



HGS(INDIA)LIMITED

REGISTERED & HEAD OFFICE: I & II Floors, Portion-2, A-259 Defence Colony, New Delhi-110024
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CIN: U74899DL1986PLC023341

NOTICE FOR THIRTY NINETH ANNUAL GENERAL MEETING

NOTICE is HEREBY GIVEN that the 39th (Thirty Nineth) Annual General Meeting of members of HGS (INDIA) LIMITED will be held on Friday, the 23rd day of August, 2024, at 11:00 AM to transact the following businesses: -

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Annual Financial Statements of the Company including Balance Sheet as at 31st March, 2024, Statement of Profit and Loss account, for the period ended on that date, the Auditor's Report thereon and the Director's Report thereto.
2. To declare the final dividend of ₹ 1.50/- per share (Rupees One & Fifty Paise Only) amounting to ₹ 14,221,200/- on 9,480,800 issued, subscribed and paid-up Equity Shares of the Company for the reporting period
3. To appoint a Managing Director in place of Mr. Anil Dass (DIN 00043366), who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint Auditors and fix their remuneration and in this regard if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT M/s S Ramanand Aiyar & Co., Chartered Accountants (Firm Registration No. 000990N), be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS:

5. TO CONSIDER AND APPROVE BUYBACK OF ITS EQUITY SHARES AND IN THIS REGARD TO CONSIDER AND, IF THOUGHT FIT, TO GIVE ASSENT/DISSENT TO THE FOLLOWING RESOLUTION, AS A SPECIAL RESOLUTION:

The following resolution is sought to be passed:

"RESOLVED THAT pursuant to the provisions of Section 68, 69 and 70 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Share Capital and Debentures) Rules, 2014, as amended and to the extent applicable and including any amendments, statutory modifications or re-enactments thereof for the time being in force, the approval of shareholders be and is hereby accorded to buy back 2,370,200 fully paid-up equity shares of ₹ 10 each from eligible equity shareholders of the Company holding shares as on the Record date (hereinafter known as Eligible Shareholders).



RESOLVED FURTHER THAT a draft of the declaration of solvency prepared in the prescribed form and placed before the Board, to be duly signed by Mr. Anil Dass, Managing Director and Mr. Samir Gugnani, Director of the Company be and is hereby approved for filing with the Registrar of the Companies.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to determine the time frame for such buy-back and the specific price for the buy-back of equity shares of the Company as aforesaid at a price not exceeding ₹ 55.00/- (Rupees Fifty-Five Paise Only) per equity share.

RESOLVED FURTHER THAT a draft of the letter of offer, as circulated to the Board and initialled by the Chairman for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT the record date for eligibility of Shareholders be and is hereby fixed at **26th day of August, 2024.**

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all acts, deeds, matters and things incidental to the implementation of the scheme of buy-back, and to refer all applications to the appropriate authorities, parties and institutions for their requisite approvals and initiate all necessary actions which may be necessary to give effect to the above resolution.”

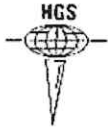
6. To regularize the terms of appointment of **MR. SAMIR GUGNANI**. The Board of Directors in their meeting held on 22.03.2024 decided to enter into a new agreement with revised terms of appointment, effective as from **1st April, 2024** up till **31st March, 2025**, overriding the existing agreement subsisting between Mr. Samir Gugnani, Director, and the Company. However, the terms and conditions including remuneration are subject to ratification by the shareholders in the Annual General Meeting and in this regard 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 197 & section 179, read with provisions of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof), and applicable clauses of the Articles of Association of the Company, the revised Agreement For Professional Services of Mr. Samir Gugnani (DIN: 03518423) is hereby approved for a period beginning from **1st April, 2024** up till **31st March, 2025** and consent is granted to pay him remuneration by way of ‘Professional Fees’.

He shall be liable to retire by rotation.

“RESOLVED FURTHER THAT Mr. Anil Dass (DIN: 00043366), Managing Director of the Company be and is hereby authorized to sign and submit all the requisite documents to make the above resolution effective and to file the prescribed E-Form with the Registrar of Companies within the prescribed time.”

7. To regularize the terms of appointment of **MR. ANIL DASS**, since the existing Agreement subsisting between Mr. Anil Dass, Managing Director and the Company expired on 31st March, 2024. The Board of Directors in their meeting held on 22.03.2024 decided to renew the current agreement on the same terms and conditions for three years from **1st April 2024 to 31st March, 2027**. However, the terms and conditions including remuneration are subject to ratification by the shareholders in the Annual General Meeting and in this regard 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 197 & section 179, read with provisions of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof), and applicable clauses of the Articles of Association of the Company, the revised agreement of Mr. Anil Dass (DIN: 00043366) is hereby approved for a period beginning from **1st April, 2024** up till **31st March, 2027**.
He shall be liable to retire by rotation.

"RESOLVED FURTHER THAT any of the Directors of the Company be and are hereby authorized to sign and submit all the requisite documents to make the above resolution effective and to file the prescribed E-Form with the Registrar of Companies within the prescribed time."

8. To regularize the appointment of **MR. DHIRAJ KUMAR VASHISTA** as Whole Time Director of the Company and in this regard 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 2(94), 196,197,203 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and any other applicable provisions or rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), Schedule V to the Companies Act, 2013, and the Articles of Association of the Company, and based on the recommendation by the Board, Dhiraj Kumar Vashista (DIN: 10579663) who was appointed as the Additional Director of the Company with effect from 05th April, 2024, by the Board of Directors, be and is hereby regularized as the Whole Time Director of the Company for a term of five (5) consecutive years with effect from 23rd August, 2024.

RESOLVED FURTHER THAT Mr. Anil Dass (DIN: 00043366), Director of the Company be and is hereby authorized to sign and submit all the requisite documents to make the above resolution effective and to file the prescribed E-Form with the Registrar of Companies within the prescribed time."

9. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **SPECIAL RESOLUTION**

RESOLVED THAT the Managerial Remuneration paid/ payable together for Mr Samir Gugnani, Mr Anil Dass and Mr Dhiraj Kumar Vashista, as approved by the Board of Directors in their meeting held on 22.03.2024, even though it is more than the limit prescribed under Section 197 and Schedule V of Companies Act, 2013, be and is hereby approved for the Financial Year 2024-2025.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to do all acts and to take all such steps as may be necessary, to give effect to the foregoing resolution."

10. To ratify the appointment of **MR ANIL DASS** as **Managing Director** on attainment of age of 70 years and 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 Section 196(3) and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and any other applicable provisions or rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and Schedule V to the Companies Act, 2013, the consent and approval of the members of the Company be and is hereby accorded to Mr. Anil Dass (DIN: 00043366), who shall attain the age of 70 years on 28.02.2025, for continuation of holding of office post attainment of age of 70 years as the Managing Director of the Company, on the existing terms and conditions duly approved by the members of the Company.

RESOLVED FURTHER THAT any of the Directors of the Company be and are hereby authorised to do such act, deed and things as may be necessary to give effect to the above resolution.”

11. Re- designation of **Mr. Anand Narain Bhatia** from **Independent Director** to a **Non- Executive Director** of the Company and in this regard if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

RESOLVED THAT pursuant to Sections 149 and other applicable provisions of the Companies Act, 2013 (“the Act”), the underlying rules (including any statutory modification(s) or reenactment(s) thereof for the time being in force), approval be and is hereby accorded for re-designation of **Mr. Anand Narain Bhatia** (DIN:00148983), Independent Director of the Company as a Non-Executive Director of the Company with effect from August 23rd, 2024 whose terms of office shall be liable to retirement by rotation as per section 152(6) of the Companies Act, 2013.

RESOLVED FURTHER THAT approval be and is hereby accorded for payment of sitting fees of ₹ 15000 per Board meeting to Non-Executive Independent Directors. The consent of the Director has been received.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things with regard to the aforesaid resolution as it may deem fit and to execute any agreements, documents, instructions, etc. as may be necessary or desirable in connection with or incidental to give effect to the aforesaid resolution.

12. Re- designation of **Ms. Malti Sen** from **Independent Director** to a **Non- Executive Director** of the Company and in this regard if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

RESOLVED THAT pursuant to Sections 149 and other applicable provisions of the Companies Act, 2013 (“the Act”), the underlying rules (including any statutory modification(s) or reenactment(s) thereof for the time being in force), approval be and is hereby accorded for re-designation of **Ms. Malti Sen** (DIN: 06860814), Independent Director of the Company as a Non-Executive Director of the Company with effect from August 23rd, 2024 whose terms of office shall be liable to retirement by rotation as per Section 152(6) of the Companies Act, 2013.


RESOLVED FURTHER THAT approval be and is hereby accorded for payment of sitting fees of ₹ 15000 per Board meeting to Non-Executive Independent Directors. The consent of the Director has been received.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things with regard to the aforesaid resolution as it may



deem fit and to execute any agreements, documents, instructions, etc. as may be necessary or desirable in connection with or incidental to give effect to the aforesaid resolution.

By order of the Board
FOR HGS(INDIA) LIMITED
HGS (INDIA) LIMITED


ANIL DASS **Director**
Director
DIN: 00043366

Date: 17.07.2024
Place: New Delhi



NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF, AND THE PROXY NEED NOT 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. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder.

2. The instrument appointing the proxy, duly completed, stamped, and signed, must be deposited at the Company's Registered Office not less than 48 hours before the commencement of the meeting. The proxy form for the AGM is enclosed herewith.
3. Members are requested to notify the Company immediately of their Bank Account Number and name of the Bank and Branch, so that payment of dividend can be made directly in Members' Bank Account and avoid delay / default.
4. Shareholders are requested to forward their e-mail addresses to the Company at sgupta@hgsindia.com if they have not done so in order for them to receive the Annual Report & other communication from the Company.
5. Members / Proxies should bring the Attendance Slip Duly filled in for attending the meeting and are requested to bring their copies of the Annual Report and Accounts to the meeting.
6. In case of joint holders attending the meeting, the member whose name appears as First Holder in Register of Members of the Company will be entitled to vote.
7. Corporate members intending to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting through email at sgupta@hgsindia.com. The Board Resolution must be received by the Company latest by close of the working hours of 20th August, 2024.
8. The Company has notified closure of Register of Members and Share Transfer Books from 16th August, 2024 to 23rd August, 2024 for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
9. The dividend, if declared at the meeting will be paid to those Shareholders whose names appear on the Register of Members as on Record date.
10. Record date for dividend is **16th August, 2024.**
11. BEETAL Financial & Computer Services Pvt Ltd, BEETAL HOUSE, 3rd Floor, 99, Madangir, behind LSC, New Delhi - 110062, are the Registrar and Share Transfer Agent of the Company to deal with the electronic share registry.



12. Members are requested to notify the Company or Registrar and Share Transfer Agent immediately in case of change of their Bank Account Number and name of the Bank and Branch to their respective Depository Participant in the case of DEMAT shares, so that payment of dividend when made directly in the Bank Account of Shareholders to avoid delay/default.
13. Members are requested to notify immediately any change in their email address to the Company at sgupta@hgsindia.com or Registrar and Share Transfer Agents in the case of physical holdings and to their respective Depository Participant in case of DEMAT shares.
14. In compliance with the MCA Circulars, Notice of the AGM along with the Annual Report 2023-24 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2023-24 will also be available on the Company's website www.hgsindia.com

By order of the Board
FOR HGS(INDIA) LIMITED

H G S (INDIA) LIMITED

ANIL DASS **Director**
Director
DIN: 00043366

Date: 17.07.2024
Place: New Delhi



Statement pursuant to Section 102 (1) of Companies Act, 2013

Item No.: 5

With an objective of providing an exit opportunity to members holding equity shares of the Company, the Board at its meeting held on Wednesday, 17th July, 2024 approved the proposal of recommending Buy Back of equity shares as contained in the Resolution in the Notice. As per the relevant provisions of the Companies Act, 2013 and other applicable provision of the Companies Act, the Explanatory Statement contains all the relevant and material information to enable the members holding equity shares of the Company to consider and approve the Special Resolution on the Buy Back of the Company's equity shares.

Requisite details relating to Buy Back are given below:

1. The amount to be invested under the buy-back

The amount to be invested under Buy Back shall not be more than ₹ 130,361,000/- (Rupees One Hundred Thirty Million Three Hundred Sixty-One Thousand Only).

2. Date of the Board Meeting at which the proposal for Buy Back was approved by the Board of Directors of the Company – 17th July, 2024

3. Necessity/Objective for the Buy Back

The Buy Back is being proposed with the desire to give an exit opportunity to existing shareholders.

4. The class of shares or securities intended to be purchased under the buy-back Equity shares

5. Number of securities that the Company proposes to Buy Back

The Company proposes to Buy Back 2,370,200 (Two Million Three Hundred & Seventy Thousand and Two Hundred Only) fully paid-up equity shares of ₹ 10/- each of the Company.

6. Method to be adopted for the Buy-back

The Buy Back shall be on a proportionate basis from all the members holding equity shares of the Company through the "Tender Offer" route, as prescribed under the Companies Act and Rules made thereunder. The Buy Back will be implemented in accordance with the Companies Act, 2013, the Companies (Share Capital and Debentures) Rules, 2014 to the extent applicable, and on such terms and conditions as may be deemed fit by the Company.

7. Buy Back Price and basis of arriving at the Buy Back price

The equity shares of the Company are proposed to be bought back at a price of ₹ 55/- (Rupees Fifty-Five Only) per Equity Share. The Buy Back price has been calculated by Mr. Bhavin R Patel; a Valuer registered with IBBI. He used the Net Asset Value Method and Discounted Cash Flow Method in the said valuation.

8. Maximum amount to be paid for the buy-back and the sources of funds from which the buy-back would be financed

The maximum amount required for the purpose of the Buy-back would be ₹ 130,361,000/- (Rupees One Hundred Thirty Million Three Hundred Sixty-One Thousand Only). The funds for the Buy-back will be sourced from the Free Reserves of the Company.



The Company confirms that as required under Section 68(2)(d) of the Companies Act, the Debt-Equity ratio after the Buy-back should be as per the permissible limit of 2:1 prescribed by the Companies Act, 2013. This shall be applicable even if the response to the Buy-back is to the extent of 100% (Full Acceptance) from all the Eligible Shareholders.

9. Time-limit for the completion of Buy Back

The Buy Back is proposed to be completed within 12 months of the date of Special Resolution approving the proposed Buy Back.

10.

- (i) **Aggregate shareholding of the Promoters and of the Directors of the Promoter, where the Promoter is a Company and of the Directors and Key Managerial Personnel as on the date of the notice convening the general meeting**

Promoter/Directors of Promoters (where the promoter is a Company) and the person in control of the Company and Promoter Group.				
S. No.	Name of Shareholder	Category (Promoter/Director)	No. Of Equity Shares held	Percentage of Issued Share Capital held
1.	Brijendra Singh	Promoter/Director	6,65,920	7.02%
2.	Anil Dass	Promoter/Director	10,46,800	11.04%
3.	Shashi Singh	Promoter	5,48,640	5.79%
4.	Queens Gate Holdings India Private Limited	Promoter	8,18,640	8.63%
5.	Sowar Private Limited	Promoter	34,00,560	35.87%
6.	Anand Narain Bhatia	Director	39,600	0.42%
Total			65,20,160	68.77%

- (ii) **Aggregate number of equity shares purchased or sold by the Promoter Group / Directors during a period of twelve months preceding the date of the Board Meeting at which the buy-back was approved and from that date till the date of notice convening the general meeting**

None

- (iii) **The maximum and minimum price at which purchases and sales by the Promoter Group / Directors were made during last 12 months along with the relevant date – Not applicable**

- (iv) **Intention of the Promoters and Promoters group of the Company to tender equity shares for Buyback**

In terms of the Buyback Regulations, under the tender offer route, the Promoter and Promoter Group have an option to participate in the Buyback. In this regard, the Promoter and Promoter Group entities and persons in control of the Company have expressed their



intention to participate in the Buyback and may tender up to an aggregate maximum of 23,70,200 Equity Shares or such lower number of Equity Shares in accordance with the provisions of the Buyback Regulations.

- (v) **A confirmation that there are no defaults subsisting in repayment of deposits, interest payment thereon, redemption of debentures or payment of interest thereon or redemption of preference shares or payment of Dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company**

The Company confirms that there are no defaults subsisting in repayment of deposits, interest payment thereon, redemption of debentures or payment of interest thereon or redemption of preference shares or payment of Dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company.

- (vi) **The Board of Directors of the Company has confirmed that it has made a full enquiry into the affairs and prospects of the Company and that they have formed the opinion-**

(a) that immediately following the date on which the Board Meeting was convened i.e., 17th July, 2024 there shall be no grounds on which the Company could be found unable to pay its debts;

(b) that as regards its prospects for the year immediately following that date, having regard to their intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will in their view be available to the Company during that year, the Company shall be able to meet its liabilities as and when they fall due and shall not be rendered insolvent within a period of one year from that date; and

(c) that in forming its opinion, the Directors have considered the liabilities (including prospective and contingent liabilities), as if the Company were being wound up under the provisions of the Companies Act, 2013.

- (vii) **The Board of Directors of the Company has received a report addressed to the Board of Directors by the Company's auditors stating that-**

(a) they have inquired into the Company's state of affairs;

(b) the amount of the permissible capital payment for the securities in question is in their view properly determined;

(c) that the audited accounts on the basis of which calculation with reference to Buy Back is done is not more than six months old from the date of offer document;

- (viii) **The Board of Directors of the Company has made all the calculations with reference to buy back on the basis of the audited accounts as on 31st March, 2024.**

- (viii) **The Board of Directors have formed the opinion on reasonable grounds that the Company, having regard to its state of affairs, shall not be rendered insolvent within a period of one year from that date.**



(viii) In the opinion of the Board, the proposal for Buy Back is in the interest of the Company and its Shareholders holding Equity Shares of the Company. The Directors, therefore, recommend the Special Resolution as set out at Item No. 5 for approval by the shareholders.

None of the Directors or any Key Managerial Personnel of the Company or their respective relatives are in anyway, concerned or interested financially or otherwise, either directly or indirectly in passing of the said resolution, save and except to the extent of their respective interest as shareholders of the Company.

Item No.: 6

Regularization of terms of appointment of Mr. Samir Gugnani (DIN: 03518423).

Mr. Samir Gugnani completed his previous tenure as Whole Time Director on 31st March 2023. However, keeping in view Mr Gugnani's contribution to the Company during his previous tenure as Whole Time Director, the Company in its annual General Meeting held on 20th day of September, 2023 reappointed Mr. Gugnani as Non- Executive Director for a further term of two years from 1st April 2023 to 31st March 2025.

However, the Board of Directors in their meeting held on 22.03.2024 decided to enter into a new agreement with revised terms of appointment, effective as from 1st April, 2024 up till 31st March, 2025, overriding the existing agreement subsisting between Mr. Samir Gugnani, Director, and the Company.

The terms and conditions including remuneration are subject to approval of the members in the ensuing Annual General Meeting (AGM) by way of Ordinary Resolution, hence the Board recommends the said **Resolution No. 6** for approval by the members of the Company.

Remuneration shall be payable as 'Professional Fees' to Mr. Gugnani, as approved by the Board, and is as follows:

(i) Monthly Professional Fees: -

A lumpsum amount of ₹ 1,86,300 (Rupees One Lakh Eighty-Six Thousand Three Hundred Only) per month towards Professional Fees will be released against invoice.

(ii)

Any increase in the lumpsum amount for any renewed period will be based on financial performance of the Company and as decided by the Board of Directors.

(iii) Business Expenses

Tour expenses incurred by the Consultant on behalf of the Company will be reimbursed at actuals. All such reimbursable expenses should be supported by original or otherwise verifiable receipts. Company may withhold reimbursement for any unsupported expenses. Any major disbursements shall require prior approval of the Company.

None of the Directors except Mr. Gugnani, being the appointee is interested in the aforesaid resolution.



Item No. 7

Regularization of terms of appointment of Mr. Anil Dass (DIN: 00043366).

Mr. Anil Dass completed his previous tenure as Whole Time Director on 31st March 2024. However, the Board of Directors in their meeting held on 22.03.2024 decided to renew the current agreement on the same terms and conditions for three years from **1st April 2024 to 31st March, 2027.**

The terms and conditions including remuneration are subject approval of the members in the ensuing Annual General Meeting (AGM) by way of Ordinary Resolution, hence the Board recommends the said **Resolution No. 7** for approval by the members of the Company.

The remuneration is as follows:

- a) **Basic Salary** : Rs 4,91,400 – 39,350 – 5,70,100 per month.
- b) **Commission** : At a rate not exceeding 1 % (one percent) of the net profits of the Company.
- c) **Perquisites** :
 - i) Housing:

The Expenditure by the Company on hiring (furnished or unfurnished) accommodation for the appointee will not exceed 60% of the Salary. In case no accommodation is provided by the Company; the appointee shall be entitled to house rent allowance of 60 % of salary. The expenditure incurred by the Company, on gas, electricity and water shall be valued as per Income Tax Rule, 1962 and subject to a ceiling of ten percent of the salary of the appointee.
 - ii) Reimbursement of Medical Expenses incurred for the appointee and his family subject to a ceiling of one month's salary in a year or four month's salary over a period of four years.
 - iii) Leave Travel Concession for the appointee and his family once a year to any destination in India subject to one month's salary per year.
 - iv) Fees of clubs including annual membership to health club, subject to a maximum of two clubs. This will not include life membership fees.
 - v) Personal Accident Insurance premium not exceeding Rs 10,000/- per annum
 - vi) Provident Fund / Gratuity are not applicable.
 - vii) Free Use of Company's Car, Driver, and Telephone at residence for use on Company's business. Personal long distance calls on telephone and use of car for private purpose shall be billed by company to the appointee.
 - viii) Encashment of leave at the end of the tenure.

None of the Directors except Mr. Anil Dass, being the appointee is interested in the aforesaid resolution.



Item No.: 8

Regularization of Additional Director, Mr. Dhiraj Kumar Vashista (DIN: 10579663) as Whole Time Director

The appointment of Whole Time Director is governed by the Section 2(94), 196,197,203 of the Companies Act, 2013 read with rules mentioned and all other applicable provisions.

Pursuant to aforesaid provisions, a Public Company has to appoint at-least a Managing Director or Whole – Time Director or Manager on their Board. The composition of the Board is deemed to be incomplete without the appointment of any one of the above mentioned.

The Board recommends the name of Mr. Dhiraj Kumar Vashista for the position of Whole Time Director.

The final appointment and the terms and conditions including remuneration are subject approval of the members in the ensuing Annual General Meeting (AGM) by way of Ordinary Resolution, hence the Board recommends the said **Resolution No. 8** for approval by the members of the Company.

The remuneration is as follows:

Basic Salary: Rs 88,000/- pm

House Rent Allowance: Rs 44,000/- pm

Performance Allowance: Rs 80,000/- pm

Medical Allowance: Rs 18,000/- pm

Children Education Allowance: Rs 800/- pm

Telephone Expenses Reimbursement: Rs 60,000/- pa

Leave Travel allowance: Rs 88,000/- pa

Bonus/ Ex Gratia: As per Company rules

None of the Directors except Mr. Dhiraj Kumar Vashista is interested or concerned in the said resolution.

Item No.: 9

To approve the limit of managerial remuneration payable to Mr. Samir Gugnani, Mr Anil Dass and Mr Dhiraj Kumar Vashista taken together in excess of prescribed limit of 11% of the Net Profits of the Company.

The total managerial remuneration payable by a Public Company, to its Directors, including Managing Director and Whole-Time Director, and its manager in respect of any Financial Year shall not exceed 11% of the net profits of that Company for that Financial Year computed in the manner laid down in Section 198. Provided that the Company in General Meeting may authorize the payment of remuneration exceeding 11% of the net profits of the Company, subject to the provisions of Schedule V.



Consequently, the total remuneration of Mr Samir Gugnani, Non- Executive Director, Mr Anil Dass, Managing Director and Mr Dhiraj Kumar Vashista, Additional Director of the Company, exceeds the prescribed limit of 11% as specified under Section 197 of the Companies Act, 2013. In accordance with the applicable provisions of the Companies Act, 2013, approval of members is being sought, by way of Special Resolution, for payment of remuneration in excess of prescribed limit of 11% of net profit of the Company, in this AGM.

Item No.: 10

Continuation of Mr. Anil Dass (DIN: 00043366) upon attaining age of 70 years,

As per Section 196(3) of the Companies Act, 2013, no Company shall appoint or continue the employment of any person as the Managing Director, who has attained the age of 70 years, provided a Special Resolution duly approved by the members of the Company is passed in the General Meeting.

Mr Anil Dass shall attain the age of 70 years on 28.02.2025, the Company seeks the consent of the members by way of a Special Resolution for continuation of his holding of existing office, even after attainment of age of 70 years.

Item No.: 11

Re- designation of Mr. Anand Narain Bhatia from Independent Director to a Non- Executive Director of the Company

Mr. Anand Narain Bhatia (DIN:00148983), was the Independent Director of the Company since 26th September, 2014. As per Section 149(11), an Independent Director can hold office for a maximum of two consecutive terms of 5 years each. They are eligible for appointment after the expiration of three years of ceasing to become an Independent Director, provided during the period of those three years, they cannot be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

However, the Board is of the opinion that Mr. Anand Narain Bhatia's continued involvement as a Non-Executive Director of the Company after the Annual General Meeting on August 23rd, 2024 would be highly beneficial for the Company. His valuable insight and expertise shall help in better Corporate Governance. Thus, in the Board meeting held on 17.07.2024, the Board has recommended re-designation of Mr. Anand Narain Bhatia from Independent Director to a Non- Executive Director of the Company, and further recommends payment of sitting fees of ₹ 15000/- per Board meeting.

The Board recommends the said **Resolution No. 11** for approval by the members of the Company.

Item No.: 12

Re- designation of Ms. Malti Sen from Independent Director to a Non- Executive Director of the Company

Ms. Malti Sen (DIN: 06860814), was the Independent Director of the Company since 26th September, 2014. As per Section 149(11), an Independent Director can hold office for a maximum of two consecutive terms of 5 years each. They are eligible for appointment after the expiration of three years of ceasing to become an Independent Director, provided during the period of those three years, they



cannot be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

However, the Board is of the opinion that Ms. Malti Sen's continued involvement as a Non-Executive Director of the Company after the Annual General Meeting on August 23rd, 2024 would be highly beneficial for the Company. Her knowledge and experience shall support the Company's long-term strategy and governance. Thus, in the Board meeting held on 17.07.2024, the Board has recommended re- designation of Ms. Malti Sen from Independent Director to a Non- Executive Director of the Company, and further recommends payment of sitting fees of ₹ 15000/- per Board meeting.

The Board recommends the said **Resolution No. 12** for approval by the members of the Company.

By order of the Board
FOR HGS(INDIA) LIMITED

HGS(INDIA) LIMITED

Director

ANIL DASS
Director
DIN: 00043366

Date: 17.07.2024
Place: New Delhi



Thirty Ninth Annual Report 2023-24

HGS(INDIA)LIMITED

REGISTERED & HEAD OFFICE: I & II Floors, Portion-2, A-259 Defence Colony, New Delhi-110024

TELE: 011-46066603/04 FAX: 24332771/2772 e-mail: sales@hgsindia.com web: www.hgsindia.com
CIN: U74899DL1986PLC023341

DIRECTORS' REPORT

To the Members,

The Directors have pleasure in presenting the **Thirty Ninth (39th) Annual Report** of the Company along with Audited Accounts for the year ended 31st March, 2024.

1. FINANCIAL RESULTS

The Company's financial performance, for the year ended March 31, 2024:

Particulars	2023-24		2022-23	
	₹ Mn	\$ Mn*	₹ Mn Mn*	\$
Sales	314.61	3.77	251.73	3.06
Other Income	21.58	0.26	40.49	0.49
Gross Income	336.19	4.03	292.22	3.55
Gross Profit before Depreciation, Interest & Finance Charges	60.14	0.72	54.38	0.66
Depreciation, Interest & Finance Charges	14.63	0.18	15.29	0.19
Profit/(loss) for the year before Taxation	45.51	0.55	39.09	0.48
Provision for Taxation- Current Year & earlier years	(7.25)	(0.09)	(8.28)	(0.10)
Deferred Tax	0.43	(0.01)	(2.71)	(0.03)
Net Profit / (Loss) after Tax	38.69	0.46	28.10	0.34
Balance Profit/(Loss) brought Forward from Last Year	593.57	7.12	579.69	7.05
Net Profit/(Loss) Available for Appropriation	632.26	7.58	607.79	7.39
Appropriations				



Transfer to General Reserve	-	-	-	-
Final Dividend	14.22	0.17	14.22	0.17
Capital Redemption Reserve on account of Buy Back of Equity Shares	-	-	-	-
Buy -back of Equity Shares	-	-	-	-
Tax on Buy-back of Equity shares	-	-	-	-
Surplus carried to Balance Sheet	599.08	7.18	593.57	7.22

*Exchange Rate: 1\$=₹ 83.3828 as on March 31, 2024 and 1\$=₹ 82.2169 as on March 31, 2023

2. DIVIDEND

The Board has recommended a payment of the final dividend of ₹ 1.5/- (Rupees One and Fifty Paise Only) per Share amounting to ₹ 14,221,200/- (Rupees Fourteen Million Two Hundred & Twenty-One Thousand and Two Hundred Only) on 94,80,800 issued, subscribed and paid-up Equity Shares of the Company for the reporting period, subject to the approval of equity shareholders of the Company in the forthcoming Annual General Meeting of the Company.

3. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Since there was no unpaid/unclaimed Dividend in the previous years, the provisions of Section 125 of the Companies Act, 2013 do not apply.

4. RESERVE

No amount is transferred to General Reserve during the year. Reserves as on 31.03.2024 comprise of Capital Reserve of ₹ 0.95 million, Capital Redemption Reserve of ₹ 16.39 million, Security Premium of ₹ 0.51 million, Revaluation Reserve of ₹ 99.15 million, General Reserve of ₹ 220.02 million and credit balance in the Profit and Loss Account of ₹ 599.08 million, aggregating to ₹ 936.11 million.

5. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of your Company with its wholly owned subsidiary Company i.e. HGS Products B.V. have been prepared in accordance with the provisions of Schedule III of the Companies Act, 2013 and Accounting Standards 21, 27 and other applicable Accounting Standards issued by the Institute of Chartered Accountants of India.



Financial Highlights of HGS Products B.V. (Wholly Owned Subsidiary Company)

Particulars	2023-24		2022-23	
	₹ Mn	€ Mn*	₹ Mn	€ Mn*
Revenue from Operations	90.37	1.01	108.30	1.24
Other income	3.06	0.03	3.24	0.04
Changes in Inventories	1.19	0.01	(0.93)	(0.01)
Gross Profit before Depreciation, Interest & Finance Charges	(0.53)	(0.01)	4.58	0.05
Depreciation, Interest & Finance Charges	0.25	0.00	0.19	0.00
Profit /(loss) for the year before Taxation	(0.78)	(0.01)	4.39	0.05
Provision for Taxation- Current Year & earlier years	-	-	0.61	0.01
Deferred Tax	-	-	0.00	0.00
Net Profit / (Loss) after Tax	(0.78)	(0.01)	3.78	0.04

6. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

Your Directors wish to present the details of business operations done during the year under review:

- a. **Production and Profitability:** Financial Year 2023-24 showed an upturn in your Company's performance, both on revenue and profit for the year. Your Company cornered most of the geophone requirements for the subsea-nodal market at healthy margins and recouped some lost ground in domestic geophone strings sales. Profitability also increased with a reduction in the labour work force through a voluntary retirement plan (VRP) offered to some employees. Consolidating your Company's production in factory 158 and releasing factory 146 for rental also assisted in cost reduction. Duplicate labour due to the consolidation was retrenched under the VRP. The effect of these cost reduction measures will be greater in the years to come as the VRP costs were written off wholly in 2023-24.
- b. **Sales:** Revenue from operations increased by 24.98% from ₹ 251.73 million in 2022-23 to ₹ 314.61 million in 2023-24 and profitability before tax grew by 16.42% from ₹ 390.93 million to ₹ 455.12 million.
- c. **Market Environment and Prospects:** Indian seismic operations will accelerate as the New Seismic Program of the Government of India is implemented in 2024-25. Tenders for seismic surveys have already been floated by both OIL India Limited and Oil & Natural Gas Exploration Limited. Your Company has been approached by several seismic survey contractors for budgetary quotations for cables and geophone strings for these tenders. The subsea nodal market



continues to expand rapidly as the demand for subsea surveys has outstripped the supply of subsea nodes. Your Company has already received a contract in FY 2024-25 and hopes to receive additional contracts going forward. Your Company has also been successful in the near surface geophysical equipment sales in the first quarter of the current financial year and is presently executing a ₹27.9 million order. Additionally, bids amounting to ₹80 million have been submitted for similar equipment with good chances of these materialising into orders.

- d. Performance of HGSP: HGSP's performance was below average. The revenue from its operations decreased by 16.56% from ₹ 108.31 million in FY 2022-23 to ₹ 90.37 million in FY 2023-24. The year saw a Net loss before tax of ₹ 0.78 million which is a decline of 120.64% from a Profit before tax of ₹ 4.39 million in FY 2022-23. The market for industrial geophones has been stagnating for the last couple of years and is unlikely to grow rapidly in the coming future. Market projections show an overall demand stabilising at ₹ 1.5 million per year out of which your Company has a share of about 70%. Efforts are a foot to increase this share to 80% in the current year.

7. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

- a) In accordance with the provisions of the Companies Act, 2013 there has been a change of Directorship. Mr. Dhiraj Kumar Vashista (DIN: 10579663), was proposed to be appointed as Additional Director by the Board of Directors in their Board Meeting held on 22.03.2024. His appointment as Additional Director was confirmed with effect from 05.04.2024, on allotment of his DIN. His Directorship will be further recategorized as a Whole Time Director of the Company for a term of five (5) consecutive years after regularization of the same by shareholders in the forthcoming Annual General Meeting.
- b) The terms of appointment as Director were revised for Mr. Samir Gugnani. The Board of Directors in their meeting held on 22.03.2024 decided to enter into a new agreement with revised terms of appointment, effective from 1st April, 2024 till 31st March, 2025, overriding the existing agreement subsisting with Mr. Samir Gugnani. However, the terms and conditions including remuneration are subject to ratification by the shareholders in the Annual General Meeting.
- c) The Board of Directors in their meeting held on 22.03.2024 decided to renew the current agreement between Mr. Anil Dass, Managing Director and the Company on the same terms and conditions for three years from 1st April 2024 to 31st March, 2027. However, the terms and conditions including remuneration are subject to ratification by the shareholders in the Annual General Meeting.
- d) Mr. Anil Dass (DIN: 00043366), shall attain the age of 70 years on 28.02.2025 and approval of members is sought in the ensuing Annual General Meeting to approve the continuation of holding of office by Mr. Anil Dass as the Managing Director of the Company, post attainment of 70 years on the existing terms and conditions.



- e) The Independent Directors of your Company will finish their two terms of 5 years each as Independent Directors. It is in the interest of the Company to retain their services going forward and hence the Board of Directors has proposed to recategorize their appointment as Non- Executive Directors. Approval of the members is sought in the ensuing Annual General Meeting to ratify this resolution.

8. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The details of meetings attended by the Directors are given below:

Name of Director	DIN	Category	Number of meetings held during the year 2023-24	
			Held	Attended
Mr. Anil Dass	00043366	Managing Director	5	5
Maj (R) Brijendra Singh	00035599	Non-Executive Director	5	3
Mr. Samir Gugnani	03518423	Additional Director	5	4
Mr. Anand Narain Bhatia	00148983	Independent Director	5	5
Mrs. Malti Sen	06860814	Independent Director	5	5

9. AUDITOR AND AUDITORS REPORT

M/s S. Ramanand Aiyar & Co., Chartered Accountants, New Delhi, Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received letter from M/s S. Ramanand Aiyar & Co., to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141(3) (g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

There were no qualifications, reservations, or adverse remarks made by the Auditors in their report. The provisions relating to submission of the Secretarial Audit Report are not applicable to the Company.

10. FRAUD REPORTED BY AUDITORS

No Fraud was reported by the Auditors under Sub Section 12 of Section 143 of the Companies Act, 2013, in their report during the reporting period.

11. BOARD'S COMMENT ON THE AUDITORS' REPORT

The observations of the Statutory Auditors, when read together with the relevant notes to the accounts and accounting policies are self-explanatory and do not call for any further comment.



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

a) Conservation of Energy, Technology Absorption,

Implementation of Solar Projects has resulted in a substantial reduction in the power & fuel cost in 2023-24. Our factory operates roof top solar power generation to augment its power requirements with good results.

b) Technology Absorption- Your Company added four new geophone types to its product line in 2023-24. It is expected that these new geophones will fill a large gap in the requirements from the industry. You Company successfully executed an order for 15 digitisers, technology for which had been transferred by one of its manufacturing partners. It is expected that additional products will be added to the assembly line from this partner.

c) Foreign Exchange Outflow and Earnings (Rupees in Millions)

Foreign Exchange earnings and outgo	2023-24	2022-23
Foreign Exchange earnings	184.64	213.62
Expenditure in foreign currency	44.10	27.31

13. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

Risk Management is the process of identification, assessment and prioritization of risks followed by coordinated efforts to minimize, monitor and mitigate/control the probability and/or impact of unfortunate events or to maximise the realization of opportunities.

The Company has in place mechanism to identify, assess, monitor, and mitigate various risks to key business objectives. Major risks identified by the business and functions are systematically addressed through mitigated action on a continuous basis. These are discussed at the meetings of the Board of Directors of the Company.

14. INTERNAL FINANCIAL CONTROL SYSTEM

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by statutory auditors. Significant audit observations and follow up actions thereon are reported to the Board. The Board of Directors reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations.

15. NOMINATION AND REMUNERATION COMMITTEE

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company since the paid-up share capital of the Company is below ₹ 100 million.



16. AUDIT COMMITTEE

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company since the Paid-up share capital is below the statutory requirement of ₹ 100 million.

17. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which the financial statements relate and the date of the report.

18. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The current year profits before tax are ₹ 4,55,12,038 which is below the statutory requirement of ₹ 50 million. Thus, the provisions of Section 135 relating to 2% CSR spending and constitution of CSR Committee are not applicable to the Company. The Company does have a CSR Policy which was approved by the Board and the same is uploaded on the website of the Company www.hgsindia.com.

19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT MADE UNDER SECTION 186 OF THE COMPANIES ACT 2013

Total Current and Non- Current Investments of the Company amount to ₹ 164.29 million at the end of reporting financial year, as disclosed in Note Nos. 11 & 14 in the Audited Annual Accounts of the Company.

The Company has not provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in relation to loans given and investments made.

20. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTY

Transactions with related parties during the year under review have been on an arm's length basis and disclosed in the Audited Annual Accounts. Approval of the Board of Directors has been obtained at its meeting for all Related Party Transactions.

Particulars of contracts or arrangements with Related Parties referred to in Sub Section 1 of Section 188 read with Sub-Section (3) of Section 134 and Rule 8(2) of the (Companies Accounts) Rules, 2014 are attached in Form No. AOC 2 as Annexure A.

21. EXTRACT OF THE ANNUAL RETURN



The extracts of the Annual Return pursuant to the provisions of Section 92 read with Rule 11 of the Companies (Management and Administration) Rules, 2014 are furnished in **Annexure B** and are attached to this Report.

22. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134(3) (c) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

- a. In the preparation of the annual accounts for the year ended March 31, 2024, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same.
- b. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the state-of-affairs of the Company as at March 31, 2024 and of the profit of the Company for the year ended on that date.
- c. The Directors have taken proper and sufficient care for the 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 fraud and other irregularities.
- d. The Directors have prepared the annual accounts on a 'going concern' basis.
- e. The Company being unlisted, Sub Clause (e) of Section 134(3) of the Companies Act, 2013 pertaining to laying down internal financial controls is not applicable to the Company.
- f. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

23. SUBSIDIARIES, JOINT VENTURES, AND ASSOCIATE COMPANIES

The Company has a wholly owned subsidiary by the name and style of HGS Products B.V. (Formally known as M/S Sensor Products B.V.) (HGSP) which is registered and based in the Netherlands. A consolidated account of the Company with HGSP has been prepared and audited by the Statutory Auditors of the Company and pursuant to the first proviso to Sub-Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014, the prescribed Form No. AOC-1 containing salient features of the financial statement of subsidiaries/associate companies/joint ventures is annexed to this report as **Annexure C**.

During the year no other Company / Body Corporate has become or ceased to be a subsidiary, joint venture, or associate of the Company.

24. MAINTENANCE OF COST RECORDS AS SPECIFIED BY THE CENTRAL GOVERNMENT UNDER SUB-SECTION (1) OF SECTION 148 OF THE COMPANIES ACT, 2013



The Company is not required to maintain the Accounts as per Section 148 of the Companies Act, 2013. (Inserted by the Companies (Accounts) Amendment Rules, 2018).

25. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

Provisions relating to vigil mechanism for Directors and employees as provided in Section 177 of the Companies Act, 2013 are not applicable to the Company.

26. DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review.

27. SHARE CAPITAL

A) Authorised Share Capital

The Authorised Share Capital of the Company is ₹ 180 million divided into 18,000,000 equity shares of ₹ 10/- each.

B) Paid-up Share Capital

The paid-up share capital of the Company is ₹ 94,808,000 divided into 9,480,800 equity shares of ₹ 10/- each.

C) Buy Back of Securities

The Company has not bought back any of its securities during the year under review.

The Board has proposed for a Buy-Back of 23,70,200 shares at an estimated value of ₹ 55.00/-, amounting to a total Buy back amount of ₹ 13,03,61,000/- (Rupees One Hundred Thirty Million Three Hundred Sixty-One Thousand Only).

D) Issue of Sweat Equity Shares

The Company has not issued any Sweat Equity Shares during the year under review.

E) Issue of Employee Stock Options

The Company has not provided any Stock Option Scheme to the employees.

F) Bonus Shares

No Bonus Shares were issued during the year under review.

28. DETAILS REGARDING REMUNERATION OF EMPLOYEES OF THE COMPANY (As per Rule 50(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

DETAILS REGARDING REMUNERATION OF TOP TEN EMPLOYEES OF THE COMPANY



Pursuant to Rule 5(2) of the (Appointment and Remuneration of Managerial Personnel) Rules, 2014 details of top ten employees in terms of remuneration drawn are attached with this report as **ANNEXURE-D**

DETAILS REGARDING THOSE EMPLOYEES EARNING MORE THAN PRESCRIBED LIMIT

There is no employee in the Company who:

- (i) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than Rupees Ten Million Two Hundred Thousand;
- (ii) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Rupees Eight Hundred and Fifty Thousand per month;
- (iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or, at a rate which, in the aggregate, is more than that drawn by the Managing Director or whole-time Director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.

29. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

30. WEB LINK OF ANNUAL RETURN

The Company has the following website: www.hgsindia.com.

31. COMPLIANCE WITH SECRETARIAL STANDARDS

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

32. INTERNAL COMPLAINT COMMITTEE (SEXUAL HARASSMENT)

The provisions of Section 4 (1) of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are applicable to the Company.

The Committee constituted by the management to consider and redress complaints of Sexual Harassment consists of the Chairman and Members of the Committee as follows:



For 158, Sector-4, IMT Manesar

	Name	Contact Detail
Chairperson	Mrs. Kanta	8377958009 Village- Para, Tehsil- Tauru, District- Nuh (Mewat)Haryana-122105
Member	Mrs. Anita	9311736598 Vijay Colony, Bhim Chowk, Village- Ghari Harsaru, Gurgaon,Haryana-122505
Member	Mr. Akhileshwar Rai	9810293158 arai@hgsindia.com
External Members	Mrs. Madhurima Singh	011-26146326 E-2/9, Vasant Vihar, New Delhi-57

The Committee's Policy relating to sexual harassment matters as provided under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is Annexed as **Annexure-E** and published on the website of the Company on www.hgsindia.com.

33.ACKNOWLEDGEMENTS

The Directors wish to thank and gratefully acknowledge the sustained help and support received by Govt. Authorities, Bankers, Business Associates and Shareholders of the Company.

The Directors also place on record their appreciation for the valuable co-operation & contribution made by the employees at all levels.

By the order of the Board
FOR HGS(INDIA) LIMITED

(ANIL DASS)
MANAGINGDIRECTOR
DIN: 00043366

(SAMIR GUGNANI)
DIRECTOR
DIN: 03518423

Place: New Delhi
Date: 17.07.2024

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 transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NA
b)	Nature of contracts/arrangements/transaction	NA
c)	Duration of the contracts/arrangements/transaction	NA
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NA
e)	Justification for entering into such contracts or arrangements or transactions'	NA
f)	Date of approval by the Board	NA
g)	Amount paid as advances, if any	NA
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA

2. Details of contracts or arrangements or transactions at Arm's length basis.

(i)

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	HGS Products B.V. "Formally known as Sensor Products B.V. (Wholly Owned Foreign Subsidiary)
b)	Nature of contracts/arrangements/transaction	Sale / Purchase of Goods
c)	Duration of the contracts / arrangements / transaction	01.04.2023 to 31.03.2024
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	₹ 5,25,53,769
e)	Date of approval by the Board	17.04.2023
f)	Amount paid as advances, if any	N.A.

(ii)

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Sowar Pvt. Ltd.

b)	Nature of contracts/arrangements/transaction	Administrative Expense Sharing
c)	Duration of the contracts / arrangements / transaction	01.04.2023 to 31.03.2024
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	₹ 8,13,360
e)	Date of approval by the Board	17.04.2023
f)	Amount paid as advances, if any	N.A.

(iii)

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Sowar Pvt. Ltd.
b)	Nature of contracts/arrangements/transaction	Loan to Related Party
c)	Duration of the contracts / arrangements / transaction	01.04.2023 to 31.03.2024
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	₹ 80,000,000
e)	Date of approval by the Board	06.12.2023
f)	Amount paid as advances, if any	N.A.

Form shall be signed by the people who have signed the Board's Report.
For and on behalf of the Board of Directors



Anil Dass
Managing Director
DIN: 00043366



Samir Gugnani
Director
DIN: 03518423

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31-03-2024

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN:- U74899DL1986PLC023341
 ii) Registration Date 13th February 1986
 iii) Name of the Company HGS (India) Limited
 iv) Category / Sub-Category of the Company Unlisted Public Company
 v) Address of the Registered office and contact details A-259 (2nd Portion), 1st & 2nd Floor, Defence Colony, New Delhi-110024, Phone No. 011-46066604
 vi) Whether listed company No
 vii) Name, Address and Contact details of Registrar and Transfer Agent, if any
 BEETAL Financial & Computer Services Pvt Ltd. BEETAL HOUSE, 3rd Floor,
 99, Madangir, behind L.S.C, New Delhi - 110062 Ph. 011-29961281-283 Fax 011-29961284

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products /	NIC Code of the Product/service	% to total turnover of the company
1	Geophone Strings, Harnesses, Seismic Cables etc.	368	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary Associate	% of shares held	Applicable Section
1	HGS Products B.V. (Formally known as Sensor Products B.V.)	NA	Subsidiary	100%	2(B7)

ii) HGS (INDIA) LIMITED Shareholding of Promoters (As on 31.03.2024)

S. No.	Shareholder's Name	No. of Shares held at the beginning of the year 01.04.2023			No. of Shares held at the end of the year 31.03.2024			% Change during the Year
		No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
1	Major Brijendra Singh	665920	7.02	0	665920	7.02	0	0.00
2	Mr. Anil Dass	1046800	11.04	0	1046800	11.04	0	0.00
3	Sowar Pvt Ltd	3400560	35.87	0	3400560	35.87	0	0.00
4	Queensgate Holding (India) Pvt Ltd	818640	8.63	0	818640	8.63	0	0.00
5	Mr. Shaashi Singh	548640	5.79	0	548640	5.79	0	0.00
Total		6480560	68.35	0	6480560	68.35	0	0.00

iii) Change in promoters's shareholding (Please specify, if there is no change)- NO CHANGE

S. No.	No. of Shares held at the beginning of the year	No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company

iv) Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For Each of the Top 10 Shareholders	No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
01	Mr. Pawan Singh	475200	5.01	475200	5.01
	At the beginning of the year				
	Date wise Increase/Decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc)	No Change	No Change	No Change	No Change
	At the end of the year (or on the date of separation, if separated during the year)	475200	5.01	475200	5.01
02	Mrs Preneet Kaur	291600	3.08	291600	3.08
	At the beginning of the year				

	Date wise Increase/Decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc)	No Change	No Change	No Change	No Change	No Change
	At the end of the year (or on the date of separation, if separated during the year)	291600	3.08	291600	3.08	
03	Mr Anil Seth	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	% of total shares of the Company
	At the beginning of the year	216000	2.28	216000	2.28	
	Date wise Increase/Decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc)	No Change	No Change	No Change	No Change	No Change
	At the end of the year (or on the date of separation, if separated during the year)	216000	2.28	216000	2.28	
04	Mrs. Anjali Singh	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	% of total shares of the Company
	At the beginning of the year	201600	2.13	201600	2.13	
	Date wise Increase/Decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc)	No Change	No Change	No Change	No Change	No Change

	At the end of the year (or on the date of separation, if separated during the year)	201600	2.13	201600	2.13
05	Mrs. Veena Uttamsingh At the beginning of the year Date wise Increase/Decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc)	No. of Shares 153000	% of total shares of the Company 1.61	No. of Shares 153000	% of total shares of the Company 1.61
		No Change	No Change	No Change	No Change
	At the end of the year (or on the date of separation, if separated during the year)	153000	1.61	153000	1.61
06	MRS. ANEETA BHATIA J/H MR. ANAND NARAIN BHATIA At the beginning of the year Date wise Increase/Decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc)	No. of Shares 108000	% of total shares of the Company 1.14	No. of Shares 108000	% of total shares of the Company 1.14
		No Change	No Change	No Change	No Change

	At the end of the year (or on the date of separation, if separated during the year)	108000	1.14	108000	1.14	108000	1.14
07	Mr. PRASAD SAMRAJYAM NAIDU	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year	108000	1.14	108000	1.14	108000	1.14
	Date wise Increase/Decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc)	No Change	No Change	No Change	No Change	No Change	No Change
	At the end of the year (or on the date of separation, if separated during the year)	108000	1.14	108000	1.14	108000	1.14
08	Mr. Balbir Singh Malik	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year	104400	1.10	104400	1.10	104400	1.10
	Date wise Increase/Decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc)	No Change	No Change	No Change	No Change	No Change	No Change
	At the end of the year (or on the date of separation, if separated during the year)	104400	1.10	104400	1.10	104400	1.10
09	AMBITA VERDI J/H Ravi Indra Singh Verdi	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year	81000	0.85	81000	0.85	81000	0.85

	Date wise Increase/Decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc)	No Change	No Change	No Change	No Change
	At the end of the year (or on the date of separation, if separated during the year)	81000	0.85	81000	0.85
10	USHA INTERNATIONAL LIMITED	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year	72000	0.76	72000	0.76
	Date wise Increase/Decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc)	No Change	No Change	No Change	No Change
	At the end of the year (or on the date of separation, if separated during the year)	72000	0.76	72000	0.76

iv) Shareholding of Directors and Key Managerial Personnel:

S. No.	For Each of the Directors and Key Managerial Personnel	No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
01	Maj (R) Brijendra Singh	665920	7.02	665920	7.02
	At the beginning of the year				

	Date wise Increase/Decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc)	No Change	No Change	No Change	No Change	No Change
	At the end of the year	665920	7.02	665920	7.02	7.02
02	Mr. Anil Dass	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	% of total shares of the Company
	At the beginning of the year	1046800	11.04	1046800	11.04	11.04
	Date wise Increase/Decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc)	No Change	No Change	No Change	No Change	No Change
	At the end of the year	1046800	11.04	1046800	11.04	11.04
03	Mr. Anand Narain Bhatia	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	% of total shares of the Company
	At the beginning of the year	39600	0.42	39600	0.42	0.42
	Date wise Increase/Decrease in promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc)	No Change	No Change	No Change	No Change	No Change
	At the end of the year	39600	0.42	39600	0.42	0.42

v) INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	0	1950000	1950000
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	1950000	1950000
Change in Indebtedness during the financial year				
* Addition				
* Reduction	0	0	1680000	0
Net Change	0	0	1680000	1680000
Indebtedness at the end of the financial year				
i) Principal Amount	0	0	3630000	3630000
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	3630000	3630000

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

S. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Mr. Anil Dass	Mr. Samir Gugnani		
1	Gross Salary				
	a) Salary as per provisions contained in section 17(1) of the Income Act, 1961	9,219,865	4,140,000		1,33,59,865
	b) Value of perquisites u/s 17 (2) Income-tax Act 1961				0
	c) profits in lieu of salary under section 17 (3) Income-tax Act 1961	0	0		
2	Stock Option				
3	Sweat Equity				
4	Commission-as % of profit -others, specify	513,873	0		513,873
5	Others, please specify				
	Total (A)	97,33,738	4,140,000		1,38,73,738

Note *Pursuant to provisions of Section 197 readwith part II of Schedule V of Companies Act, 2013 and Rule 7 (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 Approval from Shareholders in the Annual General Meeting held on 20.09.2023, has been taken to pay the Remuneration to Managerial Personnel in excess of the limit given as per the Act.

B. Remuneration to others directors:

S. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Anand Narain Bhatia	Mrs. Malti Sen		
	1) Independent Directors				
	* Fee for attending board Committee meeting	75,000			
	* Commission	(Fee for attending Board Meeting)	75,000 (Fee for attending Board Meeting)		1,50,000 (Fee for attending Board Meeting)
	* Others, Please specify				
	Total (1)	75,000	75,000		150,000
		Major Brijendra Singh	Mr. Samir Gugnani		

	2) Other Non-Executive Directors * Fee for attending board Committee meeting * Commission * Others, Please specify	45,000 (Fee for attending Board Meeting)	45,000 (Fee for attending Board Meeting)	90,000 (Fee for attending Board Meeting)
	2 Total (2)	45,000	45,000	90,000
	Total (B)=(1+2)			240,000
	3 Total Managerial Remuneration (A+B)			1,41,13,738

A. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

S. No.	Particulars of Remuneration	Name of CEO, CS & CFO	Total Amount
		Mr. Paresh Singh	
1	Gross Salary		
	a) Salary as per provisions contained in section 17(1) of the Income Act, 1961	0	0
	b) Value of perquisites u/s 17 (2) Income-tax Act 1961	0	0
	c) profits in lieu of salary under section 17 (3) Income-tax Act 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission-as % of profit -others, specify	0	0
5	Others, please specify	0	0
	Total (A)	0	0
	Ceilling as per the Act		NIL

VII. PENALTIES/ PUNISHMENT/COMPOUNDING OF OFFENCE: NIL

Type	Section the Companies Act	Brief Description	Details of penalty /Punishment/ Compounding fees imposed	Authority [RD/NCLT/Court]	Appeal Made if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Annexure-C**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/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in INR)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	HGS Products B.V.
2.	Date since when subsidiary was acquired	27.01.2015
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2023 - 31.03.2024
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	EURO 1 EURO = Rupees 89.9437 as on 31.03.2024
5.	Share capital	1,70,000.00
6.	Reserves & surplus	2,01,49,947.00
7.	Total assets	2,24,83,875.00
8.	Total Liabilities	21,63,928.00
9.	Investments	0.00
10.	Turnover	9,03,74,490.00
11.	Profit before taxation	(7,80,025.00)
12.	Provision for taxation	-
13.	Profit after taxation	(7,80,025.00)
14.	Proposed Dividend	0.00
15.	% of shareholding	100.00%

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations
- Names of subsidiaries which have been liquidated or sold during the year.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures	NA	NA	NA
1. Latest audited Balance Sheet Date	-	-	-
2. Date on which associates/Join Ventures were associated/acquired	-	-	-
3. Shares of Associate/Joint Ventures held by the company on the year end	-	-	-
No.	-	-	-
Amount of Investment in Associates/Joint Venture	-	-	-
Extend of Holding%	-	-	-

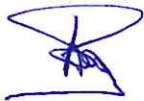
4. Description of how there is significant influence	-	-	-
5. Reason why the associate/joint venture is not consolidated	-	-	-
6. Net worth attributable to shareholding as per latest audited Balance Sheet	-	-	-
7. Profit/Loss for the year	-	-	-
i. Considered in Consolidation	-	-	-
ii. Not Considered in Consolidation	-	-	-

Notes: The following information shall be furnished at the end of the statement:

1. Names of associates or joint ventures which are yet to commence operations.
2. Names of associates or joint ventures which have been liquidated or sold during the year.

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

For & on behalf of Board of Directors



ANIL DASS
Managing Director
DIN NO. 00043366



SAMIR GUGNANI
Director
DIN NO.03518423

ANNEXURE-D

Details Regarding Remuneration of Top Ten Employees of the Company (Pursuant to Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

As on 31.03.2024

S. No.	Name & Age of Employee	Qualification & Experience of the Employee	Designation	Remuneration (in INR)	Date of Commencement of Employment
1	Mr. Akhileshwar Rai, 55 Years	DME	GM-Production	33,91,200/-	05.10.1989
2	Mr. Dhiraj Kumar Vashista, 49 Years	FCMA, CGMA, ACCA	Finance Controller	25,95,200/-	20.12.2006
3	Uday Aggarwal, 37 Years	CA	Group Finance Manager	21,65,000/-	01.04.2022
4	Mr. Shankho Majumdar, 51 Years	DEE Manager	Manager-Production (Assembly)	19,24,555/-	03.10.2006
5	Mr. Rajesh Kashyap, 54 Years	PG Diploma in Plastic Testing & Conversion Technology	Dy. Manager-Production (Extrusion)	16,21,946/-	01.12.1996
6	Rajesh Verma, 53 Years	CA(Inter)-B.Com.(Hons)	Senior Manager-Finance & Accounts	14,93,200/-	02.12.2002
7	Santomba Singh, 54 Years	PG Diploma	Production and Development	13,63,962/-	01.12.1996
8	Anbarasan Ramamurthy, 45 Years	PG Diploma	Senior Supervisor-Production and Development	11,30,240/-	12.07.2013
9	Nazeerudeen Raheemudeen, 46 Years	PG Diploma	Senior Supervisor-Production and Development	10,74,920/-	22.09.2012
10	Nazeerudeen Ameerudeen, 46 Years	PG Diploma	Senior Supervisor-Production and Development	10,65,800/-	01.09.2012