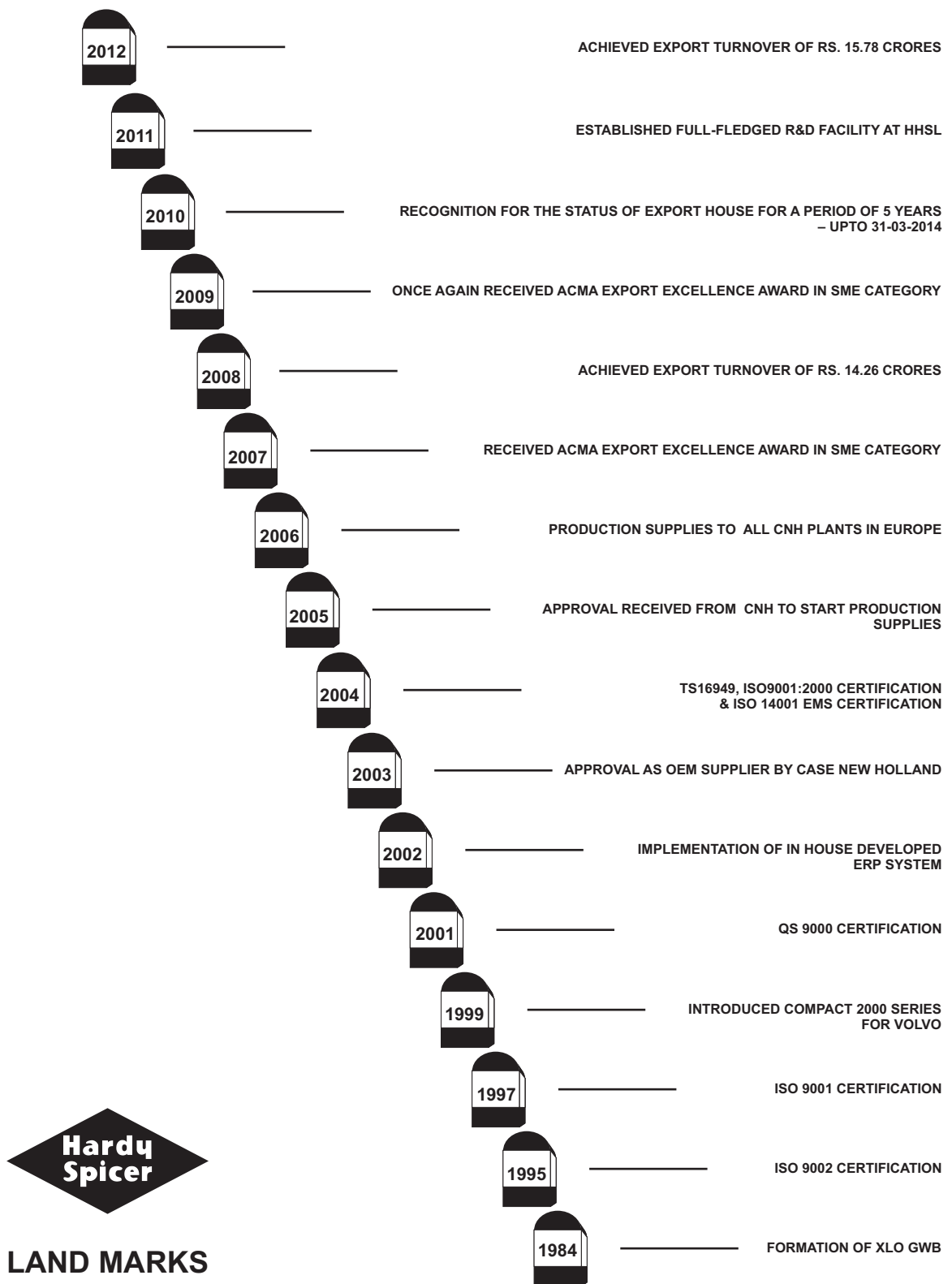




Hindustan Hardy Spicer Ltd.

**Thirtieth Annual Report
2011- 2012**



LAND MARKS

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
207, Yusuf Building,
43, M.G. Road, Mumbai - 400 001

Solicitors

Junnarkar & Associates

411, Embassy Centre, 4th Floor,
Nariman Point, Mumbai – 400 021.

Registered Office

C-12, Additional Nasik Industrial Area,
Ambad, Nasik - 422 010.
Tel.: 0253 - 2382018 / 2118
Fax : 0253 - 2382528
email : hhardy_nsk@sancharnet.in

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@hhsl.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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DIRECTORS' REPORT TO THE MEMBERS

The Directors have pleasure in presenting the Thirtieth Annual Report together with the Statement of Accounts for the year ended on March 31, 2012

FINANCIAL RESULTS

During the year under review, net sales turnover was Rs. 5348.97 lacs as against Rs.4654.16 lacs during the corresponding previous year. Export earnings were Rs.1577.87 lacs as against Rs.1223.75 lacs during the corresponding previous year. Profit after tax was Rs. 147.33 lacs as against Rs.54.54 lacs for the previous year.

	2011-2012 (Rs. in lakhs)	2010-2011 (Rs. in lakhs)
SALES	5348.97	4654.16
PROFIT	376.19	207.25
Less:		
Depreciation	69.16	68.60
Interest	93.88	63.09
	213.15	75.56
PROFIT BEFORE TAX	213.15	75.56
Less: Provision for Taxation		
Current Tax	70.00	24.00
Deferred Tax	(4.18)	(2.98)
PROFIT AFTER TAX	147.33	54.54
Surplus brought forward from Previous Year	300.19	304.08
PROFIT AVAILABLE FOR APPROPRIATION	447.52	358.61
General Reserve	20.00	6.00
Proposed Dividend	74.92	44.95
Tax on Proposed Dividend	12.44	7.47
Surplus Carried Forward	340.16	300.19

DIVIDEND

The Board of Directors are pleased to recommend a dividend of 50% on 14,98,450 Equity Shares of Rs. 10/- each.

OUTLOOK

Certifications :

The Company has taken various steps to further improve the quality systems which are in place for the last several years.

Second Surveillance audit for ISO/TS 16949:2009 for Quality Management System and ISO 14001-2004 for Environmental Management System have been completed successfully in June and July 2012 respectively.

Business :

Overseas Market : In spite of the international economic slowdown, the Company is expecting an increase in the export for the financial year 2012-13 by 8 to 10%. This is due to the development of additional customers from whom regular orders are expected during the second half of the financial year 2012-13.

Domestic Market : Based on the forecast given by our existing domestic customers, we expect a growth between 5 to 8% in the domestic market during the year 2012-13.

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.

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 EARNING AND OUTGO

The Foreign Exchange earnings and outgo are as under (Rs. in lacs)

1. Foreign Exchange Earnings	1577.87
2. Foreign Exchange Outgo on account of import	17.31
3. Foreign Exchange Outgo on account of travel	5.08
4. Foreign Exchange Outgo on others	4.89

Total Foreign Exchange outgo	27.28
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Net Foreign Exchange earnings	1550.59
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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 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.

DIRECTORS

Mr. Shiamak Marshall, Director of the Company, retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Mr. A.R. Rajwade was reappointed as the Managing Director of the Company for a further period of two years with effect from May 17, 2012. The said re-appointment is subject to the confirmation of the members of the Company. Your directors recommend the re-appointment of Mr. A.R. Rajwade as the Managing Director of the Company.

Information required in terms of Clause IV of Part 1 (B) of Section II of Part II of Schedule XIII pertaining to the remuneration package, service contract, notice period etc. has been provided in the Explanatory Statement to the Notice convening this Annual General Meeting.

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, 2012 is attached hereto.

LISTING

The Equity Shares of the Company are listed at the BSE Limited. The company has paid the Annual Listing Fees to them for the year 2012-2013.

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.

For and on behalf of the Board of Directors

Date : April 16, 2012

**S. C. SARAN
CHAIRMAN**

COMPLIANCE CERTIFICATE TO THE MEMBERS OF HINDUSTAN HARDY SPICER LIMITED

Registration No: L29300MH1982PLC028498

Authorised Capital: Rs. 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, 2012. 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 5 (Five) times on 23.05.2011, 29.06.2011, 10.08.2011, 11.11.2011, 25.01.2012 in respect of which meetings proper notices were given and the proceedings including circular resolutions dated 18.08.2011 and 03.10.2011 were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from Wednesday, June 22, 2011 to Wednesday, June 29, 2011, 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, 2011 was held on 29.06.2011 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.
11. The company had obtained necessary approval from the Central Government for payment of remuneration to a director for a period of three years from 01.04.2009 to 31.03.2012 pursuant to the provisions of Section 314 of the Act.

The Company has made an application to the Central Government for the payment of remuneration to a director for a further period of three years from 01.04.2012 to 31.03.2015 pursuant to the provisions of Section 314 of the Act.

12. The duly constituted committee of the Board of Directors has approved the issue of duplicate share certificates during the financial year.
13.
 - (i) The Company has delivered all the certificates on lodgement of securities for transfer/ transmission in accordance with the provisions of the Act. There was no allotment of securities during the year.
 - (ii) The Company has deposited the amount of dividend declared in a separate bank account on 04.07.2011, which is within five days from the date of declaration of such dividend.
 - (iii) The Company has 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 on 05.08.2011.
 - (iv) The Company has transferred the amounts of unpaid dividend, which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund within the time prescribed under the Act and the Rules made thereunder.
 - (v) The Company has 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 directors, additional directors, alternate directors and directors to fill casual vacancies during the financial year.
15. The Company has not appointed any Managing Director/ Whole-time Directors/ Manager during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The company has made application to the Central Government for the payment of remuneration to a director for a further period of three years from 01.04.2012 to 31.03.2015 pursuant to the provisions of Sections 198, 309, 314 and other applicable provisions of the Act. The approval for the same is awaited.
18. 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 thereunder.
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. The Company has not issued any Preference Shares/Debentures.
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 31.03.2012 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 bodies corporate during the financial year.
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 Jigyasa Singhi & Associates
Company Secretary

Place : Mumbai
Date : April 16, 2012

Jigyasa N. Ved
C. P. No. : 6018