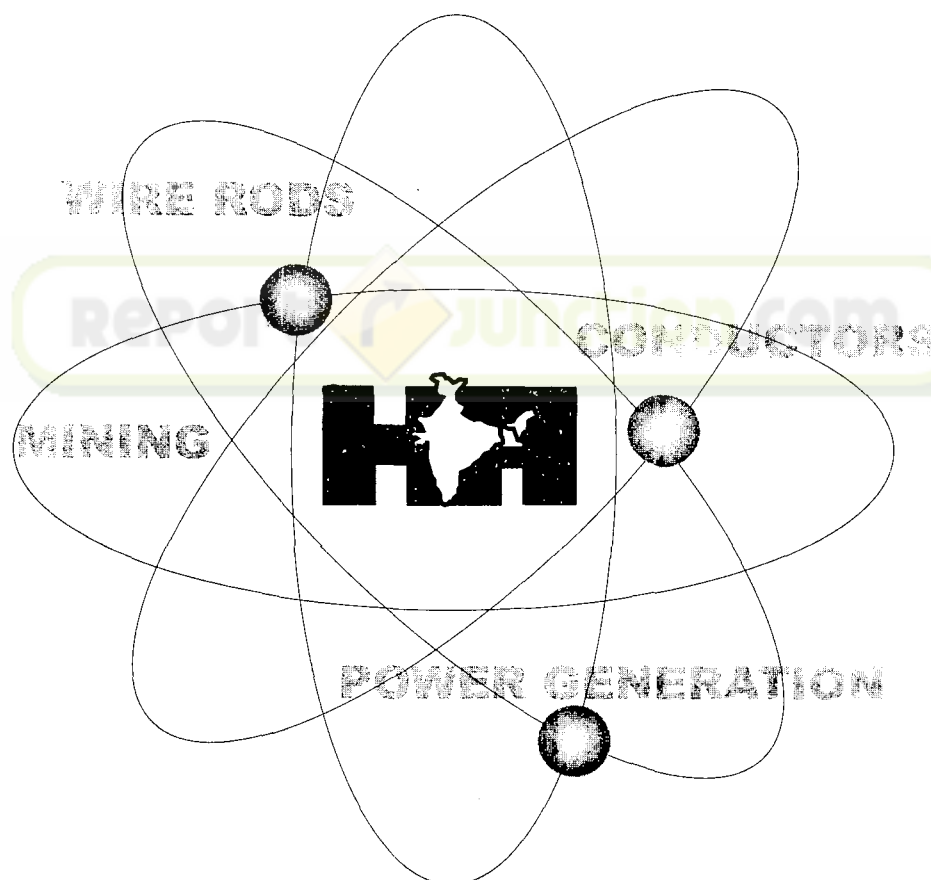


# HIND ALUMINIUM INDUSTRIES LTD.



**ANNUAL REPORT 2007 - 2008**

**ANNUAL REPORT 2007-2008****BOARD OF DIRECTORS**

Shri Lalit Kumar Daga  
 Shri Shailesh Daga  
 CA. Sudhir Goel  
 Shri Navin Shah  
 Shri Sundeep Mohta

Chairman  
 Managing Director

**EXECUTIVES**

Shri J.S.K.Vig  
 CA. K.Agarwal  
 Shri A.S. Agarwal  
 Shri Santosh L.Baghel  
 Shri Mahendra Jain

(President-Minerals Division)  
 (Advisor -Wire Rod & Conductor Division)  
 (Sr.General Manager-Marketing - Wire Rod Division))  
 (General Manager-Works-Wire Rod & Conductor Division)  
 (General Manager-Accounts)

**AUDITORS**

A.J.Baliya & Associates  
 Chartered Accountants, Mumbai.

**BANKERS**

State Bank of India  
 ICICI Bank Ltd.

**REGISTERED OFFICE**

B-1, Tulsi Vihar, Dr. Annie Besant Road,  
 Worli Naka, Mumbai-400 018.

**PLANTS****Aluminium Wire Rod & Conductor**

Survey No.1/2, Village Khutali, Khanvel-Doodhani Road,  
 Near Khanvel, Dist.; Silvassa - 396230  
 Dadra & Nagar Haveli (Union Territory).

**Wind Turbine Generations**

1. Gut No.59-1/A, Village; Akhtwade,  
 Dist.; Nandurbar (Maharashtra).
2. Location No. 275, Survey No.818 of Village Narasewadi,  
 Taluka; Tasgaon, Dist.; Sangli (Maharashtra).

**Minerals Division**

5, Aishwarya Residency,  
 G.E.Road, Telebandha,  
 Raipur-492001 (Chattisgarh)

**REGISTRARS & SHARE TRANSFER AGENTS**

Computronics Financial Services (India) Ltd.  
 1, Mittal Chambers, Nariman Point,  
 Mumbai - 400 021. email: jchaudhary@computronicsindia.com

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**NOTICE OF THE ANNUAL GENERAL MEETING**

NOTICE is hereby given that the 21st Annual General Meeting of the Members of Hind Aluminium Industries Ltd. will be held at "Maheshwari Pragati Mandal-Mumbai" 1st Floor, Maheshwari Bhavan, 603, Jagannath Shankar Sheth Marg, Cheera Bazar, Marine Lines (East), Mumbai-400 002 on Saturday, the 30th August, 2008 at 11.00 a.m. to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet and the Profit & Loss Account for the year ended 31st March, 2008 and the Reports of the Directors' and Auditors' thereon.
2. To declare a dividend on equity shares for the year ended 31st March, 2008.
3. To appoint a Director in place of Shri Sudhir Goel who retires from office by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditor of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

For and on behalf of the Board

Report  junction.com

Lalit Kumar Daga  
Chairman

Place : Mumbai  
Date : 30th June, 2008

**NOTES FOR MEMBERS' ATTENTION**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

THE INSTRUMENT APPOINTING A PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

2. The Register of Members and Share Transfer Books of the Company will remain closed from 28th August, 2008 to 30th August, 2008 (both days inclusive) for the purpose of Annual General Meeting & Dividend.
3. Dividend @ 15% on equity shares for the year ended 31st March, 2008 as recommended by the board, if sanctioned at the Annual General Meeting, will be paid on or after 5th September, 2008 to those members whose names appear in the Company's Register of members on 30th August, 2008. In respect of shares held in the electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by the National Securities Depository Ltd. and Central Depository Services (India) Ltd. for this purpose.
4. Members are requested to make all correspondence in connection with shares held by them by addressing letters directly to the RTA and/or the Company at its registered office address.
5. As per the provisions of the Companies Act, 1956, facility for making nominations is available to INDIVIDUAL holding shares in the Company. The Nomination Form can be obtained from the RTA or the Company's registered office.
6. Details of the retiring Director seeking re-appointment pursuant to Clause 49 of the Listing Agreement.

Shri Sudhir Goel, is being liable to retire by rotation in the ensuing Annual General Meeting which will be held on 30.08.2008. He is a qualified Chartered Accountant and has over 25 years of experience in the Aluminium Industry. He is the Director of the Company from the date of its incorporation i.e. 12.05.1987. He is advising about financial affairs of the Company. He is the Director in Nirav Commercials Ltd., Daga Capital Management Pvt.Ltd., Shubhmangal Portfolio Pvt.Ltd., Satyam Prima Capital Pvt.Ltd. & Goels Financial Services Pvt.Ltd.

7. Pursuant Section 205A read with Section 205C of the Companies Act, 1956 as amended from time to time, the amount of dividend remain unpaid/unclaimed for the period of 7 years from the date of payment, is required to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. After that there remains no claim of the members whatsoever on the said amount accordingly, the dividend for the financial year ended (31st March, 2001) and thereafter, which remains unclaimed for a period of 7 years will be transferred to the said account.
8. Members/ proxies should bring their Attendance slip herewith, duly filled in, for attending the meeting.

For and on behalf of the Board

**Lalit Kumar Daga**  
Chairman

Place : Mumbai  
Date : 30th June, 2008

**DIRECTORS' REPORT TO THE SHAREHOLDERS**

Dear Shareholders,

Your Directors have pleasure in presenting the 21st Annual Report together with Audited Balance Sheet and Profit & Loss Account for the year ended 31st March, 2008. The highlights of the financial results are as under:

<b>FINANCIAL RESULTS:</b>	<b>2007-2008</b> (Rs. in Crores)	<b>2006-2007</b> (Rs. in Crores)
<b>Total Income</b>	<b>206.49</b>	<b>202.49</b>
<b>Gross Profit</b>	<b>8.73</b>	<b>10.17</b>
<b>Less: Depreciation</b>	<b>2.12</b>	<b>1.12</b>
<b>Profit before tax</b>	<b>6.61</b>	<b>9.05</b>
<b>Tax expenses</b>	<b>2.37</b>	<b>3.15</b>
<b>Profit after tax</b>	<b>4.24</b>	<b>5.90</b>
<b>Add: Balance brought forward from previous year</b>	<b>19.68</b>	<b>14.89</b>
<b>Surplus available for appropriation</b>	<b>23.92</b>	<b>20.79</b>
<b>Appropriation :</b>		
General Reserve	0.25	0.25
Dividend	0.75	0.75
Corporate tax on dividend	0.13	0.11
<b>Balance transferred to Balance Sheet</b>	<b>22.79</b>	<b>19.68</b>

**REVIEW OF OPERATIONS**

During the year the Company has shown improved sales. The total income has increased from Rs.202.49 Crores to Rs.206.49 Crores. The gross profit has reduced from Rs.10.17 Crores to Rs.8.73 Crores. This has mainly been on account of reduction in the value of aluminium which has resulted in stock losses. Profit after tax has also reduced from Rs.5.90 Crores to Rs.4.24 Crores. The depreciation and interest on account of Wind Turbine Generator & Conductor Division are mainly responsible for this decrease.

**DIVIDEND**

Your Directors are pleased to recommend a Dividend of Rs.1.50 per equity share i.e 15% which after your approval at the ensuing Annual General Meeting, will be paid in line with the applicable rules.

**WIRE ROD**

The Aluminium Wire Rod manufacturing unit at Silvassa produced 18573.94 MT as compared to 20205.36 MT in the previous year. This has mainly been on account of reduction in conversion job work the Company received. The conductor plant which is a forward integration of the Wire Rod plant was commissioned in the financial year 2007-08. Hopefully, this will contribute to revenue in the coming years.

**MINING BUSINESS**

In the year 2007-08 the Company ventured into trading

of Iron Ore other than Bauxite which it was already involved in. The Company sold approximately 50,000 MT of Iron Ore in the year and approximately 29,000 MT of Bauxite. In the coming year the Company hopes to expand its operations in both Iron Ore as well as Bauxite and both these items should contribute significantly to the topline and bottomline of the Company.

**WIND POWER GENERATION**

Your Company has two Wind Turbine Generator (WTG), one is of 1.25 Mega Watts located at District Nandurbar and another is 1.50 Mega Watts located at Sangli, both are in Maharashtra State. During the year 49,20,084.96 units of power were generated as compared to 21,38,576.80 units in the previous year.

**ALUMINIUM CONDUCTOR**

As mentioned earlier the Company has commissioned an Aluminium Conductor Plant with an installed capacity of 12,000 MT per annum at Silvassa. The commercial production of this unit has started. This plant is a forward integration to the Wire Rod plant. Conductors are mainly sold to utilities and there is a registration process involved before such material is supplied. The Company has already started actively getting registered with various electricity boards so that in the coming year the Company is able to participate in the tenders issued by them and supply to these utilities.

**ISO 9002**

The Wire Rod as well as Conductor divisions of the Company are ISO 9001:2000 certified and the Company is committed to maintain and improve quality.

**CORPORATE GOVERNANCE**

Pursuant to Clause 49 of the Listing Agreements with the Bombay Stock Exchange Ltd., a Management Discussion and Analysis, Report on Corporate Governance and a Certificate from the Company's Statutory Auditors are a part of this report.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING AND OUTGO**

The information pursuant to 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 is annexed to this report.

**PARTICULARS OF EMPLOYEES**

During the year under review, the Company has not employed any person who was in receipt of remuneration exceeding the sum prescribed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217 (2AA)

## HIND ALUMINIUM INDUSTRIES LTD.

of the Companies Act, 1956, with respect to Directors' responsibility statement, it is hereby confirmed that:

- i) in the preparation of Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii) the directors had 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 as at 31st March, 2008 and of the profit of the Company for the said period;
- iii) the directors have taken proper and sufficient care of 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 directors have prepared the Annual Accounts on a going concern basis.

### AUDITORS

M/s. A.J. Baliya & Associates, Chartered Accountants, Auditors of the Company, retire at ensuring annual general meeting, and being eligible, for re-appointment.

### ACKNOWLEDGEMENT

The Directors would like to express their sincere appreciation of assistance and Co-operation received from their Bankers during the year under review. Directors also wish to place on record their deep sense of appreciation of the devoted services rendered by all the employees of the Company.

For and on behalf of the Board

**Lalit Kumar Daga**  
Chairman

Place : Mumbai  
Date : 30th June, 2008

## ANNEXURE TO DIRECTORS' REPORT

### I. CONSERVATION OF ENERGY

There are no major areas where energy conservation measures were viable. However, wherever possible, efforts were made to conserve use energy through improved operational methods.

### II. RESEARCH AND DEVELOPMENT

#### a. Specific areas in which R&D was carried out by the Company

The Company is actively engaged in product

upgradation, design, development and new product development.

#### b. Benefits derived as a result of the above R & D

Improved product designs resulted in higher value added products which achieved better realisation.

#### c. Future plan of action

Emphasis on the above activities will be an on going exercise.

#### d. Expenditure on R&D

Since the expenditure incurred on research and development activities were not substantial, no separate account for the same was being maintained.

### III. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Since Company's products are being developed by an in-house R & D team, no further information under this head is required to be given.

### IV. FOREIGN EXCHANGE EARNING AND OUTGO

#### a. Activities relating to exports

During the year, the Company has export material of Rs.21.23 Crores as compared to Rs.Nil in the previous year.

#### b. Initiatives taken to increase exports

Your Company has been in constant touch with various customers around the world. We hope that our regular follow-up will result in procuring more export orders.

#### c. Development of new export markets

Your Company is constantly exploring the possibilities of exporting its products. This is an on going process.

#### d. Export Plans

Export sales can only be increased by developing relationship with prospective buyers. In this connection your Company's officials plan to visit some countries to explore possibilities of export sales.

#### e. Total Foreign exchange used and earned

The information on the above is given in Notes on Account (Schedule-N to the Accounts).

For and on behalf of the Board

**Lalit Kumar Daga**  
Chairman

Place : Mumbai  
Date : 30th June, 2008

**REPORT ON CORPORATE GOVERNANCE**

Hind Aluminium Industries Ltd. believes in conducting its affairs in a fair, transparent and professional manner and maintaining the good ethical standards in its dealing with all its constituents.

In terms of Clause 49 of the Listing Agreement executed with The Bombay Stock Exchange Ltd., the details of compliance are as follow:

**BOARD OF DIRECTORS**

## ❖ Composition of the Board :

Yours Company's Board comprise of 5 Directors, which include one Managing Director and two Independent Directors. The Chairman being Non-Executive, the total strength of independent Director are one -third of total strength. Securities and Exchange Board of India (SEBI) vide its circular dated April 08,2008 has amended Clause 49 of the listing agreement which has interalia, stipulated that if the non-executive Chairman is a promoter or is related to promoters, at least one-half of the board of the Company should consist of independent directors. In view of the above change introduced by SEBI, the Company will have to have at least 50% independent Directors. Steps are being taken to comply with the above change proposed by the SEBI.

Non-Executive Directors : Shri Lalit Kumar Daga (Chairman)  
Shri Sudhir Goel

Managing Director : Shri Shailesh Daga

Independent Directors : Shri Navin Shah  
Shri Sundeep Mohta

## ❖ Attendance of each Director at the Board meetings and last AGM

Director	No. of Board Meetings Held	Attended	Attended last AGM
Shri Lalit Kumar Daga	11	11	Yes
Shri Shailesh Daga	11	11	Yes
Shri Sudhir Goel	11	11	Yes
Shri Navin Shah	11	11	Yes
Shri Sundeep Mohta	11	11	No

\* Annual General Meeting (AGM) held on 1st September, 2007 at Maheshwari Pragati Mandal, 603, Jagannath Shankar Sheth Marg, Cheera Bazar, Marine Lines (East), Mumbai - 400 002.

## ❖ Number of other Board or Board Committees in which he is a Member or Chairperson

Director	No. of outside Directorship Held		No. of Committee Wherein membership	
	Public	Private	Public	Private
Shri Lalit Kumar Daga	9	17	1	Nil
Shri Shailesh Daga	3	20	Nil	Nil
Shri Sudhir Goel	1	4	3	Nil
Shri Navin Shah	4	-	2	Nil
Shri Sundeep Mohta	1	-	2	Nil

1. None of them hold directorship in foreign companies.

2. Only three committees viz. the Audit Committee, Shareholders/ Investor Grievance Committee & Share transfer committees are considered.

## ❖ Number of board meetings held, dates on which held and number of Directors presents

Date of Board Meeting	Board Strength	No. of Directors Present
04.04.2007	5	5
15.05.2007	5	5
05.06.2007	5	5
30.06.2007	5	5
31.07.2007	5	5
07.09.2007	5	5
05.10.2007	5	5
31.10.2007	5	5
31.12.2007	5	5
31.01.2008	5	5
03.03.2008	5	5

Details of sitting fees paid to Non-Executive and Independent Directors who attended the board meetings and their shareholdings in the Company

Directors	Sitting Fees Paid (Rs.)	No. of Shares Held
Shri Lalit Kumar Daga	8250	412500
Shri Sudhir Goel	8250	1000
Shri Navin Shah	8250	3000
Shri Sundeep Mohta	8250	Nil



## HIND ALUMINIUM INDUSTRIES LTD.

Apart from sitting fees that are paid to Non-Executive and Independent Directors for attending board / committee meetings, no other fees/ commission were paid during the year. The details of remuneration paid to Managing Director are as follows:

**A. Executive Director**

Managing Director	Relationship with other Director	Remuneration paid during 2007-2008			
		All elements of remuneration package i.e. salary, benefits, bonuses, pensions etc. (a)	Fixed component & performance linked incentives, Alongwith performance criteria (b)	Service contracts, notice period, severance Fee	Stock option Details, If any
Shri Shaillesh Daga	Son of Shri Lalit Kumar Daga (Chairman)	4,20,000/-	Nil	Nil	Nil

- a) The appointment is for a period of 5 years w.e.f. 30.06.2006. No severance fees is payable to Managing Director.  
b) The Company does not have any scheme for grant of stock options to its Director or Employees.

**AUDIT COMMITTEE**

Your Company has an Audit Committee. The composition, procedure, role/function of the committee comply with the requirements of the Companies Act, 1956 as well as in accordance with Clause 49 of the Listing Agreement.

- ❖ Composition of Committee, meetings held & attended and sitting fees paid  
During the year, Audit Committee met four times.

Name of Member	No. of Committee Meetings Held	Attended	Sitting Fees Paid (Rs.)
Shri Navin Shah - Chairman (Independent Director)	4	4	3000
Shri Sundeep Mohta (Independent Director)	4	4	3000
CA. Sudhir Goel (Non-Executive Director)	4	4	3000

**SHAREHOLDERS / INVESTOR GRIEVANCE COMMITTEE**

Your Company has a Shareholders/ Investor's Grievances Committee at the Board level under the Chairmanship of a Non-Executive Director.

The Committee meets to review the status of investor grievances and systems and procedures followed to track investor complaints and suggest measures for improvement from time to time. During the year the Committee met two times.

- ❖ Composition of Committee, meetings held, attended and sitting fees paid  
During the year, Shareholders/ Investor Grievance Committee met 2 times.

Name of Member	No. of Board Meetings Held	Attended	Sitting Fees Paid (Rs.)
CA. Sudhir Goel - Chairman (Non-Executive Director)	2	2	1500
Shri Navin Shah (Independent Director)	2	2	1500
Shri Sundeep Mohta (Independent Director)	2	2	1500

To expedite the Share transfer in physical segment, necessary authority has been delegated to a committee, which is authorised to transfer/transmission of shares. Details of the transfer/transmission are approved by the committee. Shri Deepak Chaturvedi has been appointed as Compliance Officer under Listing Clause 51 of the listing agreement.

Name and Designation of Compliance Officer: Shri Deepak Chaturvedi, Manager-Corporate under Listing Clause 51



- ❖ Details of complaints received, number of shares transferred during the year are furnished in the "Shareholder Information" section of this Annual Report.
- ❖ Location and time, where last 3 Annual General Meetings (AGMs) held

Year	Location	Date	Time
2007	Maheshwari Pragati Mandal, Mumbai - 400 002	1st September, 2007	10.30 a.m.
2006	Maheshwari Pragati Mandal, Mumbai - 400 002	19th August, 2006	10.30 a.m.
2005	Maheshwari Pragati Mandal, Mumbai - 400 002	23rd August, 2005	10.30 a.m.

Whether special resolutions passed in the previous 3 AGMs.

Yes, the following resolutions were passed as special resolutions:

At the AGM dated 19th August, 2006:

Re-appointment of Shri Shailesh Daga as Managing Director of the Company

At the AGM dated 1st September, 2007:

i. Fixing the borrowing limit of the Company upto Rs.300.00 Crores.

ii. Changed the name of Company from Associated Profiles & Aluminium Ltd. to Hind Aluminium Industries Ltd.

#### DISCLOSURES

Disclosures on materially significant related party transactions that may have potential conflict with the interest of the Company at large.

Particulars of related party transactions are listed out in Schedule N of the Balance Sheet forming part of the Annual Report.

#### Disclosure of accounting treatment

Your Company has followed all relevant Accounting Standards while preparing the financial statements.

#### Risk Management

The Audit Committee of the Board has periodically reviewed the procedures laid down by your Company for assessing and managing risks.

#### Procedure from public issue, right issue, preferential issue etc.

During the year, your Company did not raise any fund by way of public, right, preferential issue etc.

Details of non-compliance by the Company, penalties, strictures imposed on the Company by Bombay Stock Exchange or SEBI or any other statutory authority, on any matter relating to Capital market during the year;

There has been no instance of non-compliance by your Company on any matter related to capital market and hence no strictures/penalties have been imposed on your Company by Stock Exchange or SEBI or any other statutory authority.

#### Management

The Management Discussion and analysis form part of the Annual Report and is in accordance with the requirements laid down in Clause 49 of the Listing Agreement.

There are no material transactions with related parties that may have potential conflict with the interests of the Company. As per Accounting Standard 18, relevant disclosures are made in the financial statement for the year.

#### SHAREHOLDER INFORMATION

1. Annual General Meeting
 

Date and Time	: 30th August, 2008 at 11.00 a.m.
Venue	: 'Maheshwari Pragati Mandal-Mumbai' 1st Floor, Maheshwari Bhavan, 603, Jagannath Shankar Sheth Marg, Cheera Bazar, Marine Lines (E), Mumbai - 400 002.
2. Financial Calendar
 

Fin. reporting for the quarter ending Jun. 30, 2008	: End of July, 2008
Fin. reporting for the half year ending Sep.30, 2008	: End of October, 2008
Fin. reporting for the quarter ending Dec. 31, 2008	: End of January, 2009
Fin. reporting for the year ending Mar.31, 2009	: End of June, 2009
3. Dates of Book Closure
 

	: 28th August, 2008 to 30th August, 2008 (Both days inclusive)
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4. Dividend payment date
 

	: On or after 5th September, 2008
--	-----------------------------------
5. email address for Investor Grievances
 

	: hind@associatedgroup.com
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6. Registered Office
 

	: B-1, Tulsi Vihar, Dr.A.B. Road, Worli Naka, Mumbai - 400 018.
--	--
7. Listing Details & Stock Exchange's Script Code
 

	: Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 023. Script Code No.531979
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Note : Listing fees for the year 2008-2009 has been paid to the Stock Exchange.