



Hindustan Hardy Spicer Ltd.



**Nineteenth Annual Report
2000 - 2001**

Hindustan Hardy Spicer Limited

Annual
Report
2000 - 01

BOARD OF DIRECTORS

Mr. S. C. Saran	Chairman
Mr. A. R. Rajwade	Managing Director
Mr. D. S. Mulla	
Mr. K. H. Captain	
Mr. Shiamak Marshall	
Mr. Luis Ruperto Jimenez Vargas	
Mr. Robert Pollock	
Mr. Dennis Greenwald	

Bankers

State Bank of India

Auditors

S. B. Billimoria & Company

Solicitors

Bachubhai Munim & Company

Registered Office

78-B, Dr. Annie Besant Road,
Worli, Mumbai-400 018.

Plant

C-12, Additional Nasik Industrial Area,
Ambad, Nasik-422 010.

Registrars and share**Transfer Agents**

Satellite Corporate Services Pvt. Ltd.
39/724, Azad Nagar II, Ground Floor,
Veera Desai Road, Andheri (West),
Mumbai - 400 053.

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NOTICE

Notice is hereby given that the Nineteenth Annual General Meeting of the Members of the Company will be held at Sunville Deluxe Pavilion, Dr. Annie Besant Road, Worli, Mumbai 400 018, on Wednesday, 19th September, 2001 at 4.00 p.m. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2001 and the Profit & Loss Account for the year ended on that date and the Directors' and Auditors' Reports thereon.
2. To declare the dividend.
3. To appoint a Director in place of Mr. Shiamak Marshall, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. S.C. Saran, who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Mr. D.S. Mulla, who retires by rotation and is eligible for re-appointment.
6. To appoint Auditors and to fix their remuneration.

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 AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 12th September, 2001 to Wednesday, 19th September, 2001 (both days inclusive).
3. Members are requested to notify immediately, any change in their registered addresses, to the Company's Share Transfer Agents SATELLITE CORPORATE SERVICES PRIVATE LIMITED, 39/724, Azad Nagar II, Ground Floor, Veera Desai Road, Andheri (West), Mumbai 400 053 and mail all correspondence to them quoting their Folio Number.
4. Any query which the member proposes to raise at the time of the Annual General Meeting should be forwarded to the Company atleast seven (7) days in advance of the Annual General Meeting.

By Order of the Board of Directors

Registered Office :

78-8, Dr. Annie Besant Road
Worli, Mumbai 400 018.

Place : Mumbai.
Date : 18. 7. 2001

A. R. RAJWADE
MANAGING DIRECTOR

Hindustan Hardy Spicer Limited**BOARD OF DIRECTORS' REPORT**

Your Directors have pleasure in presenting their Nineteenth Annual Report alongwith Audited Accounts for the year ended on 31st March, 2001.

FINANCIAL RESULTS	2000-2001 (Rs.in Lacs)	1999-2000 (Rs.in Lacs)
Gross Sales	2564.70	2842.21
GROSS PROFIT	92.06	232.59
Less :		
Depreciation	52.52	51.45
Interest	20.36	<u>31.87</u>
	19.18	149.27
Add : Prior Years' Adjustment (Net)	7.85	0.00
PROFIT BEFORE TAX	27.03	149.27
Less : Provision for Taxation	6.00	<u>52.00</u>
PROFIT AFTER TAX	21.03	97.27
Surplus brought forward from Previous Year	93.67	<u>89.70</u>
PROFIT AVAILABLE FOR APPROPRIATION	114.70	186.97
General Reserve	1.50	60.00
Interim Dividend	0.00	30.00
Tax on Interim Dividend	0.00	3.30
Proposed Dividend	15.00	0.00
Tax on Proposed Dividend	1.53	0.00
Surplus Carried Forward	<u>96.67</u>	<u>93.67</u>

REVIEW OF OPERATIONS

Despite the continued slow down in Automobile Industry for the fourth year in succession, during the year under review, your Company achieved a Turnover of Rs.2564.70 lacs, Gross Profit of Rs. 92.06 lacs and Net Profit of Rs.21.03 lacs.

DIVIDEND

Your Directors recommend payment of dividend @ 10% on paid-up capital of the company for the year ended 31st March, 2001, which, if approved by the members at the forthcoming Annual General Meeting will be paid to those share holders whose names appear on the Register of Members as on 19th September, 2001.

OUTLOOK

Slow down / recessionary trend continues . With this, the OE as well as After Market demand is lower by 30% as compared to similar period of last year. In spite of this situation, we have succeeded in achieving break-even for the first quarter. We expect to maintain last year's sales volumes.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**a) CONSERVATION OF ENERGY**

Measures for conservation of energy at all levels have been taken. Similarly, an energy audit was carried out by experts in the field and steps have been taken to conserve and utilize the available energy more efficiently.

b) TECHNOLOGY

Our Technology had been imported from our Collaborators, Gelenkwellenbau GmbH, Germany in 1984. Since then upgradation has continued in consultation with our Collaborators.

c) FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earnings and outgo are as under

	(Rs.in lacs)
1. Foreign Exchange Earnings	23.58
2. Foreign Exchange Outgo on account of import	92.32
3. Foreign Exchange Outgo on account of dividends	7.80

FIXED DEPOSITS

The Company has not accepted any fixed deposits during the year.

DIRECTORS' RESPONSIBILITY STATEMENT

As stipulated under Section 217 (2AA) of companies Act, 1956, your Directors subscribe to the Directors' Responsibility Statement" and confirm as under:

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) that the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;

Hindustan Hardy Spicer Limited

iii) that the directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

iv) that the directors have prepared the annual accounts on a going concern basis.

BOARD OF DIRECTORS

Mr. Thomas Wood resigned from the Board on 18.7.2001. The Board places on record its sincere appreciation for valuable guidance received from him from time to time during his tenure.

Mr. Shaimak Marshall, Mr. Sanjaya C. Saran and Mr. D. S. Mulla, Directors of the Company, retire at the ensuing Annual General Meeting and are eligible for re-appointment.

STATEMENT PURSUANT TO LISTING AGREEMENT(S)

The Equity shares of the Company are listed on the Mumbai Stock Exchange. The Company has paid Annual Listing Fee to the Mumbai Stock Exchange for the year 2001-2002.

DEMATERIALISATION OF SHARES

The shares of the company have been made available for Dematerialisation with National Depository Service Limited (NSDL) and efforts are being made for the same with Central Depositing Services Limited (CDSL).

AUDITORS

M/s. S. B. Billimoria & Co., Chartered Accountants, retire at the ensuing Annual General Meeting of the Company, and are eligible for re-appointment. You are requested to appoint Auditors and to fix their remuneration.

PARTICULARS OF EMPLOYEES

The company does not have any employee whose particulars are required to be given pursuant to the provisions of Section 217(2A) of the companies Act, 1956 read with the companies (particulars of Employees) Rules, 1975.

INDUSTRIAL RELATIONS

The overall industrial relations in the Company have been cordial. Your Directors once again wish to place on record their appreciation for the contribution made by the employees at all levels to the continued growth and prosperity of the Company.

ACKNOWLEDGMENT

Your Directors wish to place on record, their appreciation for the continued support of the Customers, Financial Institutions, Bankers and Suppliers. Your Directors also wish to record the appreciation for the valuable contribution made by employees at all levels and the unstinting support of the collaborators.

For and On behalf of the Board of Directors

Place : Mumbai
Date : 18.7.2001

S: C. SARAN
CHAIRMAN

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Hindustan Hardy Spicer Limited**AUDITORS' REPORT TO THE MEMBERS OF HINDUSTAN HARDY SPICER LIMITED**

We have audited the attached Balance Sheet of **HINDUSTAN HARDY SPICER LIMITED** as at 31st March, 2001 and the Profit and Loss Account of the Company for the year ended on that date, annexed thereto, and report thereon as follows :

- 1) As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on matters specified in paragraph 4 & 5 of the said order, to the extent applicable.
- 2) Further to our comments in the Annexure referred to in paragraph 1 above
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet and the Profit and Loss Account dealt with by this report are in compliance with the Accounting Standards referred to in section 211 (3C) of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors and taken on record by the Board of Directors none of the Directors from whom such representations have been received is disqualified on 31st March, 2001 from being appointed as a director under section 274(1) (g) of the Companies Act, 1956.
 - f) in our opinion and to the best of our information and according to explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2001; and
 - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date.

FOR S. B. BILLIMORIA & CO.
Chartered Accountants

Pune, 18th July, 2001

Hemant M. Joshi
Partner