



# Hindustan Hardy Spicer Limited

August 24, 2016

**Regd. Office & Plant.**  
Plot No. C-12, M.I.D.C. Area, Ambad,  
Nashik-422 010. Maharashtra, INDIA.

Tel : (0253) 2382018, 2382118,  
2382318, 2382754  
TeleFax : 91-0253-2382528  
Website : www.hhsl.net  
CIN : L29300MH1982PLC028498

To,

Market Operation-DCS-CRD  
**BSE LIMITED**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400001.

Scrip Code : 505893.

Sub : 34<sup>th</sup> Annual General Meeting of the Company and voting results.

Dear Sirs,

This is with reference to the 34<sup>th</sup> Annual General Meeting of the Company held today i.e. on Tuesday, August 23, 2016 at 2.30 p.m. at Plot No. C-12, M.I.D.C. Area, Ambad, Nashik 422010.

We wish to inform you that all the resolutions contained in the Notice of the Annual General Meeting dated 13.05.2016 were approved by the Members.

In this Connection, please find enclosed the following:

- A) Details regarding the brief proceedings of the Annual General Meeting (AGM) of the Company pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- B) Details regarding the voting results of the business transacted at the said AGM in the prescribed format pursuant to Regulation 44(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- C) Consolidated Report of the Scrutinizer on remote e-voting and voting through ballot forms at the AGM.



## Hindustan Hardy Spicer Limited

**Regd. Office & Plant.**  
Plot No. C-12, M.I.D.C. Area, Ambad,  
Nashik-422 010. Maharashtra, INDIA.

Tel : (0253) 2382018, 2382118,  
2382318, 2382754  
TeleFax : 91-0253-2382528  
Website : www.hhsl.net  
CIN : L29300MH1982PLC028498

D) Annual Report for the financial year 2015 -16 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations duly approved and adopted by the members as per the provisions of the Companies Act, 2013.

The above are also being uploaded on the Company's website.

You are requested to take a note of the same and bring it to the notice of all concerned.

Thanking you,

Yours faithfully  
FOR HINDUSTAN HARDY SPICER LIMITED

Devaki Saran  
Executive Director & CFO

Encl: a/a.





## Hindustan Hardy Spicer Limited

August 24, 2016

To,

Market Operation-DCS-CRD  
BSE Ltd.  
Phiroze Jeejeebhoy Tower,  
Dalal Street,  
MUMBAI - 400001.

### Regd. Office & Plant.

Plot No. C-12, M.I.D.C. Area, Ambad,  
Nashik-422 010. Maharashtra, INDIA.

Tel : (0253) 2382018, 2382118,  
2382318, 2382754  
TeleFax : 91-0253-2382528  
Website : www.hhsl.net  
CIN : L29300MH1982PLC028498

Scrip code: 505893.

### Sub.: PROCEEDINGS OF AGM HELD ON AUGUST 23, 2016.

Dear Sirs,

This is to inform you that the 34<sup>TH</sup> Annual General Meeting of the Company was held on Tuesday, August 23, 2016.

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management & Administration) Rules, 2014, the Company had provided electronic voting facility (e-Voting) to the Members entitled to cast their vote at the Annual General Meeting. The e-Voting process was carried out by the Company between Friday, 19<sup>th</sup> August, 2016 to Monday, 22<sup>th</sup> August, 2016 with cut-off date for determining shareholders being Tuesday, 16<sup>th</sup> August, 2016.

The Company had also provided voting facility to the shareholders present at the Annual General Meeting and who had not cast their vote earlier either through remote e-voting facility to cast their vote in the Ballot Box kept there.

The report of the Scrutinizer of the consolidated results of the votes cast through remote e-voting and voting at the meeting is enclosed.

The following resolutions were passed unanimously:

1. Adoption of the Audited Financial Statements of the Company for the financial year ended March 31, 2016, together with the Reports of the Board of Directors and the Auditors thereon.
2. Declaration of dividend on equity shares.
3. Appointment of Director in place of Ms. Devaki Saran (DIN 06504653), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers herself for re-appointment.



## Hindustan Hardy Spicer Limited

**Regd. Office & Plant.**  
Plot No. C-12, M.I.D.C. Area, Ambad,  
Nashik-422 010. Maharashtra, INDIA.

Tel : (0253) 2382018, 2382118,  
2382318, 2382754  
TeleFax : 91-0253-2382528  
Website : www.hhsl.net  
CIN : L29300MH1982PLC028498

4. Appointment of Auditors and to fix their remuneration.
5. Appointment of Mr. Ravindra Kale (DIN 03115130) as Director (Ordinary Resolution)
6. Appointment of Mr. Ravindra Kale (DIN 03115130) Executive Director and Chief Executive Officer (CEO) of the Company for a period of three years. (Special Resolution)

Thanking You,

Yours faithfully,

For HINDUSTAN HARDY SPICER LIMITED

Devaki Saran  
Executive Director & CFO



**HINDUSTAN HARDY SPICER LIMITED**  
**POLLING SUMMARY**

Date of the AGM		23.08.2016						
Total number of shareholders on record date		4158						
No. of shareholders present in the meeting either in person or through proxy:		16						
Promoters and Promoter Group:		600644						
Public:		601						
No. of shareholders attended the meeting through Video Conferencing:		NIL						
Promoters and Promoter Group:		NIL						
Public:		NIL						
Resolution required: Ordinary								
1. Adoption of the Audited Financial Statements of the Company for the financial year ended March 31, 2016, together with the Reports of the Board of Directors and the Auditors thereon.								
NO								
Whether promoter/promoter group are interested in the agenda/resolution	NO							
Category	Mode of Voting	No. of shares held	No. of votes polled	% of votes polled on outstanding shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes against on votes polled
Promoter and Promoter Group		1	2	3	4	5	6 = [(4)/(2)]*100	7 = [(5)/(2)]*100
	E-voting	992394	0	0.00	0	0	0.0000	0.0000
	Poll		600494	0.00	600494	0	100.0000	0.0000
Public- Institutions	Total	992394	600494	60.51	600494	0	100.0000	0.0000
	E-voting	50	0	0.00	0	0	0.0000	0.0000
	Poll		0	0.00	0	0	0.0000	0.0000
Public- Non Institutions	Postal ballot if any							
	Total	506006	350	0.07	350	0	100.0000	0.0000
	E-voting	50	0	0.00	0	0	0.0000	0.0000
Total	Poll	1498450	600844	40.10	600844	0	100.0000	0.0000
	Postal ballot if any							
	Total	506006	350	0.07	350	0	100.0000	0.0000

Resolution required: Ordinary		2. To declare dividend on equity shares.						
Whether promoter/promoter group are interested in the agenda/resolution		NO						
Category	Mode of Voting	No. of shares held	No. of votes polled	% of votes polled on outstanding shares (3) = [(2)/(1)]*100	No. of votes in favour	No. of votes - against	% of votes in favour on votes polled 6 = [(4)/(2)]*100	% of votes against on votes polled 7 = [(5)/(2)]*100
Promoter and Promoter Group		1	2	3	4	5	6 = [(4)/(2)]*100	7 = [(5)/(2)]*100
	E-voting	992394	0	0.00	0	0	0.0000	0.0000
	Poll		600494	0.00	600494	0	100.0000	0.0000
	Postal ballot if any							
	Total	992394	600494	60.51	600494	0	100.0000	0.0000
Public- Institutions		50	0	0.00	0	0	0.0000	0.0000
	E-voting		0	0.00	0	0	0.0000	0.0000
	Poll							
	Postal ballot if any							
	Total	50	0	0.00	0	0	0.0000	0.0000
Public- Non Institutions		506006	20	0.00	20	0	0.0000	0.0000
	E-voting		330	0.07	330	0	100.0000	0.0000
	Poll							
	Postal ballot if any							
	Total	506006	350	0.07	350	0	100.0000	0.0000
Total		1498450	600844	40.10	600844	0	100.0000	0.0000
						0	100.0000	0.0000



Resolution required: Ordinary		4. Appointment of Auditors and to fix their remuneration.						
Whether promoter/promoter group are interested in the agenda/resolution		NO						
Category	Mode of Voting	No. of shares held	No. of votes polled	% of votes polled on outstanding shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes against on votes polled
		1	2	3	4	5	6 = $[(4)/(2)] * 100$	7 = $[(5)/(2)] * 100$
Promoter and Promoter Group	E-voting	992394	0	0.00	0	0	0.0000	0.0000
	Poll		600494	0.00	600494	0	100.0000	0.0000
	Postal ballot if any							
	Total		600494	60.51	600494	0	100.0000	0.0000
Public- Institutions	E-voting	50	0	0.00	0	0	0.0000	0.0000
	Poll		0	0.00	0	0	0.0000	0.0000
	Postal ballot if any		0	0.00	0	0	0.0000	0.0000
	Total		0					
Public- Non Institutions	Total	50	0	0.00	0	0	0.0000	0.0000
	E-voting	506006	0	0.00	0	0	0.0000	0.0000
	Poll		330	0.00	0	0	0.0000	0.0000
	Postal ballot if any			0.07	330	0	100.0000	0.0000
Total	Total	506006	330	0.07	330	0	100.0000	0.0000
		1498450	600824	40.10	600824	0	100.0000	0.0000







**PARIKH & ASSOCIATES**  
**COMPANY SECRETARIES**

Office :  
111, 11th Floor, Sai-Dwar CHS Ltd,  
Sab TV Lane, Opp Laxmi Industrial Estate  
Off Link Road, Above Shabari Restaurant,  
Andheri (W), Mumbai : 400 053  
Tel. : 26301232 / 26301233 / 26301240  
Email : cs@parikhassociates.com  
parikh.associates@rediffmail.com

To,  
The Chairman  
Hindustan Hardy Spicer Limited  
Plot No. C-12, M.I.D.C. Area,  
Ambad, Nashik - 422010.

Dear Sir,

**Sub: Consolidated Scrutinizer's Report on remote e-voting conducted pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by Companies (Management and Administration) Amendment Rules, 2015 and voting through ballot paper at the Annual General Meeting of Hindustan Hardy Spicer Limited held on Tuesday, August 23, 2016 at 2:30 p.m.**

I, Jigyasa N. Ved, of M/s. Parikh & Associates, Practicing Company Secretaries, had been appointed as the Scrutinizer by the Board of Directors of Hindustan Hardy Spicer Limited, pursuant to Section 108 of the Companies Act, 2013 ("the Act") read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, to conduct the remote e-voting process in respect of the below mentioned resolutions passed at the 34<sup>th</sup> Annual General Meeting (AGM) of Hindustan Hardy Spicer Limited held on Tuesday, August 23, 2016 at 2:30 p.m.

I was also appointed as Scrutinizer to scrutinize the voting process at the said AGM held on August 23, 2016

The Notice dated May 13, 2016 along with statement setting out material facts under Section 102 of the Act were sent to the Shareholders in respect of the below mentioned resolutions passed at the AGM of the Company.

The Company had availed the e-voting facility offered National Securities Depository Limited (NSDL) for conducting e-voting by the Shareholders of the Company.

The Company had also provided voting facility to the shareholders present at the AGM and who had not cast their vote earlier through remote e-voting facility. The shareholders of the company holding shares as on the "cut-off" date of August 16, 2016 were entitled to vote on the resolutions as contained in the Notice of the AGM.

The voting period for remote e-voting commenced on Friday, August 19, 2016 at 10:00 a.m. (IST) and ended on Monday, August 22, 2016 at 05:00 p.m. (IST) and the NSDL e-voting platform was blocked thereafter.

After the closure of the voting at the AGM, the report on voting done at the meeting was generated in my presence and the same was diligently scrutinized.



The votes cast under remote e-voting facility were thereafter unblocked in the presence of two witnesses who were not in the employment of the Company and after the conclusion of the voting at the AGM the votes cast there under were counted.

I have scrutinized and reviewed the remote e-voting and votes tendered therein based on the data downloaded from the National Securities Depository Limited ("NSDL") e-voting system and voting through ballot paper at the AGM.

I now submit my consolidated Report as under on the result of the remote e-voting and voting through ballot paper at the AGM in respect of the said Resolutions.

**Resolution 1: Ordinary Resolution**

Adoption of the Audited Financial Statements of the Company for the financial year ended March 31, 2016, together with the Reports of the Board of Directors and the Auditors thereon.

(i) Voted in favour of the resolution:

Number of members voted	Number of valid votes cast by them	% of total number of valid votes cast
9	600844	100.00

(ii) Voted against the resolution:

Number of members voted	Number of valid votes cast by them	% of total number of valid votes cast
Nil	Nil	N.A.

(iii) Invalid votes:

Number of members whose votes were declared invalid	Number of invalid votes cast by them
Nil	Nil



**Resolution 2: Ordinary Resolution**

To declare dividend on equity shares.

(i) Voted in favour of the resolution:

Number of members voted	Number of valid votes cast by them	% of total number of valid votes cast
9	600844	100.00

(ii) Voted against the resolution:

Number of members voted	Number of valid votes cast by them	% of total number of valid votes cast
Nil	Nil	N.A.

(iii) Invalid votes:

Number of members whose votes were declared invalid	Number of invalid votes cast by them
Nil	Nil



**Resolution 3: Ordinary Resolution**

Appointment of Director in place of Ms. Devaki Saran (holding DIN 06504653), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers herself for re-appointment.

(i) Voted in favour of the resolution:

Number of members voted	Number of valid votes cast by them	% of total number of valid votes cast
8	600824	100.00

(ii) Voted against the resolution:

Number of members voted	Number of valid votes cast by them	% of total number of valid votes cast
Nil	Nil	N.A.

(iii) Invalid votes:

Number of members whose votes were declared invalid	Number of invalid votes cast by them
Nil	Nil





**Resolution 4: Ordinary Resolution****Appointment of Auditors and to fix their remuneration.**

(i) Voted in favour of the resolution:

Number of members voted	Number of valid votes cast by them	% of total number of valid votes cast
8	600824	100.00

(ii) Voted against the resolution:

Number of members voted	Number of valid votes cast by them	% of total number of valid votes cast
Nil	Nil	N.A.

(iii) Invalid votes:

Number of members whose votes were declared invalid	Number of invalid votes cast by them
Nil	Nil



## Resolution 5: Ordinary Resolution

Appointment of Mr. Ravindra Kale (DIN 03115130), appointed as a Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation.

(i) Voted in favour of the resolution:

Number of members voted	Number of valid votes cast by them	% of total number of valid votes cast
8	600824	100.00

(ii) Voted against the resolution:

Number of members voted	Number of valid votes cast by them	% of total number of valid votes cast
Nil	Nil	N.A.

(iii) Invalid votes:

Number of members whose votes were declared invalid	Number of invalid votes cast by them
Nil	Nil





**Resolution 6: Special Resolution**

Appointment of Mr. Ravindra Kale (DIN 03115130) as Executive Director and Chief Executive Officer (CEO) of the Company for a period of three years with effect from September 23, 2015.

(i) Voted in favour of the resolution:

Number of members voted	Number of valid votes cast by them	% of total number of valid votes cast
8	600824	100.00

(ii) Voted against the resolution:

Number of members voted	Number of valid votes cast by them	% of total number of valid votes cast
Nil	Nil	N.A.

(iii) Invalid votes:

Number of members whose votes were declared invalid	Number of invalid votes cast by them
Nil	Nil


Thanking you,

Yours faithfully,

  
 Jigyasa M. Ved  
 Parikh & Associates  
 Practising Company Secretaries  
 FCS: 6488 CP No: 6018  
 111,11th Floor, Sai Dwar CHS Ltd  
 Sab TV Lane, Opp. Laxmi Indl. Estate,  
 Off Link Road, Above Shabari Restaurant,  
 Andheri West, Mumbai - 400053



For Hindustan Hardy Spicer Ltd.

  
 S. C. SARAN  
 Chairman

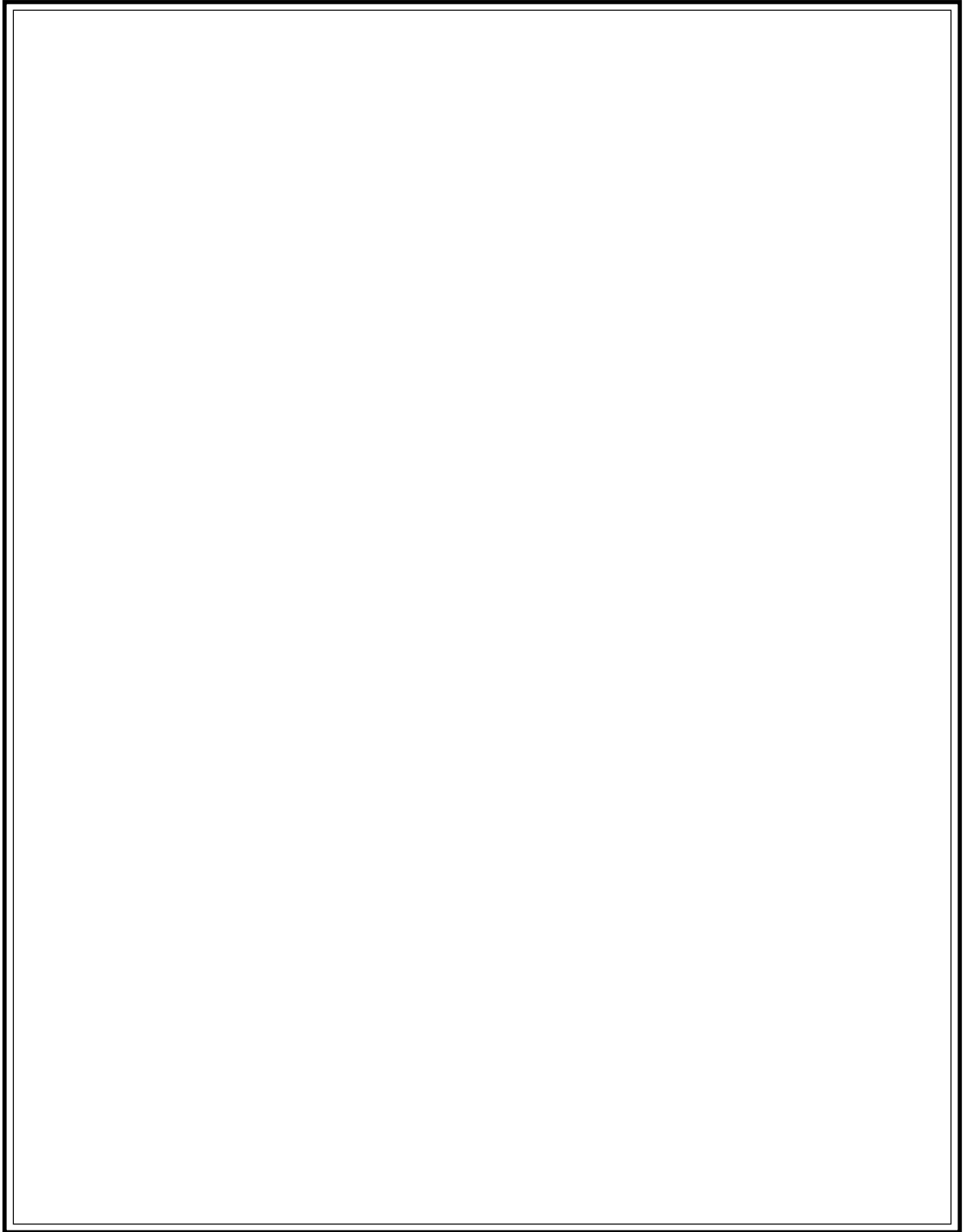
Place: Mumbai

Dated: August 24, 2016



**Hindustan Hardy Spicer Ltd.**

**Thirty Fourth Annual Report  
2015- 2016**



**BOARD OF DIRECTORS**

Mr. S. C. Saran	Chairman
Mr. A. R. Rajwade	Managing Director (up to 30.09.2015)
Mr. Shiamak Marshall	Director
Mr. Jehangir H.C. Jehangir	Director
Mr. Richard Koszarek	Director
Ms.Devaki Saran	Executive Director & CFO
Mr. Sharad Jain	Director
Mr. Ravindra Kale	Executive Director & CEO (w.e.f. 23.09.2015)

**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

**Registered Office & Plant**

C-12, Additional Nasik Industrial Area,  
Ambad, Nashik - 422 010.  
Tel.: 0253 - 2382018 / 2118  
Fax : 0253 - 2382528  
email : [co@hhardys.com](mailto:co@hhardys.com)  
CIN No.: L29300MH1982PLC028498  
Website: [www.hhsl.net](http://www.hhsl.net)

**Compliance Officer**

Ms. Devaki Saran  
email: [co@hhardys.com](mailto:co@hhardys.com)

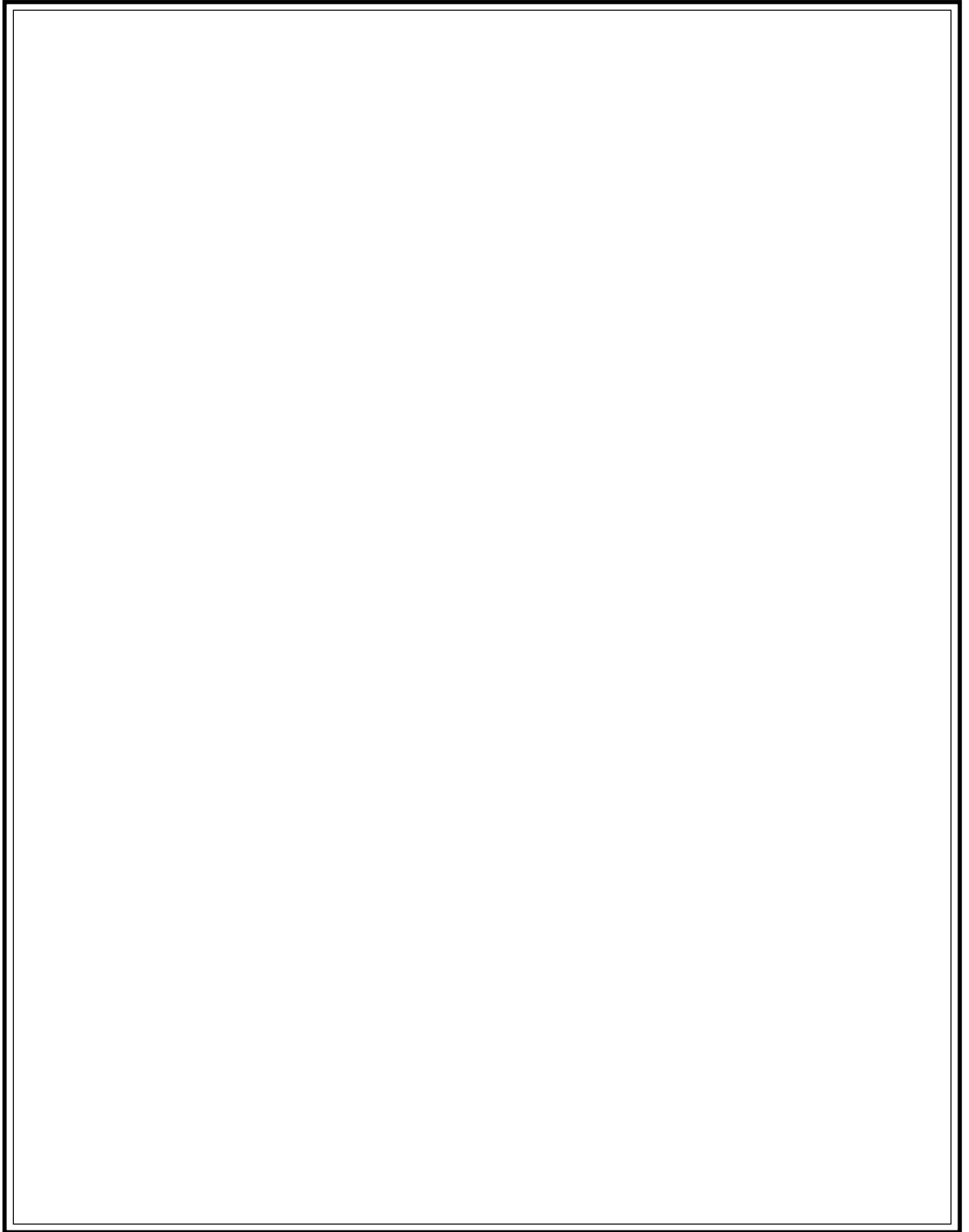
**Registrars and Share Transfer Agents**

Satellite Corporate Services Pvt. Ltd.  
B-302, Sony Apartment,  
Opp. ST. Jude High School, Off. Andheri Kurla Road,  
Jarimari, Sakinaka, Mumbai - 400 072.  
Tel.: 022 - 28520461 / 462  
Fax : 022 - 28511809  
email : [service@satellitecorporate.com](mailto:service@satellitecorporate.com)

**CONTENTS**

**PAGE**

Notice .....	5.
Director's Report.....	18.
Annexure to Directors' report.....	27.
Auditor's Report.....	53.
Balance Sheet.....	60.
Statement of Profit and loss.....	61.
Cash Flow Statement.....	62.
Notes to Financial Statement.....	64.



**HINDUSTAN HARDY SPICER LIMITED**

Regd. Office : Plot No. C-12, M.I.D.C. Area, Ambad, Nashik – 422010, Maharashtra, INDIA.

CIN : L29300MH1982PLC028498

Tel No: 0253-2382018 | Fax No: 0253-2382528 | Email: co@hhardys.com | Website: www.hhsl.net

**NOTICE**

Notice is hereby given that the Thirty Fourth Annual General Meeting of the members of Hindustan Hardy Spicer Limited will be held at Plot No. C-12, M.I.D.C. Area, Ambad, Nashik – 422 010 on Tuesday, August 23, 2016 at 2.30 p.m. to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2016, together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Devaki Saran (DIN 06504653), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers herself for re-appointment.
4. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:  
“RESOLVED that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s. J. L. Bhatt & Co., Chartered Accountants, Mumbai, (ICAI Registration No. 101332W), be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting, at a remuneration to be decided by the Board of Directors in consultation with the Auditors plus applicable service tax and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit.”

**SPECIAL BUSINESS**

5. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:  
“RESOLVED that Mr. Ravindra Kale (DIN 03115130), who was appointed as an Additional Director of the Company by the Board of Directors with effect from September 23, 2015 and who holds office upto the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013 (“Act”) and in respect of whom the Company has received a notice in writing from a Member alongwith the requisite deposit under Section 160 of

the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation.”

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, read with Schedule V to the Companies Act, 2013 and subject to such approval as may be necessary, the consent and approval of the Company in general meeting be and is hereby accorded to the appointment of Mr. Ravindra Kale (DIN 03115130) Executive Director and Chief Executive Officer (CEO) of the Company for a period of three years with effect from September 23, 2015 upon the terms and conditions including the terms as to remuneration as approved by the Nomination and Remuneration committee and set out in the Agreement dated 22nd September 2015 (the “Agreement”), which Agreement placed before this Meeting be and is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Ravindra Kale.

“RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year of the Company during Mr. Ravindra Kale’s term of office as Executive Director and Chief Executive Officer (CEO), Mr. Ravindra Kale, be paid the remuneration including perquisites and other benefits as set out in the agreement as minimum remuneration as prescribed in Schedule V of the Companies Act, 2013.

“RESOLVED FURTHER THAT in the event of any statutory amendment or relaxation by the Central Government to Schedule V of the Companies Act, 2013 the Board be and is hereby authorised to vary or increase the remuneration including the perquisites within such prescribed limits or ceiling without any further reference to the Company.

“RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, matters, deeds and things and to take such steps as expedient or desirable to give effect to this Resolution”.

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/ authority, as applicable.

2. The Statement setting out material facts pursuant to section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the Meeting, and the information required in respect of appointment/ reappointment of directors as per Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and the Secretarial Standards on General Meetings of the persons seeking appointment/ reappointment as Directors under item nos. 3, 5 and 6, are annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will be closed from Wednesday 17-08-2016 to Tuesday, 23-08-2016, both days inclusive.
4. Payment of dividend, as recommended by the Board, if approved, will be made to those members whose names are on the Company's register of members on August 23, 2016 and those whose names appear as Beneficial owners as at close of business hours on August 16, 2016 as per details to be furnished by Depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited
5. Members are requested to notify immediately any change of address:
  - (i) to their Depository Participants (DPs) in respect of their electronic share accounts, and
  - (ii) to the Company's Registrar & Share Transfer Agents, M/s Satellite Corporate Services Pvt. Ltd., B- 302, Sony Apartment, Opp. ST Jude High School, Off. And heri-Kurla Road, Jarimari, Sakinaka, Mumbai 400 072, in respect of their physical share folios, if any, quoting their folio numbers.
6. Pursuant to the provisions of Sections 205A and 205C of the Companies Act, 1956, the dividend for the financial year 2008-09 and for subsequent years remaining unclaimed/ unpaid for a period of seven years from the date they became due for payment shall be credited to the Investors' Education and Protection Fund setup by the Central Government. Members who have so far not claimed the dividend are requested to make claim with the Company as no claim shall lie against the fund or the Company in respect of individual amounts once credited to the said fund.
7. Members are requested to bring their copy of the Annual Report to the meeting.
8. The Notice of the AGM along with the Annual Report 2015-2016 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
9. To support the 'Green Initiative' the Members who have not registered their e-mail addresses are requested to register the same with Registrar and Share Transfer Agent /Depositories.
10. Members holding shares in physical form are requested to consider converting their holding to dematerialised form to eliminate all risks associated with physical shares. Members can contact the Registrar and Share Transfer Agents of the Company in this regard.



11. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9:30 am to 6:00 pm) on all working days except Saturdays and Sundays (including Public Holidays) up to the date of the Annual General Meeting.

**12. VOTING THROUGH ELECTRONIC MEANS:**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by Companies (Management and Administration) Rules, 2015, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and the Secretarial Standards on General Meetings (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide members facility to exercise their right to vote at the 34th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL)

**I] The instructions for e-voting are as under:**

**A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:**

- (i) Open email and open PDF file viz; "hindustanhardy.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL:<https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder – Login
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
- (vii) Select "EVEN" of Hindustan Hardy Spicer Limited.
- (viii) Now you are ready for e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote

- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [cs@parikhassociates.com](mailto:cs@parikhassociates.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:**

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

EVEN	
(E Voting Event Number)	
USER ID PASSWORD/	
PIN	

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
- III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The e-voting period commences on Friday, 19-08-2016 (10.00 a.m.) and ends on Monday 22-08-2016 at (5:00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 16-08-2016 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of August 16, 2016. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting, as well as voting at the meeting. The members who have not cast vote through remote e-voting shall be entitled to vote at the meeting.

Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

- VII. The facility for voting, either through ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting.
- VIII. Shareholders who have already voted prior to the meeting date would be entitled to attend the Annual General Meeting but shall not be entitled to vote at the meeting.
- IX. Ms. Jigyasa N. Ved (FCS 6488) or failing her Mr. Mitesh Dhaliwala (ACS 24539) of M/s Parikh & Associates, Practicing Company Secretaries, has been appointed as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.
- X. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make not later than three days of conclusion of the meeting a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
- XI. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website: [www.hhsl.net](http://www.hhsl.net) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the result is declared by the Chairman and the same shall be communicated to the BSE Limited where the shares of the Company are listed. The results shall also be displayed on the notice board at the Registered Office of the Company.

**Registered Office:**

Plot No. C-12, M.I.D.C. Area, Ambad,  
Nashik – 422 010.

**By order of the Board**

Date : 13.05.2016  
Place : Mumbai

**DEVAKI SARAN**  
**EXECUTIVE DIRECTOR & CFO**

**ANNEXURE TO THE NOTICE****THE STATEMENT SETTING OUT MATERIAL FACTS IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****Item 5&6**

Based on the recommendation of the Nomination and Remuneration Committee, Mr. Ravindra Kale (DIN 03115130) was appointed as Additional Director of the Company by the Board of Directors from September 23, 2015. The Board has also appointed him as Executive Director and Chief Executive Officer effective the same date, for a period of three years, subject to the approval of the Members.

Mr. Ravindra Kale is 52 years of age and has over 30 years of experience in the engineering industry. He completed his Bachelor of Engineering in 1985 from Shivaji University. He started his career with Cummins India Ltd and spent more than 18 years with Cummins in Pune in various roles. In 2004, he moved to Alfa Laval as Factory Manager of the Decanter Factory. In 2007 he moved to Burckhardt Compression as General Manager, Manufacturing which was a completely different business. In 2010 he moved to Curtiss Wright, India as General Manager. He set up the India operations of the Company. The India plant was a green field operation manufacturing Joysticks, gear shifters and solenoids for automotive OEM's. In FY 2014-15, the India business clocked revenues of approximately 50 crore which was achieved through only a 50 employee strong organization. Operations, maintenance, SCM, Quality, HR and Finance functions reported into Mr. R. Kale.

As per the provisions of Section 161(1) of the Act, he holds office of Additional Director only up to the date of the forthcoming Annual General Meeting of the Company, and is eligible for appointment as Director. The Company has received a notice under Section 160 of the Act proposing his candidature for the office of Director of the Company, along with the requisite deposit.

The remuneration and other terms and conditions of appointment of Mr. Ravindra Kale as Executive Director & CEO (hereinafter referred to as "Executive Director & CEO") as contained in the agreement dated 22nd September 2015 are given below :

**Tenure of Appointment**

The appointment of the Executive Director & CFO is for a period of 3 years with effect from September 23, 2015.

**1. SALARY**

Rs. 2,59,050.00 (Rupees two lacs fifty nine thousand and fifty only) per month inclusive of all allowances as under:

- Basic salary – Rs 2,00,000.00
- HRA @ 15% of basic salary – Rs 30,000.00
- Educational allowance – Rs 8,000.00
- Conveyance allowance – Rs 800.00
- Miscellaneous allowance – Rs 19,000.00
- Medical allowance – Rs 1,250.00

**2. INCENTIVE BASED COMPENSATION**

This shall be based on the performance of the Company as detailed in the agreement.

**3. PERSONAL ACCIDENT INSURANCE**

The Company shall provide Mr. R. Kale with a Personal Accident Insurance Policy which provides cover that does not exceed Rs. 10,00,000.00 per annum.

**4. PROVIDENT FUND**

Employer's Contribution @ 12% of Basic salary to Provident Fund as per the rules of the Company.

**5. SUPERANNUATION/ ANNUITY FUND:**

The Company shall contribute an amount of Rs 30,000.00 per month on behalf of Mr. R. Kale to Hindustan Hardy Spicer Ltd. Superannuation Scheme maintained with the Life Insurance Corporation of India. The 3 year eligibility criteria will be waived for Mr. R. Kale and the trust deed shall be amended accordingly.

Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.

**6. GRATUITY**

On the superannuation of Mr. R. Kale and as per the Payment of Gratuity Act, the rules of the Company, and the rules of the approved fund, the Company shall pay Mr. R. Kale gratuity, which shall not exceed half a month's Basic Salary for each completed year of service. As per the terms of the Payment of Gratuity Act, Mr. R. Kale shall become entitled to receive gratuity only after he has completed 5 years of continuous service with the Company.

**7. CAR**

The Company shall provide Mr. R. Kale with a car that shall be used only for Company's business (not to be treated as perquisite).

**8. REIMBURSEMENT OF EXPENSES**

Mr. R. Kale shall be entitled to reimbursement of the following expenses:

- i) **ENTERTAINMENT EXPENSES:** The reimbursement of entertainment expenses actually and properly incurred by Mr. R. Kale in the course of the legitimate business of the Company in accordance with the rules and regulations of the Company in force from time to time or as may be approved by the Board of Directors; and
- ii) **TRAVELLING, BOARDING & LODGING:** the reimbursement of travelling, hotel and other expenses incurred by him in India and abroad exclusively on the business of the Company in accordance with the rules and regulations of the Company in force from time to time or as approved by the Board of Directors.
- iii) **PETROL:** The Company shall reimburse petrol bills not exceeding Rs 6,000.00 (Rupees six thousand only) per month
- iv) **DRIVER:** The Company shall reimburse driver's salary of an amount not exceeding Rs. 10,000 per month.

Mr. R. Kale shall be entitled to earned/ privilege leave: On full pay and allowances, as per the rules of the Company but not more than one month's leave for every eleven months of service shall be allowed. However, leave accumulated but not availed of, will be allowed to be encashed."

In the event of loss or inadequacy of profits, in any financial year of the Company during the term of office of Mr. Ravindra Kale, Executive Director and CEO, the Company shall pay the above salary and perquisites as minimum remuneration subject to the ceiling limits prescribed in Schedule V of the Companies Act, 2013

The Ordinary Resolution at Item No. 5 and Special Resolution No. 6 of the Notice are commended for approval by the Members.

Mr. Ravindra Kale is concerned or interested in the Resolutions at Item No. 5 and 6 of the Notice relating to his own appointment.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the Resolutions at Item No. 5 and 6 of the Notice.

Additional information required to be given alongwith a Notice calling General Meeting as per sub para (B) of Section II of Part II of Schedule V of the Companies Act, 2013 is given hereunder:

<b>I. General Information:</b>				
(1) Nature of industry	Engineering Industry			
(2) Date or expected date of commencement of commercial production	The Company has been in the business for many years			
(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable			
(4) Financial performance based on given indicators	<b>2012-2013</b>	<b>2013-2014</b>	<b>2014-2015</b>	<b>2015-2016</b>
Turnover *	5469.66	4800.42	5171.74	5491.50
Net profit (as computed under section 198)	<b>201.72</b>	<b>227.59</b>	-132.85	168.47
Net profit/ (Loss) as per profit and loss account	87.85	84.47	-157.21	55.82
Amount of Dividend paid	44.95	44.95	-	7.49
Rate of Dividend declared	30%	30%	-	
Earning before interest, depreciation & taxes	307.95	342.99	119.99	273.20
% of EBIDT to turnover	5.6%	7.1%	2.3%	4.97%
<i>* Turnover does not include DEPB and duty drawback, which is included in sales</i>				
(5) Foreign investments or collaborators, if any.	Spicer Gelenkwellenbau GmbH & Co. KG., Germany the foreign collaborators of the Company holds 26.25% of the equity share capital in the Company.			

<b>II. Information about the appointee:</b>	
(1) Background details	<p><b>Name:</b>Mr. Ravindra Kale</p> <p><b>Designation: Executive Director and CEO</b></p> <p><b>Father's name:</b> Mr. Vijay Kale</p> <p><b>Nationality:</b> Indian</p> <p><b>Date of Birth:</b>23-03-1963</p> <p><b>Qualifications:</b>Bachelor of Engineering</p> <p><b>Experience:</b>More than 30 years in the manufacturing and administration divisions of various Automobile Companies.</p>
(2) Past remuneration	NIL
(3) Job profile and his suitability	<p>Mr. Kale has over 30 years of experience in the engineering industry. He completed his Bachelor of Engineering in 1985 from Shivaji University. He started his career with Cummins India Ltd and spent more than 18 years with Cummins in Pune in various roles. He subsequently moved to Alfa Laval, Buckhardt Compression and Curtiss Wright.</p> <p>He has experience in both the operations and the commercial aspects of the business which is required in his role as CEO. His appointment would be beneficial for the business and growth of the company.</p>
(4) Remuneration proposed	A gross remuneration of Rs. 36.69 lacs per annum plus incentives as may be decided by the Board of directors.
(5) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w. r. t. the country of his origin)	Compared to the remuneration with respect to the industry, size of the Company etc. the remuneration proposed to be paid to is low.
(6) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	The Executive Director & CEO has no other pecuniary relationship with the Company or with the managerial personnel.



III. Other information:	
(1) Reasons of loss or inadequate profits	<ul style="list-style-type: none"> <li>• Increasingly competitive landscape with pricing pressure from OEMs</li> <li>• Weakness in the European economy leading to a decline in export volumes</li> </ul>
(2) Steps taken or proposed to be taken for improvement	<ul style="list-style-type: none"> <li>• Cost reduction measures implemented across all areas               <ul style="list-style-type: none"> <li>▪ Developing new suppliers to reduce raw material cost</li> <li>▪ Value engineering to reduce product cost</li> <li>▪ Reduction in packing costs through new supplier and modification of design</li> </ul> </li> <li>• Aggressively stepping up sales and marketing efforts to expand customer base and increase sales</li> <li>• Continuous improvement on the shop floor to increase productivity</li> </ul>
(3) Expected increase in productivity and profits in measurable terms.	<ul style="list-style-type: none"> <li>• Reduction in material cost of 3% expected by end of FY 16-17 (dependent on swing in commodity prices)</li> <li>• Reduction in packing costs by 20%</li> </ul>

**IV. Disclosures:**

The remuneration package of Mr. Ravindra Kale has been disclosed above.

The Company does not have any scheme for grant of stock options.

**Registered Office:**

Plot No. C-12, M.I.D.C. Area, Ambad,  
Nashik – 422 010.

**By order of the Board**

Date : 13.05.2016  
Place : Mumbai

**DEVAKI SARAN**  
**EXECUTIVE DIRECTOR & CFO**

**Information as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by The Institute of Company Secretaries of India with respect to general meetings**

Particulars	Ms. Devaki Saran	Mr. Ravindra Kale
Date of Birth	16.05.1985	23.03.1963
Age	31	53
Date of Appointment	14.08.2014	23.09.2015
Qualification	B.S. in Mechanical Engineering from Carnegie Mellon University in the U.S.A., MBA- Harvard Business School	Bachelor of Engineering from Shivaji University
Expertise in specific functional area	After graduating with University Honors, she joined UBS Investment Bank in New York City and worked in the Financial Institutions Group focusing on banks and specialty finance companies. Later, she returned to India and started working with the Company.	More than 18 years in the manufacturing and administration divisions of various Automobile companies.
Directorships in other public companies	1. XLO India Ltd. 2. Business Combine Ltd.	NIL
Memberships of Committees in other public companies (Includes only Audit & Stakeholders Relationship Committee)	NIL	NIL
No. of shares held in the Company	NIL	NIL
Relationship between directors	She is related to Mr. S. C. Saran, Director of the Company.  She is not related to any other Director or Key managerial Personnel	He is not related to any other Director or Key managerial Personnel
Number of Board meetings attended	6 (Six)	2 (Two)

**DIRECTORS' REPORT TO THE MEMBERS**

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

The Directors have pleasure in presenting the Thirty Fourth Annual Report together with the Statement of Accounts for the year ended on March 31, 2016

**FINANCIAL RESULTS:**

During the year under review, net sales turnover was Rs. 5514.18 lacs as against Rs. 5235.22 lacs during the corresponding previous year. Export earnings were Rs. 1360.04 lacs as against Rs. 1265.89 lacs during the corresponding previous year.

The domestic market for commercial vehicles witnessed an uptick in the second half of the year as customers accelerated buying before the BS IV norms become applicable all across India from April 2017 onwards. Conformity to BS IV norms will significantly increase the price of CVs hence the pre-buying. This uptick is expected to continue for the first quarter of the next financial year (FY 16-17).

Export earnings were bolstered by a recovery in the euro. The EUR to INR exchange rate was Rs. 75.43 at March 31, 2016 as compared to Rs. 66.91 at March 31, 2015. Export volumes remained lower than peak volumes seen in FY 2013-14 as the sluggishness in the Euro zone economies continued.

Operating margins improved as a result of increased operating efficiencies.

Depreciation expense was Rs. 104.21 lakhs in the current financial year as compared to Rs. 244.56 in FY 14-15. This is because the change in the method of calculating depreciation as mandated by the Companies Act, 2013 resulted in a one-time charge of Rs. 157.93 lacs in FY 14-15.

	<b>2015-2016</b> <b>(Rs. in lakhs)</b>	<b>2014-2015</b> <b>(Rs. in lakhs)</b>
Sales	<b>5514.98</b>	5235.22
PROFIT	<b>273.20</b>	119.99
Less:		
Depreciation	<b>104.21</b>	244.56
Interest	<b>102.63</b>	89.08
	<hr/>	<hr/>
PROFIT/LOSS BEFORE TAX	<b>66.36</b>	-213.66
Less: Provision for Taxation		
Current Tax	<b>13.00</b>	-
Deferred Tax	<b>-2.46</b>	-56.45
PROFIT AFTER TAX	<b>55.82</b>	-157.21
Surplus brought forward from Previous Year	<b>194.02</b>	372.99
PROFIT AVAILABLE FOR APPROPRIATION	<b>249.84</b>	215.78
General Reserve	-	-
Depreciation of earlier years	-	21.76
Proposed Dividend	<b>7.49</b>	-
Tax on Proposed Dividend	<b>1.57</b>	-
	<hr/>	<hr/>
<b>Surplus Carried Forward</b>	<b>240.78</b>	<b>194.02</b>

## **TRANSFER TO GENERAL RESERVES**

There was no transfer of profits made to General Reserve.

## **DIVIDEND**

The Board of Directors are pleased to recommend a dividend of 5% on 14,98,450 Equity Shares of Rs. 10/- each for the financial year 2015-2016.

## **OUTLOOK**

The domestic commercial vehicle market is expected to remain strong for the first quarter of FY 16-17. However OEMs are projecting lower volumes for the second and third quarters. The competition amongst propeller shaft manufacturers is also intensifying which is putting downward pressure on margins.

Export volumes are likely to remain weak as the slowdown in Europe is likely to continue, which could be prolonged by Brexit.

The Company has stepped up its sales and marketing efforts and is exploring expanding its product offering and targeting new customers.

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

There have been no material changes and commitments, 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**

6 (Six) meetings of the Board of Directors of the Company were held during the year.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Ms. Devaki Saran (DIN 06504653), Director of the Company, retires at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.

During the year Mr. A. R. Rajwade (DIN 00018578), resigned as Managing Director of the company, w.e.f. 30th September, 2015.

Mr. Ravindra Kale (DIN 03115130) was appointed as an additional director and whole time director designated as Executive Director & CEO of the Company w.e.f. 23rd September, 2015. The resolution seeking approval of the Members for appointment of Mr. Ravindra Kale, has been incorporated in the notice of the forthcoming annual general meeting of the Company.

## **DECLARATION FROM INDEPENDENT DIRECTORS**

Mr. Shiamak Marshall (DIN 00085682), Mr. Jehangir H. C. Jehangir (DIN 00001451) and Mr. Richard Koszarek (DIN 00740800), who are independent directors, have submitted a

declaration as required under section 149 (7) of the Act 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
4. Mr. Richard Koszarek

#### **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. The Whistle Blower Policy (Vigil Mechanism) is uploaded on the Company's website (<http://www.hhsl.net/Policy.html>).

#### **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 (<http://www.hhsl.net/Policy.html>). There has been no change in the policies since the last fiscal year.

We affirm that the remuneration paid to the directors is as per the terms laid out in the remuneration policy of the Company.

## **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 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**

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

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 I**.

**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 2016-2017 their reappointment will be in accordance with Section 139 read with section 141 of the Companies Act, 2013.

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

**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 Auditors for auditing the secretarial records of the Company for the financial year 2015-2016.

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

**AUDITORS' REPORT AND SECRETARIAL AUDITORS' REPORT**

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

As regards observations of Secretarial Auditors in their report, your directors have to state that constant efforts are being made to identify and appoint a competent and suitable candidate as the Company Secretary of the Company. In the Meanwhile, to ensure timely compliance of the provisions of the Act, the company has been taking the professional services of the reputed Practising Company Secretaries.

**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 III**.

**PARTICULARS OF EMPLOYEES**

Pursuant to Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the particulars of employees are annexed as **Annexure IV**.

**DEPOSITS FROM PUBLIC**

The Company has not accepted any deposits from public.

### **SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORY/JUDICIAL AUTHORITY**

No significant or material orders were 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 during the year ended March 31, 2016.

### **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 V**.



**EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS**

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

<b>Sr. No.</b>	<b>Performance evaluation of</b>	<b>Performance evaluation performed by</b>	<b>Criteria</b>
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, fulfilment of key responsibilities, performance of specific duties and obligations, timely flow of information etc.  The assessment of committees based on the terms of reference of the committees and effectiveness of the meetings.

### **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 and rules made thereunder. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The Company has not received any complaint of sexual harassment during the financial year 2015-16.

### **LISTING AGREEMENT AND LISTING FEES**

The Company entered into Listing Agreement with BSE Limited in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 issued on September 2, 2015 effective from December 1, 2015.

The Company has paid the listing fees to BSE Limited for the year 2016-2017.

### **INSIDER TRADING REGULATIONS AND CODE OF DISCLOSURE**

The Board of Directors has adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Internal Procedures and Conduct for Regulating, Monitoring and reporting of Trading by Insiders in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015 and is available on our website (<http://www.hhsl.net/Policy.html>)

### **GREEN INITIATIVES**

As a part of Green initiative, Electronic copies of the Annual Report 2015-16 and Notice of the 34th Annual General Meeting of the Company are sent to all members whose email addresses are registered with the Company / Depository Participant(s).

For members who have not registered their email addresses, physical copies are sent in the permitted mode.

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

In terms of the provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management's discussion and analysis is set out in this Annual Report.

**CORPORATE GOVERNANCE REPORT**

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Corporate Governance 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.

Date : 13.05.2016  
Place : Mumbai

**For and on behalf of the Board**

**S. C. Saran**  
**Chairman**

**ANNEXURE I**

Extract of Annual Return as on Financial year ended 31.03.2016

[Form MGT-9 pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. Registration and other details:**

i. CIN Number of the Company:	<b>L29300MH1982PLC028498</b>
ii. Registration Date:	<b>16.10.1982</b>
iii. Name of the Company:	<b>HINDUSTAN HARDY SPICER LIMITED</b>
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:	<b>Yes</b>
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:-

<b>Sr. No.</b>	<b>Name and Description of main products/ services</b>	<b>NIC Code of the product/ service</b>	<b>Percentage to total turnover of the company</b>
1	Propeller Shaft, UJ Kit Double Cardan Shafts & components	29301	97.82%

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

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

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

##### i. Category wise shareholding:

Category of shareholders	No of shares held at the beginning of the year (as on 01.04.2015)				No of shares held at end of the year (as on 31.03.2016)				%Change during the year (9-5)
	Demat	physical	Total	% of total shares	Demat	physical	Total	% of total shares	
1	2	3	4	5	6	7	8	9	10
<b>Promoters</b>									
<b>Indian</b>									
Individuals / Hindu Undivided Family	501	1150	1651	0.11	501	1150	1651	0.11	0.00
Central Government	0	0	0	0.00	0	0	0	0.00	0.00
State Governments(s)	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corporate	599993	750	600743	40.09	599993	750	600743	40.09	0.00
Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
HUF	0	0	0	0.00	0	0	0	0.00	0.00
Directors & their relatives	0	0	0	0.00	0	0	0	0.00	0.00
Clearing Member	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total (A) (1)</b>	<b>600494</b>	<b>1900</b>	<b>602394</b>	<b>40.20</b>	<b>600494</b>	<b>1900</b>	<b>602394</b>	<b>40.20</b>	<b>0.00</b>
Foreign									
Non-Resident Individuals	0	0	0	0.00	0	0	0	0.00	0.00
Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corporate	390000	0	390000	26.03	390000	0	390000	26.03	0.00
Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total (A) (2)</b>	<b>390000</b>	<b>0</b>	<b>390000</b>	<b>26.03</b>	<b>390000</b>	<b>0</b>	<b>390000</b>	<b>26.03</b>	<b>0.00</b>
<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>990494</b>	<b>1900</b>	<b>992394</b>	<b>66.23</b>	<b>990494</b>	<b>1900</b>	<b>992394</b>	<b>66.23</b>	<b>0.00</b>
<b>Public Shareholding</b>									
<b>Institutions</b>									
Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
Financial Institutions / Banks	50	0	50	0.00	50	0	50	0.00	0.00

Category of shareholders	No of shares held at the beginning of the year (as on 01.04.2015)			No of shares held at end of the year (as on 31.03.2016)			%Change during the year
Central Government	0	0	0.00	0	0	0.00	0.00
State Governments(s)	0	0	0.00	0	0	0.00	0.00
Venture Capital Funds	0	0	0.00	0	0	0.00	0.00
Insurance Companies	0	0	0.00	0	0	0.00	0.00
Foreign Institutional Investors	0	0	0.00	0	0	0.00	0.00
Foreign Venture Capital Funds	0	0	0.00	0	0	0.00	0.00
Any Other (Specify)	0	0	0.00	0	0	0.00	0.00
<b>Sub-Total (B) (1)</b>	<b>50</b>	<b>0</b>	<b>0.00</b>	<b>50</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
Non-Institutions			0.00			0.00	
Bodies Corporate	0	0	0.00	0	0	0.00	0.00
i) Indian	36295	650	2.47	36945	650	25957	1.78
ii) Overseas	0	0	0.00	0	0	0	0.00
Individuals	0	0	0.00	0	0	0	0.00
Individual Shareholders holding nominal Share Capital upto Rs.1 Lakh	262401	162741	28.37	425142	162789	161091	28.96
Individual Shareholders holding nominal Share Capital in excess of Rs.1 Lakh	21754	0	1.45	21754	0	21754	1.45
Any Other (Specify)	0	0	0.00	0	0	0	0.00
Cleaning Member	200	0	0.01	200	33	0	-0.01
MARKET MAKER	0	0	0.00	0	0	0	0.00
Non Resident Indians	4607	50	0.31	4657	4835	50	0.33
HUF	17308	0	1.16	17308	18847	0	1.26
Directors & their relatives	0	0	0.00	0	0	0	0.00
Sub-total (B) (2)	342565	163441	33.77	506006	344215	161791	33.77
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>342615</b>	<b>163441</b>	<b>33.77</b>	<b>506056</b>	<b>344265</b>	<b>161791</b>	<b>33.77</b>
<b>TOTAL (A)+(B)</b>	<b>1333109</b>	<b>165341</b>	<b>100.00</b>	<b>1498450</b>	<b>1334759</b>	<b>163691</b>	<b>100.00</b>

Category of shareholders	No of shares held at the beginning of the year (as on 01.04.2015)		No of shares held at end of the of the year (as on 31.03.2016)		%Change during the year
Shares held by Custodians for GDRs & ADRs	0	0	0	0	0.00
<b>GRAND TOTAL (A)+(B)+(C)</b>	1333109	165341	1498450	163691	100.00
			1334759	1498450	0.00
			1334759	1498450	100.00



## ii. Shareholding of Promoters :

S No	Shareholders Name	Shareholding at the beginning of the year 01.04.2015				Shareholding at the end of the year-31.03.2016				% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of shares pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of shares pledged/ encumbered to total shares			
1	Arati Sanjaya Saran	50	0.00	0	50	0.00	0	0.00	0.00	
2	Arati Vasant Pandit	100	0.01	0	100	0.01	0	0.00	0.00	
3	Gopika Saran	400	0.03	0	400	0.03	0	0.00	0.00	
4	Gopika Saran	50	0.00	0	50	0.00	0	0.00	0.00	
5	Minal C Saran	500	0.03	0	500	0.03	0	0.00	0.00	
6	Minal Chandra Saran	50	0.00	0	50	0.00	0	0.00	0.00	
7	Sanjaya Chandrabhushan Saran	501	0.03	0	501	0.03	0	0.00	0.00	
8	Spicer Gelenkwellenbau Gmbh	390000	26.03	0	390000	26.03	0	0.00	0.00	
9	Xlo India Ltd	599993	40.04	0	599993	40.04	0	0.00	0.00	
10	Mallika Saran Holdings Private Limited	250	0.02	0	250	0.02	0	0.00	0.00	
11	Charminsan Investments Pvt Ltd	50	0.00	0	50	0.00	0	0.00	0.00	
12	Devaki Saran Holdings Private Limited	450	0.03	0	450	0.03	0	0.00	0.00	
<b>TOTAL</b>		<b>992394</b>	<b>66.22</b>	<b>0</b>	<b>992394</b>	<b>66.22</b>	<b>0</b>	<b>66.22</b>		

**iii. Change in Promoters' Shareholding: NIL**

Sl. No.		Shareholding at the beginning of the year 01.04.2015		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 01.04.2015 to 31.03.2016</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 01-04-2015		(+ ) Increase/(-) Decrease In Share Holding		Cumulative Shareholding During The Year 31.03.2016	
		No Shares	% Of Total Shares Of The Company	Date	Shares	No Of Shares	% Of Total Shares Of The Company
1	Dilipkumar Lakhi IN30015910026342	21754	1.45	01.04.2015		21754	1.45
				31.03.2016		21754	1.45
2	Prakash Gajanan Nayak 1203210000004694	9563	0.64	01.04.2015		9563	0.64
				31.03.2016		9563	0.64
3	Vsl Securities Private Limited 1201060001602763	8463	0.56	01.04.2015		8463	0.56
				31.03.2016		8463	0.56
4	Udayankumar N Kothari IN30015910084869	6930	0.46	01.04.2015		6930	0.46
				31.03.2016		6930	0.46
5	Samir Kantilal Jariwala 1301240000642721	5500	0.37	01.04.2015		5500	0.37
				31.03.2016		5500	0.37
6	Nirmal Kumar Chopra IN30125013339478	4461	0.30	01.04.2015		4461	0.30
				27.11.2015	330 (Purchase)	4791	0.32
				18.12.2015	30 (Purchase)	4821	0.32
				18.03.2016	300(Purchase)	5121	0.34
				31.03.2016		5121	0.34
7	Sarita Bothra IN30289810353746	0	0.00	01.04.2015		0	0.00
				27.11.2015	1000 (Purchase)	1000	0.07
				18.03.2016	4000 (Purchase)	5000	0.33
				31.03.2016		5000	0.33

Sr. No	For Each Of The Top 10 Shareholders	No Of Shares At The Beginning 01-04-2015		(+ ) Increase / (-) Decrease In Share Holding		Cumulative Shareholding During The Year 31.03.2016	
		No Shares	% Of Total Shares Of The Company	Date	Shares	No Of Shares	% Of Total Shares Of The Company
8	UDAYANKUMAR N KOTHARI  IN30015910026383	4652	0.31	01.04.2015		4652	0.31
				31.03.2016		4652	0.31
9	SACHU SUNIL  IN30023912982995	1954	0.13	01.04.2015		1954	0.13
				17.04.2015	146 (Purchase)	2100	0.14
				12.06.2015	100 (Purchase)	2200	0.15
				24.07.2015	600 (Purchase)	2800	0.19
				31.07.2015	200 (Purchase)	3000	0.20
				14.08.2015	200 (Purchase)	3200	0.21
				04.09.2015	100 (Purchase)	3300	0.22
				18.09.2015	(1562) (Sale)	1738	0.12
				25.09.2015	254 (Purchase)	1992	0.13
				30.09.2015	127 (Purchase)	2119	0.14
				09.10.2015	181 (Purchase)	2300	0.15
				16.10.2015	50 (Purchase)	2350	0.16
				23.10.2015	100 (Purchase)	2450	0.16
				06.11.2015	300 (Purchase)	2750	0.18
				13.11.2015	100 (Purchase)	2850	0.19
				04.12.2015	250 (Purchase)	3100	0.21
				25.12.2015	100 (Purchase)	3200	0.21
				31.12.2015	200 (Purchase)	3400	0.23
				08.01.2016	100 (Purchase)	3500	0.23
15.01.2016	300 (Purchase)	3800	0.25				
31.03.2016		3800	0.25				
10	SHOBHIT KUMAR GARG  IN30023912889038	1167	0.08	01.04.2015		1167	0.08
				17.07.2015	50 (Purchase)	1217	0.08
				24.07.2015	2578 (Purchase)	3795	0.25
				31.03.2016		3795	0.25

## v. Shareholding of Directors and Key Managerial Personnel:

Sl. No	Name of the Shareholder	Date	Reason	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
1.	Sanjaya Chandrabhushan Saran	01-04-2015	At the beginning of the year	501	0.03	501	0.03
		31-03-2016	At the end of the year	501	0.03	501	0.03
Key Managerial Personnel							
	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	585.21	-	-	585.21
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
<b>Total ( i+ii+iii )</b>	<b>585.21</b>	-	-	<b>585.21</b>
Change in Indebtedness during the financial year				
- Addition	-			
- Reduction	34.82			34.82
Net Change	<u>-34.82</u>	-	-	<u>-34.82</u>
Indebtedness at the end of the financial year				
(i) Principal Amount	550.39			550.39
(ii) Interest due but not paid				
(iii) Interest accrued but not due				
<b>Total ( i+ii+iii )</b>	<b>550.39</b>			<b>550.39</b>

## VI. Remuneration of Directors and Key Managerial Personnel

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

	<b>A. R. Rajwade – Managing Director</b>	<b>Devaki Saran– Executive Director &amp; CFO</b>	<b>Ravindra Kale- Executive Director &amp; CEO</b>
Gross Salary			
a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	21.15 <sup>1</sup>	14.26 <sup>2</sup>	14.00 <sup>3</sup>
b) Value of Perquisites u/s 17(2) of Income Tax Act, 1961	2.90	3.98	3.08
c) Profits in lieu of salary u/s 17(3) of Income Tax Act, 1961	-	-	-
Stock Option	-	-	-
Sweat Equity	-	-	-
Commission	-	-	-
Others (PL encashment & superannuation)	18.20	1.88	2.10
<b>Total (A)</b>	<b>42.25</b>	<b>20.12</b>	<b>19.18</b>
Ceiling as per the Act	Within Schedule V of the Act	Within Schedule V of the Act	Within Schedule V of the Act

1. Up to 30th September 2015
2. From 1st September 2015
3. From 23rd September 2015

## B. Remuneration to other Directors

Name Of Directors	Remuneration (Rs)	Sitting Fees (Rs.)	Commission (Rs.)
<b>Independent Directors</b>			
Jehangir H.C. Jehangir	-	29000	-
Shaimak Marshall	-	31000	-
Richard Koszarek	-	23000	-
<b>TOTAL (B1)</b>	-	<b>83000</b>	
<b>Other Non-Executive Directors</b>			
S. C. Saran	18,00,000*	43000	-
Sharad Jain	-	-	-
<b>TOTAL (B2)</b>	<b>18,00,000*</b>	<b>43000</b>	-
<b>TOTAL B1+B2</b>	<b>18,00,000*</b>	<b>126000</b>	-

\* This amount is paid by way of service charges for the technical expertise and services being provided by him as a Consultant.

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

## VII. Penalties/ Punishment/ Compounding of Offences- NONE

Date : 13.05.2016

Place : Mumbai

For and on behalf of the Board

S. C. Saran  
Chairman

**ANNEXURE II****FORM No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016**

(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 Company's books, papers, minute books, forms and returns filed and other records maintained by the company, the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 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 the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (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 thereunder 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 Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;



- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India ( Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period)
- (vi) Other laws applicable specifically to the Company namely :
1. The Factories Act, 1948
  2. The Contract Labour Act, 1970
  3. The Workmen's Compensation Act, 1923
  4. The Environment (Protection) Act, 1986
  5. Air (Prevention and Control of Pollution) Act, 1981.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- (ii) The Listing Agreements entered into by the Company with BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards 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 to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days 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 were taken unanimously.

We further report that 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 Secretaries:  
**Jigyasa N. Ved**  
Partner

Place : Mumbai  
Date : 13.05.2016

FCS No : 6488  
CP No : 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 Secretaries:  
**Jigyasa N. Ved**  
Partner

Place : Mumbai  
Date : 13.05.2016

FCS No : 6488  
CP No : 6018

**ANNEXURE III****HINDUSTAN HARDY SPICER LIMITED****A. 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:
  - Installation of LED lightbulbs in place of CFL lightbulbs both of the shop floor and the office. This is an ongoing process as fused lightbulbs are being replaced by LED powered ones.
  - High horse power motors on old machines are being replaced by Variable Frequency Drive motors
  - Paperless initiative to reduce printing and conserve paper
- ii. Steps taken by the company for utilizing alternate sources of energy including waste generated
  - Installation of Solar Powered LED Streetlight fixtures
  - Installation of 400 LPD Solar Hot water System at Canteen.
- iii. Capital investment on energy conservation equipment Rs. NIL

**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.

**3. Foreign exchange earnings and Outgo**

The Foreign Exchange earnings and outgo are as under	<b>(Rs. in lacs)</b>
1. Foreign Exchange Earnings	<b>1360.04</b>
2. Foreign Exchange Outgo on account of import	11.81
3. Foreign Exchange Outgo on account of travel	7.91
<b>Total Foreign Exchange outgo</b>	<b>19.72</b>
<b>Net Foreign Exchange earnings</b>	<b>1340.32</b>

For and on behalf of the Board

Date : 13.05.2016  
Place : Mumbai

**S. C. Saran**  
Chairman

## ANNEXURE IV

## PARTICULARS OF EMPLOYEES

## B. 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 * (up to 30/09/2015)	16.5
Director #	5.7
Executive Director & CEO (w.e.f. 23/09/2015)	12.0
Executive Director & CFO	13.5

\* Rs. 16.08 lakhs paid to the Managing Director during the year against Leave encashment not considered for calculating the ratio.

# This Amount is paid by way of service charges for the technical expertise and services being provided by him as a consultant.

- (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 ** (up to 30/09/2015)	7.9
Director	0.0
Executive Director & CEO (w.e.f. 23/09/2015)	NA
Executive Director & CFO	NA

\* Rs. 16.08 lakhs paid to the Managing Director during the year against Leave encashment not considered for calculating the percentage.

\*\* Remuneration is annualized for calculating the percentage.

- (c) The percentage increase in the average remuneration of employees in the financial year : 6.3%.
- (d) The number of permanent employees on the rolls of company: 207
- (e) The explanation on the relationship between average increase in remuneration and company performance:

Average increase in remuneration for the year under review was 6.3%. This was on account of increase in Dearness Allowance and other terms of the labour agreement. Increase in the aggregate remuneration of all employees for the year under review was only 1.2% as there was a decrease in total number of employees from 223 to 207.

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

Aggregate remuneration of key managerial personnel (KMP) in FY16 (` crore)	1.01
Revenue (` crore)	55.15
Remuneration of KMPs (as % of revenue)	1.83
Profit before Tax (PBT) (` crore)	0.66
Remuneration of KMP (as % of PBT)	152

- (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, 2016	March 31, 2015	% Change
Share Price (Rs)	<b>81.80</b>	102.00	-19.80
Market Capitalisation (` crore)	<b>12.27</b>	15.3	-19.80

- (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	Public Issue date	Face value of share Rs.	Offer Price Rs.	Market Price on 31-03-2016 on BSE Rs.	% increase
Equity Shares	October, 1985	10.00	10.00	81.80	718%

- (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.

Percentage increase in managerial remuneration was in-line with average increase in salary of total employees.

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

	Managing Director (up to 30 <sup>th</sup> Sept. 2015)	Director #	Executive Director & CEO (w.e.f. 23 <sup>rd</sup> Sept. 2015)	Executive Director & CFO
Remuneration in FY16 ( ` crore)	0.42 *	0.18	0.19	0.21
Revenue ( ` crore)	55.15			
Remuneration as % of revenue	0.77	0.33	0.35	0.39
Profit before Tax (PBT) ( ` crore)	66.36			
Remuneration (as % of PBT)	63.67	27.12	28.90	32.28

\* Rs. 16.08 lakhs paid to the Managing Director during the year against Leave encashment not considered for calculating the ratio.

# This Amount is paid by way of service charges for the technical expertise and services being provided by him as a consultant.

- (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.

There are no 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 : 13.05.2016  
Place : Mumbai

S. C. Saran  
Chairman

**ANNEXURE V****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 first proviso to section 188
S. C. Saran – Promoter & Director	Payment of professional fees for availing technical expertise and services for the business of the company	Continuous	A sum not exceeding Rs. 18.00 lacs per annum to be paid on quarterly basis	He is highly qualified having both an BSc in Mechanical Engineering from Carnegie Mellon University (USA) and an MBA from Columbia University (USA). Under his leadership the Company has earned a very good reputation both in the domestic and international markets. He has thorough knowledge of the product and of the automotive component industry as a whole. He also has very good relationships with domestic and global customers. The technical expertise and guidance of Mr. Sanjaya Saran is invaluable to the Company.	12.02.2016	-	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

Date : 13.05.2016  
Place : Mumbai

**For and on behalf of the Board**

**S. C. Saran  
Chairman**

## MANAGEMENT DISCUSSION AND ANALYSIS

### a. Industry structure and developments.

Sales are primarily to 3 customer segments –OEMs – both domestic and export; aftermarket – both domestic and export; and industrial customers. In FY 15-16, 56% of the Company's sales were to domestic OEMs, 24% export, 8% to industrial customers and 12% to the aftermarket.

### b. Opportunities and Threats.

The Indian propeller shaft market is dominated by 4 major players, all of whom jostle for market share amongst the major commercial vehicle manufacturers, the differentiating factor being price competitiveness. The after sale market is also crowded by a number of low cost suppliers supplying unbranded generic components at low prices.

### c. Segment-wise or product-wise performance.

The company operates in a single segment, i.e. propeller shafts and components thereof.

Total sales in FY 15-16 were Rs. 5514.18 lacs, a 5% increase from Rs. 5235.22 lacs in FY 14-15.

### d. Outlook

Sales have been fairly stagnant over the last 3 years as a result of market conditions and the Company is taking steps to ensure growth going forward. The Company so far has a more limited product offering than its competitors and also has not penetrated the after sale market. The Company is taking steps to expand its product range so it can cater to a broader set of customers. The Company is also increasing sales and marketing efforts both in India and overseas.

### e. Risks and concerns.

Exports are primarily to the European market and the slowdown and volatility in the European economy poses a risk as this impacts both export volume and realization on account of fluctuation in the Euro. The Company is focusing on diversifying its export markets; however developing new export customers is a long process as the approval process is very lengthy.

Increasing competition and rising costs are also putting downward pressure on margins. The Company is trying to counter this by focusing on operational efficiencies.

### f. Internal control systems and their adequacy.

The adequacy of control systems is reviewed on a monthly basis by the management and assessed quarterly by the internal auditor and the Board.

The internal control systems in place are more than adequate.

**g. Discussion on financial performance with respect to operational performance.**

In FY 14-15, the Company had made a loss on account of a one-time depreciation charge on account of change in the method of calculating depreciation and on account of sharp depreciation in the Euro. In FY 15-16, the Company returned to profitability. Management has focused on increasing operational efficiencies which directly translated into improved margins. Efforts to further improve efficiency are underway at all levels and across all departments.

**h. Material developments in Human Resources / Industrial Relations front, including number of people employed.**

There was a significant change among the top management as the Managing Director retired in September 2015. Mr Ravindra Kale was appointed as CEO effective September 23, 2015.

Total number of employees reduced to 207 from 223 at the end of the prior financial year.

**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 05.05.2015, 20.07.2015, 08.09.2015, 21.09.2015, 30.10.2015 and 12.02.2016.

Name of the Director	No. of Board Meetings attended
Mr. S. C. Saran	6
Mr. A. R. Rajwade (upto 30.09.2015)	4
Mr. Shiamak Marshall	4
Mr. Jehangir H. C. Jehangir	4
Ms. Devaki Sanjaya Saran	6
Mr. Richard George Koszarek	4
Mr. Sharad Jain	5
Mr. Ravindra Kale (w.e.f. 23.09.2015)	2

**AUDIT COMMITTEE**

The date of the meetings were -05.05.2015, 20.07.2015, 30.10.2015 and 12.02.2016

Composition	Meetings attended
Mr. S. C. Saran	4
Mr. Shiamak Marshall	4
Mr. Jehangir H. C. Jehangir	3
Mr. Richard Koszarek (w.e.f. 08.09.2015)	1

**NOMINATION AND REMUNERATION COMMITTEE**

The Date of the Meetings were – 05.05.2015, 08.09.2015, 21.09.2015 and 12.02.2016

Composition	Meetings attended
Mr. S. C. Saran	4
Mr. Shiamak Marshall	2
Mr. Jehangir H. C. Jehangir	3
Mr. Richard Koszarek (w.e.f 08.09.2015)	2

**SHARE TRANSFERS AND STAKEHOLDERS RELATIONSHIP COMMITTEE**

The date of the Meetings were –05.05.2015, 20.7.2015, 30.10.2015 and 12.02.2016

<b>Composition</b>	<b>Meetings attended</b>
Mr. S. C. Saran	4
Mr. Shiamak Marshall	4
Mr. Jehangir H. C. Jehangir	1
Mr. A. R. Rajwade (upto 30.09.2015)	2

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of

### **HINDUSTAN HARDY SPICER LIMITED.**

We have audited the accompanying financial statements of **HINDUSTAN HARDY SPICER LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the 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 Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position and financial performance and Cash Flow of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (accounts) Rules, 2014. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provision of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 judgment, 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 financial control relevant to the Company's preparation and fair presentation of the financial statements that give a true and fair view 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 Company Directors, 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 on financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the company as at 31st March, 2016, and its profit and its cash flow for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('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**" a statement on the matters specified in paragraphs 3 and 4 of the Order
2. As required by section 143 (3) of the Act, we report that:
  - a) we have sought and 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 and 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 aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - e) on the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act,
  - f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**";
  - g) With respect to the other matter to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- (i) There are no litigations pending against the company which impacts its financial position in its financial statements.
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There has been no delay in transferring amounts, required to be transferred, to the investor Education and protection Fund by the Company.

**For J. L. BHATT & COMPANY**

Chartered Accountants  
Firm Reg. No: 101332W

**YOGESH J. BHATT**

Partner

**Membership No. 30170**

Place: Mumbai

Date: 13th May, 2016



**ANNEXURE TO AUDITORS REPORT****“ANNEXURE A” 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 Clause (xii) in paragraph 3 of the Companies (Auditors' Report) Order, 2016 is not applicable to the Company :
  - (i) {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.
    - {c} The Title deeds of immovable properties are held in the name of the Company.
  - (ii) 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. No material discrepancies were noticed on such verification.
  - (iii) The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other related parties covered in the register maintained under section 189 of the Companies Act, 2013.
  - (iv) The company has not given or made any loans, investments, guarantees, and security during the year under review.
  - (v) The Company has not accepted any deposits during the year under review.
  - (vi) The Company is not required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
  - (vii) {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, sale tax, wealth tax, custom duty, 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 income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March 2016, 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 outstanding for the following year is disputed before the higher authorities and hence not deposited. The details of which are as under:-

<b>Nature of the dues</b>	<b>Amount (Rs. Lakhs)</b>	<b>Period for which the amount relates</b>	<b>Forum where the dispute is pending</b>
Income Tax	20.64 lacs	2005-2006	Income Tax Appellate Tribunal
<b>Total</b>	<b>20.64 lacs</b>		

- (viii) The Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). The term loans were applied for the purposes for which those were raised.
- (x) As per the information and explanations given to us, no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act, 2013.
- (xii) All transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiii) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xiv) According to the information and explanations given to us, the company has not entered into non cash transactions with directors or persons connected with him.
- (xv) The Company is not required to be registered under 45-IA of the Reserve Bank of India Act, 1934.

**For J. L. BHATT & COMPANY**

Chartered Accountants

Firm Reg. No: 101332W

**YOGESH J. BHATT**

Partner

**Membership No. 30170**

Place: Mumbai

Date: 13th May, 2016

**“ANNEXURE B” REFERRED TO IN PARA 2 (F) OF OUR REPORT ON REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS :****Report on the internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **HINDUSTAN HARDY SPICER LIMITED** (“the Company”) as of **31 March 2016** in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act,2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting( the “Guidance Note”) and the Standard on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining and understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the company’s internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the company are being made only in accordance with authorizations of management and directors of the company and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial control over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For J. L. BHATT & COMPANY**

Chartered Accountants  
Firm Reg. No: 101332W

**YOGESH J. BHATT**

Partner

**Membership No. 30170**

Place: Mumbai

Date: 13th May, 2016

## BALANCE SHEET AS AT 31ST MARCH, 2016

(Rs in Lacs)

	Particulars	Note No	As At 31.03.2016	As At 31.03.2015
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>Shareholders' Funds</b>			
	(a) Share Capital	<b>02</b>	<b>149.85</b>	149.85
	(b) Reserves and Surplus	<b>03</b>	<b>681.95</b>	635.19
	<b>Non-Current Liabilities</b>			
	(a) Long-term borrowings	<b>04</b>	<b>51.57</b>	73.69
	(b) Deferred tax liabilities (Net)	<b>32</b>	<b>35.88</b>	38.34
	<b>Current Liabilities</b>			
	(a) Short-term borrowings	<b>05</b>	<b>549.58</b>	618.16
	(b) Trade payables	<b>06</b>	<b>1085.34</b>	994.81
	(c) Other current liabilities	<b>07</b>	<b>249.53</b>	124.08
	(d) Short-term provisions	<b>08</b>	<b>96.68</b>	87.66
	<b>Total</b>		<b>2900.38</b>	<b>2721.78</b>
<b>II.</b>	<b>Assets</b>			
	<b>Non-current assets</b>			
	(a) Fixed assets			
	(i) Tangible assets	<b>9A</b>	<b>599.01</b>	634.81
	(ii) Capital work-in-progress	<b>9B</b>	<b>29.25</b>	61.25
	(b) Non-current investments	<b>10</b>	<b>0.55</b>	0.55
	(c) Long term loans and advances	<b>11</b>	<b>507.81</b>	397.84
	<b>Current assets</b>			
	(a) Inventories			
	(b) Trade receivables	<b>12</b>	<b>500.75</b>	496.10
	(c) Cash and cash equivalents	<b>13</b>	<b>1132.21</b>	1060.15
	(d) Short-term loans and advances	<b>14</b>	<b>15.50</b>	29.34
		<b>15</b>	<b>115.30</b>	41.74
	<b>Total</b>		<b>2900.38</b>	<b>2721.78</b>
	<b>Significant Accounting Policies</b>	<b>1</b>		

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 13, 2016

**Chairman**  
S.C. Saran  
**Executive Director & CEO**  
Ravindra Kale  
**Executive Director & CFO**  
Devaki Saran  
**Directors**  
Jehangir H.C. Jehangir  
Shiamak Marshall  
Richard Koszarek,  
Sharad Jain  
Mumbai, May 13, 2016

**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31.03.2016**

Particulars	Note No	As At	As At
		31.03.2016	31.03.2015
Revenue from operations	16	5514.98	5235.22
Other Income	22	69.61	18.62
<b>Total Revenue</b>		<b>5584.59</b>	<b>5253.84</b>
<b>Expenses:</b>			
Cost of materials consumed	17	3304.67	3057.07
Purchase of Stock-in-Trade	18	19.11	140.30
Changes in inventories of finished goods, work - in - progress and stock - in - trade	19	16.74	21.28
Employee benefit expense	20	875.52	865.10
Other expenses	23	1095.35	1050.10
<b>Total Expenses</b>		<b>5311.39</b>	<b>5133.85</b>
<b>Earnings before Interest, Tax, Depreciation And Amortisation</b>		<b>273.20</b>	<b>119.99</b>
Depreciation and amortization expenses.	09	104.21	244.56
Financial costs	21	102.63	89.08
		<b>206.84</b>	<b>333.65</b>
<b>Profit before Tax</b>		<b>66.36</b>	<b>-213.66</b>
<b>Less: Tax expense</b>			
(1) Current tax		13.00	-
(2) Deferred tax		-2.46	-56.45
<b>Total Tax Expenses</b>		<b>10.54</b>	<b>-56.45</b>
<b>Profit after Tax</b>		<b>55.82</b>	<b>-157.21</b>
-		<b>55.82</b>	<b>-157.21</b>
<b>Earning per equity share: (Refer Note No: 36)</b>			
(1) Basic		3.73	-10.49
(2) Diluted		3.73	-10.49
<b>Significant Accounting Policies</b>	1		
Notes are an integral part of the financial statements			

As per our report of even date attached

**For J.L. Bhatt & Co.**  
Chartered Accountants  
Firm Reg. No.: 101332W

**Yogesh J. Bhatt**  
Partner  
Membership No. 30170

**Mumbai, May 13,2016**

**Chairman**  
S.C. Saran  
**Executive Director & CEO**  
Ravindra Kale  
**Executive Director & CFO**  
Devaki Saran  
**Directors**  
Jehangir H.C. Jehangir  
Shiamak Marshall  
Richard Koszarek,  
Sharad Jain  
**Mumbai, May 13,2016**

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016**

	2015-16 (Rs.in lac)	2014-15 (Rs.in lac)
<b>A. Cash flow from Operating Activities</b>		
Net Profit Before Tax and Extraordinary Items	66.36	(213.66)
<b>Adjustments for :</b>		
Depreciation	104.21	244.56
Fixed Assets Discarded	0.00	0.06
Interest and Finance Charges	102.63	89.08
Provision for Leave Encashment	(12.36)	(6.62)
Interest and Dividend Income	(1.37)	(1.93)
Operating Profit before Working Capital changes	259.47	111.49
<b>Adjustments for :</b>		
Trade and Other Receivables	(269.04)	59.06
Inventories	(4.65)	57.70
Trade Payables	230.30	42.98
Cash Generated from Operations	216.08	271.23
Direct Taxes Paid	(0.82)	(35.14)
Cash flow before Extraordinary Items	215.25	236.08
Net Cash Flow from Operating Activities	215.25	236.08
<b>B. Cash flow from Investment Activities</b>		
Purchase of Fixed Assets	(38.41)	(118.26)
Sale of Fixed Assets	1.98	0.00
Interest Received	3.16	0.13
Net Cash Used in Investing Activities	(33.26)	(118.13)

<b>C. Cash flow from Financing Activities</b>		
Dividend Paid	<b>0.00</b>	(52.25)
Unclaimed Dividend	<b>(2.50)</b>	0.17
Proceeds/(Repayment) of Long Term Borrowings	<b>(22.12)</b>	(51.30)
Proceeds/(Repayment) of Short Term Borrowings	<b>(68.58)</b>	34.63
Interest and Finance Charges	<b>(102.63)</b>	(89.08)
	<b>(195.83)</b>	<b>(157.82)</b>
Net Incr./(Decr.) in Cash and Cash Equivalents <b>(A+B+C)</b>	<b>(13.84)</b>	<b>(39.87)</b>
Cash and Cash Equivalents as at -Opening	<b>29.34</b>	69.21
Cash and Cash Equivalents as at -Closing	<b>15.50</b>	<b>29.34</b>

By order of the Board of Directors

Mumbai, May. 13 , 2016

Ms. Devaki Saran  
Executive Director & CFO

Note :

1. Cash and Cash Equivalents consists of :

	(Rs. In lacs)		
	AS AT	AS AT	AS AT
	31/03/2016	31/03/2015	31/03/2014
Cash and Cheques on hand	<b>0.72</b>	0.77	0.48
Balances with Scheduled and other banks			
In Current Accounts	<b>14.48</b>	28.26	68.48
In Margin Money Account	<b>0.30</b>	0.30	0.25
<b>Total</b>	<b>15.50</b>	<b>29.33</b>	<b>69.21</b>

2. Previous years figures have been regrouped wherever necessary to confirm with current year's classification.

As per our report of even date attached

**For J.L. Bhatt & Co.**

Chartered Accountants

Firm Reg. No.: 101332W

**Yogesh J. Bhatt**

Partner

Membership No. 30170

**Mumbai, May 13,2016**

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

**Ms. Devaki Saran**  
Executive Director & CFO

**Mumbai, May 13,2016**



**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, 2013. The financial statements have been prepared on accrual basis under the historical cost convention except warranty claims, and refund claims from central & state Government & local authorities, 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. Warranty claims are accounted for on the basis of settlement of the same.
- 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 :-**

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-
  - i) 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	As At
		<b>31.03.2016</b> ( Rs. In Lacs )	31.03.2015 ( Rs. In Lacs )

## 2) Share Capital

### Equity Share Capital

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

### 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.

Sr. No	Name of the shareholder	2015-16 No. of Shares (% of holding)	2014-15 No. of Shares (% of holding)
i	XLO India Ltd	<b>599993</b> <b>(40.04)</b>	599993 (40.04)
ii	Spicer Gelenkwellembau GMBH	<b>390000</b> <b>(26.03)</b>	390000 (26.03)

Note No	Particulars	As At 31.03.2016 (Rs. In Lacs)	As At 31.03.2015 (Rs. In Lacs)
<b>3) Reserves and Surplus</b>			
a)	Capital Reserves (Capital Subsidy)	15.00	15.00
b)	Other Reserve / fund [Investment Allowanace (Utilised) Reserve]	24.36	24.36
c)	General Reserve	401.73	401.73
	Add : Transferred made during the Year	0.00	0.00
	Total General Reserve	401.73	401.73
d)	Share Forfeiture Reserve	0.08	0.08
e)	Surplus	215.78	372.98
	Add : Profit for the year	55.82	-15.72
		271.61	215.78
	Less : Transferred To General Reserve	0.00	0.00
	Less : Depriication of earlier years	-21.76	-21.76
	Less : Dividend Proposed	7.49	0.00
	Less : Tax on Dividend Proposed	1.57	0.00
	Surplus	240.78	194.01
	<b>Total</b>	<b>681.95</b>	<b>635.18</b>

**4) Long-term borrowings**

Secured

Term Loans

Secured against Equitable Mortgage on Factory land & building situated at C-12,MIDC,Ambad Nashik-422010 & Hypothecationof Stocks.)

	51.57	73.69
<b>Total</b>	<b>51.57</b>	<b>73.69</b>

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

- 1) Term loan of Rs.1Crore from State Bank of India was sanctioned on 16/04/2014 for a period of 5 years.Current EMI per month is Rs. 1.67 Lakhs.

Note : Secured against Registered Mortgage on Factory land & building situated at C-12, MIDC, Ambad, Nashik-422010

**4.1) From ICICI Bank**

- 1) Term loan for car of 12 Lakhs from ICICI Bank was sanctioned on 01/01/2016 for a period of 5 years. Current EMI per month is Rs. 0.25 Lacs

Note No	Particulars	As At <b>31.03.2016</b> ( Rs. In Lacs )	As At 31.03.2015 ( Rs. In Lacs )
<b>5)</b>	<b>Short-terms borrowings</b>		
	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)	<b>549.58</b>	618.16
	<b>Total</b>	<b>549.58</b>	<b>618.16</b>
<b>6)</b>	<b>Trade Payables</b>		
	Trade Payables (Refer Note No:31)Secured	<b>1085.34</b>	994.81
	<b>Total</b>	<b>1085.34</b>	<b>994.81</b>
<b>7)</b>	<b>Other current liabilities</b>		
	Current maturities of long term debt	<b>20.04</b>	20.04
	Unpaid dividends	<b>11.81</b>	14.31
	Other payables		
	(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes,Excise Duty, VAT, Service Tax, etc.)	<b>75.80</b>	39.46
	(ii) Trade / security deposits received	<b>0.06</b>	0.06
	(iii) Advances from customers	<b>0.29</b>	3.62
	(iv) Acceptances of Hundis from suppliers	<b>134.40</b>	36.61
	(v) Stale Cheques	<b>7.15</b>	9.98
	<b>Total</b>	<b>249.53</b>	<b>124.08</b>
<b>8)</b>	<b>Short-term provisions:</b>		
	Provision for employee benefits	<b>74.78</b>	87.14
	Bonus Provision	<b>0.66</b>	0.52
	Proposed Dividend	<b>7.49</b>	0.00
	Tax on Proposed Dividend	<b>1.57</b>	0.00
	Provision for Taxation	<b>12.18</b>	0.00
	<b>Total</b>	<b>96.68</b>	<b>87.66</b>

(Rs. in Lacs)

PERTICULARS	Gross Block			Depreciation			Net Block (WDV)		
	AS AT 01/04/15	Additions	Deductions Adjustment	AS AT 31/03/16	AS AT 01/04/15	For the Year	Deductions Adjustment	AS AT 31/03/16	AS AT 31/03/15
LAND - Leasehold	8.29	0.00	0.00	8.29	2.74	0.09	0.00	5.46	5.54
BUILDINGS - Own use	238.83	0.00	0.00	238.83	133.16	4.10	0.00	101.57	105.67
PLANT & MACHINERY - Owned	1512.68	34.24	0.00	1546.92	1033.62	86.99	0.00	426.31	479.06
COMPUTERS	46.65	11.99	0.37	58.27	38.78	5.93	0.35	13.90	7.87
ELE. INSTALLATIONS	26.37	3.38	0.00	29.76	22.79	0.36	0.00	6.61	3.58
AIR CONDITIONERS	11.14	0.57	0.00	11.71	5.39	0.49	0.00	5.88	5.76
PERMANENT TOOLS	32.50	0.00	0.00	32.50	30.88	0.00	0.00	1.62	1.62
OFFICE EQUIPMENTS	10.81	0.80	0.00	11.60	9.35	0.42	0.00	1.83	1.45
FURNITURE & FIXTURES	53.92	1.11	0.00	55.04	33.05	3.80	0.00	18.19	20.88
VEHICLES - (Owned)	41.84	18.31	25.31	34.85	38.34	2.03	23.33	17.81	3.51
<b>TOTAL</b>	<b>1983.04</b>	<b>70.40</b>	<b>25.68</b>	<b>2027.77</b>	<b>1348.11</b>	<b>104.21</b>	<b>23.68</b>	<b>599.14</b>	<b>634.94</b>
<b>b ) Capital Work in Progress:</b>									
CAPITAL WORK IN PROGRESS *								29.25	61.25
<b>TOTAL</b>								<b>628.39</b>	<b>696.19</b>
<b>PREVIOUS YEAR</b>	<b>1922.92</b>	<b>60.20</b>	<b>0.08</b>	<b>1983.04</b>	<b>1081.80</b>	<b>266.32</b>	<b>0.02</b>	<b>696.19</b>	<b>841.12</b>

\* Including Capital Advances of Rs. 29.25 lacs (previous year Rs. 61.25 lacs)

Note No	Particulars	As At <b>31.03.2016</b> (Rs. In Lacs)	As At 31.03.2015 (Rs. In Lacs)
<b>10)</b>	<b>Non-current investments</b>		
	Investments in Equity instruments		
	50 Equity Shares of Rs.100 each Fully paid, in Dinette Exclusive Club Private Limited	<b>0.05</b>	0.05
	2000 Equity Shares of Rs. 25 each fully paid in Janlaxmi Co-operative Bank Limited.	<b>0.50</b>	0.50
	<b>Total</b>	<b>0.55</b>	<b>0.55</b>
<b>11)</b>	<b>Long Term Loans and Advances</b>		
	Security Deposits		
	Unsecured considered good	<b>16.96</b>	20.65
	Loans and advances to employees		
	Unsecured considered good	<b>0.10</b>	0.08
	Balances with government authorities		
	Unsecured considered good		
	Income Tax		
	(i) Advance Tax net (including TDS)	<b>78.61</b>	78.46
	(ii) VAT credit receivable	<b>412.14</b>	298.65
	<b>Total</b>	<b>507.81</b>	<b>397.84</b>
<b>12)</b>	<b>Inventories</b>		
	Raw materials	<b>207.32</b>	188.77
	Work in progress	<b>200.66</b>	201.63
	Finished goods	<b>24.31</b>	39.38
	Stores and spares	<b>68.46</b>	65.62
	Others (Trading Goods)	<b>0.00</b>	0.70
	<b>Total</b>	<b>500.75</b>	<b>496.10</b>



Note No	Particulars	As At <b>31.03.2016</b> (Rs. In Lacs)	As At 31.03.2015 (Rs. In Lacs)
<b>13)</b>	<b>Trade receivables</b>		
	I. Unsecured		
	i. Over Six Months Considered Good	11.26	8.77
	<b>a) Total</b>	<u>11.26</u>	<u>8.77</u>
	ii. Less than Six Months Considered Good	1120.95	1051.38
	<b>b) Total</b>	<u>1120.95</u>	<u>1051.38</u>
	Trade Receivables (i+ii)	1132.21	1060.15
	<b>Total (A+B)</b>	<u>1132.21</u>	<u>1060.15</u>
<b>14)</b>	<b>Cash and cash equivalents</b>		
	i. Cash and cash equivalents		
	Cash on hand	0.72	0.77
	Balances in Current Accounts	2.67	1.40
	ii. Other Bank Balances		
	Balances with banks (Dividend Accounts)	11.81	14.31
	Othes (Margin Money Account)	0.30	0.30
	<b>Total</b>	<u>15.50</u>	<u>29.34</u>
<b>15)</b>	<b>Short term loans and advances</b>		
	<u>Balances with government authorities</u>		
	<u>Unsecured considered good</u>		
	(i) Balance with Collectorate of Central Excise	16.06	8.06
	(ii) CENVAT credit receivable	7.41	6.67
	<u>Other loans and advances</u>		
	<u>Unsecured considered good</u>		
	Prepaid expenses	19.12	13.56
	TDS on expenses which are not provided	1.13	3.93
	Exchange difference gain provision	12.85	0.00
	Prepaid Interest on Bills Discounted	6.27	1.84
	Interest receivable on MSEB Deposit	1.23	3.02
	Advances to suppliers	6.18	5.02
	Excess contribution to Gratuity Fund of LIC	36.07	-0.51
	Accounts Payble Overseas	8.97	0.00
	Tax Deducted at source	0.00	0.14
	<b>Total</b>	<u>115.30</u>	<u>41.74</u>

Note No	Particulars	As At <b>31.03.2016</b> ( Rs. In Lacs )	As At 31.03.2015 ( Rs. In Lacs )
<b>16)</b>	<b>Revenue from Operations (for companies other than a finance company)</b>		
	Revenue from - Sale of products (Including Excise Duty) (Includes sale of traded goods 143.14 Lacs ) (Previous year 112.60 lacs)	<b>5907.10</b>	5537.84
	<b>Total (a)</b>	<b>5907.10</b>	<b>5537.84</b>
	<u>Other operating revenues</u>		
	Sale of services	<b>19.68</b>	23.77
	Sale of Scrap	<b>45.10</b>	55.01
	Duty Drawback	<b>23.48</b>	29.62
	<b>Total (b)</b>	<b>88.25</b>	<b>133.12</b>
	Less: Excise Duty		
	<b>Total (c)</b>	<b>-480.38</b>	-435.74
	<b>Total [(a)+(b)-(c)]</b>	<b>5514.98</b>	<b>5235.22</b>
<b>17)</b>	<b>Cost of Material Consumed</b>		
	<u>Raw Material Consumed</u>		
	Opening Stock	<b>188.77</b>	217.03
	Add : Purchases	<b>3323.22</b>	3025.80
		<b>3512.00</b>	3245.83
	Less : Closing Stock	<b>207.32</b>	188.77
	<b>Total</b>	<b>3304.67</b>	<b>3057.06</b>
<b>18)</b>	<b>Purchases of Stock - In -Trade</b>		
	Purchases Traded Goods.	<b>19.11</b>	140.29
	<b>Total</b>	<b>19.11</b>	<b>140.29</b>

Note No	Particulars	As At <b>31.03.2016</b> (Rs. In Lacs)	As At 31.03.2015 (Rs. In Lacs)
<b>19)</b>	<b>Changes in inventories of finished goods</b>		
	work-in-progress and Stock-in-Trade		
	<u>Opening Stock</u>		
	Work-in-progress	<b>201.63</b>	207.20
	Finished Goods	<b>39.39</b>	55.10
	Stock - In -Trade	<b>0.70</b>	0.70
	<b>a) Total</b>	<b>241.72</b>	<b>263.00</b>
	<u>Less : Closing Stock</u>		
	Work-in-progress	<b>200.66</b>	201.63
	Finished Goods	<b>24.31</b>	39.38
	Stock - In -Trade	<b>0.00</b>	0.70
	<b>b) Total</b>	<b>224.98</b>	<b>241.71</b>
	<b>Total (A- B)</b>	<b>16.74</b>	<b>21.28</b>
<b>20)</b>	<b>Employee Benefits Expense</b>		
	Salaries and wages	<b>763.04</b>	723.61
	Contribution to provident and other funds	<b>39.07</b>	69.62
	Staff welfare expenses	<b>73.41</b>	71.87
	<b>Total</b>	<b>875.52</b>	<b>865.10</b>
<b>21)</b>	<b>Finance Costs</b>		
	Interest expenses	<b>12.51</b>	12.16
	Other borrowing costs	<b>90.12</b>	76.92
	<b>Total</b>	<b>102.63</b>	<b>89.08</b>

Note No	Particulars	As At <b>31.03.2016</b> ( Rs. In Lacs )	As At 31.03.2015 ( Rs. In Lacs )
<b>22)</b>	<b>Othe Income</b>		
	Interest income	<b>1.37</b>	1.93
	Insurance claim	<b>3.25</b>	0.00
	Provisions written Back Rs.9.62 Lacs.	<b>9.62</b>	16.69
	Foreign Exchange Difference gain	<b>55.37</b>	0.00
	<b>Total</b>	<b>69.61</b>	<b>18.62</b>
<b>23)</b>	<b>Other Expense</b>		
	Consumption of stores and spare parts	<b>173.27</b>	151.13
	Power fuel and water	<b>193.76</b>	175.03
	Rent	<b>1.71</b>	1.66
	Repairs to buildings	<b>0.51</b>	7.07
	Repairs to Plant & Machinery	<b>78.14</b>	84.50
	Other Repairs	<b>2.30</b>	5.78
	Insurance	<b>11.59</b>	14.23
	Rates and Taxes, excluding taxes on income	<b>1.31</b>	1.35
	Packing & Forwarding Expenses	<b>355.95</b>	296.69
	Travelling Expenses & Conveyance Charges	<b>25.62</b>	30.00
	Commission on Sales	<b>3.16</b>	6.23
	Discount on Sales	<b>0.82</b>	0.82
	Debts/Advances written off	<b>1.56</b>	0.00
	Directors' Fees	<b>1.23</b>	1.06
	Exchange Fluctuation Loss	<b>0.00</b>	79.64
	Fixed Assets scrapped/Discarded	<b>0.00</b>	0.06
	Loading & Unloading	<b>87.90</b>	83.06
	Payments to Auditor (Refer Note No 25)	<b>8.53</b>	7.87
	Miscellaneous expenses	<b>147.99</b>	103.92
	<b>Total</b>	<b>1095.35</b>	<b>1050.10</b>

Note No	Particulars	As At <b>31.03.2016</b> (Rs. In Lacs)	As At 31.03.2015 (Rs. In Lacs)
---------	-------------	---	--------------------------------------

**24) Contingent Liabilities & commitments Not Provided For :**

- a) Estimated amounts of contracts remaining to be executed on capital account but not provided Rs. 29.25 ( Previous year Rs. 61.25 )
- b) For Income Tax (Disputed at various higher authorities)  
Rs. 20.64 (Previous year - 64.45 )

**25) Payment to Statutory Auditors :**

Particulars	Current Year (Rs. In Lacs)	Previous Year (Rs. In Lacs)
i) Statutory Audit fees	<b>3.46</b>	3.09
ii) For expenses reimbursed	<b>0.59</b>	0.39
iii) Tax Audit Fees	<b>2.07</b>	1.78
iv) Certification including Qtrly review	<b>1.37</b>	1.65
v) Tax matters including appearance before tax Authorities.	<b>1.04</b>	0.96

<b>Total</b>	<b>8.53</b>	<b>7.87</b>
--------------	-------------	-------------

**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	<b>154028</b> (144068)	<b>1113</b> (1818)	<b>28.68</b> (45.36)	<b>731</b> (1113)	<b>19.21</b> (28.68)
Spare Parts		-	<b>9.19</b> (6.34)		<b>5.05</b> (9.19)
Scrap		-	<b>1.52</b> (3.36)		<b>0.06</b> (1.52)
			<b>39.39</b> (55.06)		<b>24.32</b> (39.39)

\* Includes Excise Duty

b) Turnover :	Quantity (Nos.)	Value (Rs.in lacs)
Propeller Shafts	154,410	4,681.99
	(144,773)	(4,470.26)
Spare Parts		1,202.60
		(915.30)
<b>Total manufacturing sale</b>		<b>5,385.59</b>
Trading Sale		22.51
		(143.14)
<b>Total Sale</b>		<b>5,907.10</b>
		(5,528.87)

C) Raw Material Consumed:	Quantity (Nos.)	Value (Rs.in lacs)
Forgings (kgs.)	1,663,941	1,880.79
	(1,833,259)	(1,865.61)
Castings (kgs.)	197,302	221.27
	(212,446)	(226.07)
Tubes (mtrs.)	120,301	401.89
	(114,014)	(374.49)
Others		800.72
		(590.90)
		<b>3,304.67</b>
		(3,057.07)

d) Imported and Indigenous Consumption :	Value (Rs.in lacs)	Percentage
i) Raw Materials :		
Imported	11.81	0.36
	(22.73)	(0.75)
Indigenous	3,287.89	99.64
	(3,034.34)	(99.25)
<b>Total</b>	<b>3,299.70</b>	<b>100.00</b>
	(3,057.07)	(100.00)

**ii) Stores, Spares and Tools.**

Indigenous	173.27	100.00
	(151.13)	(100.00)

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

<b>27) C.I.F. Value of Imports :</b>	<b>Value</b>
	<b>(Rs. In Lacs)</b>
Raw Materials	<b>9.50</b>
	(17.65)

<b>28) Quantitative information for traded goods during the year :</b>	<b>(Rs. In Lacs)</b>
(Figures in brackets relate to previous year)	

Class of Goods	Opening Stock		Purchase		Despatches		Closing Stock	
	Nos	Value	Nos	Value	Nos	Value	Nos	Value
Propeller Shafts	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(Nos) Propeller Shafts	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Spare Parts (Steel Bar - Kgs)	<b>1184</b> (1184)	<b>0.70</b> (0.70)	<b>18480</b> (240726)	<b>9.65</b> (140.30)	<b>19664</b> (240726)	<b>10.35</b> (143.14)	<b>Nil</b> (1184)	<b>Nil</b> (0.70)

**29) Earnings & Expenditure in Foreign Currency**

<b>a) Earnings in Foreign Exchange :</b>	<b>Value</b>
(Figures in brackets relate to previous year)	<b>(Rs. in Lacs)</b>
(Rs. in lacs)	

F.O.B. Value of Exports	<b>1360.04</b>
	(1265.89)

**b) Expenditure in Foreign Currency :**

Capital Expenditure	<b>NIL</b>
	(NIL)
Travel	<b>7.91</b>
	(17.76)
Others	<b>NIL</b>
	(0.20)

**30) Particulars of Dividend remitted to non-resident shareholders**

Year to which dividend relates	<b>2014-15</b>	2013-14
Number of non-resident shareholders	<b>1</b>	1
Number of equity shares held	<b>390000</b>	390000
Dividend remitted (Rs. In lacs)	<b>Nil</b>	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. 620.46 lacs** (Previous Year **Rs. 507.93 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 2016 is as under :

Particulars	As At <b>31.03.2016</b> (Rs. In Lacs)	As At 31.03.2015 (Rs. In Lacs)
<b>Deferred tax (liability) / asset</b>		
<b>Tax effect of items constituting deferred tax liability :</b>		
On difference between book balance and tax balance of fixed assets	<b>52.17</b>	58.64
On expenditure deferred in the books but allowable for tax purposes	<b>1.19</b>	1.19
Tax effect of items constituting deferred tax liability	<b>(53.36)</b>	(59.83)
<b>Tax effect of items constituting deferred tax assets :</b>		
Provision for compensated absences, gratuity and other employee benefits	<b>17.48</b>	21.49
<b>Tax effect of items constituting deferred tax assets</b>	<b>17.48</b>	21.49
<b>Net deferred tax (liability) / asset</b>	<b>(35.88)</b>	<b>(38.34)</b>



33) **Gratuity :**  
**(i) Disclosures under Accounting Standards :**

Particulars	As At <b>31.03.2016</b> (Rs. In Lacs)	As At 31.03.2015 (Rs. In Lacs)
<b>Change in Obligations over the year ended 31 March</b>		
Present Value of Defined Benefit Obligation at the beginning of the year	<b>392.02</b>	321.43
Current Service Cost	<b>13.51</b>	11.37
Interest Cost	<b>31.05</b>	29.86
Actuarial (gains) / losses	<b>(23.87)</b>	36.53
Benefits paid	<b>(47.74)</b>	(7.17)
<b>Present Value of Defined Benefit Obligation at the end of the year</b>	<b>364.97</b>	392.02
<b>Change in Plan Assets (Reconciliation of opening and closing balances)</b>		
Fair value of Plan Assets at the beginning of the year	<b>458.30</b>	420.05
Expected return on Plan Assets	<b>36.30</b>	36.54
Actuarial Gain / (Loss)	<b>0.40</b>	0.94
Contributions	<b>14.31</b>	7.94
Benefits paid	<b>(47.74)</b>	(7.17)
<b>Fair value of Plan Assets at the end of the year</b>	<b>461.56</b>	458.30
<b>Reconciliation of fair value of assets and obligations</b>		
Fair value of Plan Assets at the end of the year	<b>461.56</b>	458.30
Present value of Obligation at the end of the year	<b>(364.97)</b>	(392.02)
Amount recognised in Balance Sheet	<b>96.59</b>	66.28
<b>Expense recognised during the year</b>		
Current Service Cost	<b>13.51</b>	11.37
Interest Cost	<b>(5.25)</b>	(6.68)
Actuarial (gains) / losses	<b>(24.27)</b>	35.59
<b>Total</b>	<b>(16.00)</b>	40.28
<b>Principal Actuarial Assumptions</b>		
Discount rate	<b>7.80%</b>	7.92%
Expected rate of return on assets	<b>7.80%</b>	7.92%
Salary increase (taking in account inflation, seniority, promotion and other relevant factors)	<b>5.00%</b>	5.00%
Attrition Rate (Current)	<b>2.00%</b>	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.

Sr. No	Name Of Party	Relationship	Nature of Transactions	Transaction Amount		Outstanding Balance as at year end.	
				2015-16	2014-15	2015-16	2014-15
i)	XLO India Limited.	Promoter Company, & Chairman as Managing Director	Sales & Labour Job	Nil	Nil	Nil	Nil
	XLO India Limited	Promoter Company, & Chairman as Managing Director	Purchases	Nil	Nil	Nil	Nil
ii)	Mr. S. C. Saran.	Chairman	Technical fees. -See Note- 39 (ii)	18.00	18.00	Nil	Nil
iii)	Mr. A. R. Rajwade.	Key Management Personnel	Remuneration as Managing Director.	42.24	61.69	Nil	Nil
iv)	Business Combine Ltd.	Entity over which Chairman is able to exercise significant influence.	Purchases - (Casting & Trading items)	Nil	Nil	Nil	Nil
v)	Business Combine Ltd.	Entity over which Chairman is able to exercise significant influence.	Sales	Nil	Nil	Nil	Nil
vi)	Ms. Devaki Saran	ED & CFO	Remuneration as ED & CFO.	19.18	Nil	Nil	Nil
vii)	Mr. Ravindra Kale	ED & CEO	Remuneration as ED & CEO.	20.14	Nil	Nil	Nil

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

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

**b) Secondary Segment**

(Figures in brackets relate to previous year)

Two secondary segments have been identified based on geographical locations of customers

Domestic & Export :	(Rs. in lacs)		
	Domestic	Export	Total
Segment Revenue	<b>4186.35</b>	<b>1305.15</b>	<b>5491.50</b>
	( 3826.21 )	( 1345.53 )	(5171.74 )

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

**36) Earning per share ( EPS)**

Particulars	As At <b>31.03.2016</b> (Rs. In Lacs)	As At 31.03.2015 (Rs. In Lacs)
<b>Earnings per share</b>		
<b>Basic</b>		
<u>Total operations</u>		
Net profit / (loss) for the year	<b>55.82</b>	(157.20)
(Add) / Less: Extraordinary items (net of tax)	<b>0.00</b>	0.00
Less: Preference dividend and tax thereon	<b>0.00</b>	0.00
Net profit / (loss) for the year attributable to the equity shareholders, excluding extraordinary items	<b>55.82</b>	(157.20)
Weighted average number of equity shares	<b>1498450.00</b>	1498450.00
Par value per share	<b>10.00</b>	10.00
<u>Earnings per share, excluding extraordinary items</u>		
Basic	<b>3.73</b>	(10.49)
Diluted	<b>3.73</b>	(10.49)

- 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)

Particulars	As At 1 April 2015	Adiitions	Utilisation	Reversal	As At 31 Mar 2016
Leave Encashment	87.14	19.49	31.86	0.00	74.77
<b>Total</b>	<b>87.14</b>	<b>19.49</b>	<b>31.86</b>	<b>0.00</b>	<b>74.77</b>

- 38) **Disclosure of foreign currency exposures**

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

Particulars	Currency Type	2015-16		Currency Type	2014-15	
		Amount in foreign Currency	Equivalent Amount in Rs. Lac		Amount in foreign Currency	Equivalent Amount in Rs. Lac
Debtors	GBP	66509.00	63.05	GBP	17650.30	17.42
	Euro	577320.00	415.50	Euro	460496.90	335.05
	USD	7045.00	4.46	USD	31230.80	19.21
<u>Bank Balance</u> (FCNR Loan)		NIL	NIL		NIL	NIL

- 39) **Directors' Remuneration : (see note)**

Particulars	Current Year (Rs. In Lacs)	Previous Year (Rs. In Lacs)
a) Salaries	68.78	70.35
b) Contribution to Provident Fund and Other Funds	5.72	4.70
c) Perquisites	0.96	0.72
d) Superannuation	6.09	3.92
e) Technical fees (Net of Service Tax) see note ii below	18.00	0.00
	<u>99.55</u>	<u>79.69</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.
- The Chairman and Director Mr. S.C.Saran has been paid professional fees of Rs 18.00 plus Service Tax for the year ended 31-03-16 for the Technical Expertise and Services provided by him as a consultant under section 188 read with Section 177(4) of the Companies ACT, 2013

- 40) The Balance of Creditors and Debtors appearing in the balance sheet are subject to balance confirmation / reconciliation at the year end. The management is in process of obtaining the respective confirmations in due course. However, the reconciliation is not expected to result in any material adjustment in stated balances.
- 41) 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 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
- 42) Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

*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 13,2016**

**Chairman**

S.C. Saran

**Executive Director & CEO**

Ravindra Kale

**Executive Director & CFO**

Devaki Saran

**Directors**

Jehangir H.C. Jehangir

Shiamak Marshall

Richard Koszarek,

Sharad Jain

**Mumbai, May 13,2016**

**Form No. MGT-11**  
**Proxy form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**HINDUSTAN HARDY SPICER LIMITED**

Regd. Office: Plot No. C-12, M.I.D.C. Area, Ambad, Nashik – 422010, Maharashtra, INDIA.

CIN: L29300MH1982PLC028498 | Website: www.hhsl.net | Tel No: 0253-2382018 | Fax No: 0253-2382528 | Email: co@hhardys.com

Name of the Member (s) : _____
Registered address: _____
E-mail Id: _____ Folio No./ Client ID: _____ DP ID No. _____

I/We, being the member(s) of \_\_\_\_\_ equity shares of the above named company, hereby appoint

1. Name : \_\_\_\_\_ E-mail Id : \_\_\_\_\_  
Address : \_\_\_\_\_ Signature : \_\_\_\_\_, or failing him/her:
2. Name : \_\_\_\_\_ E-mail Id : \_\_\_\_\_  
Address : \_\_\_\_\_ Signature : \_\_\_\_\_, or failing him/her:
3. Name : \_\_\_\_\_ E-mail Id : \_\_\_\_\_  
Address : \_\_\_\_\_ Signature : \_\_\_\_\_, or failing him/her:

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Thirty-Fourth Annual General Meeting of the Company, to be held on the 23rd day of August, 2016 at Plot No. C-12, M.I.D.C. Area, Ambad, Nashik – 422010, Maharashtra, INDIA, and at any adjournment there of, in respect of such resolutions set out in the Notice convening the meeting, as are indicated below:

Sr. No.	Resolution	No of Shares*	(FOR) I/We assent to the Resolution*	(AGAINST) I/We dissent to the Resolution*
1.	Adoption of the Audited Financial Statements of the Company for the financial year ended March 31, 2016, together with the Reports of the Board of Directors and the Auditors thereon.			
2.	To declare dividend on equity shares.			
3.	Appointment of Director in place of Mr. Devaki Saran (holding DIN 06504653), who retires by rotation in terms of Section 152 (6) of the Companies Act, 2013 and being eligible, offers herself for re-appointment.			
4.	Appointment of Auditors and to fix their remuneration.			
5.	Appointment of Mr. Ravindra Kale (DIN 03115130), appointed as a Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation.			
6.	Appointment of Mr. Ravindra Kale (DIN03115130) as Executive Director and Chief Executive Officer (CEO) of the Company for a period of three years with effect from September 23, 2015.			

- \* This is optional. Please put a ✓ in the appropriate column for each resolution. If you leave the 'For' or 'Against' column blank against any or all resolutions, your proxy will be entitled to vote in the manner he/ she thinks appropriate.

Signed this \_\_\_\_ day of \_\_\_\_\_, 2016

Signature of Shareholder \_\_\_\_\_

Signature of Proxy Holder (s) \_\_\_\_\_

Affix Rs. 1/- Revenue Stamp
--------------------------------------

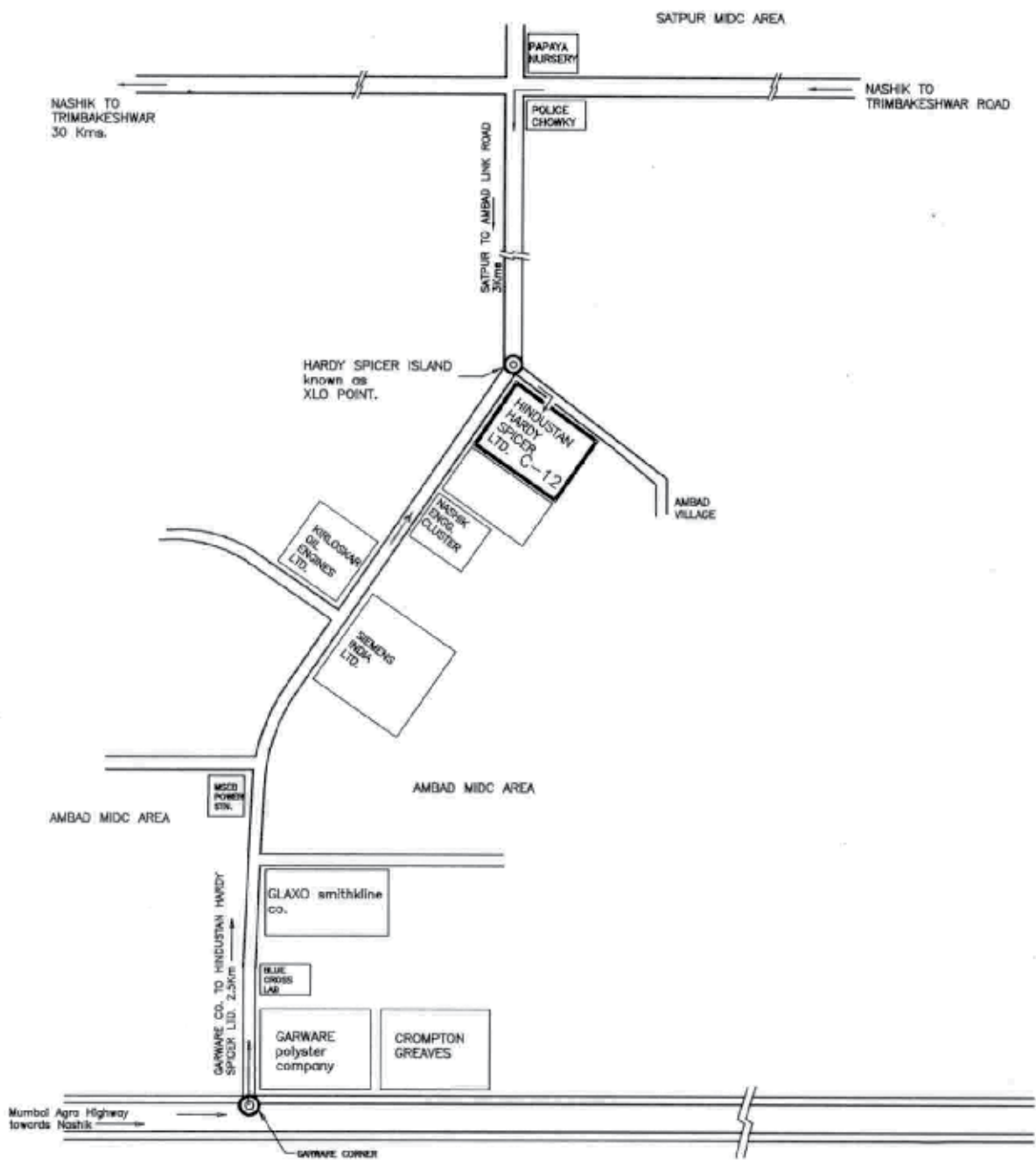
**Note:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting.
2. Please complete all details including details of member(s) in above box before submission.









ROAD MAP  
FOR HINDUSTAN HARDY SPICER LTD. C-12  
MIDC AMBAD, NASHIK.