



Directors Report

The Directors of your Company have the pleasure in presenting their report and statement of accounts for the year ended 31st March, 2001.

Financial Results

Item	(Rs. in lacs)	
	2000-2001	1999-00
Sales	9492.51	8035.68
Other Income	38.05	35.26
	9530.56	8070.94
Mgf. Cost	5470.79	4527.26
Excise Duty	1216.31	1074.66
Other Cost	1418.38	1188.70
Depreciation	304.26	238.96
Financial Charges	318.26	316.98
Prov. for Tax.	300.00	235.00
Income Tax For Earlier Years	Nil	1.94
	9028.00	7583.50
Net Profit After Tax	502.56	487.44
Balance of P & L Brought Forward	436.74	274.23
Utilisation Reserve	Nil	Nil
	939.30	761.67
Appropriations		
Dividend	126.68	105.57
Tax On Dividend	18.93	19.35
Tfr. to G. Reserve	200.00	200.00
Balance Surplus in P & L Account	593.69	436.74

Performance

The Financial year 2000-2001 has ended with a satisfactory note. Your Company surpassed the budgeted turnover and has achieved a turnover of Rs. 9492.51 lac recording an

increase of 18.1%. The Net Profit (after tax) of the Company has increased from Rs. 487.44 lac to Rs. 502.56 lac thereby recording an increase of 3.10%.

Operations

Your Company has been able to put up an impressive show this year, in spite of the increased competition in the automobile components industry. The Company has successfully started operation in the field of components designing with the help of State of Art software like Pro-E and Windchill.

Exports

In today's competitive environment, it is the constant endeavor of your Company to exploit the overseas markets. In this direction your Company has achieved the exports turnover of Rs. 630.91Lac (gross) during the year under review as compared to Rs. 502.43 lac during the previous year.

Dividend

The Directors recommend to the shareholders a final dividend for the year ended 31st March, 2001 of Rs. 2.70 per share including the interim dividend of Rs. 1.00 per share declared and paid by the Board of Directors during the year under review. The total amount of dividend declared aggregated to Rs 126.68 lac. The dividend would be paid to the members whose name appear on the register of members as on 2nd July 2001.

Corporate Governance

Clause 49 of the listing agreement with the stock exchanges, is required to be implemented by the Company with the financial year 2002-2003. Steps have already been initiated to implement the provisions of the said clause in the next financial year.

Commercial Paper Rating

Credit Rating Information Services of India Limited (CRISIL) has reviewed the commercial paper rating of the Company and again



accredited P1 rating. P1 rating indicates that the instrument is very strong. CRISIL had assigned P1 rating to the Rs. 36 Million Commercial Paper Programme of the Company. The Company has not yet availed Commercial Paper facility from the bank.

Dematerialization of the equity shares

Last year your Company had entered into an agreement with National Securities Depository Limited (NSDL) in accordance with the provisions of the Depositories Act, 1996, and this year your Company has entered into an agreement with The Central Depository Services (India) Limited (CDSIL) which is now fully operational and the members may avail of such facility.

Directors

Sh. Anil Khanna and Sh. K.L. Kalra, Directors of the Company are retiring by rotation and being eligible they offer themselves for re-appointment.

On 27th February 2001, the Chairman of the Company Lt. Gen (Retd.) J.K. Khanna, expired due to illness. He was 85 yrs. old. The Board of Directors places on record the appreciation for the efforts done and contribution made by him towards the growth and prosperity of the Company.

Sh. Deep Kapuria, Managing Director was appointed as Chairman of the company with effect from 7th March, 2001.

Directors Responsibility Statement

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

that the applicable accounting standards have been followed in the preparation of final accounts and that there are no material departures.

- that such accounting policies have been selected and applied consistently and such judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2001 and of the profit of the Company for the year ended on that date.
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- that the annual accounts have been prepared on a going concern basis.

Particulars of the Employees

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, regarding employees is given in Annexure 'I' to the Directors Report.

Environment, Safety and Energy Conservation

Safety and Environment Management continues to be a key result area for your Company. Your Company has been accredited with QS 9000 which are the highest quality standards in the automobile industry. The corporate vision for safety envisages zero accidents as the only acceptable standard of performance. Details of Energy Conservation and Research & Development activities undertaken by the Company along with the information in accordance with the provisions of Section 217(1) (e), of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors), Rules, 1988, are given in the Annexure 'II' to the Directors Report.

**Trade Relations**

The Board of Directors wish to place on record their appreciation for the co-operation and support received from the customers, the suppliers and all other associated with the Company. Your Company regards them as partners and share with them vision of growth in the future.

Listing of Shares

The shares of your Company are listed on Jaipur, Delhi and Mumbai Stock Exchanges and pursuant to Clause 38 of the Listing agreement, the annual listing fee for the year 2000-2001 has been duly paid.

Public Deposits

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

Personnel

The Board wishes to place on record its appreciation for the untiring efforts made by the employees of the organization at every level. The efforts to create a family like atmosphere continued through out the year. Like 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 provided further impetus and have been largely responsible for the all around improved performance.

Auditors

M/s Gupta Vigg & Company, Chartered Accountants, Auditors of the Company retire at the ensuing Annual General Meeting of the Company. The Company has received a certificate from the auditors that in case they are appointed as auditors in the ensuing Annual General Meeting the same will be within the limit specified under Section 224(1B) of the Companies Act, 1956. The Board recommends their reappointment.

Acknowledgement

The Directors of your Company wish to thank you, The Industrial Finance Corporation of India Limited, The Industrial Credit and Investment Corporation of India Limited, ICICI Bank Limited, State Bank of Bikaner and Jaipur, Hero Honda Motors Limited, Shriram Honda Power Equipments Limited, Escorts Limited and Tata Cummins Limited, for their valued support and hope to receive the same in future.

**By Order of the Board
For Hi - Tech Gears Ltd.**

Sd/-

Deep Kapuria

Chairman &

Managing Director

Place : New Delhi.

Dated :11th May 2001

**Annexure - I**

Statement of particulars of employees pursuant to the provisions of Section 217(2A) of the Companies Act, 1956, as amended by the Amendment Act, 1988 read with the Companies (Particulars of Employees) rules, 1975 as amended, forming part of the Directors Report for the financial year ended 31st March 2001.

Name & Designation	Age	Remuneration (Rs)	Qualification	Experience	Date of employment	Last employment
Deep Kapuria Managing Director.	51	37.28 Lacs	BE. (Hons)	29 Yrs.	01.01.1987	Business
Pranav Kapuria Whole-Time Director	25	32.20 Lacs	B. Com, M.B.A.	2 Yrs.	01-08-2000	

Note:

Information has been furnished on the basis of employees employed throughout the year, who were in receipt of remuneration for the year in aggregate was not less than Rs. 12,00,000/- and those employed for the part of the year, in receipt of remuneration for any part of the year.

Remuneration includes salary, allowances/payments and expenditure on perquisites and Company's contribution to Provident Fund.

All appointment are not contractual except those of Sh. Deep Kapuria & Sh. Pranav Kapuria.

None of the employees is in receipt of remuneration in excess of that drawn by the Managing Director or Whole-Time Director or Manager and hold by himself or along with his spouse and dependent children two percent or more of the equity shares of the Company.

None of the employees is related to the Director of the Company except Sh. Deep Kapuria and Sh. Pranav Kapuria who are related to each other.

**Annexure - II****A. Conservation of energy**

Energy conservation measures taken by the Company:

The Company is aware of the need to conserve energy. The Company has consistently monitoring its power factors and has installed two new Generator sets to stabilize the energy consumption.

New ideas are being adopted across the shop floor to conserve energy and promote efficiency of operation.

B. Technology Absorption

Efforts made in Technology Absorption.

Your Company has continuously endeavored to acquire world class technology both hardware and software. No efforts are spared in this direction. Your Company continuously upgraded its manufacturing quality. Besides there is an instituted process of measuring and improving work practices to align ourselves with the global standards.

The Company has been accredited with QS 9000 Certification during the previous year

by Underwriters Laboratories Inc. This is a step forward in achieving and adopting global systems of operations, ensuring a focus on continuous improvement.

These efforts shall ensure that the technology acquired during the years is dissipated and allowed to percolate down the entire organization.

a) R&D facility in the Company and benefit there from

No research was conducted by the Company during the year.

b) Any Investment made by the Company for R&D during the year.

No investment is considered necessary.

C) Foreign Exchange Earnings and Outgo

The details of Foreign Exchange inflow and outflow are as under:-

	(Rs. in lacs)
Inflow	: 670.10
Outflow	: 282.63
Capital Equipment	: 112.61
Others	: 170.02