

INVESTOR PRESENTATION
FEBRUARY 2024





- The Hi-Tech Gears Ltd. (THGL) was incorporated in 1986 and has grown to be an auto component manufacturer of high repute, supplying engine and transmission components to diverse marquee customers across the globe.
- The company is led by a highly experienced and professional team and governed by a strong Board of Directors, including eight independent directors of eminent industry leaders.
- It 5 state-of-the-art manufacturing plants across the world, with 3 plants in India and 1 each in Canada and USA.
- The product portfolio of the company comprises best-in-class precision gears, shafts, transmission components, and engine components catering to diverse segments of Two Wheeler, Passenger Vehicles, Commercial Vehicles, and Agri and Off-Road vehicles.
- THGL are key strategic suppliers to various OEMs in the automotive industry, specializing in producing components that meet the highest quality standards in the industry.

The Hi-Tech Gears Vision

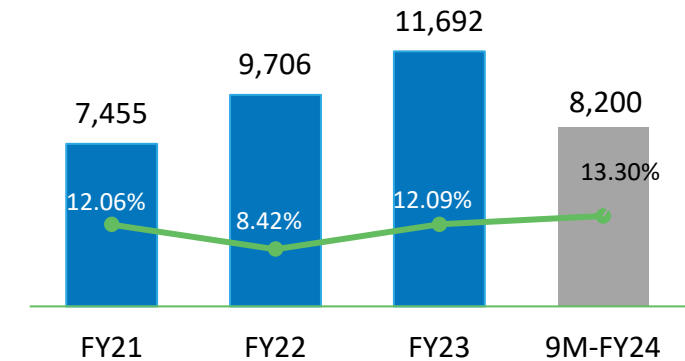
“Be A Global Footprint Company and A Benchmark For World Class Manufacturing Systems”

The Hi-Tech Gears Mission

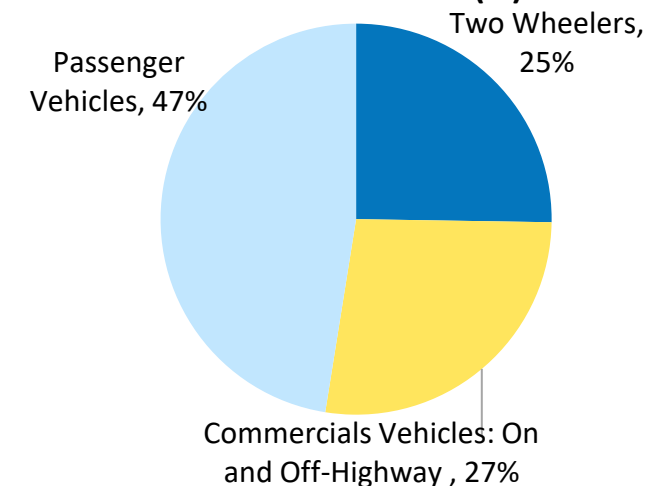
We will be the preferred partner in delivering engineering products and design solutions through lean philosophy with a focus on:

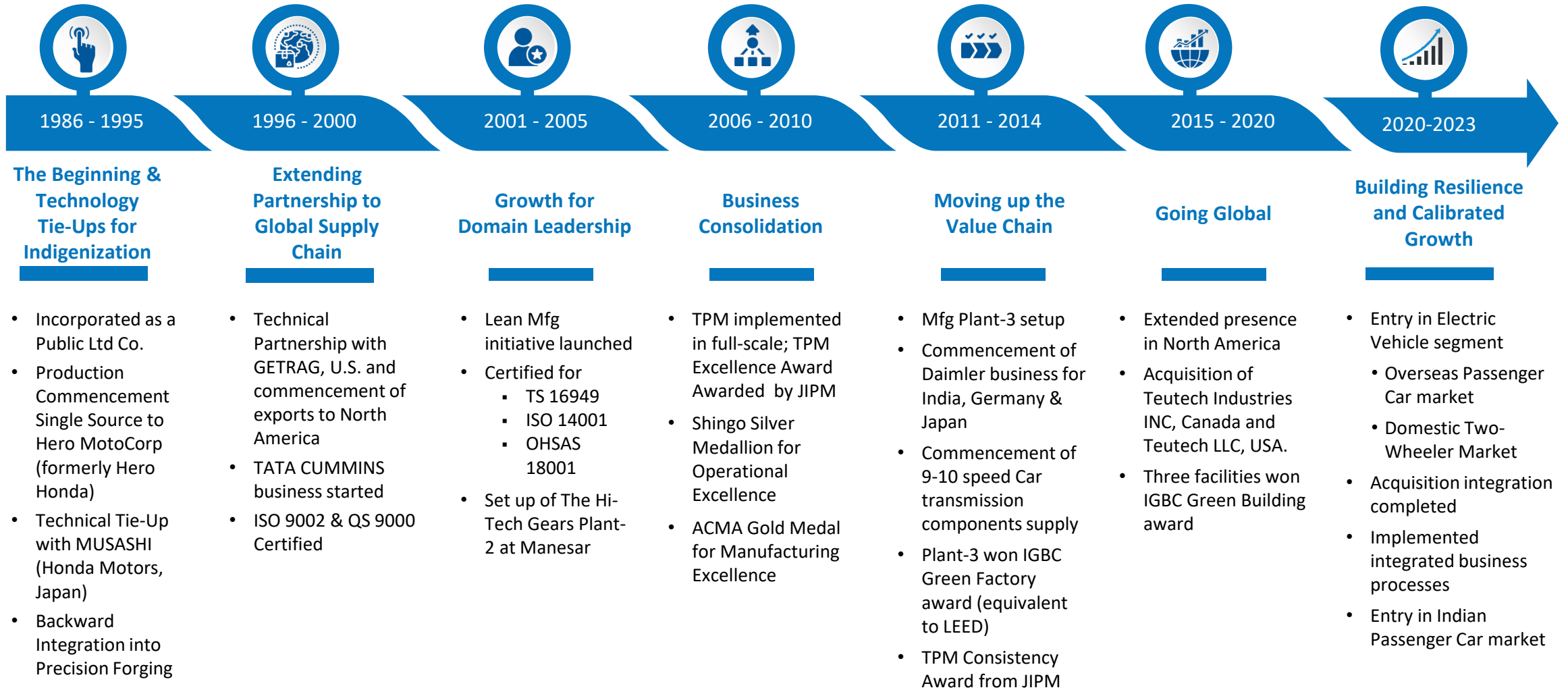
- Building a customer centric organization
- Rapid development of products and innovative solutions
- Ensuring cost effectiveness
- Developing competent and committed people

CONSOLIDATED REVENUE (INR MN) & EBITDA MARGINS (%)



FY23 CONSOLIDATED REVENUE CONTRIBUTION (%)







One of the **leading manufacturers** of critical high-precision gears, shafts and Transmission components



One of the very few component manufacturers catering to diverse segments of **automobiles and engines**



Strategically located **state-of-the-art manufacturing facilities in India, Canada and USA**



Long-standing strong relationships with customers and suppliers



Operational excellence drive through 'Lean' manufacturing principles and TPM practices



Entrepreneurial, Empowered, loyal & committed team



DEEP KAPURIA

Executive Chairman

Engineering (Hons) Graduate from B.I.T.S., Pilani, advanced Management Programme from IIM-A, and owner Management Programme from Harvard, USA, with over 40 years of experience.



ANANT JAIVANT TALAULICAR

Vice Chairman & Non-Executive Director

He holds a Mechanical Engineering degree and an MBA and has over 35 years of experience



PRANAV KAPURIA

Managing Director

B.Com (Hons) from Delhi University, MBA from Cardiff Business School (U.K.), with over 23 years of experience.



ANUJ KAPURIA

Executive Director

Master's degree in Robotics from Carnegie Mellon University, with over 18 years of experience.



A.K. VERMA

Executive Director

Bachelor of Engineering, with over 35 years of extensive experience in Auto industry and operations.



BIDADI ANJANI KUMAR

Non-Executive Director

Seasoned Chartered Accountant (FCA), with over 40 years of experience in renowned corporate houses.



KAWAL JAIN

Non-Executive Director

Chartered Accountant with over 30 years of experience.

EMINENT INDEPENDENT DIRECTORS



KRISHNA CHANDRA VERMA

Independent Director

Experienced Indian Police Service officer, with over 40 years of experience.



VINIT TANEJA

Independent Director

A Mechanical Engineer from IIT Delhi and Post Graduate Diploma in Management from IIM Calcutta with over 20 years of experience.



SANDEEP DINODIA

Independent Director

Chartered Accountant with over 30 years of experience.



ANIL KUMAR KHANNA

Independent Director

Chartered Accountant with over 40 years of experience.



MALINI SUD

Independent Director

Over 35 years of experience in Corporate Law.



RAJIV BATRA

Independent Director

Finance professional, with over 35 years of experience.



RAMESH SHANKARMAL PILANI

Independent Director

Chemical engineer, with over 40 years of experience.

EXPERIENCED MANAGEMENT TEAM



A.K. VERMA

Executive Director

Bachelor of Engineering, with over 35 years of extensive experience in Auto industry and operations.



KAPIL RAJORA

Chief Financial Officer

B.E. & MBA; with 18 years of experience.



NAVEEN JAIN

GM-Legal & Company Secretary

ACS, LLB with over 20 years of relevant experience.



RAJESH MAGOO

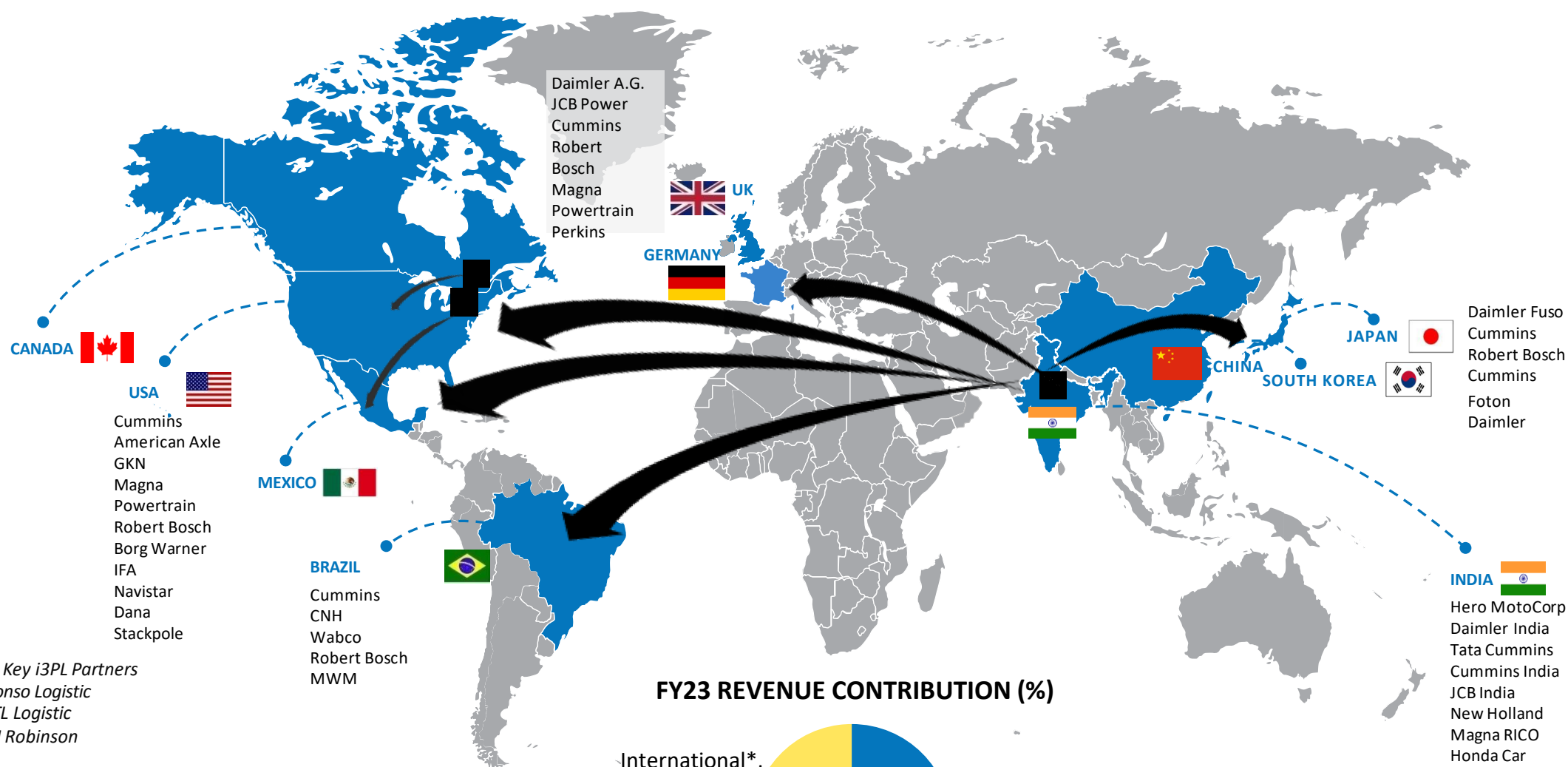
President - North America

B.S.(Engg.); with over 30 years of experience.

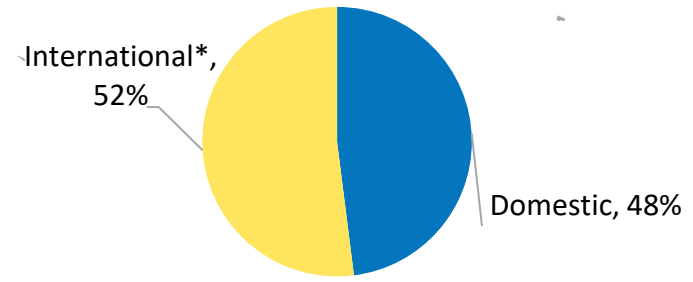


Our Key i3PL Partners

- Alonso Logistic
- HTL Logistic
- CH Robinson



FY23 REVENUE CONTRIBUTION (%)



* Exports + North America Sub

TWO-WHEELER



MEDIUM & HEAVY COMMERCIAL VEHICLES

DAIMLER



PASSENGER CARS



AGRI, ENGINES AND OFF-HIGHWAY



Association with Top players in each segment

TESTIMONIALS OF BEING AN INDUSTRY PIONEER



CUSTOMERS

Zero Defect and Quality Excellence

- Hero Moto Corp
- Tata Cummins
- Navistar
- Cummins
- JCB India
- American Axle
- ICQCC-Gold

Supplier Excellence

- Hero Moto Corp
- Daimler (DICV)
- FIAT Group New Holland
- Cummins India
- Tata Cummins



INDUSTRY & GOVERNMENT

Manufacturing and Organizational Excellence

- SHINGO Prize – Silver
- ACMA – Gold

Export Excellence

- ACMA Gold
- ACMA Silver
- ACMA Bronze
- Rajasthan Government



Manufacturing facilities in India



Plant-I, Bhiwadi

Est. 1986



Plant-II, Manesar

Est. 2005



Plant-III, Bhiwadi

Est. 2011



Manufacturing facilities overseas



Plant-I, Guelph, Canada

Acquired 2017



Plant-II, Emporium USA

Acquired 2017

DUAL SHORE PRESENCE

Forging

- Hot Forging
- Warm Forging
- Cold Forging
- Cold Extrusion
- Coining



Machining

- CNC Turning
- Gear Cutting (Wet & Dry Hobbing / Broaching / Shaping / Shaving)
- Spline Rolling
- Auto Shaft straightening
- Deep Hole Drilling etc.



Heat Treatment

- Normalizing
- Case Carburizing,
- Carbo-nitriding,
- Nitro Carburizing,
- Induction Hardening
- Nitriding
- Tempering etc.
- Shot Blasting/ Shot Peening



Finishing

- Gear Grinder
- Honing,
- Gear Honing,
- Hard Turning,
- Grinding, etc.



Tool Room & Die Manufacturing

- Vertical Machining Center EDM .



Assembly

- Shaft with cone assy
- Steering linkage assy
- 2W Main & Counter shaft assy
- Anti-backlash Gear assy
- Gears with bush/pin assy
- Driveline shafts with slinger assy



World Class In-house Manufacturing Facilities

Process Design & Parts Development

Over 25 dedicated engineers in Process Design Team

10 Workstations with ProE / DEFORM / AutoCAD

Additional over 80 design engineers at THRS (THG's R&D hub) for any quick support



Tool Manufacturing & Maintenance

Over 25 dedicated personnel for tooling management

Well equipped Tool Room setup for tooling / fixtures mfg & maint.

In-house cutting tools re-sharpening capability thus minimizing dvlpmt. lead time



Ready Infrastructure for rapid expansion

Over 60,000 sq ft expansion space available

Capacity re-allocation is in progress

Opportunity to leverage current available spare capacity



Aspiration: To develop the high-end design, testing and launch capabilities to enable us to change the status from a 'manufacturer-to-print' to 'solution-provider'



BUSINESS OVERVIEW



Two-Wheeler Transmission



Car Transmission & Driveline



Commercial & Off-Highway Vehicles Transmission



Engine Gears



Power Take Off Components



Precision Forging & Machining

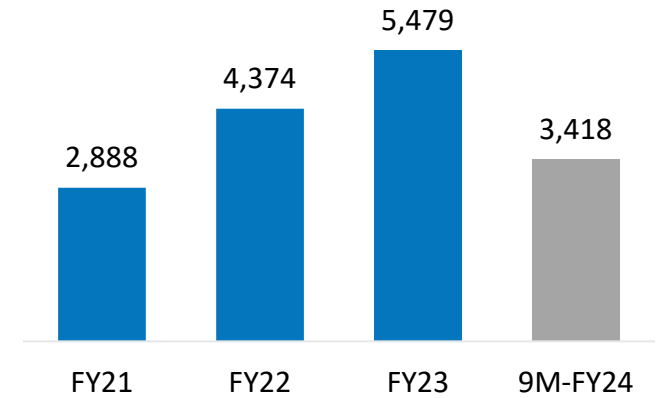


Sintered Components

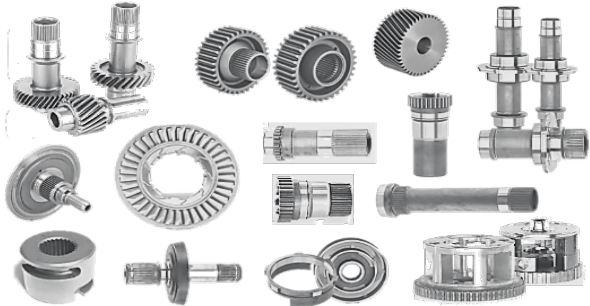


- THGL is a renowned manufacturer specializing in passenger vehicle transmission gears, shafts, driveline components, and steering linkage components.
- The company's transmission gears and shafts are precision-engineered to ensure smooth and efficient operation in passenger vehicles, contributing to optimal drivetrain performance.
- The company has a capacity of 4 Mn p.a. dedicated for passenger vehicle transmission gears and shafts as well as driveline components.

PV REVENUES (INR MN)



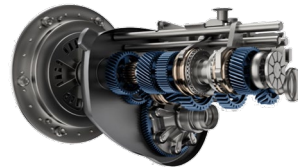
Transmission Gears & Shafts



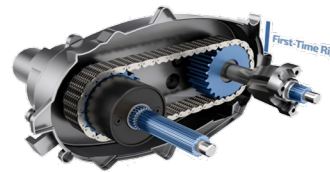
Driveline Components



Transmission Gears & Shafts



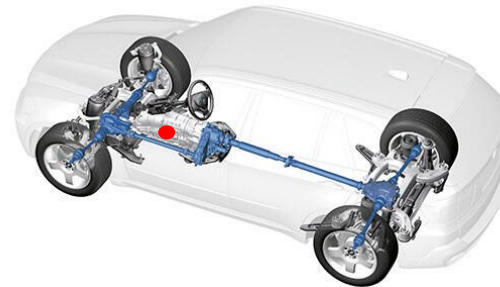
Driveline Components



Steering Linkage



Transfer Case and Driveline

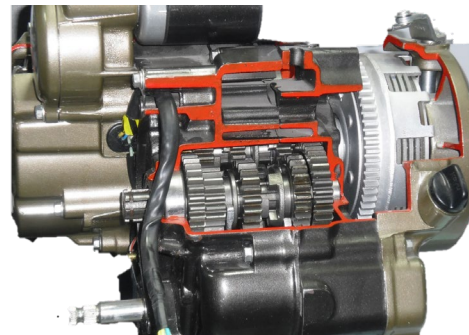
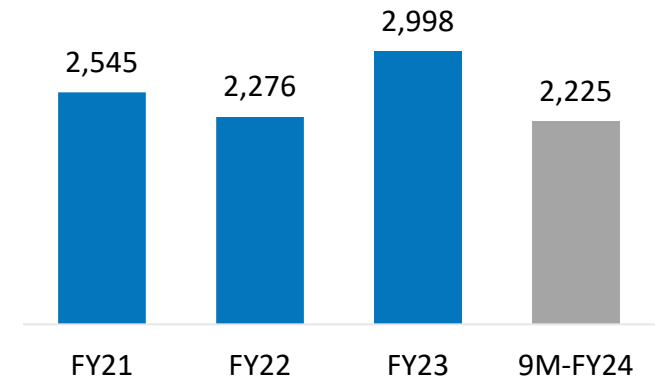


Marquee Clients



- THGL specializes in manufacturing high-quality two-wheeler transmission gears and shafts.
- The company's transmission components are precision-engineered to ensure seamless gear shifting and optimal performance.
- Employing cutting-edge technology and stringent quality control measures, THGL delivers products that meet the rigorous standards set by the motorcycle industry.
- The company's commitment to innovation and excellence solidifies its position as a trusted partner in the production of critical components for the ever-evolving motorcycle market.
- The company has a capacity of 40 Mn p.a. dedicated for two-wheeler transmission gears and shafts.

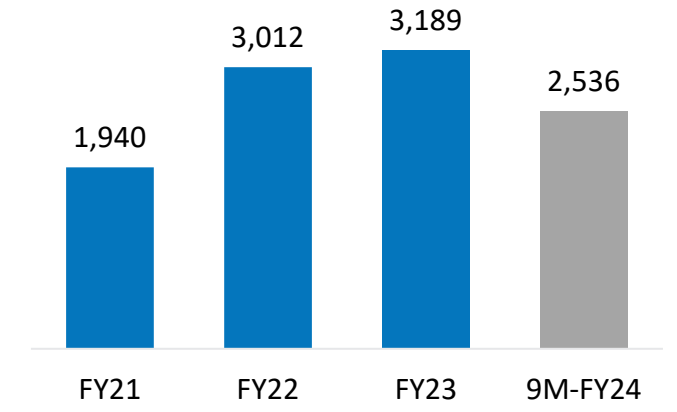
2W REVENUES (INR MN)



Marquee Clients



- THGL specializes in manufacturing high-quality components for commercial vehicle – on and off highway and Agri vehicle engines, transmission gears, and power take-off (PTO) systems.
- The company is a prominent manufacturer specializing in the production of precision-engineered components that enhance performance and fuel efficiency.
- Their components are tailored to meet the demanding requirements of rugged environments, providing robust and durable solutions that ensure optimal power delivery and performance.
- The company's annual capacity of 4.1 million units is dedicated to manufacturing transmission gears & shafts, engine gears, and power takeoff components for commercial vehicles, off-highway vehicles, and agricultural vehicles



Engine Gears



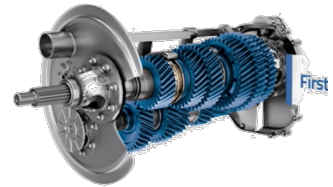
Transmission Gears and Shafts



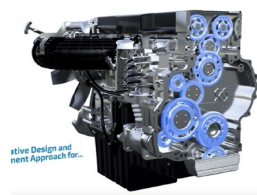
Power Take Off Components



Transmission Gears and Shafts



Engine Gears



Power Take Off Components



Marquee Clients



DAIMLER





STRATEGIC OVERVIEW



Industry Dynamics & Growth Drivers

- The Indian Automotive Industry is worth more than USD \$222 Bn and is expected to reach USD \$300 Bn by 2026 by expanding at a CAGR of 15%.
- It contributes 6% to India's GDP and 8% of the country's total export.
- India is the second largest manufacturer of Two-wheelers, the largest manufacturer of Three-wheelers and 3rd largest manufacturer of passenger cars in the world.
- It has been estimated that the Vehicle penetration will reach up to 72 vehicles per 1000 people by 2025.
- The domestic automotive industry is expected to grow at high single-digit levels in FY 2023-24, with demand for the passenger vehicles segment expected to grow at 6-9%, commercial vehicles by 7- 10%, two-wheelers by 6-9% and tractors by 4-6%.
- Indian Government aims to have EVs comprise 30% of new private vehicle registrations, amounting to 8 crore EVs, by 2030. The electric vehicle (EV) market is estimated to reach Rs. 50,000 crore (US\$ 7.09 billion) in India by 2025.
- With the GOI initiatives like vehicle scrappage policy, Café 2 norms, Atmanirbhar Bharat, all are expected to drive demand for precision auto ancillary components.

Sources: Invest India, ICRA,

Future Plan of Action



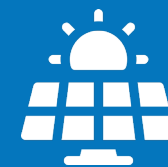
Increase share of wallet through enhanced product spread (EV and higher value add) with current customers

Acquire new customers in both auto and non-auto space to maximize existing capacity utilization



Enhance operational excellence through TPM pillars, continuous improvement and internal governance mechanisms

Improve financial performance metrics through improved margins, debt reduction, and strategic growth



Focus on building highly skilled and empowered team

Pivot on EV and new customer additions

FY 22-23

New business won ~ ₹ 1,754 Mn annualized

Current Customer
₹ 1,081 Mn

New Customer
₹ 673 Mn

EV Business
₹ 360 Mn

ICE Business
₹ 1,394 Mn

H1-FY24

New business won ~ ₹ 461 Mn annualized

Current Customer
₹ 151 Mn

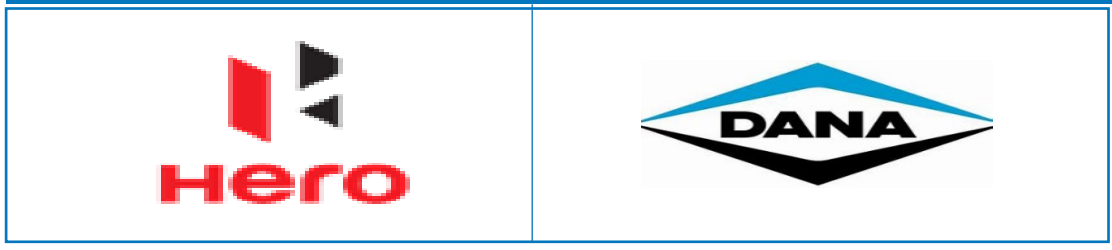
New Customer
₹ 310 Mn

Entry into Indian Passenger Car Market

New Customers



EV Customers



Realizable revenues from the current order book in next 2-3 years ~ 1,100 – 1,450 Mn per annum

E

Adoption of Green as Social Commitment



- THGL has decided to set up all new forthcoming facilities as “ECOFAC” i.e. Sustainable Green Manufacturing Plants
- Key areas to work on shall be Site Planning, Water Conservation, Energy Conservation, Waste management, Occupational health, Green I.T. etc.
- The Manesar Manufacturing Unit which was also upgraded to ECOFAC Plant. 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 of operations.



S

- The company underscores the shift from solely pursuing profits to embracing responsibilities toward the environment, gender equality, education, and more.
- The company's adherence to a Vedic philosophy centered on collective well-being and the principle of 'survival of all.' It emphasizes the company's commitment to universal welfare, reflected in its work culture and CSR policy.
- During the 2022-23 financial year, the company contributed Rs. 8.12 million toward societal betterment in accordance with CSR regulations. This showcases the company's dedication to being a socially responsible corporate entity, aiming to positively impact society while complying with regulations and fostering relationships with stakeholders and the community.

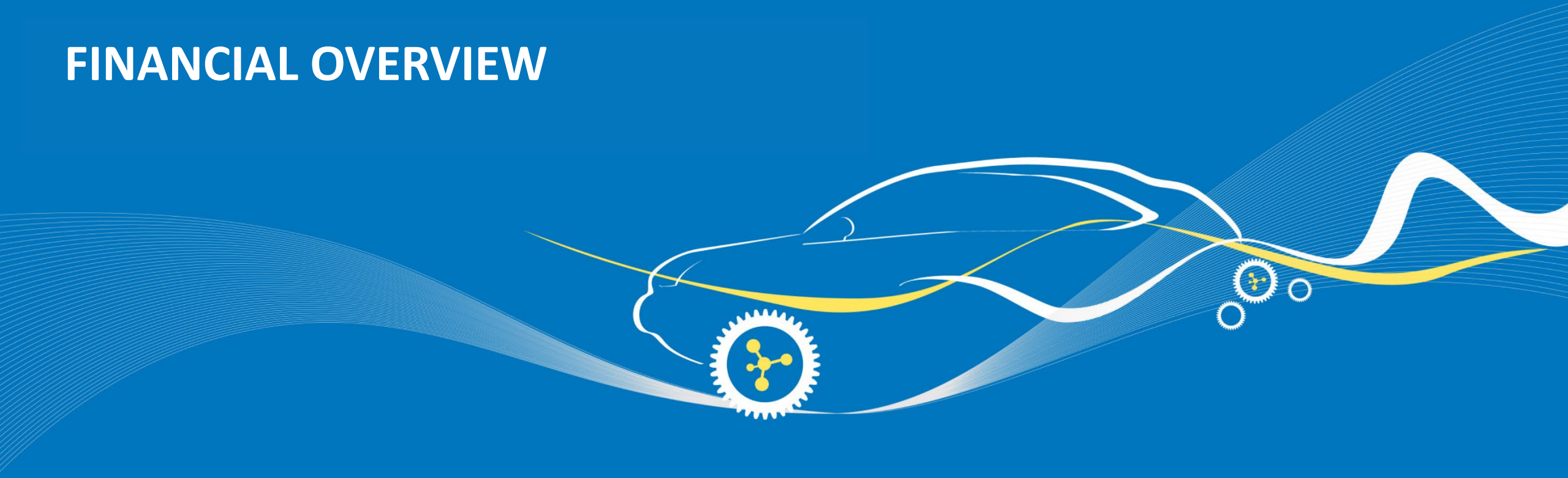


G

- The Hi-Tech Gears Limited has implemented and continuously improved upon various Corporate Governance practices over the years
- 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.
- There were no cases of non-compliance by the Company and no material penalties or structures 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 there under during the financial year under review.
- Hi-Tech Gears Limited has conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance.



FINANCIAL OVERVIEW



Particulars (INR Mn)	FY21	FY22	FY23	9M-FY24
Revenue from Operations	7,455	9,706	11,692	8,200
Expenses	6,556	8,889	10,278	7,109
EBITDA	899	817	1,414	1,091
<i>EBITDA Margins (%)</i>	12.06%	8.42%	12.09%	13.30%
Depreciation and amortisation	431	523	822	449
Finance costs	233	264	332	311
Other Income	105	79	79	66
PBT before exceptional items	340	109	339	397
Exceptional Items	-	-	-	770
Profit before tax	340	109	339	1,167
Tax expense	52	120	108	203
PAT	288	(11)	231	964
<i>PAT Margins (%)</i>	3.86%	NA	1.98%	11.76%
Other Comprehensive income	157	149	30	51
Total Comprehensive income	445	138	261	1,015
Diluted EPS (INR)	15.34	(0.59)	12.30	51.29

PARTICULARS (INR MN)	FY22	FY23	H1-FY24
NON-CURRENT ASSETS	5,924	5,390	5,068
a) Property, plant and equipment	3,871	3,853	3,502
b) Capital work-in-progress	382	132	141
c) Right of Use Assets	271	263	331
d) Other Intangible assets	581	526	511
f) Goodwill	557	314	325
g) Financial assets			
i) Investments	122	122	122
ii) Loans	3	1	1
iii) Other Financial Assets	38	46	84
i) Deferred Tax Assets (Net)	-	83	-
J) Other non-current assets	99	50	51
CURRENT ASSETS	4,099	4,464	4,324
a) Financial Assets			
i) Trade Receivables	1,739	2,086	2,060
ii) Cash and cash equivalents	609	334	103
iii) Bank balances other than above	258	464	523
iv) Loans	5	7	4
v) Other financial assets	87	87	87
b) Current Tax Assets (Net)	19	28	41
b) Other current assets	221	223	254
d) Inventories	1,161	1,235	1,252
TOTAL ASSETS	10,023	9,855	9,392

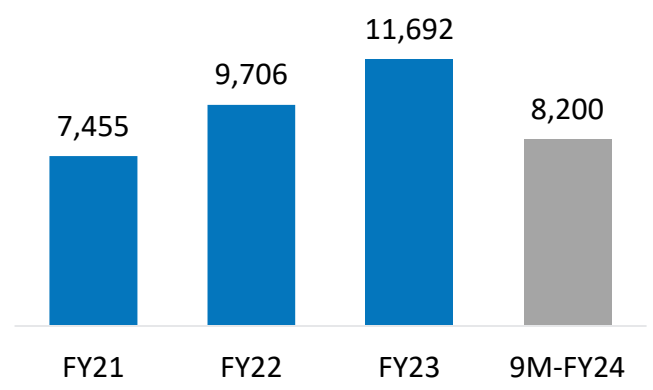
PARTICULARS (INR MN)	FY22	FY23	H1-FY24
EQUITY	3,307	3,544	4,348
Equity Share Capital	188	188	188
Other Equity	3,120	3,357	4,160
NON-CURRENT LIABILITIES	3,297	2,475	1,457
a) Financial Liabilities			
i) Borrowings	2,992	2,196	531
ii) Lease Liability	221	205	860
b) Provisions	34	38	38
c) Deferred tax liabilities (net)	36	25	18
d) Other Non- Current Liabilities	13	10	10
CURRENT LIABILITIES	3,419	3,835	3,587
a) Financial Liabilities			
i) Borrowings	1,448	2,136	1,929
ii) Lease Liabilities	45	35	120
iii) Trade Payables	1,433	1,206	985
iv) Other financial liabilities	364	330	412
b) Other current liabilities	86	105	114
c) Provisions	43	24	27
TOTAL EQUITY AND LIABILITIES	10,023	9,855	9,392

PARTICULARS (INR MN)	FY21	FY22	FY23	9M-FY24
Revenue from Operations	5,224	6,446	7,818	5,770
Expenses	4,400	5,497	6,725	4,990
EBITDA	824	949	1,093	780
<i>EBITDA Margins (%)</i>	<i>15.77%</i>	<i>14.72%</i>	<i>13.98%</i>	<i>13.52%</i>
Depreciation and amortisation	252	304	316	239
Finance costs	179	179	171	145
Other Income	103	71	88	55
Profit before tax	496	537	694	451
Tax expense	123	152	191	120
PAT	373	385	503	331
<i>PAT Margins (%)</i>	<i>7.14%</i>	<i>5.97%</i>	<i>6.43%</i>	<i>5.74%</i>
Other Comprehensive income	38	68	4	(4)
Total Comprehensive income	411	453	507	327
Diluted EPS (INR)	19.87	20.52	26.79	17.58

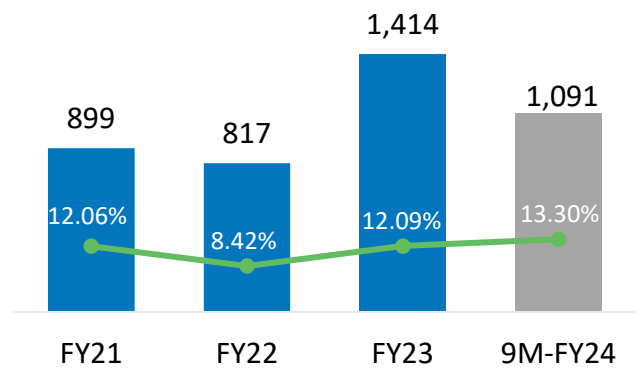
PARTICULARS (INR MN)	FY22	FY23	H1-FY24
NON-CURRENT ASSETS	4,266	4,089	3,993
a) Property, plant and equipment	1,935	1,840	1,741
b) Capital work-in-progress	160	126	129
c) Right of Use Assets	271	263	250
d) Other Intangible assets	9	7	8
f) Financial assets			
i) Investments	1,671	1,671	1,671
ii) Loans	81	79	80
iii) Other Financial Assets	40	53	63
J) Other non-current assets	99	50	51
CURRENT ASSETS	2,835	3,193	3,287
a) Inventories	786	789	821
a) Financial Assets			
i) Trade Receivables	1,252	1,518	1,590
ii) Cash and cash equivalents	256	129	48
iii) Bank balances other than above	258	464	523
iv) Loans	3	4	2
v) Other financial assets	78	78	52
b) Current Tax Assets (Net)	19	26	40
c) Other current assets	183	185	211
TOTAL ASSETS	7,101	7,282	7,280

PARTICULARS (INR MN)	FY22	FY23	H1-FY24
EQUITY	3,493	3,976	4,137
Equity Share Capital	188	188	188
Other Equity	3,305	3,788	3,949
NON-CURRENT LIABILITIES	1,239	664	531
a) Financial Liabilities			
i) Borrowings	936	386	263
ii) Lease Liability	221	205	203
b) Provisions	34	38	38
c) Deferred tax liabilities (net)	35	25	18
d) Other Non- Current Liabilities	13	10	9
CURRENT LIABILITIES	2,369	2,642	2,612
a) Financial Liabilities			
i) Borrowings	884	1,372	1,347
ii) Lease Liabilities	44	35	24
iii) Trade Payables	1,031	843	736
iv) Other financial liabilities	283	264	364
b) Other current liabilities	84	104	114
c) Provisions	43	24	27
TOTAL EQUITY AND LIABILITIES	7,101	7,282	7,280

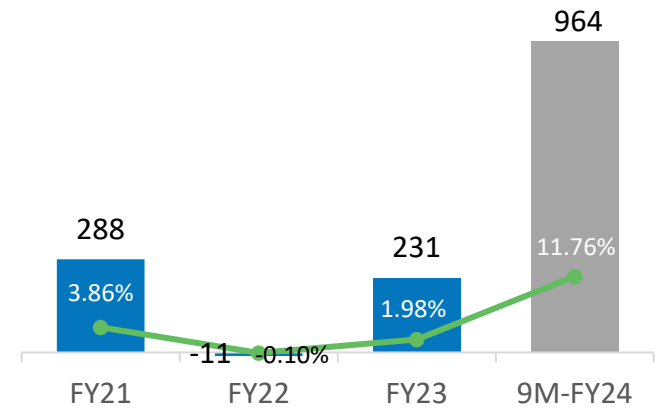
OPERATIONAL REVENUE (INR MN)



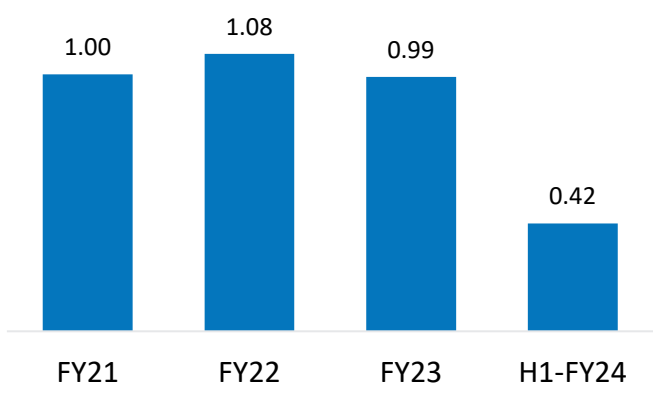
EBITDA (INR MN) & EBITDA MARGINS (%)



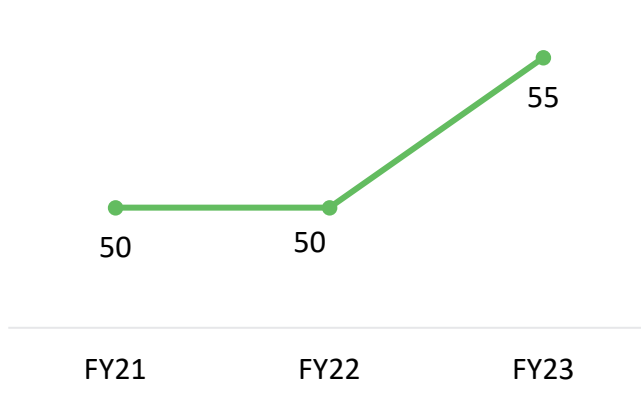
PAT (INR MN) & PAT MARGINS (%)



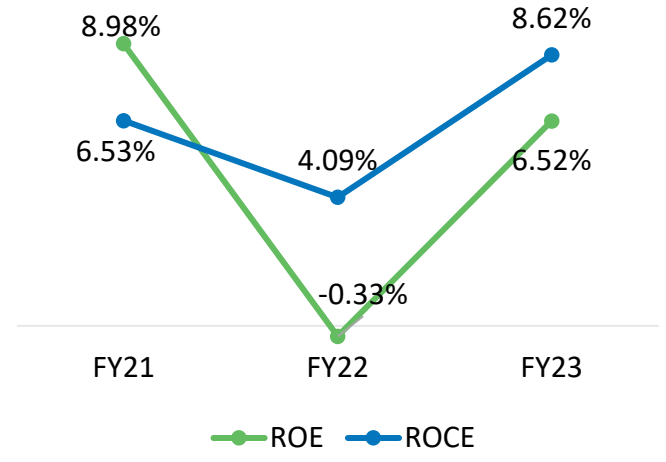
NET DEBT TO EQUITY (X)

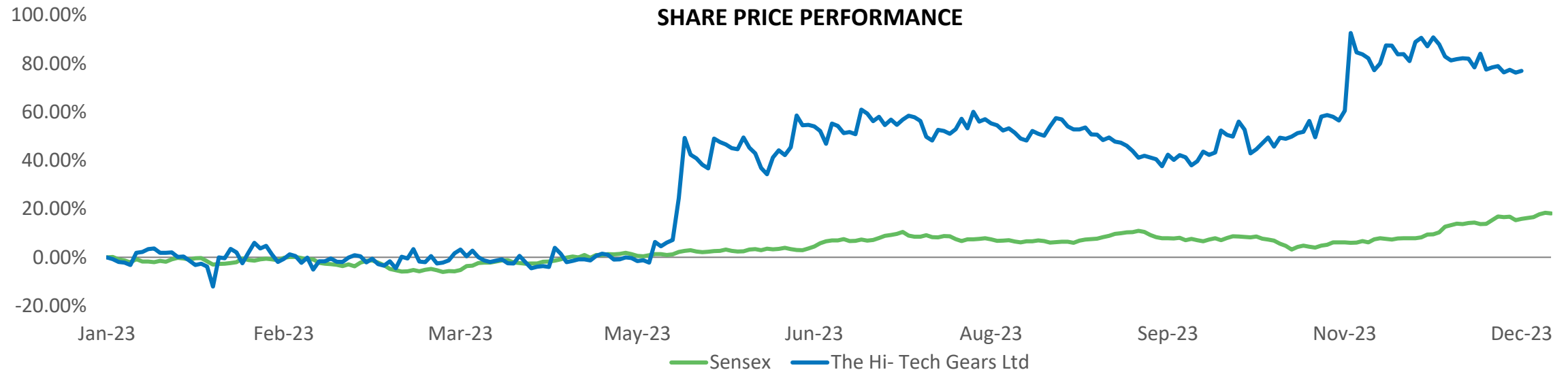


CASH CONVERSION CYCLE (DAYS)



ROCE (%) AND ROE(%)

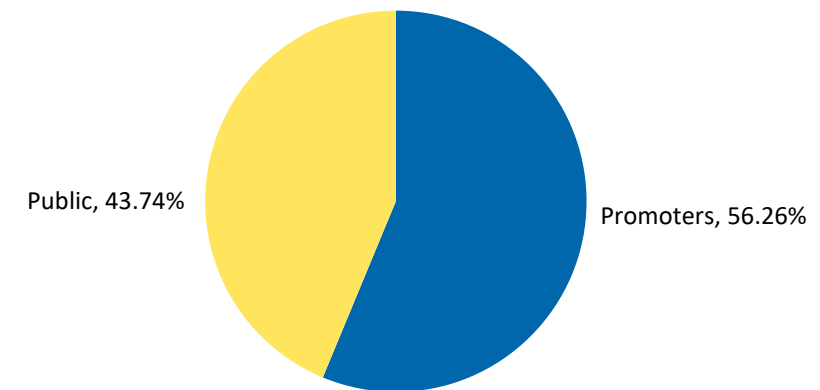




MARKET DATA (INR) AS ON 31ST December, 2023

Face Value	10.0
CMP	457.00
52 Week H/L	518.3/226.1
Market Cap (INR Mn)	8576.97
Shares O/S (Mn)	18.77
Avg. Volume ('000)	37.25

SHAREHOLDING PATTERN AS ON 31ST DECEMBER, 2023



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