



Auditor's Report on Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Clause 41 of the Listing Agreement

To
Board of Directors
Hi-Tech Gears Ltd.
A-589, Industrial Complex,
Bhiwadi-301019
Dist. Alwar, (Rajasthan)

We have audited the quarterly financial results of Hi-Tech Gears Ltd. A-589, Industrial Complex, Bhiwadi-301019 Dist. Alwar, (Rajasthan) for the quarter ended 31st March, 2013 and the year to date results for the period 1st April, 2012 to 31st March, 2013 attached herewith, being submitted by the company pursuant to the requirement of clause 41 of the Listing Agreement except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, issued pursuant to the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 or by the Institute of Chartered Accountants of India; and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date results:

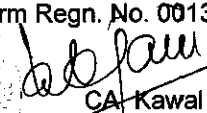
(i) are presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and




(ii) give a true and fair view of the net profit and other financial information for the quarter ended 31st March, 2013 as well as the year to date results for the period from 1st April, 2012 to 31st March, 2013.

Further, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the company in terms of clause 35 of the Listing Agreement and found the same to be correct.

Place: New Delhi
Date: 29th May, 2013

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

CA Kawal Jain
Partner
Membership No. 089214





HI-TECH GEARS LIMITED

Regd. Office: A-569, Industrial Complex, Bhiwadi - 301 019, Dist. Alwar (Rajasthan) .
Corporate Office : Millennium Plaza, Tower-B, Sushant Lok-I, Gurgaon-122009-01, Haryana.

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2013

PART-I (Rs. In lacs, except share and per share data)

No.	Particulars	Quarter Ended			Year ended	Previous Year
		31.03.2013	31.12.2012	31.03.2012	(31/03/2013)	ended (31/03/2012)
		Unaudited	Unaudited	Unaudited	Audited	Audited
1	(a)Gross Sales/ Income from operations	9,273.33	9,271.41	12,734.60	40,019.11	52,003.36
	(b)Other Operating Income	268.56	196.12	306.09	985.09	1,313.46
	Total Revenue from Operations	9,541.89	9,467.53	13,040.69	41,004.20	53,316.82
	Less:- Excise Duty	854.09	901.35	855.79	3,666.37	3,568.40
	Total Income from operations (Net)	8,687.80	8,566.18	12,184.90	37,337.83	49,748.42
2	Expenditure					
	a) Consumption of Raw Materials	4,848.92	4799.40	6880.26	21069.50	27863.07
	b) Purchase of stock-in-Trade	-	-	-	-	-
	c) Change in Inventories Finished Goods, Works in progress and Stock in Trade	207.94	17.45	(230.11)	163.66	(311.89)
	d) Stores & Spares	409.44	342.07	578.92	1,660.75	2,607.15
	e) Employee benefits expenses	1,061.08	1,394.49	1,467.14	5,321.77	5,817.43
	f) Depreciation and amortisation expenses	583.23	586.75	517.89	2,315.87	1,982.29
	g) Other Expenditure	868.58	899.83	1,409.47	3,878.10	5,146.15
	Total Expenses	7,979.19	8,039.99	10,623.57	34,409.65	43,104.20
3	Profit/(loss) from Operations before Other Income, finance costs & Exceptional Items (1-2)	708.61	526.19	1,561.33	2,928.18	6,644.22
4	Other income	(7.24)	113.21	(20.87)	200.14	349.80
5	Profit/(loss) from ordinary activities before finance cost & Exceptional Items (3+4)	701.37	639.40	1,540.46	3,128.32	6,994.02
6	Finance cost	130.01	168.01	156.80	761.81	741.40
7	Profit/(loss) from ordinary activities after finance cost but before Exceptional Items (5-6)	571.36	471.39	1,383.66	2,366.51	6,252.62
8	Exceptional Items	-	-	-	-	-
9	Profit (+)/Loss (-) from Ordinary Activities before Tax (7+8)	571.36	471.39	1,383.66	2,366.51	6,252.62
10	Tax Expense - a) Provision For Current Tax	152.00	190.00	350.00	852.00	1,840.00
	b) Provision For Deferred Tax	15.48	(38.58)	33.01	(112.22)	155.67
	c) Income tax for earlier years	2.82	-	7.26	2.82	44.11
11	Net Profit (+)/Loss (-) from Ordinary Activities after tax (9-10)	401.66	320.96	993.39	1,623.91	4,212.84
12	Extraordinary item (net of tax expense Rs.Nil)	-	-	-	-	-
13	Net Profit (+)/Loss (-) for the period (11-12)	401.66	320.96	993.39	1,623.91	4,212.84
14	Prior Period Expenses	1.67	-	(1.05)	2.56	1.43
15	Net Profit (+)/Loss (-) after prior period expenses (13-14)	399.39	320.96	994.44	1,621.35	4,211.41
16	Paid up Equity Share Capital (Face Value of Rs. 10/- each)	1,876.80	1,876.80	1,876.80	1,876.80	1,876.80
17	Reserves (excl. Revaluation Reserve) as per balance sheet of previous accounting year	-	-	-	-	10,692.10
18.i	Earning Per Share (before extraordinary items) (In Rs)(Not Annualised) :					
	(a) Basic	2.13	1.71	5.30	8.64	22.44
	(b) Diluted	2.13	1.71	5.30	8.64	22.44
18.ii	Earning Per Share (after extraordinary items) (In Rs)(Not Annualised) :					
	(a) Basic	2.13	1.71	5.30	8.64	22.44
	(b) Diluted	2.13	1.71	5.30	8.64	22.44

PART-II

No.	Particulars	Quarter Ended			Year Ended	Previous Year
		31.03.2013	31.12.2012	31.03.2012	31.03.2013	ended (31/03/2012)
A	PARTICULARS OF SHAREHOLDING					
1	Public Shareholding					
	- Number of Shares	8,437,207	8,437,207	8,437,207	8,437,207	8,437,207
	- % of Shareholding	44.95%	44.95%	44.95%	44.95%	44.95%
2	Promoters and Promoter group shareholding					
	a) Held/Encumbered					
	- Number of Shares	NIL	NIL	NIL	NIL	NIL
	- % of Shares (as a % of the total shareholding of promoter and promoter group)	NIL	NIL	NIL	NIL	NIL
	- % of Shares (as a % of the total share capital of the company)	NIL	NIL	NIL	NIL	NIL
	b) Not encumbered					
	- Number of Shares	10,330,793	10,330,793	10,330,793	10,330,793	10,330,793
	- % of Shares (as a % of the total shareholding of promoter and promoter group)	100	100	100	100	100
	- % of Shares (as a % of the total share capital of the company)	55.05%	55.05%	55.05%	55.05%	55.05%

Particulars		3 Months Ended (31.03.2013)
B	INVESTOR COMPLAINTS	
	Pending at the beginning of the quarter	Nil
	Received during the quarter	Nil
	Disposed of during the quarter	Nil
	Remaining unresolved at the end of the quarter	Nil

Statement of Assets and Liabilities as per Clause 41 of the Listing Agreement
(Rs. in lacs)

		As at 31.03.2013 (Audited)	As at year ended 31.03.2012 (Audited)
A	EQUITY AND LIABILITIES		
	1 Shareholders' Funds:		
	(a) Share Capital	1876.80	1876.80
	(b) Reserves & Surplus	14750.78	13708.54
	Sub-total- Shareholders' funds	16627.58	15585.34
	2 Share application money pending allotment	Nil	Nil
	3 Non-current liabilities		
	(a) Long-term borrowings	2993.41	4103.71
	(b) Deferred tax liabilities (net)	1065.68	1177.91
	(c) Other long term liabilities	25.00	0.00
	(d) Long-term provisions	0.00	0.00
	Sub-total - Non-current liabilities	4084.09	5281.62
	4 Current liabilities		
	(a) Short-term borrowing	395.06	2689.08
	(b) Trade payables	4425.05	6134.57
(c) Other current liabilities	1555.69	1773.35	
(d) Short-term provisions	3630.11	3114.42	
Sub-total - Current liabilities	10005.91	13711.42	
TOTAL - EQUITY AND LIABILITIES	30717.58	34578.38	
B	Assets		
	1 Non-current assets		
	(a) Fixed assets	19028.97	20097.98
	(b) Non-current investments	0.41	0.41
	(c) Deferred tax assets (net)	0.00	0.00
	(d) Long-term loans and advances	375.33	440.86
	(e) Other non-current assets	0.00	0.00
	Sub-total - Non-current assets	19404.71	20539.25
	2 Current Assets		
	(a) Current investments	0.00	0.00
	(b) Inventories	2239.24	2446.90
	(c) Trade receivables	2972.60	7008.23
	(d) Cash & cash equivalents	1056.09	189.77
	(e) Short-term loans and advances	5044.94	4394.23
	(f) Other current assets	0.00	0.00
Sub-total - Current assets	11312.87	14039.13	
TOTAL ASSETS	30717.58	34578.38	

NOTES:-

- The above audited financial results were reviewed by the Audit Committee & thereafter approved by the Board of Directors in their meeting held on 29th May, 2013.
- Segment Reporting: - The Company is primarily engaged in the business of gears and transmission components, inherent nature of both the activities is governed by the same set of risk and returns, these have been grouped as a single segment in the above disclosures. HI-Tech E Soft is a division of the Company engaged in the business of engineering software solutions. Since this business is not a reportable segment as per Accounting Standard on Segment Reporting (AS-17), separate figures of the software division are not reported.
- Haryana State Industrial & Infrastructure Development Corporation Ltd ('HSIIDC') has demanded an enhanced amount from the Industrial plot owners in Manesar, Haryana, based on the Hon'ble Supreme Court's order. The Company received a demand notice of Rs. 4.32 crores including interest. Out of above, Rs. 1.20 crores was paid in previous year at the time of registration of conveyance deed. The calculation method of demand raised by HSIIDC is being contested by the Company through the Manesar Industries Welfare Association in the Hon'ble High Court at Chandigarh. The Court, while staying the calculation made by HSIIDC, has asked the plot owners to deposit two installments, one in March, 2013 and second in June 2013, till further orders. Accordingly, the company has deposited the first installment of Rs. 62.5 lacs during the year after due adjustments. The second installment will be paid separately in financial year 2013 - 14. As the amount, if any, of final price adjustment is not determinable at this stage, the Company considers that no provision is required to be made at present. Any additional compensation, if payable, will have the effect of enhancing the asset value of the land.
- Provisions for taxation is made at the effective Income tax rates.
- The Figures for the quarter ended 31st March 2013 are balancing figures between audited figures of the full financial year ended 31st March 2013 and the unaudited published year to date figures up to the third quarter ended 31st December 2012.
- The Board of Directors have recommended a final dividend of Rs 1.50 (15%) per share on the paid up share capital of the Company subject to the approval of the members at their Annual General Meeting.
- Figures of the previous period / year have been re-grouped/re-arranged and/or recast wherever required.

For & on behalf of the Board
of HI-Tech Gears Limited


Deep Kapuria
(Executive Chairman)

Place : New Delhi
Date : 29.05.2013