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: 04th September, 2021

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 2020-21

The Thirty-Ninth Annual General Meeting ("AGM") of the Company will be held on Wednesday, September 29, 2021 at 2.30 p.m. through Video Conferencing / Other Audio-Visual Means.

Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company along with the Notice of AGM for the financial year 2020-21 which is being sent only through electronic mode to the Members.

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

This is for your information and records.

Yours faithfully,
For **HINDUSTAN HARDY LIMITED**

DEVAKI SARAN

Digitally signed by DEVAKI SARAN
Date: 2021.09.05 16:37:47 +05'30'

DEVAKI SARAN
EXECUTIVE DIRECTOR & CFO



Hindustan Hardy Limited

Thirty Ninth Annual Report
2020 - 2021

www.hhardys.com

BOARD OF DIRECTORS

Mr. S. C. Saran	Chairman
Ms. Devaki Saran	Executive Director & CFO
Mr. Jehangir H. C. Jehangir	Independent Director
Mr. Richard Koszarek	Independent Director
Mr. Vijay Pathak	Executive Director & COO
Mr. Navroze Shiamak Marshall	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

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

CONTENTS	PAGE
Notice	05.
Director's Report	24.
Annexure to Directors' Report	34.
Auditor's Report	50.
Balance Sheet	60.
Statement of Profit and Loss	61.
Cash Flow Statement	62.
Notes to Financial Statement	65.

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 **Thirty Ninth Annual General Meeting** of the members of Hindustan Hardy Limited will be held on Wednesday, September 29, 2021 at 2.30 p.m. 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, 2021, 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, 2021

3. To appoint a Director in place of Mr. S. C. Saran (DIN: 00032194) who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Sections 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 Company hereby accords its approval to the reappointment 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, 2021 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 authorised 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 authorised to do all such acts, matters, deeds and things and to take such steps as expedient or desirable to give effect to this Resolution".

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, read with Schedule V to the Companies Act, 2013 and subject to such approval/s as may be necessary, the Company hereby accords its approval to the appointment of Mr. Vijay Pathak (DIN 02700611) as Whole-Time Director designated as "Executive Director and Chief Operating Officer (COO)" of the Company for a further period 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 and as set out in the draft agreement proposed to be entered into by the Company with Mr. Vijay Pathak, which agreement is hereby specifically approved and as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting (Explanatory Statement), with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Vijay Pathak.

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits, in any financial year comprised in the period of any three years, during the currency of tenure of office of Mr. Vijay Pathak, Wholetime Director designated as Executive Director and COO, the Company shall pay the remuneration as set out in the draft agreement and 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 authorised to vary or increase the remuneration including the perquisites within such prescribed limits or ceiling without any further reference to the Company.

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

NOTES:

1. In view of the continuing Covid-19 pandemic, 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 January 13, 2021 (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 and January 15, 2021 ('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 Wednesday, September 29, 2021, 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 has 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 material facts pursuant to section 102 of the Companies Act, 2013, which sets out details relating to item nos. 4 and 5 of the Notice, and 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 2020-2021 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. The Notice convening the 39th 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 Thursday, 23.09.2021 to Wednesday, 29.09.2021 both days inclusive

7. 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 Depositary 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.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

8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, accordingly, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.

9. As per amended Regulation 40 of SEBI Listing Regulations securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition and relodged transfers of securities. Further, SEBI vide its circular dated September 7, 2020 and December 2, 2020 fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. 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.

10. 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 dematerialised mode are requested to register/update their email addresses with the relevant Depository Participants.

11. During the 39th AGM, the electronic copy of 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 electronically for inspection by the Members during the AGM. Members seeking to inspect such documents can send their requests to the Company at co@hhardys.com

12. Pursuant to the provisions of the Act, the dividend for the financial year 2013-14 and for subsequent years remaining unclaimed/unpaid for a period of seven years from the date they became due for payment shall be credited to the Investor Education and Protection Fund setup by the Central Government. Members who have so far not claimed the dividend are requested to make claim with the Company as no claim shall lie against the

fund or the Company in respect of individual amounts once credited to the said fund.

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

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

14. 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 for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General 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 may join the Meeting through Laptops, tablets and iPads for better experience.

(iii) Further, Members will be required to 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 September 24, 2021 (10.00 a.m. IST)

to September 26, 2021 (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 39th AGM through VC/OAVM facility.

(vii) Members who need assistance before or during the AGM may contact NSDL on evoting@nsdl.co.in/1800-222-990 or contact Mr. Amit Vishal, Asst. Vice President – NSDL or Mr. Sagar Ghosalkar, Assistant Manager- NSDL evoting@nsdl.co.in / 1800 1020 990 /1800 224 430

15. VOTING THROUGH ELECTRONIC MEANS:

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by Companies (Management and Administration) Rules, 2015, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and the Secretarial Standards on General Meetings (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide members facility to exercise their right to vote at the 39th 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.	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. 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 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. 4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on App Store Google Play

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 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 provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
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.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned 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.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

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 022-23058738 or 022-23058542-43

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 • 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 • 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 • 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 user 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 toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to (Ms Soni Singh) at evoting@nsdl.co.in

4. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.

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.co.in 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 EGM/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 EGM/AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/ 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 commences on Saturday, 25.09.2021 (10.00 a.m.) and ends on Tuesday, 28.09.2021 at (5:00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Wednesday, September 22, 2021 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 Wednesday, September 22, 2021. 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-votingshall 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.co.in. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com.

IV. Members will be provided with the facility for voting through electronic voting system during the video conferencing proceedings at the AGM and Members participating at the AGM, who have not already cast their vote on the resolutions by remote e Voting, will be eligible to exercise their right to vote on such resolutions during the proceedings of the AGM.

V. The Members who have cast their votes through remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their votes again on such resolutions.

VI. 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.

VII. 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.

VIII. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website,www.hhardys.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: Mumbai.
Date:August 13, 2021

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

The Board of directors at its meeting held on August 13, 2021, approved the reappointment 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, 2021 on the terms and conditions including remuneration as approved and recommended by the Nomination and Remuneration Committee and as specified below, subject to the approval of the Members.

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

Salary & Perquisites: Rs. 5.5 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 –This shall be based on the performance of the Company and calculated at 2% of net profits of the Company.

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.

The reappointment 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. 4 of the Notice.

Ms. Devaki Saran is B.S. in Mechanical Engineering from Carnegie Mellon University in U.S.A., M.B.A from Harvard Business School. After graduating with University Honors, She joined UBS Investment Bank in New York City and worked in Financial Institutions Group focusing on banks and speciality in Finance Companies.

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.

Ms. Devaki Saran is interested in resolution at item No. 4 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. 5

The Board of directors at its meeting held on August 13, 2021, approved the reappointment of Mr. Vijay Pathak (DIN 02700611) as Whole-time Director designated as Executive Director and Chief Operational Officer (COO), for a further period from October 10, 2021 upto March 31, 2025 on the terms and conditions including remuneration as approved and recommended by the Nomination and Remuneration Committee and set out in the draft agreement subject to the approval of the Members.

The main terms and conditions of appointment of Mr. Vijay Pathak (hereinafter referred to as "Executive Director and COO") and payment of remuneration are given below:

Salary & Perquisites: Not exceeding Rs. 55 lakhs per annum

In addition to the Salary and perquisites,

Incentive – This shall be based on the performance of the Company and calculated at 2% of net profits of the Company, as detailed in the draft agreement.

In the event of loss or inadequacy of profits, in any financial year comprised in the period of any three years, during the currency of tenure of office of Mr. Vijay Pathak, Wholetime Director designated as Executive Director and COO, the Company shall pay the aforesaid remuneration as minimum remuneration subject to the ceiling limits prescribed in Schedule V of the Companies Act, 2013.

The Company shall be entitled to terminate Mr. V. Pathak's employment forthwith if, in the opinion of the Board, he is unable to perform his duties by reason of ill health, accident or disability for a period of 180 days in any period of twelve consecutive calendar months.

The Company shall be entitled to terminate Mr. V. Pathak's employment forthwith if he becomes insolvent or makes any composition or arrangement with his creditors or ceases to be a Director of the Company.

In case of Mr. V. Pathak's death in the course of his employment with the Company, the Company shall pay to his legal representative the salary and other emoluments payable for the then current month and not for the remainder of the Term.

The Company shall be entitled to terminate Mr. V. Pathak's employment by giving not less than 45 days' notice in writing in the event of inattention to, or negligence in, the conduct of the business or any breach of the Agreement, which in the opinion of the Board, renders necessary his ceasing to

hold office of Executive Director and COO desirable. The Company reserves the right to pay 45 days' salary (Basic +DA) in lieu of notice and no further compensation for loss of office or otherwise shall be payable.

Either party shall be entitled to terminate the Agreement by giving to the other party 90 days' notice in writing without showing any cause. The Company reserves the right to pay 90 days salary (Basic +DA) in lieu of notice and no further compensation for loss of office or otherwise shall be payable. Should Mr. V. Pathak wish to terminate the Agreement without the requisite 90 days' notice, the Company may, but is under no obligation to, permit Mr. V. Pathak to forfeit three months' salary (Basic +DA) in lieu of notice from the full and final settlement of his dues.

The reappointment and payment of remuneration to Mr. Vijay Pathak, is subject to the approval of shareholders.

Accordingly, the necessary special resolution for reappointment of Mr. Vijay Pathak as Whole-time Director designated as Executive Director and COO and payment of remuneration to him is set out at item no. 5 of the Notice.

Mr. Vijay Pathak has completed his Government Polytechnic from Dhule. He has over 36 years' experience in the industry and expertise in management, production and quality control. He has been trained in TPM,5S, JIT, TQM, VLFM, both in India and Japan. He has deep knowledge of export component manufacturing, process improvements value stream mapping and various manufacturing best practices.

Mr. Vijay Pathak 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 Mr. Vijay Pathak as Wholetime Director designated as Executive Director and COO of the Company is for the benefit of the business and growth of the Company.

Mr. Vijay Pathak is interested in resolution at item No. 5 which pertains to her own appointment and remuneration payable to her.

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.

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: Mumbai.
Date:**August 13, 2021**

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

Particulars	Mr. S. C. Saran	Ms. Devaki Saran	Mr. Vijay Narhar Pathak
Date of Birth	06.02.1951	16.05.1985	24.04.1960
Age	70	36	61
Date of Original Appointment	09.03.1978	14.08.2014	10/08/2018
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 from Harvard Business School	Government Polytechnical, Dhule
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 36 years of experience in the industry and expertise in management, production and quality control. He has been trained in TPM, 5S, JIT, TQM, VLFM both in India and Japan. He has deep knowledge of export component manufacturing, process improvements, value stream mapping and various other manufacturing best practices.

Directorships in other companies	1. XLO India Limited 2. Business Combine limited 3. Hermes Consultants Pvt Ltd 4. Heatly and Gresham (India) Private Limited	1. XLO India Ltd 2. Business Combine Limited 3.Hermes Consultants Limited 4. Bombay Footwear Pvt Ltd	Nil
Memberships of Committees in other public companies (Includes only Audit & Stakeholders Relationship Committee)	Nil	Nil	Nil
No. of shares held in the Company	501	Nil	Nil
Relationship between directors inter-se	Immediate Relative of Ms. Devaki Saran	She is related to Mr. S.C. Saran Director of the Company	He is not related to any other Director or Key Managerial Personnel
Number of Board meetings attended during the year	4	4	4

DIRECTORS' REPORT

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

To
The Members
HINDUSTAN HARDY LIMITED

The Directors have pleasure in presenting the Thirty Ninth Annual Report together with the Statement of Accounts for the year ended on March 31, 2021.

FINANCIAL RESULTS:

Particulars	For the year ended 31st March 2021 Rs. in Lakh	For the year ended 31st March 2020 Rs. in Lakh
Revenue from Operations	**4461.30**	3909.84
Other Income	**5.16**	28.51
Total Income	**4466.47**	3938.35
Profit before Interest, Depreciation and Tax	**519.48**	105.45
Finance Cost	**18.61**	30.61
Depreciation	**60.03**	61.69
Profit / Loss before tax	**440.84**	13.16
Tax Expenses	**122.36**	9.97
Profit / Loss after Tax	**318.48**	3.19
Other Comprehensive Income / (loss) for the year	**(12.14)**	(2.13)
Profit / Loss for the year attributable to owners of the company	**306.34**	1.06
Surplus brought forward from Previous Year	**253.62**	274.33
Profit available for appropriation	**559.96**	275.39
Proposed Dividend	**-**	-
Tax on Proposed Dividend	**-**	-
Surplus Carried Forward	**559.96**	**275.39**

OPERATIONS/STATE OF COMPANY'S AFFAIRS

The year got off to a slow start due to the lockdown on account of the COVID-19 pandemic. Due to government regulations, the company was forced to close manufacturing operations for the first one and a half months of the year. The company only restarted manufacturing on May 10th and that too with limited manpower.

The sales in the first quarter accounted for barely 10% of total sales for the year. Sales steadily increased on a quarterly basis as restrictions were relaxed both across India and globally. The company had a very strong fourth quarter as both domestic and export markets performed well and sales were strong across all segments. Sales would have been even higher; however certain export shipments could not be dispatched during March due to non-availability of containers. This is a global problems which still persists.

Sales increased 13.4% on a y/o/y basis despite one and a half months of no production or dispatch. This was also due to a low base as sales in FY 19-20 were affected by the automotive recession and the abrupt lockdown in the middle of March. Sales for FY 20-21 were nearly back to FY 18-19 levels despite the fact that they were effectively achieved in 10.5 months.

The company's cost reduction efforts across all areas hugely benefited the bottom line. Additionally, increased focus on more profitable segments increased the operating margin. Export sales realization was boosted by the weak rupee.

Skyrocketing commodity prices negatively impacted the bottom line. Steel prices increased by nearly 30% during the year and continue to increase. These increases are compensated by domestic customers but not by export customers. That too domestic customers generally compensate with delayed effect. Additionally, suppliers of bought out components and consumable items also demanded price increases across the board and these increases are not compensated by most customers. The steep increase in petroleum and paper products also led to an increase in the cost of paint and packing material. The company continues its value engineering efforts to try and offset this impact.

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/- per share (20%) on the equity shares of the Company for the financial year 2020-2021.

OUTLOOK

The first quarter was impacted by the second wave of the COVID-19 pandemic and the lockdown in Maharashtra and Nashik which affected manufacturing activity. The effect of local lockdowns and restrictions on shop timings was severely felt by the aftermarket segment.

Though the situation has improved, things remain highly uncertain with the Delta variant spreading across the globe and also talk of a third wave in India.

Commodity prices, namely steel and petroleum continue to rise and steel mills are expected to hike prices even further. There has been a sustained quarterly increase in steel prices from October 2020 onwards.

Additionally, the Merchandise Exports from India Scheme (MEIS) is being replaced by the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme. Realisations under MEIS were ~ 2.99 % of FOB value of export turnover whereas that under RoDTEP will be under 0.5%.

The company is continuing its efforts to expand its product offering and target new customers. These efforts are somewhat hampered by limitations on travel and also the fact that many companies have put new supplier development activities on hold due to the pandemic. Despite these setbacks, management is trying to identify new customer segments for both new and existing products.

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Act and Articles of Association, Mr. S. C. Saran (DIN: 00032194) Director of the Company, retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

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

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

The Board at its meeting held on August 13, 2021 reappointed Ms. Devaki Saran (DIN 06504653) as a Wholetime Director designated as Executive Director and CFO and Mr. Vijay Pathak (DIN 02700611) as a Wholetime Director designated as Executive Director and Chief Operating Officer (COO) of the Company with effect from August 14, 2021 and October 9, 2021 respectively for a period of 3 and 3.5 years respectively.

The necessary resolutions seeking approval of the Members for the reappointment of Mr. Vijay Pathak (DIN 02700611) as Director and Wholetime Director designated as Executive Director and COO and the reappointment of Ms. Devaki Saran, as Wholetime director designated as Executive Director & CFO have been incorporated in the notice of the forthcoming annual general meeting of the Company along with a brief profile about their qualifications and experience.

DECLARATION FROM INDEPENDENT DIRECTORS

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

AUDIT COMMITTEE OF BOARD OF DIRECTORS

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

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

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

VIGIL MECHANISM

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

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

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

(i) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;

(ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

(iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) they have prepared the annual accounts on a going concern basis;

(v) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;

(vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

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

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

DETAILS OF SUBSIDIARIES/ JOINT VENTURES/ ASSOCIATES

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

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2021 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 18th August, 2017 appointed M/s. Daga & Chaturmutha, Chartered Accountants, Nashik, (ICAI Registration No-101987W) as the Statutory Auditors for a period of 5 (five) consecutive years from the conclusion of the Thirty Fifth AGM till the conclusion of the fortieth AGM. M/s. Daga & Chaturmutha, Chartered Accountants, have submitted a certificate confirming that their appointment is in accordance with Section 139 read with Section 141 of the Act.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013, M/s. Parikh & Associates, Practicing Company Secretaries were appointed as the Secretarial Auditors for auditing the secretarial records of the Company for the financial year 2020-2021.

The Secretarial Auditors' Report is annexed as Annexure I.

AUDITORS' REPORT AND SECRETARIAL AUDITORS' REPORT

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

As regards reference made by the Secretarial Auditors in the Secretarial Audit Report for the financial year ended 31.03.2021, with respect to fine levied by BSE Limited and the request of waiver by the Company, BSE Limited has approved the waiver of fine.

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 ABSORBTION, 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, 2021.

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.

The Covid-19 pandemic highlighted the importance of effective risk management and contingency planning and the Company and Board are evaluating this policy in view of the risks that have been particularly highlighted by the pandemic.

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 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 2020-21.

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

SECRETARIAL STANDARDS

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

LISTING AGREEMENT AND LISTING FEES

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

The Company has paid the listing fees to BSE Limited for the year 2021-2022.

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, Electronic copies of the Annual Report 2020-2021 and Notice of the 39th 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, Sated 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)

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

CORPORATE GOVERNANCE REPORT

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

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

S. C. Saran

Chairman

Place: Mumbai

Date: August 13, 2021

'Annexure I' - To Directors' Report

FORM No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

(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 warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31st March, 2021, 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, 2021 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 and amendments from time to time;

(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) Regulations, 2014; (Not applicable to the Company during the audit period)

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 and amendments from time to time; (Not applicable to the Company during the audit period)

(vi) Other laws applicable specifically to the Company namely:

1. The Factories Act, 1948
2. The Contract Labour Act, 1970
3. The Workmen's Compensation Act, 1923
4. The Environment (Protection) Act, 1986
5. Air (Prevention and Control of Pollution) Act, 1981.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

(ii) The Listing Agreements entered into by the Company with BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc.

We report that BSE Limited had levied the fine of Rs. 42,480/-in respect of delayed Compliance of Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended September, 2020 and the Company has requested for waiver of the said fine and the same is pending with BSE Limited.

We further report that:

The Board of Directors of the Company is constituted with Executive Directors, Non-Executive Directors and Independent Directors. No changes in the composition of the Board of Directors that took place during the period under review.

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: June 11, 2021

Signature:
Name of Company Secretary: Jeenal Devilal Jain
Partner
ACS No: 43855 CP No: 21246
UDIN: A043855C000448138

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

Signature:
Name of Company Secretary: Jeenal Devilal Jain
Partner
ACS No: 43855
CP No: 21246
UDIN: A043855C000448138

Place: Mumbai
Date: June 11, 2021

'Annexure II' - To Directors' 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:

- Installation of a small compressor for overtime or holiday working so as to reduce electricity consumption.
- Reusing of old tooling for preliminary operations to reduce tool consumption.
- Effective utilization of heat treatment furnaces to minimize turning the furnaces on and off and ensure full loads.
- TPM (Total Productive Maintenance) initiative to repair old machines and reduce oil and other leakages.
- Installation of meters to monitor electricity consumption on a daily basis. Separate meters have been installed for the heat treatment department and machine shop. Management is analyzing what causes spikes in electricity consumption and taking appropriate action.
- Camera installed to measure Power Factor reading and ensure company receives maximum Power Factor Incentive.
- Installation of a separate lower capacity compressor in the heat treatment department. The heat treatment department frequently runs in all three shifts. Previously the company only had only one higher capacity compressor which was run used even only the heat treatment department was operational. This has led to considerable energy savings.
- Installation of LED lightbulbs in place of CFL lightbulbs both of the shop floor and the office. This is an ongoing process as fused lightbulbs are being replaced by LED powered ones.
- High horse power motors on old machines are being replaced by Variable Frequency Drive motors on an ongoing basis.
- Paperless initiative to reduce printing and conserve paper.
- Skylights in the factory ceiling eliminate the need for lighting during the day as far as possible.

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

- Installation of Solar Powered LED Streetlight fixtures.
- Installation of 400 LPD Solar Hot water System at Canteen.
- Installation of a composter and wormiculture for canteen waste.
- Evaluation of installing solar panels is also being carried out.

iii. Capital investment on energy conservation equipment Rs. NIL

2. Technology :

i) Our technology had been imported from our Collaborators, Spicer Gelenkwellenbau GmbH, Germany in 1984. Since then upgradation has continued in consultation with various Agencies as well as with 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**	**2053.37**
2.	Foreign Exchange Outgo on account of import	0.27
3.	Foreign Exchange Outgo on account of travel	-
	Total Foreign Exchange outgo	**0.27**
	Net Foreign Exchange earnings	**2053.1**

For and on behalf of the Board

Place: Mumbai
Date: August 13, 2021

S. C. Saran
Chairman

'Annexure III' - To Directors' Report

PARTICULARS OF EMPLOYEES

A. Remuneration of Directors [Section197(12) and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

I]

(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	7.09
Executive Director & CFO	12.26
Executive Director & COO	9.17

(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	5.00
Executive Director & COO	-3.05
Executive Director & CFO *	5.10

* Includes PL encashment

(c) The percentage increase in the average remuneration of employees in the financial year: 12.18%.

(d) The number of permanent employees on the rolls of company: 168

(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.

(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		Nature of employment	Qualifications	Experience	Age	Last employment	Percentage of equity shares held
Ms. Devaki Saran	Executive Director and CFO	53.44	Contractual	B.S. (Mechanical Engg.) M.B.A	7 years	36	UBS Investment Bank, New York	Nil
Mr. Vijay Pathak	Executive Director and COO	42.32	Contractual	Govt Polytechnic	35 years	61	MSL Limited, Nashik	Nil
Murgunde NR	Sr. Manager & HOD Engineering	10.20	Regular	DME	24 years	45	Spicer India Limited, Satara	Nil
Taskar AS	Sr. Manager & HOD -Production	10.20	Regular	DME	30 years	52	Started his carrier in Hindustan Hardy Limited	0.0003
Sambhus MS	Sr. Manager & HOD -Quality	10.15	Regular	DME	38 years	58	Associated Manufacturing LLP, pune	0.0003
Sonawane BJ	Sr. Manager-Heat Treatment and Receipt	7.80	Regular	DME	24 years	45	Taparia Tools Ltd, Nashik	Nil
Mulay DS	Sr.Manager-Production	6.50	Regular	DME	32 years	53	Started his carrier in Hindustan Hardy Limited	0.0003
Mehandale CP	Sr. Manager & HOD PPC, Stores & Dispatch	6.50	Regular	DME	30 years	52	Started his carrier in Hindustan Hardy Limited	0.0003
Mandlik AP	Sr.Manager Accounts	6.50	Regular	M.com	33 years	56	Started his carrier in Hindustan Hardy Limited	0.0003
Patil MS	Sr.Manager-Tool Room	6.47	Regular	DME	32 years	52	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: Mumbai
Date: August 13, 2021

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. 43)

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

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any:	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
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. **1,22,543/-**(Figures Are inclusive of GST)	XLO brand already has good brand recognition in the Indian aftermarket. Therefore, it would be beneficial to the business of the company as the company strives to establish a presence in the aftermarket.	01.08.2016	-	N. A
S. C. Saran, Promoter and Chairman	Professional Fees	Continuous	During the year-Amount paid Rs. **37,17,000/-(Figures are inclusive of GST)** Lacs paid Monthly.	He is highly qualified having both an BSc in Mechanical Engineering from Carnegie Mellone 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.	-		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

(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: Mumbai
Date: August 13, 2021

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 20-21, 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 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; however, due to the COVID-19 pandemic many have put sourcing decisions and changes on hold. Additionally shipping costs have skyrocketed in recent months which is causing severe disruption in international trade.
- 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 20-21 was Rs. 4466.47 Lakh as compared to 3938.34 Lakh in FY 19-20. Sales increased as export and domestic markets performed well, especially in the last quarter of the year. Agricultural sales were boosted by a good monsoon.

Key Financial Ratios	FY 2020 -21	FY 2019-20	Increase / Decrease (in % terms)
Debtors Turnover Ratio (Times)	3.67	3.78	-2.91
Debtors Collection Period (Days)	99	97	2.06
Inventory Turnover (Times)	4.19	4.00	4.75
Interest Coverage Ratio (Times)	1.43	1.43	-
Current Ratio (Times)	1.33	1.12	18.75
Debt Equity Ratio (Times)	0.43	0.43	-
Operating Profit Margin (%)	10.29%	1.11%	827
Net Profit Margin (%)	7.13%	0.08%	8813
Return on Net Worth (%)	27.67%	0.38%	7182

- Debtors collection period increased as sales were much higher in the last quarter of the year for which payment had not become due. Therefore debtors outstanding at March 31 was high relative to sales for the year.
- Closing inventory increased as certain export shipments were not dispatched due to the container shortage. Therefore closing inventory increased. Had these been dispatched, inventory turnover would have been even higher.
- Profitability ratios improved due to the increase in profit.

d. ***Outlook***

- The first quarter was impacted by the second wave of the COVID-19 pandemic and the lockdown in Maharashtra and Nashik which affected manufacturing activity. The effect of local lockdowns and restrictions on shop timings was severely felt by the aftermarket segment.
- Though the situation has improved, things remain highly uncertain with the Delta variant spreading across the globe and also talk of a third wave in India.
- Commodity prices, namely steel and petroleum continue to rise and steel mills are expected to hike prices even further. There has been a sustained quarterly increase in steel prices from October 2020 onwards.
- Additionally, the Merchandise Exports from India Scheme (MEIS) is being replaced by the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme. Realisations under MEIS were ~ 2.99% of Export FOB value whereas that under RoDTEP will be under 0.5%.
- The company is continuing its efforts to expand its product offering and target new customers. These efforts are somewhat hampered by limitations on travel and also the fact that many companies have put new supplier development activities on hold due to the pandemic. Despite these setbacks, management is trying to identify new customer segments for both new and existing products.

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

- The Covid-19 pandemic continues to remain a threat as new strains of the virus continue to sweep the globe. The third wave has already started to affect Western countries and the effect of this will be seen in the upcoming months. In India experts are also forecasting a third wave from October onwards.
- There are talks of a global slowdown as the growth effect of pandemic stimulus measures in various countries has worn off. There are already signs of slowing growth in several countries.
- Increasing competition and rising costs are also putting downward pressure on margins. The Company is trying to counter this by focusing on operational efficiencies.

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

- The adequacy of control systems is reviewed on a monthly basis by the management and assessed quarterly by the internal auditor and the Board.
- The internal control systems in place are more than adequate.

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

- The Company's cost reduction initiatives have yielded results as the Company was profitable despite the sharp increase in commodity prices.
- 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 168 from 189 at the end of the prior financial year.

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

MEETING OF THE BOARD OF DIRECTORS

The date of the meeting was – 25/06/2020, 25/08/2020, 11/11/2020, 10/02/2021

Name of the Director	No. of Board Meetings attended
Mr. S. C. Saran	4
Mr. Jehangir H. C. Jehangir	4
Ms. Devaki Sanjaya Saran	4
Mr. Richard George Koszarek	4
Mr. Vijay Pathak	4
Mr. Navroze Marshall	3

AUDIT COMMITTEE

The date of the meetings was –25/06/2020, 25/08/2020, 11/11/2020, 10/02/2021

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

NOMINATION AND REMUNERATION COMMITTEE

The Date of the Meetings were – 25/06/2020

Composition	Meetings attended
Mr. Richard Koszarek	1
Mr. S.C. Saran	1
Mr. Jehangir H.C. Jehangir	1
Mr. Navroze Marshall	1

SHARE TRANSFERS AND STAKEHOLDERS RELATIONSHIP COMMITTEE

The date of the Meetings was – 25/06/2020, 25/08/2020, 11/11/2020, 10/02/2021

Composition	Meetings attended
Mr. S.C. Saran	4
Mr. Richard Koszarek	4
Mr. Jehangir H.C. Jehangir	4
Ms. Devaki Saran	4
Mr. Navroze Marshall	3

INDEPENDENT AUDITOR'S REPORT

To The Members of

HINDUSTAN HARDY LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Hindustan Hardy Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to be communicated in our report.

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

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

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

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

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with 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 Responsibilities 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 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us :

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.

ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

iii. Owing to the nationwide lockdown and continued restrictions on free movement of people, restrictions on opening of offices etc. the Individual notices required to be sent to the shareholders whose dividend amount was lying unpaid with the company for seven consecutive years were despatched on July 29, 2020. This resulted in delay of transfer of unpaid dividend lying with the Company pertaining to the Dividend declared for the year 2012-2013 amounting to Rs. 2,33,973 to Investor Education and Protection Fund -which was thereafter transferred after compliance of the provisions in this regard.

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

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

Place : Nashik
Date : June 11, 2021
UDIN : 21048684AAAACW1621

CA Anand Daga
Partner
Membership No. 048684

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

Referred to under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Hindustan Hardy Limited of even date.

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

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

c) In respect of immovable property of land that has been taken on lease, the lease agreement is in the name of the company where the Company is the lessee in the agreement.

ii) As explained to us, the inventories were physically verified by the management during the year at reasonable intervals. In our opinion, the frequency of such verification is reasonable. No material discrepancies were noticed on physical verification of inventory.

iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').

iv) The Company has not granted any loans, has not made any investments nor has given any guarantees or security - hence the compliance as per provisions of section 185 and 186 are not applicable.

v) The Company has not accepted any deposits from the public during the year under review.

vi) It is informed that the provisions of maintenance of Cost Record's as prescribed by the Central Government under section 148 (1) of the Companies Act 2013 are not applicable to the Company.

vii) a) According to the information and explanations given to us and the books and records examined by us, the company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, customs duty, goods &services tax, cess and other material statutory dues with the appropriate authorities except few delays. It is informed that there are no such dues as at 31st March 2021 outstanding for a period exceeding six months from the date they became payable.

b) According to information and explanations given to us there are no disputed amounts

outstanding in respect of income tax, goods & services tax, sales tax, value added tax, excise duty , service tax and customs duty as the last day of financial year.

viii) The Company has not defaulted in repayment of loans or borrowings to banks. The Company has not borrowed from financial institutions or government and has not issued any debentures.

ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. The term loans taken were applied for the purpose for which they were taken.

x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi) According to the information and explanations given to us, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.

xii) The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Act, where applicable for all transactions with related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

xv) In our opinion and according to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with them.

xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Place : Nashik
Date : June 11, 2021
UDIN : 21048684AAAACW1621

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 to the Members of Hindustan Hardy Limited of even date.

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

We have audited the Internal Financial Controls over Financial Reporting of **HINDUSTAN HARDY LIMITED** ("the Company") as of 31st March, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based

on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

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

Opinion

In our opinion, to the best of our information and according to the explanations provided to us, the Company has in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over the financial reporting were operating effectively on 31st March, 2021, based on the internal financial reporting criteria established by the company considering the essential components of internal controls stated in the Guidance Note of Audit of Internal Controls over Financial reporting issued by the ICAI.

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

CA Anand Daga
Partner
Membership No. 0486**UDIN : 21048684AAAACW1621**

Place : Nashik
Date : June 11, 2021
UDIN : 21048684AAAACW1621

BALANCE SHEET AS AT 31ST MARCH 2021

(₹ in Lakh)

	Particulars	Note	As at 31.03.2021	As at 31.03.2020
A	**ASSETS**			
	Non-current assets			
	Fixed assets			
	Property, Plant and Equipment	2	**453.65**	470.09
	Capital work-in-progress	2	**64.69**	38.04
	Intangible assets	2	**4.81**	3.92
	Right to use Asset	2	**5.02**	5.11
	Financial Assets			
	Trade receivables	7	**5.51**	1.02
	Other financial assets	3	**19.09**	19.09
	Deferred tax assets	4	**32.00**	32.56
	Other non-current assets	5	**109.90**	162.61
	Sub total - Non-current assets		**694.66**	732.44
	Current assets			
	Inventories	6	**519.30**	526.63
	Financial Assets			
	Trade receivables	7	**1,705.81**	1,011.37
	Cash and cash equivalents	8	**68.96**	7.83
	Bank balances other than cash and cash equivalents	9	**7.32**	9.62
	Others (Interest Receivable)		**0.75**	1.50
	Other current assets	10	**50.62**	49.82
	Sub total - Current assets		**2,352.77**	**1,606.77**
	TOTAL - ASSETS		**3,047.42**	**2,339.21**
B	**EQUITY AND LIABILITIES**			
	EQUITY			
	Equity Share Capital	11	**149.85**	149.85
	Other Equity		**1,001.14**	694.80
	Sub total - Equity attributable to owners		**1,150.98**	**844.64**
	Non-current liabilities			
	Financial Liabilities			
	Borrowings	12	**98.86**	21.17
	Deferred Tax Liability	17	**34.02**	34.31
	Sub total - Non-current liabilities		**132.88**	**55.49**
	Current liabilities			
	Financial Liabilities			
	Borrowings	12	**261.02**	339.19
	Trade payables	15	**1,003.59**	758.43
	Other financial liabilities	13	**3.51**	5.85
	Other current liabilities	16	**389.67**	250.25
	Provisions	14	**78.97**	85.36
	Current Tax Liabilities	-	**26.80**	-
	Sub total - Current liabilities		**1,763.56**	**1,439.08**
	TOTAL - EQUITY AND LIABILITIES		**3,047.42**	**2,339.21**

See accompanying notes 1 to 41 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 : June 11, 2021
UDIN: 21048684AAAACW1621

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 2021

(₹ in Lakh)

Particulars	Note	As at 31.03.2021	As at 31.03.2020
Income			
Revenue from operations	18	**4,461.31**	3,909.84
Other income	19	**5.16**	28.51
Total Income		**4,466.47**	**3,938.35**
Expenses			
Cost of raw material consumed	20	**2,186.18**	2,100.44
Purchase of Stock-in-Trade		**5.38**	-
Changes in inventories of finished goods, work-in-progress	21	**(9.65)**	(102.17)
Excise duty		**-**	
Employee benefits expense	22	**959.16**	996.98
Depreciation and amortisation expense	2	**60.03**	61.69
Finance costs	23	**18.62**	30.61
Other expenses	24	**805.91**	837.64
Total expenses		**4,025.63**	**3,925.19**
Profit / (Loss) before tax		**440.84**	**13.16**
Tax expense :			
For the current year			
Current tax	-	**122.08**	6.75
Deferred tax	-	**0.27**	3.22
Earlier year Tax Adjustment	-	**-**	-
		122.35	**9.97**
Profit / (Loss) for the year from continuing operations		**318.48**	**3.19**
Other comprehensive income			
Items not to be reclassified to profit or loss			
Re-measurement gains/ (losses) on defined benefit plans		**(16.22)**	(2.88)
Tax relating to the above		**4.08**	0.75
Other comprehensive income for the year, net of tax		**(12.14)**	**(2.13)**
Total comprehensive income/ (loss) for the year		**306.34**	**1.06**
Earnings per share {in ₹} {of ₹10 each} :	25		
Basic		**21.25**	**0.21**
Diluted		**21.25**	**0.21**

See accompanying notes 1 to 41 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 : June 11, 2021
UDIN: 21048684AAAACW1621

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, 2021

(₹ in Lakh)

	Particulars		Year ended 31.03.2021		Year ended 31.03.2020
A	**Cash flow from operating activities**				
	Net Profit / (Loss) before tax		**440.83**		13.16
	Adjustments for :				
	Depreciation and amortisation	**60.03**		61.69	
	Profit on sale of Property, Plant & Equipment	**(1.06)**		-	
	Interest and Finance Charges	**18.62**		30.61	
	Fixed Assets Scrapped / Discarded	**-**		2.46	
	Bad Debts Written Off	**22.69**		1.21	
	Interest income	**(3.61)**	**96.68**	(6.64)	89.32
	Operating profit before working capital changes		**537.51**		102.48
	Adjustment for :				
	Decrease / (Increase) Trade receivables	**(700.13)**		323.93	
	Decrease / (Increase) Financial and Non-Financial assets	**37.99**		10.65	
	Decrease / (Increase) Inventories	**7.33**		(3.44)	
	Increase / (Decrease) Trade payables	**245.16**		(83.71)	
	Increase / (Decrease) Financial and Non-Financial liabilities and provisions	**30.61**	**(379.04)**	30.61	278.03
	Cash generated from / (used in) operations		**158.47**		380.51
	Direct taxes paid		**(91.20)**		(21.72)
	Net cash flow from / (used in) operating activities (A)		**67.27**		358.78
B	**Cash flow from investing activities**				
	Purchase of Property, Plant & Equipment	**(92.72)**		(103.40)	
	Proceeds from Sale of Property, Plant & Equipment/ Capital Subsidy received	**-**	**(92.72)**	-	(103.40)
	Net cash flow from / (used in) investing activities (B)		**(92.72)**		(103.40)

(Continued..)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in Lakh)

			Year ended 31.03.2021		Year ended 31.03.2020
C	**Cash flow from financing activities**				
	Proceeds from Borrowing	**132.47**		41.98	
	Repayment of borrowings	**(132.95)**		(181.53)	
	Interest and Finance Charges	**(18.62)**		(30.61)	
	Interest Income	**4.35**		6.64	
	Dividend Paid	**-**	**(14.74)**	(21.68)	(185.19)
	Net cash flow from / (used in) financing activities (C)		**(14.74)**		(185.19)
	Net increase / (decrease) in cash & cash equivalent (A+B+C)		**(40.19)**		70.19
	Cash and cash equivalent at the end of the period		**68.96**		7.83
	Cash and cash equivalent at the beginning of the period		**7.83**		7.33
	Total		**61.12**		0.51
	Components of cash and cash equivalents				
	Cash on hand		**0.43**		0.34
	With banks -				
	In current account		**68.52**		7.49
	In deposit account		**-**		-
	Cash and bank balance as per note 9		**68.96**		7.83

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 41 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 : June 11, 2021
UDIN: 21048684AAAACW1621

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, 2021

A.	Equity Share Capital	₹ in Lakhs
	Balance as at 01st April ,2019	149.85
	Changes in equity share capital during the year	-
	Balance as at 31st March, 2020	**149.85**
	Balance as at 01st April ,2020	149.85
	Changes in equity share capital during the year	-
	Balance as at 31st March, 2021	**149.85**

B. Other Equity
For the year Ended 31st March,2021

Particulars	Reserves & Surplus- ₹ in Lakhs				Total Equity ₹ Lakhs
	Capital Reserve	Share Forfeiture Reserve	General Reserve	Retained Earnings	
Balance as at 1st April 2019	15.00	0.08	426.09	274.25	**715.41**
Dividend for FY-2018-19 paid				(17.98)	**(17.98)**
Dividend Distribution Tax on above.	-	-	-	(3.70)	**(3.70)**
Profit / (Loss) for the year	-	-	-	3.19	**3.19**
Other Comprehensive Income\ (Loss) for the year	-	-	-	(2.13)	**(2.13)**
Balance as at 31st March 2020	**15.00**	**0.08**	**426.09**	**253.63**	**694.80**
Balance as at 1st April 2020	**15.00**	**0.08**	**426.09**	**253.63**	**694.80**
Profit / (Loss) for the year	-	-	-	318.48	**318.48**
Other Comprehensive Income\ (Loss) for the year	-	-	-	(12.14)	**(12.14)**
Balance as at 31stMarch 2021	**15.00**	**0.08**	**426.09**	**559.97**	**1,001.14**

Remeasurement Loss (Net) on defined benefit plans(Exp) Rs.12.14 Lakh / [March 31, 2020 (Exp) Rs 2.13 Lakh] is recognised as part of Retained Earnings.

See accompanying notes 1 to 41 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 : June 11, 2021
UDIN: 21048684AAAACW1621

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, 2021

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.

The Company is operating its manufacturing facility as per the guidelines framed by the Ministry of Home Affairs , the State of Maharashtra as well as Local Administration on COVID-19. In preparation of these results,the company has considered the possible effects that may result due to COVID-19 such as recoverability of assets including inventories & trade receivables. In developing the assumptions relating to future uncertainities in the economic conditions due to COVID-19, it has used relevant internal & external sources of information including economic forecasts and expects that the carrying amount of these assets are recoverable. However, the actual impact of COVID-19 may differ from that as estimated as at the date of approval of these financial results. Management will continue to closely monitor the developments.

2 Basis of Preparation :

These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rule, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 the relevant provisions of the Companies Act, 2013 ('the Act').
The financial statements have been prepared on a historical cost basis, except for Defined Benefit Plans – which are measured as per actuarial valuation.

3 Significant Accounting Policies :

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

i. Property, plant and equipment & intangible assets are stated at their original cost of acquisition / installation (net of 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 1 April 2016 measured as per the previous IGAAP and use that carrying value as the deemed cost of respective assets.

Impairment of non-financial assets :
The carrying amounts of other non-financial assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss, if any is recognised in the statement of profit and loss wherever the

carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets. A previously recognised impairment loss if any, is increased or reversed depending on the changes in circumstances, however the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation/amortization if there was no impairment.

c. Inventories :

i. Raw Material / Components :

ii. 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.

iii. Cost is determined on First in First out (FIFO) basis.

iv. Stores & Spare parts are valued at Cost.

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

A contingent liability is 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 recognised as income or expenses in the year in which they arise.

g. Revenue recognition :

i. Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

ii. The specific recognition criteria described below must also be met before revenue is recognised.

iii. Sale of goods :

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

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 – Export Incentives :

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

vi. Interest income :

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

h. Retirement and other employee benefits :

i. Defined Contribution Plan :

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

ii. Defined Benefit Plan :

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

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 recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

l. Segment Reporting :

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

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

m. Earnings Per Share :

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

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

n. Classification of Current/Non-Current Assets and Liabilities :

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

o. Significant estimates and assumptions :

The preparation of the Company's financial statements requires management to make

judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.
Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

p. Classification of Legal matters and Tax litigations :

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

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

Notes to financial statements (Contd.)

(₹ in Lakhs)

2. Property , Plant and Equipment

Particulars	As at 31.03.2021								
	Gross Block				Depreciation and Amortisation				Net Block
	As at 01.04.2020	Additions	Deductions / Adjustment	As at 31.03.2021	As at 01.04.2020	Additions	Deductions / Transfer	As at 31.03.2021	As at 31.03.2021
(A) Tangible assets									
Buildings	101.57	15.90	-	117.47	16.24	4.10	-	20.34	97.13
Plant and machinery	499.92	20.66	0.05	520.53	181.42	36.15	-	217.57	302.96
Electrical installations & Air Conditioners	12.89	-	-	12.89	3.81	0.94	-	4.75	8.14
Furniture and fixtures	22.09	-	-	22.09	13.38	2.02	-	15.41	6.68
Office & Other equipments	4.75	-	-	4.75	2.98	0.74	-	3.72	1.03
Computers	26.97	7.03	0.13	33.87	21.01	5.87	-	26.88	6.99
Vehicles	62.41	-	-	62.41	21.66	10.04	-	31.69	30.71
Total Tangible assets	730.59	43.59	0.18	774.00	260.50	59.86	-	320.35	453.65
(B) Capital Work In Progress	38.04	-	-	64.69	-	-	-	-	64.69
Total Capital Work In Progress	38.04	-	-	64.69	-	-	-	-	64.69
(C) Computer software	15.99	0.98	-	16.97	12.07	0.09	-	12.16	4.81
Total Intangible assets	15.99	0.98	-	16.97	12.07	0.09	-	12.16	4.81
(D) Right to Use -Lease Land	5.20	-	-	5.20	0.09	0.09	-	0.17	5.02
Total Right to Use	5.20	-	-	5.20	0.09	0.09	-	0.17	5.02
Total (A+B+C+D)	789.81	44.57	0.18	860.85	272.66	60.03	-	332.69	528.16

Particulars	As at 31.03.2020								
	Gross Block				Depreciation and Amortisation				Net Block
	As at 01.04.2019	Additions	Deductions / Adjustment	As at 31.03.2020	As at 01.04.2019	Additions	Deductions / Transfer	As at 31.03.2020	As at 31.03.2020
(A) Tangible assets									
Buildings	101.57	-	-	101.57	12.18	4.06	-	16.24	85.33
Plant and machinery	407.48	93.99	1.55	499.92	147.94	33.92	0.43	181.42	318.50
Electrical installations & Air Conditioners	12.89	-	-	12.89	2.88	0.94	-	3.81	9.08
Furniture and fixtures	22.09	-	-	22.09	10.15	3.23	-	13.38	8.70
Office & Other equipments	5.18	-	0.43	4.75	2.37	0.80	0.20	2.98	1.77
Computers	26.81	1.68	1.52	26.97	16.74	4.92	0.65	21.01	5.96
Vehicles	54.21	8.20	-	62.41	11.62	10.04	-	21.66	40.75
Total Tangible assets	630.22	103.87	3.50	730.59	203.87	57.91	1.29	260.50	470.09
(B) Capital Work In Progress	43.93	-	-	38.04	-	-	-	-	38.04
Total Capital Work In Progress	43.93	-	-	38.04	-	-	-	-	38.04
(C) Computer software	10.81	5.43	0.25	15.99	8.38	3.69	-	12.07	3.92
Total Intangible assets	10.81	5.43	0.25	15.99	8.38	3.69	-	12.07	3.92
(D) Right to Use -Lease Land	-	5.20	-	5.20	-	0.09	-	0.09	5.11
Total Right to Use	-	5.20	-	5.20	-	0.09	-	0.09	5.11
Total (A+B+C+D)	684.96	114.49	3.74	789.81	212.26	61.69	1.29	272.66	517.16

(₹ in Lakhs)

		Non Current		Current	
		As at 31.03.2021	As at 31.03.2020	**As at 31.03.2021**	As at 31.03.2020
3	**Other Financial Assets**				
	Advances recoverable in cash or kind	-	-	-	-
	Others (include insurance claim a nd other receivables)	-	-	-	-
	Deposits	**19.09**	19.09	-	-
	Total	**19.09**	19.09	-	-
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	**30.91**	30.61	-	-
	- Other Expenses	**1.09**	1.96	-	-
		-	-		
	Total	**32.00**	32.56	-	-
5	**Other Non- Current Assets**				
	Balance with Government Authorities	**83.83**	111.01	-	-
	Gratuity Fund Balance (LIC)	**26.07**	51.61	-	-
	Total	**109.90**	162.61	-	-
6	**Inventories**				
	(At cost or net realisable value, whichever is lower)				
	Raw material	-	-	**197.09**	211.71
	Finished goods	-	-	**72.53**	69.74
	Stores and spares parts	-	-	**23.50**	25.86
	Work in Progress	-	-	**226.18**	219.32
	Total	-	-	**519.30**	526.63
7	**Trade Receivables**				
	Unsecured, considered good	**5.51**	1.02	**1705.81**	1011.37
	Unsecured, considered doubtful		-	-	-
		5.51	1.02	**1705.81**	1011.37
	Less:- Provision for Doubtful receivables	-	-	-	-
	Total	**5.51**	1.02	**1705.81**	1011.37

(₹ in Lakhs)

		Non Current		Current	
		As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
8	**Cash and Cash Equivalents**				
	Balances with banks				
	In current accounts	-	-	**68.53**	7.49
	Cash on hand	-	-	**0.43**	0.34
	Total	-	-	**68.96**	7.83
9	**Bank balances other than Cash and Cash Equivalents**				
	Earmarked Balances with Bank *	-	-	**3.45**	5.79
	Margin with Bank	-	-	**3.88**	3.83
	*These balances include unpaid dividend liability of the company.				
	Total	-	-	**7.32**	9.62
10	**Other Current Assets**				
	Balance with Government Authorities	-	-	**23.95**	18.98
	Prepaid Expenses	-	-	**10.25**	6.44
	Advances to Suppliers	-	-	**11.90**	0.45
	Other receivables	-	-	**-**	-
	Others	-	-	**4.52**	23.95
	Total	-	-	**50.62**	49.82

11	**Equity Share Capital**				
	Share capital				
	Authorised				
	Equity shares of ₹10 each	**50,00,000**	**500.00**	50,00,000	500.00
	Issued, Subscribed and fully paid-up				
	Equity shares of ₹10 each fully paid-up	**14,98,450**	**149.85**	14,98,450	149.85
a)	**Reconciliation of equity shares outstanding**				
	At the beginning of the year	**14,98,450**	**149.85**	14,98,450	149.85
	At the end of the year	**14,98,450**	**149.85**	14,98,450	149.85

b) Rights, preferences and restrictions attached to equity shares

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

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

Name of the Shareholder	No. of shares	% Holding	No. of shares	% Holding
	As at 31.03.2021		As at 31.03.2020	
XLO India Limited	**9,89,993**	**66.07%**	9,89,993	66.07%

(₹ in Lakhs)

	Non Current		Current	
	As at 31.03.2021	As at 31.03.2020	**As at 31.03.2021**	As at 31.03.2020
12 Borrowings				
Secured				
Term Loans - Axis Bank	**98.86**	21.17	**52.43**	29.74
Vehicle Loan - ICICI Bank	-	-	-	2.19
Working Capital Loans from Axis Bank	-	-	**208.58**	307.26
Total	**98.86**	21.17	**261.02**	339.19

Details of Loans :

Term Loans :

Name of Bank & Facility	Rate of Interest as on 31.03.2021 Per annum	Sanctioned Limit	Outstanding As On		Repayment Schedule
			3/31/2021	3/31/2020	
			Rs.	Rs.	
ICICI Bank - Vehicle Loan.	9.59%	**12.00**	**-**	2.19	60 EMI's w.e.f. Jan 2016
Axis Bank- Term Loan Ag. Plant & Machinery.	9.55%	**100.00**	**-**	25.87	60 EMI's w.e.f. Apr. 2018
Axis Bank- Vehicle Loan.	8.70%	**26.00**	**14.27**	19.22	60 EMI's w.e.f. Oct 2018
Axis Bank - Vehicle Loan.	9.65%	**7.00**	**4.55**	5.82	60 EMI's w.e.f. Apr 2019
Axis Bank-Term Loan Ag. Plant & Machinery.	8.75%	**200.00**	**98.22**	-	60 EMI's w.e.f. Apr 2021
Axis Bank- Working Capital Term Loan.	8.50%	**34.00**	**34.25**	-	36 EMI's w.e.f. Oct 2021
Total			**151.29**	**53.09**	

Out of the above, repayable within 12 months			**52.43**	31.92	
Repayable after 12 months			**98.86**	21.17	
Total			**151.29**	**53.09**	

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.

(₹ in Lakhs)

		Non Current		Current	
		As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
13 Other Financial Liabilities					
Unclaimed Dividend			-	**3.45**	5.79
Deposit			-	**0.06**	0.06
	Total	-	-	**3.51**	**5.85**
14 Provisions					
Provision for Compensated Absences		-	-	**78.97**	85.36
	Total	-	-	**78.97**	85.36
15 Trade Payables					
Current :					
a) Total Outstanding dues of micro and small enterprises				**253.04**	-
b) Total outstanding dues of creditors other than micro and small enterprises				**750.55**	758.43
	Total			**1,003.59**	**758.43**
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.				**251.78**	-
Interest on the above.				**1.27**	-
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.				**1.27**	-
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.				**1.27**	-
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.					
16 Other Current Liabilities					
Advance from customers and others			-	**5.12**	5.87
Acceptances of Hundis from Suppliers				**270.46**	149.97
Statutory Dues			-	**34.81**	26.15
Others			-	**79.28**	68.26
	Total	-	-	**389.67**	250.25
17 Deferred Tax Liability					
Difference between book balance and tax balance of fixed assets		**34.02**	34.31	-	-
	Total	**34.02**	34.31	-	-

(₹ in Lakhs)

			As at 31.03.2021	As at 31.03.2020
18	**Revenue from Operations**			
	a) Sale of Products -(Excluding GST)		**4349.25**	3756.33
		Sub-Total (a)	**4349.25**	3756.33
	b) Other Operating Revenues			
	Sales of Services		**-**	13.79
	Sale of Scrap		**56.84**	41.58
	Duty Drawback / MEIS		**55.21**	98.14
		Sub-Total (b)	**112.05**	153.51
		Total (a+b)	**4,461.31**	3,909.84

Note:
The Company recognises revenue when it transfers control of a product to a customer as and when it satisfies the performance obligation by transfering promised goods to a customer and customer obtains the control or benefit of the same.

19	**Other Income**			
	Interest Income		**3.61**	6.64
	Misc. Income		**1.56**	1.07
	Foreign Exchange Gain / (Loss)		**-**	20.80
		Total	**5.16**	28.51
20	**Cost of Raw Material Consumed**			
	Opening stock		**211.71**	307.79
	Add : Purchases		**2,171.56**	2,004.36
	Less: Closing stock		**197.09**	211.71
		Total	**2,186.18**	2,100.44
21	**Change in inventories of finished goods, work in progress**			
	Closing stock			
	Finished goods		**72.53**	69.74
	Work-in-progress		**226.18**	219.32
			298.71	289.06
	Opening stock			
	Finished goods		**69.74**	31.09
	Work-in-progress		**219.32**	155.80
			289.06	186.89
		Total	**(9.65)**	(102.17)

(₹ in Lakhs)

			As at 31.03.2021	As at 31.03.2020
22	**Employee Benefit Expenses**			
	Salaries and wages		**817.09**	846.03
	Contribution to provident and other funds		**85.59**	88.70
	Staff welfare expenses		**56.48**	62.25
		Total	**959.16**	996.98
23	**Finance Cost**			
	Interest on Term Loans (other)		**3.44**	4.15
	Other Borrowing / Interest Cost		**15.17**	26.46
		Total	**18.62**	30.61
24	**Other Expenses**			
	Consumption of stores and spare parts		**143.23**	123.38
	Power and fuel		**156.52**	150.08
	Packing and forwarding expenses		**179.85**	180.68
	Rent		**0.60**	1.63
	Repairs to buildings		**0.70**	2.08
	Repairs to Plant & Machinery		**32.82**	41.60
	Other Repairs		**5.53**	7.21
	Insurance		**13.61**	10.37
	Rates and Taxes, excluding taxes on income		**1.70**	1.74
	Travelling Expenses & Conveyance Charges		**4.75**	70.41
	Legal & Professional charges		**70.01**	72.70
	Commission on Sales		**1.20**	1.29
	Discount on Sales		**0.78**	1.39
	Debts/Advances written off		**22.69**	1.21
	Directors' Fees		**1.09**	0.99
	Exchange Fluctuation Loss		**4.40**	-
	Fixed Assets Scrapped\Discarded		**-**	2.46
	Loading & Unloading		**64.66**	74.37
	Payments to Auditor (Refer Note below)		**8.25**	8.25
	Miscellaneous expenses		**93.53**	85.80
		Total	**805.91**	837.64
	Note :			
	Payment to Auditors :			
	As auditor :			
	Audit Fee		**5.00**	5.00
	Tax Audit Fee		**1.50**	1.50
	Limited Review		**1.50**	1.50
	In other capacity :			
	Income Tax matters		**0.25**	0.25
			8.25	8.25
25	**Earnings per equity share (EPS) :**			
	(i) Profit/ (Loss) attributable to equity shareholders for basic and diluted EPS		**318.48**	3.19
	(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		**21.25**	0.21
	Diluted		**21.25**	0.21
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		**208.64**	37.67
	b) For Labour related disputed matters		**60.00**	55.65

27 Related party disclosure (Ind AS 24)

a) List of Related Parties and relationships :

Party	Relationship
1) Mr. S. C. Saran	Chairman
2) Ms. Devaki Saran	Executive Director & CFO
3) Mr. Vijay Pathak	Executive Director & COO
4) XLO India Limited	Promoter Company
5) Business Combine Limited	Group company belonging to the promoter group

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

b) Details of related party transactions :

(₹ in Lakhs)

Party	Nature of Transactions	As at 31.03.2021	As at 31.03.2020
1) Mr. S. C. Saran	Technical fees #	**31.50**	30.00
2) Ms. Devaki Saran	Remuneration	**54.43**	52.19
3) Mr. Vijay Pathak	Remuneration	**40.73**	42.22
4) Business Combine Ltd.	Purchases #	-	10.11
	Amount Payable		-
5) XLO India Limited	Royalty #	**1.04**	1.25
	Amount Payable -Incl. Provn. Rs. 0.17 Lakh . (Previous year Rs.0.03 Lakh)	**0.17**	0.24

 # Amounts excluding GST.

28. Employee benefits:

a) **Defined Contribution Plans**

i) The company contributes 12% of salary for all eligible employees toward providend fund managed by the Central Government.

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

b) **Defined Benefit Plans - As per actuarial valuation**

The company has defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure, at 15 days salary (on last drawn basic salary) for each completed year of service. Other non funded plan include death & disability benefit. 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:

(₹ in Lakhs)

	Particulars	Funded GratuityPlan	Funded Gratuity Plan
		As at 31.03.2021	As at 31.03.2020
I	Change in defined benefit obligation during the year		
1	Present value of defined benefit obligation at the beginning of the year	**443.74**	**430.44**
2	Current service cost	**16.97**	16.70
3	Interest cost	**29.24**	32.20
4	Actuarial (gains) / losses	**16.61**	(0.79)
5	Benefits payments	**(65.57)**	(34.81)
6	Present value of defined benefit obligation at the end of the year	**440.99**	**443.74**
II	Expense recognised in the statement of profit and loss		
1	Current service Cost	**16.97**	16.70
2	Interest cost	**(3.40)**	(4.95)
3	Total expenses recognised in the statement of profit and loss	**13.57**	11.75
III	Re-measurements recognised in Other Comprehensive income (OCI)		
1	Acturial (gain)/losses on Obligation for the period	**16.61**	(0.79)
2	Return on Plan assets (excluding interest income)	**(0.38)**	3.67
3	Total recognised in Other Comprehensive income	**16.22**	**2.88**
IV	Net Asset / (Liability) recognised in the Balance Sheet		
1	Present value of defined benefit obligation	**440.99**	430.44
2	Fair value of plan assets	**467.06**	495.35
3	Funded status [surplus / (deficit)]	**25.07**	51.61
4	Net asset / (liability)	**26.07**	51.61

(₹ in Lakhs)

		As At 31-03-2021	As At 31-03-2020
V	Actuarial assumptions:		
1	Discount rate	**6.49%**	6.59%
2	Expected rate of return on plan assets	**6.49%**	6.59%
3	Mortality	**IALM -(2006-08)**	IALM-(2006-08)
4	Turnover rate	**For service 4 years and below- 5% p.a. & service 5 years and above - 4% p.a.**	For service 4 years and below- 5% p.a. & service 5 years and above - 4% p.a.
5	Retirement age	**58 Yrs**	58 Yrs
6	Salary escalation	**8.00% p.a.**	8.00% p.a.
VI	Maturity profile of defined benefit obligation		
1	Within the next 12 months	**68.20**	72.66
2	Between 2 and 5 years	**324.02**	284.88
3	Between 6 and 10 years	**102.48**	159.96
4	More than 10 years	**84.44**	73.91
VII	Sensitivity Analysis for significant assumption		
	Discount Rate		
	1% Increase	**(13.82)**	(15.05)
	1% Decrease	**15.17**	16.41
	Salary escalation rate		
	1% Increase	**14.81**	16.03
	1% Decrease	**(13.75)**	(14.99)
	Employee turnover rate		
	1% Increase	**(1.14)**	(1.10)
	1% Decrease	**1.26**	1.19

		As at 31-03-2021		As at 31-03-2020	
		₹ Lakhs	%	₹ Lakhs	%
29.	**a) Raw material consumed :**				
	(i) Imported	**9.57**	**0.44**	7.77	0.37
	(ii) Indigenous	**2,176.61**	**99.56**	2,092.68	99.63
	Total	**2,186.18**	**100.00**	**2,100.44**	100.00
	b) Spares consumed :				
	Indigenous	**143.23**	**100.00**	12,337,651	100.00
	Total	**143.23**	**100.00**	12,337,651	100.00

(₹ in Lakhs)

		As At 31-03-2021	As At 31-03-2020
30.	**Details of Sales excluding Excise Duty :**		
	Gross Sales including Excise Duty	**4,349.25**	3,756.33
	Sale of Services	**-**	13.79
	Sale of Scrap	**56.84**	41.58
	Total Sales	**4,406**	3,812
	Sales excluding Excise Duty	**4,406.09**	3,811.70
31.	**Details of Domestic and Export Sales :**		
	Domestic	**2,348.32**	2,095.54
	Export	**2,057.77**	1,716.16
	Total	**4,406.09**	3,811.70

			Foreign Currency	₹ Lakhs	Foreign Currency	₹ Lakhs
32.	**Disclosure of foreign currency exposure :**					
	a) Outstanding trade payables for expenses			**-**	**-**	**-**
	b) Outstanding trade receivables	**In USD**	1,04,000.83	**74.59**	68,983.00	51.14
		In EURO	7,40,409.88	**622.02**	439,756.57	358.36
		In GBP	-	**-**	35,790.10	32.64
	c) Outstanding Pkg.Credit Loan.	**In EURO**	2,03,681.00	**171.11**	169,856.00	138.42
33.	**CIF value of imports :**					
	Raw materials				**-**	17.11
	Other items.				**0.27**	**-**
34.	**Expenditure in foreign currency (accrual basis) :**					
	Travel				**-**	25.88
35.	**Earnings in foreign exchange (accrual basis) :**					
	F.O.B. value of exports				**2,053.38**	1,736.95

36. Segment Reporting :

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

(₹ in Lakhs)

37. Details of Leave Encashment Provision :

Particulars	As at 31st March	Additions	Utilisations	Reversal	As at 31st March
FY 2019-20	84.19	17.14	15.97	-	85.36
FY 2020-21	**85.36**	**14.70**	**21.09**	**-**	**78.97**

38. Directors' Remuneration :

		31.03.2021	31.03.2020
a) Salaries		**82.23**	81.05
b) Contribution to Provident Fund and Other funds		**3.28**	3.55
c) Perquisites		**0.61**	0.61
d) Superannuation Fund Contribution.		**4.29**	4.44
e) Technical Fees		**31.50**	30.00
f) LTA & Incentives		**4.75**	4.75
	Total	**126.66**	124.40

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. 30 lacs plus taxes for the year ended 31st March 2020 and Rs. 31.50 lacs plus taxes for the year ended 31st March 2021, 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.1,09,000/-(Rs. 99,000/-for the year ended 31-03-2020).

39. Dividend Distribution proposed :

Particulars		**31.03.2021**	**31.03.2020**
Proposed dividends on equity shares			
i) Final dividend for the year ended 31-03-2020 Rs. Nil per share *		29.97	-
	Total	**29.97**	**-**

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

40. 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.

41. Figures of the previous year have been regrouped / rearranged wherever necessary to conform to the current year's presentation.

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

CA Anand Daga
Partner
Place : Nashik
Date : June 11, 2021
UDIN: 21048684AAAACW1621

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]