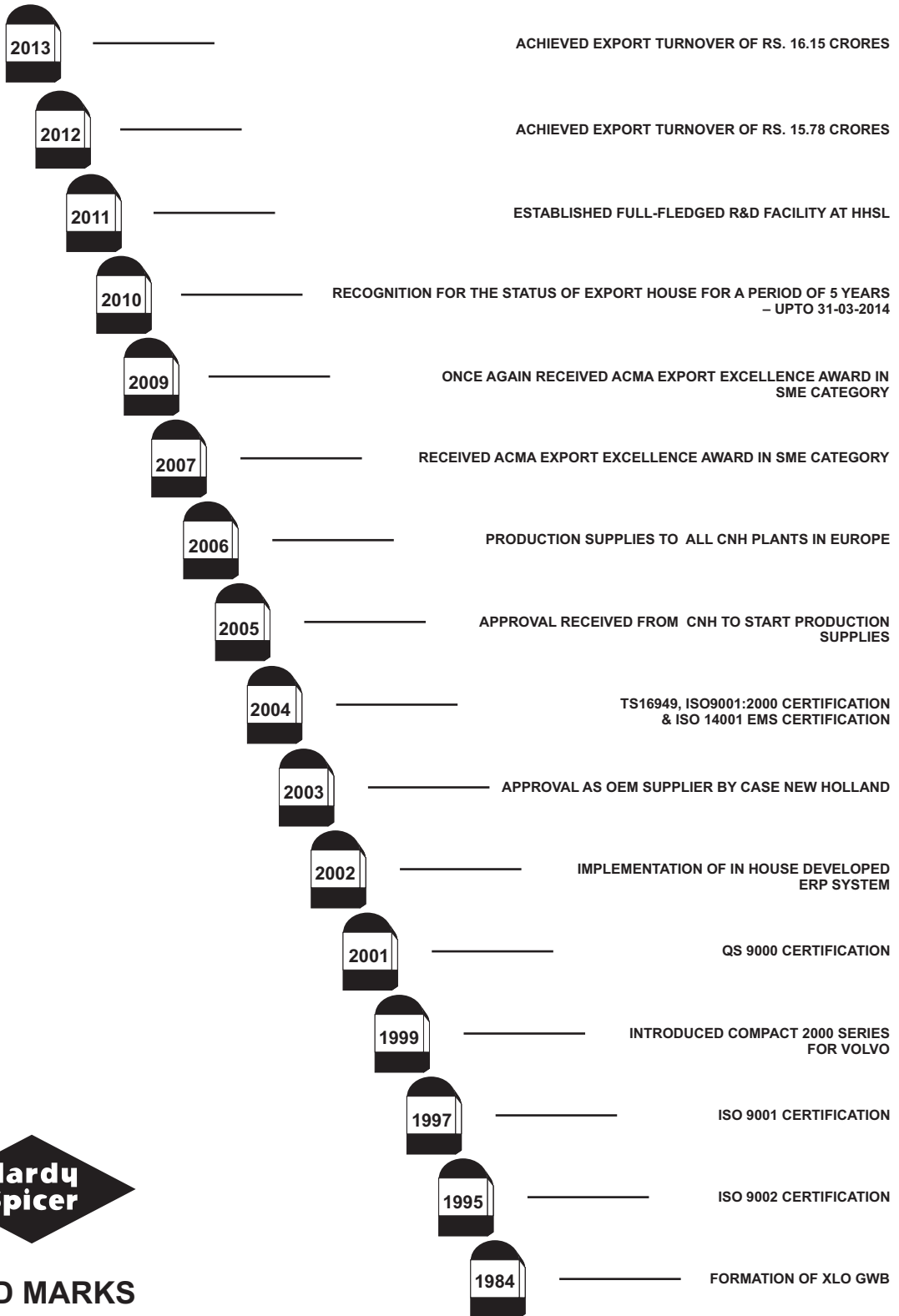




Hindustan Hardy Spicer Ltd.

**Thirty First Annual Report
2012- 2013**

Hindustan Hardy Spicer Limited



LAND MARKS

BOARD OF DIRECTORS

Mr. S. C. Saran	Chairman
Mr. A. R. Rajwade	Managing Director
Mr. K. H. Captain	Director (up to 26.01.2013)
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

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 First Annual Report together with the Statement of Accounts for the year ended on March 31, 2013

FINANCIAL RESULTS:

During the year under review, net sales turnover was Rs.5516.03 lacs as against Rs. 5348.97 lacs during the corresponding previous year. Export earnings were Rs. 1614.74 lacs as against Rs. 1577.87 lacs during the corresponding previous year. Profit after tax was Rs. 87.85 lacs as against Rs. 147.33 lacs for the previous year.

	2012-2013 (Rs. in lakhs)	2011-2012 (Rs. in lakhs)
Sales	5516.03	5348.97
PROFIT	307.95	376.19
Less:		
Depreciation	74.25	69.16
Interest	99.45	93.88
	134.25	213.15
PROFIT BEFORE TAX	134.25	213.15
Less: Provision for Taxation		
Current Tax	33.00	70.00
Deferred Tax	13.40	(4.18)
PROFIT AFTER TAX	87.85	147.33
Surplus brought forward from Previous Year	340.16	300.19
PROFIT AVAILABLE FOR APPROPRIATION	428.01	447.52
General Reserve	20.00	20.00
Proposed Dividend	44.95	74.92
Tax on Proposed Dividend	7.29	12.44
Surplus Carried Forward	355.77	340.16

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.

Recertification Audit for ISO/TS 16949:2002 for Quality Management System was successfully completed during April 2013.

Recertification Audit for ISO 14001-2004 for Environmental Management System is scheduled in July 2013 and we are confident of its success.

Business :

Overseas Market : Considering inputs received from the overseas customers, the Company is expecting an increase in export/indirect export for the Financial Year 2013-14 by 8%.

Domestic Market :

OE : Based on inputs received from the OE customers, we are expecting increase between 5 to 10% during the Financial Year 2013-14.

Industrial and Aftermarket: We are planning growth of 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

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

1. Foreign Exchange Earnings	1614.74
2. Foreign Exchange Outgo on account of import	16.89
3. Foreign Exchange Outgo on account of travel	15.46

Total Foreign Exchange outgo 32.35

Net Foreign Exchange earnings 1582.39

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

Your directors express their profound grief on the sad demise of Mr. K. H. Captain on January 26, 2013. Your directors place on record their appreciation of the valuable service and guidance given by him during the tenure of his directorship with the Company.

Mr. S. C. Saran, Director of the Company, retires at the ensuing Annual General Meeting and being eligible offers himself 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, 2013 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 2013-2014.

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.

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

Cost Auditors :

Pursuant to the directives of the Central Government under the provisions of Section 233B of the Companies Act, 1956 the Board has appointed M/s. CY & Associates, Cost Accountants as the Cost Auditors of the Company for Audit of Cost Accounting records of the Company for the year ended March 31, 2013. They will continue to be Cost Auditors of the Company for the financial year 2013-14

INDUSTRIAL RELATIONS

A wage agreement has been settled with the Union in October 2012 which will be in force till 31st March 2016.

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 06, 2013

**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, 2013. 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 16.04.2012, 14.08.2012, 08.11.2012 and on 28.01.2013 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 resolutions were passed.
5. The Company closed its Register of Members from Tuesday, 18th September 2012 to Wednesday, 26th September 2012 (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, 2012 was held on 26.09.2012 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.

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 27.09.2012, 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 01.11.2012.
 - (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 reappointed the Managing Director of the Company during the financial year in compliance of the provisions of the Act.
16. The Company has not appointed any sole selling agents during the financial year.
17. The company has obtained the approval of 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 Company has also obtained the Order of the Company Law Board in respect of condonation of delay in filing two forms nos 8 for modification of Charge.
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 31.03.2013 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 : May 06, 2013

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

ANNEXURE TO THE COMPLIANCE CERTIFICATE

Annexure 'A'

Statutory Registers as maintained by the Company:

1. Register of charges u/s 143 of the Act.
2. Register of Members u/s 150 and Index of Members u/s 151 of the Act.
3. Minutes Book of Board Meetings u/s 193 of the Act (in loose leaf)
4. Minutes Book of General Meetings u/s 193 of the Act (in loose leaf)
5. Minutes Book of Share Transfer Committee Meetings (in loose leaf)
6. Minutes Book of Remuneration Committee Meetings (in loose leaf)
7. Books of Accounts u/s 209 of the Act are being audited by the Statutory Auditors of the Company.
8. Register of Contracts u/s 301 of the Act.
9. Register of disclosure of interest u/s 301 of the Act.
10. Register of particulars of Directors etc. u/s 303 of the Act.
11. Register of Directors' Shareholding u/s 307 of the Act.
12. Register of loans/ Investments u/s 372A of the Act.
13. Register of Renewed and Duplicate Certificates under Rule 7 of the Companies (Issue of Share Certificates) Rules, 1960
14. Register of Proxies

Other Registers:

1. Register of transfers, transmission.
2. Attendance Register of Board Meetings.
3. Attendance Register of General Meetings.
4. Attendance Register of Share Transfer Committee Meetings.
5. Attendance Register of Remuneration Committee Meetings.

For Jigyasa Singhi & Associates
Company Secretary

Place : Mumbai
Date : May 06, 2013

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

ANNEXURE TO THE COMPLIANCE CERTIFICATE**Annexure 'B'**

Forms and Returns as filed by the Company with the Registrar of Companies during the financial year ended on 31st March, 2013.

Sr. No.	Form No/ Return	Filed under section	For	Date of filing	Whether filed within prescribed time Yes/No	if delay in filing whether requisite additional fee paid Yes/No
1.	Form 62	205C	Quarterly Return on IEPF for quarter ended 31.03.2012	24.04.2012	Yes	N.A.
2.	Form 8	125	Modification of Charge - Charge ID - 90186732	27.04.2012	No	Nil
3	Form 8	125	Modification of Charge - Charge ID - 90187841	27.04.2012	No	Nil
4	DIN-4	DIN Rules	Din - 4 of Mr. A. R. Rajwade	26.06.2012	Yes	N.A.
5.	Form 23	192	Board resolution dated 16.04.2012 for revision in remuneration of Mr. A. R. Rajwade, Managing Director for the remainder period of his tenure w.e.f. 01.04.2012 till 16.05.2012	21.06.2012	No	Yes
6.	Form 23	192	Board resolution for reappointment of Mr. A. R. Rajwade as Managing Director for a further period of two years w.e.f. 17.05.2012	21.06.2012	Yes	N.A.
7.	Form 25C	269	Reappointment of Mr. A. R. Rajwade as Managing Director for a further period of two years w.e.f. 17.05.2012	21.06.2012	Yes	N.A.

Sr. No.	Form No/ Return	Filed under section	For	Date of filing	Whether filed within prescribed time Yes/No	if delay in filing whether requisite additional fee paid Yes/No
8.	Form 32	303	Reappointment of Mr. A. R. Rajwade as Managing Director for a further period of two years w.e.f. 17.05.2012	21.06.2012	Yes	N.A.
9.	Form 23C	209(1)(d)	Appointment of Cost Auditors	29.06.2012	Yes	N.A.
10.	Form 62	205C	Quarterly Return on IEPF for quarter ended 30.06.2012	11.07.2012	Yes	N.A.
11.	Form 21	141	Order of the Company Law Board no 1581/141/CLB/MB/2012/3456 dated 08.06.2012 for condonation of delay in filing form 8 for modification of charge	17.07.2012	Yes	N.A.
12.	Form 21	141	Order of the Company Law Board no 1582/141/CLB/MB/2012/3455 dated 08.06.2012 for condonation of delay in filing form 8 for modification of charge	17.07.2012	Yes	N.A.
13.	Form 5INV	205C	Statement of unclaimed and unpaid amounts as on the AGM held on 29.06.2011	31.07.1012	Yes	N.A.
14.	Form 1 (of IEPF)	Investor Education and Protection Fund Rules	Transfer of unpaid /unclaimed dividend to Investor Education and Protection Fund on 04.09.2012	29.09.2012	N.A.	N.A.
15.	Form 66 alongwith Compliance Certificate	383A	Financial year ended 31.03.2012	12.10.2012	Yes	N.A.

Sr. No.	Form No/ Return	Filed under section	For	Date of filing	Whether filed within prescribed time Yes/No	if delay in filing whether requisite additional fee paid Yes/No
16.	Form 62	205C	Quarterly Return on IEPF for quarter ended 30.09.2012	16.10.2012	N.A.	N.A.
17.	Form 20B alongwith Annual Return made as on 26.09.2012	159	Annual General Meeting held on 26.09.2012	06.11.2012	Yes	N.A.
18.	*Form 5INV	205C	Statement of unclaimed and unpaid amounts as on the AGM held on 26.09.2012	24.12.2012	Yes	N.A.
19.	Form 23 AC & Form 23ACA (XBRL) alongwith Annual Report for the year ended 31.03.2012	220	Approved at the Annual General Meeting held on 26.09.2012	04.01.2013	Yes	N.A.
20.	Form 62	205C	Quarterly Return on IEPF for quarter ended 31.12.2012	22.01.2013	Yes	N.A.
21.	Form A-XBRL	209(1)(d)	Cost Compliance Report from Cost Auditor	27.01.2013	Yes	N.A.
22.	Form 32	303	Cessation of Mr. K. H. Captain as Director of the Company w.e.f. 26.01.2013	06.03.2013	No	Yes

*This form was not approved by MCA due to technical issues and was again filed on 02.05.2013

For Jigyasa Singhi & Associates
Company Secretary

Place : Mumbai
Date : May 06, 2013

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

AUDITORS REPORT TO THE MEMBERS OF HINDUSTAN HARDY SPICER LIMITED.

We have audited the attached Balance Sheet of Hindustan Hardy Spicer Limited as at 31st March, 2013, and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we report that:
 - a. we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - e. On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors from whom such representations have been received is disqualified as on March 31, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956; and
 - f. in our opinion and to the best of our information and according to explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- ii) in the case of the Profit & Loss Account, of the profit of the Company for the year ended on that date; and
- iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For J. L. BHATT & COMPANY
Chartered Accountants
Firm Reg. No: 101332W

YOGESH J. BHATT
Partner
Membership No. 30170

Mumbai, 06th May 2013

ANNEXURE TO AUDITORS REPORT**(Referred to in paragraph 1 of our report of even date)**

The nature of the Company's business / activities during the year is such that clauses (vi), (x), (xiii) and (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

- (i) In respect of its fixed assets :
- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
 - c) During the year the Company has not disposed off any substantial part of its fixed assets. Therefore, it has not affected the going concern assumption of the Company.
- (ii) In respect of its inventories:
- a) As explained to us, inventories were physically verified during the year by the Management at reasonable intervals.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iii) a) According to the information and explanations given to us, during the year the Company has not granted unsecured loans to any party covered in the register maintained u/s 301 of the Companies Act 1956.
- Accordingly sub-clauses (b) to (d) are not applicable.
- b) According to the information and explanations given to us, the Company has not taken loans, secured or unsecured, from companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act 1956
- Accordingly sub-clauses (f) and (g) are not applicable.

- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services and we have not observed any continuing failure to correct major weaknesses in such internal control system.
- (v) In respect of contracts or arrangements entered in the register maintained in pursuance of section 301 of the Companies Act 1956, to the best of our knowledge and belief and according to the information and explanations given to us,
- a) The particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that Section.
- b) Excluding certain transactions of purchase of goods of special nature for which alternate quotations are not available, where each of such transactions is in excess of Rs. 5 lakhs in respect any party, the transactions have been made at price which are prima facie reasonable having regard to the prevailing market price at the relevant time.
- (vi) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (vii) We have broadly reviewed the books of account and records maintained by the Company relating to the manufacture of automotive parts and accessories, pursuant to the rules by the Central Government for the maintenance of cost records u/s 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records u/s 209(1) (d) of the Companies Act, 1956 for any other products of the Company.
- (viii) In respect of statutory dues;
- a) According to the information and explanations given to us, the Company has been generally regular in deposition undisputed Statutory dues, including Provident Funds, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise duty, Cess and any other material statutory dues with the appropriate authorities. There are no arrears at the year end.
- b) According to the information and explanations given to us, there are no disputed statutory dues pertaining to income tax, sales tax, wealth tax, service tax, customs duty, excise duty, octroi and cess which have not been deposited as on 31st March 2013
- (ix) In our opinion and according to the information given to us, the Company has not defaulted in repayment of dues to banks.
- (x) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

- (xi) According to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks and financial institutions and thus the questions of whether the terms and conditions are prima facie prejudicial to interest of company does not arise.
- (xii) In our opinion and according to the information given to us, the term loan raised by the Company has been applied for the purpose for which the loan was obtained.
- (xiii) In our opinion and according to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, funds raised on short term basis have prima facie, not been used during the year for long term investment.
- (xiv) According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained u/s 301 of the Companies Act, 1956, during the year and hence the question of whether the price at which shares have been issued is prejudicial to interest of company does not arise.
- (xv) To the best of our knowledge and according to the information and explanations given to us, the Company has not issued any debentures and hence the question of whether security has been created for debentures issued does not arise.
- (xvi) As informed to us, the Company has not raised monies by public issues during the year and hence the question of disclosure and verification of end use of such monies does not arise.
- (xvii) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For J. L. BHATT & COMPANY
Chartered Accountants
Firm Reg. No: 101332W

YOGESH J. BHATT
Partner
Membership No. 30170

Mumbai, 06th May 2013

BALANCE SHEET AS AT 31ST MARCH, 2013

(Rs in Lacs)

	Particulars	Note No	As At 31.03.2013	As At 31.03.2012
I.	EQUITY AND LIABILITIES			
	Shareholders' Funds			
	(a) Share Capital	02	149.85	149.85
	(b) Reserves and Surplus	03	781.93	746.32
	Non-Current Liabilities			
	(a) Long-term borrowings	04	148.04	66.57
	(b) Deferred tax liabilities (Net)	32	71.69	58.29
	Current Liabilities			
	(a) Short-term borrowings	05	389.88	246.00
	(b) Trade payables	06	1041.27	773.53
	(c) Other current liabilities	07	400.23	285.83
	(d) Short-term provisions	08	142.95	169.97
	Total		3125.84	2496.36
II.	Assets			
	Non-current assets			
	(a) Fixed assets	09		
	(i) Tangible assets	9A	881.71	668.39
	(ii) Capital work-in-progress	9B	1.42	63.33
	(b) Non-current investments	10	0.55	0.55
	(c) Long term loans and advances	11	371.20	323.64
	Current assets			
	(a) Inventories	12	687.28	526.91
	(b) Trade receivables	13	1024.10	853.32
	(c) Cash and cash equivalents	14	30.63	18.20
	(d) Short-term loans and advances	15	128.95	42.02
	Total		3125.84	2496.36
	Significant Accounting Policies	1		
Notes are an integral part of the financial statements				

As per our report of even date attached

For J.L. Bhatt & Co.

Chartered Accountants

Firm Reg. No.: 101332W

Yogesh J. Bhatt

Partner

Membership No. 30170

Mumbai, May 06,2013**Chairman**

S.C. Saran

Managing Director

A.R. Rajwade

Directors

Mr. Jehangir H.C. Jehangir

Shiamak Marshall

Mumbai, May 06,2013

Profit and Loss statement for the year ended 31st March, 2013

(Rs in Lacs)

Particulars	Note No	As At 31.03.2013	As At 31.03.2012
Revenue from operations	16	5516.03	5348.97
Other Income	22	15.97	39.92
Total Revenue		5531.99	5388.89
Expenses:			
Cost of materials consumed	17	3311.25	3064.04
Purchase of Stock-in-Trade	18	209.21	280.82
Changes in inventories of finished goods, work - in - progress and stock - in - trade	19	(129.20)	51.78
Employee benefit expense	20	833.23	729.44
Other expenses	23	999.56	886.62
Total Expenses		5224.04	5012.70
Earnings before Interest, Tax, Depreciation And Amortisation		307.95	376.19
Depreciation and amortisation expenses.	09	74.25	69.16
Financial costs	21	99.45	93.88
		173.70	163.05
Profit before Tax		134.25	213.15
Less: Tax expense			
(1) Current tax		33.00	70.00
(2) Deferred tax		13.40	(4.18)
Total Tax Expenses		46.40	65.82
Profit after Tax		87.85	147.33
Earning per equity share: (Refer Note No: 36)			
(1) Basic		5.86	9.83
(2) Diluted		5.86	9.83
Significant Accounting Policies	1		
Notes are an integral part of the financial statements			

As per our report of even date attached

For J.L. Bhatt & Co.

Chartered Accountants

Firm Reg. No.: 101332W

Yogesh J. Bhatt

Partner

Membership No. 30170

Mumbai, May 06,2013**Chairman**

S.C. Saran

Managing Director

A.R. Rajwade

Directors

Mr. Jehangir H.C. Jehangir

Shiamak Marshall

Mumbai, May 06,2013

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

	2012-13 (Rs. in lacs)	2011-12 (Rs. in lac)
A. Cash flow from Operating Activities		
Net Profit Before Tax and Extraordinary Items	134.25	213.15
Adjustments for :		
Depreciation	74.25	69.16
Fixed Assets Discarded	0.95	9.94
Interest and Finance Charges	99.45	93.88
Provision for Leave Encashment	17.52	7.48
Loss on Sale of Fixed Assets	2.57	0.00
Interest and Dividend Income	(0.67)	(0.61)
Operating Profit before Working Capital changes	328.31	393.01
Adjustments for :		
Trade and Other Receivables	(283.92)	(154.65)
Inventories	(160.37)	2.39
Trade Payables	380.80	213.88
Cash Generated from Operations	264.82	454.63
Direct Taxes Paid	(65.29)	(60.16)
Cash flow before Extraordinary Items	199.53	394.47
Net Cash Flow from Operating Activities	199.53	394.47
B. Cash flow from Investment Activities		
Purchase of Fixed Assets	(229.79)	(92.91)
Sale of Fixed Assets	0.60	0.00
Interest Received	0.14	0.55
Net Cash Used in Investing Activities	(229.05)	(92.36)

C. Cash flow from Financing Activities

Dividend Paid		(87.36)	(52.42)
Unclaimed Dividend		2.14	0.66
Proceeds/(Repayment) of Long Term Borrowings		82.74	15.96
Proceeds/(Repayment) of Short Term Borrowings		143.88	(167.85)
Interest and Finance Charges		(99.45)	(93.88)
Net Cash Flow from Financing Activities		41.95	(297.53)
Net Increase/(Decrease) in Cash and Cash Equivalents	(A+B+C)	12.43	4.58
Cash and Cash Equivalents as at -Opening		18.20	13.62
Cash and Cash Equivalents as at -Closing		30.63	18.20

By order of the Board of Directors

A.R. Rajwade
Managing Director

Mumbai, May 06, 2013

Note :

1. Cash and Cash Equivalents consists of :
- | | AS AT
31/3/2013 | AS AT
31/3/2012 | (Rs. In lacs)
AS AT
31/3/2011 |
|--|--------------------|--------------------|-------------------------------------|
| Cash and Cheques on hand | 1.11 | 1.03 | 1.01 |
| Balances with Scheduled and other banks
In Current Accounts | 29.27 | 16.92 | 12.36 |
| In Margin Money Account | 0.25 | 0.25 | 0.25 |
| Total | 30.63 | 18.20 | 13.62 |
2. Previous years figures have been regrouped wherever necessary to confirm with current year's classification.

As per our report of even date attached
For J.L. Bhatt & Co.
Chartered Accountants
Firm Reg. No.: 101332W

Yogesh J. Bhatt
Partner
Membership No. 30170

Mumbai, May 06, 2013

By order of the Board of Directors
For Hindustan Hardy Spicer Limited

A.R. Rajwade
Managing Director

Mumbai, May 06, 2013

NOTES TO FINANCIAL STATEMENTS**1) Significant Accounting Policies:-****a) Basis of Accounting :-**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention except warranty claims, which are accounted on receipt of claim/s.

b) Fixed Assets :-

Fixed Assets are stated at cost less depreciation. Depreciation is provided (except in the case of leasehold land which is being amortised over the period of lease) at prorata monthly basis on the straight line method and at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the greater of the net selling price and value in use.

c) Inventories :-

Inventory is valued as below,

- a) Raw material / Components are valued on weighted average basis.
- b) Stores and spares are valued on weighted average basis.
- c) Finished goods and work in progress are valued at lower of cost or net realisable value. Cost is determined on absorption basis and includes material, labour and production overheads. Material cost for the purpose of valuation is ascertained on weighted average basis.

Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished good include appropriate proportion of overheads and, where applicable, excise duty.

d) Revenue Recognition :-

Sale of Goods

- a) Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.
- b) Duty entitlement under the Duty Entitlement Pass Book Scheme (DEPB Scheme) on export of the goods manufactured by the Company is accounted on realisation basis. Refund of excise duty of "Export under the claim of rebate" is accounted for on completion of formality of claiming refund of excise.

Revenues from services are recognised when services are rendered and related costs are incurred.

e) **Other Income :-**

a) Interest income is accounted on accrual basis.

f) **Investment :-**

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

g) **Retirement Benefits :-**

The Company has a Group Gratuity-cum-Life Assurance Scheme with Life Insurance Corporation of India for future payment of Gratuity to retiring employees. The premium thereof is paid annually in terms of the said policy which is charged off to the Profit & Loss Account. Provisions for leave encashment benefit and gratuity are made on actual basis, on the assumption that the benefits will be payable to all the employees at the end of the accounting year, if all employees were to terminate their services with the company. Liability for Provident Fund dues is being deposited with appropriate authorities. In case of Superannuation liability Company makes contribution to Life Insurance Corporation of India.

h) **Transactions in Foreign currencies (Other than Fixed Assets) :-**

Initial recognition

Transactions in foreign currencies entered into by the Company and its integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company and its integral foreign operations are recognised as income or expense in the Statement of Profit and Loss.

i) **Provisions, Contingent Liabilities and Contingent Assets**

As per Accounting Standard 29, Provisions, Contingent Liabilities and Contingent Assets, issued by the Institute of Chartered Accountants of India, the Company recognises provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

No provision is recognised for -

- a) Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- b) Any present obligation that arises from past events but is not recognised because-
 - l) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation ; or
 - ii) A reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed continually and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made. Contingent Assets are not recognised in the financial statements since this may result in the recognition of income that may never be realized.

j) Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

k) Other Accounting Policies :-

The Company follows generally accepted accounting principles in respect of accounting policies not specifically referred to herein above.

Note No	Particulars	As At 31.03.2013 (Rs. In Lacs)	As At 31.03.2012 (Rs. In Lacs)
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2) Share Capital

Equity Share Capital

Authorised Share capital 50,00,000 equity shares of Rs.10/- each	500.00	500.00
Issued, subscribed & fully paid share capital 14,98,450 equity shares of Rs.10/- each	149.85	149.85
Total	149.85	149.85

2.1) Terms and rights attached to Equity Share.

The company has only one class of Equity share having a Par Value of Rs.10/- each. Each holder of equity share is entitled for one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to approval by the share holders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

2.2) Details of Share holders holding more than 5% shares in the company.

Sr. No.	Name of the shareholder	2012-13 No. of Shares (% of holding)	2011-12 No. of Shares (% of holding)
i	XLO India Ltd	599993 (40.04)	599993 (40.04)
ii	Spicer Gelenkwellembau GMBH	390000 (26.03)	390000 (26.03)

Note No	Particulars	As At 31.03.2013 (Rs. In Lacs)	As At 31.03.2012 (Rs. In Lacs)
3)	Reserves and Surplus		
a)	Capital Reserves (Capital Subsidy)	15.00	15.00
b)	Other Reserve / fund [Investment Allowance (Utilised) Reserve]	24.36	24.36
c)	General Reserve	366.73	346.73
	Add : Transferred made during the Year	20.00	20.00
	Total General Reserve	386.73	366.73
d)	Share Forfeiture Reserve	0.08	0.08
e)	Surplus	340.16	300.20
	Add : Profit for the year	87.85	147.33
		428.01	447.52
	Less : Transferred To General Reserve	20.00	20.00
	Less : Dividend Proposed	44.95	74.92
	Less : Tax on Dividend Proposed Surplus	7.29	12.44
		355.77	340.16
	Total	781.93	746.32
4)	Long-term borrowings		
	Secured		
	Term Loans	148.04	66.57
	(Secured against Equitable Mortgage on Factory land & building situated at C-12,MIDC,Ambad, Nashik-422010 & Hypothecation of stocks.)		
	Total	148.04	66.57

Note:- Terms of Repayment

4.1) From State Bank of India

- 1) Term loan of Rs. 2.00 Crore from State Bank of India was sanctioned on 01/08/11 for a period of 5 years. Current EMI per month is Rs. 4.70 Lacs.
- 2) Term loan of Rs.1.80 Crore from State Bank of India was sanctioned on 27/09/2008 for a period of 6 years. Current EMI per month is Rs. 4.15 Lacs.
Note : Secured against Registered Mortgage on Factory land & building situated at C12,MIDC, Ambad, Nashik-422010

4.2) From ICICI Bank

- 1) Term loan for car of Rs. 7.00 Lacs from ICICI Bank was sanctioned on 15/05/2011 for a period of 3 years. Current EMI per month is Rs. 0.23 Lacs

Note No	Particulars	As At 31.03.2013 (Rs. In Lacs)	As At 31.03.2012 (Rs. In Lacs)
5)	Short-terms borrowings		
	Loans repayable on demand From Bank		
	Secured		
	Cash Credit from State Bank of India, Satpur, Nashik (Secured against Hypothecation of Stock & Debtors and entire present and future current assets)	389.88	246.00
	Total	389.88	246.00
6)	Trade Payables		
	Trade Payables (Refer Note No:31)	1041.27	773.53
	Total	1041.27	773.53
7)	Other current liabilities		
	Current maturities of long term debt	78.77	77.51
	Unpaid dividends	13.64	11.50
	<u>Other payables</u>		
	(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	35.26	34.08
	(ii) Trade / security deposits received	0.06	0.06
	(iii) Advances from customers	3.26	2.80
	(iv) Acceptances of Hundies from suppliers	264.48	156.95
	(v) Stale Cheques	4.76	2.92
	(vi) Imprest Cash-Delhi	0.00	0.03
	Total	400.23	285.84
8)	Short-term provisions		
	Provision for employee benefits	90.18	72.66
	Bonus Provision	0.53	0.10
	Proposed Dividend	44.95	74.92
	Tax on Proposed Dividend	7.29	12.44
	Provision for Taxation	0.00	9.84
	Total	142.95	169.97

9 Fixed Assets**(Rs. in Lacs)**

ASSETS	Gross Block				Depreciation \ Amortisation Expenses				Net Block WDV	
	Balance AS AT 01/04/12	Additions	Disposals/ Adjustments	Total AS AT 31/03/13	Balance AS AT 1/04/12	For the Year	Disposals/ Adjustments	Total AS AT 31/03/13	Balance AS AT 31/03/13	Balance AS AT 31/03/12
a.) Tangible Assets										
LAND - Leasehold	8.29	0.00	0.00	8.29	2.48	0.09	0.00	2.57	5.72	5.80
BUILDINGS - Own use	228.50	0.00	0.00	228.50	118.63	7.24	0.00	125.87	102.63	109.88
PLANT & MACHINERY - Owned	1376.73	286.98	3.05	1660.66	882.47	59.40	0.45	941.42	719.24	494.26
FURNITURE & FIXTURES - Owned	47.47	6.42	0.08	53.81	15.90	2.74	0.02	18.62	35.19	31.57
VEHICLES - Owned	52.46	0.00	6.53	45.93	25.58	4.78	3.36	27.00	18.93	26.88
	1713.44	293.40	9.66	1997.19	1045.06	74.25	3.83	1115.47	881.71	668.39
b) Capital Work in Progress:										
CAPITAL WORK IN PROGRESS *									1.42	63.33
TOTAL									883.14	731.72
PREVIOUS YEAR	1754.20	32.67	73.43	1713.44	1039.38	69.16	63.49	1045.06	731.72	717.91

*Including Capital advances of **Rs. 1.42 lacs** (previous year Rs. 63.33 lacs)

Note No	Particulars	As At 31.03.2013 (Rs. In Lacs)	As At 31.03.2012 (Rs. In Lacs)
10)	Non-current investments		
	<u>Investments in Equity instruments</u>		
	50 Equity Shares of Rs.100 each Fully paid, in Dinette Exclusive Club Private Limited	0.05	0.05
	2000 Equity Shares of Rs. 25 each fully paid in Janlaxmi Co-operative Bank Limited.	0.50	0.50
	Total	<u><u>0.55</u></u>	<u><u>0.55</u></u>
11)	Long Term Loans and Advances		
	<u>Security Deposits :</u>		
	Unsecured considered good	19.25	15.89
	<u>Loans and advances to employees :</u>		
	Unsecured considered good	0.09	0.07
	<u>Balances with government authorities :</u>		
	<u>Unsecured considered good</u>		
	Income Tax		
	(i) Advance Tax net (including TDS)		
	(a) For AY 2003-04	0.90	0.90
	(b) For AY 2005-06	1.41	1.41
	(c) For AY 2006-07	0.56	0.56
	(d) For AY 2007-08	5.62	5.62
	(e) For AY 2008-09	0.28	0.28
	(f) For AY 2009-10	22.85	22.85
	(g) For AY 2010-11	0.23	0.23
	(h) For AY 2011-12	6.14	6.14
	(i) For AY 2012-13	5.31	0.00
	(ii) Income Tax Paid under Protest (including FBT 228794)	11.87	29.69
	(iii) VAT credit receivable	296.70	240.03
	Total	<u><u>371.20</u></u>	<u><u>323.64</u></u>
12)	Inventories		
	Raw materials	302.19	283.89
	Work in progress	244.30	153.96
	Finished goods	73.11	39.65
	Stores and spares	56.71	43.85
	Others (Trading Goods)	10.96	5.56
	Total	<u><u>687.28</u></u>	<u><u>526.91</u></u>

Note No	Particulars	As At 31.03.2013 (Rs. In Lacs)	As At 31.03.2012 (Rs. In Lacs)
13)	Trade receivables		
	<u>I. Unsecured</u>		
	i. Over Six Months		
	Considered Good	44.07	21.39
	Considered Doubtful	0.00	0.00
	a) Total	44.07	21.39
	ii. Less than Six Months		
	Considered Good	980.03	831.93
	b) Total	980.03	831.93
	Trade Receivables (i+ii)	1024.10	853.32
	Less: Allowance for Bad debts	0.00	0.00
	Total	1024.10	853.32
14)	Cash and cash equivalents		
	<u>i. Cash and cash equivalents</u>		
	Cash on hand	1.11	1.03
	Balances in Current Accounts	15.52	5.31
	<u>ii. Other Bank Balances</u>		
	Balances with banks (Dividend Accounts)	13.64	11.50
	Balances with bank (Superannuation Account)	0.11	0.11
	Others (Margin Money Account)	0.25	0.25
	Total	30.63	18.20
15)	Short term loans and advances		
	<u>Balances with government authorities</u>		
	<u>Unsecured considered good</u>		
	(i) Balance with Collectorate of Central Excise	3.96	3.72
	(ii) CENVAT credit receivable	21.22	4.89
	<u>Other loans and advances</u>		
	<u>Unsecured considered good</u>		
	Prepaid expenses	6.78	7.86
	TDS on expenses which are not provided	0.00	0.63
	Exchange difference gain provision	0.00	6.14
	Prepaid Interest on Bills Discounted	2.07	1.68
	Interest receivable on MSEB Deposit	1.01	0.48
	Advances to suppliers	78.83	12.88
	Excess contribution to Gratuity Fund of LIC	(2.04)	3.75
	Provision for Taxation	17.14	0.00
	Total	128.95	42.02

Note No	Particulars	As At 31.03.2013 (Rs. In Lacs)	As At 31.03.2012 (Rs. In Lacs)
16)	Revenue from Operations (for companies other than a finance company)		
	Revenue from - Sale of products (Including Excise Duty) (Includes sale of traded goods Rs. 212.09 Lacs) (Previous year Rs. 341.71 lacs)	5843.33	5614.21
	(a)	<u>5843.33</u>	<u>5614.21</u>
	<u>Other operating revenues</u>		
	Sale of services	9.43	7.06
	Sale of Scrap	66.84	73.47
	DEPB Sale /Utilised	27.72	15.23
	Duty Drawback	18.65	1.62
	(b)	122.63	97.38
	Less: Excise Duty	(c) (449.93)	(362.62)
	Total [(a)+(b)-(c)]	<u>5516.03</u>	<u>5348.97</u>
17)	Cost of Material Consumed		
	<u>Raw Material Consumed</u>		
	Opening Stock	283.89	246.34
	Add : Purchases	3329.55	3101.59
		3613.44	3347.93
	Less : Closing Stock	302.19	283.89
	Total	<u>3311.25</u>	<u>3064.04</u>
18)	Purchases of Stock - In -Trade		
	Purchases Traded Goods.	209.21	280.82
	Total	<u>209.21</u>	<u>280.82</u>
19)	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		
	<u>Opening Stock</u>		
	Work-in-progress	153.96	165.12
	Finished Goods	39.65	31.25
	Stock - In -Trade	5.56	54.57
		199.17	250.95
	<u>Less : Closing Stock</u>		
	Work-in-progress	244.30	153.96
	Finished Goods	73.11	39.65
	Stock - In Trade	10.96	5.56
		328.37	199.17
	Total	<u>(129.20)</u>	<u>51.78</u>

Note No	Particulars	AsAt 31.03.2013 (Rs. In Lacs)	AsAt 31.03.2012 (Rs. In Lacs)
20)	Employee Benefits Expense		
	Salaries and wages	682.08	619.98
	Contribution to provident and other funds	86.06	42.89
	Staff welfare expenses	65.08	66.57
	Total	833.23	729.44
21)	Finance Costs		
	Interest expenses	29.09	21.14
	Other borrowing costs	70.36	72.74
	Total	99.45	93.88
22)	Other Income		
	Interest Income	0.67	0.62
	(Interest on Deposits With Banks and Others) (Tax Deducted at Source Rs. 0.14 lacs) (Previous year Rs. 0.11 lacs)		
	Provisions written Back. (Rs. NIL Lacs.) (Previous Year Rs.198 Lacs)	3.17	2.77
	Foreign Exchange Difference gain	12.13	36.53
	Total	15.97	39.92
23)	Other Expenses		
	Consumption of stores and spare parts	168.85	135.18
	Power fuel and water	177.36	160.33
	Rent	1.51	1.37
	Repairs to buildings	29.32	31.04
	Repairs to Plant & Machinery	89.98	87.35
	Other Repairs	10.22	10.66
	Insurance	15.77	14.24
	Rates and Taxes, excluding taxes on income	1.35	1.24
	Packing & Forwarding Expenses	290.35	256.89
	Travelling Expenses & Conveyance Charges	38.44	25.68
	Commission on Sales	4.95	4.51
	Discount on Sales	0.83	0.79
	Directors' Fees	0.88	0.81
	Loss on Sale of fixed Assets	2.57	0.00
	Fixed Assets scrapped/Discarded	0.95	9.94
	Loading & Unloading Expenses	60.76	55.58
	Payments to Auditor (Refer Note No 25)	6.95	7.39
	Miscellaneous expenses	98.51	83.62
	Total	999.56	886.62

24) Contingent Liabilities & Commitments not Provided For :

- a) Estimated amounts of contracts remaining to be executed on capital account but not provided Rs. 3.13 Lacs (Previous year Rs. 114.51 Lacs)
- b) For Income Tax (Disputed at various higher authorities)
Rs. 43.81 Lacs (Previous year - NIL)

25) Payment to Statutory Auditors :

Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
i) Statutory Audit fees	3.09	3.09
ii) For expenses reimbursed	0.48	0.41
iii) Tax Audit Fees	1.40	1.40
iv) Certification including Qtrly. review	1.12	1.25
v) Tax matters including appearance before tax Authorities.	0.86	1.24
	6.95	7.39

26) Information for each class of Goods manufactured during the year :

(Figures in brackets relate to previous year)

- a) Production, Opening Stock and Closing Stock.

Class of Goods	Production Nos.	Opening Stock		Closing Stock	
		Nos.	Value* (Rs. in lacs)	Nos.	Value* (Rs. in lacs)
Propeller Shafts	153297 (154900)	1306 (1575)	34.09 (26.58)	2600 (1306)	50.83 (34.09)
Spare Parts		-	1.48 (3.69)	-	13.90 (1.48)
Scrap		-	0.00 (0.16)	-	1.81 -
			35.57 (30.43)		66.54 (35.57)

*includes excise duty

b) Turnover :	Quantity (Nos.)	Value (Rs. in lacs)
Propeller Shafts	152,003.00 (155,169.00)	4,201.28 (3,773.03)
Spare Parts		1,429.96 (1,499.47)
Total manufacturing sale		5,631.24 (5,272.50)
Trading Sale		212.09 (341.71)
Total Sale		5,843.33 (5,614.21)
c) Raw Material Consumed:	Quantity	Value (Rs. in lacs)
Forgings (kgs.)	1,716,062.00 (1,674,436.00)	1,666.02 (1,482.65)
Castings (kgs.)	332,915.00 (454,644.00)	279.61 (395.91)
Tubes (mtrs.)	124,466.00 (124,069.00)	419.57 (387.13)
Others	-	946.05 (798.34)
		3,311.25 (3,064.03)
d) Imported and Indigenous Consumption:	Value (Rs. in lacs)	Percentage
i) Raw Materials :		
Imported	19.49 (20.77)	0.59 (0.68)
Indigenous	3,291.76 (3,043.26)	99.41 (99.32)
	3,311.25 (3,064.03)	100.00 (100.00)
ii) Stores, Spares and Tools.		
Indigenous	168.85 (135.18)	100 (100)

The item "Spare Parts" in paragraph 4D (ii) of Schedule VI of the Companies Act, 1956 is interpreted to mean components used in the manufacture of finished products or sold as such and not spare parts used for repairs and maintenance of machinery.

27) C.I.F. Value of Imports :

**Value
(Rs. in lacs)**

Raw Materials

**16.89
(17.31)**

28) Quantitative information for traded goods during the year :

(Figures in brackets relate to previous year)

(Rs. in lacs)

Class of Goods	Opening Stock		Purchases		Despatches		Closing Stock	
	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
Propeller Shafts (Nos.)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Steel Bars (Kg.)	9891 (115045)	5.56 (54.57)	353592 (568862)	209.21 (280.82)	342979 (674016)	212.09 (341.71)	20504 (9891)	10.96 (5.56)

29) Earnings & Expenditure in Foreign Currency**a) Earnings in Foreign Exchange :**

(Figures in brackets relate to previous year)

**Value
(Rs. in lacs)**

F.O.B. Value of Exports

**1614.74
(1577.87)**

b) Expenditure in Foreign Currency :

Capital Expenditure

**Nil
(Nil)**

Travel

**15.46
(5.08)**

Others

**NIL
(0.99)**

30) Particulars of Dividend remitted to non-resident shareholders

Year to which dividend relates	2011-12	2010-11
Number of non-resident shareholders	1	1
Number of equity shares held	390000	390000
Dividend remitted (Rs. In lacs)	19.50	11.70

31) The company is in process of compiling the data of suppliers which are covered under the "Micro, Small & Medium Enterprises Development Act, 2006". Hence the details pertaining to that are not disclosed separately. However, Out of the total Trade payables **Rs. 588.49 lacs** (Previous Year **Rs. 435.47 lacs**) are due to Small Scale Industrial Units. No amount is outstanding for more than 30 days with SSI Units . Information regarding small scale industrial undertakings has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.

32) Deferred Tax

The Company has accounted for Deferred Tax in accordance with Accounting Standard- 22 " Accounting for Taxes on Income " issued by the Institute of Chartered Accountants of India. The Deferred Tax during the year for Timing difference is accounted using tax rates that have been enacted, the net difference arising thereon is debited to the Profit & Loss Account. The break up of net deferred tax Liability as on 31st March 2013 is as under :

Particulars	(Rs. in lacs) As at 31 March,13	(Rs. in lacs) As at 31 March,12
Deferred tax (liability) / asset		
Tax effect of items constituting deferred tax liability :		
On difference between book balance and tax balance of fixed assets	92.97	73.14
On expenditure deferred in the books but allowable for tax purposes	1.19	1.14
Tax effect of items constituting deferred tax liability	(94.16)	(74.28)
Tax effect of items constituting deferred tax assets :		
Provision for compensated absences, gratuity and other employee benefits	22.47	15.99
Tax effect of items constituting deferred tax assets	22.47	15.99
Net deferred tax (liability) / asset	(71.69)	(58.29)

33) **Gratuity :****(i) Disclosures under Accounting Standards :****(Rs. in Lacs)**

Particulars	Year ended 31 March, 2013	Year ended 31 March, 2012
Change in Obligations over the year ended 31st March		
Present Value of Defined Benefit Obligation at the beginning of the year	262.33	253.52
Current Service Cost	9.96	10.66
Past Service Cost	-	-
Interest Cost	22.30	20.28
Curtailement cost / (credit)	-	-
Settlement cost / (credit)	-	-
Amalgamations	-	-
Actuarial (gains) / losses	37.09	(10.07)
Benefits paid	(5.69)	(12.06)
Present Value of Defined Benefit Obligation at the end of the year	325.99	262.33
Change in Plan Assets (Reconciliation of opening and closing balances)		
Fair value of Plan Assets at the beginning of the year	337.59	308.01
Expected return on Plan Assets	29.03	24.64
Actuarial Gain / (Loss)	2.10	3.25
Contributions	30.05	13.75
Benefits paid	(5.69)	(12.06)
Fair value of Plan Assets at the end of the year	393.08	337.59
Reconciliation of fair value of assets and obligations		
Fair value of Plan Assets at the end of the year	393.08	337.59
Present value of Obligation at the end of the year	(325.99)	(262.33)
Amount recognised in Balance Sheet	67.09	75.26
Expense recognised during the year		
Current Service Cost	9.96	10.66
Past Service Cost	-	-
Interest Cost	22.30	20.28
Curtailement cost / (credit)	-	-
Settlement cost / (credit)	-	-
Actuarial (gains) / losses	34.99	(13.32)
Expected return on plan assets	(29.03)	(24.64)
Total	38.22	(7.02)
Principal Actuarial Assumptions		
Discount rate	8.00%	8.50%
Expected rate of return on assets	8.70%	8.60%
Salary increase (taking in account inflation, seniority, promotion and other relevant factors)	5.00%	5.00%
Attrition Rate (Current)	2.00%	2.00%

The Company has single scheme for payment of gratuity to all eligible employees calculated at 15 days of last drawn Salary, depending upon tenure of service for each year of completed service, subject to minimum service of five years, payable at the time of separation upon superannuation or on exit otherwise.

(ii) In respect of Defined contribution schemes -

- a) The Company contributes 12% of Salary for all eligible employees towards Provident Fund managed by the Central Government.
- b) The Company also contributes a certain percentage of Salary for all eligible employees in managerial cadre towards Superannuation Funds managed by approved trusts or by Life Insurance Corporation of India.

34 Related Party Disclosure

The party with whom the company is having transactions, covered under the definition of "Related Party" given in accounting Standard 18 - Related party disclosure issued by Institute of Chartered Accountants of India is as follows.

(Rs. in lacs)

Sr. No.	Name of Party	Relationship	Nature of Transactions	Transaction Amount		Outstanding Balance as at year end.	
				2012-13	2011-12	2012-13	2011-12
i)	XLO India Limited.	Promoter Company, & Chairman as Managing Director	Sales & Labour Job	1.37	23.58	41.85 Dr	30.87 Dr
	XLO India Limited	- do -	Purchases & Labour Job	92.86	Nil	32.80 Cr.	Nil
ii)	Mr.S. C. Saran .	Chairman	Remuneration as Chairman . -See Note- 39 (ii)	18.00	18.00	Nil	Nil
iii)	Mr.A.R.Rajwade .	Key Management Personnel	Remuneration as Managing Director.	47.64	29.76	Nil	Nil
iv)	Business Combine Ltd.	Entity over which Chairman is able to exercise significant influence.	Purchases - (Casting & Trading items)	251.68	483.26	74.41 Dr.	6.39 Dr.
v)	Business Combine Ltd.	- do -	Sales	27.49	Nil	26.74 Dr.	Nil

35) Segment Information :**a) Primary Segment :**

The Company is exclusively engaged in the business of designing and manufacturing of propeller Shafts and other accessories required for automotive, industrial and other applications. These in the context of Accounting Standard 17 on Segment Reporting issued by the Institute of Chartered Accountants of India, are considered to constitute one single primary segment.

b) Secondary Segment :

(Figures in brackets relate to previous year)

Two secondary segments have been identified based on geographical locations of Customers.

Domestic & Export :

	(Rs.in Lacs)		
	Domestic	Export	Total
Segment Revenue	3859.32 (3777.88)	1610.34 (1554.24)	5469.66 (5332.12)

Note: The Company's Tangible Assets are located entirely in India.

36) Earning per share (EPS)

(Rs.in Lacs)

Particulars	"For the year ended 31 March, 2013"	"For the year ended 31 March, 2012"
Earnings per share		
Basic		
<u>Total operations</u>		
Net profit / (loss) for the year	87.85	147.33
(Add) / Less: Extraordinary items (net of tax)	0.00	0.00
Less: Preference dividend and tax thereon	0.00	0.00
Net profit / (loss) for the year attributable to the equity shareholders, excluding extraordinary items	87.85	147.33
Weighted average number of equity shares	1498450	1498450
Par value per share	10	10
<u>Earnings per share, excluding extraordinary items</u>		
Basic	5.86	9.83
Diluted	5.86	9.83

- 37) Details of provisions and movements in each class of provisions as required by the Accounting Standard on Provisions, Contingent Liabilities and Contingent Assets
(Accounting Standard-29) (Rs.in Lacs)

Particulars	As at 1 April,12	Additions	Utilisation	Reversal	As at 31March,13
Leave Encashment	72.66	30.45	12.93	0.00	90.18
Total	72.66	30.45	12.93	0.00	90.18

38) Disclosure of foreign currency exposures

Disclosure of foreign currency exposures that are not hedged by a derivative instrument or otherwise

Particulars	Currency Type	2012-13 Amount in foreign Currency	Equivalent Amount (in Rs. Lac)	Currency Type	2011-12 Amount in foreign Currency	Equivalent Amount (in Rs. Lac)
Debtors	GBP	8484.00	7.06	GBP	1253.00	0.97
	Euro	761890.00	510.01	Euro	609755.00	405.65
	USD	13910.00	7.45	USD	12335.00	6.22
	SEK	Nil	Nil	SEK	288564.00	21.06
Bank Balance (FCNRB Loan)	Euro	Nil	Nil	Euro	Nil	Nil

39) Directors' Remuneration : (see note)	Current year (Rs. in lacs)	Previous year (Rs. in lacs)
a) Salaries	57.00	42.00
b) Commission	0.00	0.00
b) Contribution to Provident Fund and Other Funds	4.32	2.88
c) Perquisites	0.72	0.48
d) Superannuation	3.60	2.40
	<u>65.64</u>	<u>47.76</u>

Note

- i) As employee wise break-up of contribution to gratuity fund is not ascertainable, the same has not been included in the above figure.
- ii) Remuneration of Rs.18.00 Lacs paid to Chairman Mr. S.C.Saran is as per approval of Central Government

- 40) The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For J.L. Bhatt & Co.

Chartered Accountants
Firm Reg. No.: 101332W

Yogesh J. Bhatt
Partner
Membership No. 30170

Mumbai, May 06, 2013

Chairman

S.C. Saran

Managing Director

A.R. Rajwade

Directors

Mr. Jehangir H.C. Jehangir
Shiamak Marshall

Mumbai, May 06, 2013

NOTICE

Notice is hereby given that the Thirty First Annual General Meeting of the members of HINDUSTAN HARDY SPICER LIMITED will be held at Plot No. C-12, M.I.D.C. Area, Ambad, Nashik - 422 010 on Friday, 5th July 2013 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, 2013 and the Statement of Profit and Loss 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. S. C. Saran who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and if, thought fit, to pass the following resolution as a Special Resolution

RESOLVED THAT pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to Ms. Devaki Saran, a relative of director of the company to hold and continue to hold an office or place of profit in the Company at monthly remuneration of Rs. 1,00,000/- effective from April 01, 2013.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do

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, 28th June 2013 to Friday, 5th July 2013 (Both days inclusive).

4. Dividend if declared will be payable to those members whose names appear in the Register of Members on 5th July 2013. 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 28th June, 2013 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' 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. The relative explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of the business at item No. 5 is annexed hereto.
8. 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.

Registered Office :
Plot No. C-12,
M.I.D.C. Area, Ambad,
Nashik - 422 010.

Date : May 06, 2013

By Order of the Board

**A. R. RAJWADE
MANAGING DIRECTOR**

ANNEXURE TO NOTICE

Explanatory Statement under Section 173(2) of the Companies Act, 1956

Item No. 5

Ms. Devaki Saran has been looking after the day-to-day operations of the Company as a General Manager. The Board of directors of the Company have subject to the approval of the General Meeting, approved the payment of a monthly remuneration of Rs. 1,00,000/- to Ms. Devaki Saran with effect from April 1, 2013.

Ms. Devaki Saran is a Bachelor of Science in Mechanical Engineering, Pittsburgh University, PA and Master in Business Administration, Boston University, MA and her services would be beneficial for the business and growth of the company

As per the provisions of Section 314 of the Companies Act, 1956 consent of the members of the company is required for the payment of aforesaid remuneration to relative of director of the company by way of special resolution.

Accordingly, special resolution at item no. 5 of the accompanying notice is proposed for the approval of the members of the company.

Ms. Devaki Saran is a relative of Mr. S. C. Saran, Director and hence Mr. S. C. Saran is interested in the said special resolution.

The directors commend the resolution for approval of the members.

Registered Office :
Plot No. C-12,
M.I.D.C. Area, Ambad,
Nashik - 422 010.

Date : August 14, 2012

By Order of the Board

**A. R. RAJWADE
MANAGING DIRECTOR**

Hindustan Hardy Spicer Limited
Registered Office : C-12, Additional Nasik Industrial Area,
Ambad, Nasik - 422 010.

ATTENDANCE SLIP

NAME OF THE SHAREHOLDER :			
FOR PHYSICAL HOLDING	FOR ELECTRONIC FORM (DEMAT)		NO. OF SHARES
LF NO.	DP ID	CLIENT ID	

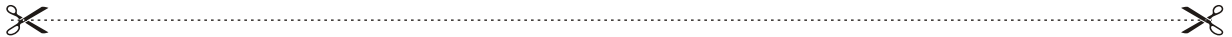
I hereby record my presence at the Thirty First Annual General Meeting, held at C-12, Additional Nasik Industrial Area, Ambad, Nasik - 422 010, on Friday, 5th July 2013 at 3.00 p.m. as a shareholder / Proxy.

NAME OF PROXY IN BLOCK CAPITALS

SIGNATURE OF THE SHAREHOLDER OF PROXY*

Notes:

- 1) Shareholder / Proxy-holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover the same at the entrance duly signed.
- 2) Shareholder / Proxy-holder desiring to attend the meeting should bring his copy of the annual Report for reference at the meeting.



Hindustan Hardy Spicer Limited
Registered Office : C-12, Additional Nasik Industrial Area,
Ambad, Nasik - 422 010.

PROXY FORM

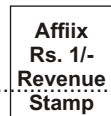
NAME OF THE SHAREHOLDER :			
FOR PHYSICAL HOLDING	FOR ELECTRONIC FORM (DEMAT)		NO. OF SHARES
LF NO.	DP ID	CLIENT ID	

I/We.....of.....
being a member/members of HINDUSTAN HARDY SPICER LTD. hereby appoint
of.....
 or failing him/her.....
 of.....as my/our proxy to vote for me/us and
 on my/our behalf at the THIRTY FIRST ANNUAL GENERAL MEETING of the Company to be held on
 Friday, 5th July 2013 at 3.00 p.m. and at any adjournment thereof.

Signed thisday of,2013.

Date of Receipt,2013.
 (For Office Use Only)

Signature



N.B. : proxies to be valid must be deposited at the Registered Office of the Company not latter than 48 hours before the time for holding the meeting.