



Hindustan Hardy Spicer Ltd.

**Twenty Ninth Annual Report
2010-2011**

BOARD OF DIRECTORS

Mr. S. C. Saran	Chairman
Mr. A. R. Rajwade	Managing Director
Mr. K. H. Captain	Director
Mr. Shiamak Marshall	Director
Mr. Jehangir H.C. Jehangir	Director

Bankers

State Bank of India

Satpur Branch, Nashik - 422 007

Auditors

J.L. Bhatt & Company

Chartered Accountants

43, Yusuf Building, Fort, Mumbai - 400 043

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.
Tel.: 0253 - 2382018 / 2118
Fax : 0253 - 2382528
email : hhardy_nsk@sancharnet.in

Compliance Officer

Mr. A.R.Rajwade
email: md@hhs.net

Registrars 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.
Tel.: 022 - 28520461 / 462
Fax : 022 - 28511809
email : service@scspl.net

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NOTICE

Notice is hereby given that the Twenty-ninth 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 Wednesday, June 29, 2011 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, 2011 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. K. H. Captain who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. Jehangir H. C. Jehangir 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 Wednesday, June 22, 2011 to Wednesday, June 29, 2011 (Both days inclusive).
4. Dividend if declared will be payable to those members whose names appear in the Register of Members on June 29, 2011. 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 June 22, 2011 as per details furnished by the Depositories for this purpose.

Hindustan Hardy Spicer Limited

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.
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

**A. R. RAJWADE
MANAGING DIRECTOR**

Date : May 23, 2011

DIRECTORS' REPORT TO THE MEMBERS

The Directors have pleasure in presenting the Twenty Ninth Annual Report together with the Statement of Accounts for the year ended on March 31, 2011

FINANCIAL RESULTS :

During the year under review, net sales turnover was Rs.4653.25 lacs as against Rs. 3337.82 lacs during the corresponding previous year. Export earnings were Rs. 1223.75 lacs as against Rs. 718.25 lacs during the corresponding previous year. Profit after tax was Rs. 54.54 lacs as against Rs. 20.38 lacs for the previous year.

	2010-11 (Rs. in lakhs)	2009-10 (Rs. in lakhs)
SALES	4653.25	3337.82
PROFIT	207.25	144.45
Less:		
Depreciation	68.60	73.47
Interest	63.09	52.59
	75.56	18.39
Add: Prior Period Adjustment (Net)	-	11.29
PROFIT BEFORE TAX	75.56	29.68
Less: Provision for Taxation		
Current Tax	24.00	12.00
Deferred Tax	(2.98)	(2.70)
PROFIT AFTER TAX	54.54	20.38
Surplus brought forward from Previous Year	304.08	302.25
PROFIT AVAILABLE FOR APPROPRIATION	358.61	322.63
General Reserve	6.00	1.00
Proposed Dividend	44.95	15.00
Tax on Proposed Dividend	7.47	2.55
Surplus Carried Forward	300.19	304.08

Hindustan Hardy Spicer Limited

DIVIDEND

The Board of Directors are pleased to recommend a dividend of 30% on 14,98,450 Equity Shares of Rs. 10/- each.

OUTLOOK

Certifications :

The Company has taken various steps to maintain/improve the Quality Management Systems as per ISO/TS 16949:2002 and Environmental Management Systems as per ISO 14001-2004 which are in place for last several years.

The Surveillance Audit for ISO/TS 16949:2002 has been successfully completed on 13th May 2011.

Surveillance Audit for ISO 14001-2004 is scheduled in first week of July 2011.

Business :

Overseas Market : Because of improvement in the international market, we could export the goods worth Rs. 1223.75 lacs during the financial year 2010-11. As against 35% growth expected as reported last year, we could achieve growth of 70%.

Domestic Market : The domestic market was continuously growing and as against 25% expected growth, we could achieve growth of 40%.

We are planning for 20% growth in the export as well as domestic sales for the financial year 2011-12. This growth is expected through business from the new customers developed by us / under development.

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.

Through various developments, we have been able to reduce the energy cost from 3.5% to 3.00% of sales, in spite of increase in the energy rates.

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. So as to improve the technology further, we have added various machines and established a full-fledged R & D cell.

c) FOREIGN EXCHANGE EARNING AND OUTGO

The Foreign Exchange earnings and outgo are as under	(Rs. in lacs)
1. Foreign Exchange Earnings	1223.75
2. Foreign Exchange Outgo on account of import	8.98
3. Foreign Exchange Outgo on account of dividends	3.90
4. Foreign Exchange Outgo on account of travel	21.87
5. Foreign Exchange Outgo on account of Sales Commission	0.60
Total Foreign Exchange outgo	35.35
Net Foreign Exchange earnings	1188.40

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 judgments 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 the Companies Act, 1956 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.

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DIRECTORS

Mr. Jehangir H. C. Jehangir and Mr. K. H. Captain, Directors of the Company, retire at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment.

During the year Mr. Eric Paul Haag resigned as director of the company with effect from January 14, 2011. Your directors place on record its appreciation of the valuable service and guidance given by him during the tenure of his directorship with the Company.

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, 2011 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 2011-2012.

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. 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.

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.

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
Date : May 23, 2011

S. C. SARAN
CHAIRMAN

Hindustan Hardy Spicer Limited

COMPLIANCE CERTIFICATE TO THE MEMBERS OF HINDUSTAN HARDY SPICER LIMITED

Registration No: L29300MH1982PLC028498

Authorised Capital: 5,00,00,000/-

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 there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2011. 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 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 mentioned in the said annexure.
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 4 (Four) times on 23.04.2010, 13.07.2010, 27.10.2010, 27.01.2011 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 Monday, May 24, 2010 to Monday, May 31, 2010, both days inclusive 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, 2010 was held on 31.05.2010 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 not entered into any contracts falling within the purview of section 297 of the Act.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.