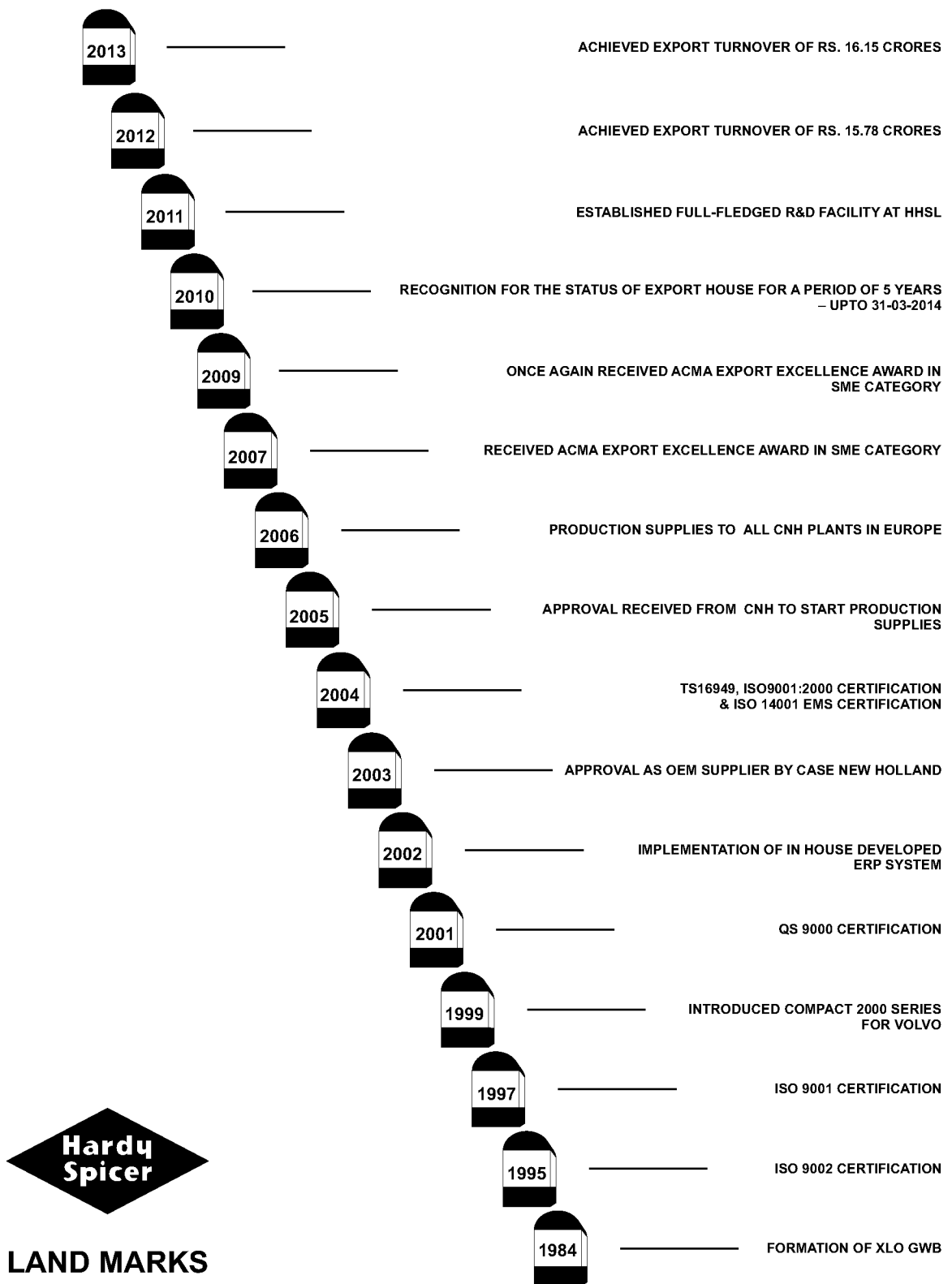




Hindustan Hardy Spicer Ltd.

**Thirty Second Annual Report
2013- 2014**



LAND MARKS

BOARD OF DIRECTORS

Mr. S. C. Saran	Chairman
Mr. A. R. Rajwade	Managing 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, Nashik - 422 010.
Tel.: 0253 - 2382018 / 2118
Fax : 0253 - 2382528
email : hhardy_nsk@sancharnet.in
CIN No.: L29300MH1982PLC028498
Website: www.hhsl.net

Plant

C-12, Additional Nasik Industrial Area,
Ambad, Nashik - 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 Thirty Second Annual Report together with the Statement of Accounts for the year ended on March 31, 2014

FINANCIAL RESULTS:

During the year under review, net sales turnover was Rs.4850.36 lacs as against Rs. 5516.03 lacs during the corresponding previous year. The reasons for this dip are the extremely recessionary trends in the automobile industry experienced during the year in review. However, the increase in exports was the bright spot in the net sales turnover. Export earnings were Rs. 1862.24 lacs as against Rs. 1614.74 lacs during the corresponding previous year. Profit after tax was Rs. 84.47 lacs as against Rs. 87.85 lacs for the previous year.

	2013-2014 (Rs. in lakhs)	2012-2013 (Rs. in lakhs)
Sales	4850.36	5516.03
PROFIT	342.99	307.95
Less:		
Depreciation	84.74	74.25
Interest	100.67	99.45
PROFIT BEFORE TAX	157.58	134.25
Less: Provision for Taxation		
Current Tax	50.00	33.00
Deferred Tax	23.11	13.40
PROFIT AFTER TAX	84.47	87.85
Surplus brought forward from Previous Year	355.77	340.16
PROFIT AVAILABLE FOR APPROPRIATION	440.23	428.01
General Reserve	15.00	20.00
Proposed Dividend	44.95	44.95
Tax on Proposed Dividend	7.29	7.29
Surplus Carried Forward	372.99	355.77

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 systems which are in place for last several years.

The Surveillance Audit for ISO/TS 16949:2002 for Quality Management System was successfully completed during April 2014.

The Surveillance Audit for ISO 14001-2004 for Environmental Management System is scheduled in June 2014 and we are confident of its success.

Business :

Overseas Market : Considering the inputs received from overseas customers, the company is expecting an increase in exports/indirect exports for the Financial Year 2014-15 of 15%.

Domestic Market :

OE : Based on the inputs received from the OE customers in India, we are expecting an increase between 5 to 10% during the Financial Year 2014-15.

Industrial and Aftermarket: We are planning growth of a 5% minimum through development of additional Industrial customers and adding additional parts for the Aftermarket.

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

Activities relating to exports, initiatives taken to increase exports and development of new export markets for products and services:

Presently, the company is supplying to various CNH plants in Europe and UK. The Company has approached the North America CNH locations and is discussing with them regarding possible exports of similar products to those locations which we are supplying to CNH Europe plants. The Company is also in talks with many other prospective clients for the development of various Propeller Shafts required by them

With the above initiatives, we are expecting growth in export by 10 to 15% during the year 2014-15.

The Foreign Exchange earnings and outgo are as under		(Rs. in lacs)
1.	Foreign Exchange Earnings	1862.24
2.	Foreign Exchange Outgo on account of import	15.95
3.	Foreign Exchange Outgo on account of travel	11.28
	Total Foreign Exchange outgo	27.23
	Net Foreign Exchange earnings	1835.01

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 have been followed along with proper explanation relating to material departures;
- ii) they have 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 have 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 have prepared the annual accounts on a going concern basis.

DIRECTORS

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

As per Section 149(4) of the Companies Act, 2013 ('Act'), which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Directors who shall hold office for a term upto five consecutive years on the Board of a company and is not liable to retire by rotation.

In accordance with the provisions of Section 149 of the Act, read with Schedule IV of the Act, the appointment of Mr. Shiamak Marshall and Mr. Jehangir H. C. Jehangir as Independent Directors of the Company is being placed before the Members at the ensuing annual general meeting for their approval. In the opinion of the Board, they fulfill the conditions specified in the Act and the Rules made thereunder for appointment as Independent directors and are independent of the management. Members are requested to refer to the Notice of the Annual General Meeting and the Explanatory Statement for details of the qualifications and experience of the Directors and the period of their appointment.

The Board commends the passing of resolutions at item nos. 6 & 7 of the Annual General Meeting Notice.

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, 2014 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 2014-2015.

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

Statutory 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. M/s. J. L. Bhatt & Company, Chartered Accountants, the existing auditors have furnished a certificate, confirming that if reappointed for the financial year 2014-2015 their reappointment will be in accordance with Section 139 read with section 141 of the Companies Act, 2013.

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

Cost Auditors :

M/s. CY & Associates, Cost Accountants have been appointed to conduct Cost Audits relating to the Cost accounting records of the Company for the year ending 31st March 2015. Pursuant to the provisions of Section 148 of the Companies Act, 2013 and Rules made there under, Members are requested to consider the ratification of the remuneration payable to M/s CY & Associates.

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.

For and on behalf of the Board of Directors

Date : May 19, 2014
Place : Mumbai

**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, 2014. 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 06.05.2013, 08.08.2013, 23.10.2013 and 24.01.2014 on in respect of which meetings proper notices were given and the proceedings were properly recorded including circular resolution and signed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from Friday, 28th June 2013 to Friday, 05th July 2013 (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, 2013 was held on 05.07.2013 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 has obtained necessary approval from the Central Government for 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.

The Company has also obtained necessary approvals from the Board of directors and members for the appointment and payment of remuneration to relative of Director pursuant to the provisions of Section 314 of the Act.
12. The company has not issued any 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 10.07.2013, 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 10.08.2013.
 - (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 passed a resolution of Board of Directors for reappointment of Managing Director with effect from May 17, 2014.
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 authorities prescribed under the various provisions of the Act during the financial year.
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.

