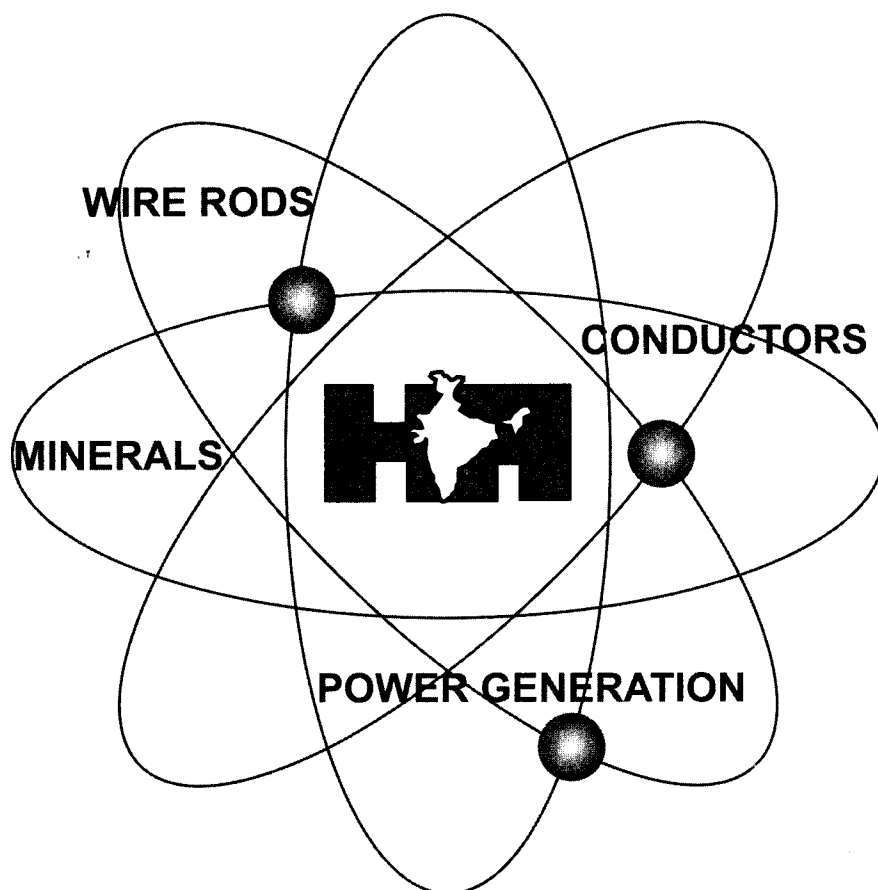


# **HIND ALUMINIUM INDUSTRIES LIMITED**



**ANNUAL REPORT 2011-2012**

**ANNUAL REPORT 2011-2012**

**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. Kailash Agarwal (Advisor –Wire Rod & Conductor Division)  
Shri Ashok 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-Finance)

**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.1/1 & 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	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
TOTAL INCOME	410.61	363.73	184.14	220.05	206.50	202.49	167.44
PBDIT	16.50	14.98	7.07	7.32	8.85	10.55	6.06
DEPRECIATION	2.94	2.70	2.64	2.54	1.12	1.12	0.43
PBIT	13.56	12.28	4.43	4.78	7.73	9.43	5.63
FINANCE COST /INTEREST	5.36	4.19	0.80	1.20	1.12	0.38	0.07
PBT	8.20	8.09	3.63	3.58	6.61	9.05	5.56
EQUITY DIVIDEND %	15	15	15	15	15	15	12
SHARE CAPITAL	6.30	6.30	5.00	5.00	5.00	5.00	5.00
RESERVE & SURPLUS	41.07	35.56	27.32	25.47	23.99	20.63	15.59
NET WORTH	47.37	41.86	32.32	30.47	28.99	25.63	20.59
NET FIXED ASSETS	21.48	22.19	22.85	23.92	24.65	18.92	9.09

**NOTICE OF THE ANNUAL GENERAL MEETING**

NOTICE is hereby given that the 25<sup>th</sup> Annual General Meeting of the members of Hind Aluminium Industries Ltd. will be held at "Maheshwari Pragati Mandal - Mumbai" 1<sup>st</sup> Floor, Maheshwari Bhavan, 603, Jagannath Shankar Sheth Marg, Cheera Bazar, Marine Lines (East), Mumbai - 400002 on Friday, the 31<sup>st</sup> August, 2012 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 31<sup>st</sup> March, 2012 and the Reports of the Directors' and Auditors' thereon.
2. To declare dividend on Equity Shares for the year ended 31<sup>st</sup> March, 2012.
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

**Lalit Kumar Daga**  
Chairman

Place : Mumbai

Dated : 8<sup>th</sup> June, 2012

**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 FORTYEIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

2. The Register of Members and Share Transfer Books of the Company will remain closed from 29<sup>th</sup> August, 2012 to 31<sup>st</sup> August, 2012 (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 5<sup>th</sup> September, 2012 to those Members or their mandates whose names are registered on the Company's Register of Members:
- as Beneficial Owners as at the end of business on the 28<sup>th</sup> August, 2012 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
  - 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 28<sup>th</sup> August, 2012.
4. Members are requested to make all correspondence in connection with shares held by them by addressing letters directly to the RTA or/and to 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 Sudhir Goel (63 years) is a qualified Chartered Accountant and has over 29 years of experience in the Aluminium Industries. He is a Director of this Company from the date of its incorporation. He is advising about financial affairs of the Company. He is the Director in Nirav Commercials Ltd., Daga Capital Management Pvt. Ltd., Hind Power Products Pvt. Ltd., Subh Mangal 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 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 31<sup>st</sup> March, 2005 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  
Dated : 8<sup>th</sup> June, 2012

**DIRECTORS' REPORT TO THE SHAREHOLDERS**

Dear Shareholders,

Your Directors have pleasure in presenting the 25<sup>th</sup> Annual Report together with Audited Balance Sheet and Profit & Loss Account for the year ended 31st March, 2012. The highlights of the financial results are as under:

<b>FINANCIAL RESULTS:</b>	<b>2011-2012</b>	<b>2010-2011</b>
	<b>(₹ in Crores)</b>	<b>(₹ in Crores)</b>
Total Revenue	<b>410.61</b>	363.73
Profit before Tax	<b>8.21</b>	8.09
Tax Expenses	<b>1.61</b>	3.03
Net Profit	<b>6.60</b>	5.06
Balance brought forward from previous year	<b>29.33</b>	<u>25.62</u>
Balance available for Appropriations	<b>35.93</b>	<u>30.68</u>
<b>Appropriations:</b>		
Proposed Dividend	<b>0.94</b>	0.94
Corporate tax on dividend	<b>0.15</b>	0.16
Transfer to General Reserve	<b>0.25</b>	0.25
Balance transferred to Balance Sheet	<b>34.59</b>	<u>29.33</u>
<b>Total</b>	<b>35.93</b>	<u>30.68</u>

**REVIEW OF OPERATIONS**

This year the Company has completed 25 years of its existence and during the last 25 years, the Company has shown a continued improvement in its performance.

During the year your Company has shown improved performance. Your Company's total revenue has increased to Rs.410.61 crores from Rs.363.73 crores in the previous year. The net profit has increased to Rs.6.60 crores as compared to Rs.5.06 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 as well as in sales. During the years total sale of its products has increased to Rs.402.13 crores as compared to Rs.355.45 crores in the previous year. This has primarily on account of increase in total revenue of Conductors which has gone up from Rs.104.75 crores to Rs.152.94 crores. The capacity utilization of Conductor Plant is consistently going up and we hope in the current year also we will see significant improvement over the last year.

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 the supply of Aluminium Conductors. All these should contribute to an increase in the Aluminium Division's sales.

**MINING BUSINESS**

The year 2011-2012 was not a good year for the mining business for the Company. Total traded quantity of Bauxite ore has reduced and its resulted in reduction in its total revenue to Rs.2.93 crores as compared to total revenue of Rs.3.85 crores in the previous year. Due to frequent changes in the Govt. policies, the Company has restricted its exposure in mineral business.

**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. Both WTG performance are good and its contributed Rs.2.23 crores in the total revenue of the Company as compared to Rs.1.90 crores in the previous year.

During the year a subsidiary Company named Hind Power Products Pvt. Ltd. has been incorporated under the Companies Act, 1956.

**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.

**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 2011-2012 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 31<sup>st</sup> March, 2012 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 : 8<sup>th</sup> June, 2012

**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 No.31.

For and on behalf of the Board

**Lalit Kumar Daga**  
Chairman

Place : Mumbai.  
Date : 8<sup>th</sup> June, 2012

## 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 31<sup>st</sup> March, 2012 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 Director	Category	No. of outside directorship held in		No. of outside committee position(s) held <sup>2</sup>	
		Public	Private	Chairman	Member
Shri Lalit Kumar Daga	Chairman/Non-Executive	10	19	-	-
Shri Shailesh Daga	Managing Director	3	19	-	-
C.A. Sudhir Goel	Non-Executive	1	5	-	-
Shri Navin Shah	Independent	1	-	-	-
Shri Sundeep Mohta	Independent	-	5	-	-
Shri Narayan Das Mundhra	Independent	-	-	-	-

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 by 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 8 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:

Directors	No. of Board Meeting held	No. of Board Meeting Attended	Total sitting fees paid for Board Meeting ₹	Attended last AGM
Shri Lalit Kumar Daga	8	8	6000/-	Yes
Shri Shailesh Daga	8	8	-	Yes
C.A. Sudhir Goel	8	8	6000/-	Yes
Shri Navin Shah	8	8	6000/-	Yes
Shri Sundeep Mohta	8	8	6000/-	Yes
Shri Narayan Das Mundhra	8	8	6000/-	No

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, meetings held & attended and sitting fees paid**

During the year, Audit Committee met four times.

Name of Member	No. of Meeting held	No. of Meeting 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**

1. Hind Power Products Pvt. Ltd., incorporated under the Companies Act, 1956

**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 Note No. 27 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.

**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 the Company.

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

Managing Director	Relationship with Director	Remuneration paid during 2011-2012			
		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)	9,60,000/-	Nil	Nil	Nil

# HIND ALUMINIUM INDUSTRIES LTD.

- a) The board has re-appointed Shri Shailesh Daga as Managing Director of the Company for a further period of 5 years w.e.f. 01.07.2011 in their meeting held on 30.05.2011 and members of the Company has approved his re-appointment at their general meeting held on 11.08.2011.
- b) The Company does not have any scheme for grant of stock options to its Directors or Employees.

## 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.

## Shareholders Grievance Committee

Your Company has a Shareholders/Investors 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.

During the year, Shareholders/ Investor Grievance Committee met 2 times i.e. on 13th September, 2011 and 22nd March, 2012. The composition and sitting fees paid are as follows:

Name of Member	No. of Meeting held	No. of Meeting Attended	Sitting Fees Paid ₹
CA. Sudhir Goel - Chairman (Non-Executive Director)	2	2	1500/-
Shri Navin Shah (Independent Director)	2	2	1500/-
Shri Sundeep Mohhta (Independent Director)	2	2	1500/-
Shri Narayan Das Mundhra (Independent Director)	2	2	1500/-

To expedite the Share transfer in physical segment, necessary authority has been delegated by your Board of Directors of your Company to approve transfer/transmission of shares. Details of the transfer/transmission approved by the committee placed before the Board.

## Code of Conduct for Board Members

Pursuant to Clause 49 of Listing Agreement with the Bombay Stock Exchange Ltd., the Board Members of the Company have affirmed compliance with the Code of Conduct for the year ended 31st March, 2012.

## V. CEO/ CFO CERTIFICATION

A certificate from the Managing Director on the Financial Statements of the Company in terms of Clause 49 of Listing Agreement was placed before the Board, who took the same on record.

## VI. REPORT ON CORPORATE GOVERNANCE

The Corporate Governance Report forms part of the Annual Report. Your Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement.

## VII. COMPLIANCES

Certificate from the Statutory Auditors confirming compliance with all the conditions of corporate governance as stipulated in Clause 49 of the Listing Agreement is annexed to the Report and form part of the Annual Report.

## VIII. GENERAL BODY MEETINGS

Location and time, where last 3 Annual General Meetings held

Year	Location	Date	Time
2011	Maheshwari Pragati Mandal, Mumbai – 400 002	11 <sup>th</sup> August, 2011	11.00 a.m.
2010	Maheshwari Pragati Mandal, Mumbai – 400 002	5 <sup>th</sup> August, 2010	11.00 a.m.
2009	Maheshwari Pragati Mandal, Mumbai – 400 002	29 <sup>th</sup> August, 2009	10.30 a.m.

Whether special resolutions passed in the previous 3 AGMs. – Yes, in AGM dated 11.08.2011 a special resolution was passed in respect of re-appointment of Managing Director for the further period of 5 years.

## IX. MEANS OF COMMUNICATION

The quarterly, half yearly and annual results are published in daily English news paper "The Free Press Journal" and Marathi daily news paper "Navshakti" in its Mumbai editions.