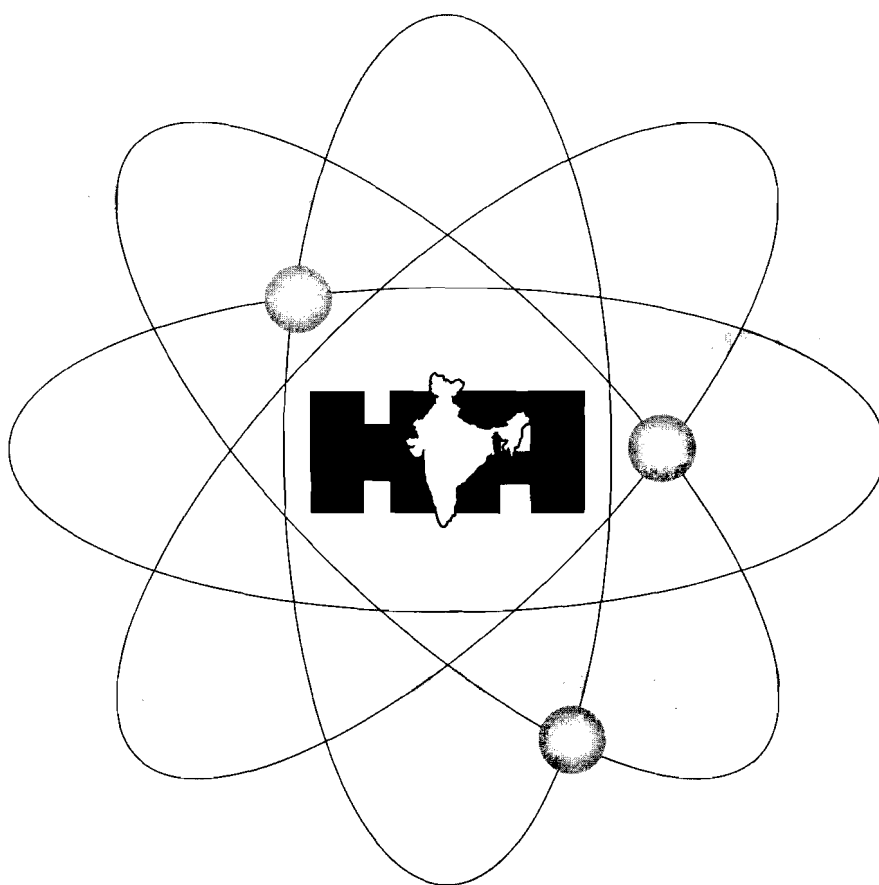


**HIND ALUMINIUM INDUSTRIES LTD.**



**ANNUAL REPORT 2010-2011**

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**ANNUAL REPORT 2010-2011**

**BOARD OF DIRECTORS**

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

Chairman  
Managing Director

**EXECUTIVES**

CA. K. Agarwal (Advisor –Wire Rod & Conductor Division)  
Shri A.S. Agarwal (Sr.General Manager-Marketing – Wire Rod Division))  
Shri Santosh L.Baghel (General Manager-Works-Wire Rod & Conductor Division)  
Shri Mahendra H Karia (General Manager-Commercial)  
Shri Mahendra Jain (General Manager-Accounts)

**AUDITORS**

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

**BANKERS**

ICICI Bank Ltd.  
Standard Chartered Bank  
State Bank of India

**REGISTERED OFFICE**

B-1, Tulsi Vihar, Dr. Annie Besant Road,  
Worli Naka, Mumbai-400 018.  
email : hind@associatedgroup.com

**PLANTS**

Aluminium Wire Rod & Conductor  
Survey No.1/2, Village Khutali, Khanvel-Doodhani Road,  
Village; 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: fvaz@computronicsindia.com

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## FINANCIAL HIGHLIGHTS

₹ in Crores

PARTICULARS	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
TOTAL INCOME	361.28	184.14	220.05	206.50	202.49	167.44
PBDIT	11.93	7.07	7.32	8.85	10.55	6.06
DEPRECIATION	2.70	2.64	2.54	1.12	1.12	0.43
PBIT	9.23	4.43	4.78	7.73	9.43	5.63
INTEREST	1.14	0.80	1.20	1.12	0.38	0.07
PBT	8.09	3.63	3.58	6.61	9.05	5.56
EQUITY DIVIDEND %	15	15	15	15	15	12
SHARE CAPITAL	6.30	5.00	5.00	5.00	5.00	5.00
RESERVE & SURPLUS	35.56	27.32	25.47	23.99	20.63	15.59
NET WORTH	41.86	32.32	30.47	28.99	25.63	20.59
NET FIXED ASSETS	22.19	22.85	23.92	24.65	18.92	9.09

**HIND ALUMINIUM INDUSTRIES LTD.**

**NOTICE OF THE ANNUAL GENERAL MEETING**

NOTICE is hereby given that the 24th 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 Thursday, the 11th August, 2011 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, 2011 and the Reports of the Directors' and Auditors' thereon.
2. To declare dividend on Equity Shares for the year ended 31st March, 2011.
3. To appoint a Director in place of Shri Navin Shah 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.

**SPECIAL BUSINESS:**

5. To consider and it thought fit, to pass the following Resolution which will be proposed as a Special Resolution:

RESOLVED that in accordance with the provisions of sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 (the act) read with Schedule XIII of the said Act, and subject to approval of members in the forthcoming General Meeting, the Company hereby approves the re-appointment of Shri Shailesh Daga as Managing Director of the Company for the period of 5 years with effect from 1st July, 2011, on the following remuneration (subject to maximum Rs.2,00,000/- per month):

- A) Period : From 1st July, 2011 to 30th June, 2016**  
**B) Salary : Up to Rs.2,00,000/- per month**

**C) Perquisites & Allowances:**

- (a) In addition to the salary & commission payable, the Managing Director shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance, together with reimbursement of expenses or allowance for utilities such as gas, electricity, water, furnishings and repairs, medical reimbursement, club fees and leave travel concession, for himself and his family, medical insurance or and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors.
- (b) Provision for use of the Company's car for official duties and telephone including cellular phone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites.
- (c) Company's contribution to Provident Fund and Superannuation or Annuity Fund, to the extent these either singly or together are not taxable under the Income-tax Act, gratuity payable at a rate not exceeding half a month salary for each completed year of service and encashment of leave at the end of the tenure, shall not be included in the computation of ceiling on remuneration specified paragraph 1 Section II of Part II of Schedule XIII of the Companies Act.

**D) Minimum Remuneration :**

In event of loss or inadequacy of profit in any year, the Managing Director shall be entitled to payment by way of salary (1) and perquisites and allowances (2) as specified above.

For and on behalf of the Board

**Lalit Kumar Daga**  
Chairman

Place : Mumbai  
Dated : 30th May, 2011

**NOTES FOR MEMBERS' ATTENTION**

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL 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 HOWEVER 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 10th August, 2011 to 11th August, 2011 (both days inclusive) for the purpose of Annual General Meeting & Dividend.
3. The dividend as recommended by the Board, if approved at the Annual General Meeting, will be paid on or after 16th August, 2011 to those Members or their mandates whose names are registered on the Company's Register of Members:
  - a) as Beneficial Owners as at the end of business on the 9th August, 2011 as per the list to be furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of the shares held in electronic form, and
  - b) as Member in the Register of Members of the Company after giving effect to all valid share transfer in physical form which are lodged with the Company or its Registrar & Share Transfer Agents (RTA) on or before 9th August, 2011.
4. Members are requested to make all correspondence in connection with shares held by them by addressing letters directly to the RTA or/and 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. Disclosure pursuant to Clause 49 of the Listing Agreement with respect to the Director seeking re-appointment at the forthcoming Annual General Meeting are as under:
 

**Re-appointment:**  
 Shri Navin Shah (70 years) is a Bachelor in Science (B.Sc.) from Kolkata University & Bachelor of Electrical Engineering (B.E.) from Jadavpur University and has over 43 years business experience. (Note: Pursuant to Clause 49 of the listing agreement, only Public Limited Companies directorship have been considered).
7. Pursuant Section 205A read with Section 205C of the Companies Act, 1956 as amended from time to time, the amount of dividend remains 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, 2004 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.

**ANNEXURE TO NOTICE****Explanatory statement under section 173(2) of the Companies Act, 1956**

At the meeting of the board of Directors held on 30th May, 2011, Shri Shailesh Daga has re-appointed as Managing Director of the Company for a further period of 5 years with effect from 1st July, 2011.

Shri Shailesh Daga (42 yrs) is a Commerce Graduate from Mumbai University and Master in Business Administration from Bond University, Australia. Under his leadership the Company has made rapid progress and therefore board of directors of the Company wishes to re-appoint him as Managing Director of the Company for a further period of 5 years w.e.f. 1st July, 2011 to 30th June, 2016..

The resolution & explanatory statement be treated as an abstract under section 302 of the Companies Act, 1956. No Director of the Company except Shri Shailesh Daga and Shri Lalit Kumar Daga (who is related to Shri Shailesh Daga) is/are concerned or interested in the resolution.

For and on behalf of the Board

**Lalit Kumar Daga**  
Chairman

Place : Mumbai  
Dated : 30th May, 2011

## HIND ALUMINIUM INDUSTRIES LTD.

### DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders,

Your Directors have pleasure in presenting the 24<sup>th</sup> Annual Report together with Audited Balance Sheet and Profit & Loss Account for the year ended 31st March, 2011. The highlights of the financial results are as under:

FINANCIAL RESULTS:	2010-2011 (₹. in Crores)	2009-2010 (₹. in Crores)
Total Income	361.28	184.14
Gross Profit	10.79	6.27
Less: Depreciation	2.70	2.64
Profit before tax	8.09	3.63
Tax expenses	3.03	0.89
Profit after tax	5.06	2.74
Add: Balance brought forward		
from previous year	25.62	24.01
Surplus available for appropriation	30.68	26.75
<b>Appropriation :</b>		
General Reserve	0.25	0.25
Dividend	0.94	0.75
Corporate tax on dividend	0.16	0.13
Balance transferred to Balance Sheet	29.33	25.62

### REVIEW OF OPERATIONS

During the year your Company has shown improved performance. Your Company's income has increased to Rs.361.28 Crores from Rs.184.14 crores in the previous year. This has been possible due to increased sale in the Conductor division of the Company. The total volume handled by the company has increased and this also led to an increase in the net profit to Rs.5.06 Crores as compared to Rs.2.74 Crores in the previous year.

### DIVIDEND

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

### WIRE RODS & CONDUCTORS

In the year gone by the Aluminium Division of the Company has shown an increase in its production from 25,232 MT in the previous year to 27,687 MT in the current year. This has primarily on account of increase in production of Conductors which has gone up from 6458 MT to 8554 MT. The capacity utilization of Conductor Plant is consistently going up and we hope in the current year we will see significant jump over the last year figures.

We are pleased to inform you that the Company has got itself registered with most Electricity Boards in the country. We have successfully supplied to a lot of them and are presently having good orders for supply of Aluminium Conductors. All these should contribute to an increase in the Aluminium Division's sales.

### MINING BUSINESS

In the year 2010-2011 the Company has shown an increase in trading of Bauxite and sold 41,950 MT Bauxite as compared to 15,424 MT in previous year. Due to dramatic fluctuation in the price of Iron Ore, the Company has restricted its exposure in this commodity during the year.

### 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 47,18,492 units of power were generated as compared to 56,61,920 units in the previous year and reduction in generation of power was due to low wind pattern in that area.

### ISO 9002

The Wire Rod as well as Conductor divisions of the Company are ISO 9001:2008 certified and the Company is committed to maintain and improve quality.

### ALLOTMENT OF EQUITY SHARES ON PREFERENTIAL BASIS

During the year 2010-2011, your Company has allotted 13,00,000 preferential equity shares of Rs.10/- each fully paid-up for cash at a premium of Rs.33/- per share aggregating Rs.5,59,00,000/- to non-promoter shareholders in compliance with the provisions of Section 81, 81(A) and other applicable provisions, if any of the Companies Act, 1956 and listing agreement entered into between the Company and Bombay Stock Exchange Ltd (BSE), the guidelines, regulations and clarifications issued by Security Exchange Board of India (SEBI).

In view of the same, the authorized share capital of the Company has increased from Rs.5,50,00,000/- to Rs.6,50,00,000/- and subsequently issued, subscribed & paid-up capital has also increased by Rs.1,30,00,000/- and now its became Rs.6,30,02,000/-.

### SUBSIDIARY COMPANIES

During the year Company has incorporated a subsidiary Company named 'Associated Industries Ltd. SFZ' in Sultanate of Oman for exploring the processing opportunities of mineral resources.

### 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

At the end of the year 2010-2011 the Company has no executive 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) 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, 2011 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.

Dated : 30th May, 2011

**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 up gradation, 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 could not export any material 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 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.

Dated : 30th May, 2011

## HIND ALUMINIUM INDUSTRIES LTD.

### 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 for the year ended 31st March, 2011 are as follows:

#### I. BOARD OF DIRECTORS

##### Composition of the Board :

- ❖ Your Company's Board comprise of 6 Directors, which include one Managing Director and three Independent Directors. The details of the Directors with regard to outside directorship and committee position are as follows:

Name of Directors	Executive / Non-Executive / Independent'	No. of outside Directorship held in		No. of out side committee position(s) held'	
		Ltd. Co.	Pvt. Ltd. Co.	Chairman	Member
Shri Lalit Kumar Daga	Chairman/Non-Executive Director	10	17	-	-
Shri Shailesh Daga	Managing Director	3	18	-	-
CA. Sudhir Goel	Non-Executive Director	1	4	-	-
Shri Navin Shah	Independent Director	2	-	-	-
Shri Sundeep Mohta	Independent Director	-	4	-	-
Shri Narayan Das Mundhra	Independent Director	-	-	-	-

1. Independent Director means a Director as defined under Clause 49 of the Listing Agreement.
2. Only two committees viz. the Audit Committee and the Shareholders / Investor Grievance Committee of all other public limited Companies are considered

- ❖ **Non-Executive Directors compensation and disclosure**

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. No transactions have been made with the Non-Executive and Independent Directors vis-à-vis your Company. The details of sitting fees paid to the Directors are given separately in this report.

- ❖ **Other provisions as to Board and Committees**  
During the year under review, the Board met 10 times. The number of Board meetings held, number of Directors present and details of sitting fees paid to non-executive & Independent Directors for board meetings are as follows:

Director	No. of Board Meetings held	No. of Board Meetings attended	Total sitting fees paid for board meeting ₹.	Attended last AGM
Shri Lalit Kumar Daga	10	10	7500/-	Yes
Shri Shailesh Daga	10	10	N.A.	Yes
CA. Sudhir Goel	10	10	7500/-	Yes
Shri Navin Shah	10	10	7500/-	Yes
Shri Sundeep Mohta	10	10	7500/-	Yes
Shri Narayan Das Mundhra	10	10	7500/-	Yes

The information placed before the Board includes :

- Annual operating plans, capital budgets thereof.
- Quarterly financial results
- Minutes of meetings of Audit Committee, Investors Grievance Committee and other committees of the Board.
- Information on recruitment and remuneration of senior officers just below the Board level.
- Materially important show cause, demand, prosecution and penalty notices.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any materially relevant default in financial obligations to and by the Company, or substantial non-payment
- Issue which involves possible public or product liability claims of a substantial nature.
- Significant development on the human resources and industrial relations front
- Quarterly details of foreign exchange exposure and steps taken by the management to limit the risk of adverse exchange rate movement.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in etc.



The Board of Directors of your Company is routinely presented with all information under the above heads whenever applicable and materially significant. These are submitted either as part of the agenda papers well in advance of the Board Meetings or are tabled in course of the Board meeting or are tabled before the appropriate committee of the Board.

❖ **Code of Conduct**

The Board of Directors has adopted Code of Conduct for all the board members and senior management of the Company and all the board members and senior management personnel have affirmed compliance with the Code of Conduct for the current year.

**II. AUDIT COMMITTEE**

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

❖ **Composition of Committee meeting's held & attended and sitting fees paid**  
During the year, Audit Committee met four times.

Name of Member	No. of Meetings Held	Attended	Sitting Fees Paid ₹
Shri Navin Shah – Chairman (Independent Director)	4	4	3000/-
Shri Sundeep Mohta (Independent Director)	4	4	3000/-
Shri Narayan Das Mundhra (Independent Director)	4	4	3000/-
CA. Sudhir Goel (Non Executive Director)	4	4	3000/-

Details of the Directors seeking re-appointment at the forthcoming Annual General Meeting are provided in the Notice convening the AGM.

**III. SUBSIDIARY COMPANY**

Associated Industries Ltd. SFZ' incorporated in Sultanate of Oman

**IV. 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 (16) 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 has raised fund of Rs.5.59 Crores by way of allotment of Equity shares on preferential basis.

**Remuneration of Directors**

No separate remuneration committee has been constituted. All decision relating to the remuneration of the Managing Director is taken by the Board in accordance with the approval received from the members of your Company.

**The details of remuneration paid to the Managing Director are as follows:**

Managing Director	Relationship with other Director	Remuneration paid during 2010-2011			
		All elements of remuneration package i.e. salary, benefits, bonuses, pensions etc. (a)	Fixed component & performance linked incentives, along with performance criteria (b)	Service contracts, notice period, severance Fee	Stock option Details, if any
Shri Shailesh Daga	Son of Shri Lalit Kumar Daga (Chairman)	8,40,000/-	Nil	Nil	Nil