



Hindustan Hardy Spicer Ltd.

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**Twentysixth Annual Report
2007-2008**

Hindustan Hardy Spicer Limited

**Annual
Report
2007-08**
BOARD OF DIRECTORS

Mr. S. C. Saran	Chairman
Mr. A. R. Rajwade	Managing Director
Mr. K. H. Captain	Director
Mr. Shiamak Marshall	Director
Mr. Phillip A. Rotman II	Director
Mr. Jehangir H.C. Jehangir	Director
Mr. Sanjiv Bhasin	Director

Bankers

State Bank of India

Auditors

J.L. Bhatt & Company

Solicitors

Junnarkar & Associates

411, Embassy Centre

4th Floor,

Nariman Point,

Mumbai - 400 021.

Registered Office

Bombay Footwear Building, Deonar Village Road,
Opposite N.K.G.S.B. Bank-Deonar,
Mumbai - 400088.

Plant

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

Registrars and share**Transfer Agents**

Satellite Corporate Services Pvt. Ltd.

B-302, Sony Apartment,

Opp. ST. Jude Highschool, Off. Andheri Kurla Road,

Jarimari, Sakinaka, Mumbai - 400 072.

Tel.: 022 - 28520461/462

Fax : 022 - 28511809

email : service@scspl.net

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NOTICE

Notice is hereby given that the Twenty Sixth Annual General Meeting of the members of HINDUSTAN HARDY SPICER LIMITED will be held at Sunville Deluxe Pavillion, Dr. Annie Besant Road, Worli, Mumbai 400 018 on Friday, June 6, 2008 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, 2008 and the Profit and Loss Account for the year ended on that date and the Directors' and Auditors' Reports thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. Shiamak Marshall who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. Phillip Rotman II who retires by rotation and being eligible offers himself for reappointment.
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.
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 Friday, May 30, 2008 to Friday, June 6, 2008 (Both days inclusive).
4. Dividend if declared will be payable to those members whose names appear in the Register of Members on June 6, 2008. 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 May 29, 2008 as per details furnished by the Depositories for this purpose.



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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 Investor Education and Protection Fund set up 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.
6. Members are requested to notify promptly any change in their addresses to the Company's Registrar and Share Transfer Agents, Satellite Corporate Services Pvt. Ltd., B- 302, Sony Apartment, Opp. ST Jude High School, Off. Andheri Kurla Road, Jarimari, Sakinaka, Mumbai 400 072.
7. 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.

Registered Office :

Bombay Footwear Building,
Deonar Village Road,
Opp: N.K.G.S.B. Bank-
Deonar, Mumbai 400 088

By Order of the Board of Directors

A. R. RAJWADE
MANAGING DIRECTOR

Date : April 23, 2008

DIRECTORS' REPORT TO THE MEMBERS

The Directors have pleasure in presenting the Twenty-sixth Annual Report together with the Statement of Accounts for the year ended on March 31, 2008.

FINANCIAL RESULTS

During the year under review, net sales turnover was Rs.3315.65 lacs as against Rs. 3068.47 lacs during the corresponding previous year. Export earnings were Rs.1426.01 lacs as against Rs. 1094.72 lacs during the corresponding previous year (30% higher). Profit after tax was Rs.98.28 lacs as against Rs. 93.95 lacs for the previous year.

	2007-2008 (Rs.in Lacs)	2006-2007 (Rs.in Lacs)
SALES	3315.65	3068.47
PROFIT	227.54	212.94
Less:		
Depreciation	57.42	52.52
Interest	47.22	29.84
	122.90	130.58
Add: Prior Period Adjustment (Net)	22.93	15.70
PROFIT BEFORE TAX	145.83	146.28
Less: Provision for Taxation		
Current Tax	41.00	45.00
Fringe Benefit Tax	5.11	3.94
Deferred Tax	1.44	3.40
PROFIT AFTER TAX	98.28	93.95
Surplus brought forward from Previous Year	280.05	262.52
PROFIT AVAILABLE FOR APPROPRIATION	378.33	356.47
General Reserve	15.00	15.00
Proposed Dividend	52.50	52.50
Tax on Proposed Dividend	8.92	8.92
Surplus Carried Forward	301.91	280.05

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DIVIDEND

The Board of Directors are pleased to recommend a dividend of 35% on 15,00,000 Equity Shares of Rs. 10/- each.

OUTLOOK

Certifications :

The Company has taken various steps to maintain/improve the quality systems which are in place.

- a) Re-certification audit for ISO/TS 16949:2002 for Quality Management System has been successfully completed by the Company during the financial year 2007-08.
- b) Re-certification audit for ISO 14001-2004 for Environmental Management System has also been successfully completed by the Company during the financial year 2007-08.

Business :

Overseas Market :

During 2007-08, we could increase our export share to 43% of total turnover. With the expected growth of 15%, we would achieve 45% export for the Financial Year 2008-09.

Domestic Market :

In spite of the present market situation which is sluggish, we expect 8% growth in domestic market during the year 2008-09.

Overall growth :

We expect 10% growth in total turnover during the year 2008-09.



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

a) CONSERVATION OF ENERGY

Various measures for conservation of energy at all levels have been taken by the Company. So as to confirm actions taken, audit have been conducted by M/s. Mckinnon and Clarke and they have confirmed that various actions are in place for using available energy more efficiently.

b) TECHNOLOGY

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

c) FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earnings and outgo are as under

(Rs.in lacs)

1. Foreign Exchange Earnings	1426.01
2. Foreign Exchange Outgo on account of import	31.94
3. Foreign Exchange Outgo on account of dividends	13.65
4. Foreign Exchange Outgo on account of travel	22.56
5. Foreign Exchange Outgo on account of sales commission & Others	2.48
Total Foreign Exchange outgo	70.63
Net Foreign Exchange earnings	1355.38

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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, the 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. Shiamak Marshall and Mr. Phillip Rotman II, Directors of the Company, retire at the ensuing Annual General Meeting and being eligible offers 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, 2008 is attached hereto.

LISTING

The Equity Shares of the Company are listed at the Bombay Stock Exchange Limited. The company has paid the Annual Listing Fees to them for the year 2008-2009.

PARTICULARS OF EMPLOYEES

Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rule, 1975 and Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, as amended from time to time and forming part of this Report is annexed.

AUDITORS

M/s. J. L. Bhatt & Company, Chartered Accountants, the Auditors of the company who would retire at the ensuing Annual General Meeting offer themselves for reappointment.

You are requested to appoint Auditors and to fix their remuneration.

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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.

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ACKNOWLEDGEMENT

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 the employees at all levels and the unstinting support of the collaborators.

For and on behalf of the Board of Directors

Place : Mumbai

S. C. SARAN

Date : April 23, 2008

CHAIRMAN

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