

ANNUAL REPORT

FOR THE YEAR ENDED 31ST March 2011

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
Punjab National Bank
Axis Bank Ltd.
HSBC Ltd

AUDITORS

Messrs. K.N. Gutgutia & Co.
11 K Gopala Tower
25, Rajendra Place
New Delhi - 110008

REGISTERED OFFICE

3A, 5th 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 51st Annual General Meeting of the Members of the Company will be held at the Auditorium of Gyan Manch, 11 Pretoria Street, Kolkata-700071 on Tuesday the 20th September 2011 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 31st March, 2011 and Balance Sheet as at 31st March, 2011 and the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri K.M. Lal 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, 5th Floor Shakespeare Sarani, Kolkata - 71
The 25th May, 2011.

(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 17th September 2011 to 20th September 2011 (both days inclusive).

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

Name of the Director	Shri K.M. Lal
Date of Birth	22 June 1940
Date of Appointment	07 th September 2005
Expertise in specific functional area	He is a retired IAS officer and has more than 40 years of experience in the field of finance and Administration in various departments of Govt. of India. He was the Financial advisor to Govt. of India for eight years.
Qualification	M.Sc. (Chemistry) & IAS
Shareholding in HWL	60
Directorship in other Public Limited Companies	Panacea Blotech Ltd, Srei Capital Ltd. Polylink Polymers (I) Ltd, Gem Sugar Ltd, Gem Spinners Ltd & Ram Sarup Industries Ltd.
Chairman/Member of the Committees of the Board of the Public Limited Companies on which he is a Director	Member Audit Committee of Srei Capital Ltd, Polylink Polymers (I) Ltd, Gem Sugar Ltd, Gem Spinners Ltd.

Regd. Office
3A, 5th Floor, Shakespeare Sarani,
Kolkata - 71
The 25th May, 2011

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 31st March, 2011

FINANCIAL RESULTS

The Results are summarised below:

	Year ended on <u>31.03.2011</u>	(Rs. in Lacs) Year ended on <u>31.03.2010</u>
Gross Sales (excluding excise duty)	482.04	427.76
Other income & Liabilities & provisions no longer required written back	111.00	88.83
Expenses	470.64	487.67
Interest	0.77	0.77
Profit/(Loss) before Depreciation & Tax	121.63	28.15
Depreciation	19.23	11.17
Provision for income tax (MAT)	-	2.84
Income tax of earlier years	-	1.73
Excess provision of Income Tax of earlier years written back	(5.87)	-
Net Profit after tax	108.27	12.41
Less : Deferred tax assets adjusted	50.00	-
Net Profit/(Loss) Carried to Balance Sheet	58.27	12.41

OPERATIONS & GENERAL REVIEW

During the year, the Company continued its activities in manufacturing and trading of Industrial Gases. The sales for the current year were Rs.482.04 Lacs as against sales of Rs. 427.76 Lacs in the previous year. The Company expects to further improve its performance in the current year.

REHABILITATION SCHEME

The Company applied to BIFR after its net worth became positive 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 awaited.

DIVIDEND

In view of accumulated losses, your Directors are not in a position to recommend any dividend for the year ended 31st March, 2011.

PUBLIC DEPOSITS

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

HINDUSTAN WIRES LIMITED

DIRECTORS

Shri K.M. Lal a Director of the Company retires by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for re-appointment.

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. 482.04 lacs and the other income including liabilities and provisions written back is Rs. 111.00 lacs. The net profit after tax is Rs. 108.27 lacs. However after adjustment of deferred tax assets amounting to Rs. 50.00 Lacs the net profit carried to balance sheet is Rs. 58.27 Lacs. The net accumulated loss at the year end is Rs. 1169.73 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 factory 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.

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.

HINDUSTAN WIRES LIMITED

PARTICULARS OF EMPLOYEES

The information required under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees)(Amendment) Rules, 2000 is given hereunder:-

Employed for full year:-

Name	Age (Yrs)	Designation	Remuneration	Qualification	Experience (Yrs)	Date of Appointment	Previous employment
R.K. Gupta	56	Executive Director	27.34 Lacs	B.Com & ACA	32	02-11-1983	Rajasthan Spinning & Weaving Mills Ltd

(See note No. B (9) in schedule K Notes to Account)

Employed for Part of the year:- Nil

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, Statutory 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: Noida
Date : 25th May 2011

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 31st March, 2011

ENERGY CONSERVATION

- (a) The following energy conservation measures were practised during the year wherever required.
- (i) Putting up of CFL lamps in place of conventional bulbs and tubes.
 - (ii) Providing automatic shut off twilight switch for lighting in and around factory premises and use of more transparent sheets for daytime lighting.
 - (iii) Providing soft starters at electrical control panels which give a saving in power consumption.
 - (iv) Shutting down all electrical machineries and appliances when not in use to avoid unnecessary waste of energy.
- (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 : Noida
Date : 25th May 2011

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, 1956 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 31st March, 2011, four Board Meetings were held. These were on 29th May 2010, 10th August 2010, 12th November 2010 and 11th February 2011.

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 Memberships	Committee Chairmanships
Shri U.S. Bhartia	4	No	5	5	NIL
Shri G.R. Goenka	4	Yes	2	1	NIL
Shri K.M. Lal	4	No	6	4	NIL
Shri R.K. Gupta	4	Yes	NIL	NIL	NIL

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 29th May 2010, 10th August 2010, 12th November 2010 and 11th February 2011.

The attendance records of the members at the meetings were as follows:

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

These meetings were also attended by the Statutory and internal auditors of the Company.