

# **ANNUAL REPORT**

**FOR THE YEAR ENDED 31<sup>ST</sup> March 2009**



**HINDUSTAN WIRES LIMITED**

## HINDUSTAN WIRES LIMITED

### BOARD OF DIRECTORS

Shri U.S. Bhartia

Shri G.R. Goenka

Shri K.M. Lal

Shri R.K. Gupta, Executive Director

### BANKERS

State Bank of India

### AUDITORS

Messrs. K.N. Gutgutia & Co.

### REGISTERED OFFICE

3A, 5<sup>th</sup> Floor, Shakespeare Sarani  
Kolkata – 700 071

### FACTORY:

Plot No.267, Sector – 24, Faridabad  
(Haryana) – 121 005

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**HINDUSTAN WIRES LIMITED****NOTICE**

NOTICE is hereby given that the Forty ninth Annual General Meeting of the Members of the Company will be held at the Auditorium of Bharatiya Bhasha Parishad at 36A, Shakespeare Sarani, Kolkata 700017 on Friday the 4<sup>th</sup> September 2009 at 11.00 AM to transact the following business :

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31<sup>st</sup> March, 2009 and Balance Sheet as at 31<sup>st</sup> March, 2009 and the Reports of the Directors and the Auditors thereon.
2. To appoint a director in place of Shri U.S. Bhartia who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors of the Company to hold office from the conclusion of this meeting until conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration. M/s. K.N. Gutgutia & Co., Chartered Accountants, the retiring auditors are eligible for re-appointment.

**By Order of the Board of Directors**

Regd. Office:  
3A, 5<sup>th</sup> Floor Shakespeare Sarani, Kolkata - 71  
The 29<sup>th</sup> May, 2009.

(G.R.Goenka)  
Director

**NOTES:**

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 proxy need not be a member of the Company. Proxies should be received by the Company not less than 48 hours before the meeting.
2. The Register of members and the transfer books of the Company will remain closed from 2<sup>nd</sup> September, 2009 to 4<sup>th</sup> September 2009 (both days inclusive).

**Details of Director seeking re-appointment at the forthcoming Annual General Meeting**

Name of the Director	Shri U.S.Bhartia
Date of Birth	13 <sup>th</sup> December 1953
Date of Appointment	28 <sup>th</sup> September 1981
Expertise in specific functional area	He is one of the promoter and has diverse and extensive experience of over 28 years in management of different industries.
Qualification	B.Com
Shareholding in HWL	84631 equity shares
Directorship in other Public Limited Companies	a) India Glycols Ltd., b) Kashipur Holdings Ltd., c) IGL Finance Limited, d) Polylink Polymers (India) Ltd. e) Shakumbhari Sugar & Allied Industries Ltd.
Chairman/Member of the Committees of the Board of the Public Limited Companies on which he is a Director	Audit Committee & Remuneration Committee of Hindustan Wires Ltd. Audit committee, Remuneration Committee & Shareholders grievance Committee of Polylink Polymers (India) Ltd. Investor Grievance Committee of India Glycols Ltd.

Regd. Office  
3A, 5<sup>th</sup> Floor, Shakespeare Sarani,  
Kolkata - 71  
The 29<sup>th</sup> May, 2009

**By order of the Board of Directors**

(G.R.Goenka)  
Director

**HINDUSTAN WIRES LIMITED****DIRECTORS' REPORT****TO THE SHAREHOLDERS**

Your Directors present their Annual Report together with Audited Accounts of the Company for the year ended on 31<sup>st</sup> March, 2009

**FINANCIAL RESULTS**

The Results are summarised below:

	(Rs. in Lacs)	
	Year ended on <u>31.03.2009</u>	Year ended on <u>31.03.2008</u>
Sales (Net of excise duty)	338.88	176.12
Other income & Liabilities & provisions no longer required written back	52.23	236.07
Expenses	370.91	383.55
Interest	0.89	0.81
Profit/(Loss) before Depreciation & Tax	19.31	27.83
Depreciation	9.94	7.76
Provision for fringe benefit Tax	0.72	0.81
Provision for income tax (MAT)	0.96	2.07
Net Profit after tax	7.69	17.19
Less : Deferred Tax Assets adjusted	50.00	--
Net Profit/(Loss) Carried to Balance Sheet	(42.31)	17.19

**OPERATIONS & GENERAL REVIEW**

During the year, the Company continued its activities in manufacturing and trading of Industrial Gases. The sales for the current year was Rs. 338.88 Lacs as against sales of Rs. 176.12 Lacs in the previous year. The Company expects to further improve its performance in the current year.

**REHABILITATION SCHEME**

The net worth of the Company became positive in November 2006 and thereafter the Company applied to BIFR for de-registration of the Company from the purview of Sick Industrial Companies (Special Provisions) (SICA) Act, 1985. However, the decision of the BIFR in this matter is still awaited.

**DIVIDEND**

In view of accumulated losses, your Directors are not in a position to recommend any dividend for the year ended 31<sup>st</sup> March, 2009.

**PUBLIC DEPOSITS**

At the end of the year, there were no outstanding Public Fixed deposits.

**HINDUSTAN WIRES LIMITED****DIRECTORS**

Shri U S Bhartia a director of the Company retires by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for re-appointment.

During the year, Shri B. Rai a director on the board of your Company expired on 16.10.2008. Your directors wish to place on record their appreciation of the valuable contributions made by him during his association with the company for more than a decade.

**DIRECTORS' RESPONSIBILITY STATEMENT**

That in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.

That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of that year.

That the Directors have taken proper and sufficient care 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.

That the Directors have got prepared the annual accounts on a going concern basis.

**MANAGEMENT DISCUSSIONS AND ANALYSIS****Financial Performance**

During the year the Company continued its activities in manufacturing and trading of Industrial Gases. The turnover for the year is Rs. 338.88 lacs and the income from services is Rs. 52.23 lacs. The net profit after tax from the operations of the current year is Rs.7.69 lacs. However after adjustment of deferred tax assets amounting to Rs. 50.00 lacs the net loss carried to Balance Sheet is Rs. 42.31 lacs

**Business/ Industry Outlook**

There is a good demand of Industrial Gases in and around Faridabad and hence the Company expects to improve its performance in this area in the coming years. The Company also expects to continue to generate income from its industrial sheds by providing warehousing and storage services.

**Internal Control System**

The internal audit of the Company is periodically conducted by a firm of Chartered Accountants and the Audit Committee reviews the reports and internal control systems.

**Human Resource**

The Company considers the quality of its human resources to be an important asset.

**HINDUSTAN WIRES LIMITED****CORPORATE GOVERNANCE**

A separate report on Corporate Governance is annexed. Auditors' certificate on compliance of conditions of the Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges is also annexed.

**PARTICULARS OF EMPLOYEES**

None of the Company's employees has drawn salary more than Rs. 24 Lacs per annum, if employed throughout the year and more than Rs. two Lacs per month if employed for part of the year. Hence, information required under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees)(Amendment) Rules, 2000 is not applicable to your Company.

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

The information required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is annexed hereto and forms part of this Report.

**AUDITORS' REPORT**

The Notes referred to in the Auditors' Report are self-explanatory and it is also clarified in Schedule K of Notes to Accounts.

**AUDITORS**

K.N. Gutgutia & Co., Chartered Accountants, Auditors of the Company retires at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

**ACKNOWLEDGEMENTS**

Your Directors place on record their appreciation for the assistance and Co-operation received from Share holders and other business associates and look forward to their continued support.

Your Directors also wish to place on record their appreciation for the devoted services of the employees of the Company.

**For and on behalf of the Board of Directors**

Place: New Delhi  
The 29<sup>th</sup> May 2009

R.K.Gupta  
Executive Director

G.R..Goenka  
Director

**HINDUSTAN WIRES LIMITED****ANNEXURE TO THE DIRECTORS' REPORT**

Information as per Section 217(1)(e) read with Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended on 31<sup>st</sup> March, 2009

**ENERGY CONSERVATION**

- (a) The following energy conservation measures were practised during the year wherever required.
- (i) Shutting down all electrical machineries and appliances when not in use to avoid unnecessary waste of energy.
  - (ii) Putting up of CFL lamps in place of conventional bulbs and tubes.
  - (iii) Providing automatic shut off twilight switch for lighting in and around factory premises and use of more transparent sheets for daytime lighting.
  - (iv) Providing soft starters at electrical control panels which give a saving in power consumption.
- (b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:  
No investment is proposed since the consumption of Energy is not significant.
- (c) Impact of (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods :  
It has resulted in awareness at all levels to use the energy with best possible manner and reduce the wastage during the year when the load is not required.
- (d) Total energy consumption and energy consumption per unit of production as per Form A in respect of industries specified in the schedule thereto: This is not applicable in case of your Company.

**TECHNOLOGY ABSORPTION**

Efforts made in technology absorption:-

- (i) Research and Development  
No specific research and development work was taken up.
- (ii) Technology absorption, Adaptation and Innovation  
Particulars of technologies imported during the last 5 years: NIL

**FOREIGN EXCHANGE EARNINGS & OUTGO**

During the year, the Company's export earnings are NIL. The total foreign exchange earned/utilised – Nil.

**For and on behalf of the Board of Directors**

Place : New Delhi  
The 29<sup>th</sup> May 2009

R. K. Gupta  
Executive Director.

G.R.Goenka  
Director

## HINDUSTAN WIRES LIMITED

### REPORT ON CORPORATE GOVERNANCE

#### COMPANY'S PHILOSOPHY

Your Company believes in good Corporate practices. Most of the provisions of the Corporate Governance code prescribed by the Companies Act and Listing Agreement have been complied with.

#### BOARD OF DIRECTORS

##### COMPOSITION OF THE BOARD

The Board of Directors consists of four directors. The present composition and category of the Directors is as follows:

Name	Category
Shri U.S. Bhartia	Non-independent - Promoter - Non Executive Director
Shri G.R. Goenka	Independent - Non Executive Director
Shri K.M. Lal	Independent - Non Executive Director
Shri R.K. Gupta	Independent - Executive Director

##### NO. OF BOARD MEETINGS

During the year ended 31<sup>st</sup> March, 2009, four Board Meetings were held. These were on 30<sup>th</sup> May 2008, 29<sup>th</sup> July, 25<sup>th</sup> October and 30<sup>th</sup> January 2009.

The attendance of each Director on Board Meetings & Last Annual General Meeting (AGM) and number of other Directorship and Membership/Chairmanship of Committee are as follows :

Name of the Director	Attendance Particulars		No of Directorship and Committee Membership/Chairmanship in other Companies		
	Board Meetings	Last AGM	Other Directorship		Committee Chairmanships
Shri U.S. Bhartia	4	No	5	7	NIL
Shri G.R. Goenka	3	Yes	1	1	NIL
Shri K.M. Lal	4	No	6		-
Shri B. Rai	-	-	-		-
Shri R.K. Gupta	4	Yes	NIL	NIL	NIL

During the year Mr. B. Rai who was a Director on the board expired on 16-10-2008.

#### AUDIT COMMITTEE

Audit Committee consists of three non – executive directors viz. Shri K M Lal, Shri U.S. Bhartia, and Shri G R Goenka. Out of these three directors, Shri K M Lal who is also the Chairman of the Audit Committee and Shri G R Goenka are independent Directors

The broad terms of reference of the Audit Committee is to review quarterly and annual results of the Company and to review the internal control system and scope of audit, observations of the auditors and other related matters as mentioned in clause 49 of the Listing Agreement and in Section 292 A of the Companies Act, 1956.

During the year the Audit Committee met four times on 30<sup>th</sup> May 2008, 29<sup>th</sup> July, 25<sup>th</sup> October and 30<sup>th</sup> January 2009.

During the year Mr. B. Rai who was the Chairman of the Audit Committee expired on 16-10-2008 and in his place Mr. K.M. Lal was appointed as Chairman of the Audit Committee. The attendance record of the members at the meetings were as follows:

Name of Director	Status	No. of meeting attended
Shri K.M. Lal	Chairman	4
Shri B. Rai	-	-
Shri U.S. Bhartia	Member	4
Shri G.R. Goenka	Member	1

These meetings were also attended by the Statutory Auditors of the Company.

## HINDUSTAN WIRES LIMITED

### REMUNERATION COMMITTEE AND DIRECTORS REMUNERATION

During the year, the re-appointment of Shri R.K. Gupta as whole time director to be designated as Executive director of the company was approved by share holders in the Annual General meeting.

During the year the Executive Director, Shri R.K. Gupta was paid remuneration including salary, HRA, Contribution to Provident Fund and perquisites amounting to Rs. 21.45 lacs

### NON EXECUTIVE DIRECTORS

The remuneration paid to non-executive directors for the financial year ended 31.3.2009 consist only the payment of sitting fees for attending the Board and Committee meetings. The details of such payments are as under :

Shri U.S. Bhartia	Rs. 40,000
Shri G.R. Goenka	Rs. 20,000
Shri K M Lal	Rs. 40,000

The Number of shares held by non executive Directors are (a) Mr. U S Bhartia 84,631 (b) Mr. G R Goenka 1024 (c) Mr. K M Lal 60.

### DISCLOSURES

The particulars of transactions between the Company and its related parties as per accounting standard 18 "Related Parties Disclosures" issued by the Institute of Chartered Accountants of India (ICAI) are set out in schedule 'K' of Notes on Accounts of the Annual Report. However, these transactions are not likely to have any potential conflict with the interest of the Company at large.

The Company has complied except to the extent mentioned in this report elsewhere with all the requirements of Listing Agreements with the Stock Exchanges as well as Regulations and guidelines prescribed by SEBI. The Bombay Stock Exchange continued to keep the script of the Company under suspension for trading. However, the Company is making necessary efforts to get the suspension revoked. There were no penalties or strictures imposed on the Company by any statutory authority for non-compliance or in any matter related to Capital market during the last three years.

The Company has complied with all the mandatory requirements of clause 49 of the listing agreement except to the extent mentioned in this report elsewhere relating to corporate governance.

### CODE OF CONDUCT

The Board of Directors has adopted the code of Business Conduct and Ethics for Directors and Senior Management. The said code has been communicated to the Directors and the members of the Senior Management.

### CEO/CFO CERTIFICATION

CEO & CFO has given necessary certificate as required under clause 49 of the listing agreement.

### SHAREHOLDERS/INVESTORS GRIEVANCES COMMITTEE

The committee comprises of two directors i.e. Shri G.R. Goenka as chairman and Shri R.K. Gupta to look after the redressal of share holders and investors complaints. To expedite the process of share transfer the Board has delegated the power of share transfer to a Share Transfer Committee consisting of Shri G.R. Goenka and Shri S.K.Sharma (Manager Accounts). During the year Company has received one complaint and the same was resolved and no complaint was pending as on 31<sup>st</sup> March 2009.

### MEANS OF COMMUNICATION

The quarterly, half yearly and the Annual audited financial results of the Company are sent to Stock Exchanges immediately they are approved by the Board. The results are published in one National daily and one local language news papers in accordance with the guidelines of Stock Exchanges.

### SHARE TRANSFERS

The shares of the Company are kept in physical form and all share transfers are handled by our Registered Office located at 3A, 5<sup>th</sup> floor Shakespeare Sarani, Kolkata – 700071. Since the BSE has kept the script of the company under suspension, the process of dematerialization of the script of the company could not be completed.