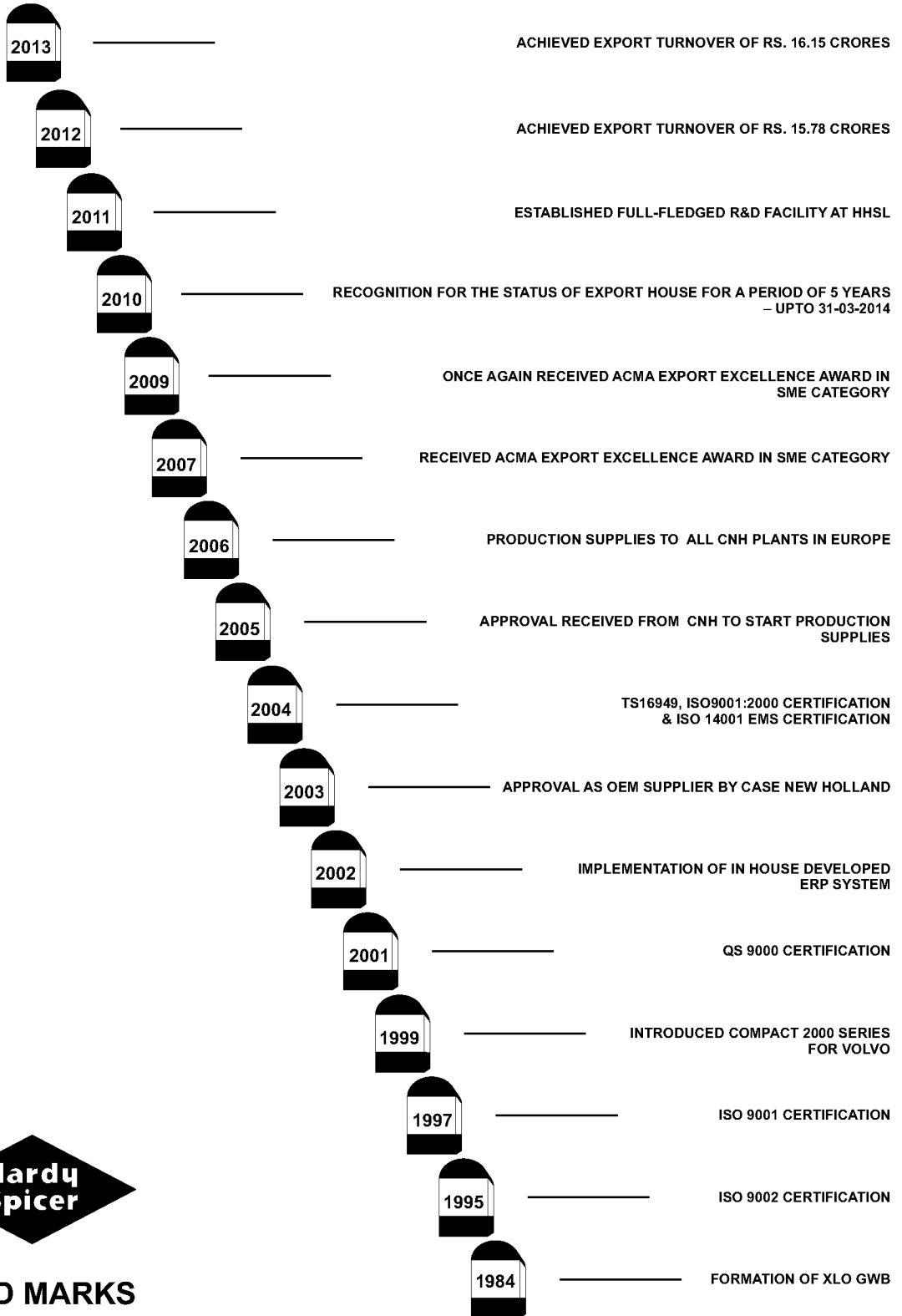




Hindustan Hardy Spicer Ltd.

**Thirty Second Annual Report
2013- 2014**

Hindustan Hardy Spicer Limited



LAND MARKS

BOARD OF DIRECTORS

Mr. S. C. Saran	Chairman
Mr. A. R. Rajwade	Managing Director
Mr. Shiamak Marshall	Director
Mr. Jehangir H.C. Jehangir	Director

Bankers

State Bank of India

Satpur Branch, Nashik - 422 007

Auditors

J.L. Bhatt & Company

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

Solicitors

Junnarkar & Associates

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

Registered Office

C-12, Additional Nasik Industrial Area,
Ambad, Nashik - 422 010.
Tel.: 0253 - 2382018 / 2118
Fax : 0253 - 2382528
email : hhardy_nsk@sancharnet.in
CIN No.: L29300MH1982PLC028498
Website: www.hhsl.net

Plant

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

Compliance Officer

Mr. A.R.Rajwade
email: md@hhsl.net

Registrars and Share Transfer Agents

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

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DIRECTORS' REPORT TO THE MEMBERS

The Directors have pleasure in presenting the Thirty Second Annual Report together with the Statement of Accounts for the year ended on March 31, 2014

FINANCIAL RESULTS:

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

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

DIVIDEND

The Board of Directors are pleased to recommend a dividend of 30% on 14,98,450 Equity Shares of Rs. 10/- each.

OUTLOOK

Certifications :

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

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

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

Business :

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

Domestic Market :

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

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

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

a) CONSERVATION OF ENERGY

Various measures for conservation of energy at all levels have been taken by the Company.

b) TECHNOLOGY

Our technology had been imported from our Collaborators, Spicer Gelenkwellenbau GmbH, Germany in 1984. Since then upgradation has continued in consultation with various Agencies.

c) FOREIGN EXCHANGE EARNING AND OUTGO

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

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

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

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

FIXED DEPOSITS

The Company has not accepted any fixed deposits during the year.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting of fraud and other irregularities;
- iv) they have prepared the annual accounts on a going concern basis.

DIRECTORS

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

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

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

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

COMPLIANCE CERTIFICATE

A Compliance Certificate from a secretary in Whole-time Practice under section 383A of the Companies Act, 1956 in respect of the financial year ended on March 31, 2014 is attached hereto.

LISTING

The Equity Shares of the Company are listed at the BSE Limited. The company has paid the Annual Listing Fees to them for the year 2014-2015.

PARTICULARS OF EMPLOYEES

The Company does not have any employee whose particulars are required to be given pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

AUDITORS

Statutory Auditors :

M/s. J. L. Bhatt & Company, Chartered Accountants, the Auditors of the company who would retire at the ensuing Annual General Meeting offer themselves for reappointment. M/s. J. L. Bhatt & Company, Chartered Accountants, the existing auditors have furnished a certificate, confirming that if reappointed for the financial year 2014-2015 their reappointment will be in accordance with Section 139 read with section 141 of the Companies Act, 2013.

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

Cost Auditors :

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

INDUSTRIAL RELATIONS

The overall industrial relations in the Company have been cordial. Your Directors once again wish to place on record their appreciation for the contribution made by the employees at all levels to the continued growth and prosperity of the Company.

ACKNOWLEDGEMENT

Your directors wish to place on record, their appreciation for the continued support of the Customers, Financial Institutions, Bankers and Suppliers.

For and on behalf of the Board of Directors

Date : May 19, 2014
Place : Mumbai

**S. C. SARAN
CHAIRMAN**

COMPLIANCE CERTIFICATE TO THE MEMBERS OF HINDUSTAN HARDY SPICER LIMITED

Registration No: L29300MH1982PLC028498

Authorised Capital: Rs. 5,00,00,000/-

We have examined the registers, records, books and papers of HINDUSTAN HARDY SPICER LIMITED as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2014. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure `A' to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been recorded.
2. The Company has duly filed the forms and returns as stated in Annexure `B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time mentioned in the said annexure.
3. The Company being a public limited Company, comments that a Private Limited Company has minimum prescribed capital, maximum number of members, invitation to public to subscribe for shares and acceptance of deposits from persons other than its members, directors or their relatives, are not required.
4. The Board of Directors duly met 4 (Four) times on 06.05.2013, 08.08.2013, 23.10.2013 and 24.01.2014 on in respect of which meetings proper notices were given and the proceedings were properly recorded including circular resolution and signed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from Friday, 28th June 2013 to Friday, 05th July 2013 (Both days inclusive) and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31st March, 2013 was held on 05.07.2013 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loan to its Directors and/or persons or firms or companies referred to in Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.

11. The company has obtained necessary approval from the Central Government for payment of remuneration to a director for a further period of three years from 01.04.2012 to 31.03.2015 pursuant to the provisions of Section 314 of the Act.

The Company has also obtained necessary approvals from the Board of directors and members for the appointment and payment of remuneration to relative of Director pursuant to the provisions of Section 314 of the Act.

12. The company has not issued any duplicate share certificates during the financial year.

13. (i) The Company has delivered all the certificates on lodgement of securities for transfer/ transmission in accordance with the provisions of the Act. There was no allotment of securities during the year.

(ii) The Company has deposited the amount of dividend declared in a separate bank account on 10.07.2013, which is within five days from the date of declaration of such dividend.

(iii) The Company has posted warrants for dividends to all the members within a period of 30 (Thirty) days from the date of declaration and that all unclaimed/ unpaid dividend has been transferred to Unpaid Dividend Account of the Company on 10.08.2013.

(iv) The Company has transferred the amounts of unpaid dividend, which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund within the time prescribed under the Act and the Rules made thereunder.

(v) The Company has duly complied with the requirements of Section 217 of the Act.

14. The Board of Directors of the Company is duly constituted. There was no appointment of directors, additional directors, alternate directors and directors to fill casual vacancies during the financial year.

15. The Company has passed a resolution of Board of Directors for reappointment of Managing Director with effect from May 17, 2014.

16. The Company has not appointed any sole selling agents during the financial year.

17. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and / or such authorities prescribed under the various provisions of the Act during the financial year.

18. The directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.

19. The Company has not issued any shares, debentures or other securities during the financial year.

20. The Company has not bought back any shares during the financial year.

ANNEXURE TO THE COMPLIANCE CERTIFICATE

Annexure 'A'

Statutory Registers as maintained by the Company:

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

Other Registers:

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

For Jigyasa Singhi & Associates
Company Secretary

Place : Mumbai
Date : May 19, 2014

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

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

Forms and Returns as filed by the Company with the Registrar of Companies during the financial year ended on 31st March, 2014.

Sr. No.	Form No/ Return	Filed under section	For	Date of filing	Whether filed within prescribed time Yes/No	if delay in filing whether requisite additional fee paid Yes/No
1.	Form 62	205C	Quarterly Return on IEPF for quarter ended 31.03.2013	23.04.2013	Yes	N.A.
2.	Form 5INV	205C	Statement of unclaimed and unpaid amounts as on the AGM held on 26.09.2012 (Revised)	02.05.2013	Yes	N.A.
3.	Form 66 alongwith Compliance Certificate	383A	Financial year ended 31.03.2013	09.07.2013	Yes	N.A.
4.	Form 23	192	Special Resolution passed at AGM held on 05.07.2013 for approval for holding and continuing to hold an office or place of profit by Ms. Devaki Saran, a relative of director of the company (u/s 314)	09.07.2013	Yes	N.A.
5.	Form 62	205C	Quarterly Return on IEPF for quarter ended 30.06.2013	19.07.2013	Yes	N.A.
6	Form 23 AC & Form 23ACA (XBRL) alongwith Annual Report for the year ended 31.03.2013	220	Approved at the Annual General Meeting held on 05.07.2013	06.08.2013	No	Yes (For Form 23AC)

Sr. No.	Form No/ Return	Filed under section	For	Date of filing	Whether filed within prescribed time Yes/No	if delay in filing whether requisite additional fee paid Yes/No
7.	Form 20B alongwith Annual Return made as on 05.07.2013	159	Annual General Meeting held on 05.07.2013	12.08.2013	Yes	N.A.
8.	Form 23	192	Special resolution for approval of reappointment of Mr. A. R. Rajwade as Managing Director for a further period of two years w.e.f.17.05.2012	12.08.2013	No	Yes
9.	Form 5INV	205C	Statement of unclaimed and unpaid amounts as on the AGM held on 05.07.2013	27.09.2013	Yes	N.A.
10.	Form 62	205C	Quarterly Return on IEPF for quarter ended 30.09.2013	21.10.2013	Yes	N.A.
11.	Form 1-INV	205C	Transfer of unpaid / unclaimed dividend to Investor Education and Protection Fund on 18.10.2013	21.10.2013	Yes	N.A.
12.	Form 62	205C	Quarterly Return on IEPF for quarter ended 31.12.2013	06.01.2014	Yes	N.A.
13.	Form 23	192	Board resolution for reappointment of Mr. A. R. Rajwade as Managing Director for a further period of two years w.e.f. 17.05.2014	14.03.2014	Yes	N.A.

For Jigyasa Singhi & Associates
Company Secretary

Place : Mumbai
Date : May 19, 2014

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

AUDITORS REPORT TO THE MEMBERS OF HINDUSTAN HARDY SPICER LIMITED.

We have audited the accompanying financial statements of Hindustan Hardy Spicer Limited, which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss Account, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

YOGESH J. BHATT
Partner
Membership No. 30170

Mumbai, 19th May 2014

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

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

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

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

- b) According to the information and explanations given to us, details of disputed statutory dues pertaining to income tax, sales tax, wealth tax, service tax, customs duty, excise duty, octroi and cess which have not been deposited as on 31st March 2014 on account of any dispute are given below :

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

- (ix) In our opinion and according to the information given to us, the Company has not defaulted in repayment of dues to banks.
- (x) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xi) According to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks and financial institutions and thus the questions of whether the terms and conditions are *prima facie* prejudicial to interest of company does not arise.
- (xii) In our opinion and according to the information given to us, the term loan raised by the Company has been applied for the purpose for which the loan was obtained.
- (xiii) In our opinion and according to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, funds raised on short term basis have *prima facie*, not been used during the year for long term investment.
- (xiv) According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained u/s 301 of the Companies Act, 1956, during the year and hence the question of whether the price at which shares have been issued is prejudicial to interest of company does not arise.

- (xv) To the best of our knowledge and according to the information and explanations given to us, the Company has not issued any debentures and hence the question of whether security has been created for debentures issued does not arise.
- (xvi) As informed to us, the Company has not raised monies by public issues during the year and hence the question of disclosure and verification of end use of such monies does not arise.
- (xvii) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

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

YOGESH J. BHATT
Partner
Membership No. 30170

Mumbai, 19th May 2014

BALANCE SHEET AS AT 31ST MARCH, 2014

(Rs in Lacs)

	Particulars	Note No	As At 31.03.2014	As At 31.03.2013
I.	EQUITY AND LIABILITIES			
	Shareholders' Funds			
	(a) Share Capital	02	149.85	149.85
	(b) Reserves and Surplus	03	814.15	781.93
	Non-Current Liabilities			
	(a) Long-term borrowings	04	89.48	148.04
	(b) Deferred tax liabilities (Net)	32	94.80	71.69
	Current Liabilities			
	(a) Short-term borrowings	05	583.53	389.88
	(b) Trade payables	06	802.57	1041.27
	(c) Other current liabilities	07	309.29	400.23
	(d) Short-term provisions	08	175.25	142.95
	Total		3018.92	3125.84
II.	Assets			
	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	9A	841.00	881.71
	(ii) Capital work-in-progress	9B	3.17	1.42
	(b) Non-current investments	10	0.55	0.55
	(c) Long term loans and advances	11	413.58	371.20
	Current assets			
	(a) Inventories	12	553.80	687.28
	(b) Trade receivables	13	1028.70	1024.10
	(c) Cash and cash equivalents	14	69.21	30.63
	(d) Short-term loans and advances	15	108.91	128.95
	Total		3018.92	3125.84
	Significant Accounting Policies	01		
	Notes are an integral part of the financial statements			

As per our report of even date attached

For J.L. Bhatt & Co.

Chartered Accountants

Firm Reg. No.: 101332W

Yogesh J. Bhatt

Partner

Membership No. 30170

Mumbai, May 19,2014**Chairman**

S.C. Saran

Managing Director

A.R. Rajwade

Directors

Mr. Jehangir H.C. Jehangir

Shiamak Marshall

Mumbai, May 19,2014

Profit and Loss statement for the year ended 31st March, 2014

(Rs in Lacs)

Particulars	Note No	As At 31.03.2014	AsAt 31.03.2013
Revenue from operations	16	4850.36	5516.03
Other Income	22	116.44	15.97
Total Revenue		4966.80	5531.99
Expenses:			
Cost of materials consumed	17	2762.13	3311.25
Purchase of Stock-in-Trade	18	93.27	209.21
Changes in inventories of finished goods, work - in - progress and stock - in - trade	19	43.53	(129.20)
Employee benefit expense	20	792.34	833.23
Other expenses	23	932.54	999.56
Total Expenses		4623.81	5224.04
Earnings before Interest, Tax, Depreciation And Amortisation		342.99	307.95
Depreciation and amortisation expenses.	09	84.74	74.25
Financial costs	21	100.68	99.45
		185.41	173.70
Profit before Tax		157.58	134.25
Less: Tax expense			
(1) Current tax		50.00	33.00
(2) Deferred tax		23.11	13.40
Total Tax Expenses		73.11	46.40
Profit after Tax		84.47	87.85
		84.47	87.85
Earning per equity share: (Refer Note No: 36)			
(1) Basic		5.64	5.86
(2) Diluted		5.64	5.86
Significant Accounting Policies	01		
Notes are an integral part of the financial statements			

As per our report of even date attached

For J.L. Bhatt & Co.

Chartered Accountants

Firm Reg. No.: 101332W

Yogesh J. Bhatt

Partner

Membership No. 30170

Mumbai, May 19,2014**Chairman**

S.C. Saran

Managing Director

A.R. Rajwade

Directors

Mr. Jehangir H.C. Jehangir

Shiamak Marshall

Mumbai, May 19,2014

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

	2013-14 (Rs. in lacs)	2012-13 (Rs. in lac)
A. Cash flow from Operating Activities		
Net Profit Before Tax and Extraordinary Items	157.58	134.25
Adjustments for :		
Depreciation	84.74	74.25
Fixed Assets Discarded	7.64	0.95
Profit on sale of fixed assets	(0.88)	(0.00)
Interest and Finance Charges	100.67	99.45
Provision for Leave Encashment	3.58	17.52
Loss on Sale of Fixed Assets	0.00	2.57
Interest and Dividend Income	(12.87)	(0.67)
Operating Profit before Working Capital changes	<u>340.46</u>	<u>328.31</u>
Adjustments for :		
Trade and Other Receivables	(25.08)	(283.92)
Inventories	133.49	(160.37)
Trade Payables	(308.67)	380.80
Cash Generated from Operations	<u>140.20</u>	<u>264.83</u>
Direct Taxes Paid	(21.20)	(65.29)
Cash flow before Extraordinary Items	<u>119.00</u>	<u>199.54</u>
Net Cash Flow from Operating Activities	<u><u>119.00</u></u>	<u><u>199.54</u></u>
B. Cash flow from Investment Activities		
Purchase of Fixed Assets	(73.89)	(229.78)
Sale of Fixed Assets	21.36	0.60
Interest Received	12.65	0.14
Net Cash Used in Investing Activities	<u><u>(39.88)</u></u>	<u><u>(229.04)</u></u>

C. Cash flow from Financing Activities

Dividend Paid		(52.24)	(87.36)
Unclaimed Dividend		0.50	2.14
Proceeds/(Repayment) of Long Term Borrowings		(81.78)	82.74
Proceeds/(Repayment) of Short Term Borrowings		193.65	143.88
Interest and Finance Charges		(100.67)	(99.46)
Call Money Received		0.00	0.01
Net Cash Flow from Financing Activities		<u>(40.54)</u>	<u>41.95</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(A+B+C)	<u>38.58</u>	<u>12.43</u>
Cash and Cash Equivalents as at -Opening		30.63	18.20
Cash and Cash Equivalents as at -Closing		69.21	30.63

By order of the Board of Directors

A.R. Rajwade
Managing Director

Mumbai, May 19, 2014

Note :

1. Cash and Cash Equivalents consists of :
- | | AS AT
31/3/2014 | AS AT
31/3/2013 | (Rs. In lacs)
AS AT
31/3/2012 |
|----------------------------------------------------------------|--------------------|--------------------|-------------------------------------|
| Cash and Cheques on hand | 0.48 | 1.11 | 1.03 |
| Balances with Scheduled and other banks
In Current Accounts | 68.48 | 29.27 | 16.92 |
| In Margin Money Account | 0.25 | 0.25 | 0.25 |
| Total | 69.21 | 30.63 | 18.20 |
2. Previous years figures have been regrouped wherever necessary to conform with current year's classification.

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

Yogesh J. Bhatt
Partner
Membership No. 30170

Mumbai, May 19, 2014

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

A.R. Rajwade
Managing Director

Mumbai, May 19, 2014

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

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

b) Fixed Assets :-

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

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

c) Inventories :-

Inventory is valued as below,

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

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

d) Revenue Recognition :-

Sale of Goods

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

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

e) **Other Income :-**

a) Interest income is accounted on accrual basis.

f) **Investment :-**

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

g) **Retirement Benefits :-**

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

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

Initial recognition

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

Treatment of exchange differences

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

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

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

No provision is recognised for -

- a) Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- b) Any present obligation that arises from past events but is not recognised because-
 - 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 herein above.

Note No	Particulars	As At 31.03.2014 (Rs. In Lacs)	As At 31.03.2013 (Rs. In Lacs)
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2) Share Capital

Equity Share Capital

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

2.1) Terms and rights attached to Equity Share.

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

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

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

Sr. No.	Name of the shareholder	2013-14 No. of Shares (% of holding)	2012-13 No. of Shares (% of holding)
i	XLO India Ltd	599993 (40.04)	599993 (40.04)
ii	Spicer Gelenkwellembau GMBH	390000 (26.03)	390000 (26.03)

Note No	Particulars	As At 31.03.2014 (Rs. In Lacs)	As At 31.03.2013 (Rs. In Lacs)
3)	Reserves and Surplus		
a)	Capital Reserves (Capital Subsidy)	15.00	15.00
b)	Other Reserve / fund [Investment Allowance (Utilised) Reserve]	24.36	24.36
c)	General Reserve	386.73	366.73
	Add : Transferred made during the Year	15.00	20.00
	Total General Reserve	401.73	386.73
d)	Share Forfeiture Reserve	0.08	0.08
e)	Surplus	355.77	340.16
	Add : Profit for the year	84.47	87.85
		440.23	428.01
	Less : Transferred To General Reserve	15.00	20.00
	Less : Dividend Proposed	44.95	44.95
	Less : Tax on Dividend Proposed	7.29	7.29
	Surplus	372.99	355.77
	Total	814.15	781.93

4) Long-term borrowings

Secured Term Loans	89.48	148.04
(Secured against Equitable Mortgage on Factory land & building situated at C-12,MIDC,Ambad, Nashik-422010 & Hypothecation of stocks.)		
Total	89.48	148.04

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

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

4.2) From ICICI Bank

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

Note No	Particulars	As At 31.03.2014 (Rs. In Lacs)	As At 31.03.2013 (Rs. In Lacs)
5)	Short-terms borrowings		
	Loans repayable on demand From Bank		
	Secured		
	Cash Credit from State Bank of India, Satpur, Nashik (Secured against Hypothecation of Stock & Debtors and entire present and future current assets)	583.53	389.88
	Total	583.53	389.88
6)	Trade Payables		
	Trade Payables (Refer Note No:31)	802.57	1041.27
	Total	802.57	1041.27
7)	Other current liabilities		
	Current maturities of long term debt	55.55	78.77
	Unpaid dividends	14.14	13.64
	<u>Other payables</u>		
	(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	73.52	35.26
	(ii) Trade / security deposits received	0.06	0.06
	(iii) Advances from customers	4.74	3.26
	(iv) Acceptances of Hundies from suppliers	155.07	264.48
	(v) Stale Cheques	6.22	4.76
	Total	309.29	400.23
8)	Short-term provisions		
	Provision for employee benefits	93.76	90.18
	Bonus Provision	0.43	0.53
	Proposed Dividend	44.95	44.95
	Tax on Proposed Dividend	7.29	7.29
	Provision for Taxation	28.83	0.00
	Total	175.25	142.95

Note No	Particulars	As At 31.03.2014 (Rs. In Lacs)	As At 31.03.2013 (Rs. In Lacs)
10)	Non-current investments		
	<u>Investments in Equity instruments</u>		
	50 Equity Shares of Rs.100 each Fully paid, in Dinette Exclusive Club Private Limited	0.05	0.05
	2000 Equity Shares of Rs. 25 each fully paid in Janlaxmi Co-operative Bank Limited.	0.50	0.50
	Total	0.55	0.55
11)	Long Term Loans and Advances		
	<u>Security Deposits :</u>		
	Unsecured considered good	20.64	19.25
	<u>Loans and advances to employees :</u>		
	Unsecured considered good	0.00	0.09
	<u>Balances with government authorities :</u>		
	<u>Unsecured considered good</u>		
	Income Tax		
	(i) Advance Tax net (including TDS)		
	(a) For AY 2003-04	0.90	0.90
	(b) For AY 2005-06	1.41	1.41
	(c) For AY 2006-07	0.56	0.56
	(d) For AY 2007-08	5.62	5.62
	(e) For AY 2008-09	0.28	0.28
	(f) For AY 2009-10	22.85	22.85
	(g) For AY 2010-11	0.23	0.23
	(h) For AY 2011-12	6.14	6.14
	(i) For AY 2012-13	(9.84)	5.31
	(j) For AY 2012-13	32.31	0.00
	(ii) Income Tax Paid under Protest (including FBT 228794)	11.85	11.87
	(iii) VAT credit receivable	320.64	296.70
	Total	413.58	371.20
12)	Inventories		
	Raw materials	217.03	302.19
	Work in progress	228.22	244.30
	Finished goods	55.93	73.11
	Stores and spares	51.92	56.71
	Others (Trading Goods)	0.70	10.96
	Total	553.80	687.28

Note No	Particulars	As At 31.03.2014 (Rs. In Lacs)	As At 31.03.2013 (Rs. In Lacs)
13)	Trade receivables		
	<u>I. Unsecured</u>		
	i. Over Six Months		
	Considered Good	9.77	44.07
	Considered Doubtful	0.00	0.00
	a) Total	9.77	44.07
	ii. Less than Six Months		
	Considered Good	1018.93	980.03
	b) Total	1018.93	980.03
	Trade Receivables (i+ii)	1028.70	1024.10
	Less: Allowance for Bad debts	0.00	0.00
	Total	1028.70	1024.10
14)	Cash and cash equivalents		
	<u>i. Cash and cash equivalents</u>		
	Cash on hand	0.49	1.11
	Balances in Current Accounts	54.23	15.52
	<u>ii. Other Bank Balances</u>		
	Balances with banks (Dividend Accounts)	14.14	13.64
	Balances with bank (Superannuation Account)	0.11	0.11
	Others (Margin Money Account)	0.25	0.25
	Total	69.21	30.63
15)	Short term loans and advances		
	<u>Balances with government authorities</u>		
	<u>Unsecured considered good</u>		
	(i) Balance with Collectorate of Central Excise	3.12	3.96
	(ii) CENVAT credit receivable	5.41	21.22
	<u>Other loans and advances</u>		
	<u>Unsecured considered good</u>		
	Prepaid expenses	8.56	6.78
	TDS on expenses which are not provided	2.38	0.00
	Prepaid Interest on Bills Discounted	1.50	2.07
	Interest receivable on MSEB Deposit	1.23	1.01
	Advances to suppliers	80.64	78.83
	Excess contribution to Gratuity Fund of LIC	6.06	(2.04)
	Provision for Taxation	0.00	17.14
	Total	108.91	128.95

Note No	Particulars	As At 31.03.2014 (Rs. In Lacs)	As At 31.03.2013 (Rs. In Lacs)
16)	Revenue from Operations (for companies other than a finance company)		
	Revenue from - Sale of products (Including Excise Duty) (Includes sale of traded goods Rs. 112.60 Lacs) (Previous year Rs. 212.09 lacs)	5107.66	5843.33
	(a)	<u>5107.66</u>	<u>5843.33</u>
	<u>Other operating revenues</u>		
	Sale of services	4.35	9.43
	Sale of Scrap	46.28	66.84
	DEPB Sale /Utilised	20.65	27.72
	Duty Drawback	29.29	18.65
	(b)	100.56	122.63
	Less: Excise Duty	(c) (357.86)	(449.93)
	Total [(a)+(b)- (c)]	<u><u>4850.36</u></u>	<u><u>5516.03</u></u>
17)	Cost of Material Consumed		
	<u>Raw Material Consumed</u>		
	Opening Stock	302.19	283.89
	Add : Purchases	2676.97	3329.55
		2979.16	3613.44
	Less : Closing Stock	217.03	302.19
	Total	<u><u>2762.13</u></u>	<u><u>3311.25</u></u>
18)	Purchases of Stock - In -Trade		
	Purchases Traded Goods.	93.27	209.21
	Total	<u><u>93.27</u></u>	<u><u>209.21</u></u>
19)	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		
	<u>Opening Stock</u>		
	Work-in-progress	244.30	153.96
	Finished Goods	73.11	39.65
	Stock - In -Trade	10.96	5.56
		328.38	199.17
	<u>Less : Closing Stock</u>		
	Work-in-progress	228.22	244.30
	Finished Goods	55.93	73.11
	Stock - In Trade	0.70	10.96
		284.85	328.37
	Total	<u><u>43.53</u></u>	<u><u>(129.20)</u></u>

Note No	Particulars	As At 31.03.2014 (Rs. In Lacs)	As At 31.03.2013 (Rs. In Lacs)
20)	Employee Benefits Expense		
	Salaries and wages	669.67	682.08
	Contribution to provident and other funds	56.42	86.06
	Staff welfare expenses	66.26	65.08
	Total	792.34	833.23
21)	Finance Costs		
	Interest expenses	26.41	29.09
	Other borrowing costs	74.27	70.36
	Total	100.68	99.45
22)	Other Income		
	Interest Income	12.87	0.67
	(Interest on Deposits With Banks and Others) (Tax Deducted at Source Rs. NIL lacs) (Previous year Rs. 0.14 lacs)		
	Other non-operating income (net of expenses directly attributable to such income)	1.65	0.00
	Provisions written Back. (Rs. 3.41 lacs.) (Previous Year Rs. NIL lacs)	3.41	3.17
	Foreign Exchange Difference gain	98.50	12.13
	Total	116.44	15.97
23)	Other Expenses		
	Consumption of stores and spare parts	152.03	168.85
	Power fuel and water	165.37	177.36
	Rent	1.63	1.51
	Repairs to buildings	28.39	29.32
	Repairs to Plant & Machinery	71.40	89.98
	Other Repairs	4.50	10.22
	Insurance	14.18	15.77
	Rates and Taxes, excluding taxes on income	1.35	1.35
	Packing & Forwarding Expenses	273.16	290.35
	Travelling Expenses & Conveyance Charges	23.25	38.44
	Commission on Sales	4.78	4.95
	Discount on Sales	0.68	0.83
	Directors' Fees	0.61	0.88
	Loss on Sale of fixed Assets	0.00	2.57
	Fixed Assets scrapped/Discarded	7.64	0.95
	Loading & Unloading	55.78	60.76
	Payments to Auditor (Refer Note No 25)	6.81	6.95
	Miscellaneous expenses	120.98	98.51
	Total	932.54	999.56

24) Contingent Liabilities & Commitments not Provided For :

- a) Estimated amounts of contracts remaining to be executed on capital account but not provided Rs. 3.17 Lacs (Previous year Rs. 3.13 Lacs)
- b) For Income Tax (Disputed at various higher authorities)
Rs. 64.45 Lacs (Previous year - NIL)

25) Payment to Statutory Auditors :

Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
i) Statutory Audit fees	3.09	3.09
ii) For expenses reimbursed	0.25	0.48
iii) Tax Audit Fees	1.50	1.40
iv) Certification including Qtrly. review	1.39	1.12
v) Tax matters including appearance before tax Authorities.	0.58	0.86
	6.81	6.95

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	133478 (153297)	2600 (1306)	50.83 (34.09)	1818 (2600)	45.36 (50.83)
Spare Parts		-	13.90 (1.48)	-	6.34 (13.90)
Scrap		-	1.81 (0.00)	-	3.36 (1.81)
			66.54 (35.57)		55.06 (66.54)

*includes excise duty

b) Turnover :	Quantity (Nos.)	Value (Rs. in lacs)
Propeller Shafts (Including Demag) [Rs. 1,772,352]	134,260.00 (152,003.00)	3,864.42 (4,201.28)
Spare Parts		1,130.64 (1,429.96)
Total manufacturing sale		4,995.06 (5,631.24)
Trading Sale		112.60 (212.09)
Total Sale		5,107.66 (5,843.33)
c) Raw Material Consumed:	Quantity	Value (Rs. in lacs)
Forgings (kgs.)	1,437,833.00 (1,716,062.00)	1,484.64 (1,666.02)
Castings (kgs.)	167,145.00 (332,915.00)	155.92 (279.61)
Tubes (mtrs.)	100,733.00 (124,466.00)	336.55 (419.57)
Others	-	785.02 (946.05)
		2,762.13 (3,311.25)
d) Imported and Indigenous Consumption:	Value (Rs. in lacs)	Percentage
i) Raw Materials :		
Imported	15.95 (19.49)	0.58 (0.59)
Indigenous	2,746.18 (3,291.76)	99.42 (99.41)
	2,762.13 (3,311.25)	100.00 (100.00)
ii) Stores, Spares and Tools.		
Indigenous	152.03 (168.85)	100.00 (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.

27) C.I.F. Value of Imports :	Value (Rs. in lacs)
Raw Materials	13.87 (16.89)

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

Class of Goods	Opening Stock		Purchases		Despatches		Closing Stock	
	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
Propeller Shafts (Nos.)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Steel Bars (Kg.)	20504 (9891)	10.96 (5.56)	134073 (353592)	93.27 (209.21)	153393 (342979)	112.60 (212.09)	1184 (20504)	0.70 (10.96)

29) Earnings & Expenditure in Foreign Currency

a) Earnings in Foreign Exchange :	Value (Rs. in lacs)
(Figures in brackets relate to previous year)	
F.O.B. Value of Exports	1,862.24 (1,614.74)
b) Expenditure in Foreign Currency :	
Capital Expenditure	Nil (Nil)
Travel	11.28 (15.46)
Others	NIL (Nil)

30) Particulars of Dividend remitted to non-resident shareholders

Year to which dividend relates	2012-13	2011-12
Number of non-resident shareholders	1	1
Number of equity shares held	390000	390000
Dividend remitted (Rs. In lacs)	11.70	19.50

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. 490.54 lacs** (Previous Year **Rs. 588.49 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 2014 is as under :

Particulars	(Rs. in lacs) As at 31 March,14	(Rs. in lacs) As at 31 March,13
Deferred tax (liability) / asset		
Tax effect of items constituting deferred tax liability :		
On difference between book balance and tax balance of fixed assets	117.25	92.97
On expenditure deferred in the books but allowable for tax purposes	1.19	1.19
Tax effect of items constituting deferred tax liability	(118.44)	(94.16)
Tax effect of items constituting deferred tax assets :		
Provision for compensated absences, gratuity and other employee benefits	23.64	22.47
Tax effect of items constituting deferred tax assets	23.64	22.47
Net deferred tax (liability) / asset	(94.80)	(71.69)

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

Particulars	Year ended 31 March, 2014	Year ended 31 March, 2013
Change in Obligations over the year ended 31st March		
Present Value of Defined Benefit Obligation at the beginning of the year	325.99	262.33
Current Service Cost	11.67	9.96
Past Service Cost	-	-
Interest Cost	26.08	22.30
Curtailment cost / (credit)	-	-
Settlement cost / (credit)	-	-
Amalgamations	-	-
Actuarial (gains) / losses	(25.21)	37.09
Benefits paid	(17.12)	(5.69)
Present Value of Defined Benefit Obligation at the end of the year	321.43	325.99
Change in Plan Assets (Reconciliation of opening and closing balances)		
Fair value of Plan Assets at the beginning of the year	393.09	337.59
Expected return on Plan Assets	34.20	29.03
Actuarial Gain / (Loss)	(0.61)	2.10
Contributions	10.49	30.05
Benefits paid	(17.12)	(5.69)
Fair value of Plan Assets at the end of the year	420.05	393.08
Reconciliation of fair value of assets and obligations		
Fair value of Plan Assets at the end of the year	420.05	393.08
Present value of Obligation at the end of the year	(321.43)	(325.99)
Amount recognised in Balance Sheet	98.62	67.09
Expense recognised during the year		
Current Service Cost	11.67	9.96
Past Service Cost	-	-
Interest Cost	26.08	22.30
Curtailment cost / (credit)	-	-
Settlement cost / (credit)	-	-
Actuarial (gains) / losses	(24.59)	34.99
Expected return on plan assets	(34.20)	(29.03)
Total	(21.04)	38.22
Principal Actuarial Assumptions		
Discount rate	9.29%	8.00%
Expected rate of return on assets	8.70%	8.70%
Salary increase (taking in account inflation, seniority, promotion and other relevant factors)	5.00%	5.00%
Attrition Rate (Current)	2.00%	2.00%

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

(ii) In respect of Defined contribution schemes -

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

34 Related Party Disclosure

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

(Rs. in lacs)

Sr. No.	Name of Party	Relationship	Nature of Transactions	Transaction Amount		Outstanding Balance as at year end.	
				2013-14	2012-13	2013-14	2012-13
i)	XLO India Limited.	Promoter Company, & Chairman as Managing Director	Sales & Labour Job	Nil	1.37	Nil	41.85 Dr
	XLO India Limited	– do –	Purchases	1.08	92.86	0.97 Dr.	32.80 Cr.
ii)	Mr.S. C. Saran .	Chairman	Remuneration as Chairman . -See Note- 39 (ii)	18.00	18.00	Nil	Nil
iii)	Mr.A.R.Rajwade .	Key Management Personnel	Remuneration as Managing Director.	44.64	47.64	Nil	Nil
iv)	Business Combine Ltd.	Entity over which Chairman is able to exercise significant influence.	Purchases - (Casting & Trading items)	10.50	251.68	79.45 Dr.	74.41 Dr.
	Business Combine Ltd.	– do –	Sales	Nil	27.49	26.74 Dr.	26.74 Dr.

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

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

b) Secondary Segment :

(Figures in brackets relate to previous year)

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

Domestic & Export :

	(Rs.in Lacs)		
	Domestic	Export	Total
Segment Revenue	3024.81 (3859.32)	1775.61 (1610.34)	4800.42 (5469.66)

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

36) Earning per share (EPS)

(Rs.in Lacs)

Particulars	"For the year ended 31 March, 2014"	"For the year ended 31 March, 2013"
Earnings per share		
Basic		
<u>Total operations</u>		
Net profit / (loss) for the year	84.47	87.85
(Add) / Less: Extraordinary items (net of tax)	0.00	0.00
Less: Preference dividend and tax thereon	0.00	0.00
Net profit / (loss) for the year attributable to the equity shareholders, excluding extraordinary items	84.47	87.85
Weighted average number of equity shares	1498450	1498450
Par value per share	10	10
<u>Earnings per share, excluding extraordinary items</u>		
Basic	5.64	5.86
Diluted	5.64	5.86

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

Particulars	As at 1 April,13	Additions	Utilisation	Reversal	As at 31 March,14
Leave Encashment	90.18	18.98	15.40	0.00	93.76
Total	90.18	18.98	15.40	0.00	93.76

38) Disclosure of foreign currency exposures

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

Particulars	Currency Type	2013-14	Equivalent Amount (in Rs. Lac)	Currency Type	2012-13	Equivalent Amount (in Rs. Lac)
		Amount in foreign Currency			Amount in foreign Currency	
Debtors	GBP	36607.00	37.57	GBP	8484.00	7.06
	Euro	627531.00	524.66	Euro	761890.00	510.01
	USD	29631.00	18.23	USD	13910.00	7.45
	SEK	114758.00	10.84	SEK	Nil	Nil
Bank Balance (FCNRB Loan)	Euro	Nil	Nil	Euro	Nil	Nil

39) Directors' Remuneration : (see note)	Current year (Rs. in lacs)	Previous year (Rs. in lacs)
a) Salaries	54.00	57.00
b) Commission	0.00	0.00
c) Contribution to Provident Fund and Other Funds	4.32	4.32
d) Perquisites	0.72	0.72
e) Superannuation	3.60	3.60
	<u>62.64</u>	<u>65.64</u>

Note

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

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

For J.L. Bhatt & Co.

Chartered Accountants

Firm Reg. No.: 101332W

Yogesh J. Bhatt

Partner

Membership No. 30170

Mumbai, May 19, 2014

Chairman

S.C. Saran

Managing Director

A.R. Rajwade

Directors

Mr. Jehangir H.C. Jehangir

Shiamak Marshall

Mumbai, May 19, 2014

HINDUSTAN HARDY SPICER LIMITED

Corporate Identification No. (CIN) - L29300MH1982PLC028498

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

Tel: 0253-2382018 | Fax: 0253-2382528 | E-mail: md@hhsl.net | Website:www.hhsl.net

NOTICE

Notice is hereby given that the Thirty Second 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 Thursday, August 7, 2014 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. S. C. Saran(holding DIN 00032194), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s), 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 ratify the remuneration payable to the Cost Auditor and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, the Company hereby ratifies the remuneration of Rs. 75,000/-plus applicable service tax and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit payable to M/s CY & Associates, Cost Accountants, Nashik, (ICWA Registration No. 000334) who have been appointed as Cost Auditors of the Company for the financial year 2014-15 to audit the cost records of the Company.”

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
“RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Shiamak Marshall, (DIN 00085682), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from August 7, 2014 up to August 6, 2019.”
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
“RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Jehangir H. C. Jehangir, (DIN 00001451), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from August 7, 2014 up to August 6, 2019.”
8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:
“RESOLVED that in supersession of the earlier resolution passed, the consent of the Company be and is hereby accorded under the provisions of Section 180(1)(c) of the Companies Act, 2013, to the Board of Directors of the Company for borrowing from time to time all such sums of money as they may deem requisite for the purpose of the business of the Company notwithstanding that moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from the company's bankers in the ordinary course of business) will exceed the aggregate of the paid up capital of the Company and free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount up to which moneys may be borrowed by the Board of Directors shall not, at any time, exceed the sum of Rs. 100,00,00,000/- (Rupees Hundred crores only) exclusive of interest.”
9. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:
“RESOLVED THAT in supersession of the earlier resolution passed, consent of the Company be and is hereby accorded in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, to the Board of Directors of the Company to mortgage and/ or charge and/ or hypothecate, on such terms and conditions and at such time or times, and in such form or manner, as it may think fit, the whole or substantially the whole of any one or more of the undertakings of the Company including the present and/ or future properties whether movable or immovable, comprised in any existing undertaking or undertakings of the Company, as the case may be for the purpose of securing financial assistance not exceeding Rs. 100,00,00,000/- (Rupees Hundred crores only) at any point of time by the way of Term Loans/ Asset Credit Scheme/ Equipment Credit Scheme/ Leasing Credit Facilities from the Financial Institutions and/ or Bankers and/ or any other parties together with interest thereon, commitment charges, liquidated damages, costs, charges, expenses and other moneys payable by the Company to the respective Financial Institutions and/ or Bankers in terms of their respective Loan Agreements/ Deeds of Agreements/

Hypothecation Agreements/ Letters of Sanction/ Memorandum of terms and conditions entered into or to be entered into by the Company in respect of the said financial assistance, such security to rank paripassu with or second or subservient to the mortgages and/ or charges and/ or hypothecation already created or to be created in future by the Company or in such other manner as may be agreed to between the concerned parties and as may be thought expedient by the Board of Directors.”

10. To consider and if thought fit, to pass with or without modifications, 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 (including any statutory modification(s) or re-enactment thereof for the time being in force and corresponding to Sections 198, 269, 309, and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956) 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 re-appointment of Mr. A. R. Rajwade (DIN 00018578) as Managing Director of the Company for a period of two years with effect from May 17, 2014 upon the terms and conditions including the terms as to remuneration set out in the Agreement dated June 16, 2014 (the “Agreement”), and approved by the remuneration committee which Agreement placed before this Meeting be and is hereby specifically sanctioned with liberty to the Board of Directors of the Company (the “Board”) to alter, vary and modify the terms and conditions of the said appointment and the Agreement in such manner as may be agreed to between the Board and Mr. Ashok R. Rajwade.

“RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year of the Company during Mr. Ashok R. Rajwade's term of office as Managing Director, Mr. Ashok R. Rajwade, be paid the remuneration as set out in the said agreement as minimum remuneration as prescribed in Schedule V of the Companies Act, 2013 and that he shall be entitled to all other benefits and perquisites set out in the Agreement as the minimum remuneration.

“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 and the Agreement between the Company and Mr. Ashok R. Rajwade be suitably amended to give effect to such modification, relaxation or variation 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. An Explanatory Statement pursuant to Section 102(2) of the Companies Act, 2013, which sets out details relating to the Special Business at the meeting, is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will be closed from Thursday, July 31, 2014 to Thursday, August 7, 2014 both days inclusive.
4. The dividend as recommended by the Board of Directors, if approved by the members at the 32nd Annual General Meeting, shall be paid to those members whose names appear on the Register of Members of the Company after giving effect to all valid share transfers lodged with the Registrar & Share Transfer Agents of the Company on or before 30th July, 2014 in respect of shares held in physical form. In respect of shares held in electronic form, the dividend for the year ended 31st March, 2014 will be paid to the beneficial owners of shares as at the closing hours of 30th July, 2014 as per details furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for this purpose.
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. Andheri Kurla Road, Jarimari, Sakinaka, Mumbai 400 072, in respect of their physical share folios, if any, quoting their folio numbers.
6. In view of the circular issued by SEBI, the Electronic Clearing Services (ECS/NECS) facility should mandatorily be used by the companies for the distribution of dividend to its members. In order to avail the facility of ECS/NECS, members holding shares in physical form are requested to provide bank account details to the Company or its Registrar and Share Transfer Agents.
7. Pursuant to Sections 205A and 205C and other applicable provisions, if any, of the Companies Act, 1956, the dividend remaining unclaimed/unpaid for a period of seven years from the date they became due for payment shall be credited to the Investors' and Protection Fund setup by the Central Government. Members who have so far not claimed the dividend are requested to make claim with the Company as no claim shall lie against the fund or the Company in respect of individual amounts once credited to the said fund.
8. Members are requested to bring their copy of the Annual Report to the meeting.

Green Initiative

The Ministry of corporate Affairs (MCA), Government of India, through its Circular nos. 17/2011 and 18/2011 dated 21st April 2011 and 29th April 2011 respectively, has allowed companies to send official documents to their shareholders electronically as part of its green initiatives in corporate governance. Recognizing the spirit of the circular issued by the MCA, we propose to send documents like the Notice convening the general meetings, Financial Statements, Directors' Report, Auditors' Report, etc to the email address provided by you with your depositories. We request you to register/ update your email address with your depository participant to ensure that the annual report and other documents reach you on your preferred email address.

9. 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, the Company is pleased to provide members facility to exercise their right to vote at the 32nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Depositories Services Limited (NSDL)

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 with a copy marked to 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 at the bottom of the Attendance Slip for the AGM:
- (II) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- III. 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
- IV. 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.
- V. 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).
- VI. The e-voting period commences on Friday, August 1, 2014 (10.00a.m) and ends on Sunday, August 3, 2014 (6:00 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 (record date) of 30.06.2014, 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.
- VII. 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 (record date) of 30.06.2014.
- VIII. Ms. Jigyasa N. Ved of M/s Parikh & Associates, Practicing Company Secretaries, (Membership No. FCS-6488) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- IX. Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Ms. Jigyasa N. Ved of Parikh & Associates, Practicing Company Secretaries, (Membership No. FCS 6488), at the address of the Registrar and Share transfer agent of the Company, 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 not later than Sunday, August 3, 2014 (6.00 p.m. IST). Ballot Form received after this date will be treated as invalid.

A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.

- X. The Scrutinizer shall within a period not exceeding 3 (three) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- XI. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.hhsl.net and on the website of NSDL within 2 (two) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.
- XII. 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.

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

Mumbai, 30th June, 2014.

By order of the Board

A. R. RAJWADE
MANAGING DIRECTOR

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102(2) OF THE COMPANIES ACT, 2013

Item 5

The company is directed under section 148 of the Act, to have the audit of its cost records conducted by a cost accountant in practice. The Board of your Company has, appointed, M/s. CY& Associates, Cost Accountants, Nashik, (ICWA Registration No. 000334) as Cost Auditors of the Company to audit the cost accounting records of the company for the financial year 2014-15 at a remuneration of Rs. 75,000/- plus applicable service tax and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit. A Certificate issued by the above firm regarding their eligibility for appointment as Cost Auditors will be available for inspection at the registered office of the Company during 11.00 A.M to 1.00 P.M and shall also be available at the meeting.

M/s CY & Associates, have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company.

The Board commends the remuneration of Rs. 75,000/- plus applicable service tax and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit to M/s CY & Associates as Cost Auditors and the approval of the shareholders is sought for the same by an Ordinary Resolution.

None of the Directors and Key Managerial personnel or their relatives are interested in the above resolution.

Item 6 & 7

Pursuant to the provisions of Section 149 of the Act, which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

Mr. Shiamak Marshall and Mr. Jehangir H. C. Jehangir, non-executive directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, these directors fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management.

Mr. Shiamak Marshall has joined the family business in 1960. He has experience of more than 55 years in the industry and he is also on the Board of Directors of many companies.

Mr. Jehangir H.C. Jehangir has joined the family business in 1981. He has more than 33 years' experience in the industry. He is also on the Board of Directors of many companies.

It is therefore proposed to appoint Mr. Shiamak Marshall and Mr. Jehangir H. C. Jehangir as Independent directors of the company.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

The terms and conditions of appointment of above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Except Mr. Shiamak Marshall and Mr. Jehangir H. C. Jehangir, none of the Directors and the Key Managerial Personnel of the Company, including their relatives, is in any way, concerned or interested, financially or otherwise, in the said resolutions.

Item 8&9

Under the erstwhile Section 293(1)(d) of the Companies Act, 1956, the Board of Directors of a Company could, with the consent of the shareholders obtained by an Ordinary Resolution, borrow moneys, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of paid-up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose.

Under the provisions of Section 180(1)(c) of the Act, which were made effective from September 12, 2013, the above powers can be exercised by the Board only with the consent of the shareholders obtained by a Special Resolution. Further, as per the Circular dated March 25, 2014 issued by the Ministry of Corporate Affairs, the Ordinary Resolution earlier passed under Section 293 (1) (d) of the Companies Act, 1956 will remain valid for a period of one year from the date of notification of Section 180 of the Act, i.e. upto September 11, 2014. As such, it is necessary to obtain fresh approval of the shareholders by means of a Special Resolution, to enable the Board of Directors of the Company to borrow moneys, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the paid up share capital and free reserves of the Company.

The Members of the Company, at the 22nd Annual General Meeting of the Company held on 10th August 2004, had accorded by way of an Ordinary Resolution, their approval to the Board of Directors of the Company and / or a Committee thereof for borrowing monies on behalf of the Company, from time to time, upto an aggregate amount (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) not exceeding the paid up share capital of the Company and its free reserves by Rs. 100Crores.

It is necessary to obtain fresh approval of the shareholders by means of a Special Resolution.

The Board recommends the Resolution at Item No.8 of the Notice for approval of the shareholders by a Special Resolution.

The borrowings of the Company may, if necessary, be secured by way of charge/ mortgage/ pledge/ hypothecation on the Company's assets comprising of the movable and/or immovable, tangible/ intangible properties of the Company, present or future, in favour of the lender(s)/agent(s)/trustee(s) from time to time, in such form, manner and ranking as mentioned in the Resolution at Item No.9. The documents relating to charge and/or mortgage and/or pledge and/or hypothecation in favour of the lender(s)/agent (s)/trustees may contain the provisions to take over substantial assets of the Company in certain events with a power to take over the management of the business and concern of the Company, which may be regarded as disposal of the Company's undertaking(s) within the meaning of Section 180(1)(a) of the Companies Act, 2013.

As per Section 180(1)(a) of the Companies Act, 2013, the Board of Directors of the Company shall exercise the power to sell, lease or otherwise dispose of the whole or substantially whole of the undertaking of the company, only with the consent of the Company by a Special Resolution.

The Resolution under Item No. 9 is therefore proposed to be passed to seek consent of shareholders for creation of charge/ mortgage/ pledge/ hypothecation to secure borrowings subject to the limits approved under Section 180 (1) (c) of the Companies Act, 2013.

The Board of Directors recommends passing of the Special Resolutions at Item Nos. 8 and 9 of the Notice.

None of the Directors and the Key Managerial Personnel of the Company, including their relatives, is in any way, concerned or interested, financially or otherwise, in the said resolutions.

Item No. 10

The Board of Directors of the Company (the "Board") had by a resolution dated March 11, 2014 approved the re-appointment of Mr. Ashok R. Rajwade as Managing Director of the Company for a further period of two years with effect from May 17, 2014. The re-appointment of Mr. Ashok R. Rajwade and the remuneration payable to him on his re-appointment is subject to the approval of the Members of the Company. The material terms of the Agreement dated June 16, 2014 referred to in the Resolution at Item No. 10 of the accompanying Notice inter alia are as follows:-

1. **SALARY:**
Rs. 3,30,000/- per month inclusive of all perquisites.
In the scale Rs. 3,00,000 – 30,000 – 4,50,000/-.
2. Incentive on the performance of the Company as may be decided by the Board.
3. **PERSONAL ACCIDENT INSURANCE**
Of an amount the annual premium of which not to exceed Rs. 5,000/- per annum.
4. **PROVIDENT FUND**
Contribution to Provident Fund as per the Scheme of the Company.
5. **SUPERANNUATION/ ANNUITY FUND:**
Company's contribution to Superannuation/ Annuity fund in accordance with the Scheme of the Company. 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**
As per the rules of the Company, payable in accordance with the approved fund which shall not exceed half a month's salary for each completed year of service.
7. **CAR**
Provision of car for use on Company's business (not to be treated as perquisite). Use of car for private purpose shall be billed by the Company to the Managing Director by Rs. 600/- per month. Reimbursement of driver's salary not exceeding Rs. 6,000/- per month.
8. **TELEPHONE**
Telephone at the residence of Managing Director (Not to be treated as perquisite). Personal long distance calls on telephone shall be billed by the Company to the Managing Director.

II. Information about the appointee:

- (1) Background details
- Name: Mr. Ashok R. Rajwade
Designation: Managing Director
Father's name: Ramchandra Rajwade
Nationality: Indian
Date of Birth: 15. 07. 1945
Qualifications: B.Sc., B.E. (Mechanical),
MMS., FIE, FIV.
Experience: Over 47 years
in Engineering industry
- (2) Past remuneration
- The gross remuneration paid to him in the year 2013-2014 was Rs. 36.72 lacs per annum plus Provident Fund and Superannuation fund which is as per company policy.
- (3) Recognition or awards
- The Institute of Engineers (India) awarded Fellowship to him in 2002 and authorized to use title as 'Chartered Engineer'.
- The Institution of Valuers awarded fellowship to him in January 2009.
- (4) Job profile and his suitability
- The Managing Director shall be responsible for the management of the whole of the affairs of the Company and to do all acts and things, which, in the ordinary course of business, he considers necessary or proper or in the interest of the Company.
- Considering the above and having regard to age, qualifications, ability and experience and looking to the business requirement the proposed remuneration is in the interest of the Company.
- (5) Remuneration proposed
- A gross remuneration of Rs. 40.32lacs per annum plus Provident Fund and Superannuation fund which is as per company policy and incentives as may be decided by the Board of directors.

- | | | |
|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (6) | 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 very low. |
| (7) | Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any. | The Managing Director has no other pecuniary relationship with the Company or with the managerial personnel except the remuneration being paid to him as Managing Director of the Company. |
| III. Other information: | | |
| (1) | Reasons of loss or inadequate profits | <ol style="list-style-type: none"> 1. In spite of continuous increase in the input cost (Diesel, Electricity, Steel etc.), most of the OE customers have not compensated the full impact. 2. Due to global and domestic automobile recession during 2013-14, there was significant drop in the requirement. 3. To maintain the export share, year on year reduction had to be given during last two years as per the agreement. |
| (2) | Steps taken or proposed to be taken for improvement | <p>Double Cardan Shafts - Samples for two part numbers are approved and production orders are received.</p> <p>Indirect export - Samples for four Part numbers are approved by the overseas customer. Regular orders are expected in second quarter of financial year 2014-15.</p> <p>Domestic consumption - Domestic market requirement is expected to increase from second quarter by about 10%.</p> |
| (3) | Expected increase in productivity and profits in measurable terms. | <p>Expected increase in productivity by 10%.</p> <p>The Company expects to increase the profit by about 10%, barring unforeseen circumstances.</p> |

IV. Disclosures:

The remuneration package of Mr. A. R. Rajwade and other details such as remuneration, service contract, notice period etc. have been disclosed above.

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

The Board commends the approval by the members of the extension of term of Managing Director and payment of remuneration to him.

Except Mr. Ashok R. Rajwade none of the other directors and Key Managerial Personnel is concerned or interested in the said Resolution at item no. 10 of the accompanying notice as it relates to his own re-appointment and payment of remuneration to him.

The Agreement dated June 16, 2014 referred to in the Resolutions at Item no. 10 of the accompanying Notice is open for inspection by the members at the Registered Office of the Company between 11.00 a. m. to 1.00 p. m. on any working day of the Company except Saturday and Sunday.

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

Mumbai, 30th June, 2014.

By order of the Board

A. R. RAJWADE
MANAGING DIRECTOR

HINDUSTAN HARDY SPICER LIMITED

Corporate Identification No. (CIN) - L29300MH1982PLC028498

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

Tel: 0253-2382018 | Fax: 0253-2382528 | E-mail: md@hhs1.net | Website:www.hhs1.net

BALLOT FORM

- 1) Name and Registered Address:
of the Sole/First named Shareholder
- (2) Name(s) of the : Joint Holder(s) (if any)
- (3) Registered Folio No./ :
DP ID No. and Client ID No.
- (4) Number of Share(s) held :
- (5) I/We hereby exercise my/our vote(s) in respect of the Ordinary & Special Resolutions set out in the Notice of the Thirty Second Annual General Meeting (AGM) of the Company to be held on Thursday, August 7, 2014, by sending my/our assent or dissent to the said Resolutions by placing the tick(√) mark at the appropriate box 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 Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date together with the Reports of the Directors and Auditors thereon.			
2.	Declaration of dividend on equity shares.			
3.	Appointment of Director in place of Mr. S. C. Saran (holding DIN 00032194), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.			
4.	Appointment of Auditors and to fix their remuneration.			
5.	Ratification of remuneration payable to the Cost Auditor M/s. C Y & Associates, Cost Accountants, Nashik, (ICWA Registration No. 00334).			
6.	Appointment of Mr. Shiamak Marshall (DIN 00085682) as an Independent Director pursuant to the provisions of Sections 149, 152 of the Companies Act, 2013 ('Act') and the Rules framed thereunder.			
7.	Appointment of Mr. Jehangir H. C. Jehangir, (DIN 00001451) as an Independent Director pursuant to the provisions of Sections 149, 152 of the Companies Act, 2013 ('Act') and the Rules framed thereunder.			
8.	Consent of the Company under Section 180(1)(c) of the Act to the Board of Directors to borrow upto Rs.100 crores (Rupees One Hundred crores).			
9.	Consent of the Company under Section 180 (1) (a) of the Act to the Board of Directors to create charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings upto Rs. 100 Crores (Rupees One Hundred Crores).			
10.	Re-appointment of Mr. A. R. Rajwade (DIN 00018578) as Managing Director of the Company and payment of remuneration to him.			

Place:

Date:

(Signature of the Shareholder)

Note: Please read the instructions carefully before exercising your vote

INSTRUCTIONS

1. This Ballot Form is provided for the benefit of Members who do not have access to e-voting facility.
2. A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
3. For detailed instructions on e-voting, please refer to the notes appended to the Notice of the AGM.
4. The Scrutinizer will collate the votes downloaded from the e-voting system and votes received through post to declare the final result for each of the Resolutions forming part of the Notice of the AGM.

Process and manner for Members opting to vote by using the Ballot Form:

1. Please complete and sign the Ballot Form (no other form or photo copy thereof is permitted) and send it so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Ms. Jigyasa N. Ved, of M/s Parikh & Associates Practicing Company Secretaries, (Membership No.6488), at the address of the Registrar and Share transfer agent of the Company, 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.
2. The Form should be signed by the Member as per the specimen signature registered with the Company / Depositories. In case of joint holding, the Form should be completed and signed by the first named Member and in his/her absence, by the next named joint holder. A Power of Attorney (POA) holder may vote on behalf of a Member, mentioning the registration number of the POA registered with the Company or enclosing an attested copy of the POA. Exercise of vote by Ballot is not permitted through proxy.
3. In case the shares are held by companies, trusts, societies, etc. the duly completed Ballot Form should be accompanied by a certified true copy of the relevant Board Resolution/Authorization.
4. Votes should be cast in case of each resolution, either in favour or against by putting the tick (✓) mark in the column provided in the Ballot.
5. The voting rights of shareholders shall be in proportion of the share held by them in the paid up equity share capital of the company as on 27.06.2014 and as per the Register of Members of the Company.
6. Duly completed Ballot Form should reach the Scrutinizer not later than Sunday, August 3, 2014 (6. p.m. IST). Ballot Form received after Sunday, August 3, 2014 will be strictly treated as if the reply from the Members has not been received.
7. A Member may request for a duplicate Ballot Form, if so required. However, duly Filled in and signed duplicate Form should reach the Scrutinizer not later than the date and time specified in serial no. 6 above.
8. Unsigned, incomplete, improperly or incorrectly tick marked Ballot Forms will be rejected. A Form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the Member or as to whether the votes are in favour or against or if the signature cannot be verified.
9. The decision of the Scrutinizer on the validity of the Ballot Form and any other related matter shall be final.
10. The results declared along with Scrutinizer's Report, shall be placed on the Company's website www.hhsl.net and on the website of the NSDL within two days of the passing of the Resolutions at the AGM of the Company on Thursday, August 7, 2014, and communicated to the BSE Limited, NSDL, where the shares of the Company are listed.

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**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: 0253-2382018 | Fax: 0253-2382528 | Email: md@hhsl.net

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 : _____ Address : _____ E-mail Id : _____
Signature : _____, or failing him / her:
2. Name : _____ Address : _____ E-mail Id : _____
Signature : _____, or failing him / her:
3. Name : _____ Address : _____ E-mail Id : _____
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 SECOND Annual General Meeting of the Company, to be held on the 07th day of August, 2014 at 3.00 p.m. at Plot No. C-12, M.I.D.C. Area, Ambad, Nashik- 422010, Maharashtra, INDIA, and at any adjournment thereof, in respect of such resolutions set out in the Notice convening the meeting, as are indicated below:

Sr.No.	Resolution
1.	Adoption of the Audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2.	Declaration of dividend on equity shares.
3.	Appointment of Director in place of Mr. S. C. Saran (holding DIN 00032194), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
4.	Appointment of Auditors and to fix their remuneration.
5.	Ratification of remuneration payable to the Cost Auditor M/s. CY & Associates, Cost Accountants, Nashik, (ICWA Registration No. 00334).
6.	Appointment of Mr. Shiamak Marshall (DIN 00085682) as an Independent Director pursuant to the provisions of Sections 149, 152 of the Companies Act, 2013 ('Act') and the Rules framed thereunder.
7.	Appointment of Mr. Jehangir H. C. Jehangir, (DIN 00001451) as an Independent Director pursuant to the provisions of Sections 149, 152 of the Companies Act, 2013 ('Act') and the Rules framed thereunder.
8.	Consent of the Company under Section 180(1)(c) of the Act to the Board of Directors to borrow upto Rs.100 crores (Rupees One Hundred crores).
9.	Consent of the Company under Section 180 (1) (a) of the Act to the Board of Directors to create charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings upto Rs. 100 Crores (Rupees One Hundred Crores).
10.	Re-appointment of Mr. A. R. Rajwade (DIN 00018578) as Managing Director of the Company and payment of remuneration to him.

Signed this _____ day of _____, 2014

Signature of Shareholder _____

Signature of Proxy Holder (s) _____

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.

<p>Affix Rs. 1/- Revenue Stamp</p>

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