

**Hind
Hardy**

Hindustan Hardy Limited

(Formerly known as Hindustan Hardy Spicer Limited)

Regd. Office & Plant.

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

Tel : (0253) 2382118
TaleFax : 91-0253-2382528
Website : www.hhardys.com
CIN : L29300MH1982PLC028498

Date: 24th August, 2024

To
The General Manager
BSE LIMITED
Phiroze Jeejeebhoy Towers
25th Floor, Dalal Street,
Mumbai 400 001

Scrip code: 505893

Name of the Company: HINDUSTAN HARDY LIMITED

Sub: Annual General Meeting- Integrated Annual Report 2023-24

The 42nd Annual General Meeting ("AGM") of the Company is scheduled to be held on Friday, September 20, 2024 at 2.30 p.m. through Video Conferencing / Other Audio Visual Means. This is in compliance with the General Circulars issued by the Ministry of Corporate Affairs dated April 8, 2020, April 13, 2020, May 5, 2020 and subsequent circulars issued in this regard, the latest being September 25, 2023.

Pursuant to Regulation 30 and 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report of the Company along with the Notice of AGM for the financial year 2023-24. The same is being sent only through electronic mode to the Members whose email addresses are registered with the Company/its Registrar and Transfer Agent/Depositories. This is in compliance with the SEBI Circulars dated May 12, 2020, January 15, 2021, May 13, 2022, January 5, 2023 and October 7, 2023 and applicable Circulars issued by Ministry of Corporate Affairs in this regard from time to time.

The Annual Report containing the Notice is also uploaded on the Company's website www.hhardys.com/Annual Report-2024.

Pursuant to Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the and closure of Register of Members and Share Transfer Books for the purpose of purpose of Annual General Meeting and Dividend is as under:

Type of Security & Paid-up value	Book Closure*		Purpose
	From	To	
Equity Shares	Wednesday 18 th September, 2024	Friday 20 th September, 2024	Annual General Meeting & Dividend

*Both days inclusive

Further, dividend, if approved by the Members of the Company at the AGM, will be paid on and from Monday, 23rd September, 2024 onwards.

This is for your information and records.

Yours faithfully,
For HINDUSTAN HARDY LIMITED

**Devaki
Sanjaya Saran**

DEVAKI SARAN
EXECUTIVE DIRECTOR & CFO
Din:06504653

Digitally signed by Devaki Sanjaya Saran
DN: c=IN, o=Personal, title=8714,
pseudonym=84AAF81AC71A4F95D01AA4D25AC08
77F,
2.5.4.20=29c30e9350b1ec94c385f1f58115fb9d2240
db2075679489d437014c93f1f850
postalCode=400026, st=Maharashtra,
serialNumber=F00957C0BCC2EE49CBBE09A51F6C61
8EF3866E43C568BEE07299BCC0836D88B,
cn=Devaki Sanjaya Saran
Date: 2024.08.24 11:26:58 +05'30'





Hindustan Hardy Limited

**Forty Second Annual Report
2023 - 2024**

www.hhardys.com

Hindustan Hardy Limited

BOARD OF DIRECTORS

Mr. S. C. Saran	Chairman
Ms. Devaki Saran	Executive Director & CFO
Mr. Jehangir H. C. Jehangir (upto 06.08.2024)	Independent Director
Mr. Richard Koszarek (upto 13.08.2024)	Independent Director
Mr. Vijay Pathak	Executive Director & COO
Mr. Navroze Shiamak Marshall	Independent Director
Mr. Sanjiv Bhasin	Independent Director

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 - 2382118
Fax : 0253 - 2382528
email : co@hhardys.com
CIN No. : L29300MH1982PLC028498
Website : www.hhardys.com

Company Secretary and Compliance Officer:

Ms. Sunita Nisal
email: co@hhardys.com

Registrars and Share Transfer Agents:

Satellite Corporate Services Pvt. Ltd.
Office No. 106 & 107, Dattani Plaza,
East West Compound,
Andheri Kurla Road, Safed pool,
Sakinaka - Mumbai - 400 072.
Tel.: 022 - 28520461 / 462
Email Id : service@satellitecorporate.com

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HINDUSTAN HARDY 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.: 0253-2382118, **Fax No.:** + 0253-2382528, **Email:** co@hhardys.com

NOTICE

Notice is hereby given that the Forty Second Annual General Meeting of the members of Hindustan Hardy Limited will be held on Friday, 20th September, 2024 at 2.30 p.m. (IST) through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) 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, 2024, together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on equity shares for the financial year ended March 31, 2024.
3. To appoint a director in place of Mr. S. C. Saran (DIN: 00032194) who retires by rotation and being eligible offers himself for reappointment

SPECIAL BUSINESS:

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

“RESOLVED THAT Mr. Navroze Marshall (DIN 0085754), ceased as an Independent Director on May 20, 2024 and was appointed as an Additional Director of the Company by the Board of Directors with effect from May 22, 2024 and who holds office up to 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 second term of 5 (five) consecutive years from May 22, 2024 to May 21, 2029 be and is hereby approved.”

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, the approval of the Company is hereby accorded to the re-appointment of Ms. Devaki Saran (DIN 06504653), as the Whole-Time Director, designated as “Executive Director and Chief Financial Officer (CFO)” for a further period of three years with effect from August 14, 2024 to August 13, 2027 on the terms and conditions including remuneration as approved by the Nomination and Remuneration Committee and as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Ms. Devaki Saran.”

“RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year of the Company during Ms. Devaki Saran’s term of office as Executive Director and CFO, Ms. Devaki Saran, be paid the remuneration as set out in the Explanatory Statement as minimum remuneration subject to the ceiling limits prescribed in Schedule V of the Companies Act, 2013.

“RESOLVED FURTHER THAT in the event of any statutory amendment or relaxation by the Central Government to Schedule V of the Companies Act, 2013 the Board be and is hereby authorized to alter and vary such terms of appointment and remuneration or increase the remuneration so as not to exceed the limits specified in Schedule V to the Companies Act, 2013 as may be agreed to by the Board of Directors and Ms. Devaki Saran without any further reference to the Company.”

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

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

“RESOLVED THAT pursuant to the provisions of Section 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule V of the Act, including any statutory modification(s) or re-enactment thereof and such other permissions, sanction(s) as may be required, the consent of the Company, be and is hereby accorded to the payment of remuneration to Mr. Vijay Pathak (DIN 02700611), Executive Director and Chief Operating Officer (COO) as approved by the Nomination and Remuneration Committee and Board of Directors and as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting for the residual period of his present term from August 14, 2024 to 31st March, 2025.

RESOLVED FURTHER THAT in the event of any inadequacy or absence of profits during the term of Mr. Vijay Pathak as Executive Director and COO, the aforementioned remuneration comprising salary, perquisites and benefits, Mr. Vijay Pathak, be paid the remuneration as set out in the Explanatory Statement as minimum remuneration subject to the ceiling limits prescribed in Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors can alter and vary the remuneration payable to Mr. Vijay Pathak which shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

RESOLVED FURTHER THAT in the event of any statutory amendments, modifications or relaxation by the Central Government to Schedule V to the Companies Act, 2013, the Board of Directors be and is hereby authorized to vary or increase the remuneration (including the minimum remuneration), that is, the salary, perquisites, allowances, etc. within such prescribed limit or ceiling and the terms and conditions of the said appointment as agreed to between the Board and Mr. Vijay Pathak be suitably amended to give effect to such modification, relaxation or variation, subject to such approvals as may be required by law.”

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 continuing to avail technical and management expertise from Mr. S. C. Saran, Director of the Company on payment of a sum not exceeding Rs. 54,00,000/-per annum to be paid on monthly basis with effect from October 1, 2024.

RESOVED 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. The Ministry of Corporate Affairs ('MCA') has vide its General Circular dated May 5, 2020 read with General Circulars dated April 8, 2020 and April 13, 2020 and subsequent circulars issued in this regard, the latest being September 25, 2023 (collectively referred to as 'MCA Circulars') permitted the holding of the Annual General Meeting ('AGM') through Video Conferencing ('VC') facility or other audio visual means ('OAVM'), without the physical presence of the Members at a common venue. Further, the Securities and Exchange Board of India ('SEBI') vide its Circulars dated May 12, 2020, January 15, 2021, May 13, 2022, January 5, 2023 and October 7, 2023 ('SEBI Circulars') has also granted certain relaxations. In compliance with the provisions of the Companies Act, 2013 ('Act'), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC/OAVM on Friday, 20th September, 2024 at 2.30 p.m. The registered office of the Company shall be deemed to be the venue for the AGM.
2. Pursuant to the MCA Circulars, since the physical attendance of Members as been dispensed with, there is no requirement of appointment of proxies. Accordingly, the Proxy Form and Attendance Slip are not annexed to this Notice.

3. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
4. The Statement setting out additional information with respect to Directors being appointed/ reappointed pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings ('SS-2') issued by the Institute of Company Secretaries of India are annexed hereto.
5. In line with the MCA Circulars, the Notice of the AGM along with the Annual Report 2023-2024 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. The Notice convening the 42nd AGM has been uploaded on the website of the Company at www.hhardys.com and may also be accessed on the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com. The Notice is also available on the website of NSDL at www.evoting.nsdl.com.
6. The Register of Members and the Share Transfer Books of the Company will be closed from Wednesday, 18.09.2024 to Friday, 20.09.2024 both days inclusive. .
7. The dividend of ₹2.50 per share (i.e. 25%) on the Equity Shares of the Company of ₹ 10 each, if declared at the AGM, will be paid subject to deduction of income tax at source ('TDS'), as applicable, from 23rd September, 2024 onwards as under:

For Shares held in electronic form:

To all the Beneficial Owners as at the end of the day on Tuesday, 17th September, 2024 (date) as per the list of Beneficial Owners to be furnished by NSDL and Central Depository Services (India) Limited ('CDSL'); and

For Shares held in physical form:

To all the Members, whose names appears in the Company's Register of Members after giving effect to valid transmission and transposition requests lodged with the Company as of the close of business hours on Tuesday, 17th September, 2024.

8. Members are requested to notify immediately any change of particulars such as name, postal address, e- mail address, telephone/mobile numbers, PAN, registering of nomination, bank mandate details etc.:
- (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., Office No. A/106-107, Dattani Plaza, East West Compound, Andheri Kurla Road, SAFED Pool, Sakinaka, Mumbai-400072 in respect of their physical share folios, if any, quoting their folio numbers.

9. The Securities and Exchange Board of India (SEBI) has vide its Circulars dated November 3, 2021 and December 14, 2021 mandated furnishing of PAN, KYC details (i.e. postal address with pin code, email address, mobile number, bank account details) and Nomination details by holders of physical securities through Form ISR-1. It may be noted that any service request or complaint can be processed only after the folio is KYC compliant. Accordingly, the Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC and Nomination details. Members holding shares of the Company in physical form are requested to go through the requirements hosted on the website of the Company at https://hhardys.com/_investorinformation.php and furnish the requisite details.
10. Members holding shares in electronic form are advised to send their request for the change of address, bank particulars, residential status or request for transmission of shares etc. to their Depository Participant.
11. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, M/s Satellite Corporate Services Private Limited for assistance in this regard.
12. In accordance with Regulation 40 of the SEBI Listing Regulations and SEBI Circulars, as amended, any transfer request would be considered only in demat form. Members holding shares of the Company in physical form are requested to kindly get their shares converted into demat /electronic form to get inherent benefits of dematerialization.
13. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in demat form only while processing any investor service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Subdivision/Splitting of securities certificate; Consolidation of securities certificates/ folios; Transmission and Transposition. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website under the weblink at https://hhardys.com/_investorinformation.php
14. Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the Company or Company's Registrar & Share Transfer Agents, M/s Satellite Corporate Services Pvt. Ltd., Office No. A/106-107, Dattani Plaza, East West Compound, Andheri Kurla Road, SAFED Pool, Sakinaka, Mumbai-400072. Members holding shares in dematerialized mode are requested to register/update their email addresses with the relevant Depository Participants.
15. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act, and other

documents as mentioned in this Notice will be available for inspection by the Members. Members seeking to inspect such documents can send their requests to the Company at co@hhardys.com.

16. Pursuant to the provisions of the Act, the amount of dividend 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.
17. 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 FO Login (mca.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.

18. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- (i) Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of “VC/OAVM” placed under “Join meeting” menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush
- (ii) Members are encouraged to join the Meeting through Laptops for better experience
- (iii) Further, Members required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting

- (iv) Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- (v) Members who would like to express their views/ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered email address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at co@hhardys.com from Tuesday, 17th September, 2024 (10.00 a.m. IST) to Wednesday, 18th September (5:00 p.m. IST). Those Members who have pre-registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- (vi) Institutional Investors, who are Members of the Company, are encouraged to attend and vote at the 42nd AGM through VC/OAVM facility.
- (vii) Members who need assistance before or during the AGM may contact NSDL on evoting@nsdl.co.in / 022-48867000 and 022-24997000 or contact Mr. Amit Vishal, Asst. Vice President – NSDL or Ms. Shruthi Shetty, Assistant Manager- NSDL evoting@nsdl.co.in / 022-48867000

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 42nd Annual General Meeting (AGM) by electronic means (Remote Evoting) 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:-

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system





A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote

through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li data-bbox="450 456 1271 839">1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting <li data-bbox="450 869 1271 997">2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp <li data-bbox="450 1028 1271 1470">3. 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. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password / OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

	<p>4. Shareholders / Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p>NSDL Mobile App is available on</p> <p>  App Store  Google Play </p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password.. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website HYPERLINK "http://www.cdslindia.com" www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

Individual Shareholders (holding securities in demat mode) login through their depository participants	5. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at toll free no.: 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP 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.	8 Character DP ID followed by 8 Digit Client ID <ul style="list-style-type: none"> 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.	16 Digit Beneficiary ID <ul style="list-style-type: none"> For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company <ul style="list-style-type: none"> For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders 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, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

- 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 etc.
 - (d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
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.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?	
1	After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2	Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3	Now you are ready for e-Voting as the Voting page opens.
4	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.
5	Upon confirmation, the message “Vote cast successfully” will be displayed.
6	You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7	Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General 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 022-48867000 or send a request to (Ms. Shruthi Shetty) at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to co@hhardys.com
2. In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to co@hhardys.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
 2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
 3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
 4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.
- II. The remote e-voting period begins on Tuesday, 17th September, 2024 at 10:00 A.M. and ends on Thursday, 19th September, 2024 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the cut-off date i.e. Friday, 13th September, 2024, 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.
- III. 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 Friday, 13th September, 2024. 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 their vote on the resolutions through remote e-voting shall be entitled to vote at the meeting on such resolutions.

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.com. 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.

- IV. Ms. Jigyasa N. Ved (FCS 6488) or failing him Mr. Mitesh Dhabliwala (FCS 8331) of M/s Parikh & Associates, Practicing Company Secretaries, has been appointed as the Scrutinizer to scrutinize the e-voting at the meeting and remote e-voting process in a fair and transparent manner.

- V. The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, unblock the votes cast through remote e-voting prior to the AGM and e-voting during the AGM and make not later than 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 authorized by him in writing, who shall countersign the same.
- VI. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website, **www.hardys.com** and on the website of NSDL **www.evoting.nsdl.com** immediately after the result is declared by the Chairman and the same shall be communicated to the BSE Limited where the shares of the Company are listed.

By order of the Board

Registered Office:

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

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

Place: Nashik.

Date: 20th August, 2024

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**

Mr. Navroze Marshall was appointed as an Independent director of the Company for a term of five years from May 21, 2019 and accordingly, his tenure was completed and he ceased to be a director of the Company on May 21, 2024.

Based on the recommendation of the Nomination and Remuneration Committee and based on his skills, competence, expertise and performance evaluation,, the Board of Directors appointed Mr. Navroze Marshall (DIN 00085754) as an Additional Director and an Independent Director of the Company for a second term of 5 (five) consecutive years from May 22, 2024 to May 21, 2029 not being liable to retire by rotation, subject to the approval of shareholders.

His brief resume, the nature of his expertise in specific functional areas, names of companies in which he holds Directorship, Committee Memberships/ Chairmanships, his shareholding etc., are separately annexed hereto.

The Company has received from Mr. Navroze Marshall, a declaration in terms of Section 149 of the Act and the Rules made thereunder and under regulation 16(1) (b) of Listing Regulations stating that he is qualified to be appointed as an Independent Director of the Company. He has also confirmed that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to the registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

Mr. Marshall has confirmed that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. He has also submitted a Declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, that he has not been debarred from holding office of a Director by virtue of any Order passed by the Securities and Exchange Board of India or any other such authority. There is no inter se relationship between him and any other member of the Board and other Key Managerial Personnel of the Company.

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

In the opinion of the Board, Mr. Navroze Marshall, satisfies the conditions specified in the Act and the Rules made thereunder and the Listing Regulations for appointment as an Independent Director and that he is independent of the Management.

The Board considers that his association with the Company would be of immense benefit to 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.

The Board recommends the resolution as set out at Item no. 4 of the accompanying Notice for the approval by the members of the Company by way of a Special 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 No. 5

The Board of directors at its meeting held on 05th August 2024, approved the re-appointment of Ms. Devaki Saran (DIN 06504653) as Whole-time Director designated as Executive Director and Chief Financial Officer (CFO), for a further period of three years, with effect from August 14, 2024 on the terms and conditions including remuneration as approved and recommended by the Nomination and Remuneration Committee, subject to the approval of the Members.

The main terms and conditions of appointment of Ms. Devaki Saran (here in after referred to as "Executive Director & CFO") including remuneration are given below:

Salary & Perquisites: Rs. 6.5 lakhs per month upto a maximum of Rs. 10.00 lacs per month as may be decided by the Board of Directors during the currency of her tenure.

In addition to Salary and Perquisites,

Incentive –2% of net profits computed in manner as laid down in Section 198 of Companies Act, 2013, payable annually.

In the event of loss or inadequacy of profits, in any financial year of the Company during the term of office of Ms. Devaki Saran, Executive Director and CFO, the Company shall pay the aforesaid remuneration as minimum remuneration subject to the ceiling limits prescribed in Schedule V of the Companies Act, 2013.

Her brief resume, the nature of her expertise in specific functional areas, names of companies in which she holds Directorship, Committee Memberships/ Chairmanships, her shareholding etc., are separately annexed hereto.

Ms. Devaki Saran is not debarred or disqualified by SEBI or any other authority to continue to act as a Director of a Company.

The Board is of the opinion that the reappointment of Ms. Devaki Saran as Wholetime Director designated as Executive Director and CFO of the Company for a further period of three years is for the benefit of the business and growth of the Company.

The re-appointment and payment of remuneration to Ms. Devaki Saran, is subject to the approval of shareholders.

Accordingly, the necessary special resolution for reappointment of Ms. Devaki Saran as Whole-time Director designated as Executive Director and CFO and payment of remuneration to her is set out at item no. 5 of the Notice.

Ms. Devaki Saran is interested in resolution at item No. 5 which pertains to her own appointment and remuneration payable to her. Mr. S. C. Saran, Director being a relative may be deemed to be interested in the said resolution.

Save and except the above, none of the other Directors or Key Managerial Personnel of the Company (including relatives of Directors and Key Managerial Personnel) are in any way, concerned or interested, in this resolution.

Item No. 8

Mr. Vijay Pathak (DIN 02700611) was appointed as Wholetime Director designated as Executive Director & COO of the Company from October 10, 2021 upto March 31, 2025 upon the terms and conditions including the terms as to remuneration as approved by the Nomination and Remuneration committee. The said appointment of Mr. Vijay Pathak was approved by the shareholders at the Annual General Meeting of the Company held on 29.09.2021. In terms of the provisions of Schedule V of the Companies Act, 2013, the payment of remuneration to Mr. Vijay Pathak was approved for a period of three years upto August 13, 2024.

The Board of directors at its meeting held on 05th August, 2024, had approved the payment of remuneration to Mr. Vijay Pathak (DIN 02700611), Whole-time Director designated as Executive Director and Chief Operational Officer (COO), for the residual period starting from August 14, 2024 to March 31, 2025 on the following terms, as approved and recommended by the Nomination and Remuneration Committee:

Salary & Perquisites: Rs. 4,62,900 per month and the Total Amount to be paid for the remainder period is 34,71,750/-

Incentive – As may be decided by the Board, payable annually, not exceeding 2% of net profits computed in manner as laid down in Section 198 of Companies Act, 2013,.

In the event of loss or inadequacy of profits, during the remaining term of office of Mr. Vijay Pathak (DIN 02700611), Wholetime Director designated as Executive Director & COO, the Company shall pay the above remuneration as minimum remuneration subject to the ceiling limits prescribed in Schedule V of the Companies Act, 2013.

The payment of remuneration to Mr. Vijay Pathak, for the remaining period of his tenure upto March 31, 2025 would require the approval of the shareholders.

Accordingly, the necessary special resolution for payment of remuneration to Mr. Vijay Pathak, Whole-time Director designated as Executive Director and COO for remaining period of his tenure from August 14, 2024 to March 31, 2025 is set out at item no. 6 of the Notice.

Mr. Vijay Pathak is interested in resolution at item No. 6 as it related to payment of remuneration to him.

Save and except the above, none of the other Directors or Key Managerial Personnel of the Company (including relatives of Directors and Key Managerial Personnel) are in any way, concerned or interested, in this resolution.

Additional information required to be given alongwith a Notice calling General Meeting in respect of Item no. 5&6, as per sub para (B) of Section II of Part II of Schedule V of the Companies Act, 2013 is given hereunder:

I. General Information:	
1. Nature of industry	Engineering Industry
2. Date or expected date of commencement of commercial production	The Company has been in the business for many years (16.10.1982)
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable

4. Financial performance based on given indicators	2019-20	2020-21	2021-22	2022-23	2023-24
Turnover *	3,909.84	4,461.30	6,258.26	6,309.11	6,783.92
Net profit (as computed under section 198)	13.15	439.77	497.84	518.65	656.94
Net profit/ (Loss) as per profit and loss account	3.19	318.48	368.22	383.70	659.88
Amount of Dividend paid (Incl DDT)	-		-29.97	-32.97	-37.46
Rate of Dividend declared	-	20%	20%	22%	25%
Earning before interest, depreciation & taxes	105.45	519.48	604.34	656.90	781.81
% of EBIDT to turnover	2.69%	11.64%	9.65%	10.41%	11.52%

* Turnover does not include DEPB and duty drawback, which is included in sales

(5) Foreign investments or collaborators, if any.	NA
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II. Information about the appointee:	Ms. Devaki Saran	Mr. Vijay Pathak
(1) Background details	<p>Name: Ms. Devaki Saran Designation: Executive Director and Chief Financial Officer (CFO) Father's name: Mr. Sanjaya Saran Nationality: Indian Date of Birth: 16.05.1985 Qualifications: B.S. (Mechanical Engg.) from Carnegie Mellon University; M.B.A from Harvard Business School Experience: Financial analyst in the Financial Institutions Group of UBS Investment Bank in New York. She has served as Executive Director & CFO of the Company since 2014.</p>	<p>Name: Mr. Vijay Pathak Designation: Executive Director and Chief Operating Officer (COO) Father's name: Mr. Narhar Pathak Nationality: Indian Date of Birth: 24.04.1960 Qualifications: Govt. Polytechnic, Dhule Experience: 36 years of global experience in management, production and quality control. Trained in TPM, 5S, JIT, TQM, VLFM both in India and Japan. Considerable experience in export component manufacturing, process improvements, value stream mapping and various other manufacturing best practices</p>
(2) Past remuneration	7779850/-p.a	6591050/-p.a

<p>(3) Job profile and his/her suitability</p>	<p>The Executive Director & CFO shall be responsible for financial oversight of the Company. The CFO shall be responsible for:</p> <ul style="list-style-type: none"> • Presenting and reporting accurate • financial information • Controlling cashflow • Budgeting and expense control • Vendor and customer pricing • Forecasting and financial planning • Deciding financing of future investments • Ensuring company is in compliance with regulatory bodies <p>With both an Engineering and a Finance background, the CFO is in a position to understand the financial needs of a manufacturing company and therefore well qualified to be responsible for the financial oversight of the Company.</p>	<p>The Executive Director & COO shall be responsible for operational oversight of the Company. The main responsibilities of the COO shall include:</p> <ul style="list-style-type: none"> • Overall in charge of manufacturing and setting and achieving production targets • Oversight for all shop floor activities which includes, but is not limited to, Production, Production Planning, Quality Assurance, Stores (incoming as well as BSR) and Maintenance. . • Spearheading manufacturing process improvements and initiatives such as 5S, TPM and other manufacturing best practices • Keeping abreast of latest product and manufacturing innovations and introducing these where applicable. • Maintaining discipline on the shop floor and keeping cordial industrial relations. <p>With extensive experience in the industry, deep knowledge of the product and strong leadership and managerial skills the Executive Director and COO is well suited to position the Company on a trajectory of profitable and sustainable growth. Considering the above and having regard to age, qualifications, ability and experience and looking to the business requirement the proposed remuneration is in the interest of the Company.</p>
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(4) Remuneration proposed	<p>Salary & Perquisites: Rs. 6.5 lakhs per month upto a maximum of Rs. 10.00 lacs per month as may be decided by the Board of Directors during the currency of her tenure.</p> <p>Incentive –2% of net profits computed in manner as laid down in Section 198 of Companies Act, 2013, payable annually.</p>	<p>Salary & Perquisites: Rs. 4,62,900 per month and the Total Amount to be paid for the remainder period is 34,71,750/-</p> <p>Incentive – As may be decided by the Board, payable annually, not exceeding 2% of net profits computed in manner as laid down in Section 198 of Companies Act, 2013,.</p>
(5) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w. r. t. the country of his origin)	<p>Compared to the remuneration with respect to the industry, size of the Company etc. the remuneration proposed to be paid is low.</p>	<p>Compared to the remuneration with respect to the industry, size of the Company etc. the remuneration proposed to be paid is low.</p>
(6) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	<p>The Executive Director & CFO has no other pecuniary relationship with the Company or with the managerial personnel except the fees being paid to Mr. S. C. Saran, Chairman of the Company who is a relative.</p>	<p>The Executive Director and COO has no other pecuniary relationship with the Company or with the managerial personnel</p>

III. Other information:

1. Reasons for inadequate profits
 - i. Market is highly competitive and margins are shrinking due to price reduction pressure by the OEMs
 - ii. Manufacturing costs are increasing but customers are not willing to pass on any price increases
 - iii. Time period for new customers to come on board is extensive due to lengthy testing requirements
2. Steps taken or proposed to be taken for improvement
 - i. Cost reduction initiative taken across all departments
 - ii. Value engineering to reduce product cost (both raw material cost and manufacturing cost)
 - iii. Focus on more profitable product lines and customer segments
 - iv. New product addition to increase turnover
 - v. Supplier negotiation and rationalization
 - vi. Drive to eliminate all non-value added activities
 - vii. SMED (Single Minute Exchange of Die) to reduce setup time and non-productive hours
3. Expected increase in productivity and profits in measurable terms.
 - i. 10% increase in productivity
 - ii. The company is targeting a 10% net profit margin by FY 26-27

IV. Disclosures:

The remuneration package of Ms. Devaki Saran and Mr. Vijay Pathak has been disclosed above.

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

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. 36.00 lacs per annum payable on a monthly basis as approved by Board of Directors. The same has been approved by Shareholders at the annual general meeting held on August 5, 2019 and subsequently at annual general meeting held on September 24, 2020.

- 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 after-market in India to help the Company expand its presence in the after-market

It is proposed to increase the amount payable to Mr. S. C. Saran, Director of the Company, to a sum not exceeding Rs. 54,00,000/- per annum payable on a monthly basis with effect from October 1, 2024 onwards.

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
DEVAKI SARAN
EXECUTIVE DIRECTOR & CFO
DIN: 06504653

Place: Nashik.
Date: 20th August, 2024

Information as required under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India

Particulars	S. C. Saran	Devaki Saran	Navroze Marshall
Date of Birth	06.02.1951	16.05.1985	21.03.1976
Age	72 years	39 years	47 years
Date of First Appointment	09.03.1978	14.08.2014	21.05.2019
Qualification	B.S, in Mechanical Engineering from Carnegie Mellon University in U.S.A, MBA from Columbia Business School	B.S. in Mechanical Engineering from Carnegie Mellon University in the U.S.A., MBA- Harvard Business School	<ol style="list-style-type: none"> 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.
Expertise in specific functional area	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.	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 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 companies	<p>1. XLO India Private Limited</p> <p>2. Business Combine Private Limited</p> <p>3. Heatly & Gresham (India) Private Limited</p> <p>4. Hermes Consultants Private Limited</p>	<p>1. Bombay Footwear Private Limited</p> <p>2. Business Combine Private Limited</p> <p>3. Xlo India Private Limited</p> <p>4. Hermes Consultants Private Limited</p>	<p>1. Ador Fontech Ltd.</p> <p>2. Ador Multi Products Ltd.</p> <p>3. Marshall Poultry Farm (India) Private limited</p> <p>4. J N Marshall Pvt. Ltd.</p> <p>5. Diamtools Pvt. Ltd.</p> <p>6. J N Marshall Engineering Pvt. Ltd.</p> <p>7. Sadafuli Finstock Pvt. Ltd.</p> <p>8. Langford Estates Pvt. Ltd.</p> <p>9. Nap Apps Pvt. Ltd.</p> <p>10. Powair Automation Equipments Pvt. Ltd.</p> <p>11. Corrodyne Coatings Pvt. Ltd.</p> <p>12. Simmonds Marshall Ltd</p> <p>13. Desmet Ballestra India Pvt. Ltd.</p> <p>14. Formex Pvt. Ltd.</p> <p>15. Ador Powertron Ltd.</p> <p>16. Ador Welding Limited</p>
Memberships of Committees in other companies (Includes only Audit & Stakeholders Relationship Committee)	-	-	-
No. of shares held in the Company	501	375	
Relationship between directors inter-se	Immediate Relative of Ms. Devaki Saran	<p>She is related to Mr. S. C. Saran, Director of the Company.</p> <p>She is not related to any other Director or Key managerial Personnel</p>	He is not related to any other Director or Key Managerial Personnel
Number of Board meetings attended	4	4	4
Names of Listed entities from which resigned in past 3 years			

DIRECTOR'S REPORT

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

To
The Members
HINDUSTAN HARDY LIMITED

The Directors have pleasure in presenting the Forty Second Annual Report together with the Statement of Accounts for the year ended on March 31, 2024.

FINANCIAL RESULTS:

Particulars	For the year ended 31st March 2024 Rs. in Lakh	For the year ended 31st March 2023 Rs. in Lakh
Revenue from Operations	6783.92	6309.11
Other Income	30.08	58.94
Total Income	6814	6368.05
Profit before Interest, Depreciation and Tax	781.81	656.90
Finance Cost	24.23	41.40
Depreciation	97.7	90.27
Profit / Loss before tax	659.88	525.23
Tax Expenses	172.95	141.53
Profit / Loss after Tax	486.93	383.70
Other Comprehensive Income / (loss) for the year	21.83	3.90
Profit / Loss for the year attributable to owners of the company	508.76	387.60
Surplus brought forward from Previous Year	1259.30	905.00
Profit available for appropriation	1768.06	1292.6
Proposed Dividend	(37.46)	(32.97)
Tax on Proposed Dividend	-	-
Surplus Carried Forward	1730.60	1259.30

OPERATIONS/STATE OF COMPANY'S AFFAIRS

Overall, the Company ended the year with sales that were 7% higher than the previous financial year. Export sales in FY 23-24 remained lower than historic levels due to the economic situation in Europe and other markets. Domestic OEM sales grew 12% driven by the construction equipment segment which compensated for a slowdown in the agricultural segment.

Sales were relatively consistent throughout the year as compared to the previous financial year when the second half of the year was significantly stronger than the first half. As expected the fourth quarter was the strongest driven by both domestic and export sales.

Other income decreased compared to FY 22-23 as the Euro remained relatively stable compared to considerable appreciation in FY 22-23.

Steel prices finally appeared to stabilize somewhat compared to the prior financial year. Variable costs as a proportion to sales improved slightly due to the companies continued efforts to increase efficiency.

This effort continues as the Company launched a new quarterly initiative involving all employees to undertake continuous improvement projects targeting various areas such as productivity, quality and cost.

TRANSFER TO RESERVES

There was no transfer made to any Reserve during the year.

DIVIDEND

The Board of Directors has recommended dividend of @ Rs. 2.50 per share (25%) on the equity shares of the Company for the financial year 2023-2024. Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of the shareholders effective April 1, 2020 and the Company is required to deduct tax at source from dividend paid to the Members at prescribed rates as per the Income Tax Act, 1961.

OUTLOOK

Globally inflation appears to have abated somewhat. The state of the global economy is currently characterized by a mixture of challenges and opportunities. While many countries are experiencing a gradual recovery from the impact of the COVID-19 pandemic, there are lingering concerns about inflation, supply chain disruptions, and uneven economic growth. Rising commodity prices, labor shortages, and geopolitical tensions are also contributing to the uncertainty in the global economic landscape.

The Eurozone is gradually recovering with increased consumer spending and slowing inflation. Interest rates are also expected to decrease gradually though policy makers remain cautious. The US is experiencing mixed signals with inflation remaining a significant concern. Consumer spending is expected to slow down as households deplete their pandemic-era savings.

The world over the political landscape remains uncertain with elections in several major economies leading to considerable political and economic uncertainty.

Overall the export markets are expected to remain muted and the company is continuing its efforts to approach new customers and enter new geographies. Management has made this a focus area and is actively working to increase sales both in India and overseas.

India remains a bright spot on the global economic horizon. Historically, the first quarter is always the weakest as most companies reduce production after the end of the financial year. The monsoon is expected to be normal which will help bolster the agricultural segment though sales are not projected to reach their FY 21-22 peaks. The off-highway segment is also expected to remain strong due to the continuing government which is expected to continue its infrastructure push.

Product costs continue to increase as suppliers across the board are pushing for conversion cost increases which are not compensated by customers. Therefore cost control is of utmost importance and the company is taking several steps to improve overall efficiency. Employees at all levels are involved and the company is already seeing the benefits. The company is also focusing on training and skill up-gradation and machinery up-gradation to maximize efficiency..

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

4 meetings of the Board of Directors of the Company were held during the year on 26.05.2023, 11.08.2023, 18.10.2023 and on 12.02.2024. The details of attendance at the meetings of board of directors are annexed to this report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Act and Articles of Association, Mr. Sanjaya Saran (DIN 02700611), Director, retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Upon the completion of his first term as an Independent director, the Board of Directors on May 22, 2024, has, pursuant to the provisions of Section 149 and other applicable provisions of the Act and based on his skills, expertise and performance evaluation, considered and appointed Mr. Navroze Marshall (DIN 0085754) as an Additional and Independent Director of the Company for a second term of five years effective from May 22, 2024 to May 21, 2029, as recommended by the Nomination and Remuneration Committee. Pursuant to the provisions of section 161 of the Companies Act, 2013, and he holds office upto the date of the ensuing annual General Meeting. The Company has received notice under Section 160 of the Act proposing his appointment

The necessary Special Resolution for re-appointment of Mr. Navroze Marshall as a Non-Executive Independent Director of the Company for a second term of five years has been incorporated in the notice of the forthcoming Annual General Meeting of the Company along with brief details about him.

The Board at its meeting held on August 5, 2024 re-appointed Ms. Devaki Saran (DIN 06504653) as a Whole-time Director designated as Executive Director and CFO of the Company with effect from August 14, 2024 for a further period of 3 years. The Board also approved payment of remuneration to Mr. Vijay Pathak (DIN 02700611), Executive Director and COO, for residual period of his term of appointment starting from August 14, 2024 to March 31, 2025.

The necessary Special Resolution for re-appointment of and payment of remuneration to Ms. Devaki Saran as Executive Director and CFO for a further period of 3 years and Approval for payment of remuneration to Mr. Vijay Pathak for remainder period of his tenure starting from August 14, 2024 to March 31, 2025 has been incorporated in the notice of the forthcoming Annual General Meeting of the Company along with brief details about him.

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

Upon completion of their second term as Independent Directors, Mr. Jehangir H. C. Jehangir (DIN 00001451) and Mr. Richard Koszarek (DIN 00740800) ceased to be Directors of the Company with effect from August 7, 2024 and August 14, 2024.

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. Jehangir H. C. Jehangir (upto 06.08.2024) | Independent Director |
| 2. Mr. Richard Koszarek (upto13.08.2024) | Independent Director |
| 3. Mr. Navroze S Marshall | Independent Director |
| 4. Mr. Sanjiv Bhasin | Independent Director |
| 5. Mr. S. C. Saran | |

Four meetings of the Audit committee were held during the financial year. The details of attendance of committee meetings is annexed to this report.

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 auditors also regularly reviews the adequacy of internal financial control system.

DETAILS OF SUBSIDIARIES/ JOINT VENTURES/ ASSOCIATES

The Company is a subsidiary of XLO India Private Limited (formerly XLO India Limited). The Company does not have any subsidiary/ joint ventures/ associates.

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2024 is available on the Company's website on www.hhardys.com.

AUDITORS

The Members of the company had, at its Annual General Meeting (AGM) held on 27th September, 2022 appointed M/s. Daga & Chaturmutha, Chartered Accountants, Nashik, (ICAI Registration No101987W) as the Statutory Auditors for a further period of 5 (five) consecutive years from the conclusion of the Fortieth AGM till the conclusion of the Forty-Fifth 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 2023-2024.

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

AUDITORS' REPORT AND SECRETARIAL AUDITORS' REPORT

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

The observation made by the Auditors in their report is self explanatory.

During the year under review, there were no instances of fraud reported by the auditors, under Section 143(12) of the Companies Act, 2013 to the Audit Committee or the Board of Directors.

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 II**.

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 III**.

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, 2024.

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 criteria on 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 IV**.

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, fulfilment of key responsibilities, performance of specific duties and obligations, timely flow of information etc. The assessment of committees based on the terms of reference of the committees and effectiveness of the meetings.

DISCLOSURE UNDER THE SEXUAL 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 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 2023-24.

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 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 2024-2025.

INSIDER TRADING REGULATIONS AND CODE OF DISCLOSURE

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

GREEN INITIATIVES

As a part of Green initiative and in compliance of MCA Circulars, the Annual Report 2023-2024 and Notice of the 42nd Annual General Meeting of the Company are sent to all members whose email addresses are registered with the Company / Depository Participant(s).

Members who have not updated their email addresses with the Company may update their email addresses by writing to the Company or Company's Registrar & Share Transfer Agents, M/s Satellite Corporate Services Pvt. Ltd., Office No. A/106-107, Dattani Plaza, East West Compound, Andheri Kurla Road, Safed Pool, Sakinaka, Mumbai-400072. Members holding shares in dematerialised mode are requested to register/update their email addresses with the relevant Depository Participants.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Section 135 of the Companies Act, 2013 mandates every Company having a minimum net worth threshold limit, turnover or net profit, as prescribed, to constitute a Corporate Social Responsibility Committee, formulating a Corporate Social Responsibility Policy that shall indicate activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013 and duly approved by the Board as well as fix the amount of expenditure to be incurred on the activities and monitor the CSR Policy from time to time.

In accordance with the applicable laws, the Company has formulated a CSR Policy. The present focus areas of CSR are Education to under privileged, Sustainability for Protection of Wildlife and the environment.

The CSR Report, detailing the Company's CSR spend for FY 2023-2024 forming part of this Report, is furnished in **Annexure V**

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.

MAINTENANCE 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

Place: Nashik
Date: 20th August, 2024

S. C. Saran
Chairman

'Annexure I' - To DIRECTOR'S REPORT

FORM No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

(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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Hindustan Hardy 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 to the extent 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 and considering the relaxations granted by The Ministry of Corporate Affairs, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31st March, 2024, 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, 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made 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, 2018 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 and Sweat Equity) Regulations, 2021; (Not applicable to the Company during the audit period)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (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, 2021; (Not applicable to the Company during the audit period) and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)
- (vi) Other laws applicable specifically to the Company namely:
1. The Factories Act, 1948
 2. The Contract Labour Act, 1970
 3. The Workmen's Compensation Act, 1923
 4. The Environment (Protection) Act, 1986s
 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 generally complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above.

We further report that:

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

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

Decisions at the Board Meetings were taken unanimously.

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

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

**For Parikh & Associates
Company Secretaries**

**Place: Mumbai
Date: 05th August, 2024**

Signature:
Name of Company Secretary: Jeenal Devil Jain
Partner
ACS No: 43855
CP No: 21246
UDIN: A043855F000900975
PR No.: 1129/2021

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

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**

Place: Mumbai

Date: 05th August, 2024

Signature:

Name of Company Secretary: Jeenal Devil Jain
Partner

ACS No: 43855

CP No: 21246

UDIN: A043855F000900975

PR No.: 1129/2021

'Annexure II' - To DIRECTOR'S REPORT

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:

- The Company engaged a third party to conduct an energy audit and is working on implementing the recommendations that are financially viable.
- Installation of a power factor controller to help minimize electricity consumption.
- Installation of a small compressor for overtime or holiday working so as to reduce electricity consumption.
- Replacement of old machines with high horse power motors with more energy efficient newer machines.
- The Company has invested in a new Sealed Quench Furnace for heat treatment which will be considerably more efficient than the older furnace. The highest energy consumption is in the heat treatment department.
- Effective utilization of heat treatment furnaces to minimize turning the furnaces on and off and ensure full loads.
- Reusing of old tooling for preliminary operations to reduce tool consumption.
- TPM (Total Productive Maintenance) initiative to repair old machines and reduce oil and other leakages. This is an ongoing initiative and by the end of FY 24-25 all critical machines will be covered.
- Installation of meters to monitor electricity consumption on a daily basis. Separate meters have been installed for the heat treatment department and machine shop and most recently R&D.
- 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.
- 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.
- Reusing of packaging material wherever possible
- Evaluation of various alternatives for solar power are being explored.

iii. Capital investment on energy conservation equipment Rs. 8.24 Lakhs

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 in-house expertise.

3. Foreign exchange earnings and Outgo

The Foreign Exchange earnings and outgo are as under

	(Rs. in Lakh)
1. Foreign Exchange Earnings	1541.20
2. Exchange Outgo on account of import	- 14.85
3. Foreign exchange Outgo on account of Travel	- 37.26
Total Foreign Exchange outgo	(52.11)
Net Foreign Exchange earnings	1489.09

Place: Nashik
Date: 05th August, 2024

For and on behalf of the Board

S. C. Saran
Chairman

'Annexure III' - To DIRECTOR'S REPORT

PARTICULARS OF EMPLOYEES

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

1]

- (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	6.78
Executive Director & CFO	14.65
Executive Director & COO	12.41

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

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase/decrease in remuneration in the financial year
Chairman	0.00
Executive Director & COO	0.64
Executive Director & CFO *	12.02

* Includes PL encashment

- (c) The percentage increase in the average remuneration of employees in the financial year: 13.06
- (d) The number of permanent employees on the rolls of company: 117
- (e) Average percentile increases 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

Average increase was in remuneration is in-line with industry practise and necessary for employee retention. The company engaged a HR agency for recommendation on remuneration policy in-line with industry practise and these recommendations have been implemented.
- (f) Affirmation that the remuneration is as per the remuneration policy of the Company:

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

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

Name of employee	Designation	Remuneration received (Rs. In lacs)	Nature of employment	Qualifications	Experience	Age	Last employment	Percentage of equity shares held
Pathak V N	Executive Director and COO	55.43	Contractual	Govt Polytechnic	37 years	64	MSL Limited, Nashik	Nil
Ms. Devaki Saran	Executive Director and CFO	65.29	Contractual	B.S.(Mechanical Engg.) M.B.A	9 years	39	UBS Investment Bank, New York	0.03
Taskar A S	Sr. Manager & HOD -Production	11.70	Regular	DME	32 years	55	Started his carrier in Hindustan Hardy Limited	0.0003
Murgunde NR	Sr. Manager & HOD Engineering	11.09	Regular	DME	26 years	48	Spicer India Limited, Satara	Nil
Mandlik AP	Sr. Manager Accounts	8.34	Regular	M.com	35 years	60	Started his carrier in Hindustan Hardy Limited	0.0003
Sonawane B J	Sr. Manager-Heat Treatment and Receipt	8.45	Regular	DME	26 years	48	Taparia Tools Ltd, Nashik	Nil
Mehendale C P	Sr. Manager & HOD PPC, Stores & Dispatch	8.17	Regular	DME	32 years	55	Started his carrier in Hindustan Hardy Limited	0.0003
Mulay D S	Sr. Manager-Production	8.18	Regular	DME	34 years	56	Started his carrier in Hindustan Hardy Limited	0.0003
Patil Madhukar S	Sr. manager Tool Room	8.15	Regular	DME	36 years	57	Started his carrier in Hindustan Hardy Limited	Nil
Mangesh Ukidave	Sr. Manager Purchase	7.30	Regular	DME/GDMM	33 years	58	Started his carrier in Hindustan Hardy Limited	Nil

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.

For and on behalf of the Board

Place: Nashik

Date: 05th August, 2024

S. C. Saran
Chairman

ANNEXURE IV

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

(...Continued on page no. 48)

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 resolution was passed in general meeting as required under first proviso to section 188
XLO India Limited Holding Company	The Company is using the registered trademark of XLO, "XLO Value" to market its products in the Indian aftermarket.	Continuous	During the year an amount of Rs. 1.82 (Figures Are exclusive of GST)	XLO brand already has good brand recognition in the Indian aftermarket. This is beneficial to the business of the company as the company strives to establish a presence in the aftermarket.	01.08.2016	-	N. A
S. C. Saran, Promoter and Chairman	Professional Fees	Continuous	During the year- Amount paid Rs. 36.00 (Figures are exclusive of GST)	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 a very good relationships with domestic and global customers. The technical expertise and guidance of Mr. Sanjaya Saran is invaluable to the company	-Board Meeting dated 21.05.19 and Board Meeting Dated 25.06.20		AGM dated 05.08.2019 and further modified at AGM dated 24.09.2020

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

Annexure IV to DIRECTOR'S REPORT

- (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

**Place: Nashik
Date: 05th August, 2024**

**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 23-24, 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 which is exacerbated by the commodity increases. The only way to combat this is by positioning oneself as a technology leader and therefore R&D and continuous improvement of the product are a must.
- There is also increasing consolidation amongst overseas competitors which can be both an opportunity and a threat. Some foreign manufacturers are putting up plants in India and therefore cost competitiveness and manufacturing excellence are of utmost importance to be able to compete.
- 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 recognised 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; and many companies are now looking to India as part of their global sourcing initiative. Several companies have recently set up global sourcing departments in India and are looking to increase their overall Indian spend.
- Additionally, several Indian companies are now taking steps to indigenize components that were previously imported which provides an attractive opportunity for Indian manufacturers.

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

- The company operates in a single segment.
- Total revenue from operations in FY 23-24 was Rs. 6814.00 Lakh as compared to 6368-05Lakh in FY 22-23. Export sales in FY 23-24 remained lower than historic levels due to the economic situation in Europe and other markets. Domestic OEM sales grew 12% driven by the construction

equipment segment which compensated for a slowdown in the agricultural segment.

Sales were relatively consistent throughout the year as compared to the previous financial year when the second half of the year was significantly stronger than the first half. As expected, the fourth quarter was the strongest driven by both domestic and export sales.

Key Financial Ratios	FY 2023-24	FY 2022-23	Increase/ Decrease (in % terms)
Debtors Turnover Ratio (Times)	4.43	3.78	17.21
Debtors Collection Period (Days)	82	96	-14.68
Inventory Turnover (Times)	5.68	6.39	-11.00
Interest Coverage Ratio (Times)	28.23	13.69	106.26
Current Ratio (Times)	1.64	1.80	-8.87
Debt Equity Ratio (Times)	0.18	0.21	-15.30
Operating Profit Margin (%)	10.04	8.90%	12.83
Net Profit Margin (%)	7.15	6.03%	18.60
Return on Net Worth (%)	20.90	20.70%	0.98

- Due to very rigorous follow up for collections and close monitoring, debtors turnover ratio improved considerably compared to the prior year. Additionally the company added some non-OEM customers with more favourable payment terms. Payment terms of most OEM customers are now 90 days and therefore the collection period is what is expected. Additionally the Company counts the number of days from the date of invoice whereas customer payment cycle starts when the goods are inwarded. Payment terms for aftermarket and industrial customers are more favourable and in certain cases are against proforma invoice.
- Overall inventory increased during the year due to longer lead times for forgings due to steel availability. In order to increase efficiency, management took a conscious decision to increase safety stock of certain long lead time items where the company had faced repeated shortages.
- Interest coverage ratio increased as interest costs reduced due to lower finance costs due to very rigorous cash flow management.

d. **Outlook**

- The global outlook is somewhat uncertain due to continued (though softening inflation), high interest rates and geopolitical tensions. There is a slight improvement over the previous financial year but elections in most major economies is further adding to the uncertainty.
- The Indian economy continues to grow and the monsoon is forecasted to be normal or above normal which will boost agricultural sales.
- Infrastructure spending will likely continue to be high given government indications
- Commodity prices, namely steel and petroleum have stabilized.

- The company is continuing its efforts to expand its product offering and target new customers. Production costs have increased and increase in efficiency and volume growth is important to remain competitive.
- The acceptance of Indian products globally has increased and India is now viewed as a very viable option for global sourcing. However the playing field is vast with competition from the far east as well as Turkey and Eastern Europe. Additionally the requirements are very stringent and monetary penalties onerous in case of quality or delivery related issues.

e. ***Risks and concerns.***

- Globally inflation has moderated somewhat and there are signs of a mild economic recovery in the US and the Eurozone but geopolitical tensions pose a big risk. Additionally, there is considerable economic and policy uncertainty in many major economies.
- India remains a bright spot in an otherwise gloomy global economy.
- Increasing competition and rising costs are also putting downward pressure on margins. The Company is trying to counter this by focusing on operational efficiencies.
- There is consolidation amongst global competitors and many are also setting up factories in India.
- The move to electrification could pose a threat in the long term if commercial vehicles become electric with e-axles and wheels directly driven by motors.

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.***

- The Company's cost reduction initiatives have yielded results as the profitability ratios of the Company improved compares to the previous financial year.
- 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 decreased to 117 from 134 at the end of the prior financial year. Several employees who had been with the company since inception retired in the financial year.

ANNEXURE V

THE ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company.

The Company intends to make a positive difference to the society and contribute its share towards the betterment of the area in which the Company operates. In terms of the provisions of Companies Act, 2013, the Corporate Social Responsibility Policy (“CSR Policy”) of HHL has been formulated and adopted by the Board of Directors.

The activities enlisted in this CSR Policy are aligned with the core values of the Company and are carried out by the company either individually or in association with eligible Implementing Agencies registered with the Ministry of Corporate Affairs.

The CSR Policy is formulated in accordance with the provisions of section 135 of the Companies Act, 2013 and rules made thereunder and other applicable laws to the company.

Effective Date

This policy shall be effective from the beginning of financial year 2023-2024.

The company shall undertake such activities which are broadly related to any of the following:

- (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation 4[including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water.
- (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- (iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- (iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
- (v) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;

- (vi) measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- (vii) training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports
- (viii) contribution to the prime minister's national relief fund 8[or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- (ix) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and
- (b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
- (x) rural development projects
- (xi) slum area development.

Explanation.- For the purposes of this item, the term `slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

- (xii) disaster management, including relief, rehabilitation and reconstruction activities.

2. Composition of CSR Committee:

Pursuant to Section 135(9) of the Companies Act, 2013, since the amount to be spent by a company on Corporate Social Responsibility (CSR) activities during a financial year does not exceed fifty lakh rupees, all the functions and procedural requirements have been carried out by and under the supervision of the Board of Directors of the Company.

The Board of Directors at its meeting held on August 5, 2024, constituted a Corporate Social Responsibility Committee comprising of the following

Name of Director	Designation
Mr. Navroze Marshall	Chairman
Mr. S. C. Saran	Member
Mr. Sanjiv Bhasin	Member

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

The Company is exempted from the requirement of constitution of CSR Committee. CSR Policy and CSR project approved by the Board for the financial year 2023-2024 can be referred on the website of the Company through the following weblinks:

CSR Policy: <https://www.hhardys.com/investors/policies/CSR%20POLICY.pdf>

CSR Projects approved by Board for FY 2023-24: <https://www.hhardys.com/investors/policies/CSR%20PROGRAMMES%20APPROVED%20BY%20BOD.pdf>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

Not Applicable

- 5.**
- (a) Average net profit of the Company as per Section 135(5) - Rs. 4,85,42,716
 - (b) Two percent of average net profit of the Company as per section 135(5) - Rs. 9,79,620
 - (c) Surplus arising out of the CSR projects or programme or activities of the previous financial years –NA
 - (d) Amount required to be set off for the financial year, if any - NIL
 - (e) Total CSR obligation for the financial year [(b)-(c+d)] - Rs. 11,00,000
(CSR Obligation approved by Board for FY 2023-2024 – Rs. 11,00,000)
- 6.**
- (a) Details of CSR amount spent against other than ongoing projects for the financial year: Rs. 3,00,000
 - (b) Amount spent in Administrative Overheads: Nil
 - (c) Amount spent on Impact Assessment, if applicable: NA
 - (d) Total amount spent for the financial year [(a)+(b)+(c)]: Rs. 3,00,000

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the financial Year. (in Rs.)	Total Amount Spent for the Financial Year. (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
3,00,000	8,00,000	02.05.2024	-	-	-

(f) Excess amount for set off, if any: Nil

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per Section 135(5)	9,79,620
(ii)	Total amount spent for the financial year	3,00,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

7. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding financial year	Amount transferred to Unspent CSR Account under Section 135 (6) (in Rs.)	Amount spent in the reporting financial year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (in Rs.)
				Name of the Fund	Amount (in Rs)	Date of transfer	
NA							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year: No

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the financial year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR registration Number, if applicable	Name	Registered address
NA							

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5) - NA

Place: Nashik

Date: 05th August, 2024

Devaki Saran

Navroze Marshall
Chairman of CSR Committee

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

MEETING OF THE BOARD OF DIRECTORS

The date of the meeting was – 26.05.2023, 11.08.2023, 18.10.2023, 12.02.2024

Name of the Director	No. of Board Meetings attended
Mr. S. C. Saran	04
Mr. Jehangir H. C. Jehangir	04
Ms. Devaki Sanjaya Saran	04
Mr. Richard George Koszarek	01
Mr. Vijay Pathak	03
Mr. Navroze Marshall	03
Mr. Sanjiv Bhasin	02

AUDIT COMMITTEE

The date of the meetings was –26.05.2023, 11.08.2023, 18.10.2023, 12.02.2024

Composition	Meetings attended
Mr. Richard Koszarek	03
Mr. S.C. Saran	04
Mr. Jehangir HC Jehangir	04
Mr. Navroze Marshall	03
Mr. Sanjiv Bhasin	03

NOMINATION AND REMUNERATION COMMITTEE

The Date of the Meetings were – 26.05.2023

Composition	Meetings attended
Mr. Richard Koszarek	0
Mr. S.C. Saran	01
Mr. Jehangir H.C. Jehangir	01
Mr. Navroze Marshall	01

STAKEHOLDERS RELATIONSHIP COMMITTEE

The date of the Meetings was – 26.05.2023, 11.08.2023, 18.10.2023 and 12.02.2024

Composition	Meetings attended
Mr. S.C. Saran	04
Mr. Richard Koszarek	03
Mr. Jehangir H.C. Jehangir	04
Ms. Devaki Saran	04
Mr. Navroze Marshall	03

INDEPENDENT AUDITOR'S REPORT

To The Members of HINDUSTAN HARDY LIMITED

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **Hindustan Hardy Limited** ("the Company"), which comprise of the Balance Sheet as at 31st March, 2024, 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, 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 (SAs) 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 of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under. 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 obtained by us 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. We have determined that there are no key audit matters to communicate in our report.

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 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 Ind-AS 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

Auditor's 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 scepticism 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 which 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.
 - e. On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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. 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 me, 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; as such the question of commenting on any material foreseeable losses thereon does not arise.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection fund by the company.
 - iv.
 - (a) The Management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the

understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The Management has represented, that, to the best of it's knowledge and belief no funds have been received by the Company from any person or entity, including foreign entities("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) (ii) of Rule 11(e), provided under (a) and (b) above, contain any material mis-statement.
- v. As stated in the financial statements;
- (a) The Final Dividend proposed in the previous year, declared and paid by the company during the year is in accordance with section 123 of the Act, as applicable.
- (b) The Board of Directors of the company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.
- vi. The company is using tailor-made ERP Software for maintaining its Books of accounts As per information given by the Management- Development of feature of recording audit trail (edit-log) facility was under process till the date of our audit.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1,2023 - reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per statutory requirement for record retention is not applicable for the financial year ended March 31, 2024.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in an annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Place : Nashik
Date : May 22, 2024
UDIN : 24048684BKFMC9313

CA Anand Daga
Partner
Membership No. 048684

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of HINDUSTAN HARDY LIMITED.

- i.
- (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment and relevant details of Right-of use assets..
 - (B) The Company has maintained proper records showing full particulars of Intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has regular program of physical verification of its property, plant and equipment by which all property, plant and equipment are verified in phased manner over a period of three years. In accordance with this program, certain properties, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regards to the size of the company and nature of its assets. No material discrepancies were noticed on such 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 where the Company is the lessee in the agreement.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the, the Company has not revalued its property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii.
- a) The inventory, along with stock lying with third parties, has been physically verified by the management during the year. Physical verification of inventory has been conducted at reasonable intervals by the management. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in aggregate of each class of inventory and the same have been properly dealt with in the books of accounts. For stocks lying with third parties at the year-end, written confirmations have also been obtained.
 - b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from bank on the basis of security of current assets.

- c) According to information given to us and sample check of returns / statements produced before us - the returns or statements filed by the Company with such bank are in agreement with the books of account of the Company.
- iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, reporting under clause 3(iii) (a) to 3(iii) (f) of the Order are not applicable to the Company.
- iv. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans or provided any guarantee or security as specified u/s 185 and 186 of the Companies Act 2013.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits from public. Accordingly, clause 3(v) of the Order is not applicable.
- vi. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- vii.
- (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year. Since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no disputed amounts in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues.
- viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions,

previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

ix.

- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender during the year.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared as a wilful defaulter by any bank or financial institution or government or government authority.
- (c) During the year the Company has obtained term loan. In our opinion and according to the information and explanations given to us, the term loan has been applied for the purpose for which the same was obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its associates. The company does not have any subsidiary or joint venture. Accordingly, clause 3(ix)(e) of the Order is not applicable.
- (f) The company does not hold any securities in its associate companies. The company does not have any subsidiary or joint venture. Accordingly, clause 3(ix)(f) of the Order is not applicable.

x.

- (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year . Accordingly, clause 3(x)(b) of the Order is not applicable.

xi.

- (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report

- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year
- xii. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statements of Company as required by the applicable Indian Accounting Standards.
- xiv.
- (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date for the period under audit.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions as specified in Section 192 of the Companies Act , 2013 with its directors or persons connected to its directors and hence, accordingly the said clause 3(xv) of the Order is not applicable.
- xvi.
- (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the company.
- (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clause 3(xvi)(c) of the the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly the reporting under Clause 3(xvi)(d) of the order is not applicable to the Company.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3 (xviii) of the Order is not applicable.

- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx.
- (a) The company has transferred the unspent amount to a Fund specified in Schedule VII of the Companies Act 2013 within a period of Six Months from the expiry of the financial statements as per second proviso to sub-section (5) of section 135 of the said Act.
- (b) According to the information & explanations given to us , there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, pursuant to any project. Accordingly, clause 3(xx)(b) of the order is not applicable.
- xxi. The reporting under Clause (xxi) of the Order is not applicable in respect of the audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

**Place: Nashik
Date : May 22 , 2024
UDIN : 24048684BKFMCA9313**

CA Anand Daga
Partner
Membership No. 048684

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 of even date on the Financial Statements of **HINDUSTAN HARDY LIMITED** as at and for the year ended 31st March, 2024

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **HINDUSTAN HARDY LIMITED** ("the Company") as of 31st March, 2024 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 controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls with reference to financial statements (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls reference to financial statements and such internal financial controls were operating effectively as at 31st March, 2024, based on the criteria for internal financial controls with reference to financial statements 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.

Place: Nashik

Date : May 22 , 2024

UDIN: 24048684BKFMCA9313

**For Daga & Chaturmutha
Chartered Accountants**

Firm Registration No. 101987W

CA Anand Daga

Partner

Membership No. 048684

BALANCE SHEET AS AT 31ST MARCH 2024

(₹ in Lakh)

	Particulars	Note	As at 31-03-2024	As at 31-03-2023
A	ASSETS			
	Non-current assets			
	Fixed assets			
	Property, Plant and Equipment	2	654.44	675.36
	Capital work-in-progress	2	368.32	15.58
	Intangible assets	2	7.26	4.34
	Right to use Asset	2	4.76	4.85
	Financial Assets			
	Investments		0.00	0.00
	Trade receivables	7	6.07	14.04
	Other financial assets	3	36.84	33.81
	Income Tax assets (net)		0.00	0.00
	Deferred tax assets	4	37.73	38.77
	Other non-current assets	5	33.55	13.48
	Sub total - Non-current assets		1,148.97	800.23
	Current assets			
	Inventories	6	674.54	605.08
	Financial Assets			
	Investments		0.00	0.00
	Trade receivables	7	2,028.05	1955.37
	Cash and cash equivalents	8	408.40	226.11
	Bank balances other than cash and - cash equivalents	9	7.21	6.22
	Others (Interest Receivable)	-	2.07	0.75
	Other financial assets	3	0.00	0.00
	Other current assets	10	28.90	40.92
	Sub total - Current assets		3,149.17	2,834.45
	TOTAL - ASSETS		4,298.14	3,634.68
B	EQUITY AND LIABILITIES			
	EQUITY			
	Equity Share Capital	11	149.85	149.85
	Other Equity		2179.59	1703.80
	Sub total - Equity attributable to owners		2,329.43	1,853.65
	Share application money, pending allotment		-	-
	LIABILITIES			
	Non-current liabilities			
	Financial Liabilities			
	Borrowings	12	197.27	168.92
	Deferred Tax Liability	17	35.13	37.87
	Sub total - Non-current liabilities		232.40	206.79
	Current liabilities			
	Financial Liabilities			
	Borrowings	12	211.80	215.40
	Trade payables	15	1085.02	1049.90
	Other financial liabilities	13	4.11	3.28
	Other current liabilities	16	327.31	193.73
	Provisions	14	70.03	68.28
	Current Tax Liabilities	-	38.03	43.64
	Sub total - Current liabilities		1,736.31	1,574.24
	TOTAL - EQUITY AND LIABILITIES		4,298.14	3,634.68

See accompanying notes 1 to 46 to the financial statements.

In terms of our report attached

For Daga & Chaturmutha

Chartered Accountants

Firm Registration No. 101987W

CA Anand Daga

Partner

Place : Nashik

Date : May 22, 2024

UDIN: 24048684BKFMC9313

For & on behalf of the Board of Directors

Chairman :

S.C. Saran

[DIN-00032194]

Executive Director & COO

Vijay Pathak

[DIN-02700611]

Executive Director & CFO

Devaki Saran

[DIN-06504653]

Company Secretary

Sunita Nisal

[ACS-49122]

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2024

(₹ in Lakh)

Particulars	Note	Year ended 31.03.2024	Year ended 31.03.2023
Income			
Revenue from operations	18	6783.92	6309.11
Other income	19	30.08	58.94
Total Income		6,814.00	6,368.05
Expenses			
Cost of raw material consumed	20	3636.70	3453.51
Changes in inventories of finished goods, work-in-progress	21	(50.33)	(62.58)
Employee benefits expense	22	1134.00	1072.93
Depreciation and amortisation expense	2	97.70	90.27
Finance costs	23	24.23	41.40
Other expenses	24	1311.82	1247.30
Total expenses		6,154.12	5,842.82
Profit / (Loss) before tax		659.87	525.23
Tax expense :			
For the current year			
Current tax	-	174.66	134.69
Deferred tax	-	(1.71)	11.70
Earlier year Tax Adjustment	-	-	(4.86)
		172.95	141.53
Profit / (Loss) for the year from continuing operations		486.92	383.70
Other comprehensive income			
Items not to be reclassified to profit or loss			
Re-measurement gains/ (losses) on defined benefit plans		29.17	5.21
Tax relating to the above		(7.34)	(1.31)
Other comprehensive income for the year, net of tax		21.83	3.90
Total comprehensive income/ (loss) for the year		508.75	387.60
Earnings per share {in ₹} {of ₹10 each} :			
Basic	25	32.50	25.61
Diluted		32.50	25.61

See accompanying notes 1 to 46 to the financial statements.

In terms of our report attached
For Daga & Chaturmutha
 Chartered Accountants
 Firm Registration No. 101987W

CA Anand Daga
 Partner
Place : Nashik
Date : May 22, 2024
UDIN: 24048684BKFMC9313

For & on behalf of the Board of Directors

Chairman :
 S.C. Saran
 [DIN-00032194]

Executive Director & COO
 Vijay Pathak
 [DIN-02700611]

Executive Director & CFO
 Devaki Saran
 [DIN-06504653]

Company Secretary
 Sunita Nisal
 [ACS-49122]

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ in Lakh)

Particulars		Year ended 31-03-2024	Year ended 31-03-2023
A	Cash flow from operating activities		
	Net Profit / (Loss) before tax	659.88	525.23
	Adjustments for :		
	Depreciation and amortisation	97.70	90.27
	Profit on sale of Property, Plant & Equipment	(2.93)	(6.57)
	Interest and Finance Charges	24.23	41.40
	Bad Debts Written Off	1.53	-
	Interest income	(9.66)	(0.85)
	Operating profit before working capital changes	775.31	649.47
	Adjustment for :		
	Decrease / (Increase) Trade receivables	(66.23)	(47.99)
	Decrease / (Increase) Financial and Non-Financial assets	15.77	(8.60)
	Decrease / (Increase) Inventories	(69.46)	(128.67)
	Increase / (Decrease) Trade payables	35.13	102.37
	Increase / (Decrease) Financial and Non-Financial liabilities and provisions	136.15	54.26
		51.37	(28.63)
	Cash generated from / (used in) operations	826.68	620.83
	Direct taxes paid	(187.61)	(119.17)
	Net cash flow from / (used in) operating activities (A)	639.07	501.66
B	Cash flow from investing activities		
	Purchase of Property, Plant & Equipment	(448.15)	(106.41)
	Proceeds from Sale of Property, Plant & Equipment.	14.16	9.47
	Net cash flow from / (used in) investing activities (B)	(433.99)	(96.94)

(Continued..)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ in Lakh)

	Particulars		Year ended 31.03.2024		Year ended 31.03.2023
C	Cash flow from financing activities				
	Proceeds from Borrowing	246.20		21.42	
	Repayment of borrowings	(221.46)		(282.72)	
	Interest and Finance Charges	(24.23)		(41.40)	
	Interest Income	9.66		0.85	
	Dividend Paid	(32.97)	(22.79)	(29.97)	(331.81)
	Net cash flow from / (used in) financing activities (C)		(22.79)		(331.81)
	Net increase / (decrease) in cash & cash equivalent (A+B+C)		182.29		72.90
	Cash and cash equivalent at the end of the period		408.40		226.11
	Cash and cash equivalent at the beginning of the period		226.11		153.21
	Total		182.29		72.90
D	Components of cash and cash equivalents				
	Cash on hand		0.44		0.67
	With banks : In current & Deposit Account				
	In current account		-		-
	In deposit account		407.96		225.44
	Cash and bank balance as per note 9		408.40		226.11

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 46 to the financial statements.

In terms of our report attached
For Daga & Chaturmutha
 Chartered Accountants
 Firm Registration No. 101987W

CA Anand Daga
 Partner
 Place : Nashik
 Date : May 22, 2024
 UDIN: 24048684BKFMCA9313

For & on behalf of the Board of Directors

Chairman :
 S.C. Saran
 [DIN-00032194]

Executive Director & COO
 Vijay Pathak
 [DIN-02700611]

Executive Director & CFO
 Devaki Saran
 [DIN-06504653]

Company Secretary
 Sunita Nisal
 [ACS-49122]

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2024

A.	Equity Share Capital	₹ in Lakhs
	Balance as at 01st April, 2022	149.85
	Changes in equity share capital during the year	-
	Balance as at 31 March, 2023	149.85
	Balance as at 01st April, 2023	149.85
	Changes in equity share capital during the year	-
	Balance as at 31 March, 2024	149.85

B.	Other Equity	Reserves & Surplus- ₹ in Lakhs				Total Equity ₹ in Lakhs
	For the year Ended 31st March, 2024	Capital Reserve	Share Forfeiture Reserve	General Reserve	Retained Earnings	
	Particulars					
	Balance as at 1st April 2022	15.00	0.08	426.09	905.00	1,346.17
	Dividend for FY-2020-21 paid during the year	-	-	-	(29.97)	(29.97)
	Profit / (Loss) for the year	-	-	-	383.70	383.70
	Other Comprehensive Income\ (Loss) for the year	-	-	-	3.90	3.90
	Balance as at 31st March 2023	15.00	0.08	426.09	1,262.63	1,703.80
	Balance as at 1st April 2023	15.00	0.08	426.09	1,262.63	1,703.80
	Dividend for FY-2022-23 paid during the year	-	-	-	(32.97)	(32.97)
	Profit / (Loss) for the year	-	-	-	486.92	486.92
	Other Comprehensive Income\ (Loss) for the year	-	-	-	21.83	21.83
	Earlier Year Tax Adjustment	-	-	-	-	-
	Balance as at 31st March 2024	15.00	0.08	426.09	1,738.42	2,179.59

Remeasurement Loss (Net) on defined plans (Income)Rs. 21.83 (March 31, 2023-Income Rs. 3.90) is recognized as part of Retained Earnings.

Note : See accompanying notes 1 to 46 to the financial statements.

*In terms of our report attached
For Daga & Chaturmutha*
Chartered Accountants
Firm Registration No. 101987W

CA Anand Daga
Partner
Place : Nashik
Date : May 22, 2024
UDIN: 24048684BKFMCA9313

For & on behalf of the Board of Directors

Chairman :
S.C. Saran
[DIN-00032194]

Executive Director & COO
Vijay Pathak
[DIN-02700611]

Executive Director & CFO
Devaki Saran
[DIN-06504653]

Company Secretary
Sunita Nisal
[ACS-49122]

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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.

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.

2 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 GST credits wherever applicable) net of accumulated depreciation, amortization and impairment losses-if any. 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 1st 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 recognized 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 recognized 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 Material / 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. Work-in-progress and finished goods include appropriate proportion of overheads.

d. Financial Instruments :

The presentation of financial instruments is as per applicable Ind AS.

e. Provisions and Contingencies :

A provision is recognized 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 not recognized – but is only 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 recognized as income or expenses in the year in which they arise.

g. Revenue recognition :

- i. Revenue is recognized 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.

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.

Revenue disclosed are net of GST, discounts and sales returns, as applicable.

- iv. Rendering of services :

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

- v. Duty Drawback / MEIS / RoDTEP - 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 recognized 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.

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 recognized outside profit or loss are recognized 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 recognized 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 Head. 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 judgments, 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.

(₹ in Lakhs)

Particulars	As at 31-03-2024										Net Block As at 31-03-2024	
	Gross Block			Depreciation and Amortisation								
	As at 01-04-2023	Additions	Deductions / Adjustment	As at 31-03-2024	As at 01-04-2023	Additions	Deductions / Transfer	As at 31-03-2024				
(A) Tangible assets												
Buildings	129.26	-	-	129.26	29.89	4.94	-	34.83	94.43			
Plant and Machinery Incl. Prem. Tools	808.14	70.63	19.41	859.36	319.36	63.44	5.10	377.70	481.66			
Electrical installations & Air Conditioners	13.62	0.39	0.29	13.72	6.63	0.91	0.15	7.39	6.33			
Furniture and fixtures	30.85	1.64	0.63	31.86	17.40	1.47	0.37	18.49	13.36			
Office & Other equipments	10.83	7.70	2.10	16.43	5.45	2.17	1.86	5.76	10.67			
Computers	39.84	7.86	1.37	46.33	33.99	4.55	0.53	38.01	8.32			
Vehicles	116.29	-	-	116.29	60.76	15.86	-	76.62	39.67			
Total Tangible assets	1,148.84	88.22	23.81	1,213.25	473.48	93.33	8.01	558.81	654.44			
(B) Capital Work In Progress	15.58	-	-	368.32	-	-	-	-	368.32			
Total Capital Work In Progress	15.58	-	-	368.32	-	-	-	-	368.32			
(C) Computer software	23.25	7.19	-	30.44	18.90	4.27	-	23.18	7.26			
Total Intangible assets	23.25	7.19	-	30.44	18.90	4.27	-	23.18	7.26			
(D) Right to Use - Lease Land	5.20	-	-	5.20	0.35	0.09	-	0.44	4.76			
Total Right to Use	5.20	-	-	5.20	0.35	0.09	-	0.44	4.76			
Total (A+B+C+D)	1,192.86	95.41	23.81	1,617.21	492.73	97.70	8.01	582.42	1,034.78			

Capital work in progress-Ageing Schedule :

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1 to 2 years	2 to 3 years	More than 3 Years	
Advance to Machine Supplier-	352.16	-	-	-	352.16
Cost Incurred for above Machine.	16.16	-	-	-	16.16
	368.32	-	-	-	368.32

Notes to financial statements (Contd.)
2. Property, Plant and Equipment

(₹ in Lakhs)

Particulars	As at 31-03-2023									
	Gross Block			Depreciation and Amortisation			Net Block			
	As at 01-04-2023	Additions	Deductions / Adjustment	As at 31-03-2024	As at 01-04-2023	Additions	Deductions / Transfer	As at 31-03-2024	As at 31-03-2024	
(A) Tangible assets										
Buildings	126.02	3.24	-	129.26	24.97	4.92	-	29.89	99.37	
Plant and machinery	717.37	93.99	3.22	808.14	260.32	59.68	0.64	319.36	488.78	
Electrical installations & Air Conditioners	13.62	-	-	13.62	5.68	0.95	-	6.63	6.99	
Furniture and fixtures	22.20	8.64	-	30.85	16.53	0.87	-	17.40	13.45	
Office & Other equipments	10.37	0.46	-	10.83	4.24	1.21	-	5.45	5.38	
Computers	37.55	2.29	-	39.84	29.92	4.07	-	33.99	5.85	
Vehicles	116.60	-	0.32	116.29	44.89	15.86	-	60.76	55.53	
Total Tangible assets	1,043.75	108.62	3.54	1,148.84	386.56	87.57	0.64	473.48	675.36	
(B) Capital Work in Progress	17.95	-	-	15.58	-	-	-	-	15.58	
Total Capital Work in Progress	17.95	-	-	15.58	-	-	-	-	15.58	
(C) Computer software	23.09	0.16	-	23.25	16.29	2.61	-	18.90	4.34	
Total Intangible assets	23.09	0.16	-	23.25	16.29	2.61	-	18.90	4.34	
(D) Right to Use - Lease Land	5.20	-	-	5.20	0.26	0.09	-	0.35	4.85	
Total Right to Use	5.20	-	-	5.20	0.26	0.09	-	0.35	4.85	
Total (A+B+C+D)	1,089.99	108.78	3.54	1,192.86	403.11	90.27	0.64	492.73	700.13	

Capital work in progress - Ageing Schedule :

CWIP	Amount in CWIP for a period of			Total
	Less than 1 Year	1 to 2 years	2 to 3 years	
Advance to Machine Supplier-	12.78	-	-	12.78
Cost Incurred for above Machine.	2.80	-	-	2.80
	15.58	-	-	15.58

Notes to financial statements (Contd.)

(₹ in Lakhs)

	Non Current		Current	
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
3 Other Financial Assets				
Advances recoverable in cash or kind	-	-	-	-
Others (include insurance claim and other receivables)	-	-	-	-
Deposits	36.84	33.81	-	-
Total	36.84	33.81	-	-
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	31.96	32.62	-	-
-Other Expenses	5.77	6.15	-	-
Total	37.73	38.77	-	-
5. Other Non- Current Assets				
Balance with Government Authorities	-	-	-	-
Gratuity Fund Balance (LIC)	33.55	13.48	-	-
Total	33.55	13.48	-	-
6. Inventories				
(At cost or net realisable value, whichever is lower)				
Raw material	-	-	296.59	278.59
Finished goods	-	-	92.21	57.37
Stores and spares parts	-	-	28.31	27.18
Work in Progress	-	-	257.42	241.94
Total	-	-	674.54	605.08
7. Trade Receivables				
Unsecured, considered good	6.07	14.04	2,028.05	1,955.37
Unsecured, considered doubtful	-	-	-	0.00
	6.07	14.04	2,028.05	1,955.37
Less:- Provision for Doubtful receivables	-	-	-	-
Total	6.07	14.04	2,028.05	1,955.37

Notes to financial statements (Contd.)

Ageing Schedule for Trade Receivables As on March 31, 2024 and March 31, 2023-

(Taken as certified by Management)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months to one year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables- considered good	1,921.20	106.85	6.07	-	-	2,034.12
Undisputed Trade Receivables- considered doubtful	-	-	-	-	-	-
Disputed Trade Receivables - Considered good	-	-	-	-	-	-
Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-
As of March 31, 2024	1,921.20	106.85	6.07	-	-	2,034.12
As of March 31, 2023	1,693.80	261.58	19.29	-	-	1,974.67

(₹ in Lakhs)

	Non Current		Current	
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
8. Cash and Cash Equivalents				
Balances with banks				
In current accounts	-	-	102.52	225.44
Cash on hand	-	-	0.44	0.67
In Fixed Deposit above cash in hand			305.44	00
Total	-	-	408.40	226.11
9. Bank balances other than Cash and Cash Equivalents				
Earmarked Balances with Bank - For unpaid Dividends.	-	-	4.05	3.22
Margin with Bank/ Other earmarked balances.	-	-	3.16	2.99
Total	-	-	7.21	6.22
10. Other Current Assets				
Balance with Government Authorities	-	-	0.00	0.00
Prepaid Expenses	-	-	11.81	13.41
Advances to Suppliers	-	-	9.15	13.76
Others	-	-	7.95	13.75
Total	-	-	28.90	40.92

Notes to financial statements (Contd.)

	As at 31.03.2024		As at 31.03.2023	
	No. of Shares	Amount ₹ Lakhs	No. of Shares	Amount ₹ Lakhs
11. Equity Share Capital				
Share capital				
Authorised				
Equity shares of ₹10 each	<u>50,00,000</u>	<u>500.00</u>	<u>50,00,000</u>	<u>500.00</u>
Issued, Subscribed and fully paid-up				
Equity shares of ₹10 each fully paid-up	<u>14,98,450</u>	<u>149.85</u>	<u>14,98,450</u>	<u>149.85</u>
a) Reconciliation of equity shares outstanding				
At the beginning of the year	<u>14,98,450</u>	<u>149.85</u>	<u>14,98,450</u>	<u>149.85</u>
At the end of the year	<u>14,98,450</u>	<u>149.85</u>	<u>14,98,450</u>	<u>149.85</u>

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) Shareholding of Promoters as on 31st March 2024.

Name of the Shareholder	No. of shares	% Holding	% change during the year
XLO India Limited	9,89,993	66.07%	-
Sanjaya Chandrabhushan Saran	501	0.03%	-
Devaki Saran	375	0.02%	-
Mallika Saran	375	0.02%	-
Arati Saran	150	0.01%	-

Shareholding of Promoters as on 31st March 2023.

Name of the Shareholder	No. of shares	% Holding	% change during the year
XLO India Limited	9,89,993	66.07%	-
Sanjaya Chandrabhushan Saran	501	0.03%	-
Devaki Saran	375	0.02%	-
Mallika Saran	375	0.02%	-
Arati Saran	150	0.01%	-

Notes to financial statements (Contd.)

₹ in Lakhs)

12 Borrowings	Non Current		Current	
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
Secured				
Term Loans - Axis Bank	197.27	168.92	112.11	62.85
Vehicle Loan - ICICI Bank	-	-	-	-
Working Capital Loans from Axis Bank	-	-	99.69	152.55
Total	197.27	168.92	211.80	215.40

Details of Loans :**A. Term Loans :**

Sr.	Name of Bank & Facility	Rate of Interest as on 31.03.2022 Per annum	Sanctioned Limit	Outstanding As On		Repayment Schedule
				31.03.2024	31.03.2023	
				Rs.	Rs.	
1	Axis Bank- Vehicle Loan.	8.70%	26.00	0.00	2.98	60 EMI's w.e.f. Oct 2018
2	Axis Bank-Term Loan Ag. Plant & Machinery.	9.25%	200.00	74.47	114.47	60 EMI's w.e.f. Apr 2021
3	Axis Bank- Working Capital Term Loan.	9.25%	34.00	3.92	15.20	36 EMI's w.e.f. Oct 2021
	Axis Bank- Addl. Working Capital Term Loan.	9.25%	65.11	65.11	65.11	60 EMI's w.e.f. Apr 2023
4	Axis Bank - Vehicle Loan.	7.60%	18.56	10.45	13.98	60 EMI's w.e.f. Nov 2021
5	Axis Bank - Vehicle Loan.	7.50%	26.57	14.97	20.03	60 EMI's w.e.f. Nov 2021
6	Axis Bank-Term Loan Ag. Plant & Machinery.	9.25%	250.00	124.07	-	60 EMI's w.e.f. Aug 2023
7	Axis Bank-Term Loan Ag. Plant & Machinery.	9.25%	350.00	16.39	-	60 EMI's w.e.f. Mar 2024
			TOTAL	309.38	231.77	
	Out of the above, repayable within 12 months			112.11	62.85	
	Repayable after 12 months			197.27	168.92	
	Total			309.38	231.77	

B. Other Terms & Conditions of Loans -

- Working Capital Loans from Axis Bank are secured by hypothecation of stock and debtors. It includes pre-shipment and post-shipment credit against export orders.
- Terms Loans against Plant & Machinery, Working Capital Term Loan 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.
- Vehicle Terms Loans are against security of respective vehicles.

Notes to financial statements (Contd.)

(₹ in Lakhs)

	Non Current		Current	
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
13 Other Financial Liabilities				
Unclaimed Dividend		-	4.05	3.22
Deposit		-	0.06	0.06
Total	-	-	4.11	3.28
14 Provisions				
Provision for Compensated Absences	-	-	70.03	68.28
Total	-	-	70.03	68.28
15 Trade Payables				
Current :				
a) Total outstanding dues of creditors of micro and small enterprises			163.48	236.25
b) Total outstanding dues of creditors other than micro and small enterprises			589.42	514.94
			Sub Total	752.90
Unbilled Dues (Accrued expenses)			332.12	298.71
Total Trade Payables.			1,085.02	1,049.90

Disclosures required under section 22 of the Micro, Small & Medium Enterprises Development Act, 2006 are as below :

a) Dues remaining unpaid as at March 31				
Principal.			51.49	75.04
Interest on the above.			3.36	3.42
b) Interest paid in terms of section 16 of the Act, along with the amount of payment made to the supplier beyond the appointed day during the year				
Principal paid beyond the appointed date.			-	-
Interest paid in terms of section 16 of the Act.			-	-
c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year.			3.36	3.42
d) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises.			-	-
e) Amount of interest accrued and remaining unpaid as at March 31.			8.95	5.58

Due to Micro & Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms. Interest is charged on the overdue balances as per terms agreed with Vendors.

Notes to financial statements (Contd.)

Ageing Schedule for Trade Payables As at March 31, 2024 & March 31, 2023

(Taken as certified by Management).

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than one year	1-2 years	2-3 years	More than 3 years	
MSME	163.38	0.10	-	-	163.48
Others	579.13	4.13	1.52	4.64	589.42
Disputed Dues- MSME	-	-	-	-	-
Disputed Dues- Others	-	-	-	-	-
As of March 31, 2024	742.51	4.23	1.52	4.64	752.90
As of March 31, 2023	715.76	11.13	2.82	21.49	751.19

	Non Current		Current	
	As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
16 Other Current Liabilities				
Advance from customers and others	-	-	95.66	18.85
Acceptances of Hundis from Suppliers	-	-	133.44	76.82
Statutory Dues	-	-	38.72	35.25
Others	-	-	59.49	62.82
Total	-	-	327.31	193.73
17 Deferred Tax Liability				
Difference between book balance and tax balance of fixed assets	35.13	37.87	-	-
Total	35.13	37.87	-	-

Notes to financial statements (Contd.)**(₹ in Lakhs)**

	As at 31.03.2024	As at 31.03.2023
18 Revenue from Operations		
a) Sale of Products -(Excluding GST)	6,602.68	6,145.15
Sub-Total (a)	6,602.68	6,145.15
b) Other Operating Revenues		
Sales of Services	0.00	2.96
Sale of Scrap	99.69	113.67
Duty Drawback / MEIS	81.55	47.32
Sub-Total (b)	181.24	163.96
Total (a+b)	6,783.92	6,309.11
Note:		
The Company recognises revenue when it transfers control of a product to a customer as and when it satisfies the performance obligation by transferring promised goods to a customer and customer obtains the control or benefit of the same.		
19 Other Income		
Interest Income	9.66	0.85
Misc. Income	5.25	5.02
Excess Provision / Amounts Written Back.	0.00	14.89
Profit on Sale of Assets	2.93	6.68
Foreign Exchange Gain	12.23	31.50
Total	30.08	58.94
20 Cost of Raw Material Consumed		
Opening stock	278.59	215.79
Add : Purchases	3,654.70	3,516.31
Less: Closing stock	296.59	278.59
Total	3,636.70	3,453.51
21 Change in inventories of finished goods, work in progress		
Closing stock		
Finished goods	92.21	57.37
Work-in-progress	257.42	241.94
	349.64	299.31
Opening stock		
Finished goods	57.37	58.05
Work-in-progress	241.94	178.67
	299.31	236.73
Total	(50.33)	(62.58)

Notes to financial statements (Contd.)

(₹ in Lakhs)

	As at 31.03.2024	As at 31.03.2023
22 Employee Benefit Expenses		
Salaries and wages	989.45	927.04
Contribution to provident and other funds	75.59	79.86
Staff welfare expenses	68.95	66.03
Total	1,134.00	1,072.93
23 Finance Cost		
Interest on Term Loans (other)	18.22	23.38
Other Borrowing / Interest Cost	6.01	18.02
Total	24.23	41.40
24 Other Expenses		
Consumption of stores and spare parts	229.63	223.05
Power and fuel	224.74	218.58
Packing and forwarding expenses	265.54	259.23
Rent	0.05	0.27
Repairs to buildings	19.35	24.79
Repairs to Plant & Machinery	64.69	71.80
Other Repairs	7.53	7.94
Insurance	15.45	15.37
Rates and Taxes, excluding taxes on income	1.61	1.70
Travelling Expenses & Conveyance Charges	101.13	68.90
Legal & Professional charges	92.34	118.43
Commission on Sales	3.92	1.97
Discount on Sales	2.73	1.27
Bad Debts /Advances written off / Provision.	1.53	-
Directors' Fees	1.16	1.03
Loss on Investments	0.00	0.10
Fixed Asset Scrap / Discard	4.58	0.00
Loading & Unloading	117.57	95.62
Expenditure on CSR (Refer Note 27)	11.00	-
Payments to Auditor (Refer Note below)	9.25	8.75
Miscellaneous expenses	138.02	128.48
Total	1,311.82	1,247.30
<u>Note :</u>		
Payment to Auditors :		
As auditor :		
Audit Fee	5.50	5.00
Tax Audit Fee	1.75	1.75
Limited Review	1.75	1.75
In other capacity :		
Income Tax matters	0.25	0.25
	9.25	8.75

Notes to financial statements (Contd.)**(₹ in Lakhs)**

	As at 31.03.2024	As at 31.03.2023
25 Earnings per equity share (EPS) :		
(i) Profit/ (Loss) attributable to equity shareholders for basic and diluted EPS	486.92	383.70
(ii) Weighted average number of equity shares for basic EPS	14.98	14.98
(iii) Nominal value of equity share (in ₹)	10	10
(iv) Earnings per equity share (in ₹)		
Basic	32.50	25.61
Diluted	32.50	25.61
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	369.00	10.52
b) For Labour related disputed matters	46.49	77.76
c) For Midc Fire Cess Chgs.	6.75	-
27 Schedule Of Expenditure on Corporate Social Responsibility (CSR) :		
Details of CSR expenditure	31.03.2024	31.03.2023
(a) Gross amount required to be spent by the Company during the year	9.71	NA
(b) Amount Approved by the Board to be Spent during the year #	11.00	NA
(c) Amount Spent during the year	3.00	NA
(d) Unspent Amount	8.00	NA
	11.00	-
(e) Unspent Amount deposited in Separate Account	8.00	-
# Amount to be spent as follows		
a. Sustainability for Protection of Wildlife Habitat	3.00	-
b. Education to Underprivileged Children	8.00	-
(f) Details of related party transaction, e.g. contribution to a trust controlled by the company in relation to CSR expenditure as per relevant accounting standard - Company has not made any contribution to a trust -controlled by the Company in relation to CSR expenditure.		

Notes to financial statements (Contd.)**28 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. Vijay Pathak	Executive Director & COO
4) XLO India Limited	Promoter Company
5) Mrs. Aarati Saran	Wife of Chairman
6) Ms. Mallika Saran	Daughter of Chairman

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

b) Details of related party transactions :**(₹ in Lakhs)**

Name of Party	Nature of Transactions	As at 31.03.2024	As at 31.03.2023
1) Mr. S. C. Saran	Technical fees #	36.00	36.00
	Dividend Paid	0.01	0.01
2) Ms. Devaki Saran	Remuneration	77.80	69.44
	Dividend Paid	0.008	0.008
3) Mr. Vijay Pathak	Remuneration	65.91	65.49
4) XLO India Limited	Royalty #	2.48	1.82
	(Amount O/s. & Payable)	0.34	0.22
	Dividend Paid	21.78	19.80
5) Mrs Aarati Saran	Dividend Paid	0.003	0.003
6) Ms. Mallika Saran	Dividend Paid	0.008	0.008

Amounts excluding GST.

29. Employee benefits:**a) Defined Contributions Plans**

- i) The company contributes certain percentage of salary & wages for all eligible employees toward provident 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 As At -31-03-2024

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. 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:

Notes to financial statements (Contd.)

(₹ in Lakhs)

Particulars	Funded Gratuity Plan	Funded Gratuity Plan
	As at 31.03.2024	As at 31.03.2023
I <u>Change in defined benefit obligation during the year</u>		
1 Present value of defined benefit obligation at the beginning of the year	374.68	428.56
2 Current service cost	15.87	15.90
3 Interest cost	27.69	28.78
4 Actuarial (gains) / losses	(31.30)	(7.23)
5 Benefits payments	(84.15)	(91.32)
6 Present value of defined benefit obligation at the end of the year	302.78	374.68
II <u>Expense recognised in the statement of profit and loss</u>		
1 Current service Cost	15.87	15.90
2 Interest cost	(1.00)	(1.55)
3 Total expenses recognised in the statement of profit and loss	14.87	14.35
III <u>Re-measurements recognised in Other Comprehensive income (OCI)</u>		
1 Actuarial (gain)/losses on Obligation for the period	(31.30)	(7.23)
2 Return on Plan assets (excluding interest income)	2.13	2.03
3 Total recognised in Other Comprehensive income	(29.17)	(5.21)
IV <u>Net Asset / (Liability) recognised in the Balance Sheet</u>		
1 Present value of defined benefit obligation	(302.78)	(374.68)
2 Fair value of plan assets	336.33	388.16
3 Funded status [surplus / (deficit)]	33.55	13.48
4 Net asset / (liability)	33.55	13.48
V <u>Actuarial assumptions:</u>		
1 Discount rate	7.21%	7.39%
2 Expected rate of return on plan assets	7.21%	7.39%
3 Mortality	IALM-(2012-14)	IALM-(2012-14)
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	10.00% p.a.	10.00% p.a.

Notes to financial statements (Contd.)

(₹ in Lakhs)

	As At 31-03-2024	As At 31-03-2023
VI <u>Maturity profile of defined benefit obligation</u>		
1 Within the next 12 months	87.26	95.37
2 Between 2 and 5 years	173.58	245.74
3 Between 6 and 10 years	29.93	48.88
4 More than 10 years	169.69	148.19
VII <u>Sensitivity Analysis for significant assumption</u>		
Discount Rate		
1% Increase	(10.96)	(11.77)
1% Decrease	12.59	13.27
Salary escalation rate		
1% Increase	12.13	12.81
1% Decrease	(10.79)	(11.60)
Employee turnover rate		
1% Increase	(2.27)	(2.08)
1% Decrease	2.54	2.31

	As at 31-03-2024		As at 31-03-2023	
	₹ Lakhs	%	₹ Lakhs	%
30. a) Raw material consumed :				
(i) Imported	16.22	0.45	11.05	0.32
(ii) Indigenous	3,620.48	99.55	3,442.47	99.68
Total	3,636.70	100.00	3,453.51	100.00
b) Spares consumed :				
Indigenous	229.63	100.00	223.05	100.00
Total	229.63	100.00	223.05	100.00

	As At 31-03-2024	As At 31-03-2023
31. Details of Sales excluding GST :		
Sales - (Net)	6,602.68	6,145.15
Sale of Services	-	2.96
Sale of Scrap	99.69	113.67
Total Sales	6,702.37	6,261.79

Notes to financial statements (Contd.)

(₹ in Lakhs)

As At 31-03-2024

As At 31-03-2023

32. Details of Domestic and Export Sales :

Domestic	5,129.76	4,404.17
Export	1,572.61	1,857.62
Total	6,702.37	6,261.79

33. Disclosure of foreign currency exposure :

	Foreign Currency	₹ Lakhs	Foreign Currency	₹ Lakhs
a) Outstanding trade payables for expenses	-	-	-	-
b) Outstanding trade receivables	In USD	1,76,189	143.63	2,81,916
	In EURO	2,71,334	238.99	2,11,449
	In GBP	60,204	61.93	1,22,377
c) Outstanding Pkg.Credit Loan.	In EURO	-	-	96,093
	In USD	-	-	60,532

(₹ in Lakhs)

34. CIF value of imports :

Raw materials	14.85	11.58
Other items.	-	-

35. Expenditure in foreign currency (accrual basis) :

Travel	36.04	24.59
Other Expenditure (Incl. Capital if any)	1.22	-

36. Earnings in foreign exchange (accrual basis) :

F.O.B. value of exports	1,553.03	1,888.65
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37. Segment Reporting :

The Company is exclusively engaged in the business of designing and manufacturing of Propeller Shafts and other accessories required for automotive, industrial , agricultural and other applications which in the context of Indian Accounting Standard (Ind AS- 108) on "Operating Segments", is considered as a single operating segment.

38. Details of Leave Encashment Provision :

Particulars	Opening As at 1st April	Additions	Utilisations	Reversal	Closing As at 31st March
FY 2022-23	66.62	20.46	18.79	-	68.28
FY 2023-24	68.28	22.54	20.79	-	70.03

Notes to financial statements (Contd.)

39. Ratios for the year ended March 31, 2024 & March 31, 2023

Sr No.	Particulars	Numerator	Denominator	As at 31-03-2024	As at 31-03-2023	Variance	Reasons (only if >25%)
1	Current Ratio	Current Asset	Current Liabilities	1.81	1.80	1%	
2	Debt Equity Ratio	Total Debt	Total Equity	0.18	0.21	-15%	
3	Debt Service Coverage Ratio	Earnings available for Debt Service	Debt Service	3.38	5.66	-40%	Note-1
4	Return on Equity (ROE) %	Total Comprehensive Income	Average Share Holders Equity.	24.32%	23.14%	5%	
5	Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory	5.61	6.27	-11%	
6	Trade Receivable Turnover Ratio	Gross Revenue from Operations	Average Trade Receivables	3.98	3.69	8%	
7	Trade Payable Turnover Ratio	Gross Purchase of Goods	Average Trade Payables	5.21	5.47	-5%	
8	Net Capital Turnover Ratio	Revenue From Operations	Average Share Holders Equity	3.24	3.77	-14%	
9	Net Profit Ratio-(%)	Total Comprehensive Income	Revenue From Operations	7.50%	6.14%	22%	
10	Return on Capital Employed-(ROCE)-%	Earnings Before Interest & Taxes	Average Capital Employed	30.08%	30.39%	-1%	

Management Explanations :

Note-1 Increase in Loan / Debt.

40. Directors' Remuneration :

	31.03.2024 (₹ in Lakhs)	31.03.2023 (₹ in Lakhs)
a) Salaries	106.25	99.16
b) Contribution to Provident Fund and Other funds	4.32	3.74
c) Perquisites	0.68	0.68
d) Superannuation Fund Contribution.	5.40	4.68
e) Technical Fees	36.00	36.00
f) LTA & Incentives	27.06	26.67
Total	179.71	170.94

Notes to financial statements (Contd.)**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. 36.00 lakhs plus taxes for the year ended 31st March 2024 and Rs. 36.00 Lakhs plus taxes for the year ended 31st March 2023 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.1,16,000/- (Rs. 1,03,000/-for the year ended 31-03-2023).

41. Dividend Distribution proposed :

Particulars	31.03.2024 (₹ in Lakhs)	31.03.2023 (₹ in Lakhs)
Proposed dividends on equity shares		
Final dividend for the year ended 31-03-2024	37.46	32.97
Rs. 2.50 per share * (Previous Year Rs.2.20 per share) *		
Dividend Distribution Tax on proposed final dividend *	-	-
Total	37.46	32.97

* Proposed dividend on equity shares is subject to approval at the Annual General Meeting and hence not recognised as a liability.

- 42 As per information given, the company does not have relationship with any company which have been struck-off from the register of Registrar of Companies (ROC).**
- 43 The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.**
- 44 The Company has complied with requirements of number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restrictions on No of layers) Rules, 2017.**
- 45 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.**
- 46 Figures of the previous year have been regrouped / rearranged wherever necessary to conform to the current year's presentation.**

See accompanying notes 1 to 46 to the financial statements.

In terms of our report attached

For Daga & Chaturmutha

Chartered Accountants

Firm Registration No. 101987W

CA Anand Daga

Partner

Place : Nashik

Date : May 22, 2024

UDIN: 24048684BKFMCA9313

For & on behalf of the Board of Directors

Chairman :

S.C. Saran

[DIN-00032194]

Executive Director & COO

Vijay Pathak

[DIN-02700611]

Executive Director & CFO

Devaki Saran

[DIN-06504653]

Company Secretary

Sunita Nisal

[ACS-49122]