

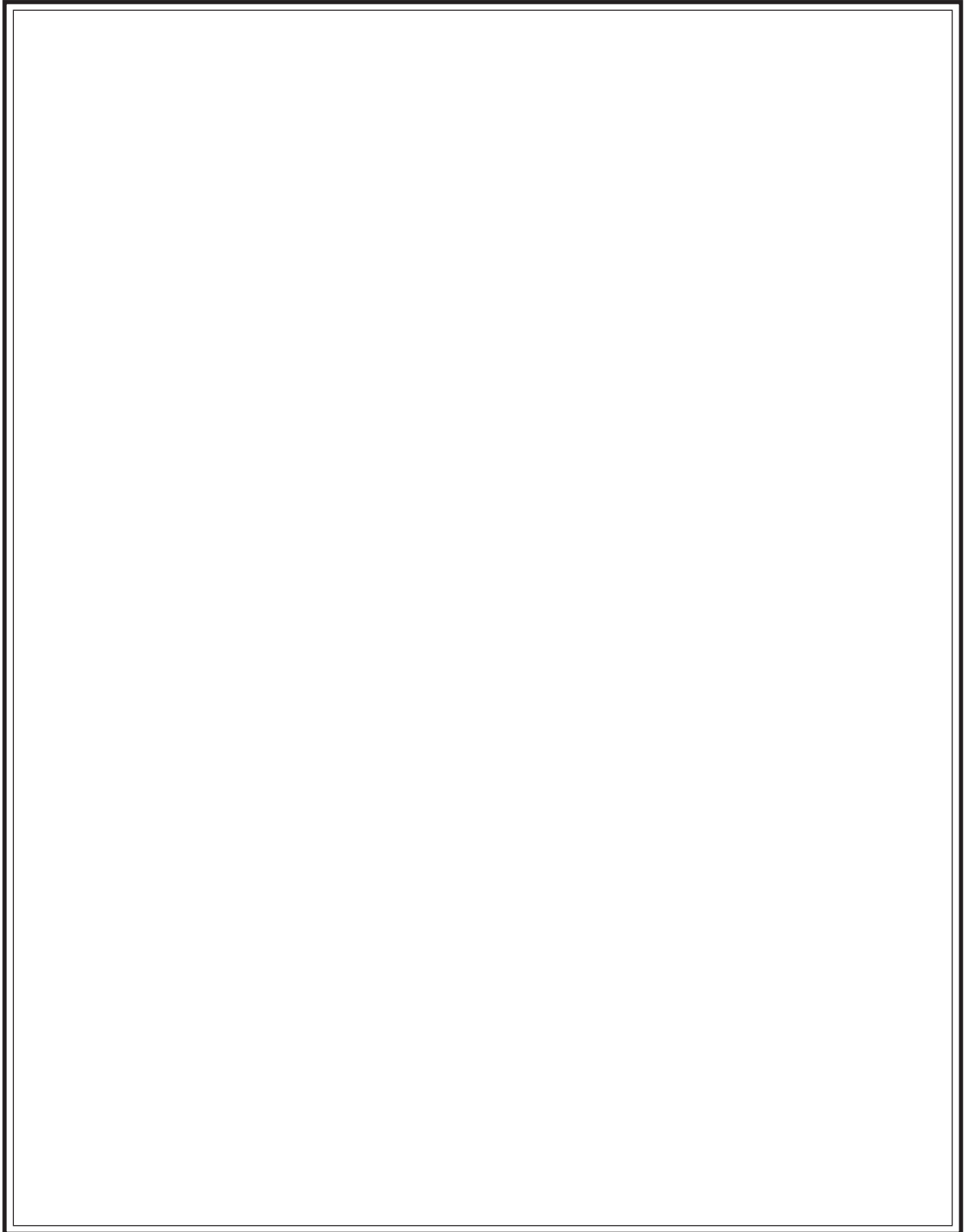


Hindustan Hardy Limited

(formerly Hindustan Hardy Spicer Limited)

**Thirty Seventh Annual Report
2018 - 2019**

www.hhardys.com



BOARD OF DIRECTORS

Mr. S. C. Saran	Chairman
Mr. Ravindra Kale	Executive Director & CEO (Upto 22.09.2018)
Ms.Devaki Saran	Executive Director & CFO
Mr. Shiamak Marshall	Director (Upto 14.02.2019)
Mr. Jehangir H.C. Jehangir	Director
Mr. Richard Koszarek	Director
Mr. Vijay Pathak	Executive Director & COO (wef 10.10.2018)
Mr. Navroze Shiamak Marshall	Additional Director (wef 21.05.2019)

Bankers

Axis Bank Ltd.

Mazda Towers, Trimbak Naka Br., GPO Road, Nashik - 422 001

Auditors

Daga & Chaturmutha

Chartered Accountants
201, Dhananjay Heights,
Adwait Colony, Canada Corner Signal,
Opp. Patil Plaza,
Nashik - 422 005

Registered Office & Plant

C-12, Additional Nasik Industrial Area,
Ambad, Nashik - 422 010.
Tel.: 0253 - 2382018 / 2118
Fax : 0253 - 2382528
email : co@hhardys.com
CIN No.: L29300MH1982PLC028498
Website: www.hhardys.com

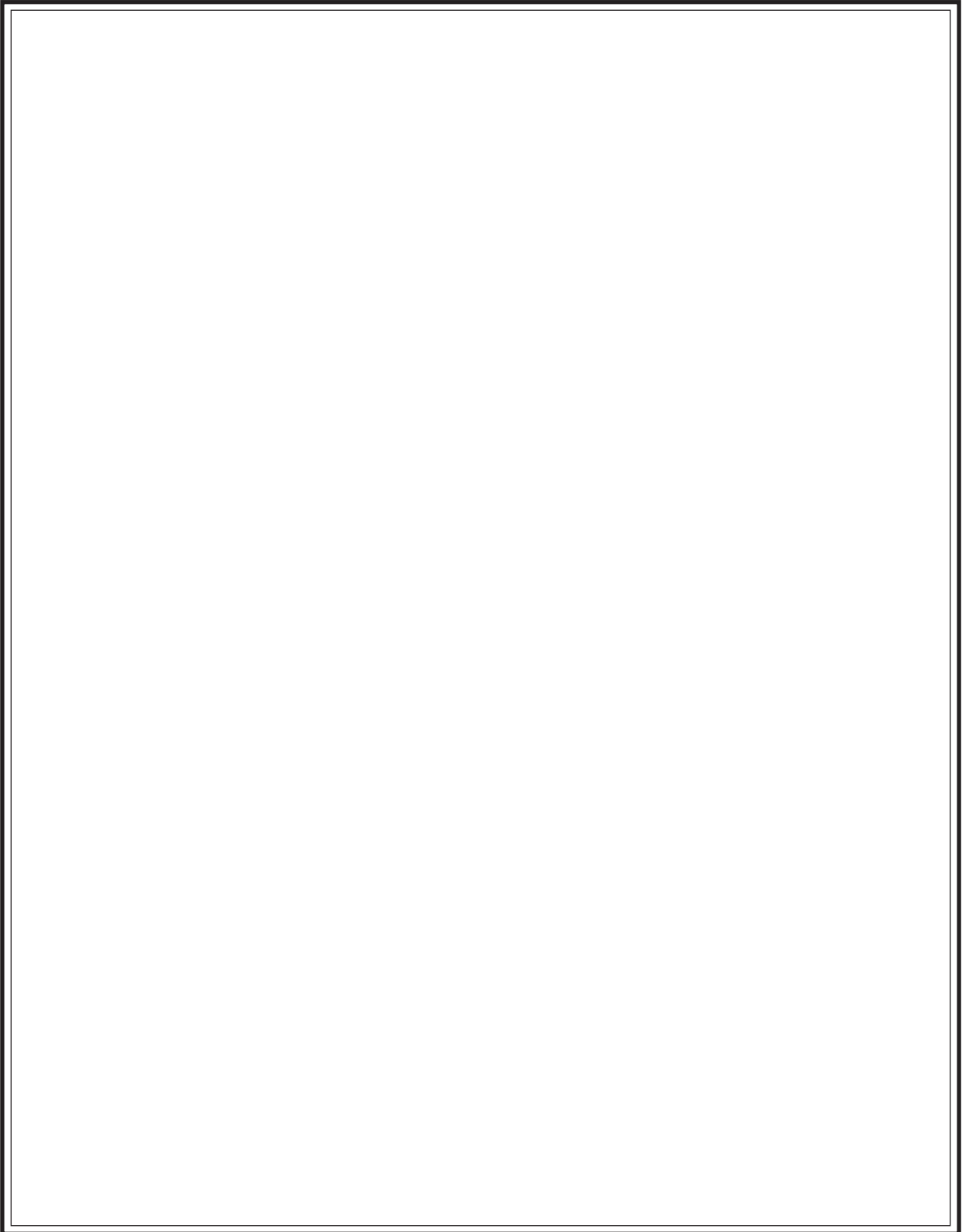
Compliance Officer

Ms. Sunita Nisal
email: co@hhardys.com

Registrars and Share Transfer Agents

Satellite Corporate Services Pvt. Ltd.
Unit No. 49, Building No.-13,
A-B, IInd Floor, Samhita Commercial, Co-Op. Society Ltd.,
Off Andheri Kurla Road, MTNL Lane, Saki Naka,
Mumbai - 400 072.
Tel.: 022 - 28520461 / 462
Fax : 022 - 28511809
email : service@satellitecorporate.com

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HINDUSTAN HARDY LIMITED**(formerly Hindustan Hardy Spicer Limited)**

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

CIN: L29300MH1982PLC028498

Website:www.hhardys.com

Tel No: 0253-2382018

Fax No: + 0253-2382528 Email:co@hhardys.com

NOTICE

Notice is hereby given that the Thirty Seventh Annual General Meeting of the members of Hindustan Hardy Limited (formerly Hindustan Hardy Spicer Limited) will be held at Plot No. C-12, M.I.D.C. Area, Ambad, Nashik – 422 010 on Monday, August 05, 2019 at 2.30 p. m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019, together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend for the financial year 2018-2019 on Equity Shares
3. To appoint a Director in place of Ms. Devaki Saran (DIN: 06504653) who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass the following Resolution as a Special 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 Companies (Appointment and Qualifications of Directors) Rules, 2014 read with Schedule IV to the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Richard Koszarek(DIN:00740800), Independent Director, whose initial term of office expires on August 13, 2019 and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) as amended from time to time and who is eligible for re-appointment for a second term under the provisions of the Act and the Rules framed thereunder, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years commencing August 14, 2019 to August 13, 2024.”

RESOLVED FURTHER THAT Executive Director and/or the Company Secretary of the Company be and are hereby authorized to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this resolution and matters incidental thereto”.

5. To consider and, if thought fit, to pass the following Resolution as a Special 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 Companies (Appointment and Qualifications of Directors) Rules, 2014 read with Schedule IV to the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Jehangir H. C. Jehangir (DIN: 00001451), Independent Director, whose initial term of office expires on August 6, 2019 and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and SEBI Listing Regulations as amended from time to time and who is eligible for re-appointment for a second term under the provisions of the Act and the Rules framed thereunder, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years commencing August 7, 2019 to August 6, 2024.”

RESOLVED FURTHER THAT Executive Director and/or the Company Secretary of the Company be and are hereby authorized to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this resolution and matters incidental thereto”.

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

“RESOLVED that Mr. Navroze Marshall (DIN 0085754), who was appointed as an Additional Director of the Company by the Board of Directors with effect from May 21, 2019 and who holds office upto the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013 (“Act”) but who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company.”

RESOLVED FURTHER THAT pursuant to the provisions of sections 149, 152, Schedule IV and other applicable provisions of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Navroze Marshall (DIN 0085754), 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 SEBI Listing Regulations and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years from May 21, 2019 to May 20, 2024.”.

7. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 188 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors of the Company for availing technical and management expertise from Mr. S. C. Saran, Director of the Company on payment of a sum not exceeding Rs. 36,00,000/-per annum to be

paid on quarterly basis with effect from September 1, 2019.

RESOLVED FURTHER THAT the Executive Director & COO / Company Secretary of the Company be and is hereby severally authorized to sign and execute documents /papers if any required in this regard and to do and perform all such acts, deeds and things as may be necessary in this regard.”.

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 (10%) of the total share capital of the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/ authority, as applicable..
2. The Statement setting out material facts pursuant to section 102 of the Companies Act, 2013, which sets out details relating to item nos. 4 to 7 of the Notice, and Additional information pursuant to Regulation 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Secretarial Standard on General Meetings in respect of directors seeking appointment/ reappointment under item no’s. 3 to 6 are annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will be closed on Tuesday, July 30, 2019 to Monday, August 5, 2019, both days inclusive
4. 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., Unit No. 49, Bldg No.13-A-B, 2nd Floor, Samhita Commercial Co-Op. Soc. Ltd, Off Andheri Kurla Road, MTNL Lane, Sakinaka, Mumbai -400 072, in respect of their physical share folios, if any, quoting their folio numbers.
5. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, accordingly, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.

6. SEBI, vide its Circular No. SEBI/LAD-NRO/ GN/2018/24 dated June 8, 2018, amended Regulation 40 of SEBI Listing Regulations pursuant to which after March 31, 2019 transfer of securities could not be processed unless the securities are held in the dematerialized form with a depository.

Members holding shares in physical form are requested to dematerialize their holdings at the earliest as it will not be possible to transfer shares held in physical mode as per extension of the deadline announced by SEBI.

7. Pursuant to the provisions of the Act, the dividend for the financial year 2011-12 and for subsequent years remaining unclaimed/unpaid for a period of seven years from the date they became due for payment shall be credited to the Investor Education and Protection Fund setup by the Central Government. Members who have so far not claimed the dividend are requested to make claim with the Company as no claim shall lie against the fund or the Company in respect of individual amounts once credited to the said fund.

8. Pursuant to the provision of Section 124(6) of the Act, read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“the IEPF Rules”) and amendments thereto, shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to the demat account of the IEPF Authority except for shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority restraining any transfer of the shares.

The Members/claimants whose shares, unclaimed dividend, etc. have been transferred to the Fund may claim the shares by making an application to IEPF Authority in Form IEPF-5 (available on iepf.gov.in) along with requisite fee as decided by the Authority from time to time. The Member/claimant can file only one consolidated claim in a financial year as per the IEPF Rules and amendments thereto.

9. Members are requested to bring their copy of the Annual Report to the meeting.
10. The Notice of the AGM along with the Annual Report 2018-2019 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
11. To support the ‘Green Initiative’ the Members who have not registered their e-mail addresses are requested to register the same with Registrar and Share Transfer Agent /Depositories.
12. Members holding shares in physical form are requested to consider converting their holding to dematerialised form to eliminate all risks associated with physical shares. Members can contact the Registrar and Share Transfer Agents of the Company in this regard.

13. The route map showing directions to reach the venue of the Thirty-Seventh Annual General Meeting is annexed.
14. 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.

15. VOTING THROUGH ELECTRONIC MEANS:

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by Companies (Management and Administration) Rules, 2015, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and the Secretarial Standards on General Meetings (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide members facility to exercise their right to vote at the 37th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL)

I. The instructions for members for voting electronically are as under:-

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>
Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
(a) For Members who hold shares in demat account with NSDL.	<ul style="list-style-type: none"> • 8 Character DP ID followed by 8 Digit Client ID • For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
(b) For Members who hold shares in demat account with CDSL.	<ul style="list-style-type: none"> • 16 Digit Beneficiary ID • For example if your Beneficiary ID is 12***** then your user ID is 12*****
(c) For Members holding shares in Physical Form.	<ul style="list-style-type: none"> • EVEN Number followed by Folio Number registered with the company • For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- (a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- (b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- (c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - (a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - (b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - (c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number / folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Guidelines for shareholders

1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to cs@parikhassociates.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. 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 download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in
- II. 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).
- III. The e-voting period commences on Friday, August 02, 2019, (10.00 a.m.) and ends on Sunday, August 04, 2019 at (5:00 p.m.). During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of July 29, 2019 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.
- IV. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of July 29, 2019. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting, as well as voting at the meeting. The members who have not cast vote through remote e-voting shall be entitled to vote at the meeting.

Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on www.evoting.nsdl.com.
- V. The facility for voting, either through ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting.

- VI. Shareholders who have already voted prior to the meeting date would be entitled to attend the Annual General Meeting but shall not be entitled to vote at the meeting.
- VII. Ms. Jigyasa N. Ved (FCS 6488) or failing her Mr. Mitesh Dhabliwala (FCS 8331) of M/s Parikh & Associates, Practicing Company Secretaries, has been appointed as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.
- VIII. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make not later than within 48 hours of conclusion of the meeting, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
- IX. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website, www.hhardys.com and on the website of NSDL www.evoting.nsd.com immediately after the result is declared by the Chairman and the same shall be communicated to the BSE Limited where the shares of the Company are listed. The results shall also be displayed on the notice board at the Registered Office of the Company.

Registered Office:

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

By order of the Board

Date : 21.05.2019
Place : Mumbai

DEVAKI SARAN
EXECUTIVE DIRECTOR & CFO
DIN: 06504653

ANNEXURE TO THE NOTICE

THE STATEMENT SETTING OUT MATERIAL FACTS IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4 & 5

In accordance with the provisions of the Act, at the annual general meeting of the Company held on 07.08.2014, Mr. Jehangir H. C. Jehangir (DIN:00001451), was appointed as an Independent Director of the Company, for a term of five years, with effect from 07.08.2014. The current term of Mr. Jehangir as an Independent Director of the Company would come to an end on August 6, 2019. Further at the Annual General Meeting held on 14.08.2015, the Company approved the appointment of Mr. Richard Koszarek as an Independent Director for a period of five years from August 14, 2014 to August 13, 2019.

Pursuant to the provisions of Section 149 and other applicable provisions of the Act, an Independent Director can hold office for a term of up to five consecutive years on the Board of a company, and is eligible for re-appointment on passing a Special Resolution by the company and disclosure of such appointment in the Board's Report.

A brief resume of Mr. Jehangir H. C. Jehangir and Mr. Richard Koszarek is given in the Annexure attached to the Notice.

In line with the Criteria for Selection of Candidates for Senior Management and members on the Board of Directors adopted by the Company, based on the recommendation of the Nomination and Remuneration Committee and based on their skills, expertise and performance evaluation, the Board of Directors of the Company propose and recommend the re-appointment of Mr. Jehangir H. C. Jehangir and Mr. Richard Koszarek as Independent Directors of the Company for a second term of five years.

The Company has received from Mr. Jehangir H. C. Jehangir and Mr. Richard Koszarek, the declarations in terms of Section 149 of the Act and the Rules made thereunder and SEBI Listing Regulations stating that they are qualified to be re-appointed as Independent Directors of the Company.

In the opinion of the Board, Mr. Jehangir H. C. Jehangir and Mr. Richard Koszarek fulfill the conditions specified in the Act and the Rules made thereunder for re-appointment as Independent Directors and that they are independent of the Management.

In the opinion of the Board, Mr. Jehangir H. C. Jehangir and Mr. Richard Koszarek are a persons of integrity, who possess relevant expertise and experience and who have been upholding code of business ethics and compliance; have acted objectively and constructively; exercised their responsibilities in a bona-fide manner in the interest of the Company; have devoted sufficient time and attention to their professional obligations for informed and balanced decision making.

The Board considers that the association of Mr. Jehangir H. C. Jehangir and Mr. Richard Koszarek would be of immense benefit to the Company and it is desirable to appoint them as

an Independent Director. In compliance with the provisions of Section 149 and the Rules framed there under read with Schedule IV to the Act, the re-appointment of Mr. Jehangir H. C. Jehangir and Mr. Richard Koszarek as Independent Director is now being placed before the Members at the General Meeting, for their approval by way of a special resolution.

A copy of the draft letter for the re-appointment of Mr. Jehangir H. C. Jehangir and Mr. Richard Koszarek as Independent Director, setting out the terms and conditions, would be available for inspection without any fee, by the Members at the Registered Office of the Company during normal business hours on any working day (except Saturday and Sunday).

The Board commends the Special Resolutions at Item No. 4&5 of the accompanying Notice, for the approval of the Members of the Company.

Mr. Jehangir H. C. Jehangir and Mr. Richard Koszarek are interested in the Resolution mentioned at Item No. 4&5 of the Notice pertaining to their appointment.

Other than Mr. Jehangir H. C. Jehangir and Mr. Richard Koszarek, none of their relatives or no other Director or Key Managerial Personnel or their relatives are concerned or interested in the Resolution mentioned at Item No. 4 & 5 of the Notice.

Item No. 6

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Navroze Marshall (DIN 0085754) as an Additional Director with effect from May 21, 2019 to hold office as Director till the date of the Annual General Meeting pursuant to Section 161 of the Act.

A brief resume of Mr. Navroze Marshall is given in the Annexure attached to the Notice.

In terms of Section 149 and other applicable provisions of the Act, Mr. Navroze Marshall, being eligible, was also appointed as an Independent Director of the Company for a term of 5 (five) consecutive years from May 21, 2019 to May 20, 2024 not being liable to retire by rotation subject to the approval of shareholders.

Mr. Navroze Marshall has consented to act as a Director of the Company and has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, Mr. Navroze Marshall fulfills the conditions specified in the Act and the Rules thereunder for appointment as Independent Director and he is independent of the management.

The Company has received a Notice in writing from a Member of the Company along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Navroze Marshall for the office of Director of the Company.

The terms and conditions of appointment of Mr. Navroze Marshall as an Independent Director are available for inspection at the Registered Office of the Company during normal business hours on all working days.

Having regard to the qualifications, experience and knowledge, his appointment as an Independent Director will be in the interest of the Company. The Board recommends the resolution as set out at Item no. 6 of the accompanying Notice for the approval by the members of the Company by way of an Ordinary Resolution.

Except Mr. Navroze Marshall, none of the other Directors and Key Managerial Personnel of the Company and their respective relatives is concerned or interested, financially or otherwise, in the resolution.

Item 7

The Company has been availing technical and management expertise from Mr. S. C. Saran, Director of the Company upon payment of a sum not exceeding Rs. 30.00 lacs per annum payable quarterly.

The services and expertise provided by Mr. S. C. Saran include the following:

- Designing guidance and manufacturing know how; both for propeller shafts and related products to help the Company diversify its product offering
- Awareness of overseas market as well as contacts in several organisations to help grow exports
- Knowledge of aftermarket in India to help the Company expand its presence in the aftermarket

It is proposed to increase the amount payable to Mr. S. C. Saran, Director of the Company, to a sum not exceeding Rs. 36,00,000/- per annum payable on a quarterly basis with effect from September 1, 2019 onwards, subject to the approval of shareholders.

In terms of the provisions of section 188 of the Companies Act, 2013, any transaction/s of availing of services from a related party would require the prior approval of shareholders by way of an Ordinary Resolution, which exceeds the thresholds provided in rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014. Accordingly, the Ordinary Resolution for approval of the members under Section 188 of the Companies Act, 2013 read with rules made thereunder is being proposed at item no. 7 for approval of the shareholders.

The particulars of the contracts/transactions, pursuant to para 3 of Explanation (1) to Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 are as aforesaid.

The memorandum of terms and conditions of the transactions to be entered/entered into with Mr. S. C. Saran available for inspection on all working days at the Registered Office of the Company except on Saturday and Sunday.

The related parties shall abstain from voting on this resolution.

Mr. S. C. Saran and Ms. Devaki Saran, relative of Mr. S. C. Saran are interested in the resolution at item no 7.

None of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in this resolution set out at Item No. 7.

The Board of Directors recommend the passing of ordinary resolution set forth in the Notice for the approval of members.

Registered Office:

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

By order of the Board

Date : 21.05.2019
Place : Mumbai

**DEVAKI SARAN
EXECUTIVE DIRECTOR & CFO
DIN: 06504653**

Information as required under Secretarial Standards issued by The Institute of Company Secretaries of India with respect to general meetings

Particulars	Devaki Saran	Richard Kozarek	S.C.Saran	Jehangir H C Jehangir	Navroze Marshall
Date of Birth	16.05.1985	23.11.1951	06.02.1951	23.11.1963	21.03.1976
Age	34 years	67 years	68 years	56 years	43 years
Date of Appointment	14.08.2014	14.08.2014	09.03.1978.	30.10.2006	21.05.2019
Qualification	B.S. in Mechanical Engineering from Carnegie Mellon University in the U.S.A., MBA from Harvard Business School	University of Richmond, Richmond, Virginia USA Year of Graduation: 1973 Degree Bsc	B.S. in Mechanical Engineering from Carnegie Mellon University in the U.S.A., MBA from Columbia Business School	BA in 1975 with Economics & Statistics from Elphinstone College, Mumbai	1.MBA (focus on Leadership) from Institute of Management Development (IMD) Lausanne, Switzerland 2.Bachelor of Science and Double Major in Chemical Engineering & Economics from Carnegie Mellon University Pittsburgh, PA, USA 3.International Baccalaureate from United World College of South East Asia (UWC-SEA), Singapore. 4.ICSE Board Examination (March 1992) from Cathedral & John Connon, Mumbai, India
Expertise in specific functional area	After graduating with University Honors, she joined UBS Investment Bank in New York City and worked in the Financial Institutions Group focusing on banks and specialty finance companies. Later, she returned to India and started working with the Company.	He has over 45 years experience in the automotive industry.	He has over 50 years of experience in the automotive component industry. Under his stewardship, the Company has earned a very good reputation both in the domestic and international markets. He has thorough knowledge of the product and of the automotive component industry as a whole. He also has very good relationships with domestic and global customers.	1. National Radio & Electronics Co Ltd (NELCO). Trained in various disciplines from sales to manufacturing and was working as Executive Assistant to the Director-in-Charge, Mr. Ratan Tata, at the time of leaving. 2. Management of investment companies and charitable trusts	He has over 21 years of experience in Automotive industry. He was Responsible for developing end-use applications using a patented technology developed by Honeywell (injection molding metallic parts) in Honeywell International (formerly Allied Signal) New Jersey, USA.

Directorships in other public companies	<ol style="list-style-type: none"> 1. XLO India Ltd., 2. Business Combine Limited. 3. Hermes Consultants Limited 4. Bombay Footwear Private Limited 	NIL	<ol style="list-style-type: none"> 1. Simmonds Marshall Limited, 2. XLO India Ltd. 3. Business Combine Ltd. 4. Hermes Consultants Private Limited 5. Heatly& Gresham (India) Private Limited 	<ol style="list-style-type: none"> 1. Chowgule Industries Pvt. Ltd 2. Ananta Landwise Pvt. Ltd. 3. Principle Healthcare & Wellness Pvt. Ltd. 4. Vaspan Healing Pvt. Ltd. 5. Jehangir Brand Management Pvt. Ltd. 6. LNQ Therapeutics Pvt. Ltd. 7. Jehangir Clinical Development Centre Pvt. Ltd. 	<ol style="list-style-type: none"> 1. Simmonds Marshall Ltd, 2. Ador Fontech Limited 3. Ador Multi Products Ltd. 4. J N Marshall Pvt. Ltd 5. Diamtools Pvt. Ltd. 6. J N Marshall Engineering Pvt. Ltd. 7. Sadafuli Finstock Pvt. Ltd. 8. Nap Apps Pvt. Ltd. 9. Powair Automation Equipments Pvt. Ltd. 10. Corrodyne Coatings Pvt. Ltd.
Memberships of Committees in other public companies (Includes only Audit & Stakeholders Relationship Committee)	NIL	NIL	1. Simmonds Marshall Limited	NIL	<ol style="list-style-type: none"> 1. Simmonds Marshall Limited 2. Ador Fontech Limited (Only Audit Committee Member)
No. of shares held in the Company	NIL	NIL	501	NIL	NIL
Relationship between directors inter-se	She is related to Mr. S. C. Saran, Director of the Company.	He is not related to any other Director or Key Managarial Personnel	Immediate relative of Ms. Devaki S Saran	He is not related to any other Director or Key Managarial Personnel	He is not related to any other Director or Key Managarial Personnel
Number of Board meetings attended	6	6	6	5	NIL

DIRECTORS' REPORT

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

To
The Members
HINDUSTAN HARDY LIMITED
(formerly Hindustan Hardy Spicer Limited)

The Directors have pleasure in presenting the Thirty Seventh Annual Report together with the Statement of Accounts for the year ended on March 31, 2019.

FINANCIAL RESULTS:

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Revenue from Operations	4659.69	3833.54
Other Income	5.03	105.06
Total Income	4664.72	3938.60
Profit before Interest, Depreciation and Tax	262.29	208.06
Finance Cost	35.54	48.57
Depreciation	56.27	67.04
Profit / Loss before tax	170.48	92.45
Tax Expenses	131.35	0.96
Profit / Loss after Tax	39.14	91.49
Other Comprehensive Income / (loss) for the year	10.38	-10.55
Profit / Loss for the year attributable to owners of the company	49.52	80.94
Surplus brought forward from Previous Year	246.49	165.56
Profit available for appropriation	296.01	246.49
Proposed Dividend	17.98	-
Tax on Proposed Dividend	3.70	-
Surplus Carried Forward	274.33	246.49

OPERATIONS/STATE OF COMPANY'S AFFAIRS

Profit before tax was Rs 170.48 lakhs as compared to Rs 92.45 lakhs in the prior year. This was largely on account of a 22% increase in sales. Quarterly sales steadily increased over the course of the year. The growth was due to the Company's heightened marketing efforts in prior periods coupled with a broadening of the Company's product offerings. Sales across all market segments witnessed significant increases.

The Company's cost reduction initiatives also boosted the bottom line. The Company had started a Companywide cost reduction initiative and savings were seen across all departments. Additionally supplier rationalization and value engineering efforts also helped to augment the bottom line.

TRANSFER TO GENERAL RESERVES

There was no transfer made to General Reserve.

DIVIDEND

The Board of directors is pleased to recommend a dividend of Rs. 1.20 per share (12%) on the Equity shares of the Company for the financial year 2018-2019.

OUTLOOK

The outlook for the domestic market was highly uncertain prior to the election with a slowdown witnessed across all segments. The outlook is expected to improve in the second half of the current financial year. The outlook for export markets appears reasonable as the Company has taken considerable efforts to diversify across geographies thereby reducing its dependence on any one region or currency.

The Company has stepped up its sales and marketing efforts and is expanding its product offering and targeting new customers. The Company is already beginning to see the results of its efforts across all customer segments.

The Company had launched a new brand in the Indian aftermarket two years ago and is continually expanding its product range for the Indian aftermarket. Brand recognition and acceptance has grown steadily which is evident from the sales growth in this segment.

High steel and fuel prices remain a negative headwind on profitability. The company is continuing its value engineering and continuous improvement efforts to reduce manufacturing costs in an attempt to neutralize this effect. The company had also undertaken a huge cost reduction initiative to reduce costs across the board. Most costs have been reduced to the bare minimum; however this initiative continues.

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

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

NUMBER OF MEETINGS OF BOARD OF DIRECTORS

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Act and Articles of Association, Ms. Devaki Saran (DIN: 06504653) Director of the Company, retires at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.

In terms of Section 203 of the Act, the following are the Key Managerial Personnel (KMP) of the Company:

Mr. Vijay Pathak, Executive Director & COO
Ms. Devaki Saran, Executive Director & CFO
Ms. Sunita Nisal, Company Secretary

On April 17, 2018, Mr. Sharad Jain (DIN 06988659) resigned as Director of the Company.

During the year, Mr. Shiamak Marshall (DIN 00085682), Independent Director resigned as Director of the Company w.e.f. February 14, 2019. Your directors place on record their appreciation to the knowledge and guidance extended by them to the Company and its management during their tenure as Director of the Company.

On May 21, 2019, the Board of Directors considered and appointed Mr. Navroze Marshall as an Additional Director of the Company as recommended by the Nomination and Remuneration Committee, who holds office upto the date of the ensuing annual general meeting. The Board also appointed Mr. Navroze Marshall as an Independent Director of the Company for a term of five years from May 21, 2019 to May 20, 2024 subject to the approval of the shareholders. The Company has received notice under Section 160 of the Act proposing his appointment.

The Board of Directors of the Company has pursuant to the provisions of Section 149 and other applicable provisions of the Act and based on Mr. Jehangir H. C. Jehangir and Mr. Richard Koszarek's skill, expertise and performance evaluation, proposed the re-appointment of Mr. Jehangir H. C. Jehangir and Mr. Richard Koszarek as Independent Directors of the Company for a second term of five years. Their reappointment for second term of five years is being placed before the shareholders for their approval at the ensuing annual general meeting.

The necessary ordinary resolution seeking approval of the Members for the appointment of Mr. Navroze Marshall as an Independent Director and the special resolutions for reappointment of Mr. Jehangir H. C. Jehangir and Mr. Richard Koszarek as Independent Directors of the Company for a second term of five years have been incorporated in the notice of the forthcoming annual general meeting of the Company along with brief details about them.

DECLARATION FROM INDEPENDENT DIRECTORS

Directors who are independent directors, have submitted a declaration as required under section 149(7) of the Act that each of them meets the criteria of independence as provided in sub Section (6) of Section 149 of the Act and under regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and there has been no change in the circumstances which may affect their status as independent director during the year. In the opinion of the Board, the independent directors possess appropriate balance of skills, experience and knowledge, as required.

AUDIT COMMITTEE OF BOARD OF DIRECTORS

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

1. Mr. S. C. Saran
2. Mr. Jehangir H. C. Jehangir
3. Mr. Richard Koszarek
4. Mr. Navroze S Marshall

Four meetings of the Audit committee were held during the financial year.

VIGIL MECHANISM

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

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

The Remuneration Policy for directors and senior management and the Criteria for selection of candidates for appointment as directors, independent directors, senior management as adopted by the Board of Directors are placed on the website of the Company (www.hhardys.com). There has been no change in the policies since the last fiscal year.

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the annual accounts on a going concern basis;
- (v) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

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

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

DETAILS OF SUBSIDIARIES/ JOINT VENTURES/ ASSOCIATES

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

During the year, XLO India Limited, a promoter of the Company, on 17.04.2018 acquired 3,90,000 equity shares of the Company by way of inter se transfer and now holds 66.07 % of the total shareholding of the Company. Accordingly, the Company has now become a subsidiary of XLO India Limited.

EXTRACT OF ANNUAL RETURN

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

AUDITORS

The Members of the company had, at its Annual General Meeting (AGM) held on 18th August, 2017 appointed M/s. Daga & Chaturmutha, Chartered Accountants, Nashik, (ICAI Registration No-101987W) as the Statutory Auditors for a period of 5 (five) consecutive years from the conclusion of the Thirty Fifth AGM till the conclusion of the fortieth AGM. M/s. Daga & Chaturmutha, Chartered Accountants, have submitted a certificate confirming that their appointment is in accordance with Section 139 read with Section 141 of the Act.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013, M/s. Parikh & Associates, Practicing Company Secretaries were appointed as the Secretarial Auditors for auditing the secretarial records of the Company for the financial year 2018-19.

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

AUDITORS' REPORT AND SECRETARIAL AUDITORS' REPORT

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

As regards observations of Secretarial Auditors in their report, your directors have to state that constant efforts were being made to identify and appoint a competent and suitable candidate as the Company Secretary of the Company. In the Meanwhile, to ensure timely compliance of the provisions of the Act, the company has been taking the professional services of the reputed Practicing Company Secretaries. The Company has appointed a Company Secretary and Compliance Officer with effect from February 14, 2019.

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

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

PARTICULARS OF EMPLOYEES

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

DEPOSITS FROM PUBLIC

The Company has not accepted any deposits from public.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORY/ JUDICIAL AUTHORITY

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

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Company has not given any loans or guarantees or made investments during the year ended March 31, 2019.

RISK MANAGEMENT POLICY

The Board of Directors of the Company has framed a risk management policy and is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The company conducts a monthly review of major risks and actions to minimize these in its Monthly Management Meeting. Efficacy of risk management is also one of the criterion evaluated in the IATF certification process.

RELATED PARTY TRANSACTIONS

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

EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

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

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

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

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

The Company has not received any complaint of sexual harassment during the financial year 2018-19.

The Company has complied with the provisions relating to constitution of Internal Complaints Committee under POSH Act.

SECRETARIAL STANDARDS

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

LISTING AGREEMENT AND LISTING FEES

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

The Company has paid the listing fees to BSE Limited for the year 2019-20.

INSIDER TRADING REGULATIONS AND CODE OF DISCLOSURE

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

GREEN INITIATIVES

As a part of Green initiative, Electronic copies of the Annual Report 2018-19 and Notice of the 37th Annual General Meeting of the Company are sent to all members whose email addresses are registered with the Company / Depository Participant(s).

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The provisions of Section 135 of the Companies Act, 2013 ("the Act") read with Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable to the Company.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

CORPORATE GOVERNANCE REPORT

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Corporate Governance is not mandatory to the Company.

MAINTAINENCE OF COST ACCOUNTING RECORDS

The company is not required to maintain cost records as specified under section 148(1) of the Companies Act, 2013.

ACKNOWLEDGEMENT

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

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

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

For and on behalf of the Board

Date : May 21, 2019
Place: Mumbai

S. C. Saran
Chairman

ANNEXURE I

Extract of Annual Return as on Financial year ended 31.03.2019
[Form MGT-9 pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details:

i. CIN No. of the Company:	L29300MH1982PLC028498
ii. Registration Date:	16.10.1982
iii. Name of the Company:	HINDUSTAN HARDY LIMITED (Formerly HINDUSTAN HARDY SPICER LIMITED)
iv. Category/ Sub-category of the Company:	Public Limited Company Limited by Shares
v. Address of Registered office and contact details:	Plot No. C-12, M.I.D.C. Area, Ambad, Nashik, Maharashtra- 422 010 Email : hhardy_nsk@sancharnet.in Website : www.hhardys.com Tel. : 0091-253-2382018, 2382118, 2382754 Fax : 0091-253-2382528
vi. Whether listed company:	Yes
vii. Name, Address and contact details of Registrar and Transfer Agent :	M/s. Satellite Corporate Services Pvt. Ltd., Unit No. 49, Bldg No.13-A-B, 2nd Floor, Samhita Commercial Co-Op. Soc. Ltd. Off Andheri Kurla Road, MTNL Lane, Sakinaka, Mumbai - 400 072. Email : : service@satellitecorporate.com Website : : www.satellitecorporate.com Tel. : 0091-22- 28520461/462. Fax : 0091-22-28511809

II. Principal Business Activity of the Company:

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

S r . No.	Name and Description of main products/ services	NIC Code of the product/ service	Percentage to total turnover of the company
1	Propeller Shaft, UJ kit Double Cardan Shafts & components	29301	99.52%

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

S r . No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	Percentage of shares held	Applicable Section
1.	XLO India Limited		Holding Company	66.07%	2(46) of the Companies Act, 2013

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

i. Category wise shareholding:

Category of shareholders	No of shares held at the beginning of the year (as on 01.04.2018)				No of shares held as on 31.03.2019				%Change during the year (9-5)
	Demat	physical	Total	% of total shares	Demat	physical	Total	% of total shares	
1	6	7	8	5	6	7	8	9	10
Promoters									
Indian									
Individuals / Hindu Undivided Family	501	150	651	0.04	651	0	651	0.04	0.00
Central Government	0	0	0	0.00	0	0	0	0.00	0.00
State Governments(s)	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corporate	59993	750	60743	40.09	98993	0	98993	66.07	25.98
Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
HUF	0	0	0	0.00	0	0	0	0.00	0.00
Directors & their relatives	0	0	0	0.00	0	0	0	0.00	0.00
Cleaning Member	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A) (1)	600494	900	601394	40.13	990644	0	990644	66.11	25.98
Foreign									
Non-Resident Individuals	0	0	0	0.00	0	0	0	0.00	0.00
Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corporate	390000	0	390000	26.03	0	0	0	0.00	-26.03
Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A) (2)	390000	0	390000	26.03	0	0	0	0.00	
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	990494	900	991394	66.16	990644	0	990644	66.11	-0.05
Public Shareholding									
Institutions									
Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
Financial Institutions / Banks	50	0	50	0.00	50	0	50	0.00	0.00

Category of shareholders	No of shares held at the beginning of the year (as on 01.04.2018)		No of shares held at end of the year (as on 31.03.2019)		%Change during the year
Central Government	0	0	0	0	0.00
State Governments(s)	0	0	0	0	0.00
Venture Capital Funds	0	0	0	0	0.00
Insurance Companies	0	0	0	0	0.00
Foreign Institutional Investors	0	0	0	0	0.00
Foreign Venture Capital Funds	0	0	0	0	0.00
Any Other (Specify)	0	0	0	0	0.00
Sub-Total (B) (1)	50	0	50	0	0.00
Non-Institutions				0	0.00
Bodies Corporate	0	0	0	0	0.00
i) Indian	15627	50	15677	50	1.11
ii) Overseas	0	0	0	0	0.00
Individuals	0	0	0	0	0.00
Individual Shareholders holding nominal Share Capital upto Rs.1 Lakh	234950	115204	350154	270038	23.37
Individual Shareholders holding nominal Share Capital in excess of Rs.1 Lakh	83008	0	83008	66008	5.54
Any Other (Specify)	0	0	0	0	0.00
Clearing Member	0	0	0	0	0.00
IEPF	42875	0	42875	45716	2.86
Non Resident Indians	745	50	795	1130	0.05
HUF	14397	100	14497	3055	0.97
Directors & their relatives	0	0	0	0	0.00
Sub-total (B) (2)	391602	115404	507006	402553	33.84
Total Public Shareholding (B) = (B)(1)+(B)(2)	391652	115404	507056	402603	33.84
TOTAL (A)+(B)	1382146	116304	1498450	1393247	100.00
				105203	
				1498450	
				100.00	

Category of shareholders	No of shares held at the beginning of the year (as on 01.04.2018)				No of shares held at end of the year (as on 31.03.2019)				%Change during the year
	0	0	0	0.00	0	0	0	0.00	
Shares held by Custodians for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
GRAND TOTAL (A)+(B)+(C)	1382146	116304	1498450	100.00	1393247	105203	1498450	100.00	0.00

ii. Shareholding of Promoters :

S r No	Shareholders Name	Shareholding at the beginning of the year 01.04.2018		Shareholding at the end of the year-31.03.2019			% change in shareholding during the year	
		No. of Shares	% of total Share of the company	% of shares pledged/ encumbered to total shares	No. of Shares	% of total Share of the company		% of shares pledged/ encumbered to total shares
1	XLO India Ltd*	599993	40.04	0	989993	66.07	0	26.03
2	Spicer Gelenkwellenbau GmbH*	390000	26.03	0	0	0.00	0	-26.03
3	Sanjaya Chandrabhushan Saran	501	0.03	0	501	0.03	0	0.00
4	Devaki Saran Holdings Private Limited	450	0.03	0	0	0.00	0	-0.03
5	Mallika Saran Holdings Private Limited	250	0.02	0	0	0.00	0	-0.02
6	Arati Vasant Pandit	100	0.01	0	0	0.00	0	-0.01
7	Charminsan Investments Pvt Ltd	50	0.00	0	0	0.00	0	0.00
8	Arati Sanjaya Saran	50	0.00	0	150	0.00	0	0.01
	TOTAL	991394	66.16	0	990644	66.11	0	-0.05

*During the year, XLO India Limited, a promoter of the Company, on 17.04.2018 acquired 3,90,000 equity shares of the Company by way of inter se transfer from Spicer Gelenkwellenbau GmbH and now holds 66.07 % of the total shareholding of the Company

iii. Change in Promoters' Shareholding:

Sr. No.	Share holders Name		Shareholding at the beginning of the year 01.04.2018		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	XLO India Ltd	At the beginning of the year	599993	40.04	599993	40.04
		Shareholding during the year specifying the reasons for increase / decrease	390000 Purchased entire stake of one co-promoter	26.03	989993	66.07
		At the end of the year		-	989993	66.07
2	Spicer Gelenkwellenbau GmbH	At the beginning of the year	390000	26.03	390000	26.03
		Shareholding during the year specifying the reasons for increase / decrease	(390000) Sold entire stake to one co-promoter	(26.03)	0	-
		At the end of the year		-	0	-
3	Devaki Saran Holdings Pvt. Ltd.	At the beginning of the year	450	0.03	450	0.03
		Shareholding during the year specifying the reasons for increase / decrease	(450) Shares Sold	(0.03)	0	-
		At the end of the year		-	0	-
4	Mallika Saran Holdings Pvt. Ltd.	At the beginning of the year	250	0.02	250	0.02
		Shareholding during the year specifying the reasons for increase / decrease	(250) Shares Sold	(0.02)	0	-
		At the end of the year		-	0	-

Hindustan Hardy Limited
(formerly Hindustan Hardy Spicer Limited)

Sr. No.	Share holders Name		Shareholding at the beginning of the year 01.04.2018		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5	Arati Vasant Pandit	At the beginning of the year	100	0.01	100	0.01
		Shareholding during the year specifying the reasons for increase / decrease	(100) Shares consolidated (Refer Sr. No. 7)	(0.01)	0	0.00
		At the end of the year			0	0.00
6	Charminsan Investments Pvt Ltd	At the beginning of the year	50	0.00	50	0.00
		Shareholding during the year specifying the reasons for increase / decrease	(50) Shares Sold	(0.00)	0	0.00
		At the end of the year			0	0.00
7	Arati Sanjaya Saran	At the beginning of the year	50	0.00	50	0.00
		Shareholding during the year specifying the reasons for increase / decrease	100 Shares Consolidated (Refer Sr. No. 5)	0.01	150	0.01
		At the end of the year			150	0.01

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

Sr. No	Name of Shareholders	Shareholding at the beginning of the year 01.04.2018		(+) I N C R E A S E / (-)DECREASE IN SHARE HOLDING		Shareholding at the end of the year 31-03-2018	
		No. of Shares	% Of Total Shares Of The Company	Date	Shares	No Of Shares	% Of Total Shares Of The Company
1	Hitesh Ramji Javeri	44254	2.95	01.04.2018		44254	2.95
	IN30036020087818			31.03.2019	0	44254	2.95
2	Investor Education And Protection Fund Authority Ministry Of Corporate Affairs	42875	2.86	01.04.2018		42875	2.86
	1204720013676780 / IN30070810656671			26.10.2018	2841	45716	3.05
				31.03.2019	2841	45716	3.05
3	Dilipkumar Lakhi	21754	1.45	01.04.2017		21754	1.45
	IN30015910026342			31.03.2018	0	21754	1.45
4	RADHABAI RAMJI JAVERI	17000	1.13	01.04.2018		17000	1.13
	IN30036010883608			31.03.2019	0	17000	1.13
5	DEVIKA ANAND	0	0.00	01.04.2018		0	0.00
	IN30021423089815			25.05.2018	3525	3525	0.24
				01.06.2018	13	3538	0.24
				30.06.2018	1597	5135	0.34
				06.07.2018	240	5375	0.36
				13.07.2018	421	5796	0.39
				20.07.2018	2458	8254	0.55
				10.08.2018	959	9213	0.61
				17.08.2018	954	10167	0.68
				14.09.2018	780	10947	0.73
				21.09.2018	137	11084	0.74

Sr. No	Name of Shareholders	Shareholding at the beginning of the year 01.04.2017		(+)/INCREASE/ (-) DECREASE IN SHARE HOLDING		Shareholding at the end of the year 31-03-2018	
		No Shares	% Of Total Shares Of The Company	Date	Shares	No Of Shares	% Of Total Shares Of The Company
5	DEVIKA ANAND			23.11.2018	182	11266	0.75
	IN30021423089815			30.11.2018	151	11417	0.76
				07.12.2018	260	11677	0.78
				14.12.2018	37	11714	0.78
				21.12.2018	266	11980	0.80
				11.01.2019	691	12671	0.85
				25.01.2019	35	12706	0.85
				15.02.2019	167	12873	0.86
				08.03.2019	300	13173	0.88
				15.03.2019	611	13784	0.92
				22.03.2019	912	14696	0.98
				30.03.2019	668	15364	1.03
			31.03.2019	0	15364	1.03	
6	PRAKASH GAJANAN NAYAK	9563	0.64	01.04.2018		9563	0.64
	1203210000004694			31.03.2019	0	9563	0.64
7	VSL SECURITIES PRIVATE LIMITED	8463	0.56	01.04.2018		8463	0.56
	1201060001602763			31.03.2019	0	8463	0.56
8	SARITA BOTHRA	6000	0.40	01.04.2018		6000	0.40
	IN30359110029980			31.03.2019	0	6000	0.40
9	NIRMAL KUMAR CHOPRA	5121	0.34	01.04.2018		5121	0.34
	IN30125013339478			31.03.2019	0	5121	0.34
10	HARSHA HITESH JAVERI	5000	0.33	01.04.2018		5000	0.33
	IN30036020087795			31.03.2019	0	5000	0.33
				31.03.2018	0	5000	0.33

v. Shareholding of Directors and Key Managerial Personnel:

Sl. No	Name of the Shareholder	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Sanjaya Chandrabhushan Saran	01-04-2018	-	501	0.03	501	0.03
		31-03-2019	-	501	0.03	501	0.03
Key Managerial Personnel							
	NIL		At the beginning of the year				
			At the end of the year				

V. Indebtedness:

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	403.62	-	-	403.62
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	<u>403.62</u>	-	-	<u>403.62</u>
Change in Indebtedness during the financial year				
- Addition	96.28	-	-	96.28
- Reduction				
Net Change	<u>96.28</u>	-	-	<u>96.28</u>
Indebtedness at the end of the financial year				
(i) Principal Amount	499.90	-	-	499.90
(ii) Interest due but not paid				
(iii) Interest accrued but not due				
Total (i+ii+iii)	<u>499.90</u>	-	-	<u>499.90</u>

VI. Remuneration of Directors and Key Managerial Personnel

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

	Ms. Devaki Saran EXECUTIVE DIRECTOR & CFO	Mr. R.V. KALE	Mr. Vijay Pathak EXECUTIVE DIRECTOR & COO
Gross Salary			
a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	31.42	14.77	19.83
b) Value of Perquisites u/s 17(2) of Income Tax Act, 1961	5.24	6.54	-
c) Profits in lieu of salary u/s 17(3) of Income Tax Act, 1961	-	-	-
Stock Option	-	-	-
Sweat Equity	-	-	-
Commission	-	-	-
Others (PL encashment & superannuation)	4.02	1.74	
Total (A)	40.68	23.05*	19.83**
Ceiling as per the Act	Schedule V of the Act		Schedule V of the Act

* Remuneration to Mr. R.V Kale is for the period April 1, 2018 to September 22, 2018

** Remuneration to Mr. Vijay Pathak is for the period October 10, 2018 to March 31, 2019

B. Remuneration to other Directors

NAME OF DIRECTORS	Remuneration (Rs)	SITTING FEES (Rs.)	Commission (Rs.)
Independent Directors			
Jehangir H.C. Jehangir	-	33000	-
Richard Koszarek	-	43000	-
Shiamak Marshall	-	18000	-
TOTAL (B1)	-	94000	-
Other Non-Executive Directors			
S. C. SARAN	*1800000	44000	-
SHARAD JAIN	-	-	-
TOTAL (B2)	1800000	44000	-
TOTAL B1+B2	1800000	1,38,000	-

* Mr. S. C. Saran was paid professional fees of Rs. 18.00 lakhs during the year 2018-2019 for the technical and management expertise services provided by him as approved by the Board of Directors of the Company at its meeting held on 12.02.2016.

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

VII. Penalties/ Punishment/ Compounding of Offences- NONE

For and on behalf of the Board

Date : May 21,2019
Place : Mumbai

S. C. Saran
Chairman

ANNEXURE II

FORM No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

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

To,

The Members,

HINDUSTAN HARDY LIMITED

(formerly Hindustan Hardy Spicer Limited)

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March, 2019 according to the applicable provisions of:

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

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time; (Not applicable to the Company during the audit period)
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period) and
- (vi) Other laws applicable specifically to the Company namely:
 - 1. The Factories Act, 1948
 - 2. The Contract Labour Act, 1970
 - 3. The Workmen's Compensation Act, 1923
 - 4. The Environment (Protection) Act, 1986
 - 5. Air (Prevention and Control of Pollution) Act, 1981.

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

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

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above except that BSE Limited had levied a fine of Rs. 1,08,560/- in respect of regulation 6(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which the Company paid on 28.02.2019. The Company has

appointed a whole-time Company Secretary as required under Section 203 of the Act and the rules made thereunder with effect from February 14, 2019

We further report that:

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

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

Decisions at the Board meetings were taken unanimously.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines etc.

We further report that during the audit period the following events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

1. During the year, XLO India Limited, a promoter of the Company, on 17.04.2018 acquired 3,90,000 equity shares of the Company by way of inter se transfer and now holds 66.07 % of the total shareholding of the Company. Accordingly, the Company has now become a subsidiary of XLO India Limited.
2. The name of the Company was changed from Hindustan Hardy Spicer Limited to Hindustan Hardy Limited vide fresh certificate of incorporation dated 13.07.2018 issued by the Registrar of Companies, Maharashtra.

For Parikh & Associates
Company Secretaries

Signature:
Jigyasa N. Ved
Partner

Place : Mumbai
Date : 21.05.2019

FCS No : 6488
CP No : 6018

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

ANNEXURE 'A'

To,

The Members

Hindustan Hardy Limited

(formerly Hindustan Hardy Spicer Limited)

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

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

For Parikh & Associates
Company Secretaries

Signature:
Jigyasa N. Ved
Partner

Place : Mumbai
Date : 21.05.2019

FCS No : 6488
CP No : 6018

ANNEXURE III

A. Conservation of energy, technology absorption, foreign exchange earnings and outgo: [Rule9.10(3)]

1. Conservation of energy:

- (i) Steps taken / impact on conservation of energy, with special reference to the following:
- TPM (Total Productive Maintenance) initiative to repair old machines and reduce oil and other leakages.
 - Installation of meters to monitor electricity consumption on a daily basis. Separate meters have been installed for the heat treatment department and machine shop. Management is analyzing what causes spikes in electricity consumption and taking appropriate action.
 - Camera installed to measure Power Factor reading and ensure company receives maximum Power Factor Incentive
 - Installation of a separate lower capacity compressor in the heat treatment department. The heat treatment department frequently runs in all three shifts. Previously the company only had only one higher capacity compressor which was run used even only the heat treatment department was operational. This has led to considerable energy savings.
 - Installation of LED lightbulbs in place of CFL lightbulbs both of the shop floor and the office. This is an ongoing process as fused lightbulbs are being replaced by LED powered ones.
 - High horse power motors on old machines are being replaced by Variable Frequency Drive motors on an ongoing basis.
 - Paperless initiative to reduce printing and conserve paper.
 - Skylights in the factory ceiling eliminate the need for lighting during the day as far as possible.
- (ii) Steps taken by the company for utilizing alternate sources of energy including waste generated

- Installation of Solar Powered LED Streetlight fixtures.
 - Installation of 400 LPD Solar Hot water System at Canteen.
 - Installation of a composter and wormiculture for canteen waste.
 - Evaluation of installing solar panels is also being carried out.
- (iii) Capital investment on energy conservation equipment Rs. NIL

2. Technology :

- (i) Our technology had been imported from our Collaborators, Spicer Gelenkwellenbau GmbH, Germany in 1984. Since then upgradation has continued in consultation with various Agencies as well as with inhouse expertise.

3. Foreign exchange earnings and Outgo

The Foreign Exchange earnings and outgo are as under	(Rs. in Lakh)
1. Foreign Exchange Earnings	1875.76
2. Foreign Exchange Outgo on account of import	10.08
3. Foreign Exchange Outgo on account of travel	24.35
Total Foreign Exchange outgo	34.43
Net Foreign Exchange earnings	1841.33

For and on behalf of the Board

Date : 21.05.2019
Place : Mumbai

S. C. Saran
Chairman

ANNEXURE IV

PARTICULARS OF EMPLOYEES

I] Remuneration of Directors [Section 197(12) and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

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

	Ratio to median remuneration
Chairman	4.63
Executive Director & CFO	10.46
Executive Director & CEO*	5.93
Executive Director & COO**	5.10

*Remuneration to Executive Director & CEO is for the period April 1, 2018 to September 22, 2018

** Remuneration to Executive Director & COO is for the period October 10, 2018 to March 31, 2019

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

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase/decrease in remuneration in the financial year
Chairman	0
Executive Director & Chief Executive Officer *	3.27
Executive Director & Chief Financial Officer *	22.83

* Salary is annualised.

- (b) The percentage increase in the average remuneration of employees in the financial year: 2.34%.
- (c) The number of permanent employees on the rolls of company: 206

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

Several employees reached retirement age and were replaced by new recruits or trainees at lower salaries. Therefore the average remuneration increase of employees was lower than that of the managerial personnel.

- (e) Affirmation that the remuneration is as per the remuneration policy of the Company
- (f) The Company affirms remuneration is as per the remuneration policy of the Company.

II] The names of the top ten employees in terms of remuneration drawn is as under:

Name of employee	Designation	Remuneration received (Rs. in Lakh)	Nature of employment	Qualifications	Experience	Age	Last employment	Percentage of equity shares held
Ms. Devaki Saran	Executive Director & CFO	40.68	Contractual	B.S. (Mechanical Engg.), M.B.A	5 years	34	UBS Investment Bank, New York	NIL
Mr. Ravindra Kale*	Executive Director & CEO	23.05	Contractual	BE (Mechanical)	33 Years	56	Curtiss Wright, Pune	NIL
Mr Vijay Pathak#	Executive Director & COO	22.82	Contractual	Govt. Polytechnic	33 years	59	MSL Limited, Nashik	NIL
More AD	Sr. Manager Engineering	10.07	Regular	BE (Mechanical)	22 years	46	I – Design Engineering Solutions Ltd, Pune	NIL
Murgunde NR	Sr. Manager & HOD - Marketing & Procurement	9.65	Regular	DME	22 Years	43	Spicer India Ltd., Satara	NIL
Sambhus MS	Sr. Manager & HOD - Quality	8.89	Regular	DME	36 Years	56	Associated Manufacturing LLP, Pune	NIL
Taskar AS	Sr. Manager & HOD - Production	8.55	Regular	DME	28 Years	50	Started his career in Hindustan Hardy	NIL
Sonawane BJ	Sr. Manager – Heat Treatment and Receipt	7.34	Regular	DME, DBM, MMS	22 Years	43	Taparia Tools Ltd., Nashik-7	NIL
Mehandale CP	Sr. Manager & HOD PPC, Stores & Despatch	5.62	Regular	DME	28 Years	50	Started his career in Hindustan Hardy	NIL
Mulay DS	Sr. Manager - Yoke	5.53	Regular	DME	30 Years	51	Started his career in Hindustan Hardy	NIL

*Upto September 22, 2018

w.e.f. October 10, 2018

Note: The employees falling in the management cadre are being considered for the above purpose.

There are no employees who are in receipt of remuneration in aggregate of Rupees One Crore and two Lakh for the year or Rupees Eight Lakh fifty thousand per month, if employed for part of the year.

Date : 21.05.2019
Place : Mumbai

For and on behalf of the Board

S. C. Saran
Chairman

ANNEXURE V

FORM AOC2

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

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

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

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any:	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
Mr. S.C. Saran Director	Professional Fees	Continuous	A sum of Rs. 18,00,000/- per annum paid on quarterly basis during the year	He is highly qualified having both an BSc in Mechanical Engineering from Carnegie Mellon University (USA) and an MBA from Columbia University (USA). Under his leadership the Company has earned a very good reputation both in the domestic and international markets. He has thorough knowledge of the product and of the automotive component industry as a whole. He also has very good relationships with domestic and global customers. The technical expertise and guidance of Mr. Sanjaya Saran is invaluable to the Company.	12.02.2016	-	N.A.

XLO India Limited, (Holding Company) Directorship and Shareholding	The Company is using the registered trademark of XLO, "XLO Value", to market its products in the Indian aftermarket.	Continuous	Payment of 1% royalty on sales value to be paid on quarterly basis During the year an amount of Rs. 1,54,382/- was billed	XLO brand already has good brand recognition in the Indian aftermarket. Therefore it would be beneficial to the business of the Company as the Company strives to establish a presence in the aftermarket.	01.08.2016	-	N.A.
Business Combine Limited Directorship and Shareholding	Purchase of S.G. Iron Castings	Continuous	An amount not exceeding in aggregate Rs. 150,00,000/- in any financial year During the year an amount of Rs. 1,25,58,852/- of SG iron castings were purchased	The quality of castings of M/s Business Combine is very good and prices are very competitive relative to other casting suppliers. Supply lead time is short due to proximity of factory to Company's location.	10.08.2018	-	N.A.

2. Details of material contracts or arrangement or transactions at arm's length basis

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

For and on behalf of the Board

Date : May 21, 2019
Place : Mumbai

S. C. Saran
Chairman

AS PER SCHEDULE V OF SEBI LODR : ANNUAL REPORT

[See Regulation 34(3) and 53(f)]

MANAGEMENT DISCUSSION AND ANALYSIS

a. *Industry structure and developments.*

- Sales are primarily to 4 customer segments – domestic OEMs, export customers, industrial customers and aftermarket. In FY 18-19, the Company's largest market segment was Domestic OEMs, followed by Export, Aftermarket and industrial customers.
- The Company serves 4 sectors – commercial vehicle, agricultural, off-highway and construction equipment and industrial.

b. *Opportunities and Threats.*

- The Indian propeller shaft market is dominated by 4 major players who all jostle for market share amongst the major commercial vehicle manufacturers, the differentiating factor being price competitiveness. As a result margins, are shrinking.
- The domestic after-sale market is also crowded by a number of low cost suppliers supplying unbranded generic components at low prices. The Company was a late entrant to the after sales market and is yet to achieve the brand recognition that can command a significant price premium. However sales and marketing efforts are paying off and gradually the brand is being recognized as a quality product.
- In the export market, Indian manufacturers have a cost advantage compared to their European and American counterparts. However quality standards are very stringent and monetary penalties for rejections or product failures is very high. Export to the US and Europe has significant potential; however government policies remain uncertain. Despite this, the ongoing trade conflict between the US and China could prove be a golden opportunity for Indian manufacturers. Additionally the cost of production in China is increasing which is narrowing the cost advantage of Chinese competitors. However their reputation for quality is also improving which reduces the edge of Indian manufacturers.
- Several foreign players in India are taking steps to indigenize components that were previously imported which provides an attractive opportunity to Indian manufacturers. They are also looking to India for global sourcing as the capabilities and quality standards of Indian manufacturers have improved considerably and India is now viewed as a credible source of engineering products.

c. Segment-wise or product-wise performance.

- The company operates in a single segment.
- Total revenue from operations in FY 18-19 was Rs. 4659.69 Lakh as compared to 3833.54 Lakh in FY 17-18. Sales increased due to the Company's strong marketing and product range expansion efforts.

d. Outlook

- The outlook for the domestic market was highly uncertain prior to the election with a slowdown witnessed across all segments. The outlook is expected to improve in the second half of the year. The outlook for export markets appears reasonable as the Company has taken considerable efforts to diversify across geographies.
- The Company has stepped up its sales and marketing efforts and is expanding its product offering and targeting new customers. The Company is already beginning to see the results of its efforts across all customer segments.
- The Company is also expanding its product range for the Indian aftermarket.

e. Risks and concerns.

- High steel and fuel prices remain a negative headwind on profitability. The company is continuing its value engineering and continuous improvement efforts to reduce manufacturing costs and attempt to neutralize this effect. The company had also undertaken a huge cost reduction initiative to reduce costs across the board. Most costs have been reduced to the bare minimum however this initiative continues.
- Increasing competition and rising costs are also putting downward pressure on margins. The Company is trying to counter this by focusing on operational efficiencies.
- The Company is trying to penetrate new export markets; however uncertain government policies pose a threat.

f. Internal control systems and their adequacy.

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

- The internal control systems in place are more than adequate.

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

- Raw material costs have increased sharply over the last 2 financial years; only a portion of which has been compensated by customers. The Company's cost reduction initiatives have yielded results as the Company was profitable despite the significant rise in input costs.
- Efforts to further improve efficiency continue at all levels and across all departments.

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

- Total number of employees increased to 206 from 202 at the end of the prior financial year.

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

The date of the meetings were – 12.04.2018, 17.04.2018, 07.05.2018, 10.08.2018, 14.11.2018, 14.02.2019

Name of the Director	No. of Board Meetings attended
Mr. S. C. Saran	6
Mr. Jehangir H. C. Jehangir	5
Mrs. Devaki Sanjaya Saran	6
Mr. Richard George Koszarek	6
Mr. Vijay Pathak	2
Mr. Shiamak Marshall	2
Mr. Ravindra Kale	3

AUDIT COMMITTEE

The date of the meetings were – 07.05.2018, 10.08.2018, 14.11.2018, 14.02.2019

Composition	Meetings attended
Mr. Richard Koszarek	4
Mr. S.C. Saran	4
Mr. Jehangir HC Jehangir	3
Mr. Shiamak Marshall	2

NOMINATION AND REMUNERATION COMMITTEE

The Date of the Meetings were – 07.05.2018, 10.08.2018, 14.02.2019

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

SHARE TRANSFERS AND STAKEHOLDERS RELATIONSHIP COMMITTEE

The date of the Meetings were – 07.05.2018, 22.06.2018, 10.08.2018, 26.10.2018, 14.11.2018, 17.12.2018, 14.02.2019

Composition	Meetings attended
Mr. S.C. Saran	7
Mr. Richard Kozarek	6
Mr. Jehangir H.C. Jehangir	3
Ms. Devaki Saran	7
Mr. Shiamak Marshall	4

INDEPENDENT AUDITOR'S REPORT

To the Members of

HINDUSTAN HARDY LIMITED.

(Formerly Known as Hindustan Hardy Spicer Limited)

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Hindustan Hardy Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent Auditor's of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the

economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all

relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that :
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us.
- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
- (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Daga & Chaturmutha

Chartered Accountants

Firm Registration No. 101987W

Anand Daga

Partner

Date: 21st May, 2019

Membership No. 048684

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Hindustan Hardy Limited of even date)

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant & equipments.

b) As explained to us, all the assets have been physically verified by the management at the end of the year. According to the information and explanations given to us no discrepancies have been noticed on such physical verification.

c) In respect of immovable property of land that has been taken on lease, the lease agreement is in the name of the company.
- (ii) As per the information furnished, the inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. No material discrepancies were noticed on physical verification of inventory.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 (‘the Act’).
- (iv) The Company has not given any loans, has not made any investments nor has given any guarantees or security - hence the compliance as per provisions of section 185 and 186 are not applicable.
- (v) The Company has not accepted any deposits from the public during the year under review.
- (vi) It is informed that the provisions of maintenance of Cost Records as prescribed by the Central Government under section 148 (1) of the Companies Act 2013 are not applicable to the Company.
- (vii) a) According to the information and explanations given to us and the books and records examined by us, the company is generally regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income tax, customs duty, goods & services tax, cess and other material statutory dues with the appropriate authorities. It is informed that there are no such dues as at 31st March 2019 outstanding or a period exceeding six months from the date they became payable.

b) According to information and explanations given to us there are no disputed amounts outstanding in respect of income tax, goods & services tax, sales tax, value added tax, service tax and customs duty at the last day of financial year.

- (viii) The Company has not defaulted in repayment of loans or borrowings to banks. The Company has not borrowed from financial institutions or government and has not issued any debentures.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. The term loans taken were applied for the purpose for which they were taken.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
- (xii) The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Act, where applicable for all transactions with related parties and the details of related party transactions have been disclosed in the Ind AS financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with them.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Daga & Chaturmutha

Chartered Accountants

Firm Registration No. 101987W

Anand Daga

Partner

Membership No. 048684

Date: 21st May, 2019

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Hindustan Hardy Limited of even date)

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act , 2013 (the Act).

We have audited the Internal Financial Controls over Financial Reporting of HINDUSTAN HARDY LIMITED (“the Company”) as of 31st March, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls over financial reporting to the future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations provided to us, the Company has in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over the financial reporting were operating effectively on 31st March, 2019, based on the internal financial reporting criteria established by the company considering the essential components of internal controls stated in the Guidance Note of Audit of Internal Controls over Financial reporting issued by the ICAI

For Daga & Chaturmutha

Chartered Accountants

Firm Registration No. 101987W

Anand Daga

Partner

Date: 21st May, 2019

Membership No. 048684

BALANCE SHEET AS AT 31ST MARCH, 2019

(Rs in Lakh)

	Particulars	Note No	As At 31.03.2019	As At 31.03.2018
I.	ASSETS			
	Non-current assets			
	Fixed assets			
	Property, Plant and Equipment	2	423.58	391.72
	Capital work-in-progress	2	43.93	25.54
	Intangible assets	2	5.19	5.09
	Financial Assets			
	Trade receivables	7	5.09	3.96
	Other financial assets	3	17.59	17.59
	Income Tax assets (net)			79.31
	Deferred tax assets	4	33.35	25.98
	Other non-current assets	5	213.76	210.78
	Sub total - Non-current assets		742.48	759.96
	Current assets			
	Inventories	6	523.19	408.72
	Financial Assets			
	Trade receivables	7	1,332.43	1,210.32
	Cash and cash equivalents	8	7.33	14.66
	Bank balances other than cash and cash equivalents	9	10.99	12.74
	Others (Interest Receivable)		1.50	1.32
	Other current assets	10	18.35	51.54
	Sub total - Current assets		1,893.79	1,699.30
	TOTAL - ASSETS		2,636.27	2,459.26
II.	EQUITY AND LIABILITIES			
	EQUITY			
	Equity Share Capital	11	149.85	149.85
	Other Equity		715.41	665.90
	Sub total - Equity attributable to owners		865.26	815.74
	LIABILITIES			
	Non-current liabilities			
	Financial Liabilities			
	Borrowings	12	21.41	4.87
	Deferred Tax Liability	17	31.88	28.75
	Sub total - Non-current liabilities		53.29	33.61
	Current liabilities			
	Financial Liabilities			
	Borrowings	12	478.49	398.75
	Trade payables	15	842.15	831.01
	Other financial liabilities	13	8.89	10.85
	Other current liabilities	16	287.45	269.11
	Provisions	14	84.19	84.36
	Current Tax Liabilities (Net)		16.54	15.83
	Sub total - Current liabilities		1,717.72	1,609.90
	TOTAL - EQUITY AND LIABILITIES		2,636.27	2,459.26

See accompanying notes 1 to 43 to the financial statements.

In terms of our report attached

For & on behalf of the Board of Directors

For Daga & Chaturmutha
Chartered Accountants
Firm Registration No. 101987W

Chairman
S.C. Saran (DIN-00032194)

Director
Jehangir H.C Jehangir (DIN-00001451)

Anand Daga
Partner

Executive Director & CFO
Devaki Saran (DIN-06504653)

Director
Richard Koszarek (DIN-00740800)

Executive Director & COO
Vijay Pathak (DIN-02700611)

Director
Navroze S Marshall (DIN-00085754)

Mumbai, May 21, 2019

Company Secretary : Sunita Nisal (ACS-49122)

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(Rs in Lakh)

Particulars	Note No	As At 31.03.2019	As At 31.03.2018
Income			
Revenue from operations	18	4,659.68	3,833.54
Other income	19	5.03	105.06
Total Income		4,664.72	3,938.61
Expenses			
Cost of raw materials consumed	20	2,465.45	1,986.77
Purchase of Stock-in-Trade		-	-
Changes in inventories of finished goods, work-in-progress	21	16.71	(28.17)
Excise duty		-	42.11
Employee benefits expense	22	977.98	926.29
Depreciation and amortisation expense	2	56.27	67.04
Finance costs	23	35.54	48.57
Other expenses	24	942.29	803.54
Total expenses		4,494.23	3,846.15
Profit / (Loss) before tax		170.48	92.45
Tax expense:			
For the current year			
Current tax		53.00	20.72
Deferred tax		(4.24)	(19.76)
Earlier year Tax Adjustment		82.59	-
		131.35	0.96
Profit / (Loss) for the year from continuing operations		39.14	91.49
Other comprehensive Income			
Items not to be reclassified to profit or loss			
Re-measurement gains/ (losses) on defined benefit plans		14.38	(15.27)
Tax relating to the above		(4.00)	4.72
Other comprehensive income for the year, net of tax		10.38	(10.55)
Total comprehensive income/ (Loss) for the year		49.52	80.93
Earnings per share {in ₹} {of ₹10 each} :	25		
Basic		2.61	6.11
Diluted		2.61	6.11

See accompanying notes 1 to 43 to the financial statements.

In terms of our report attached

For & on behalf of the Board of Directors

For Daga & Chaturmutha

Chartered Accountants
Firm Registration No. 101987W

Anand Daga

Partner

Chairman

S.C. Saran (DIN-00032194)

Executive Director & CFO

Devaki Saran (DIN-06504653)

Executive Director & COO

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Director

Richard Koszarek (DIN-00740800)

Director

Navroze S Marshall (DIN-00085754)

Mumbai, May 21, 2019

Company Secretary : Sunita Nisal (ACS-49122)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(Rs in Lakh)

		Year ended 31.03.2019	Year ended 31.03.2018
A.	Cash flow from operating activities		
	Net Profit / (Loss) before tax	170.48	92.45
	Adjustments for :		
	Depreciation and amortisation	56.27	67.04
	Profit on sale of Property, Plant & Equipment	-	-1.43
	Interest and Finance Charges	35.54	48.57
	Investments written-off		0.55
	Interest income	(1.87)	(4.22)
	Operating profit before working capital changes	260.43	202.96
	Adjustment for :		
	Decrease / (Increase) Trade receivables	(123.24)	(273.57)
	Decrease / (Increase) Financial and Non-Financial assets	46.34	153.98
	Decrease / (Increase) Inventories	(114.47)	(54.71)
	Increase / (Decrease) Trade payables	11.14	112.13
	Increase / (Decrease) Financial and Non-Financial liabilities and provisions	16.22	61.10
		(164.01)	(1.07)
	Cash generated from / (used in) operations	96.41	201.90
	Direct taxes paid	(59.56)	(0.17)
	Net cash flow from / (used in) operating activities (A)	36.86	201.72
B.	Cash flow from investing activities		
	Purchase of Property, Plant & Equipment	(106.63)	(47.29)
	Proceeds from Sale of Property, Plant & Equipment/Capital Subsidy received	-	1.94
	Interest income	1.69	4.22
	Net cash flow from / (used in) investing activities (B)	(104.94)	(41.13)

(Rs in Lakh)

C.	Cash flow from financing activities			
	Proceeds from Borrowing	140.61	-	
	Repayment of borrowings	(44.32)	(118.21)	
	Interest and Finance Charges	(35.54)	(48.57)	(166.77)
	Net cash flow from / (used in) financing activities (C)		60.75	(166.77)
	Net increase / (decrease) in cash & cash equivalent (A+B+C)		(7.34)	(6.18)
	Cash and cash equivalent at the end of the period		7.33	14.66
	Cash and cash equivalent at the beginning of the period		14.66	20.85
			(7.34)	(6.18)
	Components of cash and cash equivalents			
	Cash on hand			0.45
	With banks -		0.82	
	With banks - demand deposit with maturity less than 3 months		6.51	14.21
	In current account			
	In deposit account			
	Cash and bank balance as per note 9		7.33	14.66

Notes :

- 1) Figures in brackets represent cash outflow.
- 2) Cash flow statement has been prepared under the indirect method as set out in Ind AS - 7 specified under Section 133 of the Companies Act, 2013.
- 3) Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

See accompanying notes 1 to 43 to the financial statements.

In terms of our report attached

For & on behalf of the Board of Directors

For Daga & Chaturmutha
Chartered Accountants
Firm Registration No. 101987W

Chairman
S.C. Saran (DIN-00032194)

Director
Jehangir H.C Jehangir (DIN-00001451)

Anand Daga
Partner

Executive Director & CFO
Devaki Saran (DIN-06504653)

Director
Richard Koszarek (DIN-00740800)

Executive Director & COO
Vijay Pathak (DIN-02700611)

Director
Navroze S Marshall (DIN-00085754)

Mumbai, May 21, 2019

Company Secretary : Sunita Nisal (ACS-49122)

Statement of Changes in Equity for the year ended 31st March, 2019

A.	Equity Share Capital	(₹ in Lakhs)
	Balance as at 01st April, 2017	149.85
	Changes in equity share capital during the year	-
	Balance as at 31 March, 2018	149.85
	Balance as at 01st April, 2018	149.85
	Changes in equity share capital during the year	-
	Balance as at 31 March, 2019	149.85

B. Other Equity						
For the year Ended 31st March, 2019						
Particulars	Reserves & Surplus - (₹ in Lakhs)					Total Equity
	Capital Reserve	Share Forfeiture Reserve	Investment Allowance Reserve	General Reserve	Retained Earnings	
Balance as at 1st April 2017	15.00	0.08	0.00	426.09	143.80	584.96
Profit / (Loss) for the year	-	-	-	-	91.49	91.49
Other Comprehensive Income\ (Loss) for the year	-	-	-	-	(10.55)	(10.55)
Balance as at 31st March 2018	15.00	0.08	-	426.09	224.73	665.90
Balance as at 1st April 2018	15.00	0.08	-	426.09	224.73	665.90
Investment Allowance Reserve Tfrd. to General Reserve	-	-	-	-	39.14	39.14
Profit / (Loss) for the year	-	-	-	-	10.38	10.38
Other Comprehensive Income\ (Loss) for the year	-	-	-	-	-	-
Balance as at 31st March 2019	15.00	0.08	-	426.09	274.25	715.41

Remeasurement income (net) on defined benefit plans Rs. 10.38 Lakh [March 31, 2018 (loss) Rs. 10.55 Lakh is recognised as part of Retained Earnings.

See accompanying notes 1 to 43 to the financial statements.

In terms of our report attached

For & on behalf of the Board of Directors

For Daga & Chaturmutha
Chartered Accountants
Firm Registration No. 101987W

Chairman
S.C. Saran (DIN-00032194)

Director
Jehangir H.C Jehangir (DIN-00001451)

Anand Daga
Partner

Executive Director & CFO
Devaki Saran (DIN-06504653)

Director
Richard Koszarek (DIN-00740800)

Executive Director & COO
Vijay Pathak (DIN-02700611)

Director
Navroze S Marshall (DIN-00085754)

Mumbai, May 21, 2019

Company Secretary : Sunita Nisal (ACS-49122)

Notes to Financial Statements for the year ended March 31, 2019

Note No. 1 – General Information and Significant Accounting Policies :

1. Corporate Information:

Hindustan Hardy Limited is a Public Limited Company listed on the Bombay Stock Exchange. It was incorporated on October 16, 1982 under the Companies Act, 1956. It is engaged in the business of designing and manufacturing of Propeller Shafts and other accessories required for automotive, industrial, agricultural and other applications. The registered office of the Company is located at Nashik, Maharashtra, India.

2. Basis of Preparation:

These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rule, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 the relevant provisions of the Companies Act, 2013 ('the Act').

The financial statements have been prepared on a historical cost basis, except for Defined benefit plans – which are measured as per actuarial valuation.

3. Significant Accounting Policies:

(a) Property, plant and equipment; Capital work-in-progress & Intangible assets:

- (i) Property, plant and equipment & intangible assets are stated at their original cost of acquisition / installation (net of Cenvat , VAT , GST credit wherever applicable) net of accumulated depreciation, amortization and impairment losses. Subsequent expenditures are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost to the item can be measured reliably. All repairs and maintenance expenses on assets are charged to profit or loss during the reporting period in which they are incurred.
- (ii) Property, plant and equipment or intangible assets not ready for the intended use on the date of balance sheet are disclosed as "Capital Work -in-Progress". Advances given towards acquisition/construction of fixed assets outstanding at each Balance sheet date are shown under " Capital Work-in-Progress ".
- (iii) An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

- (iv) The residual values, useful lives and methods of depreciation of property, plant & equipment and intangible assets are reviewed in each financial year and adjusted prospectively, if appropriate.

(b) Depreciation:

(i) Tangible Assets:

- I. Depreciation on assets is provided on straight line method at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013.
- II. Depreciation on additions to Property, plant & equipment and intangible assets is provided on a pro-rata basis from the date of acquisition or installation, and in the case of a new project, from the date of commencement of commercial production.
- III. Depreciation on assets sold, discarded, demolished or scrapped is provided up to the date on which the said asset is sold, discarded, demolished or scrapped.

(ii) Intangible Assets:

- I. Intangible assets with finite lives are amortized on straight line method over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.
- II. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its Property, plant and equipment and Intangible assets recognized as at 1 April 2016 measured as per the previous IGAAP and use that carrying value as the deemed cost of respective assets.

Impairment of non-financial assets:

The carrying amounts of other non-financial assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss, if any is recognised in the statement of profit and loss wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets. A previously recognised impairment loss if any, is

increased or reversed depending on the changes in circumstances, however the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation/amortization if there was no impairment.

(c) Inventories:

(i) Raw Materials / Components:

Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on First in First out (FIFO) basis.

(ii) Stores & Spare parts are valued at Cost.

(iii) Finished goods and Work in Progress:

Lower of cost and net realizable value. Cost is determined on absorption basis and include material, labour and production overheads. Material cost for the purpose of valuation is ascertained on First in First out (FIFO) basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Cost includes all charges in bringing the goods to the point of sale, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads

(d) Financial Instruments:

The presentation of financial instruments as per applicable Ind AS.

(e) Provisions and Contingencies:

A provision is recognised for a present obligation as a result of past events if it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate of the amount required to settle the obligation at the Balance Sheet date. A contingent liability is disclosed, unless the possibility of an outflow of resources is remote.

(f) Foreign Currency Conversion:

The Company's financial statements are presented in Indian National Rupee (INR) which is also its functional currency.

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of transaction or at the rates that closely approximate the rate at the date of the transaction.

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.

(g) Revenue recognition:

- (i) Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.
- (ii) The specific recognition criteria described below must also be met before revenue is recognised.

(iii) Sale of goods:

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer which generally coincides with the delivery of goods to customers. Accordingly, domestic sales are accounted on dispatch of products to customers and Exports are accounted on the basis of date of bill of lading / delivery terms. Warranty claims are accounted for on the basis of settlement of the same.

The Government of India introduced the Goods and Service tax (GST) with effect from 1st July 2017. GST is collected on behalf of the Government and no economic benefit flows to the entity and does not result in an increase in equity, consequently revenue is presented net of GST. Sales of earlier period included excise duty which now is subsumed in GST. The twelve months period ended on 31st March, 2018 includes excise duty up to 30th June, 2017.

Revenue are disclosed are inclusive of excise duty and net of sales tax / value added tax / GST, discounts and sales returns, as applicable.

(iv) Rendering of services:

Revenue from services is recognised (net of service tax / GST , as applicable) pro- rata over the period of the contract as and when services are rendered.

(v) Duty Drawback / MEIS – Export Incentives:

The export incentives are accounted for on realization basis as there is uncertainty about the actual amount to be realized after due compliances of all the conditions.

(vi) Interest income:

Interest income is recognized on a time proportion basis that reflects the effective yield on the asset.

(h) Retirement and other employee benefits:

(i) Defined Contribution Plan:

Employee benefits in the form of contribution to Provident Fund managed by Government Authorities, Employees State Insurance Corporation and Labour Welfare Fund are considered as defined contribution plan and the same is charged to the Statement of Profit and Loss for the year in which the employee renders the related service

(ii) Defined Benefit Plan:

Retirement benefit in the form of Gratuity, is considered as defined benefit obligation and is provided for on the basis of actuarial valuation as at the date of Balance Sheet. Re-measurement, comprising of Actuarial gain / loss, if any, is immediately recognised in Other Comprehensive Income (OCI) under retained earnings. The same is not reclassified to Statement of Profit and Loss. Prior year comparisons are treated accordingly. Earlier in IGAAP Actuarial gain/loss were recognized under Employee benefit expenses.

The company has taken a Group Gratuity-cum-Life Assurance Scheme Policy from Life Insurance Corporation of India for future payment of gratuity to retiring employees. The balance lying with LIC of India in this policy is compared with the liability as calculated in actuarial valuation report. Any shortfall in the same is recognized as liability and any surplus is shown as asset.

Provision for Leave Encashment is made on actual basis on the assumption that the same would be payable at the end of the accounting period – if all the employees were to terminate their services.

The company also contributes certain percentage of salary for all eligible employees in managerial cadre towards Superannuation Fund managed by approved trust / Life Insurance Corporation of India..

(i) Borrowing Costs:

Borrowing cost directly attributable to acquisition and construction of assets that necessarily takes substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of such assets up to the date when such assets are ready for intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(j) Taxation:

Tax expense comprises of current income tax and deferred income tax and includes any adjustments related to past periods in current and / or deferred tax adjustments that may become necessary due to certain developments or reviews during the relevant period.

Current income tax

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

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets / liabilities are reviewed at each Balance Sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the assets realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

(k) Leases:

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee: Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(l) Segment Reporting:

Operating segment is reported in a manner consistent with the internal reporting provided to chief operating decision makers.

The board of directors of the company has appointed Management team which has been identified as being the chief operating decision maker, consists of Chief Executive Officer (CEO) / Chief Operating Officer (COO), Chief Finance Officer (CFO) , Production Manager, Sales & Marketing Manager and Design Manager. They assess the financial performance and position of the Company and make strategic decisions.

(m) Earnings Per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the period from continuing operations attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period from continuing operations attributable to equity shareholders is divided by the weighted average number of equity shares outstanding during the period - adjusted for the effects of all dilutive potential equity shares.

(n) Classification of Current/Non-Current Assets and Liabilities:

All assets and liabilities are presented as Current or Non-Current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization, the Company has ascertained its operating cycle as 12 months for the purpose of Current / Non-current classification of assets and liabilities.

(o) Significant estimates and assumptions:

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(p) Classification of Legal matters and Tax litigations:

The litigations and claims to which the Company is exposed are assessed by management with assistance and support of external specialized lawyers. Disclosures related to such provisions, as well as contingent liabilities, also require judgment and estimations if any.

All estimates mentioned above are further detailed in the corresponding disclosures.

Notes to Financial Statements (Contd.)
2 Property, Plant and Equipment

(₹ in Lakhs)

Particulars	As at 31.03.2019									
	Gross block		Depreciation and Amortisation				Net Block			
	As at 01.04.2018	Additions	Deductions/Adjustment	As at 31.03.2019	As at 01.04.2018	Additions	Deductions / Transfer	As at 31.03.2019	As at 31.03.2019	
(A) Tangible assets										
Buildings	101.57	-	-	101.57	8.12	4.06	-	12.18	89.39	
Plant and machinery	362.51	44.96	-	407.48	116.42	31.52	-	147.94	259.54	
Electrical installations & Air Conditioners	12.84	0.06	-	12.89	1.91	0.96	-	2.88	10.02	
Furniture and fixtures	18.82	3.26	-	22.09	6.86	3.29	-	10.15	11.94	
Office & Other equipments	5.18	-	-	5.18	1.48	0.89	-	2.37	2.81	
Computers	23.91	2.90	-	26.81	9.83	9.68	-	19.51	7.30	
Vehicles	17.30	36.91	-	54.21	5.80	5.82	-	11.62	42.59	
Total Tangible assets	542.13	88.09	-	630.22	150.41	56.23	-	206.64	423.58	
(B) Capital Work In Progress	25.54	-	-	43.93	-	-	-	-	43.93	
Total Capital Work In Progress	25.54	-	-	43.93	-	-	-	-	43.93	
(C) Computer software	10.66	0.14	-	10.81	5.57	0.05	-	5.62	5.19	
Total Intangible assets	10.66	0.14	-	10.81	5.57	0.05	-	5.62	5.19	
Total (A+B+C)	578.33	88.24	-	684.96	155.99	56.27	-	212.26	472.70	

Particulars	As at 31.03.2018									
	Grossblock		Depreciation and Amortisation				NetBlock			
	Deemed-cost as at 01.04.2017	Additions	Deductions/Adjustment	As at 31.03.2018	As at 01.04.2017	Additions	Deductions/Transfer	As at 31.03.2018	As at 31.03.2018	
(A) Tangible assets										
Buildings	101.57	-	-	101.57	4.06	4.06	-	8.12	93.45	
Plant and machinery	282.41	80.10	-	362.51	70.54	45.87	-	116.42	246.10	
Electrical installations & Air Conditioners	12.84	-	-	12.84	0.96	0.96	-	1.91	10.92	
Furniture and fixtures	18.37	0.45	-	18.82	3.76	3.10	-	6.86	11.97	
Office & Other equipments	3.26	1.92	-	5.18	0.69	0.78	-	1.48	3.70	
Computers	18.01	5.90	-	23.91	3.91	5.93	-	9.83	14.08	
Vehicles	17.81	-	0.51	17.30	2.90	2.90	-	5.80	11.50	
Total Tangible assets	454.27	88.37	0.51	542.13	86.81	63.60	-	150.41	391.72	
(B) Capital Work In Progress	67.65	-	-	25.54	-	-	-	-	25.54	
Total Capital Work In Progress	67.65	-	-	25.54	-	-	-	-	25.54	
(C) Computer software	9.63	1.04	-	10.66	2.13	3.44	-	5.57	5.09	
Total Intangible assets	9.63	1.04	-	10.66	2.13	3.44	-	5.57	5.09	
Total (A+B+C)	531.55	89.40	0.51	578.33	88.95	67.04	-	155.99	422.34	

(Rs in Lakh)

	Non Current		Current	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
3 Other Financial Assets				
Advances recoverable in cash or kind	-	-	-	-
Others (include insurance claim and other receivables)	-	-	-	-
Deposits	17.59	17.59	-	-
Total	17.59	17.59	-	-
4 Deferred tax assets				
On account of timing differences - i.e. expenditure incurred / provided for but allowable as deduction for tax purposes in future years				
-Provision for compensated absences and other employee benefits	23.42	21.72	-	-
-Other Expenses	9.93	4.25	-	-
Total	33.35	25.98	-	-
5 Other Non- Current Assets				
Balance with Government Authorities	142.33	142.33	-	-
Gratuity Fund Balance (LIC)	66.23	63.17	-	-
Pre-payments Land Lease	5.20	5.28	-	-
Total	213.76	210.78	-	-
6 Inventories				
(At cost, less provision for slow and non moving inventory and net realisable value whichever is lower)				
Raw materials	-	-	307.79	179.39
Finished goods	-	-	31.09	22.15
Stores and spares parts	-	-	28.51	25.74
Work in Progress	-	-	155.80	181.45
Total	-	-	523.14	408.72
7 Trade Receivables				
Unsecured, considered good	5.09	3.96	1,332.43	1,210.32
Unsecured, considered doubtful	-	-	-	-
	5.09	3.96	1,332.43	1,210.32
Less:- Provision for Doubtful receivables	-	-	-	-
Total	5.09	3.96	1,332.43	1,210.32

(Rs in Lakh)

	Non Current		Current	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
8 Cash and Cash Equivalents				
Balances with banks				
In current accounts	-	-	6.51	14.21
Cash on hand	-	-	0.82	0.45
Total	-	-	7.33	14.66
9 Bank balances other than Cash and Cash Equivalents				
Earmarked Balances with Bank *	-	-		
Margin with Bank	-	-	8.83	10.79
*These balances include unpaid dividend liabilities of the company.	-	-	2.16	1.95
Total	-	-	10.99	12.74
10 Other Current Assets				
Balance with Government Authorities	-	-	-	15.35
Prepaid Expenses	-	-	7.67	8.16
Advances to Suppliers	-	-	1.43	5.89
Other receivables	-	-	0.25	-
Others	-	-	9.00	22.13
Total	-	-	18.35	51.54

	As at 31.03.2019		As at 31.03.2018	
	No. of Shares	Amount	No. of Shares	Amount
11 Equity Share Capital				
Share capital				
Authorised				
Equity shares of ₹10 each	50,00,000	500.00	50,00,000	500.00
Issued, Subscribed and fully paid-up				
Equity shares of ₹10 each fully paid-up	14,98,450	149.85	14,98,450	149.85
a) Reconciliation of equity shares outstanding				
At the beginning of the year	14,98,450	149.85	14,98,450	149.85
At the end of the year	14,98,450	149.85	14,98,450	149.85

b) Rights, preferences and restrictions attached to equity shares

The Company is having only one class of equity shares having par value of Rs. 10 each. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in proportion to their shareholding.

c) List of shareholders holding more than 5% of paid up Equity Share Capital

Name of the Shareholder	As at 31.03.2019		As at 31.03.2018	
	No. of shares	% Holding	No. of shares	% Holding
XLO India Limited	9,89,993	66.07%	5,99,993	40.04%
Spicer Gelenkwellenmbau GMBH	-	-	3,90,000	26.03%

(Rs in Lakh)

	Non Current		Current	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
12 Borrowings				
Secured				
Term Loans - Axis Bank	19.22	-	18.84	31.95
Vehicle Loan - ICICI Bank	2.19	4.87	2.68	2.44
Working Capital Loans from Axis Bank	-	-	456.97	364.37
Total	21.41	4.87	478.49	398.75
a) Term Loans from Axis Bank as on 31st March, 2019 comprises of two loans which are against New Machinery & Vehicle purchased by the company. EMI for one loan is Rs. 1,96,000/- plus monthly interest and for the other loan it is Rs. 53,594/- Inclusive of monthly interest.				
b) Working Capital Loans from Axis Bank is secured against hypothecation of stock and debtors. It includes pre-shipment and post shipment credit against export orders.				
c) Both Term Loans and Working Capital Loans from Axis Bank are against mortgage of factory land and building situated at Plot No. C-12, MIDC, Ambad, Nashik. Further these loans are secured by entire current assets and movable fixed assets of the company present and future.				
d) Vehicle Loan from ICICI Bank is against vehicle and is repayable over the period of five years from Jan 1, 2016. EMI including interest is Rs. 25,260/- .				
13 Other Financial Liabilities				
Unclaimed Dividend	-	-	8.83	10.78
Deposit	-	-	0.06	0.06
Total	-	-	8.89	10.84
14 Provisions				
Provision for Compensated Absences	-	-	84.19	84.36
Total	-	-	84.19	84.36
15 Trade Payables				
Trade Payables	-	-	842.15	831.01
Total	-	-	842.15	831.01
16 Other Current Liabilities				
Advance from customers and others	-	-	1.66	13.28
Acceptances of Hundis from Suppliers			195.86	178.11
Statutory Dues	-	-	19.66	13.78
Others	-	-	70.27	63.94
Total	-	-	287.45	269.11
17 Deferred Tax Liability				
Difference between book balance and tax balance of fixed assets	31.88	28.75	-	-
Total	31.88	28.75	-	-

		(Rs in Lakh)	
		31.03.2019	31.03.2018
		₹	₹
18 Revenue from Operations			
a) Sale of Products (including excise duty)		4,479.68	3,727.26
	Sub-Total (a)	<u>4,479.68</u>	<u>3,727.26</u>
b) Other Operating Revenues			
Sales of Services		3.75	22.87
Sale of Scrap		40.60	29.10
Duty Drawback / MEIS		135.66	54.31
	Sub-Total (b)	<u>180.01</u>	<u>106.28</u>
	Total (a+b)	<u>4,659.68</u>	<u>3,833.54</u>
Note :			
Consequent to introduction of Goods & Services Tax (GST), w.e.f. July 1, 2017 - Central Excise has been subsumed into GST. In accordance with Ind AS, unlike Excise Duty - GST is not part of Revenue. Accordingly, the sales figures for the period of three months upto June 30, 2017 include Excise Duty. Sales from July 1, 2017 do not include GST.(Please also refer Note 32).			
19 Other Income			
Interest Income		1.87	4.22
Misc. Income		3.17	29.86
Profit on Sale of Assets		-	1.43
Foreign Exchange Gain		-	69.55
	Total	<u>5.03</u>	<u>105.06</u>
20 Cost of Raw Material Consumed			
Opening stock		179.39	137.36
Add: purchases		2,593.86	2,028.80
Less: closing stock		307.79	179.39
	Total	<u>2,465.45</u>	<u>1,986.77</u>
21 Change in inventories of finished goods, work in progress			
Closing stock			
Finished goods		31.09	22.15
Work-in-progress		155.80	181.45
		<u>186.89</u>	<u>203.60</u>
Opening stock			
Finished goods		22.15	50.41
Work-in-progress		181.45	125.01
		<u>203.60</u>	<u>175.43</u>
	Total	<u>16.71</u>	<u>(28.17)</u>

(Rs in Lakh)

31.03.2019

31.03.2018

₹

₹

22 Employee Benefit Expenses

Salaries and wages	845.59	799.87
Contribution to provident and other funds	68.37	66.14
Staff welfare expenses	64.02	60.29

Total 977.98 926.29

23 Finance Cost

Interest on Term Loans	3.47	5.28
Other borrowing cost	32.06	43.29

Total 35.54 48.57

24 Other Expenses

Consumption of stores and spare parts	138.51	138.05
Power and fuel	168.59	133.48
Packing and forwarding expenses	228.52	205.22
Rent including Lease Rentals	1.47	1.76
Repairs to buildings	1.22	0.98
Repairs to Plant & Machinery	52.97	35.29
Other Repairs	4.76	5.45
Insurance	11.75	13.56
Rates and Taxes, excluding taxes on income	1.74	1.31
Travelling Expenses & Conveyance Charges	55.90	39.15
Commission on Sales	1.37	0.73
Discount on Sales	1.56	1.71
Debts/Advances written off	0.47	5.73
Directors' Fees	1.38	0.84
Exchange Fluctuation Loss	7.44	-
Loss on Investments	-	0.55
Loading & Unloading	90.04	64.09
Payments to Auditor (Refer Note below)	8.25	7.75
Miscellaneous expenses	166.34	147.90

Total 942.29 803.54

Note :

Payment to Auditors :

As auditor :

Audit Fee	5.00	4.50
Tax Audit Fee	1.50	1.50
Limited Review	1.50	1.50

In other capacity :

Income Tax matters	0.25	0.25
	<u>8.25</u>	<u>7.75</u>

25 Earnings per equity share (EPS) :

(i) Profit/ (Loss) attributable to equity shareholders for basic and diluted EPS	39.14	91.49
(ii) Weighted average number of equity shares for basic EPS	14,98,450	14,98,450
(iii) Nominal value of equity share (in ₹)	10	10
(iv) Earnings per equity share (in ₹)		
Basic	2.61	6.11
Diluted	2.61	6.11

26 Contingent liabilities and commitments (to the extent not provided for)

a) Estimated amounts of contracts remaining to be executed on capital account but not provided for.	43.93	25.54
c) For Labour related disputed matters	55.75	21.70

27. Related party disclosure (Ind AS 24)**(a) List of Related Parties and relationships:**

Party	Relationship
1) Mr. S. C. Saran	Chairman
2) Ms. Devaki Saran	Executive Director & CFO
3) Mr. Ravindra Kale	Executive Director & CEO (Upto 22-09-2018)
4) Vijay Pathak	Executive Director & COO (w.e.f.-10-08-2018)
5) XLO India Limited (Holding Company)	Promoter Company
6) Dana India Pvt Ltd	Group company belonging to one of the promoter group (upto 17th April, 2018)
7) Business Combine Limited	Group company belonging to one of the promoter group

- **Note :** Only enterprises / parties with whom there are transactions during the current period / previous period are considered above.

(b) Details of related party transactions:**(Rs in Lakh)**

Party	Nature of Transactions	As at 31.03.2019	As at 31.03.2018
1) Mr. S. C. Saran	Technical fees	18.00	18.00
2) Ms. Devaki Saran	Remuneration	40.69	33.12
3) Mr. Ravindra Kale	Remuneration	23.05	41.27
4) Mr. Vijay Pathak	Remuneration	19.83	-
5) Business Combine Ltd.	Purchases (Incl. GST)	125.59	-
	Amount Payable	4.67	-
6) XLO India Limited (Holding Company)	Royalty	1.54	0.93
	Amount Payable	0.40	0.93
7) Dana India Pvt Ltd	Sales	-	78.90
	Amount Receivable	-	40.95

28. Employee benefits:

a) Defined Contribution Plans

- i) The company contributes 12% of salary for all eligible employees toward providend fund managed by the Central Government.
- ii) The company also contributes certain percentage of salary for all eligible employees in managerial cadre towards Superannuation Fund managed by approved trust / Life Insurance Corporation of India.

b) Defined Benefit Plans - as per actuarial valuation

The company has defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure, at 15 days salary (on last drawn basic salary) for each completed year of service. Other non funded plan include death & disability benefit, non-funded gratuity and post employment healthcare benefits to certain employees. The following tables summarise the components of net benefit / expense recognised in the statement of profit and loss and amounts recognised in the balance sheet:

Particulars	(Rs in Lakh)	
	Funded Gratuity Plan 31/03/2019	Funded Gratuity Plan 31/03/2018
I Change in defined benefit obligation during the year		
1 Present value of defined benefit obligation at the beginning of the year	428.20	380.55
2 Current service cost	17.34	15.65
3 Interest cost	32.89	26.98
4 Actuarial (gains) / losses	(15.86)	16.89
5 Benefits payments	(32.12)	(11.86)
6 Present value of defined benefit obligation at the end of the year	430.44	428.20
II Expense recognised in the statement of profit and loss		
1 Current service Cost	17.34	15.65
2 Interest cost	(4.85)	(5.45)
3 Total expenses recognised in the statement of profit and loss	12.49	10.19
III Re-measurements recognised in Other Comprehensive income (OCI)		
1 Actuarial (gain)/losses on Obligation for the period	(15.86)	16.89
2 Return on Plan assets (excluding interest income)	1.48	(1.62)
3 Total recognised in Other Comprehensive income	(14.38)	15.27
IV Net Asset / (Liability) recognised in the Balance Sheet		
1 Present value of defined benefit obligation	(430.44)	(428.20)
2 Fair value of plan assets	496.68	491.37
3 Funded status [surplus / (deficit)]	66.23	63.17
4 Net asset / (liability)	66.23	63.17

(Rs in Lakh)

Particulars	Funded Gratuity Plan 31/03/2019		Funded Gratuity Plan 31/03/2018	
V Actuarial assumptions:				
1 Discount rate		7.48%		7.68%
2 Expected rate of return on plan assets		7.48%		7.68%
3 Mortality	IALM	(2006-08)	IALM	(2006-08)
4 Turnover rate		For service 4 years and below- 5% p.a. & service 5 years and above - 4% p.a.		For service 4 years and below- 5% p.a. & service 5 years and above - 4% p.a.
5 Retirement age		58 Yrs		58 Yrs
6 Salary escalation		8.00% p.a.		8.00% p.a.
VI Maturity profile of defined benefit obligation				
1 Within the next 12 months		54.06		53.02
2 Between 2 and 5 years		262.21		232.47
3 Between 6 and 10 years		225.97		274.08
4 More than 10 years		63.28		60.43
VII Sensitivity Analysis for significant assumption				
Discount Rate				
1% Increase		(15.64)		(16.95)
1% Decrease		16.91		18.29
Salary escalation rate				
1% Increase		16.67		18.06
1% Decrease		(15.70)		(17.05)
Employee turnover rate				
1% Increase		(0.46)		(0.36)
1% Decrease		0.49		0.38
		31.03.2019		31.03.2018
	₹	%	₹	%
29 a) Raw materials consumed :				
(i) Imported	11.39	0.46	12.34	0.62
(ii) Indigenous	2,454.06	99.54	1,974.43	99.38
Total	2,465.45	100.00	1,986.77	100.00
b) Spares consumed :				
Indigenous	138.51	100.00	138.05	100.00
Total	138.51	100.00	138.05	100.00

(Rs in Lakh)

	31.03.2019	31.03.2018
	₹	₹
30 Details of Sales excluding Excise Duty :		
Gross Sales including Excise Duty	4,479.68	3,727.26
Sale of Services	3.75	22.87
Sale of Scrap	40.60	29.10
Total Sales	4,524.02	3,779.23
Less : Excise Duty	-	42.11
Sales excluding Excise Duty	4,524.02	3,737.12
31 Details of Domestic and Export Sales :		
Domestic	2,640.83	2,251.24
Export	1,883.20	1,485.88
Total	4,524.02	3,737.12

		31.03.2019		31.03.2018
	Foreign Currency	In ₹	Foreign Currency	In ₹
32 Disclosure of foreign currency exposure				
Outstanding trade receivables	In USD	16,403.45	11.11	23,243.80
	In EURO	5,40,991.29	409.26	5,04,449.91
	In GBP	46,720.21	41.44	54,677.00
				14.97
				384.42
				48.25

	31.03.2019	31.03.2018
	In ₹	In ₹
33 CIF value of imports :		
Raw materials	10.08	10.17
34 Expenditure in foreign currency (accrual basis) :		
Travel	24.35	10.13
35 Earnings in foreign exchange (accrual basis) :		
F.O.B. value of exports	1,875.76	1,539.58

36 Segment Reporting :

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 which in the context of Indian Accounting Standard (Ind AS- 108) on "Operating Segments", is considered as a single operating segment.

(Rs in Lakh)

37 Details of Leave Encashment Provision :

Particulars	As at 1st April	Additions	Utilisations	Reversal	As at 31st March
FY 2017-18	70.64	28.97	15.25	-	84.36
FY 2018-19	84.36	15.43	15.59	-	84.19

38 Directors' Remuneration :

	31.03.2019	31.03.2018
	In ₹	In ₹
a) Salaries	64.76	57.34
b) Contribution to Provident Fund and Other funds	4.61	5.76
c) Perquisites	0.58	1.20
d) Superannuation	4.02	7.20
e) Technical Fees	18.00	18.00
f) LTA & Incentives	9.60	2.89
Total	101.56	92.39

Note :

- i) As employee wise break-up of contribution to gratuity fund is not ascertainable, the same has not been included in the above figures.
- ii) It is informed that the Chairman and Director, Mr. S. C. Saran has been paid professional fees of Rs. 18 lacs plus taxes for the year ended 31st March 2018 and 31st March 2019, for the Technical Expertise and Services provided by him as a consultant under section 188 read with section 177(4) of the Companies Act, 2013.
- iii) Directors sitting fees paid during the year Rs.138000/- (Rs.84000/-for the year ended 31-03-2018).

39 Dividend Distribution proposed :

Particulars	31.03.2019	31.03.2018
i) Final dividend for the year ended 31-03-2019 Rs. 1.20 per share	17.98	-
ii) Dividend Distribution Tax on proposed final dividend *	3.70	-
Total	21.68	-

* Proposed dividend on equity shares are subject to approval at the Annual General Meeting and are not recognised as a liability (Including dividend distribution tax thereon).

40. Provision for income tax relating to prior years is on account of short provisions of earlier years and also old refunds which are not received inspite of continuous follow-up with the income tax department. The management continues to follow-up with the income tax department for these refunds.
41. The company has not received any intimation from its suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence the disclosures, if any, relating to amounts unpaid as at the period end as required under the said act, have not been furnished.
42. The Balances of Creditors and Debtors appearing in the balance sheet are subject to balance confirmation / reconciliation at the year end. The management is in the process of obtaining the respective confirmations in due course. However, it is informed that the reconciliation is not expected to result in any material adjustment in stated balances.
43. Figures of the previous year have been regrouped / rearranged wherever necessary to conform to the current year's presentation.

See accompanying notes 1 to 43 to the financial statements.

In terms of our report attached

For Daga & Chaturmutha
Chartered Accountants
Firm Registration No. 101987W

Anand Daga
Partner

Mumbai, May 21, 2019

For & on behalf of the Board of Directors

Chairman
S.C. Saran (DIN-00032194)

Executive Director & CFO
Devaki Saran (DIN-06504653)

Executive Director & COO
Vijay Pathak (DIN-02700611)

Company Secretary : Sunita Nisal (ACS-49122)

Director
Jehangir H.C Jehangir (DIN-00001451)

Director
Richard Koszarek (DIN-00740800)

Director
Navroze S Marshall (DIN-00085754)

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 LIMITED**(formerly Hindustan Hardy Spicer Limited)**

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

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

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

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

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

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the thirty-seventh Annual General Meeting of the Company, to be held on Monday, August 5, 2019 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	No of Shares*	(FOR) I/We assent to the Resolution*	(AGAINST) I/We dissent to the Resolution*
1.	Ordinary Resolution: Adoption of the Audited Financial Statements of the Company for the financial year ended March 31, 2019, together with the Reports of the Board of Directors and the Auditors thereon.			
2.	Ordinary Resolution: Declaration of Dividend on equity shares.			
3.	Ordinary Resolution: Appointment of Director in place of Ms. Devaki Saran (holding DIN 06504653), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers herself for re-appointment.			
4.	Special Resolution: Reappointment of Mr. Richard Koszarek (DIN:00740800), as an Independent Director, not liable to retire by rotation, to hold office for a second term of five years commencing August 14, 2019 to August 13, 2024.			
5.	Special Resolution: Reappointment of Mr. Jehangir H. C. Jehangir (DIN: 00001451) as an Independent Director, not liable to retire by rotation, to hold office for a second term of five years commencing August 7, 2019 to August 6, 2024.			
6.	Ordinary Resolution: Appointment of Mr. Navroze Marshall (DIN 0085754), as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years from May 21, 2019 to May 20, 2024.			
7.	Ordinary Resolution: Approval to payment of amount aggregating to a sum not exceeding Rs. 36,00,000 per annum with effect from September 1, 2019 to be paid on quarterly basis to Mr. S. C. Saran, Director, a related party, for availing technical expertise and services.			

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

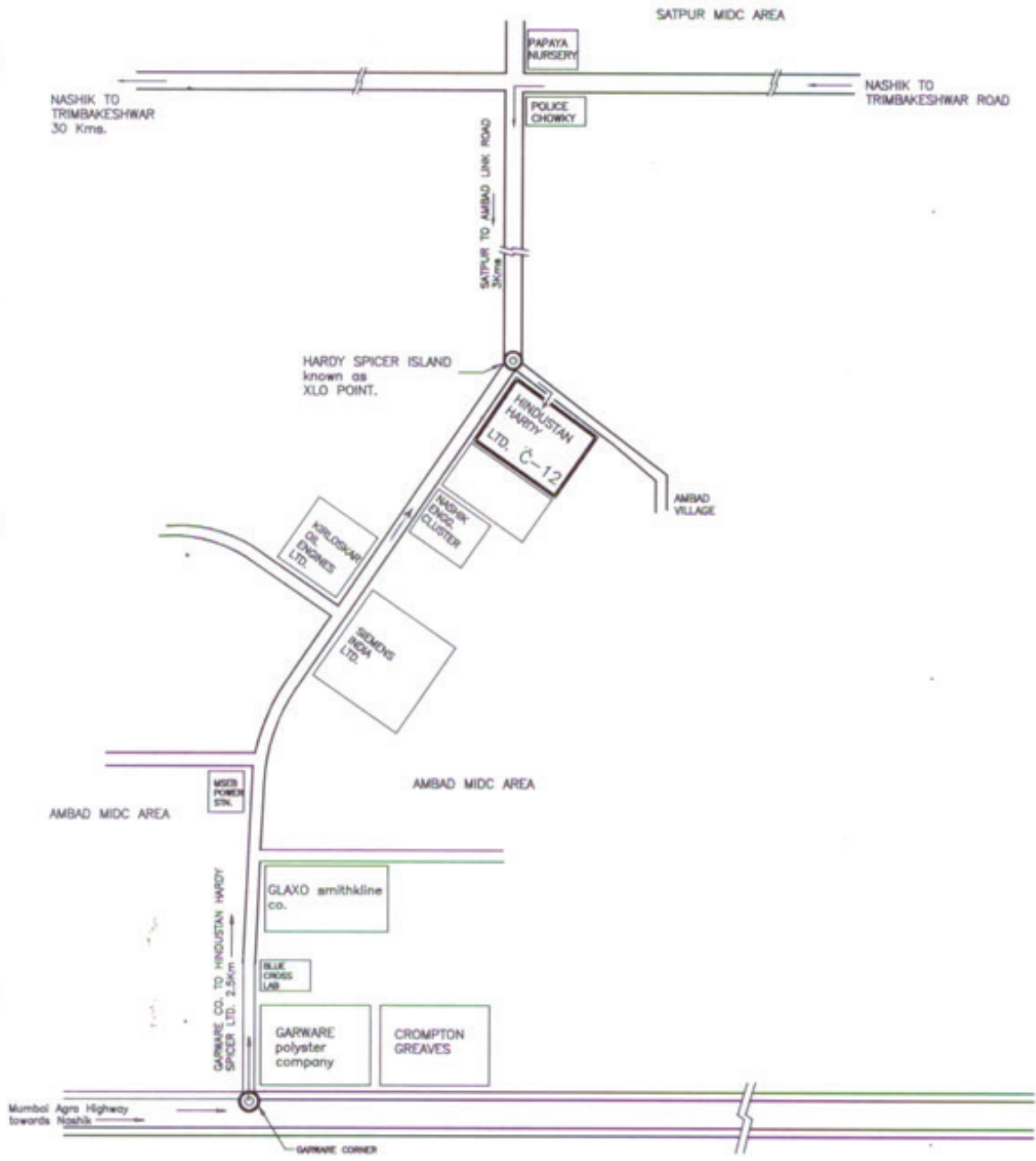
Signed this ____ day of _____, 2019

Signature of Shareholder _____

Signature of Proxy Holder (s) _____

 Affix
Rs. 1/-
Revenue
Stamp
Note:

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



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