Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM") to transact the following business:

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, 2024, together with the Reports of the Directors' and Auditors' thereon.
2. To declare the final dividend @ 50% i.e. ₹ 5.00/- (Rupees five Only) per equity share of ₹ 10 each for the financial year 2023 -2024 as recommended by Board of Directors.
3. To appoint a director in place of Mr. Bidadi Anjani Kumar (DIN:00022417), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Mr. Pranav Kapuria (DIN: 00006195), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

5. Approval of remuneration of Cost Auditor for the financial year 2024-2025

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 Accountants appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year 2024-2025, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting.

RESOLVED FURTHER THAT the Board of Directors or Company Secretary be and is hereby authorized to take all steps as may be necessary, proper, or expedient to give effect to the above Resolution."

6. Appointment And Remuneration of Mr. Girish Narang (DIN-09518880) as Whole Time Director & Key Managerial Personnel designated as "Executive Director" of the Company

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and 160, 196 and 203 of the Companies Act, 2013 ("Act") read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and any other applicable rules made thereunder (including any statutory modifications or re-enactments thereof for the time being in force) and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") as amended from time to time, the consent of the shareholders be and is hereby accorded for the appointment and terms of remuneration of Mr. Girish Narang (DIN-09518880) as a Whole-Time Director and Key Managerial Personnel designated as "Executive Director" of the company for a period of three (3) years, effective from August 6, 2024 to August 05, 2027, upon the terms and conditions as recommended by the Nomination and Remuneration Committee ("NRC") and approved by the Board of Directors ("Board") and in respect of whom the Company has received a Notice in writing under the provisions of Section 160 of the Act proposing his candidature for the office of Director as Whole Time Director & Key Managerial Personnel designated as "Executive Director" of the Company, being liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 197, 198, Schedule V and other applicable provisions of the Act, read with the applicable rules made thereunder (including any statutory modifications or re-enactments thereof for the time being in force) and other applicable provisions of SEBI LODR Regulations, Mr. Girish Narang (DIN- 09518880) be paid the following remuneration w.e.f. August 6, 2024, for a period of three (3) years (i.e. August 6, 2024 to August 05, 2027 as Whole Time Director & Key Managerial Personnel designated as "Executive Director" of the Company: -

Remuneration (Fixed +Variable)

Salary, (Allowances & Perquisites)* All together are as under: -

From August 6, 2024, to August 05, 2027	Not exceeding ₹ 70 Lakhs 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 utilization 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 by the Board from time to time up to the limit 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 reenactment(s) thereof, for the time being in force]."

RESOLVED FURTHER THAT the Board of Directors or Executive Chairman or Managing Director be and is hereby authorised to make a proper remuneration package consisting of various components within the overall aforesaid limit and to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including approval of the other authorities as may be required in order to give effect to this resolution"

7. Appointment of Mr. Arjun Juneja (DIN: 00704349) as a Non-Executive & Independent Director of the Company

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149,150, 152, read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") (including any statutory modification, amendment or re-enactment thereof for the time being in force, the provisions of Articles of Association of the Company and based on the recommendations of the Nomination & Remuneration Committee and Board of Directors of the Company, the approval of the Shareholders be and is hereby accorded for appointment of Mr. Arjun Juneja (DIN: 00704349), Non-Executive & Independent Director of the Company to hold office for a term of five (5) consecutive years from the date of his appointment i.e., August 06, 2024 upto August 05, 2029 not liable to retire by rotation and who has submitted a declaration that he meets the criteria of independence as laid under Section 149 of the Act and Regulation 16 of the SEBI LODR Regulations and in respect of whom the Company has received a Notice in writing under the provisions of Section 160 of the Act proposing his candidature for the office of Director.

RESOLVED FURTHER THAT Board of Directors or Executive Chairman or Managing Director 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 (including a duly constituted Committee), filing of necessary returns/forms to the appropriate authorities."



8. Appointment of Mr. Deval Mahadev Desai (DIN- 07539095) as a Non-Executive & Independent Director of the Company

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149,150, 152, read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), the Companies (Appointment and Qualification of Directors) Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”) (including any statutory modification, amendment or re-enactment thereof for the time being in force, the provisions of Articles of Association of the Company and based on the recommendations of the Nomination & Remuneration Committee and Board of Directors of the Company, the approval of the Shareholders be and is hereby accorded for appointment of Mr. Deval Mahadev Desai (DIN- 07539095), Non-Executive & Independent Director of the Company to hold office for a term of five (5) consecutive years from the date of his appointment i.e., August 06, 2024 upto August 05, 2029 not liable to retire by rotation and who has submitted a declaration that he meets the criteria of independence as laid under Section 149 of the Act and Regulation 16 of the SEBI LODR Regulations and in respect of whom the Company has received a Notice in writing under the provisions of Section 160 of the Act proposing his candidature for the office of Director.

RESOLVED FURTHER THAT Board of Directors or Executive Chairman or Managing Director 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 (including a duly constituted Committee), filing of necessary returns/forms to the appropriate authorities.”

9. Appointment of Mr. Vikram Rupchand Jaisinghani (DIN- 00286606) as a Non-Executive & Independent Director of the Company

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149,150, 152, read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), the Companies (Appointment and Qualification of Directors) Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”) (including any statutory modification, amendment or re-enactment thereof for the time being in force, the provisions of Articles of Association of the Company and based on the recommendations of the Nomination & Remuneration Committee and Board of Directors of the Company, the approval of the Shareholders be and is hereby accorded for appointment of Mr. Vikram Rupchand Jaisinghani (DIN- 00286606), Non-Executive & Independent Director of the Company to hold office for a term of five (5) consecutive years from the date of his appointment i.e., August 06, 2024 upto August 05, 2029 not liable to retire by rotation and who has submitted a declaration that he meets the criteria of independence as laid under Section 149 of the Act and Regulation 16 of the SEBI LODR Regulations and in respect of whom the Company has received a Notice in writing under the provisions of Section 160 of the Act proposing his candidature for the office of Director.

RESOLVED FURTHER THAT Board of Directors or Executive Chairman or Managing Director 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 (including a duly constituted Committee), filing of necessary returns/forms to the appropriate authorities.”

10. Appointment of Mr. Sameer Gupta (DIN- 00513925) as a Non-Executive & Independent Director of the Company

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149,150, 152, read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), the Companies (Appointment and Qualification of Directors) Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”) (including any statutory modification, amendment or re-enactment thereof for the time being in force, the provisions of Articles of Association of the Company and based on the recommendations of the Nomination & Remuneration Committee and Board of Directors of the Company, the approval of the Shareholders be and is hereby accorded for appointment of Mr. Sameer Gupta (DIN- 00513925), Non-Executive & Independent Director of the Company to hold office for a term of five (5) consecutive years from the date of his appointment i.e., August 06, 2024 upto August 05, 2029 not liable to retire by rotation and who has submitted a declaration that he meets the criteria of independence as laid under Section 149 of the Act and Regulation 16 of the SEBI LODR Regulations and in respect of whom the Company has received a Notice in writing under the provisions of Section 160 of the Act proposing his candidature for the office of Director.

RESOLVED FURTHER THAT Board of Directors or Executive Chairman or Managing Director 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 (including a duly constituted Committee), filing of necessary returns/forms to the appropriate authorities.”

**By order of the Board of Directors
The Hi-Tech Gears Limited**

**Place: New Delhi
Date: 06/08/2024**

**Naveen Jain
Company Secretary
Membership No: - A15237**

Registered Office:
Plot No. 24,25,26, Sector-7,
IMT Manesar, Gurugram,
Haryana 122050

NOTES:

- 1. 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.**

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10 % 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.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company at Plot No. 24,25,26, Sector-7, IMT Manesar, Gurugram, Haryana 122050, 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.

1A Pursuant to the Circular issued by Ministry of Corporate Affairs through its dated April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021, May 05, 2022, and December 28, 2022 and subsequent circulars issued in this regard, the latest being 9/2023 dated September 25, 2023, ('MCA Circulars') and SEBI Circular dated May 12, 2020, January 15, 2021, May 13, 2022, January 05, 2023 and October 7, 2023 ('SEBI Circulars') and other applicable circulars issued in this regard, have allowed the companies to conduct their AGM through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) till September 30, 2024.

Hence, those members who are unable to attend the meeting physically may attend the meetings through VC or OAVM.

2. A Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. Participation of Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act along with members physically present at the AGM Venue.
4. Corporate Members are requested to send the details of their authorized representatives along with a duly certified copy of the Board Resolution to attend this meeting and to vote through remote e-voting in pursuant to Section 113 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder. The said Resolution/ Authorization shall be sent electronically by email to the Scrutinizer at its registered e-mail address nirbhaykumar77@gmail.com.
5. National Securities Depositories Limited ("NSDL") will be providing facility for voting through remote e-Voting and e-Voting during the Annual General Meeting for participation in the meeting through VC/OAVM.
6. The Members can join the AGM in the VC/OAVM mode 15 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The Members will be able to view the proceedings by logging into the NSDL's e-Voting website at www.evoting.nsdl.com. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
7. The Board of Directors of the Company has recommended to the shareholders a final dividend @50% i.e. ₹ 5 (Rupees five Only) per equity share. If final dividend on shares is approved at the ensuing AGM, payment of such dividend will be made to those members, whose names appear in the Register of Members on September 19, 2024. In respect of the shares held in electronic form, the dividend will be payable to the beneficial owners of the shares as on the closing hours of business on September 19, 2024 as per the details furnished by the depositories.
8. 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 shall remain closed from September 20, 2024 to September 26, 2024 (both days inclusive) for the purpose of payment of final dividend, if approved by the shareholders.
9. The Secretarial Auditor has issued Certificate that the ESOP Scheme is being implemented in accordance with Regulation 13 of SEBI (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 and in accordance with the Resolution of the Shareholders of the Company and Nomination & Remuneration Committee of the Board of Directors.

10. Pursuant to Finance Act, 2020 Dividend income will be taxable in the hands of the shareholder w.e.f 1st April, 2020 and the Company is required to deduct tax at source (TDS) from dividend paid to members at prescribed rates in the Income Tax Act, 1961. In general, to enable compliance with TDS requirements members are requested to complete and/or update their Residential status, PAN, Category as per the IT Act with their Depository Participant or in case shares are held in physical form, with the Company. However, no tax shall be deducted on the dividend payable to a resident individual shareholder if the total dividend to be received does not exceeds ₹ 5000/- (Rupees Five Thousand Only). The Company has also sent an email to all the shareholders at their registered email ids in this regard. Members are requested to write to the RTA at investor@masserv.com for any queries/ questions in this regard.
11. 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/reappointment.

The Securities and Exchange Board of India ('SEBI') vide its circular no., SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 read with circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021 has made it mandatory for the shareholders holding securities in physical form to furnish PAN, contact detail, KYC (complete address with pin-code), bank detail with MICR-Code & IFSC no., Email-ID, Mobile Number), Nomination details and specimen signature to the Registrar and Transfer Agent ('RTA') of the Company effective from January 01, 2022. Registrar will not process, any service requests or complaints received from the shareholder until unless abovementioned Pan, KYC detail and nomination details are completed by shareholder. Further, The Securities and Exchange Board of India ('SEBI') vide its circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated November 17, 2023 has mandated that with effect from April 1, 2024, dividend to security holders (holding securities in physical form), shall be paid only through electronic mode. Such payment shall be made only after furnishing the PAN, choice of nomination, contact details including mobile number, bank account details and specimen signature.

In view of the above, shareholders of the Company holding securities in physical form are requested to provide following documents/details to RTA 'In Person Verification' (IPV) or Post or electronic mode with e-sign; unless otherwise prescribed in the Companies Act, 2013 or the Rules issued thereunder or in SEBI Regulations or Circulars issued thereunder:

- i. PAN; (using ISR-1)
- ii. Nomination in Form No.SH-13 or submit declaration to 'Opt-out' in Form ISR-3;
- iii. Contact details including Postal address with PIN code, Mobile Number, E-mail address;
- iv. Bank Account details including Bank name and branch, Bank account number, IFS code;
- v. Specimen signature. (using ISR-2)
- vi. Any cancellation or change in nomination shall be provided in Form No.SH-14

All of aforementioned required documents/details are to be sent at the registered office of the company or RTA office. The shareholders can download the forms mentioned in SEBI circular from the website of the Company or RTA website i.e. www.masserv.com.

12. In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form with effect from April 01, 2019, except in case of request received for transmission or transposition of securities.



Further, SEBI, in continuation of its efforts to enhance ease of dealing in securities market by investors, vide its circular SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, has mandated the listed entities to issue securities for the following requests in dematerialized form:-

- i. Issue of duplicate securities certificate;
- ii. Claim from Unclaimed Suspense Account;
- iii. Renewal/ Exchange of securities certificate;
- iv. Endorsement;
- v. Sub-division/Splitting of securities certificate;
- vi. Consolidation of securities certificates/folios.
- vii. Transmission; and
- viii. Transposition.

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. It may be noted that any service request can be processed only after the folio is KYC Compliant.

13. 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 eligible for transfer to the "Investor Education and Protection Fund (IEPF)" constituted by the Central Government and thereafter, the shareholders would not be able to make any claims as to the amount of dividend so transferred to the fund from the Company.
14. During the financial year 2023-24, the Company has transferred the unpaid or unclaimed dividends declared for the financial years FY 2015-16 (Final dividend) and financial years 2016-17 (Interim Dividend) to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Subsequently, all shares in respect of which dividends remain unclaimed/ unpaid for seven consecutive years or more are also transferred to IEPF Authority.
15. Adhering to various requirements set out in the IEPF Rules, the Company has taken appropriate action for transferring the shares to the Demat Account opened by the IEPF Authority. The Company has also uploaded details of such members whose shares are transferred to IEPF Account on its website at www.thehitechgears.com.
16. 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. In case of joint holders, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM. With a view to helping us serve the members better, members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company to consolidate their holdings in one folio.
17. As per the provision of Section 89 read with Section 90 of the Companies Act, 2013, 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.

18. 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.
19. Dispatch of Annual Report Through Electronic Mode: In Compliance with the MCA Circulars dated May 12, 2020, January 15, 2021, and SEBI Circular May 13, 2022, January 5, 2023, October 07, 2023 notice of AGM along with the Annual Report 2023-24 is being sent only through electronic mode to those members whose e-mail addresses are registered with the Company/ Depository. Members may note that the notice of AGM and Annual Report 2023-24 will also be available on the Company's website at <https://www.thehitechgears.com/investors.php>, website of the Stock Exchanges where the shares of the company are listed i.e. BSE Ltd. at www.bseindia.com and National Stock Exchange of India Ltd. at www.nseindia.com.
20. The shareholders who have not registered their e-mail address or registered an incorrect email address and in consequence the Annual Report, Notice of AGM and e-voting details could not be serviced, for receiving all communications(including Annual Report) members may send a signed request letter providing the e-mail address, mobile number, self-attested PAN copy along with client master copy (in case of electronic folio)/ copy of share certificate (in case of physical folio) via e-mail at the e-mail id investor@masserv.com or secretarial@thehitechgears.com for obtaining the Annual Report and Notice of AGM of the Company.
21. The physical copies of the documents will also be available at the Company's Registered Office for inspection during 11:00 A.M. to 5:00 P.M on any working day except Saturdays and Sundays upto the date of the AGM. 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.
22. 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. 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.
23. 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 AGM 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 AGM.
24. SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/ CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/ OIAE_IAD-1/P/CIR/2023/135 dated August 4, 2023, read with Master Circular No. SEBI/HO/OIAE/OIAE_IAD1/P/ CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal ('ODR Portal') for resolution of disputes arising in the Indian Securities Market. Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA / Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal at <https://smartodr.in/login>.

25. Route Map and details of Prominent Landmarks of the venue of the Annual General Meeting is annexed with this notice.

26. Instruction for e-voting/ voting through ballot paper and joining the AGM are as follows: -

- 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 38th 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 19, 2024, as the Cut-off Date for remote e-voting. The remote e-voting / 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 19, 2024 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 Monday, September 23, 2024 (9:00 A.M. IST) and ends on Wednesday, September

25, 2024 (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 i.e. Thursday, September 19, 2024, 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 Wednesday, September 25, 2024.

- d. Mr. Nirbhay Kumar, proprietor of M/s Nirbhay Kumar & Associates, Practicing Company Secretary (COP No: 7887) has 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. Members can opt for only one mode of voting, i.e., either by Ballot paper or remote e-voting or through E-Voting during the AGM (where the members attending the meeting through VC or OAVM). In case Members cast their votes through any of the mode, voting done by remote e-voting shall prevail and votes cast through Ballot Form or e-voting shall be treated as invalid.

STEP 1: - Access to NSDL e-Voting system

(A) Login method for e-voting and joining the AGM for individual shareholders holding securities in demat mode

In terms of SEBI Circular dated December 09, 2020, on e-voting facility provided by Listed Companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email id in their demat accounts in order to access e-voting facility.

Login method for individual shareholders holding securities in demat mode is given below: -

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1. If the user is already registered for NSDL IDeAS facility, please visit the e-services website of NSDL Viz. https://eservices.nsdl.com either on a personal computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section, this will prompt you to enter your existing User Id and Password. After successful authentication, you will be able to see e-Voting page, click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e- Voting period or joining meeting through Video Conferencing & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 1) Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2) After successful login of Easi/Easiest the user will be also able to see the E-voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3) If the user is not registered for Easi/Easiest ,option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective E-voting Service Provider (ESP) i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their Depository Participant	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.



Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

LOGIN TYPE	HELPDESK DETAILS
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 022-48867000 and 022-24997000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL)	Your User ID is:
a) Members who hold shares in demat account with NSDL .	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) Members who hold shares in demat account with CDSL .	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****

(B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to e-voting websites?

- Visit the e-Voting website of NSDL. Open web browser by typing the following <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL e-services i.e. IDeAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDeAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
- Your User ID details are given below:**

For Members holding shares in Physical Form	Your User ID is:
	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 129927 then user ID is 1299279001001***

- Password details for shareholders other than Individual shareholders are given below:

 - If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - How to retrieve your 'initial password'?**
 - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
- If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- Now, you will have to click on "Login" button.
- After you click on the "Login" button, Home page of e-Voting will open.

STEP 2: - Cast your vote electronically and join General Meeting on NSDL e-Voting system.

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select "**EVEN NO.- 129927**" of **The Hi-Tech Gears Limited** to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
- Now you are ready for e-Voting as the Voting page opens
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

- 1) 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to secretarial@thehitechgears.com With a copy marked to evoting@nsdl.co.in.
- 2) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- 3) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 022-48867000 and 022-24997000 or send a request to Amit Vishal at evoting@nsdl.co.in or to our RTA at investor@masserv.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

- 1) In case shares are held in physical mode please send a signed request letter with Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to investor@masserv.com or secretarial@thehitechgears.com.
- 2) In case shares are held in demat mode, please update your email ID with your depository and provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, updated client master to investor@masserv.com or secretarial@thehitechgears.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
- 3) Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
- 4) In terms of SEBI circular dated December 9, 2020, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

Instructions for members for attending the meeting through VC/OAVM are as under: -

- 1) Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- 2) Members are encouraged to join the Meeting through Laptops for better experience.
- 3) Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

- 4) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- 5) Shareholders, who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at secretarial@thehitechgears.com. The same will be replied by the company suitably.
- 6) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

STATEMENT ANNEXED TO THE NOTICE OF THE ANNUAL GENERAL MEETING DATED AUGUST 06, 2024 IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND ADDITIONAL INFORMATION AS REQUIRED UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015: -

Item No. 5

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 2024-25 at a fee of upto Rs. 0.125 million plus applicable 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 2024-25.

None of the Directors, Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the agenda as set out at Item No. 5 of the Notice.

Your directors recommend the resolution set forth in item no. 5 of the notice for approval of the members as an **Ordinary Resolution**.

Item No. 06

Appointment of Mr. Girish Narang (DIN- 09518880) as Whole-time Director designated & Key Managerial Personnel designated as "Executive Director" and payment of remuneration.

Based on the recommendation of the Nomination and Remuneration Committee ('NRC'), the Board of Directors ('Board') at its meeting held on August 06, 2024, appointed Mr. Girish Narang as Whole-time Director & Key Managerial Personnel designated as "Executive Director" of the 'Company' for a period of 3 (three) years effective from August 06, 2024 till August 06, 2027 subject to the shareholders' approval within three (3) months.

The Board considered his prior experience, qualifications, expertise and excellent skill set in Financial, Analytical, Research and Investment Management based services.

The terms and conditions relating to the appointment of Mr. Girish Narang as the Whole time Director & Key Managerial Personnel designated as "Executive Director" for a period of 3 years with effect from August 06, 2024 till August 06, 2027 have been laid out as part of this Notice based upon the recommendation by the NRC and Board of the Company.

The remuneration will be paid to Mr. Girish Narang as per the limits prescribed in the Section II of Part II of Schedule V of Companies Act, 2013 and therefore, his appointment is subject to the approval of shareholders of the Company by way of a Special Resolution giving the necessary information and disclosure as specified in Schedule V of the Act. As per the provisions of Section II of Part II of Schedule V of the Companies Act, 2013 the requisite disclosures have been annexed to this Notice in Annexure-I.



The above explanatory statement (together with Annexures thereto) shall be construed to be memorandum setting out the terms of the appointment as specified under Section 190 of the Act and will be available for inspection at the Registered office of the Company by Members of the Company during the e-voting period on all days except Sunday and Bank Holidays during 9:00 A.M. to 5:30 PM.

The terms and conditions relating to the appointment of Mr. Girish Narang have been laid out as part of this Notice basis on the recommendation by the NRC and Board of the Company is annexed herewith in Annexure-II.

Further, a brief profile along with additional information of Mr. Girish Narang is annexed herewith in Annexure-II, mentioning therein the nature of his expertise in specific functional areas and the name of the Company/ies in which he holds/held the position of a director as per the SEBI LODR Regulations.

The Board, therefore, recommends the resolution as set out in this Notice for the approval of members of the Company by way of a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives, except Mr. Girish Narang, is concerned or interested, financially or otherwise, in the said resolution.

Item No. 7

Appointment of Mr. Arjun Juneja (DIN- 00704349) as a Non-Executive & Independent Director of the Company

Based on the recommendation of the Nomination and Remuneration Committee ('NRC'), the Board of Directors ('Board') at its meeting held on August 6, 2024, appointed Mr. Arjun Juneja (DIN- 00704349) as the additional independent director of the Company with effect from August 6, 2024 to hold office of Non-Executive - Independent Director subject to shareholders approval within three (3) months.

In the opinion of the NRC & Board of the Company Mr. Juneja is a dedicated and accomplished business leader with a career spanning over a decade in the pharmaceutical industry. As the Chief Operating Officer at Mankind Pharma, Mr. Arjun Juneja oversees a wide spectrum of critical functions including Research & Development, Manufacturing, Supply Chain, Quality Assessment, Information Technology & Digitization and Active Ingredients. Under his leadership, Mankind Pharma has achieved several milestones in the field of Operational Excellence in its Manufacturing Processes. His illustrious career span showing his impeccable leadership skills and knowledge will be in the interest of the Company and the Company will be benefited with his contribution in the Board dynamics, better governance, and future prospects.

Further, in the opinion of the NRC and the Board, Mr. Arjun Juneja fulfils the conditions for his appointment as an Independent Director as specified in the Act and the SEBI LODR Regulations. He is a person of integrity and possesses relevant expertise and experience.

Mr. Arjun Juneja has given a declaration that he meets the criteria of independence as provided under the provisions of Section 149 of the Act and Regulation 16 of the SEBI LODR Regulations.

The terms and conditions relating to the appointment of Mr. Arjun Juneja have been laid out as part of this Notice basis on the recommendation by the NRC and Board of the Company is annexed herewith in Annexure-II.

This explanatory statement (together with Annexures thereto) shall be construed to be memorandum setting out the terms of the appointment as specified under Section 190 of the Act and will be available for inspection at the Registered office of the Company by any Member of the Company during the e-voting period on all days except Sunday and Bank Holidays during 9:00 A.M. to 5:30 PM.

Further, a brief profile along with additional information of Mr. Arjun Juneja is annexed herewith in Annexure-II, mentioning therein the nature of his expertise in specific functional areas and the name of the Company/ies in which he holds/held the position of a director as per the SEBI LODR Regulations.

The Board, therefore, recommends the resolution as set out in this Notice for the approval of members of the Company by way of a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives, except Mr. Arjun Juneja, is concerned or interested, financially or otherwise, in the said resolution.

Item No. 8

Appointment of Mr. Deval Mahadev Desai (DIN- 07539095) as a Non-Executive & Independent Director of the Company

Based on the recommendation of the Nomination and Remuneration Committee ('NRC'), the Board of Directors ('Board') at its meeting held on August 6, 2024, appointed Mr. Deval Mahadev Desai (DIN- 07539095) as the additional independent director of the Company with effect from August 6, 2024 to hold office of Non-Executive - Independent Director subject to shareholders approval within three (3) months.

In opinion of the NRC & Board of the Company Mr. Deval Mahadev Desai is an accomplished engineering professional with more than thirty years of demonstrated success in positions of progressive and diverse responsibility. He specializes in operations management, strategic business development and rejuvenating existing lines of business. His leadership and strategic acumen will be in the interest of the Company and the Company will be benefited with his contribution in the Board dynamics, better governance, and future prospects.

Further, in the opinion of the NRC and the Board, Mr. Deval Mahadev Desai fulfils the conditions for his appointment as an Independent Director as specified in the Act and the SEBI LODR Regulations. He is a person of integrity and possesses relevant expertise and experience.

Mr. Deval Mahadev Desai (DIN- 07539095) has given a declaration that he meets the criteria of independence as provided under the provisions of Section 149 of the Act and Regulation 16 of the SEBI LODR Regulations.

The terms and conditions relating to the appointment of Mr. Deval Mahadev Desai has been laid out as part of this Notice basis on the recommendation by the NRC and Board of the Company is annexed herewith in Annexure-II.

This explanatory statement (together with Annexures thereto) shall be construed to be memorandum setting out the terms of the appointment as specified under Section 190 of the Act and will be available for inspection at the Registered office of the Company by any Member of the Company during the e-voting period on all days except Sunday and Bank Holidays during 9:00 A.M. to 5:30 PM.

Further, a brief profile along with additional information of Mr. Deval Mahadev Desai is annexed herewith in Annexure-II, mentioning therein the nature of his expertise in specific functional areas and the name of the Company/ies in which he holds/held the position of a director as per the SEBI LODR Regulations.

The Board, therefore, recommends the resolution as set out in this Notice for the approval of members of the Company by way of a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives, except Mr. Deval Mahadev Desai, is concerned or interested, financially or otherwise, in the said resolution.

Item No. 9

Appointment of Mr. Vikram Rupchand Jaisinghani (DIN- 00286606) as a Non-Executive & Independent Director of the Company

Based on the recommendation of the Nomination and Remuneration Committee ('NRC'), the Board of Directors ('Board') at its meeting held on August 6, 2024, appointed Mr. Vikram Rupchand Jaisinghani (DIN- 00286606) as the additional independent director of the Company with effect from August 6, 2024 to hold office of Non-Executive - Independent Director subject to shareholders approval within three (3) months.

In opinion of the NRC & Board of the Company Mr. Jaisinghani is a distinguished visionary leader whose 39-year career is marked by transformative achievements across a range of sectors including airports, logistics, industrial engines, automobile components, paints, and lighting. His strategic vision and leadership will be in the interest of the Company and the Company will be benefited with his contribution in the Board dynamics, better governance, and future prospects.

Further, in the opinion of the NRC and the Board, Mr. Vikram Rupchand Jaisinghani fulfils the conditions for his appointment as an Independent Director as specified in the Act and the SEBI LODR Regulations. He is a person of integrity and possesses relevant expertise and experience.

Mr. Vikram Rupchand Jaisinghani has given a declaration that he meets the criteria of independence as provided under the provisions of Section 149 of the Act and Regulation 16 of the SEBI LODR Regulations.

The terms and conditions relating to the said appointment of Mr. Vikram Rupchand Jaisinghani has been laid out as part of this Notice basis on the recommendation by the NRC and Board of the Company is annexed herewith in Annexure-II.

This explanatory statement (together with Annexures thereto) shall be construed to be memorandum setting out the terms of the appointment as specified under Section 190 of the Act and will be available for inspection at the Registered office of the Company by any Member of the Company during the e-voting period on all days except Sunday and Bank Holidays during 9:00 A.M. to 5:30 PM.

Further, a brief profile along with additional information of Mr. Vikram Rupchand Jaisinghani is annexed herewith in Annexure-II, mentioning therein the nature of his expertise in specific functional areas and the name of the Company/ies in which he holds/held the position of a director as per the SEBI LODR Regulations.

The Board, therefore, recommends the resolution as set out in this Notice for the approval of members of the Company by way of a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives, except Mr. Vikram Rupchand Jaisinghani, is concerned or interested, financially or otherwise, in the said resolution.

Item No. 10

Appointment of Mr. Sameer Gupta (DIN- 00513925) as a Non-Executive & Independent Director of the Company

Based on the recommendation of the Nomination and Remuneration Committee ('NRC'), the Board of Directors ('Board') at its meeting held on August 6, 2024, appointed Mr. Sameer Gupta (DIN- 00513925) as the additional independent director of the Company with effect from August 6, 2024 to hold office of Non-Executive - Independent Director subject to shareholders approval within three (3) months.

In the opinion of the NRC & Board of the Company under the leadership of Mr. Sameer Gupta, the Jakson Group, has seen significant growth and diversification. Jakson Group has expanded its presence in power backup solutions, advance energy systems, solar value chain, green hydrogen and its derivatives, and biofuels. Mr Sameer's leadership is driven by a philosophy centered around continuous learning, and his illustrious career span showing his impeccable leadership skills, knowledge and understanding of the various sector will be in the interest of the Company and the Company will be benefited with his contribution in the Board dynamics, better governance, and future prospects.

Further, in the opinion of the NRC and the Board, Mr. Sameer Gupta (DIN- 00513925) fulfils the conditions for his appointment as an Independent Director as specified in the Act and the SEBI LODR Regulations. He is a person of integrity and possesses relevant expertise and experience.

Mr. Sameer Gupta has given a declaration that he meets the criteria of independence as provided under the provisions of Section 149 of the Act and Regulation 16 of the SEBI LODR Regulations.

The terms and conditions relating to the said appointment of Mr. Sameer Gupta has been laid out as part of this Notice basis on the recommendation by the NRC and Board of the Company is annexed herewith in Annexure-II.

This explanatory statement (together with Annexures thereto) shall be construed to be memorandum setting out the terms of the appointment as specified under Section 190 of the Act and will be available for inspection for the members at the Registered office of the during the e-voting period on all days except Sunday and Bank Holidays during 9:00 A.M. to 5:30 PM.

Further, a brief profile along with additional information of Mr. Sameer Gupta (DIN- 00513925) is annexed herewith in Annexure-II, mentioning therein the nature of his expertise in specific functional areas and the name of the Company/ies in which he holds/held the position of a director as per the SEBI LODR Regulations.

The Board, therefore, recommends the resolution as set out in this Notice for the approval of members of the Company by way of a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives, except Mr. Sameer Gupta, is concerned or interested, financially or otherwise, in the said resolution.

**ANNEXURE TO THE EXPLANATORY STATEMENT**

(The Statement containing additional information as required in Part II of Section II of Schedule V of the Companies Act, 2013)

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 of the Company commenced on November 10, 1986, as per Certificate of Commencement of Business issued by Registrar of Companies, Delhi & Haryana.																												
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:	Not applicable																												
Financial performance	<p>The Standalone financial performance of the Company during the last three financial years is as under: (Amount in million (INR) except per share data)</p> <table border="1" data-bbox="505 730 1513 1016"> <thead> <tr> <th data-bbox="505 730 1013 785">Financial Parameters</th> <th data-bbox="1013 730 1179 785">Year ended 31.03.2022</th> <th data-bbox="1179 730 1344 785">Year ended 31.03.2023</th> <th data-bbox="1344 730 1513 785">Year ended 31.03.2024</th> </tr> </thead> <tbody> <tr> <td data-bbox="505 793 1013 821">Total Revenue</td> <td data-bbox="1013 793 1179 821">6517.49</td> <td data-bbox="1179 793 1344 821">7906.05</td> <td data-bbox="1344 793 1513 821">7,892.93</td> </tr> <tr> <td data-bbox="505 829 1013 856">Net Profit before Tax</td> <td data-bbox="1013 829 1179 856">536.63</td> <td data-bbox="1179 829 1344 856">693.95</td> <td data-bbox="1344 829 1513 856">647.26</td> </tr> <tr> <td data-bbox="505 865 1013 892">Net Profit after tax</td> <td data-bbox="1013 865 1179 892">385.19</td> <td data-bbox="1179 865 1344 892">503.40</td> <td data-bbox="1344 865 1513 892">492.69</td> </tr> <tr> <td data-bbox="505 900 1013 928">Paid Up Capital</td> <td data-bbox="1013 900 1179 928">187.68</td> <td data-bbox="1179 900 1344 928">187.68</td> <td data-bbox="1344 900 1513 928">187.78</td> </tr> <tr> <td data-bbox="505 936 1013 963">Other Equity</td> <td data-bbox="1013 936 1179 963">3305.08</td> <td data-bbox="1179 936 1344 963">3788.52</td> <td data-bbox="1344 936 1513 963">4,242.88</td> </tr> <tr> <td data-bbox="505 972 1013 1016">Basic Earnings Per Share (EPS)</td> <td data-bbox="1013 972 1179 1016">20.52</td> <td data-bbox="1179 972 1344 1016">26.82</td> <td data-bbox="1344 972 1513 1016">26.24</td> </tr> </tbody> </table>	Financial Parameters	Year ended 31.03.2022	Year ended 31.03.2023	Year ended 31.03.2024	Total Revenue	6517.49	7906.05	7,892.93	Net Profit before Tax	536.63	693.95	647.26	Net Profit after tax	385.19	503.40	492.69	Paid Up Capital	187.68	187.68	187.78	Other Equity	3305.08	3788.52	4,242.88	Basic Earnings Per Share (EPS)	20.52	26.82	26.24
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Basic Earnings Per Share (EPS)	20.52	26.82	26.24																										
Financial performance based on given indicators.	The Company's financial performance has remained steady, matching to the previous financial years. In financial ended March 31,2024, the Company has registered total revenue of INR. 7,892.93 million.																												
Foreign investments or collaborations, if any	<p>The Company has seven (7) Foreign Wholly Owned Subsidiaries namely:</p> <ol style="list-style-type: none"> 2545887 Ontario Inc., Canada The Hi-Tech Gears Canada Inc., Canada Teutech Holding Corporation, USA Teutech, L.L.C., USA Teutech Leasing Corp, USA Neo-Tech Auto Systemz Inc., USA Neo –Tech Smart Solutions Inc., Canada <p>Non- resident holding in the Company is 2.41 % (as on June 30,2024). The Company has no foreign collaboration as on date.</p>																												
II.	Information about the appointee																												
Name of Appointee	Mr. Girish Narang																												
Background details	<ul style="list-style-type: none"> Mr. Girish Narang holds degree in Bachelor of Commerce (Hons.) from Delhi University and PGDBM from IMT, Ghaziabad. He also holds CFA charter which is globally recognized as the gold standard in the investment management He has about 2 decades experience in Financial, Analytical, Research and Investment Management based services. Mr. Narang possesses sound and deep understanding and knowledge of Financial and Management aspects and with his diversified industry and consultancy experience, he holds the potential to add great value to the Company in its future prospects 																												
Past Remuneration	N.A.																												
Past Recognition or awards	Throughout his career span he has demonstrated his impeccable abilities in Financial Management, Research Analytics, Wealth Management, Portfolio and Asset Management, Risk Management, Private Banking and Investment Banking. Throughout his career span he has worked with a renowned multinational consultancy and investment banking organization for several years and handled its Asset and Wealth management segment																												

Job profile and his suitability	<p>Mr. Girish Narang has an immense and in-depth exposure of the diversified industry with exquisite managerial and supervisory skills that he has exhibit throughout his professional phase.</p> <p>Considering his experience and performance, the Company seeks to utilize his skillset for expansion and growth in the coming years.</p> <p>In view of his attributes and sense of commitment towards the continual growth of business of the Company whilst improvising the day-to-day operations, his candidature seems suitable for the role of Whole-Time Director & Key Managerial Personnel.</p>		
Remuneration Proposed	<p>1. Remuneration (Fixed Pay+Variable Pay) - Salary, Allowances & Perquisites (all together) are as under:</p> <table border="1" data-bbox="553 449 1430 495"> <tr> <td data-bbox="553 449 1000 495">From August 6, 2024, to August 05, 2027</td> <td data-bbox="1000 449 1430 495">Not exceeding ₹ 70 Lakhs per annum</td> </tr> </table>	From August 6, 2024, to August 05, 2027	Not exceeding ₹ 70 Lakhs per annum
From August 6, 2024, to August 05, 2027	Not exceeding ₹ 70 Lakhs per annum		
Comparative Remuneration Profile with respect to industry, size of the Company, profile of the position and Person	<p>Keeping in view his job profile, position and responsibilities, remuneration being given or proposed is at par with the remuneration as per industry standards.</p> <p>However, the remuneration proposed to be paid to the above appointee is in congruence with the remuneration paid to the managerial personnel in other Companies engaged in the similar auto component Industry.</p> <p>The Nomination and Remuneration Committee while recommending the proposed resolution has taken into account all these factors.</p>		
Pecuniary relationship directly or indirectly with the Company or relationship with the personnel/ director if any.	<p>Besides the remuneration proposed herein, Mr. Girish Narang has no other pecuniary relationship with the company.</p> <p>Further, he is not related to any Director or KMP of the Company as per the Companies Act, 2013 read with rules made thereunder.</p>		
III.	Other Information		
Reasons of Loss or Inadequate Profits	<p>In spite of the constant state of flux in world, marked by new technological innovations, geopolitical shifts, and environmental crises has long-term impact on industry, the Company has registered a net profit of INR 492.69 million for the F.Y. March 31, 2024, despite the prevailing odds across global geo-political & severe impact on industry.</p> <p>Currently, the Company is into growth phase and planning to conserve the liquidity to invest in capacity expansion & technical enhancements to cater its future challenges. Company has also adopted a number of strategies to face obstacles and boost performance in the future.</p>		
Steps taken or proposed to be taken for improvement.	<p>The Company is taking series of strategic and operational measures to gear up the current growth rate of the Company despite the prevailing adverse market scenario. Following measures have been inculcated for the improvement:</p> <ul style="list-style-type: none"> • Emphasis on overseas market for wider customer base and deeper market penetration. • 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 spheres of operations and production • Modernisation of existing facilities to improve overall operating efficiency and gear up for catering to higher demand from OEMs. • Improving the product quality • Bring best talent to enhance operations and market. 		
Expected increase in Productivity and Profits in Measurable Terms	<p>The aforesaid steps being taken by the Company would increase the productivity, scales and profits of the Company. The Company would continue its endeavour to increase the revenues to improve the Profitability in the coming years.</p>		
IV	DISCLOSURES		
	<p>The remuneration details of Mr. Girish Narang is given in the respective resolution.</p> <p>The disclosures as required on all elements of remuneration, service contract details etc. shall be disclosed in the Corporate Governance Report section of the Board Report of Financial Year 2024-25.</p>		



Details of Directors retiring by rotation seeking re-appointment at the Meeting (Refer Item No.3 and 4:-

Details of Mr. Bidadi Anjani Kumar, liable to retire by rotation, seeking re-appointment at the Meeting (Refer Item No.3) :-

Particulars	Mr. Bidadi Anjani Kumar
Directors Identification Number (DIN)	00022417
Age	72 years
Date of Initial appointment	03/11/2015
Date of current re-appointment	In terms of Section 152(6) of the Companies Act, 2013, Mr. Bidadi Anjani Kumar was appointed on the Board on November 03, 2015, and regularized in the 30th AGM held on September 23, 2016. As he is liable to retire by rotation, he was re-appointed at the 36th AGM held on September 29, 2022. Being eligible, he has now offered himself for re-appointment.
Experience & Expertise	Mr. Kumar is an existing management consultant of one of the group Company. He has vast experience in the field of Business strategy, taxation, Accounts, Financial planning, along with sound experience necessary to guide organization in the competitive Environment. Mr. Bidadi Anjani Kumar is a seasoned Chartered Accountant (FCA). He served in Industry both in India and abroad for several years of his professional life. Now he has been practicing as a Management Consultant since 2010, with a focus on Best Practices, Corporate Governance, Strategic Planning and M &A.
Qualification	Fellow member of The Institute of Chartered Accountants of India
Board Membership of other Companies as on 31/03/2024*	1. Kennametal India Limited 2. Mikrotek Machines Limited 4. Excel Controlinkage Private Limited (appointed w.e.f. May 1, 2024) 5. Greaves Finance Limited (Appointed w.e.f. May 17, 2024) 6. Premium Transmission Private Limited (Ceased to be director on 26/08/2021) 7. Premium Motion Private Limited (Ceased to be director on 30/09/2021) 8. Greaves Electric Private Limited (Ceased to be director on 23/06/2022)
Chairman/Member of the Committee of the Board of Directors as on 31/03/2024*	Kennametal India Limited Audit Committee – Chairman and Member Stakeholders Relationship Committee - Chairman and Member Nomination & Remuneration Committee – Member Corporate Social Responsibility - Member Risk Management Committee – Member Environmental, Social and Governance Committee – Member Excel Controlinkage Private Limited Audit Committee – Chairman and Member Corporate Social Responsibility - Chairman and Member
Details of Remuneration and remuneration last drawn	Details mentioned in the Corporate Governance Report forming part of Board's Report
Number of Board meetings attended during the year	Details mentioned in the Corporate Governance Report forming part of Board's Report
Number of shares held in the Company as on 31/03/2024	NIL
Relationship with Directors	None

* For the purpose of Board and Membership of Committees/ Chairmanship, Indian Companies are considered.

Details of Mr. Pranav Kapuria, liable to retire by rotation, seeking re-appointment at the Meeting (Refer Item No.4): -

Particulars	Mr. Pranav Kapuria
Directors Identification Number (DIN)	00006195
Age	49 years
Date of Initial appointment	25/05/2000
Date of current re-appointment	In terms of Section 152(6) of the Companies Act, 2013, Mr. Pranav Kapuria who was re-appointed as Managing Director w.e.f. October 01,2022 is liable to retire by rotation. Being eligible, he has now offered himself for re-appointment.
Experience & Expertise	Mr. Pranav Kapuria is associated with the Company since 2000. He is an expert in transforming traditional organization into a vibrant one through implementation of lean manufacturing program, which includes implementation of total quality Management, Total Productivity Management, Just-In-Time and Kaizen.
Qualification	<ol style="list-style-type: none">1. Bachelor of Commerce with Honors from University of Delhi.2. Master's degree in business administration from Cardiff Business School, University of Cardiff, U.K. and Certificate program on Lean Manufacturing from University of Michigan, College of Engineering, USA.3. Undergone industrial training in reputed Engineering Corporation in USA
Board Membership of other Companies as on 31/03/2024*	<ol style="list-style-type: none">1. The Hi-Tech Robotic Systemz Limited2. Hi-Tech Portfolio Investments Limited3. Novus Hi-Tech Hitech Robotic Systemz Private Limited4. Manu Farms Private Limited5. The Hi-Tech And Associates Limited (ceased to be director on 03/07/2023)
Chairman/Member of the Committee of the Board of Directors as on 31/03/2024*	The Hi-Tech Gears Limited Corporate Social Responsibility Committee (Member) Share Transfer Committee (Member) Finance Committee (Member)
Details of Remuneration and remuneration last drawn	Details mentioned in the Corporate Governance Report forming part of Board Report
Number of Board meetings attended during the year	Details mentioned in the Corporate Governance Report forming part of Board Report
Number of shares held in the Company as on 31/03/2024	8,48,102 Equity Shares of ₹ 10 Each
Relationship with Directors	Mr. Deep Kapuria- Father Mr. Anuj Kapuria- Brother

* For the purpose of Board and Membership of Committees/ Chairmanship, Indian Companies are considered.

**ANNEXURE TO THE EXPLANATORY STATEMENT**

Information about the directors proposed to be appointed / re-appointed pursuant to Regulation 36 of the SEBI LODR Regulations 2015 and Secretarial Standard-2 is furnished below:

Particulars	Mr. Girish Narang	Mr. Arjun Juneja	Mr. Deval Mahadev Desai
Directors Identification Number (DIN)	09518880	00704349	07539095
Date of Birth & Age	25/07/1975 49 Years	09/05/1986 38 Years	13.03.1967 57 Years
Date of Initial appointment	06.08.2024	06.08.2024	06.08.2024
Brief Profile (Qualification, Experience & Expertise)	<ul style="list-style-type: none"> Mr. Girish Narang holds a degree of Bachelor of Commerce (Hons.) from Delhi University and a PGDBM from IMT, Ghaziabad. He is also a Chartered Financial Analyst (CFA) which is globally recognized as the gold standard in investment management. Mr. Narang is a seasoned professional with more than two decades of experience in Banking and Financial Management. In his last role, he was working as the Managing Partner of Wint Capital which is a new-age fintech company. Throughout his career span he has demonstrated his impeccable abilities in Financial Management, Research Analytics, Wealth Management, Portfolio and Asset Management, Risk Management, Private Banking and Investment Banking. Mr. Narang possesses sound and deep understanding & knowledge of Financial and Management aspects and with his rich industry and consultancy experience. 	<ul style="list-style-type: none"> Mr. Arjun Juneja holds MBA degree from the University of Strathclyde, United Kingdom. He is a dedicated and accomplished business leader with a career spanning over a decade in the pharmaceutical industry. As the Chief Operating Officer at Mankind Pharma, he oversees a wide spectrum of critical functions including Research & Development, Manufacturing, Supply Chain, Quality Assessment, Information Technology & Digitization and Active Ingredients. Under his leadership, Mankind Pharma has achieved several milestones in the field of Operational Excellence in its Manufacturing Processes. Mr. Juneja is recognized for his visionary thinking and adaptability to change, which have been pivotal in propelling Mankind Pharma to unprecedented success. He has also played a key role in establishing cutting-edge R&D centers in Manesar, fostering innovation and knowledge with a team of over 600 scientists and state-of-the-art equipment. The primary focus of these research centers are across various domains such as New Drug Discovery and Research (NDDR), APIs, Formulations and Development, Analytical Research and Development, Clinical Research and Biopharmaceutics, Regulatory Affairs, Biotechnology and Intellectual Property Management. Mr. Juneja was featured among the best 40 under 40 entrepreneurs in India by Fortune India in 2024. He is Chairman of the Pharma Committee of FICCI (Federation of Indian Chamber of Commerce and Industry) and Executive Member of Indian Pharmaceutical Alliance. 	<ul style="list-style-type: none"> Mr. Deval Mahadev Desai is a member of the Society of Automotive Engineers, he received his bachelor's degree in Mechanical Engineering from the National Institute of Technology Surat (India). He also holds a master's in Mechanical Engineering from Wayne State University, a master's in Management and a Master's in Business Administration from Walsh College. Mr. Desai currently serves as Senior Director in KPMG's Industrial Manufacturing sector. Prior to that, Mr. Desai served as Vice President and India Country Head at Magna International, a global automotive supplier that designs, develops and manufactures components and systems for the world's leading auto makers. In this position, he was responsible for strategic business development and continued expansion in India, and serves as one of the senior representative for Magna in India. As Executive Director, he oversaw the global coordination and alignment between Magna's worldwide operating units to ensure effective support to the company's Asian customers on a global basis. Mr. Desai is an accomplished engineering professional with more than thirty years of demonstrated success in positions of progressive and diverse responsibility. He specializes in operations management, strategic business development and rejuvenating existing lines of business. Prior to joining Magna, he was a Business Development and engineering lead with Koito, a leading global automotive lighting supplier.

Particulars	Mr. Girish Narang	Mr. Arjun Juneja	Mr. Deval Mahadev Desai
Board Membership of other Companies during year 2024-25*	Studio Ncore Private Limited (Ceased to be director on 29/03/2024)	<ol style="list-style-type: none"> 1. Mankind Consumer Products Private Limited 2. ANM Properties Private Limited 3. Casablanca Pharma Private Limited 4. Mankind Biotech Private Limited 5. RCJ Advisors Private Limited 6. Pathkind Diagnostics Private Limited 7. Appian Multiventures Private Limited 8. Prolijune Lifesciences private Limited 9. Appian Properties Private Limited. 10. Lifestar Pharma Private Limited (Amalgamated) 11. Magnet Labs Private Limited (Amalgamated) 12. Packtime Innovations Private Limited (Ceased to be director on 17.05.2024) 13. Ezerx Health Tech Private Limited (Ceased to be director on 13.06.2023) 14. Mankind Pharma Limited (Ceased to be director on 28.02.2021) 15. Mankind Life Science Private Limited (Ceased to be director on 17.09.2021) 	<ol style="list-style-type: none"> 1. Magna Automotive India Private Limited (Ceased to be director on 08/12/2020)
Chairman/Member of the Committee of the Board of Directors during year 2024-25*	NIL	Mankind Pharma Limited Steering Committee – Chairman	NIL
Details of Remuneration during 2024-25 from Company	NIL	NIL	NIL
Number of Board meetings attended during year 2024-25	1 (as a special. Invitee)	NIL	NIL
Number of shares held in the Company during year 2024-25	NIL	NIL	NIL
In case of Independent Director, the skills and capabilities required for the role.	Mr. Girish Narang is a seasoned professional with extensive expertise spanning key domains in finance and investment. With a robust background in Financial Management, he excels in strategic planning and management, leveraging his skills to drive organizational growth and profitability. With his multifaceted expertise and proven leadership, Mr. Girish Narang is poised to make a significant impact in any organization's commercial financial and investment strategies, ensuring sustainable growth and success.	Mr. Juneja is a dedicated and accomplished business leader. His visionary thinking, strategic vision and adaptability to change will be helpful in achieving success to company.	Mr. Deval Mahadev Desai has global automotive experience across multi-functional areas including product development, vehicle systems integration, customer relationships, business development, sales & marketing, media relations, operations management, strategic planning, M&A, organization building and business restructuring.
Relationship with Directors / KMP	None	None	None

* For the purpose of Board and Membership of Committees/ Chairmanship, Indian Companies are considered.

**ANNEXURE TO THE EXPLANATORY STATEMENT**

Information about the directors proposed to be appointed / re-appointed pursuant to Regulation 36 of the SEBI LODR Regulations 2015 and Secretarial Standard-2 is furnished below:

Particulars	Mr. Vikram Rupchand Jaisinghani	Mr. Sameer Gupta
Directors Identification Number (DIN)	00286606	00513925
Date of Birth & Age	14/08/1962 62 Years	11/12/1966 57 Years
Date of Initial appointment	06.08.2024	06.08.2024
Brief Profile(Qualification, Experience & Expertise)	<ul style="list-style-type: none"> • Mr. Vikram Rupchand Jaisinghani holds a Master's Degree in Finance Management and a Bachelor's Degree in Mechanical Engineering. He is also a certified International Airport Professional (ACI-ICAO AMPAP), with expertise in managing Airport P&L. • Mr. Jaisinghani is a distinguished visionary leader whose 39-year career is marked by transformative achievements across a range of sectors including airports, logistics, industrial engines, automobile components, paints, and lighting. • Mr. Jaisinghani worked at various senior leadership position with reputed companies like Mckinsey & Company, Raymond Ltd., GMR Group, Cummins India Ltd, Asian Paints Ltd. etc. & lastly as Managing Director & CEO of India's diversified Logistics company – Adani Logistics Ltd. 	<ul style="list-style-type: none"> • Mr. Sameer Gupta is Chairman of Jakson Group, India's leading Energy & Infrastructure conglomerate. He holds an Electronics Engineering degree from Pune University and is an alumnus of the Harvard Business School. Under his leadership, the Jakson Group, founded in 1947, has seen significant growth and diversification. The company currently generates revenues of ₹ 6000 crores and has expanded its presence in power backup solutions, advance energy systems, solar value chain, green hydrogen and its derivatives, and biofuels.
Board Membership of other Companies during year 2023-24*	<ol style="list-style-type: none"> 1. Cummins Sales And Service India Limited (Amalgamated) 2. Sulochana Pedestal Limited (Ceased to be director on 05/08/2023) 3. Dhamra Infrastructure Limited (Ceased to be director on 05/08/2023) 4. Madurai Infrastructure Limited (Ceased to be director on 05/08/2023) 5. Blue Star Realtors Limited (Ceased to be director on 05/08/2023) 6. Adani Agri Logistics Limited (Ceased to be director on 05/08/2023) 7. Adani Logistics Services Limited (Ceased to be director on 05/08/2023) 8. Adani Logistics Limited (Ceased to be director on 05/08/2023) 9. Adani Nyk Auto Logistics Solutions Private Limited (Ceased to be director on 05/08/2023) 10. Adani Logistics Limited (Ceased to be director on 09/07/2021) 12. Adani Logistics Services Limited (Ceased to be director on 22/07/2022) 	Attached as Annexure (i)
Chairman/Member of the Committee of the Board of Directors during year 2024-25*	NIL	NIL
Details of Remuneration during 2024-25 from Company	NIL	NIL
Number of Board meetings attended during year 2024-25	1 (as a special Invitee)	NIL
Number of shares held in the Company during year 2024-25	NIL	NIL
In case of Independent Director, the skills and capabilities required for the role.	Mr. Vikram Rupchand Jaisinghani's ability to drive substantial business innovations, operational excellence, strategic vision and leadership have been instrumental in transforming complex business landscapes and driving substantial growth, solidifying his reputation as a pioneering leader in the business world.	Mr. Sameer Gupta's extensive experience, industry knowledge, strategic foresight, and commitment to governance and ethical standards make him a capable of contributing significantly to the governance and strategic direction of any organization.
Relationship with Directors / KMP	None	None

* For the purpose of Board and Membership of Committees/ Chairmanship, Indian Companies are considered.

Annexure (i)

Sl.No	Name of the Company	Date of Appointment	Date of Cessation
1.	Jakson Assets Private Limited	28/05/2024	-
2.	JGPL-RVNL EPC Private Limited	15/01/2024	-
3.	JGRJ Two Solar Private Limited	18/12/2023	-
4.	JGRJ One Solar Private Limited	04/10/2023	-
5.	RSG Investment Private Limited	01/05/2023	-
6.	JGRJ Solar Private Limited	21/06/2023	-
7.	Jakson green infinity private limited	15/06/2023	-
8.	Jakson engineers limited	01/12/1989	-
9.	Jakson limited	13/07/1997	-
10.	Goodview trading private limited	02/08/2006	-
11.	Jakson enterprises private limited	25/11/2011	-
12.	Ethan natural bio-fuel private limited	25/07/2022	-
13.	Jakson ventures private limited	30/01/2006	-
14.	Zest villas private limited	28/03/2013	-
15.	Zest residency private limited	28/03/2013	-
16.	Jakson power private limited	07/06/2011	-
17.	Jakson green private limited	09/06/2022	-
18.	Jakson enterprises private limited	08/04/2010	-
19.	R M G Ispat And Alloys Private Limited	28/12/2015	-
20.	JGRJ Three Solar Private Limited	-	27/07/2024
21.	MRG Krishnaventuresprivate Limited	-	28/03/2024
22.	ZEST Infratechprivate Limited	-	08/01/2024
23.	ECO Towersprivate Limited	-	03/01/2024
24.	Konark dwelling private limited	-	01/12/2023
25.	RSG Investment Private Limited	-	27/06/2023
26.	Linx Lithiumprivate Limited	-	01/05/2023
27.	Emirate Sinfraprojects Private Limited	-	29/05/2023
28.	Konark Buildwell Private Limited	-	29/05/2023
29.	Roopak Infrastructure Private Limited	-	29/05/2023
30.	Ajaya Infra Advisors Private Limited	-	19/05/2022
31.	Ethan Bio-Fuelprivate Limited	-	25/07/2022
32.	Green Urjapprivate Limited	-	23/06/2021
33.	Linx Lithiumprivate Limited	-	26/09/2022
34.	Jaishnavi Eminence Private Limited	-	19/04/2022

By order of the Board of Directors
The Hi-Tech Gears Limited

Place: New Delhi
Date: August 06 2024

Naveen Jain
Company Secretary
Membership No: - A15237

Registered Office:
Plot No. 24,25,26, Sector-7,
IMT Manesar, Gurugram,
Haryana 122050



The Hi-Tech Gears Limited

Registered Office: - Plot No. 24,25,26, Sector-7,IMT Manesar, Gurugram, Haryana-122050

CIN- L29130HR1986PLC081555, Website: - www.thehitechgears.com

Tel.: +91(124)4715200, 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:.....resident of.....having an E-mail id: failing him / her;

2.Name:.....resident of.....having an E-mail id: failing him / her;

3.Name:.....resident 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 38th Annual General Meeting of the Company, to be held on Thursday the 26th day of September, 2024 at 05:00 P.M. at registered office at Plot No. 24-26, Sector-7, IMT Manesar, Gurugram, 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 Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2024, together with the Reports of the Directors' and Auditors' thereon			
2	To declare the final dividend @ 50% i.e. Rs. 5.00/- (Rupees five Only) per equity share for the financial year 2023 -2024 as recommended by Board of Directors.			
3	To appoint a director in place of Mr. Bidadi Anjani Kumar (DIN:00022417), who retires by rotation and being eligible, offers himself for re-appointment.			
4	To appoint a director in place of Mr. Pranav Kapuria (DIN-00006195), who retires by rotation and being eligible, offer himself for re-appointment.			
Special Business:				
5	Approval of remuneration of Cost Auditor for the financial year 2024-2025– Ordinary Resolution			
6	Appointment And Remuneration of Mr. Girish Narang (DIN- 09518880) as Whole Time Director & Key Managerial Personnel designated as "Executive Director" of the Company – Special Resolution			
7	Appointment of Mr. Arjun Juneja (DIN: 00704349) as a Non-Executive & Independent Director of the Company– Special Resolution			
8	Appointment of Mr. Deval Mahadev Desai (DIN- 07539095) as a Non-Executive & Independent Director of the Company - Special Resolution			
9	Appointment of Mr. Vikram Rupchand Jaisinghani (DIN- 00286606) as a Non-Executive & Independent Director of the Company- Special Resolution			
10	Appointment of Mr. Sameer Gupta (DIN- 00513925) as a Non-Executive & Independent Director of the Company- Special Resolution			

Signed this day of..... 2024.

(Date)

(Month)

Signature of the Shareholder(s)

Signatures of:

Affix
Revenue
Stamp

.....
First Proxy Holder

.....
Second Proxy Holder

.....
Third Proxy Holder

Notes:-

- Please put a "tick" 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.
- Proxy need not to be a member of the Company. A person can act as proxy on behalf of for a maximum of fifty members and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Provided that a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
- 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. 24,25,26 Sector- 7, IMT Manesar, Gurugram, Haryana 122050 at least 48 hours before the time of the Meeting.

The Hi-Tech Gears Limited

Registered Office: - Plot No. 24,25,26, Sector-7,IMT Manesar, Gurugram, Haryana-122050
CIN- L29130HR1986PLC081555, Website: - www.thehitechgears.com
Tel.: +91(124)4715200, e-mail id: secretarial@thehitechgears.com

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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 remote e-voting	From 09:00 A.M. (IST) on September 23, 2024
End of remote e-voting	Upto 05:00 P.M. (IST) on September 25, 2024

The cut-off date (i.e. the record date) for the purpose of e-voting is September 19, 2024

✂.....✂.....✂.....**TEAR HERE**.....✂.....✂.....✂

The Hi-Tech Gears Limited

Registered Office: - Plot No. 24,25,26, Sector-7,IMT Manesar, Gurugram, Haryana-122050
CIN- L29130HR1986PLC081555, website: - www.thehitechgears.com
Tel.: +91(124)4715200, e-mail id: secretarial@thehitechgears.com

ATTENDANCE SLIP

I/We hereby record my presence at the 38th Annual General Meeting held on Thursday, September 26, 2024 at 05.00 PM at the registered office of the Company at Plot No. 24,25,26, Sector-7, IMT Manesar, Gurugram, Haryana-122050

Name of the Shareholder(s) or Proxy (In Block Letters)

No. of Shares Held

Regd. Folio No./DPID-CLID

.....
(Signature of the Shareholder/Proxy)

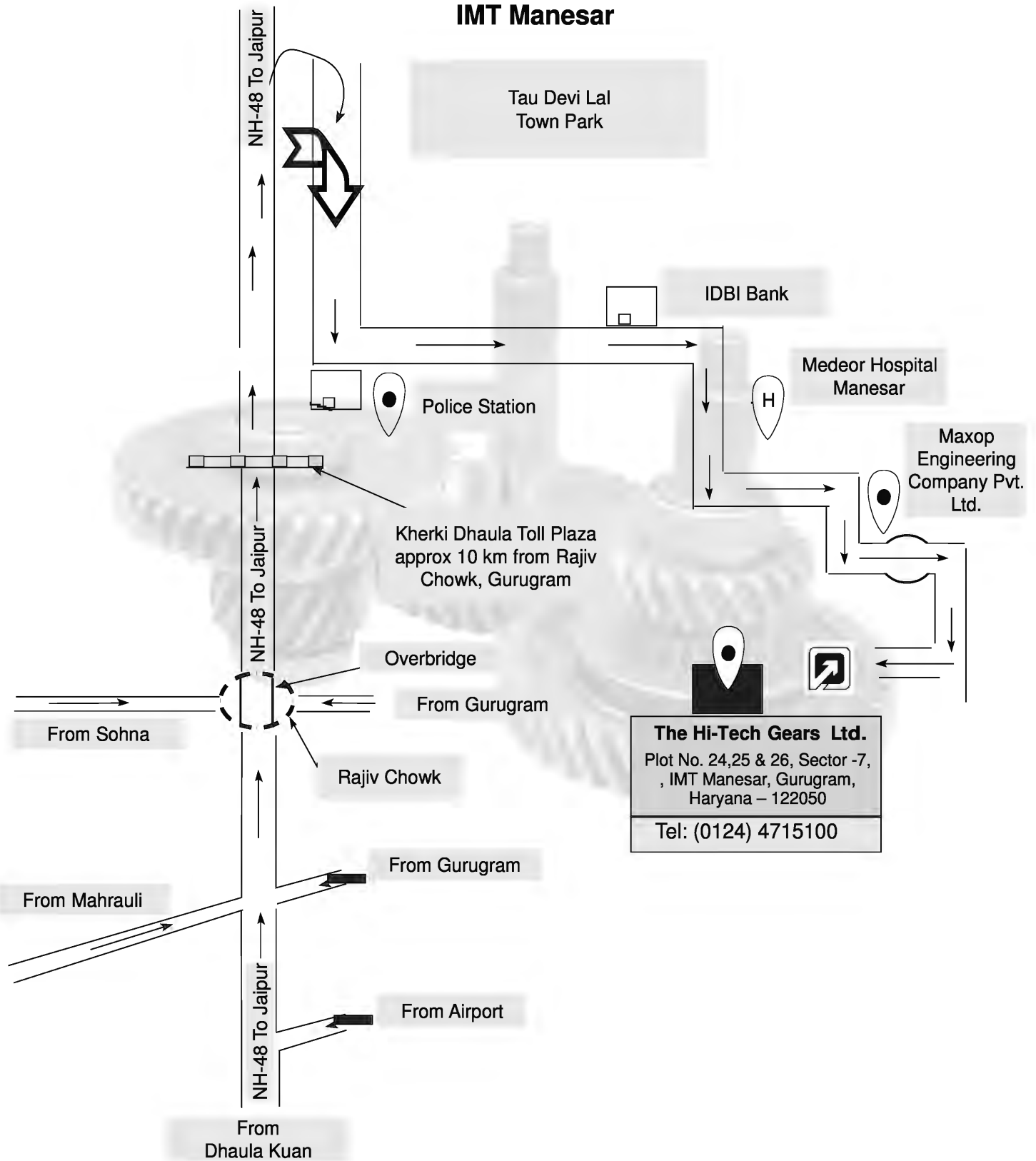
Note:

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



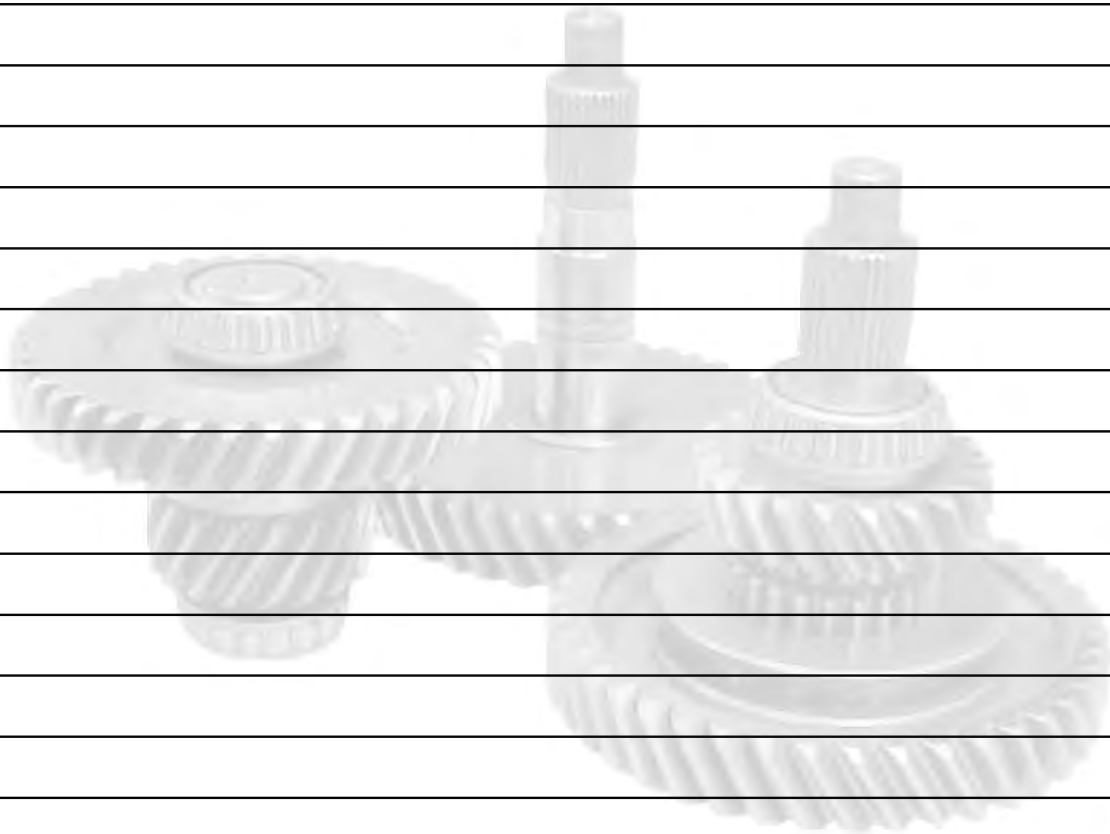
ROUTE MAP

IMT Manesar



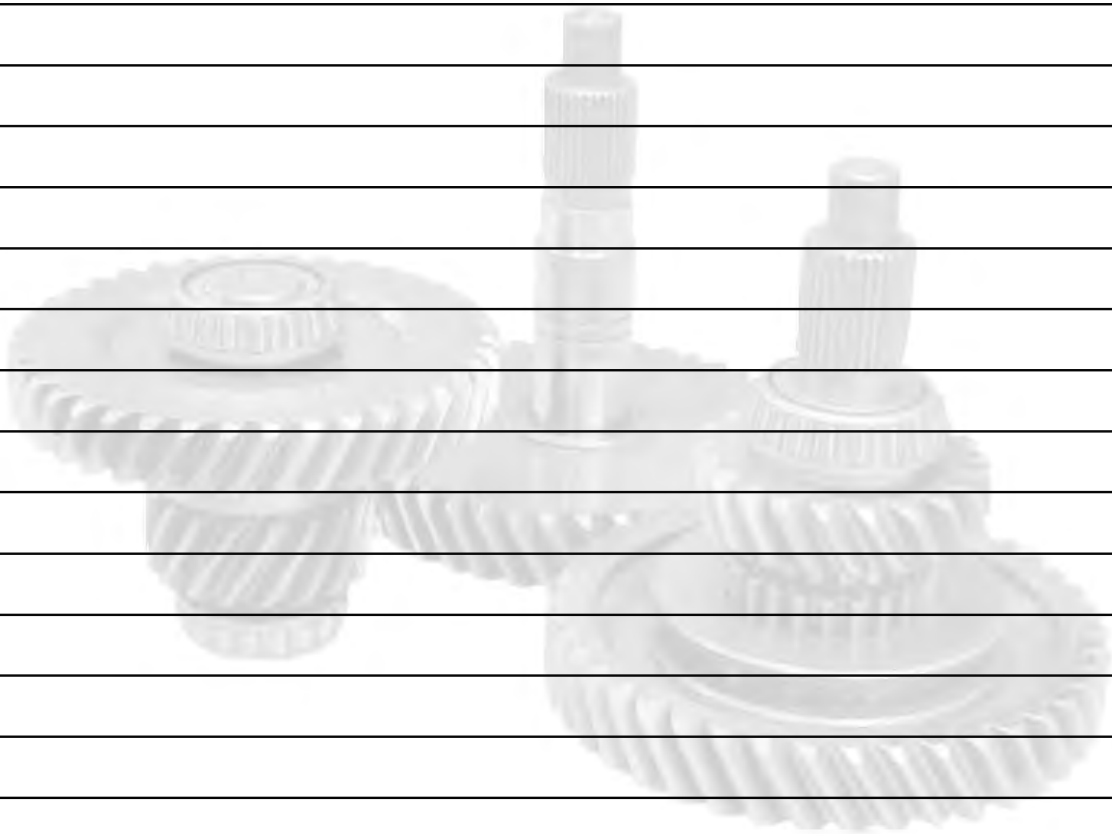
The Hi-Tech Gears Ltd.
Plot No. 24,25 & 26, Sector -7,
, IMT Manesar, Gurugram,
Haryana – 122050
Tel: (0124) 4715100

Notes

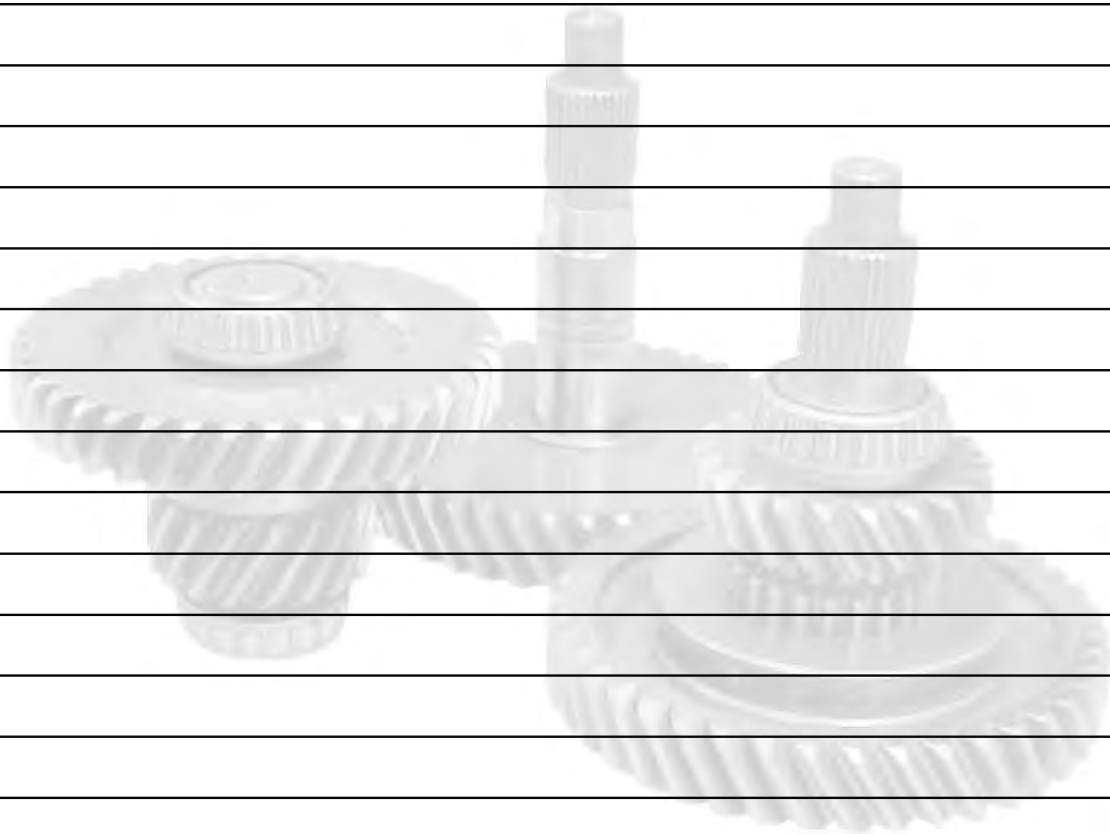




Notes



Notes







THE HI-TECH GEARS LTD.

CIN- L29130HR1986PLC081555

Regd. Off. : Plot No. 24, 25 & 26, Sector -7, IMT Manesar, Gurugram, Haryana - 122050

Corp. Off. : Millennium Plaza, Tower-B, Sushant Lok-I, Sector-27

Gurugram-122002, Haryana. **Tel.:** +91(124) 4715100

Website : www.thehitechgears.com **E-mail:** secretarial@thehitechgears.com