

Mahindra Hinoday Industries Ltd

Annual Report for year 2011-12

MAHINDRA HINODAY INDUSTRIES LTD
(Formerly Mahindra Castings Limited)

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Fifth Report together with the audited accounts of the Company for the year ended 31st March, 2012.

Financials Highlights

(Amount in Rs. Lakhs)

Particulars	For the Year ended 31 st March, 2012	For the Year ended 31 st March, 2011
Total Revenue	50,023	37,624
EBIDTA from Operations	3,184	1,993
Interest	1,647	914
Profit / (Loss) before Dep.& Tax	1,537	1,079
Depreciation	2,182	1,556
Profit/(Loss) Before Tax (PBT)	(645)	(477)
Prior Year adjustment	-	-
Provision for Taxation		
-Current	-	-
- Deferred	(437)	(267)
- Prior Period	-	-
Net Profit/ (Loss) after tax	(1,082)	(744)
Balance of Profit/ (Loss) from earlier years	(5695)	(4951)
Balance carried forward	(6777)	(5695)

Performance Review

During the year under review, your Company registered revenue of Rs. 50,023 Lakhs as compared to revenue of Rs. 37,624 Lakhs in the previous year registering an increase of 33%. EBIDTA during the year increased to Rs. 3,184 Lakhs from Rs. 1,993 Lakhs in the previous year. However, losses increased from Rs. 477 Lakhs to Rs. 645 Lakhs as the expenses for expanding foundry Facility were incurred during the year and the benefit of the same is expected to be available only in the next year.

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FOUNDRY DIVISION (FD):

Sales for this Division increased to Rs.37,794 Lakhs during the year from Rs. 27,191 Lakhs in the previous year. The turnover is expected to grow further in the coming year on successful utilisation of the new lines. This will also increase profits from this Division.

Your Directors have pleasure in reporting that both the second phases of capacity expansion were completed during the year under review. The commissioning of the third line (NL3) was done in August, 2011. The capacity utilization for this new line along with the line commissioned in December, 2010 was quickly raised to 60% in the fourth quarter of the year under review.

With the commissioning of new lines, the customer delivery performance improved satisfactorily.

New products were added with customers such as Hyundai, Honeywell, Mahindra & Mahindra Limited and CTT.

MAGNETIC PRODUCTS DIVISION (MPD):

For the first time, the Division crossed the billion rupees mark in sales. With a 19% increase over the last year, the Division recorded sales of Rs.10,952 Lakhs. Some of the significant actions taken during the year were improvement in price realization, enhancements in critical bottleneck capacities, significant output increase to meet high demand in specific export products and reduction in receivables. As a result of these actions, the Division could make a turn around and made profits and continued to be cash positive.

Magnetic induction lighting in its first year of commercial sales, has gained in market reach with good feedback from its initial customers.

Market Scenario

Markets started slowing down in the second half of the year and the uncertainty continues to haunt the industry. While the two wheeler industry is expected to continue to grow, growth in passenger cars, commercial vehicles and more importantly tractor industry is likely to slow down. Your Company has already diversified its product portfolio and will work further to de-risk.

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Dividend

In view of the losses, your Directors do not recommend any dividend for the year under review.

Increase of Capital.

Your Company made issue of 35,60,000 Equity Shares on preferential basis for cash at a premium of Rs. 49 per share. As a consequence, the paid up Equity Share Capital of your Company stood increased to Rs.46,57,67,170 as at the end of year under review.

Directors

Mr. Vikram Nirula and Mr. Ajit Lele retire by rotation and being eligible offer themselves for re-appointment.

Mr. Ajit Lele was reappointed as Managing Director, on expiry of his earlier tenure on 31.12.2011, for 3 months period up to 31st March, 2012. Mr. Ajit Lele's reappointment, as Managing Director, was subject to the approval of members. A resolution seeking approval of the members for the reappointment has been proposed at the ensuing Annual General Meeting. Subsequent to demission of his office as Managing Director with effect from 1st April, 2012 Mr. Ajit Lele would continue on the Board as a Non-Executive Director.

Mr. K Ramaswami was appointed as an Additional Director with effect from 29th March, 2012 and as Executive Director for a period of three years with effect from 1st April, 2012. Mr. K Ramaswami is Managing Director of Mahindra Forgings Limited and considering his wide knowledge and varied experience in the related field, in which your Company is operating, your Company is expected to reap the benefit of his association with the Company in all respects.

Your Company has received notice, under Section 257 of the Companies Act, 1956 from a member proposing the Candidature of Mr. K Ramaswami as a Director. Your Board recommends the same to the members for their approval.

The appointment of Mr. K Ramaswami as Executive Director is subject to approval of members at the ensuing Annual General Meeting. A resolution seeking approval of the members, for his appointment as Director, has been proposed at the ensuing Annual General Meeting.

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Directors' Responsibility Statement

Pursuant to section 217(2AA) of the Companies Act, 1956, your Directors, based on the representation received from the Operating Management, and after due enquiry, confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) they have, in the selection of the accounting policies, consulted the Statutory Auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2012 and of the loss of the Company for the year ended on that date;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis.

Audit Committee

The Audit Committee of the Company comprises of Mr. Hemant Luthra, Mr. Zoooben Bhiwandiwalla, Mr. Rajan Wadhera and Mr. Vikram Nirula. Mr. Hemant Luthra is the Chairman of the Audit Committee.

The Audit Committee met thrice during the year under review.

Remuneration Committee

The Remuneration Committee of your Company comprises of Mr. Hemant Luthra, Mr. Zoooben Bhiwandiwalla and Mr. Vikram Nirula. Mr. Hemant Luthra is the Chairman of the Remuneration Committee. The Committee met twice during the year under review.

Auditors

Messrs B. K. Khare & Co., Chartered Accountants, Pune, retire as Auditors of the Company at the forthcoming Annual General Meeting and have given their consent for re-appointment. The members will be requested to appoint Auditors from the conclusion of the forthcoming Annual General Meeting until the conclusion of next Annual General Meeting and fix their remuneration.

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As required under the provisions of section 224(1B) of the Companies Act, 1956, your Company has obtained a written certificate from the above Auditors to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said section.

Cost Auditor

As per the Order of the Central Government and in pursuance of section 233B of the Companies Act, 1956, your Company appointed, with the approval of the Central government, M/s. Dhananjay V Joshi & Associates, Cost Accountants, of "CMA Pride", Ground Floor, Plot No. 6, S.No.16/6, Erandawana Hsg. Soc., Erandawana, Pune, Maharashtra 411 004, and bearing Registration No. 00030, to carry out cost audit of cost records in respect of casting division for the year 2011 - 12. The due date for filing of the Cost Audit Report in respect of the same with the Ministry of Corporate Affairs is 30th September, 2012.

The Board of Directors of your Company has upon recommendation of the Audit Committee appointed the above named Cost auditor, to audit the cost accounts of the Company for the financial year ending 31st March, 2013, subject to the approval of the Central Government.

As required under the provisions of section 224(1B) read with section 233(B)(2) of the Companies Act, 1956, your Company has obtained a written confirmation for both the appointments, from M/s. Dhananjay V Joshi & Associates to the effect that they are eligible for appointment as Cost Auditors under section 233B of the Companies Act, 1956 and they are an independent firm of Cost Accountants and have an arm's length relationship with your Company.

Codes of Conduct

Your Company has adopted Codes of Conduct for Corporate Governance ("the Codes") for its Directors and Senior Management Personnel and Employees. These Codes enunciate the underlying principles governing the conduct of your Company's business and seek to reiterate the fundamental precept that good governance must and would always be an integral part of your Company's ethos.

Your Company has for the year under review, received declarations under the Codes from the Board Members and the Senior Management Personnel and Employees of the Company affirming compliance with the respective Codes.

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Public Deposits and Loans/Advances

Your Company has not accepted deposits from the public or its employees during the year under review.

Your Company has not made any loans/advances which are required to be disclosed in its annual accounts pursuant to Clause 32 of the Listing Agreement with the Parent Company – Mahindra & Mahindra Limited with the Stock Exchanges.

Corporate Social Responsibility (CSR)

Your Company undertakes activities regularly, at both its locations, which contribute towards the well being of local communities and help the weaker sections of the society as well, especially in health and education. During this year also both the Divisions undertook initiatives in health programs of blood donation, awareness on tobacco ill-effects, health and hygiene issues, eye camps etc. Your Company's employees as a part of the Employee Social Options (ESOPs) program, participated in cleaning at public places and nearby villages, planting trees etc. Solar lanterns were distributed in a village where power supply is yet to reach.

Sustainability Initiatives

Your Company continuously makes conscious efforts to consider the impact of the business on the environment in which it operates and its responsibilities towards the various communities. During the year under review further progress was made in reducing energy and water consumption. Waste disposal was reduced by developing alternate use for such wastes. Survey on water foot print, energy audits, ventilation surveys have brought out opportunities for further reducing consumption and your Company is taking actions on these initiatives.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars relating to the Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo, as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in Annexure to this Report.

Safety, Health & Environment Policy Deployment

Your Company undertook several measures for improving safety, sustainability and occupational health standards during the year. Both its Divisions underwent integrated ISO 14001 –OHSAS18001 certification audit and have been recommended for certification by the certifying body.

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During the year under review 50% reduction in accidents were achieved in both the Divisions. Adequate measures for reduction in water consumption and, waste by either reuse or converting into marketable products were undertaken during the year.

Employees at both the Divisions were also encouraged to undertake various programs to benefit the Society.

Future plan of Action

Your Company plans to take effective steps to eliminate accidents, further reduce consumption of water, electricity and health hazards. Various audits and surveys have been conducted and recommendations of such audits shall be implemented in the coming years.

Particulars of employees as required under Section 217(2A) of the Companies Act, 1956 and Rules framed there under.

Your Company had no employee, who was employed through out the financial year and was in receipt of remuneration of not less than Rs. 60,00,000 per annum during the year ended 31st March, 2012 or was employed for a part of financial year and was in receipt of remuneration of not less than Rs.5,00,000 per month.

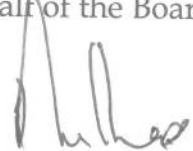
Industrial Relations

The industrial relations at both the locations viz. Magnetic Products Division at Bhosari and Foundry Division at Village Urse were cordial.

Acknowledgement

Your Directors wish to take this opportunity to thank the Banks and Financial Institutions for their co-operation and support to the Company. Your Company also places on record its appreciation for the dedicated efforts put in by the management and the employees towards the growth of the Company.

For and on behalf of the Board



Mumbai, 24th April, 2012

Hemant Luthra
Chairman

MAHINDRA HINODAY INDUSTRIES LTD
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Annexure to the Directors' Report

PARTICULARS AS PER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2012.

A. Conservation of Energy

(a) Energy Conservation measures taken:

1. Replacement of motors by Energy Efficient motors
2. Variable Frequency drives for high energy motors
3. Low capacity blowers to replace high capacity
4. Enhanced use of Natural light and Energy efficient Lighting
5. Regular monitoring of high energy consuming furnaces

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

1. Further deployment of Energy efficient motors and Variable Frequency drives
2. Fin and Fan less cooling towers
3. Low capacity blowers and pumps
4. Furnace coil change to reduce heat losses.
5. Energy audit and actions therefrom.

(c) Impact of the measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

The above measures have resulted in reduction of Energy consumption.

(d) Total energy consumption and energy consumption per unit of production as per Form-A of the Annexure to the Rules in respect of Industries specified in the Schedule:

Not applicable

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B. Technology Absorption and Research & Development

Research & Development (R&D)

1) Specific Areas in which R&D is carried out by the Company

Development of new material grades for products in specific applications:

New grade developments in hard ferrite with high magnetic properties for specific application requirements done. The critical part of this development was non usage of high priced additives.

Three new materials were developed in soft ferrites, each for specific application advantage such as -

- a) HT35 for high permeability in wide temperature range
- b) HM100 with initial permeability > 10,000
- c) HP 680R -low power loss material

For both hard and soft magnetic materials successful research has led to process developments for use of recycled material and replacement of costly additives which will give rise to major cost reductions in next year

2) Benefits derived as a result of above R&D:

New business with import substitution

3) Future plan of Action:

New materials grade with high magnetic properties and cost reduction through low cost materials.

Appropriate automation in finishing of castings

4) Expenditure of R&D:

(Rs. In Lakhs)

Revenue Expenditure	61.6
Capital Expenditure:	-
Total:	61.6
Total R&D expenditure as a % of total turnover:	0.12%

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Technology Absorption, Adoption and Innovation

1. Efforts in brief made towards technology absorption, adaptation & Innovation

- a. In the area of new Energy Efficient product lines, application oriented R&D was commenced and first Patent has been filed in the area of new specification Magnetic Induction Lighting fully developed through in house efforts.
- b. Reduction in material movement in new plant by innovations in plant layout.
- c. Auto pour with a Z axis movement installed for the first time in the country enabling low cost automation on flask less line.
- d. To supplement and spread this work, a group of engineers has been formulated with multi disciplinary approach.

2. Benefits derived as a result of above efforts;

- a. New business lines for Magnetic products division in line with it's strategy
- b. New product offerings in Energy saving space for customers
- c. Cost reduction

3. Information on technology imported during last 5 years is given below:

Not Applicable

C. Foreign Exchange Earnings & Outgo

The Company continues to strive to improve its export earnings.

The total foreign exchange earned and used during the year is as follows.

	For the year ended 31st March, 2012	(Rs. In Lakhs) For the year ended 31st March, 2011
Foreign Exchange earned	11,196	6945
Foreign Exchange used	3,326	2930
Net foreign Exchange earned	7,870	4015

For and on behalf of the Board



Hemant Luthra
Chairman

Mumbai, 24th April, 2012

To

The Members of Mahindra Hinoday Industries Limited

1. We have audited the attached Balance Sheet of Mahindra Hinoday Industries Limited ('the Company') as at March 31, 2012, the statement of Profit and Loss and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - v. On the basis of the written representations received from the directors, as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

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- E-mail : pune@bkkhareco.com
- Hotel Swaroop, 4th Floor, Lane No.10,
Drakshapada, Erandwane, Pune - 411 004

Branch Office : Bengaluru

- Tel : (080) 4110 5357 •
- E-mail : bkkhareb@vsnl.net •
- 101, Money Chambers, 1st Floor •
- 48 K. H. Road, 65th Cross, Bengaluru - 560027

B. K. KHARE & Co.

CHARTERED ACCOUNTANTS

- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
- a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2012;
 - b) in the case of the profit and loss account, of the loss for the year ended on that date; and
 - c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

For B. K. Khare & Co.

Firm registration number: 102105W

Chartered Accountants

P. V. Paranjape

per Prasad Paranjape

Partner

Membership No.: 047296

Place: Mumbai

Date: April 24, 2012



(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.

(c) There was no substantial disposal of fixed assets during the year.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

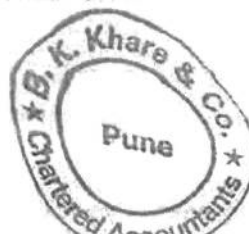
(iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, provisions of the clause 4 (iii) (b), (c) and (d) of the Companies (Auditor's Report) Order, 2003 are not applicable and hence not commented upon.

(e) The Company had taken loan from Mahindra Engineering and Chemicals Products Limited covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 10 crores and the year-end balance of loans taken was Rs. NIL. The Company has repaid the full amount of loan with interest thereon during the year.

(f) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.

(g) In respect of loans taken, repayment of the principal amount is as stipulated and payments of interest have been regular.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the company.



- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.



(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax Dues	4,388,712 (excluding interest)	Assessment Year 1995 - 1996 and 1996 - 1997	High Court
The Income Tax Act, 1961	Income Tax Dues	16,738,803 (excluding interest)	Assessment Year 2005-2006, 2006-2007 and 2008-2009	CIT Appeals
The Income Tax Act, 1961	Income Tax Dues	205,518 (excluding interest)	Assessment Year 2006-2007	Appellate Tribunal
Central Excise Act, 1944	Excise Duty claim on various matters	208,086	Various Years	Commissioner Appeals
Central Excise Act, 1944	Excise Duty claim on various matters	1,688,229	Various Years	CESTAT

- (x) The Company's accumulated losses at the end of the financial year are less than fifty per cent of its net worth and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.



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- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has made preferential allotment of 3,560,000 equity shares at Rs. 59 (including premium of Rs. 49) per share to parties and companies covered in the register maintained under section 301 of the Act. In our opinion the price at which shares have been issued is not prejudicial to the interest of the Company.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For B. K. Khare & Co.

Chartered Accountants

Firm registration number: 105102W

P. V. Paranjape

per Prasad Paranjape

Partner

Membership No.: 047296

Place: Mumbai

Date: April 24, 2012



MAHINDRA HINODAY INDUSTRIES LIMITED
Balance Sheet As At March 31, 2012

(All amounts are in Indian Rupees Lacs unless otherwise stated)

Particulars	Note No.	March 31, 2012	March 31, 2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	4,657.67	4,301.67
Reserves & Surplus	4	11,071.43	10,410.69
		15,729.10	14,712.36
Non Current Liabilities			
Long Term Borrowings	5	9,531.21	10,600.28
Other Long Term Liabilities	6	99.06	36.26
Long Term Provisions	7	960.60	741.35
		10,590.87	11,377.89
Current Liabilities			
Short Term Borrowings	8	1,755.02	2,493.57
Trade Payables	9	9,967.73	7,101.87
Other Current Liabilities	9	4,488.25	2,596.05
Short Term Provisions	10	329.79	792.85
		16,540.79	12,984.34
TOTAL		42,860.76	39,074.58
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	11	26,206.92	22,612.13
Intangible Assets	11	103.98	121.56
Capital Work in Progress		1,174.54	2,199.46
Non Current Investments	12	400.25	400.25
Deferred Tax Asset (Net)	13	648.04	1,085.30
Long Term Loans and Advances	14	105.92	900.30
Other Non Current Assets	15	72.12	123.77
		28,711.77	27,442.77
Current Assets			
Inventories	16	6,390.36	4,899.39
Trade Receivables	17	6,371.75	4,932.86
Cash & Bank Balances	18	117.97	227.83
Short Term Loans & Advances	19	1,009.92	1,215.87
Other Current Assets	20	258.98	355.88
		14,148.99	11,631.82
TOTAL		42,860.76	39,074.59

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements

As per our Report of even date

For B. K. KHARE & Co.

Chartered Accountants

Firm Regn No. 105102W

Prasad Paranjape

Partner

Membership No.:047296

 Mr. K. Jayaprakash
CFO

 For and on behalf of Board of Directors of Mahindra Hinoday
Industries Limited

Mr. Hemant Luthra

Mr. Vikram Nirula

Mr. Rajan Wadhwa

Mr. Sanjay Arte

Mr. Zhooben Bhiwandiwalla

Mr. A.P. Lele

Mr. K. Ramaswamy

Place : Mumbai

Date : April 24, 2012

Place : Mumbai

Date : April 24, 2012

MAHINDRA HINODAY INDUSTRIES LIMITED
Statement Of Profit Or Loss For The Year Ended March 31, 2012

(All amounts are in Indian Rupees Lacs unless otherwise stated)

Particulars	Note No.	Current Year	Previous Year
INCOME			
Sale of Manufactured Goods	21	53,258.83	40,064.86
Less: Excise Duty		3,533.65	2,547.87
		49,725.19	37,516.99
Other Income	22	297.49	107.29
Total Revenue		50,022.68	37,624.28
EXPENDITURE			
Cost of Material and components Consumed	23	24,865.38	18,420.28
(Increase)/Decrease in Inventories of Finished Goods and Work-in-progress	23	(1,208.49)	(1,057.57)
Employee Benefit Expenses	24	4,783.54	3,997.06
Manufacturing and Other Expenses	25	18,398.37	14,271.26
Finance Cost	26	1,646.88	913.90
Depreciation and Amortization	11	2,181.28	1,556.52
		50,666.97	38,101.45
Profit Before Tax		(644.28)	(477.17)
Tax Expenses			
- Current Tax		-	-
- Deferred Tax Charge/(Credit)		437.27	266.96
Profit/ (Loss) for the year		(1,081.56)	(744.13)
Earning Per Share (EPS)	40	(2.41)	(1.91)
Basic and Diluted [Nominal Value of Rs. 10/- each (March 31,2011 Rs. 10/-)]			
Summary of significant accounting policies	2		

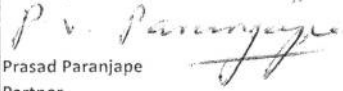
The accompanying notes are an integral part of the financial statements

As per our Report of even date

For B. K. KHARE & Co.

Chartered Accountants

Firm Regn No. 105102W



Prasad Paranjape

Partner

Membership No.:047296

 Mr. K. Jayaprakash
CFO

For and on behalf of Board of Directors of Mahindra Hingday Industries Limited

Mr. Hemant Luthra

Mr. Vikram Nirula

Mr. Rajan Wadhera

Mr. Sanjay Arte

Mr. Zhooben Bhiwandiwalla

Mr. A.P. Lele

Mr. K. Ramaswamy

Place : Mumbai

Date : April 24, 2012

Place : Mumbai

Date : April 24, 2012

MAHINDRA HINODAY INDUSTRIES LIMITED
Cash Flow For The Year Ended March 31, 2012

(All amounts are in Indian Rupees Lacs unless otherwise stated)

Particulars	March 31, 2012	March 31, 2011
Cash flow from operating activities		
Profit/(Loss) before tax from operations	(644.28)	(477.17)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/amortization	2,181.28	1,556.52
Loss/(profit) on sale or write off of fixed assets	42.22	31.51
Unrealized foreign exchange loss	33.15	18.81
Provision for doubtful debt	97.19	-
Interest expense	1,643.65	913.90
SICOM liability Adjustment	(63.00)	9.63
Interest income	(25.23)	(22.14)
Dividend income	(0.05)	(0.05)
Operating profit before working capital changes	3,264.93	2,031.01
Movements in working capital :		
Increase/(decrease) in trade payables	2,855.34	1,765.31
Increase / (decrease) in long-term provisions	219.25	-
Increase / (decrease) in short-term provisions	(463.06)	7.40
Increase/(decrease) in other current liabilities	408.27	126.88
Increase/ (decrease) in other long-term liabilities	62.80	-
Decrease/(increase) in trade receivables	(1,528.80)	(503.65)
Decrease/(increase) in inventories	(1,490.97)	(1,364.33)
Decrease / (increase) in long-term loans and advances	1.45	-
Decrease / (increase) in short-term loans and advances	50.74	(304.00)
Decrease/(increase) in other current assets	96.89	-
Decrease / (increase) in other non-current assets	51.66	-
Cash generated from / (used in) operations	3,528.50	1,758.62
Direct taxes paid (net of refunds)	37.92	(38.59)
Net cash flow from/ (used in) operating activities (A)	3,566.42	1,720.03
Cash flows from investing activities		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(3,988.47)	(7,924.64)
Proceeds from sale of fixed assets	5.61	0.08
Interest received	25.23	22.14
Dividends received	0.05	0.05
Net cash flow from/(used in) investing activities (B)	(3,957.58)	(7,902.37)
	(2,034.81)	(6,182.34)
Cash flows from financing activities:		
Proceeds from issuance of share capital including premium	2,098.29	3,696.30
Proceeds from long-term borrowings	2,205.94	8,279.21
Repayment of long-term borrowings including SICOM	(2,637.50)	(2,171.12)
Proceeds from short-term borrowings	-	-
Repayment of short-term borrowings	(741.79)	(2,704.08)
Interest paid	(1,643.65)	(913.90)
Net cash flow from/(used in) in financing activities (C)	281.30	6,186.41
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(109.86)	4.07
Cash and cash equivalents at the beginning of the year	227.83	223.76
Cash and cash equivalents at the end of the year	117.97	227.83

Components of cash and cash equivalents

Cash on hand	2.84	3.37
With banks- on current account	50.56	81.24
-- on deposit account	64.50	143.13
-- unpaid dividend accounts*	0.07	0.09
Total cash and cash equivalents (note 18)	117.97	227.83


* The company can utilise these balances only towards settlement of the respective unpaid dividend

As per our Report of even date

For B. K. KHARE & Co.

Chartered Accountants

Firm Regn No. 105102W



Prasad Paranjape

Partner

Membership No.:047296

 Mr. K. Jayaprakash
CFO

 For and on behalf of Board of Directors of Mahindra Hinoday
Industries Limited

Mr. Hemant Luthra

Mr. Rajan Wadhwa

Mr. Zhooben Bhiwandiwalla

Mr. A.P. Lele

Mr. K. Ramaswamy

Mr. Vikram Nirula

Mr. Sanjay Arte

Place : Mumbai

Date : April 24, 2012

Place : Mumbai

Date : April 24, 2012

1. Corporate Information:

Mahindra Hinoday Industries Limited (the company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is engaged in the manufacturing of castings, magnet for vehicles, coils and electrode-less Lamps. The company caters both domestic and international markets.

2. Summary of significant accounting policies:

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

2.1 Presentation and disclosure of financial statements

During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

2.2 Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

2.3 Tangible Fixed Assets

Fixed assets are stated at historical cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.



Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

2.4 Depreciation

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule XIV to the Companies Act, 1956, whichever is higher.

Leasehold land is amortised over the period of lease.

Intangible are amortised over the period of 5 years.

2.5 Leases:

Finance leases, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized. A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in Schedule XIV to the Companies Act, 1956, whichever is lower. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule XIV to the Companies Act, 1956.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

2.6 Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that



necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

2.7 Impairment of tangible and intangible assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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 the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

2.8 Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

2.9 Inventories

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a weighted average basis.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty and is determined on a weighted



average 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.

2.10 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

2.11 Foreign currency translation:

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/income over the life of the contract. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period.



2.12 Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The company has no obligation, other than the contribution payable to the provident fund.

The company has gratuity as a defined benefit liability. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses for defined benefit plan is recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. Expenses incurred towards voluntary retirement scheme are charged to the statement of profit and loss immediately.

2.13 Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company



writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, 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 or virtually certain, as the case may be, that sufficient future taxable income will be available. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

2.14 Identification of segments

The company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the company operate.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

2.15 Earning Per Share

Basic earning per share are calculated by dividing the net profit or loss for the period attributable to equity Shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



2.16 Provisions:

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

2.17 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

2.18 Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in and and short-term investments with an original maturity of three months or less.



MAHINDRA HINODAY INDUSTRIES LIMITED
Notes to Financial Statement for the year ended March 31, 2012

(All amounts are in Indian Rupees Lacs unless otherwise stated)

3 Share Capital March 31, 2012 March 31, 2011
Authorized

57,000,000 (March 2011: 57,000,000) Equity Shares of Rs. 10 each	5,700.00	5,700.00
15,000,000 (March 2011: 15,000,000) 8% Cumulative Redeemable Preference Shares of Rs. 10 each	1,500.00	1,500.00
	<u>7,200.00</u>	<u>7,200.00</u>

Issued, Subscribed & Fully Paid Up

46,576,717 (March 2011: 43,016,717) Equity Shares of Rs. 10/- each fully paid up	4,657.67	4,301.67
	<u>4,657.67</u>	<u>4,301.67</u>

a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period:

	March 31, 2012		March 31, 2011	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the period	43,016,717	4,301.67	33,016,717	3,301.67
Shares issued during the period *	3,560,000	356.00	10,000,000	1,000.00
Outstanding at the end of the period	<u>46,576,717</u>	<u>4,657.67</u>	<u>43,016,717</u>	<u>4,301.67</u>

* The company has made preferential allotment of fully paid up 3,560,000 (March 31, 2011: 10,000,000) equity shares of Rs. 10 per share as approved by the Board of Directors.

b) Terms/ Rights attached to equity shares:

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of the equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees.

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

c) Shares held by holding/ultimate holding company and/or their subsidiaries/associate:

	Amount Rs. March 31, 2012	Amount Rs. March 31, 2011
Mahindra & Mahindra Limited, holding company		
30,254,052 (March 2011: 27,940,052) shares of Rs. 10 each fully paid up	302,540,520	279,400,520

d) Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

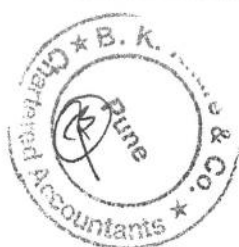
	March 31, 2012 No. of Shares	March 31, 2011 No. of Shares
Equity shares allotted as fully paid up pursuant to contracts for consideration other than cash*	16,469,627	16,469,627
Equity shares bought back by the company#	<u>60,100</u>	<u>60,100</u>

* The Company has issued 16,437,602 equity shares as fully paid-up to Mahindra & Mahindra Limited, holding company in the year 2008-09 and 32,025 equity shares to its then employees of the 'Mahindra Castings Private Limited' at par in the ratio of 3:4 in the year 2009-2010 pursuant to the scheme of Amalgamation approved by the High Court of Bombay on August 3, 2009.

The Company has bought back 60,100 fully paid-up equity shares held by DGP Employees Welfare Trust pursuant to Scheme of Amalgamation approved by the High Court of Bombay on August 3, 2009. These shares were cancelled against securities premium in that year.

e) Details of shareholders holding more than 5% shares in the company:

Name of the Shareholder	March 31, 2012		March 31, 2011	
	No. of Shares	Percentage	No. of Shares	Percentage
Mahindra & Mahindra Limited	30,254,052	64.96	27,940,052	64.95
IVF Trustee Company Private Limited	16,290,640	34.98	15,044,640	34.97



MAHINDRA HINODAY INDUSTRIES LIMITED

Notes to Financial Statement for the year March 31, 2012

(All amounts are in Indian Rupees Lacs unless otherwise stated)

4 Reserves & Surplus	March 31, 2012	March 31, 2011
Securities Premium		
Balance as per last Financial	16,105.84	13,409.54
Add: Premium on issue of equity shares*	1,744.40	2,700.00
Less: Share issue expenses adjusted	2.10	3.70
	<u>17,848.14</u>	<u>16,105.84</u>
Profit and Loss Account		
Balance as per last financials	(5,695.15)	(4,951.02)
Add : Loss for the year as per statement of profit or loss	(1,081.56)	(744.13)
Net Deficit in the statement of profit and loss	<u>(6,776.71)</u>	<u>(5,695.15)</u>
	<u>11,071.43</u>	<u>10,410.69</u>

* The company has made preferential allotment of fully paid up 3,560,000 (March 31,2011: 10,000,000) equity shares at premium of Rs. 49/- (March 31,2011: Rs. 27/-) per share as approved by the Board of Directors.



MAHINDRA HINODAY INDUSTRIES LIMITED
Notes to Financial Statement for the year March 31, 2012

(All amounts are in Indian Rupees Lacs unless otherwise stated)

5 Long Term Borrowings	March 31, 2012	March 31, 2011
Term loans from banks (Secured)	7,897.03	8,733.52
Sales Tax Deferral loan from SICOM under Package Scheme of Incentives 1993 (Unsecured)	1,634.18	1,866.76
	<u>9,531.21</u>	<u>10,600.28</u>
i) Term loan from IDBI bank was taken in parts till March 31,2012 and carries interest @ 12.75% p.a. The loan is repayable in 42 monthly installments of Rs. 80.64 Lacs from April 2012. ii) Term loan from IDBI bank was taken in parts till March 31,2012 and carries interest @ 12.75% p.a. The loan is repayable in 42 monthly installments of Rs. 46.48 Lacs from April 2013. iii) Term loan from IDBI bank was taken in parts till March 31,2012 and carries interest @ 12.75% p.a. The loan is repayable in 42 monthly installments of Rs. 23.45 Lacs from April 2013. iv) Term loan from IDBI bank was taken in parts till March 31,2012 and carries interest @ 12.75% p.a. The loan is repayable in 42 monthly installments of Rs. 8.88 Lacs from October 2012. v) Term loan from IDBI bank was taken in parts till March 31,2012 and carries interest @ 12.75% p.a. The loan is repayable in 42 monthly installments of Rs. 7.12 Lacs from October 2012. vi) Term loan from ING Vyasya Bank was taken in Financial Year 2010-11 and carries interest @ 12.75% p.a. The loan is repayable in 16 quarterly installments of Rs. 218.75 Lacs from December 2011. vii) Term loan from Saraswat bank was taken in Financial Year 2010-11 and carries interest @ 11.75% p.a. The loan is repayable in 7 quarterly installments of Rs. 112.50 Lacs from April 2011. viii) Term loan from Saraswat bank was taken in Financial Year 2011-12 and carries interest @ 11.75% p.a. The loan is repayable in 41 monthly installments of Rs. 23.80 Lacs from September 2012. All above stated loans taken from IDBI bank, ING Vyasya Bank and Saraswat Bank are secured by First Pari Passu charge of Mortgage in joint favour of lending banks over immovable Assets situated at Bhosari & Urse, Pune and First Pari Passu charge of hypothecation in favour of lending banks over movable Assets situated Bhosari & Urse, Pune (both mortgage & hypothecation are on Assets other than exclusively charged Assets) ix) Term loan from State Bank of India was taken in Financial Year 2007-08 and carries interest @ 12.90% p.a. The loan is repayable in 56 monthly installments of Rs. 62.50 Lacs from May 2009. The loan is secured by exclusive first charge of mortgage of immovable properties being portion of land and factory building/structures of Urse properties together with plant and machinery attached thereto and by way of hypothecation of movable plant and machinery acquired and purchased for expansion of Automotive Division. viii) Deferred sales tax loan is interest free and payable in 10 yearly installments of various amounts starting from April 2010.		



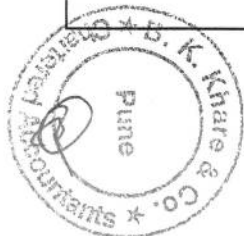
MAHINDRA HINODAY INDUSTRIES LIMITED
Notes to Financial Statement for the year March 31, 2012

(All amounts are in Indian Rupees Lacs unless otherwise stated)

6 Other Long Term Liabilities	March 31, 2012	March 31, 2011
Trade Payables*	99.06	36.26
	99.06	36.26
* Represents retention money held by the company payable after completion of warranty period on account of various capital projects under execution/executed.		

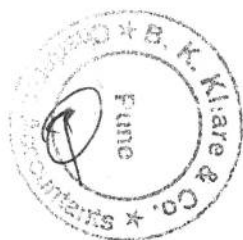
7 Long Term Provisions	March 31, 2012	March 31, 2011
Provision for employee benefits		
Early Separation Scheme	377.51	468.48
Gratuity [Refer Note no 27.1]	122.96	272.87
Leave Encashment [Refer Note no 27.2]	460.13	-
	960.60	741.35

8 Short Term Borrowings	March 31, 2012	March 31, 2011
Cash credit loans from banks (Secured)*	1,150.09	1,493.57
<u>Loans repayable on demand (Secured)</u>		
- Rupee Loans	475.00	
- Foreign Currency Loans	129.93	
Inter Corporate Deposits(Unsecured)		1,000.00
	1,755.02	2,493.57
* Cash credit and demand loans are secured by first charge of hypothecation on all current assets, both present & future and second charge(ranking after charges created and/or to be created in favour of term lenders) of hypothecation on all movable fixed assets, both present and future.		



(All amounts are in Indian Rupees Lacs unless otherwise stated)

10 Short Term Provisions	March 31, 2012	March 31, 2011
<u>Provisions for Short Term Benefits</u>		
Gratuity (Refer Note No. 27.1)	131.68	100.69
Early Separation Scheme	149.10	167.67
Leave Encashment (Refer Note No 27.2)	49.01	524.49
	<u>329.79</u>	<u>792.85</u>



Mahindra Hinoday Industries Limited

Notes to Financial Statement for the year March 31, 2012

(All amounts are in Indian Rupees Lacs unless otherwise stated)

11. Tangible Assets

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Balance as at 01.04.2011	Additions During the Year	Borrowing Cost Capitalised	Deduction During the Year	Gross Block 31.03.2012	Balance as at 01.04.2011	For the Year	Deduction During the Year	Depreciation 31.03.2012	Balance as at 31.03.2011
Leasehold Land	3,263.64	-	-	-	3,263.64	166.05	55.36	-	221.41	3,042.23
Free hold Land	2,818.53	-	-	-	2,818.53	-	-	-	-	2,818.53
Building	4,920.31	670.58	6.97	-	5,597.86	396.78	191.59	-	588.37	5,009.49
Plant & Machinery	13,496.45	4,493.15	52.01	75.27	17,966.34	3,100.80	1,698.27	31.69	4,767.38	13,198.96
Electrical Equipment	1,690.47	422.88	4.98	-	2,118.33	257.15	115.61	-	372.76	1,745.57
Furniture & Fixture	202.62	57.17	-	-	259.79	76.04	23.08	-	99.12	160.67
Office Equipment	132.12	48.99	-	-	181.11	53.15	21.15	-	74.30	106.81
Computers	115.46	22.51	-	-	137.97	53.92	18.07	-	71.99	65.98
Vehicles	106.76	7.64	-	11.04	103.36	30.34	21.13	6.79	44.68	58.68
Total	26,746.36	5,722.92	63.96	86.31	32,446.93	4,134.23	2,144.26	38.48	6,240.01	26,206.92
Previous Year's Figure	21,623.07	4,998.63	209.12	81.48	26,746.36	2,682.15	1,504.97	52.89	4,134.23	22,612.13

12. Intangible Assets

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Balance as at 01.04.2011	Additions During the Year	Borrowing Cost Capitalised	Deduction During the Year	Gross Block 31.03.2012	Balance as at 01.04.2011	For the Year	Deduction During the Year	Depreciation 31.03.2012	Balance as at 31.03.2011
Computer Software	209.68	19.44	-	-	229.12	119.10	30.82	-	149.92	90.58
Others	31.00	-	-	-	31.00	0.02	6.20	-	6.22	30.98
Total	240.68	19.44	-	-	260.12	119.12	37.02	-	156.14	121.56
Previous Year's Figure	209.68	31.00	-	-	240.68	67.55	51.55	-	119.12	121.56



MAHINDRA HINODAY INDUSTRIES LIMITED		
Notes to Financial Statement for the year March 31, 2012		
(All amounts are in Indian Rupees Lacs unless otherwise stated)		
12 Non Current Investments	March 31, 2012	March 31, 2011
Investments		
Trade Investment (Valued at cost unless otherwise stated)		
Unquoted Equity Investment		
In The Saraswat Co-Op Bank Limited		
2,500 (March 2011: 2,500)Equity shares of Rs. 10/- each	0.25	0.25
In Wardha Power Co. Limited.		
1,768,970 (March 2011:1,768,970) 'A' Class Equity shares of Rs.10 /- each	176.90	176.90
(Also understood as Power Equity Shares, entitled to energy from Group Captive Power Plant. These shares will receive restrictive dividend not more than 0.01% of the face value)		
Unquoted Preference Shares Investment		
In Wardha Power Co. Limited*		
2,231,030(March 2011:2,231,030) 'A' Class Redeemable Preference Shares of Rs. 10 /- each	223.10	223.10
(Above preference shares carry coupon rate of 0.01% per annum and redeemable on expiry of 20 years and to be reissued for the balance tenor of Power Delivery Agreement on fresh terms)		
* In the event the Power Delivery Agreement expires at the end of term, the Wardha Power Company will buy back the Class 'A' Equity Shares and Class 'A' Preference Shares for a total consideration of Rs.1/-		
	400.25	400.25

13 DEFERRED TAX	March 31, 2012	March 31, 2011
Deferred tax liability		
Difference between tax depreciation and depreciation/amortization as per financial reporting	(1,813.91)	(2,537.71)
	(1,813.91)	(2,537.71)
Deferred tax asset		
Carry Forward Depreciation Losses	2,099.85	3,253.01
Employee Benefits	257.86	144.00
Provision for Bad and Doubtful Debts	104.24	226.00
	2,461.95	3,623.01
Deferred Tax Asset(Net)	648.04	1,085.30



MAHINDRA HINODAY INDUSTRIES LIMITED
Notes to Financial Statement for the year March 31, 2012

(All amounts are in Indian Rupees Lacs unless otherwise stated)

14 Long Term Loans & Advances	March 31, 2012	March 31, 2011
Loans And Advances (Unsecured, considered good)		
Capital Advances	80.18	873.12
Security Deposit	25.74	27.18
	<u>105.92</u>	<u>900.30</u>

15 Other Non Current Assets	March 31, 2012	March 31, 2011
Margin money deposits with banks(Refer Note No. 18)	72.12	123.77
	<u>72.12</u>	<u>123.77</u>

16 Inventories	March 31, 2012	March 31, 2011
[valued at lower of cost and net realizable value]		
Raw Materials & Components	1,000.53	736.85
[Includes goods in transit Rs. 89.95 Lacs (March:2011 Rs.80.39 Lacs)]		
Stores, Spares, Consumable etc.	916.88	892.31
Semi finished goods	1,530.51	1,200.40
Finished goods	2,882.49	2,004.11
Loose Tools	59.95	65.72
	<u>6,390.36</u>	<u>4,899.39</u>

17 Trade Receivables	March 31, 2012	March 31, 2011
(Unsecured considered good unless otherwise stated)		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered Doubtful	337.31	304.95
Less : Provision for doubtful debt	<u>(337.31)</u>	<u>(240.12)</u>
		64.83
Other debts - Considered Good	6,371.75	4,868.03
	<u>6,371.75</u>	<u>4,932.86</u>



MAHINDRA HINODAY INDUSTRIES LIMITED
Notes to Financial Statement for the year March 31, 2012

(All amounts are in Indian Rupees Lacs unless otherwise stated)

18 Cash and Bank Balances	March 31, 2012	March 31, 2011
Cash and Cash Equivalent		
Balances with Bank		
- Current Accounts	50.56	81.24
- Unpaid Dividend Account	0.07	0.09
Cash on Hand	2.84	3.37
	<u>53.47</u>	<u>84.70</u>
Other Bank Balances		
- Margin money deposits with maturity for less than 12 months	64.50	143.13
- Margin money deposits with maturity more than 12 months	72.12	123.77
	<u>136.62</u>	<u>266.90</u>
Amount disclosed under non current assets(Refer Note No. 15)	72.12	123.77
	<u>64.50</u>	<u>143.13</u>
	<u>117.97</u>	<u>227.83</u>

19 Short Term Loans and Advances	March 31, 2012	March 31, 2011
(Unsecured considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received	352.72	321.70
Prepaid Expenses	50.09	32.80
Advance Income Tax [Net of provision Rs. 347.46 (March 2011: Rs. 537.96)]	165.77	202.78
Balance with Central Excise & Customs etc.	441.34	658.59
	<u>1,009.92</u>	<u>1,215.87</u>

20 Other Current Assets	March 31, 2012	March 31, 2011
(Unsecured considered good unless otherwise stated)		
Export benefits receivable	258.98	355.88
	<u>258.98</u>	<u>355.88</u>



MAHINDRA HINODAY INDUSTRIES LIMITED

Notes to Financial Statement for the year March 31, 2012

(All amounts are in Indian Rupees Lacs unless otherwise stated)

21 Revenue From Operations	Current Year	Previous Year
Revenue From Operations		
Sale of manufactured goods	52,115.95	38,870.01
Other Operating Revenue		
Sale of Scrap	521.13	569.33
Sale of Toolings	350.44	396.69
Export Incentives	271.31	228.83
Revenue from operations (Gross)	53,258.83	40,064.86
Less: Excise Duty	3,533.65	2,547.87
	49,725.18	37,516.99
<u>Details of products sold</u>		
Finished goods sold		
<u>Magnetic Product Division</u>		
Ferrites	10,476.72	9,512.80
Electrod Less Lamp	520.82	15.00
Wound Coil	529.56	224.67
<u>Foundry Division</u>		
Casting	40,588.85	29,117.54
	52,115.95	38,870.01

22 Other Income		
Interest		
- From Banks		
[Tax deducted at Source Rs.1.21 Lacs (March 2011: Rs 0.75 Lacs)]	15.20	12.10
- Others	10.03	10.04
VAT Refund	63.39	
Commission Income	12.32	
Discount received	85.84	50.16
Provisions written back	86.97	0.00
Others	23.74	3.65
Exchange Fluctuation Gain		21.34
	297.49	107.29



MAHINDRA HINODAY INDUSTRIES LIMITED
Notes to Financial Statement for the year March 31, 2012

(All amounts are in Indian Rupees Lacs unless otherwise stated)

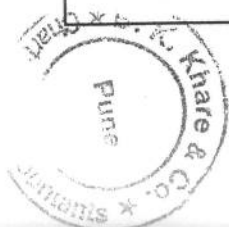
23 Cost of Raw Materials and Components Consumed	Current Year	Previous Year
Cost of Raw Materials and Components Consumed		
Inventory at the beginning of the year	736.85	594.83
Add: Purchases	25,247.76	18,726.34
Less: Raw material sold out of material purchased	118.70	164.04
Less: inventory at the end of the year	1,000.53	736.85
Cost of raw material and components consumed	24,865.38	18,420.28
(Increase)/decrease in inventories		
Inventories at the end of the year		
Work-in-progress	1,530.51	1,200.40
Finished goods	2,882.49	2,004.11
Inventories at the beginning of the year		
Work-in-progress	4,413.00	3,204.51
Finished goods	1,200.40	848.26
	2,004.11	1,298.68
	3,204.51	2,146.94
Net (Increase)/Decrease in inventories	(1,208.49)	(1,057.57)
	23,656.89	17,362.71

Details of raw material and components consumed		
<u>Magnetic Product Division</u>		
Iron Oxide	634.37	657.60
Zinc Salts	146.85	130.29
Carbonates	265.10	274.86
Others	2,678.76	1,817.60
<u>Foundry Division</u>		
CRCA Scrap	11,568.80	8,856.45
Graphite Fine / Charcoal	547.39	290.44
FSM Alloy	1,185.49	755.27
Silicon Carbide	422.22	383.90
Others	7,416.40	5,253.87
	24,865.38	18,420.28

Details of inventory - Raw Material		
<u>Magnetic Product Division</u>		
Iron Oxide	106.58	54.38
Zinc Salts	6.80	7.95
Carbonates	8.26	10.72
Others	238.45	299.40
<u>Foundry Division</u>		
CRCA Scrap	80.53	49.25
Graphite Fine / Charcoal	19.82	9.64
FSM Alloy	92.35	41.90
Silicon Carbide	14.72	5.57
Others	433.02	258.03
	1,000.53	736.84

Details of inventory - Work in Progress		
<u>Magnetic Product Division</u>		
Ferrites	175.47	114.40
Coil	4.45	4.62
<u>Foundry Division</u>		
Casting	1,350.59	1,081.38
	1,530.51	1,200.40

Details of inventory - Finished Goods		
<u>Magnetic Product Division</u>		
Ferrites	485.50	463.95
ELL	30.28	0.90
Coil	5.71	64.90
<u>Foundry Division</u>		
Castings	2,361.00	1,474.36
	2,882.49	2,004.11



MAHINDRA HINODAY INDUSTRIES LIMITED
Notes to Financial Statement for the year March 31, 2012

(All amounts are in Indian Rupees Lacs unless otherwise stated)

24 Employee Benefit Expenses

	Current Year	Previous Year
Employee Benefits		
Salaries, Wages & Bonus	4,090.85	3,338.17
Contribution to Provident and Other Funds	195.72	216.32
Staff Welfare Expenses	487.55	370.03
Gratuity Expense (Net)	9.42	72.54
	<u>4,783.54</u>	<u>3,997.06</u>

25 Manufacturing and Other Expenses

	Current Year	Previous Year
Stores, Spares and Components	1,479.52	983.84
Labour Charge	651.92	683.71
Power & Fuel	7,990.02	5,896.97
Processing Charges	4,841.21	3,422.47
Repairs & Maintenance		
Building	24.69	20.61
Machinery	330.73	417.22
Others	481.44	394.80
Equipment Lease Rentals	30.32	50.74
Rent	10.88	17.96
Rates & Taxes	41.71	38.98
Printing and Stationery	49.21	34.69
Insurance	101.59	96.17
Travelling & Conveyance	124.36	112.52
Legal & Professional charges	332.34	284.39
Office & Other Expenses	218.05	244.11
Auditors Remuneration		
Audit fee	8.25	6.50
Tax audit fee	2.50	1.75
Limited review	3.00	2.25
Communication Expenses	61.49	58.65
Bank charges	80.71	129.52
Sales Commission & Discounts	184.27	294.05
Selling Expenses	16.65	15.22
Carriage Outwards	1,042.70	1,032.61
Provision for Doubtful Debts (Net)	97.19	-
Donations	0.46	0.02
Loss on Sale of Assets/Write off of asset	42.22	31.51
Exchange Fluctuation Loss	150.94	-
	<u>18,398.37</u>	<u>14,271.26</u>

26 Finance Cost

	Current Year	Previous Year
Interest on Loans	1,643.65	913.90
Exchange Gain/Loss on restatement of loans	3.23	-
	<u>1,646.88</u>	<u>913.90</u>



27 Employee Benefits

27.1 Defined Benefit Plan - Gratuity (Refer Note No.7 and 10)

The company has provided the liability for gratuity on actuarial basis as on 31st March 2012. Reconciliation of the present value of the defined benefit obligations are as follows

	March 31,2012	March 31,2011
Statement of profit and loss		
Current service cost	59.72	27.43
Interest cost on benefit obligation	56.03	46.31
Expected return on plan assets	(31.28)	(23.44)
Net actuarial(gain)/loss	(89.05)	44.56
Net (benefit)/ expense recognised in the statement of profit or loss	(4.58)	94.86
Balance sheet		
Present Value of Obligations as at the end of the year	693.61	665.73
Fair value of plan assets at the end of the year	438.97	292.17
Funded Status	(254.63)	(373.56)
Current Obligations	(131.68)	(100.69)
Non Current Obligations	(122.96)	(272.87)
Net asset/(liability)Recognised in Balance Sheet	(254.64)	(373.56)
Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	665.73	565.74
Current service cost	59.72	27.43
Interest cost	56.03	46.31
Benefits paid	(3.50)	(18.31)
Actuarial (gains)/losses on obligation	(84.37)	44.56
Closing defined benefit obligation	693.61	665.73
Changes in the fair value of plan assets are as follows:		
Opening fair value of plan assets	292.17	197.69
Expected return	31.28	23.44
Contributions by employer	114.34	89.36
Benefits paid	(3.50)	(18.31)
Actuarial gains/(losses) on plan assets	4.68	-
Closing fair value of plan assets	438.97	292.17

The principal assumptions used in determining gratuity obligations for the company's plans are shown below:

Discount Rate	8.50%	8.50%
Expected rate of return on assets	9%	9%
Basic Salary increases allowing for price inflation	6%	6%
Employee withdrawal	2%	2%
Normal Retirement Age	60 years	60 years

Amounts for the current and previous four periods are as follows:

	March 31,2012	March 31,2011	March 31,2010	March 31,2009	March 31,2008
Gratuity					
Defined benefit obligation	693.61	665.73	565.74	700.85	579.15
Plan assets	438.97	292.17	197.69	309.02	267.33
Surplus/(deficit)	(254.64)	(373.56)	(368.05)	(391.83)	(311.82)

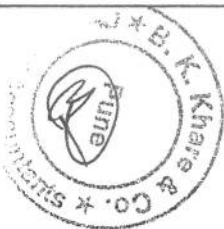
27.2 Leave Encashment

The Company till last year has valued leave balances as short term benefit and has not made actuarial valuation. However, during the current year the company has segregated these leave balance as short term and long term based on the leave policy of the company. Further, the company has made actuarial valuation for the current years leave balances. For March 31, 2012 leave balance valuation has been disclosed as short term and long term based on the actuarial valuation (Refer note 7 and 10) and for the March 31, 2011 the entire amount is disclosed as short term in absence of actuarial valuation.

28 Capitalization of expenditure

During the year, the company has capitalized the following expenses of revenue nature to the cost of fixed asset/ capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the company.

	March 31,2012	March 31,2011
Freight and Transport Costs	67.67	85.49
Salary Costs	9.44	22.17
Travelling Costs	3.19	3.39
Professional Fees		4.57
Consumables and Spares	0.63	35.68
Other Costs	8.43	22.29
Finance costs	63.96	209.12
	153.31	382.71



MAHINDRA HINODAY INDUSTRIES LIMITED
Notes to Financial Statement for the year March 31, 2012

(All amounts are in Indian Rupees Lacs unless otherwise stated)

29 Segment Information
Business (Primary) Segment information for the year ended 31st March 2012

	March 31, 2012			March 31, 2011		
	MPD	FD	Total	MPD	FD	Total
Revenue						
External sales(Excluding sale of scrap)	11,720.54	41,017.16	52,737.70	9,878.56	29,616.97	39,495.53
Intersegment Sales	-	-	-	-	-	-
Total revenue	11,720.54	41,017.16	52,737.70	9,878.56	29,616.97	39,495.53
Results						
Segment results	649.08	353.52	1,002.60	355.57	81.16	436.73
Operating profit	649.08	353.52	1,002.60	355.57	81.16	436.73
Finance costs	-	-	(1,646.88)	-	-	(913.90)
Interest & Other Income (including Scrap Sales)	268.79	549.83	818.63	152.25	524.37	676.62
Profit/(Loss) before tax	169.05	(813.33)	(644.28)	355.57	81.16	(477.17)
Income taxes/Deferred Taxes	-	-	(437.27)	-	-	(266.96)
Net profit/(Loss)	-	-	(1,081.56)	-	-	(744.13)
Segment assets	10,954.26	31,092.69	42,046.95	11,207.21	26,579.30	37,786.51
Unallocated assets	-	-	813.81	-	-	1,288.08
Total assets	-	-	42,860.76	-	-	39,074.59
Segment liabilities	2,705.41	9,832.60	12,538.01	2,573.19	6,906.73	9,479.92
Unallocated liabilities	-	-	14,593.65	-	-	14,882.31
Total liabilities	-	-	27,131.66	-	-	24,362.23
Other segment Information						
Capital expenditure:						
Tangible assets	574.69	3,362.66	3,937.35	274.01	7,619.63	7,893.64
Intangible assets	22.57	28.56	51.12	-	31.00	31.00
Depreciation	619.80	1,524.48	2,144.26	601.87	903.08	1,504.95
Amortization	1.29	35.73	37.02	23.31	28.26	51.57

Geographical (Secondary) Segment information for the year ended 31st March 2012

	March 31, 2012		March 31, 2011	
	In India	Outside India	In India	Outside India
Revenue	37,320.93	15,416.77	26,567.95	12,927.58
Segment Assets	40,818.90	1,228.05	36,366.33	1,420.17
Capital Expenditure				
Tangible Assets	3,937.34	-	7,893.64	-
Intangible Assets	51.12	-	31.00	-



MAHINDRA HINODAY INDUSTRIES LIMITED

Notes to Financial Statement for the year March 31, 2012

(All amounts are in Indian Rupees Lacs unless otherwise stated)

30 Related Party Disclosures

Related parties with whom transactions have taken place during the year

Holding company	Mahindra & Mahindra Limited
Fellow subsidiaries	Mahindra SAR Transmission Private Limited
	Mahindra Ugin Steel Company Limited
	Mahindra Vehicle Manufacturing Limited
	Mahindra Engineering Services Limited
	Mahindra Engineering & Chemicals Private Limited
	Mahindra Logistics Limited
	Mahindra Forgings Limited
	Mahindra First Choice Wheels Limited
	Mahindra Navistar Engines Private Limited
	Mahindra Navistar Automotives Limited
	Mahindra Spares Business
	Mahindra Steel Service Centre Limited

Key management personnel

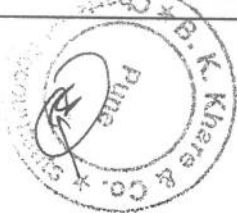
 Mr. A.P. Lele (Managing Director, till March 31 2012)
 Mr. K. Ramaswamy (Managing Director, since April 1 2012)

a. Sale/purchase of goods and services

	Year ended	Sale of goods/Services	Purchase of Goods/Services	Amount Receivable at the end of the year	Amount Payable at the end of the year
Mahindra & Mahindra Limited- Auto Division	March 31 2012	7,151.21		261.67	15.40
	March 31 2011	(5,470.82)		(338.89)	(12.81)
Mahindra & Mahindra Limited- FES Division	March 31 2012	3,668.35		295.78	
	March 31 2011	(2,753.85)		(239.85)	
Mahindra Navistar Automotive Limited	March 31 2012	264.44		28.50	
	March 31 2011	(225.17)		(30.69)	
Mahindra Navistar Engines Private Limited	March 31 2012	202.69		31.92	
	March 31 2011	(159.90)		(66.95)	
Mahindra Vehicle Manufacturing Limited	March 31 2012	998.40		264.65	
	March 31 2011	(372.98)		(123.72)	
Mahindra Forgings Limited	March 31 2012	-		-	
	March 31 2011	(21.92)		-	
Mahindra Ugin Steel Company Limited	March 31 2012	68.90	31.68		15.86
	March 31 2011	-		-	
Mahindra Spare Business (Prop/Partnership)	March 31 2012	7.36		2.52	
	March 31 2011	-		-	
Mahindra Steel Service Centre Limited	March 31 2012	12.34		-	
	March 31 2011	-		-	
Mahindra Forging Limited	March 31 2012	1.11		-	
	March 31 2011	-		-	
Mahindra & Mahindra Limited					
Deputation charges	March 31 2012		47.22		166.56
	March 31 2011		(46.03)		(137.97)
Training & Development Expenses - MIQ	March 31 2012				5.64
	March 31 2011				-
Discounting Charges	March 31 2012		5.14		-
	March 31 2011		(78.65)		-

	Year ended	Loans taken	Repayment made	Interest accrued	Amount owed to related parties
b. Loans taken and repayment thereof					
Mahindra Engineering and Chemicals Private Limited	March 31 2012		1,000.00	29.59	
	March 31 2011	(1,000.00)		(59.21)	
Mahindra First Choice wheels Limited	March 31 2012				
	March 31 2011	-		(49.32)	-

	March 31, 2012	March 31, 2011
c. Remuneration to key managerial personnel		
Salary to Managing Director Mr. A.P. Lele	47.22	46.03



31 Capital Commitments

Estimated amount of contracts remaining to be executed on Capital account as on March 31, 2012 and not provided for (net of Advances) Rs. 47.81 Lacs (Rs 2143.17 Lacs).

32 Contingent Liabilities

Income tax demands disputed in appellate proceedings
Disputed demands in respect of Excise duty (Net of protest money)
Cess
Bank Guarantees
Claims against the company not acknowledged as debt:- Stamp duty

March 31, 2012	March 31, 2011
226.33	100.36
41.80	280.88
105.35	105.35
546.14	375.67
290.07	290.07

33 Derivative instruments and unhedged foreign currency exposure

a. Derivatives outstanding as at the reporting date

Forward contracts - Sell - 19.00 Lacs Euro (March 2011: Rs. 22.045 Lacs)
Forward contracts - Sell - 5.05 Lacs US Dollar (March 2011: Rs. 7.70 Lacs)

Forward contracts - Buy - 0.63 Lacs US Dollar (March 2011: Rs. Nil)

b. Particulars of unhedged foreign currency exposure as at the reporting date

PCFC Demand Loan - Rs. 129.93 Lacs (March 2011: Rs. Nil)
Creditors - Rs. 156.19 Lacs (March 2011: Rs 366.35 Lacs)

34 Value of imports calculated on CIF basis

Raw materials
Components and spare parts
Capital goods

March 31, 2012	March 31, 2011
1,814.35	1,183.33
335.12	263.21
905.67	1,398.05

35 Expenditure in foreign currency (accrual basis)

Travelling Expenses
Professional Fees
Rework Charges
Commission
Other

March 31, 2012	March 31, 2011
15.70	13.88
8.38	5.06
171.47	Nil
35.80	27.41
39.23	39.55

36 Imported and indigenous raw materials, components and spare parts consumed

Magnetic Product Division

Raw Materials

Imported
Indigenously obtained

Components & Spare Parts

Imported
Indigenously obtained

% of total consumption March 31, 2012	Amount (Rs. Lacs) March 31, 2011	% of total consumption March 31, 2012	Amount (Rs. Lacs) March 31, 2011
47%	1,752.96	40%	1,141.13
53%	1,972.12	60%	1,739.22
10%	41.89	15%	51.88
90%	371.84	85%	222.85

Imported and indigenous raw materials, components and spare parts consumed

Foundry Division

Raw Materials

Imported
Indigenously obtained

Components & Spare Parts

Imported
Indigenously obtained

% of total consumption March 31, 2012	Amount (Rs. Lacs) March 31, 2011	% of total consumption March 31, 2012	Amount (Rs. Lacs) March 31, 2011
2%	352.52	1%	215.82
98%	20,787.78	99%	15,324.11
7%	79.20	1%	5.97
93%	986.59	99%	703.14

37

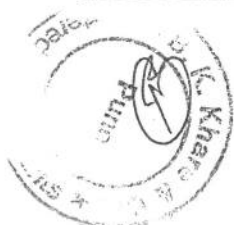
As required by section 383A of the Companies Act, 1956 the company is required to appoint company secretary for the year 2011-2012. However, the company secretary has not been appointed during the year. It has been informed to us that the company is in process of appointment of company secretary.

38 Earnings in foreign currency (accrual basis)

Exports at F.O.B. Value
Commission Income

March 31, 2012	March 31, 2011
11,183.61	6,944.83
12.32	-

39 It has been informed by the management that there are no dues payable to parties covered under MSMED Act, 2006



MAHINDRA HINODAY INDUSTRIES LIMITED
Notes to Financial Statement for the year March 31, 2012

(All amounts are in Indian Rupees Lacs unless otherwise stated)

40 Earning Per Share

	March 31, 2012	March 31, 2011
Profit/(Loss) After Tax	(1,081.54)	(744.13)
Weighted average number of equity shares	44,889,375	38,989,320
Basic/Diluted earning per share	(2.41)	(1.91)

41 Previous year figures

Till the year ended March, 31 2011, the company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended March, 31 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company. The company has reclassified previous year figures to conform to this year's classification. Except accounting for dividend on investments in subsidiaries, the adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of balance sheet.

 Mr. K. Jayaprakash
CFO

Place : Mumbai

Date : April 24, 2012


 For and on behalf of Board of Directors of Mahindra Hinoday
Industries Limited

Mr. Hemant Luthra

Mr. Rajan Wadhera

Mr. Zhooben Bhiwandiwalla

Mr. A.P. Lele

Mr. K. Ramaswamy

Place : Mumbai

Date : April 24, 2012

