



**Hindustan Hardy Spicer Ltd.**

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**Twentyfirst Annual Report  
2002 - 2003**

**Hindustan Hardy Spicer Limited****Annual  
Report  
2002 - 03****BOARD OF DIRECTORS**

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

**Bankers**

State Bank of India

**Auditors**

S. B. Billimoria &amp; Company

**Solicitors**

Bachubhai Munim & Company  
Kanga & 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.  
A-60/1223, Azad Nagar,  
Veera Desai Road, Andheri (West),  
Mumbai - 400 053.

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**NOTICE**

Notice is hereby given that the Twentyfirst Annual General Meeting of the Members of HINDUSTAN HARDY SPICER LIMITED will be held at Sunville Deluxe Pavilion, Dr. Annie Besant Road, Worli, Mumbai 400 018, on Wednesday, 17th September, 2003 at 3.00 p.m. to transact the following business :

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2003 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. Robert Pollock, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Shiamak Marshall, who retires by rotation and being eligible offers himself for re-appointment.
5. 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 INSTRUMENT APPOINTING A PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The Register of Members and Share Transfer Books of the Company will be closed from Wednesday, 10th September, 2003 to Wednesday, 17th September, 2003, both days inclusive.
4. Dividend if declared will be payable to those members whose names appear on the Register of Members on 17th September, 2003. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership of shares as at the end of business hours on 9th September, 2003 as per details furnished by the Depositories for this purpose.
5. Members are requested to note that pursuant to the provisions of Section 205C of the Companies Act, 1956 the dividend remaining unclaimed / unpaid for a period of seven years from the date they became due for payment shall be credited to the Investors' Education and Protection Fund setup by the Central Government. Members who have so far not claimed the dividend are requested to make claim with the company as no claim shall lie against the fund or the company in respect of individual amounts once credited to the said fund.



## Hindustan Hardy Spicer Limited

6. Members are requested to notify promptly any change in their addresses to the Company's Registrar and Share Transfer Agents.
7. Any query which the member proposes to raise at the time of the Annual General Meeting should be forwarded to the Company at least 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 : 29th July, 2003

**A. R. RAJWADE**  
**MANAGING DIRECTOR**

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## DIRECTORS' REPORT

The Directors of **HINDUSTAN HARDY SPICER LTD.** have pleasure in presenting the Twentyfirst Annual Report and the Audited Accounts of the Company for the year ended March 31<sup>st</sup>, 2003.

## FINANCIAL RESULTS

During the year under review, net sales turnover was Rs.2041.62 lacs as against Rs.1994.37 lacs during the corresponding previous year. Export earnings were Rs.215.34 lacs as against Rs.123.75 lacs during the corresponding previous year (74% higher). Profit after tax was Rs.30.82 lacs as against 19.26 lacs for the previous year.

	2002-2003 (Rs.in Lacs)	2001-2002 (Rs.in Lacs)
Sales	<b>2041.62</b>	1994.37
PROFIT	<b>105.08</b>	78.91
Less :		
Depreciation	<b>51.29</b>	51.52
Interest	<b>3.23</b>	7.17
	<b>50.56</b>	20.22
Add : Prior Period Adjustment (Net)	<b>4.38</b>	2.21
PROFIT BEFORE TAX	<b>54.94</b>	22.43
Less : Provision for Taxation		
Current Tax	<b>23.00</b>	11.00
Deferred Tax	<b>1.12</b>	(7.83)
PROFIT AFTER TAX	<b>30.82</b>	19.26
Surplus brought forward from Previous Year	<b>107.43</b>	96.67
PROFIT AVAILABLE FOR APPROPRIATION	<b>138.25</b>	115.93
General Reserve	<b>3.00</b>	1.00
Proposed Dividend	<b>10.50</b>	7.50
Tax on Proposed Dividend	<b>1.35</b>	0.00
Surplus Carried Forward	<b>123.40</b>	107.43

## DIVIDEND

The Board of Directors are pleased to recommend a dividend of 7% on 15,00,000 Equity shares of Rs. 10/- each.

## Hindustan Hardy Spicer Limited

### OUTLOOK

The Company perceives increase in market demand due to overall increase in demand for the automotive sector. The company expects 10% growth for the current financial year in the Domestic as well as Overseas market.

### 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 utilise 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	215.34
2. Foreign Exchange Outgo on account of import	64.50
3. Foreign Exchange Outgo on account of dividends	1.95
4. Foreign Exchange Outgo on account of travel	2.36
5. Foreign Exchange Outgo on account of sales commission	0.09

### FIXED DEPOSITS

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

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, your Directors confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) they had 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 of the company for that period;
- iii) they had taken proper and sufficient care for 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 of fraud and other irregularities;
- iv) they had prepared the annual accounts on a going concern basis.

**DIRECTORS**

Mr. Robert Pollack and Mr. Shiamak Marshall, Directors of the Company retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

**COMPLIANCE CERTIFICATE**

A Compliance Certificate from a secretary in Whole-time practice under Section 383A of the Companies Act, 1956 in respect of the financial year ended on March 31, 2003 is attached hereto.

**LISTING**

The Equity shares of the Company are listed at the Stock Exchange, Mumbai. The Company has paid Annual Listing Fee to them for the year 2003 - 2004.

**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.

**AUDITORS**

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

**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 their 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 : 29th July, 2003

**S. C. SARAN**  
**CHAIRMAN**

**Hindustan Hardy Spicer Limited****COMPLIANCE CERTIFICATE TO THE MEMBERS OF HINDUSTAN HARDY SPICER LIMITED**

Registration No : 11-28498

Authorised Capital : 500,00,000/-

We have examined the registers, records, books and papers of Hindustan Hardy Spicer Limited as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2003. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company being a public limited Company, comments that a Private Limited Company has minimum prescribed capital, maximum number of members, invitation to public to subscribe for shares and acceptance of deposits from persons other than its members, directors or their relatives, are not required.
4. The Board of Directors duly met 5 (Five) times on 24.04.2002, 24.07.2002, 25.09.2002, 30.10.2002 and on 22.01.2003 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. (No circular resolution was passed.)
5. The Company closed its Register of Members from 18.09.2002 to 25.09.2002 and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31st March, 2002 was held on 25.09.2002 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The company has not advanced any loan to its Directors and / or persons or firms or companies referred to in Section 295 of the Act.
9. The Company has duly complied with the provisions of Section 297 of the Act in respect of contracts specified in that Section.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.



11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or the previous approval of the Central Government.
12. The Board of Directors and the duly constituted Committee of Directors has approved the issue of duplicate share certificates.
13. The Company has:
  - (i) delivered all the certificates on lodgement of securities for transfer / transmission in accordance with the provision of the Act. There was no allotment of securities during the year.
  - (ii) deposited the amount of dividend declared in a separate bank account on 27.09.2002 which is within five days from the date of declaration of such dividend.
  - (iii) posted warrants for dividends to all the members within a period of 30 (Thirty) days from the date of declaration and that all unclaimed/unpaid dividend has been transferred to Unpaid Dividend Account of the Company with State Bank of India, Satpur Branch, Nasik on 01.11.2002.
  - (iv) there are no unpaid dividends, application money due for refund, matured deposits, matured debentures or the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years.
  - (v) duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancies.
15. The Company has not appointed any Managing Director / Whole-time Directors / Managers during the financial year as the agreement for present Managing Director is in force.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such other authorities prescribed under the various provisions of the Act during the financial year.
18. Except one Director, the Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of Preference Shares/Debentures during the financial year.

## Hindustan Hardy Spicer Limited

22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend (except payment of dividend on partly paid shares), rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited /accepted any Deposit including any unsecured loans falling within the purview of section 58A during the financial year.
24. The amount borrowed by the Company from financial institutions, banks and others during the financial year ending 31.03.2003 is within the borrowing limits of the Company.
25. The Company has not made any loans or advances or given guarantees or provided securities to other body corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny .
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny .
30. The Company has not altered its Articles of Association during the year under scrutiny.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has deposited both employees and employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

**FOR JITIN PAREKH & ASSOCIATES**  
Company Secretaries)

Mumbai, 29th July, 2003

**Jitin Parekh**  
Company Secretary  
CP:3469