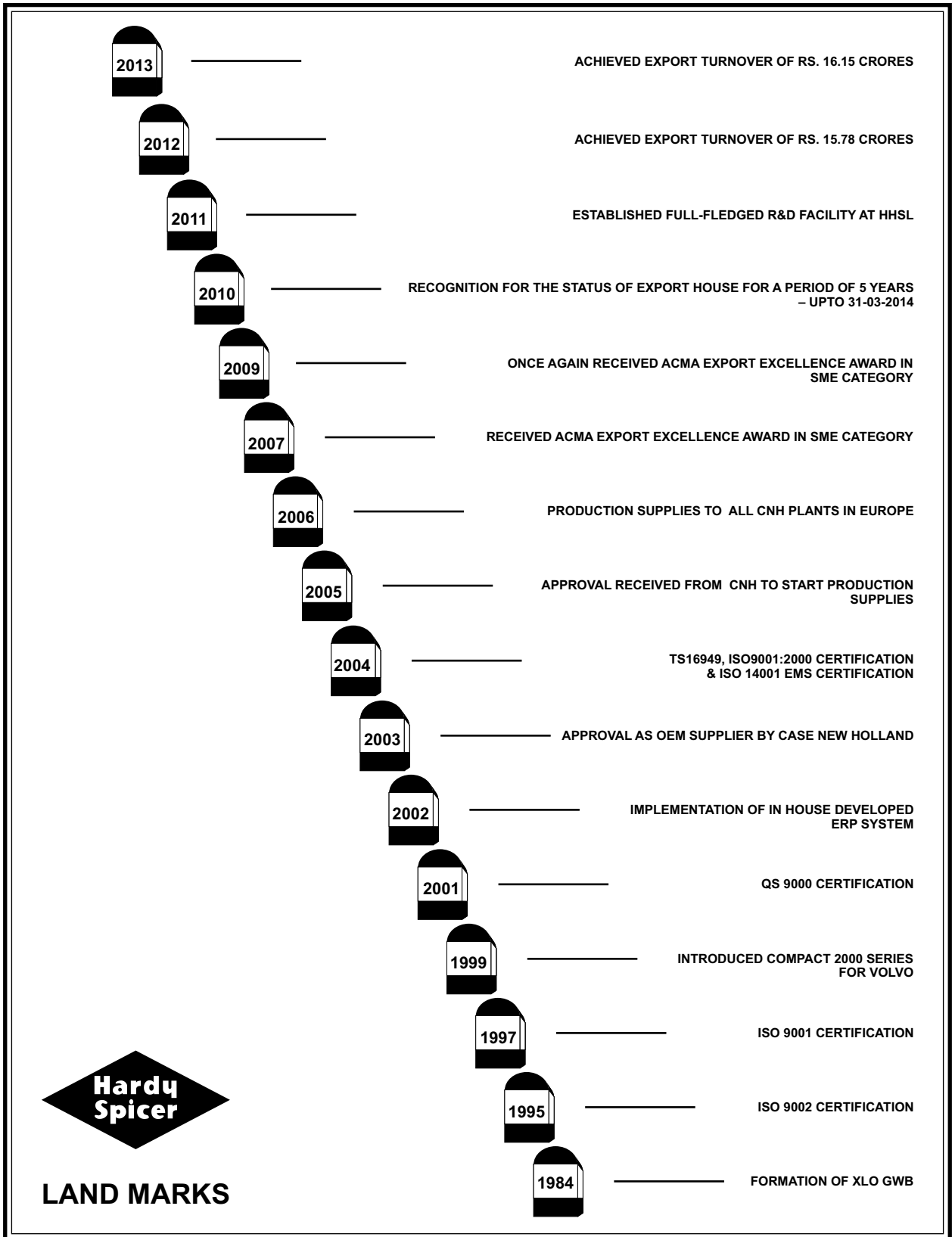




Hindustan Hardy Spicer Ltd.

**Thirty Third Annual Report
2014-2015**

Hindustan Hardy Spicer Limited



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
Mr. Recharad Koszarek	Director (w.e.f. 14.8.14)
Ms.Devaki Saran	Executive Director & CFO (w.e.f. 14.8.14)
Mr. Sharad Jain	Director (w.e.f. 05.11.14)

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

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DIRECTORS' REPORT TO THE MEMBERS

(Pursuant to Section 134(3) of the Companies Act, 2013)

The Directors have pleasure in presenting the Thirty Third Annual Report together with the Statement of Accounts for the year ended on March 31, 2015

FINANCIAL RESULTS:

During the year under review, net sales turnover was Rs. 5226.08 lacs as against Rs. 4850.36 lacs during the corresponding previous year. Weakness in the domestic market experienced during the previous financial year continued for the first 9 months of FY 14-15. However, the last 3 months witnessed an improvement in the domestic commercial vehicle market, a trend that is continuing for FY 15-16 as well. Export sales were weaker compared to the previous financial year; both in terms of absolute volume as well as realization from exports due to depreciation in the Euro. Export earnings were Rs. 1265.89 lacs as against Rs. 1862.24 lacs during the corresponding previous year. Loss after tax was Rs.157.21 lacs as against Profit of Rs. 84.47 lacs for the previous year.

	2014-2015 (Rs. in lakhs)	2013-2014 (Rs. in lakhs)
Sales	5226.08	4850.36
PROFIT	119.99	342.99
Less:		
Depreciation	244.56	84.74
Interest	89.08	100.67
PROFIT/(LOSS) BEFORE TAX	(213.66)	157.58
Less: Provision for Taxation		
Current Tax	-	50.00
Deferred Tax	(56.45)	23.11
PROFIT/(LOSS) AFTER TAX	(157.21)	84.47
Surplus brought forward from Previous Year	372.99	355.77
PROFIT/(LOSS) AVAILABLE FOR APPROPRIATION	215.78	440.23
General Reserve	-	15.00
Proposed Dividend	-	44.95
Tax on Proposed Dividend	-	7.29
Surplus Carried Forward	215.78	372.99

TRANSFER TO GENERAL RESERVES

In view of loss during the year, there was no transfer to General Reserve.

DIVIDEND

In view of the loss during the financial year 2014-2015, your directors do not recommend dividend on the equity shares of the Company for the financial year 2014-2015.

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 2015.

The Surveillance Audit for ISO 14001-2004 for Environmental Management System was successfully completed during June 2015.

Business :

Overseas Market: Considering the inputs received from overseas customers, the company is expecting an increase in exports of 5% and indirect exports of 10%.

Domestic Market:

OE - Based on the inputs received from the OE customers in India, we are expecting an increase between 10 to 15% during the Financial Year 2015-16.

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

MATERIAL CHANGES AND COMMITMENTS AFTER THE END OF THE FINANCIAL YEAR:

There have been no material changes and commitments, if any, affecting the financial position of the Company, which have occurred between the end of the financial year and the date of the report.

NUMBER OF MEETINGS OF BOARD OF DIRECTORS

4 (Four) meetings of the Board of Directors of the Company were held during the year.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Pursuant to the provisions of Section 149 of the Act, which came into effect from April 1, 2014, Mr. Shiamak Marshall, Mr. Jehangir H. C. Jehangir were appointed as Independent Directors at the Annual General Meeting of the Company held on August 7, 2014.

Mr. A. R. Rajwade was reappointed as the Managing Director of the Company from May 17, 2014 for a period of two years which was approved by the shareholders at the Annual General Meeting held on August 7, 2014. Pursuant to the provisions of Section 203 of the Act, which came into effect from April 1, 2014, the appointments of Managing Director as key managerial personnel of the Company was formalised.

With a view to strengthen the Board and also to meet the regulatory requirements, Ms. Devaki Saran, & Mr. Richard Koszarek were appointed as Additional Directors of the Company with effect from August 14, 2014 and Mr. Sharad Jain was appointed as Additional Director of the Company with effect from November 5, 2014. The Board has also appointed Ms. Devaki Saran as an Executive Director and Chief Financial Officer of the Company with effect from August 14, 2014 for a period of three years.

The resolutions seeking approval of the Members for the appointment of Ms. Devaki Saran, Mr. Richard Koszarek and Mr. Sharad Jain have been incorporated in the notice of the forthcoming annual general meeting of the Company along with brief details about them. The Company has received notices under Section 160 of the Act along with the requisite deposit proposing their appointment.

The necessary resolution for seeking approval of shareholders for the appointment of Mr. Richard Koszarek as an Independent director with effect from August 14, 2014 has been incorporated in the notice of the forthcoming annual general meeting of the Company.

DECLARATION FROM INDEPENDENT DIRECTORS

Mr. Shiamak Marshall, Mr. Jehangir H. C. Jehangir and Mr. Richard Koszarek, who are independent directors, have submitted a declaration that each of them meets the criteria of independence as provided in sub Section (6) of Section 149 of the Act and there has been no change in the circumstances which may affect their status as independent director during the year. In the opinion of the Board, the independent directors possess appropriate balance of skills, experience and knowledge, as required.

AUDIT COMMITTEE OF BOARD OF DIRECTORS

The Audit committee of the Board of directors of the Company consists of the following members :

1. Mr. Shiamak Marshall
2. Mr. Jehangir H. C. Jehangir
3. Mr. S. C. Saran

VIGIL MECHANISM

The Company has formulated and published a Whistle Blower Policy to provide a mechanism ("Vigil Mechanism") for employees including directors of the Company to report genuine concerns. The provisions of this policy are in line with the provisions of the Section 177 (9) of the Act .

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND CRITERIA FOR INDEPENDENT DIRECTORS

The Remuneration Policy for directors and senior management and the Criteria for selection of candidates for appointment as directors, independent directors, senior management as adopted by the Board of Directors are placed on the website of the Company and are annexed as **Annexure I & II** to this report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (I) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no 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/loss 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 Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the annual accounts on a going concern basis;
- (v) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2014-15.

The internal auditor also regularly reviews the adequacy of internal financial control system.

DETAILS OF SUBSIDIARIES/ JOINT VENTURES/ ASSOCIATES

The Company does not have any subsidiary/ joint ventures/ associates.

EXTRACT OF ANNUAL RETURN

As provided under sub Section (3) of Section 92 of the Act, the extract of annual return is enclosed, which forms part of the directors' report as **Annexure III**.

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 2015-2016 their reappointment will be in accordance with Section 139 read with section 141 of the Companies Act, 2013.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013, M/s. Parikh & Associates, Practising Company Secretaries were appointed as the Secretarial Auditor for auditing the secretarial records of the Company for the financial year 2014-2015.

The Secretarial Auditors' Report is annexed as **Annexure IV**.

AUDITORS' REPORT AND SECRETARIAL AUDITORS' REPORT

The auditor's report does not contain any qualifications, reservations or adverse remarks.

As regards, secretarial auditors' observation, the company, is in the process of identifying and appointing a competent and experienced company secretary. Meanwhile, the company has engaged the professional services of practicing company secretaries and has taken care to comply with applicable provisions of the Companies Act, 2013.

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

Information in accordance with Clause (m) of Sub-section (3) of Section 134 of the Act read with Companies (Accounts) Rules, 2014 is annexed to this report as **Annexure V**.

PARTICULARS OF EMPLOYEES

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as **Annexure VI**.

DEPOSITS FROM PUBLIC

The Company has not accepted any deposits from public.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORY/ JUDICIAL AUTHORITY

There are no significant or material orders passed by any regulator or court that would impact the going concern status of the Company and its future operations.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Company has not given any loans or guarantees or made investments in contravention of the provisions of the Section 186 of the Companies Act, 2013. The details of the loans and guarantees given and investments made by the Company are provided as under:

Loans : Rs. NIL

Investments: Rs. NIL

Guarantees/ securities: Rs. NIL

RISK MANAGEMENT POLICY

The Board of Directors of the Company has framed a risk management policy and is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

RELATED PARTY TRANSACTIONS

Particulars of transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Form AOC-2 and the same forms part of this report as **Annexure VII**.

EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

An annual evaluation of the Board own performance, Board committees and individual directors was carried out pursuant to the provisions of the Act in the following manner:

Sr. No.	Performance evaluation of	Performance evaluation performed by	Criteria
1.	Each Individual directors	Nomination and Remuneration Committee	Attendance, Contribution to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and guidance provided, key performance aspects in case of executive directors etc.
2.	Independent directors;	Entire Board of Directors excluding the director who is being evaluated	Attendance, Contribution to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution, and guidance provided etc.
3.	Board, its committees and individual directors	All directors	Board composition and structure; effectiveness of Board processes, information and functioning, performance of specific duties and obligations, timely flow of information etc. The assessment of committees based on the terms of reference of the committees

DISCLOSURE UNDER THE SEXUAL HARRASMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

CORPORATE GOVERNANCE REPORT

As per SEBI circular no .CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014 the revised clause 49 is not mandatory to the Company.

ACKNOWLEDGEMENT

The directors thank the Company's employees, customers, vendors, investors and academic institutions for their continuous support.

The directors also thank the government of various countries, government of India, the governments of various states in India and concerned government departments/agencies for their co-operation.

The directors appreciate and value the contributions made by every member of the Hindustan Hardy Spicer family.

For and on behalf of the Board

Date : July,20, 2015
Place : Mumbai

**S. C. SARAN
CHAIRMAN**

ANNEXURE I

REMUNERATION POLICY

1.01 Guiding Principles:

- (i) The terms of employment and remuneration of Managing Director (MD), Whole time Directors (WTD), Key Management Persons (KMPs) and Senior Management Persons (SMPs) shall be competitive in order to ensure that the Company can attract and retain competent talent
- (ii) The remuneration Policy shall ensure that:
 - (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors/KMPs and SMPs of the caliber required to run the Company successfully.
 - (b) Relationship of remuneration to individual and company performance is clear and meets appropriate performance benchmarks. These benchmarks will be quantified where possible.
 - (c) Remuneration to directors, KMP and SMP involves a balance between fixed and variable pay. The variable pay should be linked to both short and long term performance objectives and goals set by the Company at a corporate and departmental level. Variable pay should be linked to quantifiable and measurable targets where possible.
 - (d) The determination of variable pay is a transparent and fair process. Employees should be given feedback regarding their individual performance. This feedback should identify the individual's strengths as well as highlight weaknesses and areas for improvement.
 - (e) Remuneration package is linked to the achievement of corporate performance targets.
- (iii) While determining the remuneration and incentives for the MD/ WTD and KMP's, the following shall be considered:
 - (a) pay and employment conditions with peers / elsewhere in the competitive market
 - (b) benchmarking with the industry practices
 - (c) performance of the individual
 - (d) company Performance
- (iv) Rating of individual performance also takes into account integrity, teamwork and relationship with superiors and juniors.
- (v) For the benchmarking with industry practice, criteria of size, profitability and geographical area shall also be given due consideration.
- (vi) The pay structures shall be appropriately aligned across comparable levels in the Company.

1.02 Remuneration policy:**(1) SMPs & KMPS (other than MD/WTD):**

- (i) Remuneration packages shall be designed in such a manner that:
 - a) Creates a strong performance-orientated environment and encourages employees to work towards achieving the Company's objectives & goals over the short and long-term.
 - b) Motivates employees to perform to their maximum potential and recognizes and rewards honesty and hard work.
 - c) Promotes cooperation and teamwork among employees and encourages employees to mentor and develop their juniors.
 - d) Attracts good caliber executives in a competitive global market and remunerate executives fairly and responsibly.
- (ii) Remuneration shall be competitive and shall include salary comprising of both fixed and variable components, performance incentives and other benefits such as retiral benefits, health care insurance and hospitalisation benefits.
- (iii) Remuneration shall be evaluated annually and annual increase shall be decided considering the performance of the individual and also of the Company. Industry practices/ trends shall also be given due consideration.
- (iv) The remuneration to be paid shall be recommended by the NRC considering individual and company performance as well as the prevailing market condition.

(2) MD/WTD:

- (i) Remuneration to the MD and WTD shall be proposed by the NRC and subsequently approved by the Board of Directors and the shareholders of the Company, whenever required.
- (ii) The criterion on which the MD and WTD are evaluated shall include:
 - a) Achievement of both short term and long term targets
 - b) Profitability
 - c) Growth
 - d) Cash flow and inventory management
 - e) Manufacturing quality and rejections, both in-house and customer
 - f) Customer relationships
 - g) Development of new business
 - h) Development and empowerment of mid-level management

- (iii) Remuneration shall be evaluated annually against company performance and a benchmark of international and domestic companies, which are similar in size and complexity. Benchmark information shall be obtained from internationally recognized compensation service consultancies.
- (iv) Remuneration should be structured in a way that encourages the MD and WTD to promote the long term interests of the Company.
- (v) Total remuneration for the MD and WTD shall be comprised of the following:
 - (a) Salary (both fixed & variable).
 - (b) Perquisites like house rent allowance, domiciliary medical expenses and club memberships etc.
 - (c) Retirement benefits, made in accordance with applicable laws and policies of the Company.
 - (d) In addition, they shall also be entitled to a Performance Bonus linked to their individual performance and also the performance of the Company.
 - (e) It shall be ensured that total remuneration payable to MD and WTD's shall not increase 10% of the net profit of the Company (not exceeding 5% for MD), computed in accordance with Section 198 of the Companies Act, 2013.

(3) Non-Executive Director (NEDs):

- (i) NEDs shall be entitled to such sitting fees as may be decided by the Board of Directors from time to time for attending the meeting of the Board and of the Committee thereof.
- (ii) NEDs shall also be entitled for payment of commission, if any, as upto the limits permitted in Section 197 of the Companies Act, 2013 and approved by the shareholders from time to time.
- (iii) NEDs shall not be eligible for any Stock Options, pursuant to any Stock Option Plan adopted by the Company.
- (iv) The NEDs shall be eligible for remuneration of such professional services rendered if in the opinion of the NRC, the NED possesses the requisite qualification for rendering such professional services.

1.03 DIRECTOR AND OFFICER LIABILITY INSURANCE:

- (i) The Company shall provide an insurance cover to Directors, KMPS & SMPS for indemnifying them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust shall not be treated as a part of remuneration paid to them.
- (ii) The premium paid by the Company for such insurance cover, called for Directors and Officers Liability Insurance Policy, taken for the above purpose shall be paid by the Company without any charge to the Directors, KMPS and SMPS.

1.04 APPLICABILITY:

- (i) This Remuneration Policy shall apply to all existing and future employment agreements with KMPs & SMPs and also with the Directors.
- (ii) In all respects, the Remuneration Policy shall be subject to overall guidance of the Board of Directors. Any departure from the policy shall be approved by the Board.

1.05 DISCLOSURES:

The Company shall disclose the following in the Board's report and the Financial Statements:

- (a) In the Board's Report, such particulars as are prescribed under the Companies Act, 2013 and Rules made thereunder and
- (b) In the Corporate Governance Report, the particulars as prescribed in Clause 49 of the Listing Agreement.

For and on behalf of the Board

Date : July,20, 2015
Place : Mumbai

**S. C. SARAN
CHAIRMAN**

ANNEXURE II**CRITERIA FOR SELECTION OF CANDIDATES FOR SENIOR MANAGEMENT AND MEMBERS ON THE BOARD OF DIRECTORS****Introduction:**

In accordance with the provisions of Section 178 of the Companies Act, 2013, the Board of Directors of the Company at its meeting held on 29.05.2014 re-constituted the existing Remuneration Committee by changing its nomenclature as Nomination and Remuneration Committee of the Board of Directors (Committee) and also stipulated additional terms of reference in line with the Companies Act, 2013.

The Board has delegated the responsibility to the Committee to formulate the criteria for identification, selection of the candidates fit for the various positions in senior management and who are qualified to be appointed as director on the Board of Directors of the Company.

The Committee has adopted the following criteria for selection of candidates eligible to be appointed in the senior management of the Company and also member on the Board of Directors of the Company.

Criteria for Selection of Directors:

The Committee shall, before making any recommendation to the Board for appointment of any director, consider the following;

- a) the candidate should possess the positive attributes such as Leadership, Industrialist, Business Advisor or such other attributes which in the opinion of the Committee the candidate possess and are in the interest of the Company;
- b) the candidate should be free from any disqualifications as provided under Sections 164 and 167 of the Companies Act, 2013;
- c) the candidate should meet the conditions of being independent as stipulated under the Companies Act, 2013 and Listing Agreement entered into with Stock Exchanges in case of appointment of an independent director;
- d) the candidate should possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, infrastructure, or such other areas or disciplines which are relevant for the Company's business.

Criteria for Selection of Senior Management Personnel:

The term Senior Management shall have the same meaning as provided under the explanation to Section 178 of the Companies Act, 2013.

The Committee shall, before making any recommendation to the Board for appointment, consider the attributes of the candidate set forth below:

- a) The candidate should have a minimum experience of 5 years in any of the areas viz. banking, infrastructure, financial management, legal, sales, marketing, administration, research, corporate governance, technical operations, or such other areas or disciplines which in the opinion of the management and Committee are relevant for the Company's business;
- b) The candidate should possess the positive attributes such as leadership skills, decision making skills, effective communication, hard work, commitment and such other attributes which in the opinion of the Committee the candidate possess and are in the interest of the Company.

If the Committee thought fit and in its opinion finds that the candidate meets the above criteria for appointment in senior management or director on the Board, as the case may be, the Committee shall make its recommendation to the Board.

Any amendment to the above criteria for directors and senior management shall be subject to the prior approval of the Committee and any such amendment shall be informed to the Board of Directors.

For and on behalf of the Board

Date : July,20, 2015
Place : Mumbai

**S. C. SARAN
CHAIRMAN**

ANNEXURE III**A. Extract of Annual Return as on Financial year ended 31.03.2015 [Form MGT-9] pursuant to section 92(3) of the Companies Act, 2013 and rule 7.12(1)**

i) Registration and other details:

i.	CIN Number of the Company:	L29300MH1982PLC028498
ii.	Registration Date:	16.10.1982
iii.	Name of the Company:	HINDUSTAN HARDY SPICER LIMITED
iv.	Category/ Sub-category of the Company:	Public Limited Company (Limited by Shares)
v.	Address of Registered office and contact details:	Plot No. C-12, M.I.D.C. Area, Ambad, Nashik, Maharashtra- 422 010 Email : hhardy_nsk@sancharnet.in Website : www.hhsl.net Tel. : 0091-253-2382018, 2382118, 2382754 Fax : 0091-253-2382528
vi.	Whether listed company:	Yes
vii.	Name, Address and contact details of Registrar and Transfer Agent :	M/s Satellite Corporate Services Pvt. Ltd., B-302, Sony Apartment, Opp. ST Jude High School, Off. Andheri Kurla Road, Jarimari, Sakinaka, Mumbai 400 072. Email : : service@satellitecorporate.com Website : : www.satellitecorporate.com Tel. : 0091-22- 28520461/462. Fax : 0091-22-28511809

II. Principal Business Activity of the Company:

All the business activities contributing to 10% or more of the total turnover of the Company shall be stated:-

Sr. No.	Name and Description of main products/ services	NIC Code of the product/ service	Percentage to total turnover of the company
1.	• Propeller Shaft, UJ kit & components	29301	97.43%
	• Double Carden shaft , hubs	29301	2.47%
	• Door Hinges and vibration dampers	29302	0.10%

III. Particulars of Holding, Subsidiary and Associate Companies: NIL

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	Percentage of shares held	Applicable Section

IV. Share holding pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category wise shareholding:

Category of Shareholder	As on 01.04.2014		As on 31.03.2015		Changes during the year	
	Total number of shares	% of total number of shares	Total number of shares	% of total number of shares	Total number of shares	% of total number of shares
Shareholding of Promoter and Promoter Group²						
Indian						
Individuals/ Hindu Undivided Family	1651	0.11	1651	0.11	-	-
Central Government/ State Government(s)	-	-	-	-	-	-
Bodies Corporate	600743	40.09	600743	40.09	0	0
Financial Institutions/ Banks	0	0	0	0	0	0
Sub Total(A)(1)	602394	40.20	602394	40.20	0	0
Foreign						
Individuals (Non- Residents Individuals/ Foreign Individuals)	0	0	0	0	0	0
Bodies Corporate	390000	26.03	390000	26.03	0	0
Institutions	0	0	0	0	0	0
Qualified Foreign Investor	0	0	0	0	0	0
Sub Total(A)(2)	390000	26.03	390000	26.03	0	0
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	992394	66.23	992394	66.23	0	0

Category of Shareholder	As on 01.04.2014		As on 31.03.2015		Changes during the year	
	Total number of shares	% of total number of shares	Total number of shares	% of total number of shares	Total number of shares	% of total number of shares
Public shareholding						
Institutions						
Mutual Funds/ UTI	0	0	0	0	0	0
Financial Institutions / Banks	50	0	50	0	0	0
Central Government/ State Government(s)	0	0	0	0	0	0
Venture Capital Funds	0	0	0	0	0	0
Insurance Companies	0	0	0	0	0	0
Foreign Institutional Investors	0	0	0	0	0	0
Foreign Venture Capital Investors	0	0	0	0	0	0
Qualified Foreign Investor	0	0	0	0	0	0
Foreign Financial institutions	0	0	0	0	0	0
Foreign Mutual Fund	0	0	0	0	0	0
Sub-Total (B)(1)	50	0	50	0	0	0

Category of Shareholder	As on 01.04.2014		As on 31.03.2015		Changes during the year	
	Total number of shares	% of total number of shares	Total number of shares	% of total number of shares	Total number of shares	% of total number of shares
Non-institutions						
Bodies Corporate	28312	1.89	36945	2.47	(8633)	(0.58)
Individuals		0		0	0	0
Individuals - i. Individual shareholders holding nominal share capital up to Rs 1 lakh	434626	29.01	425142	28.37	9484	0.67
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	21754	1.45	21754	1.45	0	0
Directors & Relatives	0	0	0	0	0	0
Non Resident Indians	3872	0.26	4657	0.31	(785)	(0.05)
Clearing Members	280	0.02	200	0.01	80	0.01
Hindu Undivided Families	17162	1.15	17308	1.16	(146)	(0.01)
Sub-Total (B)(2)	506006	33.77	506006	33.77	0	0
Total Public Shareholding (B)= (B)(1)+(B)(2)	506056	33.77	506056	33.77	0	0
TOTAL (A)+(B)	1498450	100	1498450	100	0	0
Shares held by Custodians and against which Depository Receipts have been issued						
Promoter and Promoter Group	0	0	0	0	0	0
Public	0	0	0	0	0	0
Sub-Total (C)	0	0	0	0	0	0
GRAND TOTAL (A)+(B)+(C)	1498450	100	1498450	100	0	0

ii) Shareholding of Promoters :

Sr. No.	Name of the shareholder	AS ON 01.04.2014		AS ON 31.03.2015	
		Number of shares held	%	Number of shares held	%
1	Sanjaya Chandrabhushan Saran	501	0.03	501	0.03
2	Arati Sanjaya Saran	50	0.00	50	0.00
3	Arati Vasant Pandit	100	0.01	100	0.01
4	Minal Chandra Saran	50	0.00	50	0.00
5	Minal C Saran	500	0.03	500	0.03
6	Gopika Saran	400	0.03	400	0.03
7	Gopika Saran	50	0.00	50	0.00
8	XLO INDIA LTD	599993	40.04	599993	40.04
9	Spicer Gelenkwellembau GMBH	390000	26.03	390000	26.03
10	Charminsan Investments Pvt Ltd	50	0.00	50	0.00
11	Devaki Saranholding Pvt Ltd	450	0.03	450	0.03
12	Mallika Saran Holdings Pvt Ltd	250	0.02	250	0.02
	TOTAL	992394	66.23	992394	66.23

iii. Change in Promoters' Shareholding: NIL

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	<i>There is no change in Promoter's Shareholding between 01.04.2014 to 31.03.2015</i>			
Date wise Increase / Decrease in Promoters				
Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):				
At the end of the year				

iv. Shareholding pattern of top ten shareholders (other than Directors, Promoters and holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders	No Of Shares At The Beginning Of The Year - 1.04.2014		(+) Increase / (-) Decrease In Share Holding		Shareholding During The Year (01-04-14 To 31.03.15)	
		No. of shares	% of total shares of the company	Date	Shares	No. of shares	% of total shares of the company
1.	Dilipkumar Lakhi	21754	1.45	01.04.2014	0	0.00	0.00
				31.03.2015	0	21754	1.45
2.	Prakash Gajanan Nayak	9563	0.64	01.04.2014	0	0	0.00
				31.03.2015	0	9563	0.64
3	Guinness Securities Ltd.	2650	0.18	01.04.2014	0	0	0.00
				11.04.2014	(+)200	2850	0.19
				18.04.2014	(+)450	3100	0.21
				16.05.2014	(+)200	3300	0.22
				06.06.2014	(+)749	4049	0.27
				13.06.2014	(-)452	3597	0.24
				20.06.2014	(-)225	3372	0.23
				11.07.2014	(-)300	3072	0.21
29.08.2014	(+)4000	7072	0.47				

Annexure III



Sr. No.	For Each of the Top 10 Shareholders	No Of Shares At The Beginning Of The Year - 1.04.2014		(+) Increase / (-) Decrease In Share Holding		Shareholding During The Year (01-04-14 To 31.03.15)	
		No. of shares	% of total shares of the company	Date	Shares	No. of shares	% of total shares of the company
				05.09.2014	(+)1000	8072	0.54
				19.09.2014	(+)1000	9072	0.61
				30.09.2014	(+)61	9133	0.61
				24.10.2014	(-)100	9033	0.60
				31.10.2014	(-)322	8711	0.58
				09.01.2015	(+)239	8950	0.60
				23.01.2015	(+)200	9150	0.61
				30.01.2015	(+)10	9160	0.61
				06.02.2015	(+)7	9167	0.61
				31.03.2015		9167	0.61
4	VSL Securities Private Limited	8463	0.56	01.04.2014	0	0	0.00
				31.03.2015	0	8463	0.56
5	Udayankumar N Kothari	6930	0.46	01.04.2014	0	0	0.00
				31.03.2015	0	6930	0.46
6	Samir Kantilal Jariwala	0	0.00	01.04.2014	0	0	0.00
				31.10.2014	(+)5500	5500	0.37
				31.03.2015	0	5500	0.37
7	Udayankumar N Kothari	4652	0.31	01.04.2014	0	0	0.00
				31.03.2015	0	4652	0.31
8	Nirmal Kumar Chopra	4500	0.30	01.04.2014	0	0	0.00
				31.10.2014	(-)39	4461	0.30
				31.03.2015	0	4461	0.30
9	Dipak Kumar Sharma	6000	0.40	01.04.2014	0	0	0.00
				23.05.2014	(-)200	5800	0.39
				12.09.2014	(-)1400	4400	0.29
				19.09.2014	(-)200	4200	0.28
				10.10.2014	(-)300	3900	0.26
				31.10.2014	(-)900	3000	0.20
				09.01.2015	(+)849	3849	0.26
				31.03.2015	0	3849	0.26
10	Neeta U Kothari	3617	0.24	01.04.2014	0	0	0.00
				31.03.2015	0	3617	0.24

v. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Folio/Beneficiary Account no	Name of the ShareHolder	Date	Reason	Shareholding at the beginning of the year during the year		Cumulative Shareholding	
					No. of shares	% of totalshares of the company	No. of shares	% of total shares of the company
1.		Sanjaya Chandrabhushan Saran	1.4.2014	At the beginning of the year	501	0.03	501	0.03
			31.3.15	At the end of the year	501	0.03	501	0.03
<i>Key Managerial Personnel</i>								
2.	Nil			At the beginning of the year				
				At the end of the year				

V. Indebtedness:

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i)Principal Amount	502.60			502.60
(ii)Interest due but note paid				
(iii)Interest accrued but not due				
Total(i+ii+iii)	502.60	Nil	Nil	502.60
Change in Indebtedness during the financial year				
-Addition	82.65			82.65
- Reduction				
Net Change	82.65	Nil	Nil	82.65
Indebtedness at the end of the financial year				
(i)Principal Amount	585.25			585.25
(ii)Interest due but not paid				
(iii)Interest accrued but not due				
Total(i+ii+iii)	585.25	Nil	Nil	585.25

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

	A. R. Rajwade – Managing Director	Devaki Saran – Executive Director & CFO
Gross Salary	(Rs. Lacs)	(Rs. Lacs)
a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	39.15	-
b) Value of Perquisites u/s 17(2) of Income Tax Act, 1961	5.42	-
c) Profits in lieu of salary u/s 17(3) of Income Tax Act, 1961	-	-
Stock Option	-	-
Sweat Equity	-	-
Commission	-	-
Others (PL encashment)	17.12	-
Total (A)	61.69	-
Ceiling as per the Act	Within Schedule V of the Act	

B. Remuneration to other Directors

Name Of Directors	Remuneration (Rs)	Sitting Fees (Rs.)	Commission (Rs.)
Independent Directors			
JEHANGIR H.C. JEHANGIR	-	29000	-
SHAIMAK MARSHALL	-	34000	-
RICHARD KOSZAREK	-	10000	-
TOTAL (B1)	-	73000	
Other Non-Executive Directors			
S. C. SARAN	18,00,000 *	28000	-
SHARAD JAIN	-	-	-
TOTAL (B2)	18,00,000	28000	-
TOTAL B1+B2	18,00,000	1,01,000	-

*(as per the approval of Central Government dated 19.07.2012)

C. Remuneration to Key Managerial Personnel other than MD/ Manager/WTD- NIL

VIII. Penalties/ Punishment/ Compounding of Offences- NONE

For and on behalf of the Board

Date : July,20, 2015
Place : Mumbai

S. C. SARAN
CHAIRMAN

ANNEXURE IV**FORM No. MR-3****SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015**

(Pursuant to Section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,

The Members,

HINDUSTAN HARDY SPICER LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Hindustan Hardy Spicer Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Hindustan Hardy Spicer Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit and the representations made by the Company, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by Hindustan Hardy Spicer Limited for the financial year ended on 31st March, 2015 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made there under;
- ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and

vi) Other laws applicable to the Company as per the representations made by the Company.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards of The Institute of Company Secretaries of India with respect to board and general meetings are not in force as on the date of this report.
- (ii) The Listing Agreements entered into by the Company with BSE Limited.

During the period under review and as per the explanations and clarifications given to us and the representations made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above except that the Company has not appointed a whole-time Company Secretary (Key Managerial Personnel) as required under Section 203 of the Act and the rules made thereunder.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors at least seven days in advance to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings, as represented by the management, were taken unanimously.

We further report that as per the explanations given to us and the representations made by the Management and relied upon by us there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

For Parikh & Associates
Company Secretaries

Signature:
Name of Company Secretary:
Jigyasa Ved (Partner)

Date : July,20, 2015
Place : Mumbai

FCS: 6488
CP: 6018

This Report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

ANNEXURE 'A'

To,

The Members

Hindustan Hardy Spicer Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates
Company Secretaries

Signature:
Name of Company Secretary:
Jigyasa Ved (Partner)

Date : July,20, 2015
Place : Mumbai

FCS: 6488
CP: 6018

ANNEXURE V**B. Conservation of energy, technology absorption, foreign exchange earnings and outgo: [Rule9.10(3)]****1. Conservation of energy:**

i.) Steps taken / impact on conservation of energy, with special reference to the following:

Sr. No.	Step taken	Impact on conversion of energy
1.	During a study undertaken, it was observed that some of the old machines have unnecessarily higher horse power motors and if these motors were to be replaced by Variable Frequency Drive motors, substantial reduction could be realised in energy consumption. After successful trials on two machines, the existing higher horse power motors on 10 machines were replaced by Variable Frequency Drive motors.	Saving of 35075 KWH energy per month.
2.	Installation of Energy Efficient Tube light Fixtures with electrical ballast in place of Gas Filled Filament Lamps.	Saving of 2822 KWH energy per month.
3.	Installation of Energy Efficient PL Tube light Fixtures in place of existing HPSV Lamps.	Saving of 312 KWH energy per month.
4.	Installation of Energy efficient High Delivery Open Tube Well Submersible Water Pumps.	Saving of 3701 KWH energy per month.

ii. Steps taken by the company for utilizing alternate sources of energy including waste generated

Sr. No.	Step taken	Impact on conversion of energy
1.	Installation of Solar Powered LED Streetlight fixtures	Saving of 162 KWH energy per month.
2.	Installation of 400 LPD Solar Hot water System at Canteen.	Saving of 780 KWH energy per month

iii. Capital investment on energy conservation equipment Rs. 17.33 lacs

2. Technology :

- i) Our technology had been imported from our Collaborators, Spicer Gelenkwellenbau GmbH, Germany in 1984. Since then upgradation has continued in consultation with various Agencies.
- ii) Through re-engineering, the Company developed Double Cardan Shafts for 50 HP and 75 HP tractor applications. Previously, these shafts were imported by the customer. These shafts are used by the customer for tractors which are being exported

3. Foreign exchange earnings and Outgo**(Rs. in lacs)**

The Foreign Exchange earnings and outgo are as under

1. Foreign Exchange Earnings	1265.89
2. Foreign Exchange Outgo on account of import	22.73
3. Foreign Exchange Outgo on account of travel	17.76
4. Foreign Exchange Outgo on account of Sales Commission	0.20
Total Foreign Exchange outgo	40.69
Net Foreign Exchange earnings	1225.20

Date : July,20, 2015

Place : Mumbai

For and on behalf of the Board
S. C. SARAN
CHAIRMAN

ANNEXURE VI**PARTICULARS OF EMPLOYEES****C. Remuneration of Directors [Section 197(12) and Rule 13.3]**

- a) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

	Ratio to median remuneration
Managing Director	14.7 *
Chairman	5.45
Executive Director & CFO	-NA

* Ratio does not include Rs. 13.20 lakhs of Leave Encashment taken by the Managing Director during the year

- b) The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase/decrease in remuneration in the financial year
Managing Director	8.62% *
Chairman	Nil
Executive Director & Chief Financial Officer	NA

* Does not include Rs. 13.20 lakhs of Leave Encashment taken by the Managing Director during the year

- c) The percentage increase in the average remuneration of employees in the financial year: 9.18%
- d) The number of permanent employees on the rolls of company: 223
- e) The explanation on the relationship between average increase in remuneration and company performance:

Average increase in remuneration for the year under review was 9.18%. This was on account of increase in Dearness Allowance and other terms of the labour agreement.

- f) Comparison of the remuneration of the key managerial personnel against the performance of the Company:

Aggregate remuneration of key managerial personnel (KMP) in FY15 (₹ crore)	0.80
Revenue (₹ crore)	52.26
Remuneration of KMPs (as % of revenue)	1.53%
Profit before Tax (PBT) (₹ crore)	-2.14
Remuneration of KMP (as % of PBT)	-

- g) Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Particulars	March 31, 2015	March 31, 2014	% Change
Share Price (Rs)	102.00	69.45	47%
Market Capitalisation (₹ crore)	15.3	10.4	47%

- h) Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer/face value of the share:

Particulars	March 31, 2015	Face Value
Market Price (BSE)	102.00	10.00

- i) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

(j) Comparison of each remuneration of the key managerial personnel against the performance of the Company:

	Managing Director	Chairman	Executive Director & CFO (w.e.f. 14.08.2014)*
Remuneration in FY15 (` crore)	0.62*	0.18	0.0
Revenue (` crore)	52.26		
Remuneration as % of revenue	1.19%	0.34%	NA
Profit before Tax (PBT) (` crore)	-2.14		
Remuneration (as % of PBT)	NA	NA	NA

* Includes Rs 13.20 lakhs of Leave Encashment

- k) The key parameters for any variable component of remuneration availed by the directors: N.A.
- l) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; None.
- m) Affirmation that the remuneration is as per the remuneration policy of the Company

The Company affirms remuneration is as per the remuneration policy of the Company.

Details of employees who are in receipt of remuneration in aggregate of Rupees sixty lakhs for the year or Rupees Five lacs per month, if employed for part of the year.

Name of employee	Designation	Remuneration received	Nature of employment	Qualifications	Experience	Age	Last employment	Percentage of equity shares held
Mr. A. R. Rajwade	Managing Director	Gross remuneration - Rs. 61.69 lacs	Contractual	B. Sc, BE (Mechanical), MMS	42 years	70	M/s. Cummins India Limited	Nil

There are no other employees who were in receipt of remuneration for that year in the aggregate of sixty lakh rupees or for five lakh rupees per month, if employed for part of the year.

For and on behalf of the Board

Date : July,20, 2015
Place : Mumbai

**S. C. SARAN
CHAIRMAN**

ANNEXURE VII**FORM AOC2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis –

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions –	Duration of the contracts/ arrangements/ transactions –	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	date(s) of approval by the Board	Amount paid as advances, if any:	Date on which the special resolution was passed in general meeting as required under proviso to section 188
Mr. S. C. Saran Promoter & Director	Payment of remuneration to Mr. S. C. Saran	Three Years w.e.f. 01.04.2012 (as per Central Government approval dated 19.07.2012)	RS. 1,50,000/- Per Month All Inclusive	Mr. S. C. Saran is the founder Director & very highly qualified. Under his leadership the Company has been achieving a very high reputation & name in the international market & a sizeable export market for the products of the Company.	23.05.-2011	-	N.A.
Mr. S. C. Saran Promoter & Director	Payment of remuneration to Mr. S. C. Saran	Three Years w.e.f. 01.04.2015	RS. 1,50,000/- Per Month All Inclusive	Mr. S. C. Saran is the founder Director & very highly qualified. Under his leadership the Company has been achieving a very high reputation & name in the international market & a sizeable export market for the products of the Company.	05.02.-2015	-	N.A.

2. Details of material contracts or arrangement or transactions at arm's length basis
- a) Name(s) of the related party and nature of relationship – NIL
 - b) Nature of contracts/arrangements/transactions – Not Applicable
 - c) Duration of the contracts / arrangements/transactions – Not Applicable
 - d) Salient terms of the contracts or arrangements or transactions including the value, if any:
Not Applicable
 - e) Date(s) of approval by the Board, if any: - Not Applicable
 - f) Amount paid as advances, if any: - None

For and on behalf of the Board

Date : July,20, 2015
Place : Mumbai

**S. C. SARAN
CHAIRMAN**

DETAILS OF MEETINGS OF BOARD OF DIRECTORS AND COMMITTEES HELD AND ATTENDED BY DIRECTORS
MEETING OF THE BOARD OF DIRECTORS

The date of the meeting were 19.05.2014, 14.08.2014, 05.11.2014, 05.02.2015

Name of the Director	No. of Board Meetings attended
Mr. S. C. Saran	3
Mr. A. R. Rajwade	4
Mr. Shiamak Marshall	4
Mr. Jehangir H. C. Jehangir	4
Ms. Devaki Sanjaya Saran	2
Mr. Richard George Koszarek	2
Mr. Sharad Jain	1

AUDIT COMMITTEE

The date of the meetings were - 14.08.2014, 05.11.2014, 05.02.2015

Composition	Meetings attended
Mr. S. C. Saran	2
Mr. Shiamak Marshall	3
Mr. Jehangir H. C. Jehangir	3

NOMINATION AND REMUNERATION COMMITTEE

The date of the Meetings were – 14.08.2014, 05.11.2014, 05.02.2015

Composition	Meetings attended
Mr. S. C. Saran	2
Mr. Shiamak Marshall	3
Mr. Jehangir H. C. Jehangir	3

SHARE TRANSFERS AND STAKEHOLDERS RELATIONSHIP COMMITTEE

The date of the Meetings were – 05.05.2014, 14.08.2014, 28.08.2014, 30.09.2014, 14.10.2014, 05.11.2014, 27.11.2014, 07.01.2015, 12.02.2015.

Composition	Meetings attended
Mr. S. C. Saran	9
Mr. Shiamak Marshall	8
Mr. Jehangir H. C. Jehangir	3
Mr. A. R. Rajwade	9

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF HINDUSTAN HARDY SPICER LIMITED.

We have audited the accompanying financial statements of HINDUSTAN HARDY SPICER LIMITED, which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in section 133 of the Companies Act, 2013 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (11) of the Act, 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 appears from our examination of those books.
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in section 133 of the Companies Act, 2013.
 - e) on the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013.

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

YOGESH J. BHATT
Partner
Membership No. 30170

Mumbai, 5th May 2015

ANNEXURE TO AUDITORS REPORT

Annexure referred to in Para 1 of our report on Report on Other Legal and Regulatory Requirements:

1. The nature of Company's activities during the year has been such that following clauses of paragraph 3 of the Companies (Auditors' Report) Order, 2015 are not applicable to the Company : Clauses (iii), (v), (viii), (x), (xii).
2.
 - a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) As explained to us, all the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
3.
 - a) As per the information furnished, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion and according to the information and explanations given to us, procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
4. 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. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. 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 148(1) of the Companies Act, 2013 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 148(1) of the Companies Act, 2013 for any other products of the Company.
6.
 - a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, value added tax, wealth tax, custom duty, service tax, excise duty, cess and other material statutory dues applicable to it. According to the information and explanations give to us, no undisputed amounts payable in respect of provident fund, investor education protection fund, employees' state insurance, income tax, value added tax, wealth tax, custom duty, service tax, excise duty, cess and other material statutory dues applicable to were in arrears, as at 31st March 2015, for a period of more than six months from the date they became payable.

- b) According to the information and explanation given to us, there are no dues of sale tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute. In case of income tax, demand out standing for the following years are disputed before the higher authorities and hence not deposited. The details of which are as under:-

Nature of the dues	Amount (Rs Lakhs)	Period for which the amount relates (Assessment Years)	Forum where the dispute is pending
Income Tax	20.64 lacs	2005-06	Income Tax Appellate Tribunal
Income Tax	43.81 lacs	2010-11	Commissioner of Income Tax (Appeals)
Total	64.45 lacs		

- c) The company has transferred the required amount within time to investor education fund and protection fund in accordance with the relevant provisions of Companies Act, 1956 (1 of 1956) and rules made thereunder.
7. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or bank. In our opinion, the term loans have been applied for the purpose for which they were raised.
8. In our opinion, the term loans have been applied for the purpose for which they were raised.

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

YOGESH J. BHATT
Partner
Membership No. 30170

Mumbai, 5th May 2015

BALANCE SHEET AS AT 31ST MARCH, 2015

(Rs in Lacs)

	Particulars	Note No	As At 31.03.2015	As At 31.03.2014
I.	EQUITY AND LIABILITIES			
	Shareholders' Funds			
	(a) Share Capital	02	149.85	149.85
	(b) Reserves and Surplus	03	635.19	814.15
	Non-Current Liabilities			
	(a) Long-term borrowings	04	73.69	89.48
	(b) Deferred tax liabilities (Net)	32	38.34	94.80
	Current Liabilities			
	(a) Short-term borrowings	05	618.16	583.53
	(b) Trade payables	06	994.81	802.57
	(c) Other current liabilities	07	124.08	309.29
	(d) Short-term provisions	08	87.66	175.25
	Total		2721.78	3018.92
II.	Assets			
	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	9A	634.81	841.00
	(ii) Capital work-in-progress	9B	61.25	3.17
	(b) Non-current investments	10	0.55	0.55
	(c) Long term loans and advances	11	397.84	413.58
	Current assets			
	(a) Inventories	12	496.10	553.80
	(b) Trade receivables	13	1060.15	1028.70
	(c) Cash and cash equivalents	14	29.34	69.21
	(d) Short-term loans and advances	15	41.74	108.91
	Total		2721.78	3018.92
	Significant Accounting Policies	01		
	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.: 101332WYogesh J. Bhatt
Partner
Membership No. 30170
Mumbai, May 05,2015**Chairman**

S.C. Saran

Managing Director

A.R. Rajwade

Directors

Shiamak Marshall

Sharad Jain

Devaki Saran (ED & CFO)

Mumbai, May 05,2015

Profit and Loss statement for the year ended 31st March, 2015

(Rs in Lacs)

Particulars	Note No	As At 31.03.2015	AsAt 31.03.2014
Revenue from operations	16	5226.08	4850.36
Other Income	22	18.62	116.44
Total Revenue		5244.70	4966.80
Expenses:			
Cost of materials consumed	17	3057.07	2762.13
Purchase of Stock-in-Trade	18	140.30	93.27
Changes in inventories of finished goods, work - in - progress and stock - in - trade	19	21.28	43.53
Employee benefit expense	20	865.10	792.34
Other expenses	23	1040.97	932.54
Total Expenses		5124.72	4623.81
Earnings before Interest, Tax, Depreciation And Amortisation		119.99	342.99
Depreciation and amortisation expenses.	09	244.56	84.74
Financial costs	21	89.08	100.68
		333.65	185.41
Profit before Tax		-213.66	157.58
Less: Tax expense			
(1) Current tax		0.00	50.00
(2) Deferred tax		-56.45	23.11
Total Tax Expenses		-56.45	73.11
Profit after Tax		-157.21	84.47
		-157.21	84.47
Earning per equity share: (Refer Note No: 36)			
(1) Basic		-10.49	5.64
(2) Diluted		-10.49	5.64
Significant Accounting Policies	01		
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 05,2015**Chairman**

S.C. Saran

Managing Director

A.R. Rajwade

Directors

Shiamak Marshall

Sharad Jain

Devaki Saran (ED & CFO)

Mumbai, May 05,2015

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

	2014-15 (Rs. in lacs)	2013-14 (Rs. in lac)
A. Cash flow from Operating Activities		
Net Profit Before Tax and Extraordinary Items	(213.66)	157.58
Adjustments for :		
Depreciation	244.56	84.74
Fixed Assets Discarded	0.06	7.64
Profit on sale of fixed assets	(0.00)	(0.88)
Interest and Finance Charges	89.08	100.67
Provision for Leave Encashment	(6.62)	3.58
Interest and Dividend Income	(1.93)	(12.87)
Operating Profit before Working Capital changes	111.49	340.46
Adjustments for :		
Trade and Other Receivables	59.06	(25.07)
Inventories	57.70	133.48
Trade Payables	42.98	(308.67)
Cash Generated from Operations	271.23	140.21
Direct Taxes Paid	(35.14)	(21.20)
Cash flow before Extraordinary Items	236.08	119.01
Net Cash Flow from Operating Activities	236.08	119.01
B. Cash flow from Investment Activities		
Purchase of Fixed Assets	(118.26)	(73.89)
Sale of Fixed Assets	0.00	21.36
Interest Received	0.13	12.65
Net Cash Used in Investing Activities	(118.13)	(39.88)

C. Cash flow from Financing Activities

Dividend Paid		(52.25)	(52.24)
Unclaimed Dividend		0.17	0.50
Proceeds/(Repayment) of Long Term Borrowings		(51.30)	(81.78)
Proceeds/(Repayment) of Short Term Borrowings		34.63	193.65
Interest and Finance Charges		(89.08)	(100.67)
		<u>(157.82)</u>	<u>(40.54)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(A+B+C)	<u>39.87</u>	<u>38.60</u>
Cash and Cash Equivalents as at -Opening		69.21	30.63
Cash and Cash Equivalents as at -Closing		29.34	69.21

By order of the Board of Directors

A.R. Rajwade
Managing Director

Mumbai, May 05, 2015

Note :

1. Cash and Cash Equivalents consists of :
- | | AS AT
31/3/2015 | AS AT
31/3/2014 | (Rs. In lacs)
AS AT
31/3/2013 |
|--|----------------------------|--------------------|-------------------------------------|
| Cash and Cheques on hand | 0.76 | 0.48 | 1.11 |
| Balances with Scheduled and other banks
In Current Accounts | 28.27 | 68.48 | 29.27 |
| In Margin Money Account | 0.30 | 0.25 | 0.25 |
| Total | 29.33 | 69.21 | 30.63 |
2. Previous years figures have been regrouped wherever necessary to conform 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 05, 2015

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

A.R. Rajwade
Managing Director

Mumbai, May 05, 2015

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 II to the Companies Act, 2013.

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 goods 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 hereinabove.

Note No	Particulars	As At 31.03.2015 (Rs. In Lacs)	As At 31.03.2014 (Rs. In Lacs)
2)	Share Capital		
	Equity Share Capital		
	Authorised Share capital 50,00,000 equity shares of Rs.10/- each	<u>500.00</u>	<u>500.00</u>
	Issued, subscribed & fully paid share capital 14,98,450 equity shares of Rs.10/- each	<u>149.85</u>	<u>149.85</u>
	Total	<u><u>149.85</u></u>	<u><u>149.85</u></u>

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	2014-15 No. of Shares (% of holding)	2013-14 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 31.03.2015 (Rs. In Lacs)	As At 31.03.2014 (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	401.73	386.73
	Add : Transferred made during the Year	0.00	15.00
	Total General Reserve	401.73	401.73
d)	Share Forfeiture Reserve	0.08	0.08
e)	Surplus	372.99	355.77
	Add : Profit for the year	-157.21	84.47
		215.78	440.23
	Less : Transferred To General Reserve	0.00	15.00
	Less : Depreciation of earlier years	-21.76	0.00
	Less : Dividend Proposed	0.00	44.95
	Less : Tax on Dividend Proposed	0.00	7.29
	Surplus	194.02	372.99
	Total	635.19	814.15

4) Long-term borrowings

Secured Term Loans	73.69	89.48
(Secured against Equitable Mortgage on Factory land & building situated at C-12,MIDC,Ambad, Nashik-422010 & Hypothecation of stocks.)		
Total	73.69	89.48

Note:- Terms of Repayment**4.1) From State Bank of India**

- 1) Term loan of Rs. 1.00 Crore from State Bank of India was sanctioned on 16/04/14 for a period of 5 years. Current EMI per month is Rs. 1.67 Lacs.

Note : Secured against Registered Mortgage on Factory land & building situated at C12, M.I.D.C., Ambad, Nashik-422010

Note No	Particulars	As At 31.03.2015 (Rs. In Lacs)	As At 31.03.2014 (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)	618.16	583.53
	Total	618.16	583.53
6)	Trade Payables		
	Trade Payables (Refer Note No:31)	994.81	802.57
	Total	994.81	802.57
7)	Other current liabilities		
	Current maturities of long term debt	20.04	55.55
	Unpaid dividends	14.31	14.14
	<u>Other payables</u>		
	(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	39.46	73.52
	(ii) Trade / security deposits received	0.06	0.06
	(iii) Advances from customers	3.62	4.74
	(iv) Acceptances of Hundies from suppliers	36.61	155.07
	(v) Stale Cheques	9.98	6.22
	Total	124.08	309.29
8)	Short-term provisions		
	Provision for employee benefits	87.14	93.76
	Bonus Provision	0.52	0.43
	Proposed Dividend	0.00	44.95
	Tax on Proposed Dividend	0.00	7.29
	Provision for Taxation	0.00	28.83
	Total	87.66	175.25

9 Fixed Assets

(Rs. in Lacs)

PERTICULARS	Gross Block			Depreciation					Net Block (WDV)	
	AS AT 01/04/14	Additions 2014-15	Deductions / Adjustment	Total AS AT 31/03/15	As AT 1/04/14	From Retained Earnings	For the Year	Deductions / Adjustments	AS AT 31/03/15	AS AT 31/03/14
a) Tangible Assets										
LAND - Leasehold	8.29	0.00	0.00	8.29	2.66	0.00	0.09	0.00	5.54	5.63
BUILDINGS - Own use	232.69	6.14	0.00	238.83	128.41	0.00	4.76	0.00	105.67	104.29
PLANT & MACHINERY - Owned	1459.66	53.03	0.01	1512.68	815.64	3.39	214.61	0.01	479.06	644.02
COMPUTERS	46.34	0.31		46.65	24.80	6.76	7.22	0.00	7.87	21.54
ELE. INSTALLATIONS	26.37	0.00		26.37	22.33	0.00	0.46	0.00	3.58	4.04
AIR CONDITIONERS	11.14	0.00		11.14	3.44	0.75	1.20	0.00	5.76	7.70
PERMANENT TOOLS	32.50	0.00		32.50	30.88	0.00	0.00	0.00	1.62	1.62
OFFICE EQUIPMENTS	10.31	0.56	0.07	10.81	4.25	4.28	0.83	0.01	1.45	6.06
FURNITURE & FIXTURES - Owned	53.78	0.15	0.00	53.92	21.56	0.54	10.95	0.00	20.88	32.21
VEHICLES - Owned	41.84	0.00	0.00	41.84	27.84	6.05	4.45	0.00	3.51	14.01
TOTAL	1922.92	60.20	0.08	1983.04	1081.80	21.76	244.56	0.02	634.94	841.12
b) Capital Work in Progress:										
CAPITAL WORK IN PROGRESS *									61.25	3.17
TOTAL									876.76	844.17
PREVIOUS YEAR	1997.19	72.14	146.41	1922.92	1115.47	0.00	84.74	118.29	1081.92	881.71

*Including Capital advances of Rs. 61.25 lacs (previous year Rs. 3.17 lacs)

Note No	Particulars	As At 31.03.2015 (Rs. In Lacs)	As At 31.03.2014 (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	0.55	0.55
11)	Long Term Loans and Advances		
	<u>Security Deposits :</u>		
	Unsecured considered good	20.64	20.64
	<u>Loans and advances to employees :</u>		
	Unsecured considered good	0.08	0.00
	<u>Balances with government authorities :</u>		
	<u>Unsecured considered good</u>		
	Income Tax		
	(i) Advance Tax net (including TDS)		
	(a) For AY 2003-04	0.89	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	(9.84)	(9.84)
	(j) For AY 2013-14	32.31	32.31
	(k) For AY 2014-15	6.17	0.00
	(ii) Income Tax Paid under Protest (including FBT 228794)	11.85	11.85
	(iii) VAT credit receivable	298.65	320.64
	Total	397.84	413.58
12)	Inventories		
	Raw materials	188.77	217.03
	Work in progress	201.63	228.22
	Finished goods	39.39	55.93
	Stores and spares	65.61	51.92
	Others (Trading Goods)	0.70	0.70
	Total	496.10	553.80

Note No	Particulars	As At 31.03.2015 (Rs. In Lacs)	As At 31.03.2014 (Rs. In Lacs)
13)	Trade receivables		
	<u>I. Unsecured</u>		
	i. Over Six Months		
	Considered Good	5.30	9.77
	Considered Doubtful	0.00	0.00
	a) Total	5.30	9.77
	ii. Less than Six Months		
	Considered Good	1054.85	1018.93
	Considered Doubtful	0.00	0.00
	b) Total	1054.85	1018.93
	Trade Receivables (i+ii)	1060.15	1028.70
	Less: Allowance for Bad debts	0.00	0.00
	Total	1060.15	1028.70
14)	Cash and cash equivalents		
	<u>i. Cash and cash equivalents</u>		
	Cash on hand	0.77	0.49
	Balances in Current Accounts	13.84	54.23
	<u>ii. Other Bank Balances</u>		
	Balances with banks (Dividend Accounts)	14.31	14.14
	Balances with bank (Superannuation Account)	0.11	0.11
	Others (Margin Money Account)	0.30	0.25
	Total	29.34	69.21
15)	Short term loans and advances		
	<u>Balances with government authorities</u>		
	<u>Unsecured considered good</u>		
	(i) Balance with Collectorate of Central Excise	8.06	3.12
	(ii) CENVAT credit receivable	6.67	5.41
	<u>Other loans and advances</u>		
	<u>Unsecured considered good</u>		
	Prepaid expenses	13.56	8.56
	TDS on expenses which are not provided	3.93	2.38
	Prepaid Interest on Bills Discounted	1.85	1.50
	Interest receivable on MSEB Deposit	3.02	1.23
	Advances to suppliers	5.02	80.64
	Excess contribution to Gratuity Fund of LIC	-0.51	6.06
	Tax Deducted at source	0.14	0.00
	Total	41.74	108.91

Note No	Particulars	As At 31.03.2015 (Rs. In Lacs)	As At 31.03.2014 (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. 143.14 Lacs) (Previous year Rs. 112.60 lacs)	5528.70	5107.66
	(a)	<u>5528.70</u>	<u>5107.66</u>
	<u>Other operating revenues</u>		
	Sale of services	23.77	4.35
	Sale of Scrap	55.01	46.28
	DEPB Sale /Utilised	24.71	20.65
	Duty Drawback	29.63	29.29
	(b)	133.12	100.56
	Less: Excise Duty	(c) (435.74)	(357.86)
	Total [(a)+(b)- (c)]	<u>5226.08</u>	<u>4850.36</u>
17)	Cost of Material Consumed		
	<u>Raw Material Consumed</u>		
	Opening Stock	217.03	302.19
	Add : Purchases	3028.80	2676.97
		3245.83	2979.16
	Less : Closing Stock	188.77	217.03
	Total	<u>3057.07</u>	<u>2762.13</u>
18)	Purchases of Stock - In -Trade		
	Purchases Traded Goods.	140.30	93.27
	Total	<u>140.30</u>	<u>93.27</u>
19)	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		
	<u>Opening Stock</u>		
	Work-in-progress	207.20	223.29
	Finished Goods	55.10	72.28
	Stock - In -Trade	0.70	10.96
		263.00	306.53
	<u>Less : Closing Stock</u>		
	Work-in-progress	201.63	207.20
	Finished Goods	39.39	55.10
	Stock - In Trade	0.70	0.70
		241.72	263.00
	Total	<u>21.28</u>	<u>43.53</u>

Note No	Particulars	As At 31.03.2015 (Rs. In Lacs)	As At 31.03.2014 (Rs. In Lacs)
20)	Employee Benefits Expense		
	Salaries and wages	723.61	669.67
	Contribution to provident and other funds	69.62	56.42
	Staff welfare expenses	71.87	66.26
	Total	865.10	792.34
21)	Finance Costs		
	Interest expenses	12.16	26.41
	Other borrowing costs	76.92	74.27
	Total	89.08	100.68
22)	Other Income		
	Interest Income	1.93	12.87
	Other non-operating income (net of expenses directly attributable to such income)	0.00	1.65
	Provisions written Back.	16.69	3.41
	Foreign Exchange Difference gain	0.00	98.50
	Total	18.62	116.44

Note No	Particulars	As At 31.03.2015 (Rs. In Lacs)	As At 31.03.2014 (Rs. In Lacs)
23)	Other Expenses		
	Consumption of stores and spare parts	151.13	152.03
	Power fuel and water	175.03	165.37
	Rent	1.66	1.63
	Repairs to buildings	7.07	28.39
	Repairs to Plant & Machinery	84.50	71.40
	Other Repairs	5.78	4.50
	Insurance	14.24	14.18
	Rates and Taxes, excluding taxes on income	1.35	1.35
	Packing & Forwarding Expenses	287.55	273.16
	Travelling Expenses & Conveyance Charges	30.00	23.25
	Commission on Sales	6.23	4.78
	Discount on Sales	0.82	0.68
	Directors' Fees	1.06	0.61
	Exchange Fluctuation Loss	79.64	0.00
	Fixed Assets scrapped/Discarded	0.06	7.64
	Loading & Unloading	83.06	55.78
	Payments to Auditor (Refer Note No 25)	7.87	6.81
	Miscellaneous expenses	103.92	120.98
	Total	<u>1040.97</u>	<u>932.54</u>

24) Contingent Liabilities & Commitments not Provided For :

- Estimated amounts of contracts remaining to be executed on capital account but not provided Rs. 61.25 (Previous year Rs. 3.17)
- For Income Tax (Disputed at various higher authorities)
Rs. 64.45 (Previous year - 64.45)

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	0.39	0.25
iii) Tax Audit Fees	1.78	1.50
iv) Certification including Qtrly. review	1.65	1.39
v) Tax matters including appearance before tax Authorities.	0.96	0.58
	<u>7.87</u>	<u>6.81</u>

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	144068 (133478)	1818 (2600)	45.36 (50.83)	1113 (1818)	28.68 (45.36)
Spare Parts		-	6.34 (13.90)	-	9.19 (6.34)
Scrap		-	3.36 (1.81)	-	1.52 (3.36)
			55.06 (66.54)		39.39 (55.06)

*includes excise duty

b) Turnover :	Quantity (Nos.)	Value (Rs. in lacs)
Propeller Shafts	144,773 (134,260)	4,470.26 (3,864.42)
Spare Parts		915.30 (1,130.64)
Total manufacturing sale		5,385.56 (4,995.06)
Trading Sale		143.14 (112.60)
Total Sale		5,528.70 (5,107.66)

c) Raw Material Consumed:	Quantity	Value (Rs. in lacs)
Forgings (kgs.)	1,833,259 (1,437,833)	1,865.61 (1,484.64)
Castings (kgs.)	212,446 (167,145)	226.07 (155.92)
Tubes (mtrs.)	114,014 (100,733)	374.49 (336.55)
Others	-	590.90 (785.02)
		3,057.07 (2,762.13)

d) Imported and Indigenous Consumption:	Value (Rs. in lacs)	Percentage
i) Raw Materials :		
Imported	22.73 (15.95)	0.75 (0.58)
Indigenous	3,034.34 (2,746.18)	99.25 (99.42)
TOTAL	3,057.07 (2,762.13)	100.00 (100.00)
ii) Stores, Spares and Tools.		
Indigenous	151.13 (152.03)	100.00 (100.00)

The item "Spare Parts" in paragraph 4D (ii) of Schedule (iii) of the Companies Act, 2013 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	17.65 (13.87)

28) Quantitative information for traded goods during the year :	Value (Rs. in lacs)
(Figures in brackets relate to previous year)	

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
Propeller Shafts	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Steel Bars (Kg.)	1184 (20504)	0.70 (10.96)	240726 (134073)	140.30 (93.27)	240726 (153393)	143.14 (112.60)	1184 (1184)	0.70 (0.70)

29) Earnings & Expenditure in Foreign Currency

a) Earnings in Foreign Exchange :	Value (Rs. in lacs)
(Figures in brackets relate to previous year)	
F.O.B. Value of Exports	1265.89 (1862.24)
b) Expenditure in Foreign Currency :	
Capital Expenditure	Nil (Nil)
Travel	17.76 (11.28)
Others	0.20 (Nil)

30) Particulars of Dividend remitted to non-resident shareholders

Year to which dividend relates	2013-14	2012-13
Number of non-resident shareholders	1	1
Number of equity shares held	390000	390000
Dividend remitted (Rs. In lacs)	11.70	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. 507.93 lacs** (Previous Year **Rs. 490.54 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 2015 is as under :

Particulars	(Rs. in lacs)	(Rs. in lacs)
	As At 31 March, 15	As At 31 March, 14
Deferred tax (liability) / asset		
Tax effect of items constituting deferred tax liability :		
On difference between book balance and tax balance of fixed assets	58.64	117.25
On expenditure deferred in the books but allowable for tax purposes	1.19	1.19
Tax effect of items constituting deferred tax liability	(59.83)	(118.44)
Tax effect of items constituting deferred tax assets :		
Provision for compensated absences, gratuity and other employee benefits	21.49	23.64
Tax effect of items constituting deferred tax assets	21.49	23.64
Net deferred tax (liability) / asset	(38.34)	(94.80)

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

Particulars	As At 31 March, 2015	As At 31 March, 2014
Change in Obligations over the year ended 31st March		
Present Value of Defined Benefit Obligation at the beginning of the year	321.43	325.99
Current Service Cost	11.37	11.67
Interest Cost	29.86	26.08
Actuarial (gains) / losses	36.53	(25.21)
Benefits paid	(7.17)	(17.12)
Present Value of Defined Benefit Obligation at the end of the year	392.02	321.43
Change in Plan Assets (Reconciliation of opening and closing balances)		
Fair value of Plan Assets at the beginning of the year	420.05	393.09
Expected return on Plan Assets	36.54	34.20
Actuarial Gain / (Loss)	0.94	(0.61)
Contributions	7.94	10.49
Benefits paid	(7.17)	(17.12)
Fair value of Plan Assets at the end of the year	458.30	420.05
Reconciliation of fair value of assets and obligations		
Fair value of Plan Assets at the end of the year	458.30	420.05
Present value of Obligation at the end of the year	(392.02)	(321.43)
Amount recognised in Balance Sheet	66.28	98.62
Expense recognised during the year		
Current Service Cost	11.37	11.67
Past Service Cost	0.00	0.00
Interest Cost	(6.68)	26.08
Curtailment cost / (credit)	0.00	0.00
Settlement cost / (credit)	0.00	0.00
Actuarial (gains) / losses	35.59	(24.59)
Expected return on plan assets	0.00	(34.20)
Total	40.28	(21.04)
Principal Actuarial Assumptions		
Discount rate	7.92%	9.29%
Expected rate of return on assets	7.92%	8.70%
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.	
				2014-15	2013-14	2014-15	2013-14
i)	XLO India Limited.	Promoter Company, & Chairman as Managing Director	Sales & Labour Job	Nil	Nil	Nil	Nil
	XLO India Limited	- do -	Purchases	Nil	1.08	Nil	0.97 Dr.
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.	61.69	44.64	Nil	Nil
iv)	Business Combine Ltd.	Entity over which Chairman is able to exercise significant influence.	Purchases - (Casting & Trading items)	Nil	10.50	Nil	79.45 Dr.
v)	Business Combine Ltd.	- do -	Sales	Nil	Nil	Nil	26.74 Dr.

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	3826.21 (3024.81)	1345.43 (1775.61)	5171.74 (4800.42)

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

36) Earning per share (EPS)

(Rs.in Lacs)

Particulars	As At 31 March, 2015	As At 31 March, 2014
Earnings per share		
Basic		
<u>Total operations</u>		
Net profit / (loss) for the year	(157.20)	84.47
(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	(157.20)	84.47
Weighted average number of equity shares	1498450	1498450
Par value per share	10	10
<u>Earnings per share, excluding extraordinary items</u>		
Basic	(10.49)	5.64
Diluted	(10.49)	5.64

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,14	Additions	Utilisation	Reversal	As at 31 March,15
Leave Encashment	93.76	22.66	29.28	0.00	87.14
Total	93.76	22.66	29.28	0.00	87.14

38) Disclosure of foreign currency exposures

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

Particulars	Currency Type	2014-15		Currency Type	2013-14	
		Amount in foreign Currency	Equivalent Amount (in Rs. Lac)		Amount in foreign Currency	Equivalent Amount (in Rs. Lac)
Debtors	GBP	17650.30	17.42	GBP	36607.00	37.57
	Euro	460496.90	335.05	Euro	627531.00	524.66
	USD	31230.80	19.21	USD	29631.00	18.23
	SEK	0.00	0.00	SEK	114758.00	10.84
Bank Balance (FCNR Loan)		Nil	Nil	Euro	Nil	0.00

39) Directors' Remuneration : (see note)

**Current year
(Rs. in lacs)**

**Previous year
(Rs. in lacs)**

a) Salaries	70.35	54.00
b) Commission	0.00	0.00
c) Contribution to Provident Fund and Other Funds	4.70	4.32
d) Perquisites	0.72	0.72
e) Superannuation	3.92	3.60
	<u>79.69</u>	<u>62.64</u>

Note

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

- 40) Consequent to enactment of Companies Act,2013(the Act) and its applicability for accounting periods commencing from 01-04-2014, the company has recalculated the remaining useful life of Fixed Assets in accordance with provisions to Schedule II to the Act. In case of Fixed Assets which have completed their useful life in terms of Schedule II of the Act the carrying value (net of residual value)of such assets as on 1st April 1st, 2014 has been adjusted to Retained Earnings and in case of other fixed assets the carrying value (net of residual value) is being depreciated as per straight line method over the re-calculated remaining useful life. The depreciation expenses charged for the year ended 31st March, 2015 is higher by Rs. 157.93 lacs, had the company continued with the previously prescribed depreciation rates as per Schedule XIV of the companies act, 1956.
- 41) 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 05, 2015

Chairman
S.C. Saran
Managing Director
A.R. Rajwade
Directors
Shiamak Marshall
Sharad Jain
Devaki Saran(ED & CFO)
Mumbai, May 05, 2015