

# **ANNUAL REPORT**

**FOR THE YEAR ENDED 31<sup>ST</sup> March 2012**

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

### FACTORY:

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

CONTENTS	PAGES
Index	1
Notice	2
Directors' Report	3 - 5
Annexure to the Directors' Report	- 6
Corporate Governance	7 - 11
Auditors' Report	12 - 14
Balance Sheet	15
Statement of Profit and Loss	16
Notes to Accounts	17 - 25
Cash Flow Statement	26

# HINDUSTAN WIRES LIMITED

## NOTICE

NOTICE is hereby given that the 52<sup>nd</sup> 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 7<sup>th</sup> September 2012 at 11.00 AM to transact the following business :

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited statement of Profit & Loss for the year ended 31st March, 2012 and Balance Sheet as at 31st March, 2012 and the Report 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 25<sup>th</sup> June, 2012.

(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 5<sup>th</sup> September 2012 to -7<sup>th</sup> September 2012 (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 30 years in management of different industries.
Qualification	B.Com
Shareholding in HWL	186402 Equity Shares
Directorship in other Public Limited Companies	India Glycols Ltd., Kashipur Holdings Ltd., IGL Finance Limited., Polylink Polymers (India) Ltd., Shakumbhari Sugar & Allied Industries Ltd.
Chairman/Member of the Committees of the Board of the Public Limited Companies on which he is a Director	Member - Audit Committee & Remuneration Committee of Hindustan Wires Ltd. Member - Audit Committee, Remuneration Committee & Shareholders Grievance Committee of Polylink Polymers (India) Ltd. Member - Investor Grievance Committee of India Glycols Ltd.

**By Order of the Board of Directors**

### Regd. Office:

3A, 5<sup>th</sup> Floor Shakespeare Sarani,  
Kolkata - 71  
The 25<sup>th</sup> June, 2012.

(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, 2012

### FINANCIAL RESULTS

The Results are summarised below:

	(Rs. in Lacs)	
	Year ended on 31.03.2012	Year ended on 31.03.2011
Revenue from Operations (excluding excise duty)	490.96	498.73
Other income & provisions no longer required written back	12.67	94.31
Expenses	466.22	471.41
Profit/(Loss) before Depreciation & Tax	37.41	121.63
Depreciation	35.95	19.23
Provision for income tax (MAT)	-	-
Excess provision of Income Tax of earlier years written back	-	(5.87)
Net Profit after tax	1.46	108.27
Less : Deferred tax assets adjusted	50.00	50.00
Net Profit/(Loss) Carried to Balance Sheet	(48.54)	58.27

### OPERATIONS & GENERAL REVIEW

During the year, the Company continued its activities in manufacturing, trading and transportation of Industrial Gases. The revenue from operations for the current year were Rs. 490.96 Lacs as against revenue of Rs. 498.73 Lacs in the previous year. The sales decreased as compared to previous year due to increased competition in the market. However the Company expects to improve its performance in the current year.

### REGISTRATION WITH BIFR

The Company is registered with BIFR as a Sick Industrial Company under the provisions of the Sick Industrial Companies (Special Provisions) (SICA) Act, 1985.

### DIVIDEND

In view of accumulated losses, your Directors are not in a position to recommend any dividend for the year ended 31st March, 2012.

### PUBLIC DEPOSITS

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

### 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.

# HINDUSTAN WIRES LIMITED

## 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 revenue from operations for the year is Rs. 490.96 lacs and the other income including liabilities and provisions written back is Rs. 12.67 lacs. The net profit after tax is Rs. 1.46 lacs. However after adjustment of deferred tax assets amounting to Rs. 50.00 Lacs the net loss carried to balance sheet is Rs.48.54 Lacs. The net accumulated loss at the year end is Rs. 1218.27 lacs.

### Business/ Industry Outlook

There is a good demand of Industrial Gases in and around Faridabad, but the competition has also increased in the market. However the Company expects to improve its performance in the coming years. The Company is also trying to generate income from its vacant factory sheds by grant of lease for warehousing.

### 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.

## PARTICULARS OF EMPLOYEES

None of the Company's employees has drawn salary more than Rs. 60 Lacs per Annum, if employed throughout the year and more than Rs Five 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) Rules, 1975 as amended 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.

# **HINDUSTAN WIRES LIMITED**

## **AUDITORS' REPORT**

The Notes referred to in the Auditors' Report are self-explanatory and it is also clarified in Note No. 26 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 : 25<sup>th</sup> June, 2012

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, 2012

### 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 : 25<sup>th</sup> June, 2012

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, 2012, four Board Meetings were held. These were on 25<sup>th</sup> May 2011, 2<sup>nd</sup> August 2011, 11<sup>th</sup> November 2011 and 7<sup>th</sup> February 2012.

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	3	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 292A of the Companies Act, 1956.

During the year the Audit Committee met four times on 25<sup>th</sup> May 2011, 2<sup>nd</sup> August 2011, 11<sup>th</sup> November 2011 and 7<sup>th</sup> February 2012.

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	3

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



# HINDUSTAN WIRES LIMITED

## REMUNERATION COMMITTEE AND DIRECTORS REMUNERATION

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. 30.14 lacs

### NON EXECUTIVE DIRECTORS

The non-executive directors are entitled to sitting fees which is paid in accordance with Companies Act, 1956 and non-executive directors have no other pecuniary relationship with the Company. The details of payments of sitting fees for attending board and committee meetings are as under :

Shri U.S. Bhartia	Rs. 42,000
Shri G.R. Goenka	Rs. 32,000
Shri K M Lal	Rs. 42,000

The Number of shares held by non executive Directors are (a) Mr. U S Bhartia 1,86,402 (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 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 not received any complaint and no complaint was pending as on 31<sup>st</sup> March 2012.

## 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. The annual report of the company is also sent to members at their registered addresses. In many cases postal communication to share holders are returned undelivered. As such share holders are requested to promptly intimate any change in their addresses to the Registered office of the Company.