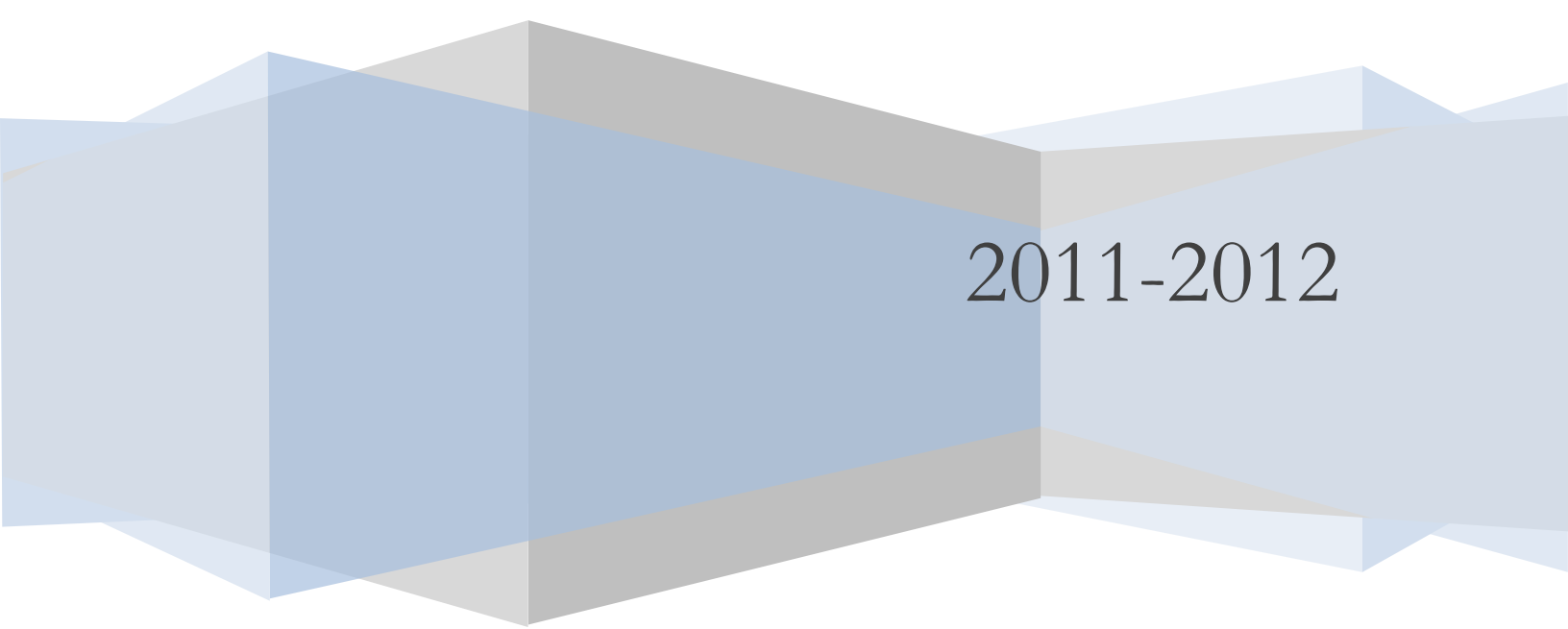


# Hindusthan Safety Glass Industries Ltd.

## Annual Report

2011-2012



## Corporate Information

### **BOARD OF DIRECTORS**

Pankaj Bubna  
Executive Director

Shyama Charan Kumar  
Independent Director

Vikram Agrawal  
Independent Director

### **Company Secretary and Compliance Officer**

Ms. Anita Sharma

### **AUDITORS**

M/s. Surana Singh Rath & Co.  
Chartered Accountants  
15/A, Laxmi Narayan Mukherjee  
Road  
Kolkata- 700 006

### **BANKERS**

UCO Bank

### **REGISTERED OFFICE**

158, Lenin Sarani, 3rd Floor,  
Kolkata, West Bengal-700 013

### **REGISTRAR & SHARE TRANSFER AGENT**

Maheshwari Datamatics Pvt Ltd,  
6, Mangoe Lane, 2nd Floor  
Kolkata - 700 001  
Ph. No. 033 22435029 / 22482248  
Fax: 033 22484787  
Email-id: [info@mdpl.in](mailto:info@mdpl.in)  
Website : [www.mdpl.in](http://www.mdpl.in)

Contents	Page Number
1. Corporate Information	2
2. Notice	4-5
3. Director's Report & Management Discussion	6-10
4. Report on Corporate Governance	11-16
5. Declaration by Managing Director	17
6. Declaration on Code of Conduct	18
7. Auditor's Certificate on Corporate Governance	19
8. Auditor' Report	20-22
9. Balance Sheet	23
10. Profit & Loss Account	24
11. Schedules	25-32
12. Cash Flow Statement	33
13. Balance Sheet Abstracts	34
14. Proxy Form	35

## Notice

Notice is hereby given that the Annual General Meeting of the members of **HINDUSTHAN SAFETY GLASS INDUSTRIES LIMITED** will be held on Saturday, 28<sup>th</sup> September, 2012 at 11.30 A.M. at 158, Lenin Sarani, 3<sup>rd</sup> Floor, Kolkata, West Bengal-700 013, to transact following business as:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Directors' Report and Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2012.
2. To appoint Director in place of Mr. Shyama Charan Kumar, 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 annual general meeting until the conclusion of the next annual general meeting and fix their remuneration.

### **Notes:**

1. Proxies, in order to be effective, must be received at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.
2. The Register of Member and the Share Transfer Books of the Company will remain closed from 15<sup>th</sup> September 2012 to 24<sup>th</sup> September 2012 (both days inclusive).
3. A copy of all the documents referred to in the accompanying explanatory statement are open to inspection at the Registered Office of the Company on all working days except holidays up to the date of AGM and at AGM.
4. The trading in Equity Shares of Company was suspended from trading due to non-compliance of Listing Agreement. The Company has made an Application to CSE for revocation of trading suspension and has filed all requisite documents with CSE.
5. Members desirous of getting any information about the accounts of the Company, are requested to send their queries so as to reach at-least ten days before the meeting at the Registered Office of the Company, so that the information required can be made readily available at the meeting.
6. Members are requested to intimate change in their address immediately to M/s Maheswari Datamatics Pvt. Ltd., the Company's Registrar and Share Transfer Agents, at their office at 6, Mangoe Lane, 2<sup>nd</sup> Floor, Kolkata, West Bengal-700 001.
7. Members holding shares in physical form in the same set of names under different folios are requested to apply for consolidation of such folios along with relevant Share Certificates to M/s Maheswari Datamatics Pvt. Ltd., Registrar and Share Transfer Agents of the Company, at their address given above.
8. Pursuant to SEBI Circular, the Shareholders holding shares in physical form are requested to submit self attested copy of PAN at the time of sending their request for share transfer/transmission of name/transposition of name.

9. Members holding shares in physical form and wishing to avail the nomination facility are requested to send the duly filled-in nomination in the prescribed form (form 2B) to Maheswari Datamatics Pvt. Ltd., Registrar and Share Transfer Agents of the Company, at their address given above or to the Compliance Officer at the Registered Office of the Company.
10. Members are requested to bring copies of Annual Report to the Annual General Meeting.
11. Members/Proxies should bring the attendance slip duly filed in and signed for attending the meeting.
12. Members are requested to quote Folio Number in their correspondence.
13. The Equity shares of the Company are listed on Calcutta Stock Exchange and Listing Fees for the financial year 2011-2012 is yet to be paid.

Kolkata, August 17, 2012

By order of the Board  
**For HINDUSTHAN SAFETY GLASS INDUSTRIES LIMITED**

**Registered Office :**  
158, Lenin Sarani, 3rd Floor,  
Kolkata, West Bengal-700 013,

Sd/-

Director

## Director's Report & Management Discussion

To  
The Members,

Your Directors have pleasure in presenting the 29th Annual Report of your Company together with the Audited Statements of Accounts for the year ended March 31, 2012.

### **FINANCIAL PERFORMANCE**

(Rs. in Rupees)

Particulars	Year Ended 31.03.2012	Year Ended 31.03.2011
Income	2,65,018	77,471
Profit before Taxation	2,292	40,731
Provision for Taxation	709	12,220
Profit/Loss for the year	1,093	28,511
Provision for Deferred Tax	0.00	0.00
Profit/Loss for the Year	1,093	28,511
Earnings Per Share (EPS)	0.00	0.12

### **DIVIDEND**

In view of nominal profits during the year & for better prospective & expansion, your Directors do not propose any Dividend for the year under review.

### **INDUSTRY STRUCTURE AND DEVELOPMENT**

The Indian economy has emerged rapidly from the slowdown caused by the global financial crisis of 2007-09 and remains one of the fastest growing economies of the world. After dipping to 6.8% in 2008-09, GDP growth had recovered sharply to 8% and is projected to remain above this level in 2010-11. Economic and financial events over the year, however, have increased concerns about the sustainability of the growth momentum.

The global economic and financial situation is recovering slowly. The large fiscal deficits and high debt ratios coupled with slow economic growth have created unsettling conditions for business and have potential for causing great volatility in financial markets. It is hard to visualize strong economic growth in the advanced economies in 2010 and to a large extent in 2011. The implications of this, for India's strategy to return to the 9.0 per cent growth trajectory, are that public policy must promote business confidence and facilitate increased investment.

Apart from above, high current account deficit, particularly in the context of weakening capital inflows, was also a cause of concern, which has hitherto managed to compensate the rising trade deficit. The current account deficit was a manifestation of strong domestic demand and global weakness. This pressure has abated

somewhat during the past few months, with rise in exports and slowing (non-oil) imports. However, a strong rebound in India's exports over the past couple of months has considerably reduced the pressure, but India's overall balance of payments remains weaker than expected, putting pressure on the Rupee.

## **OPPORTUNITIES & THREATS**

The Fundamental drives of India's medium term growth prospects remain intact. However, global developments, in conjunction with Indian Policy responses to the concerns noted above, are likely to make 2011-12 a challenging year.

Global economic and financial conditions can be expected to remain adverse for some time, particularly in the aftermath of Japan's natural disaster. Once the current financial year and commodity volatility subsides, deeper structural factors are likely to slow down economic growth, particularly in developed economics. Fiscal consolidation in Europe and an excess supply overhang in the US will probably moderate growth in the second half, together with increasing expectations of policy rate rise to quell rising inflation.

In India, inflationary pressure are likely to persist and hence result in a further, though moderate, monetary policy tightening the impact of which will be increasingly visible, through rising borrowing costs, in fiscal 2012. Increasing savings, high interest rates, an expected lower rise in currency driven by lower food prices, are likely to help deposits to grow stronger in fiscal 2012. However, in light of inflationary pressures and rising interest rates, there is a likelihood that the credit growth momentum might slow in 2011-12.

## **RISK MANAGEMENT & CONCERNS**

The objective of risk management is to balance the trade-off between risk and returns and ensure optimum risk adjusted return on capital. It entails the identification, measurement and management of risks across the various businesses of the Company. Risk is managed through a framework of policies and principles approved by the Board of Directors and supported by an Independent risk function that ensures that the Company operates within its risk appetite. The risk management function attempts to anticipate vulnerabilities at the transaction level or at the portfolio level, as appropriate, through quantitative or qualitative examination of the embedded risks. The Company continues to focus on refining and improving its risk management systems. In addition to ensuring compliance with regulatory requirements, the Company had developed internal systems for assessing capital requirements keeping in view the business objectives.

The Company has identified following main risks for its business, which needs to be addressed at this point of time:

1. Credit Risk
2. Market Risk
3. Liquidity Risk
4. Operational Risk

The Company has framed the appropriate business policies to tackle the challenges of above risks and is continually reviewing and modifying these policies in order to face the challenges and come out with the help of Company's business policies.

## **INTERNAL CONTROL SYSTEMS AND ADEQUACY**

HSGIL has developed adequate Internal Control Systems (ICS) in place to ensure a smooth functioning of its business. The Control System provides a reasonable assurance of recording the transactions of its operations in all material aspects and of providing protection against misuse or loss of Company's assets.

The ICS and their adequacy are frequently reviewed and improved and are documented.

## **MATERIAL DEVELOPMENT IN HUMAN RESOURCES**

The Company was having staff strength of 5 people during the year under review however the Company is recruiting more experienced employees during financial year 2011-12. Once the process of new recruitment will be over, the Company will be able to comment on this.

## **PUBLIC DEPOSITS**

During the year under review, your Company has not accepted any deposits from the public within the meaning of section 58A of the Companies Act 1956 and the rules there under.

## **CAUTIONARY STATEMENT**

Statements in the Management Discussions and Analysis describing the Company's objectives, projections, estimates, expectations may be forward looking statements. Actual results may differ materially from those expressed or implied. Important factors that could make a difference to the Company's performance include economic conditions affecting demand / supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government Regulations, tax laws, statutes and other incidental factors.

## **MANAGEMENT**

There has been following changes in Management of the Company during the year under review.

## **DIRECTORS**

In accordance with the requirements of the Companies Act, 1956 and as per the provisions of Articles of Association of the Company, Mr. Shyama Charan Kumar is liable to retire after conclusion of forthcoming Annual General Meeting and is eligible, offers himself for re-appointments in the forthcoming Annual General Meeting.

Except Mr. Shyama Charan Kumar himself, none other Directors are interested in their respective re-appointments.

Further, none of the Directors of the Company are disqualified under section 274(1)(g) of the Companies Act 1956.

## **INFORMATION TECHNOLOGY**

The Company aims to maintain a scalable computing infrastructure that delivers efficient and seamless services across multiple channels for customer convenience. In order to retain competitive edge, technology infrastructure has been implemented wherever necessary, in alignment with business requirements.

## **COMPLIANCE**

The Compliance function of the Company is responsible for independently ensuring that operating and business units comply with regulatory and internal guidelines. The Compliance Department of the Company is continued to play a pivotal role in ensuring implementation of compliance functions in accordance with the directives issued by regulators, the Company's Board of Directors and the Company's Compliance Policy. The Audit Committee of the Board reviews the performance of the Compliance Department and the status of compliance with regulatory/internal guidelines on a periodic basis.

New Instructions/guidelines issued by the regulatory authorities were disseminated across the Company to ensure that the business and functional units operate within the boundaries set by regulators and that



compliance risks are suitably monitored and mitigated in course of their activities and processes. New products and process launched during the year were subjected to scrutiny from the Compliance Standpoint and proposals of financial services were screened from risk control prospective.

## **HUMAN RESOURCES**

The Company recognizes that its success is deeply embedded in the success of its human capital. During 2011-12, the Company continued to strengthen its HR processes in line with its objective of creating an inspired workforce. The employee engagement initiatives included placing greater emphasis on learning and development, launching leadership development programme, introducing internal communication, providing opportunities to staff to seek inspirational roles through internal job postings, streamlining the Performance Management System, making the compensation structure more competitive and streamlining the performance-link rewards and incentives.

The Company believes that learning is an ongoing process. Towards this end, the Company has built a training infrastructure which seeks to upgrade skill levels across grades and functions through a combination of in-house and external programme.

## **STATUTORY INFORMATION**

The Company being basically in the investment sector, requirement, regarding and disclosures of Particulars of conservation of energy and technology absorption prescribed by the rule is not applicable to us.

## **AUDITORS**

The Auditors M/s Surana Singh Rathi & Co., Chartered Accountants, Kolkata, statutory Auditors of the Company retiring at the forthcoming Annual General Meeting of the Company being eligible offer themselves for re-appointment as the statutory Auditors till next Annual General Meeting of the Company.

The shareholders are requested to appoint Auditors and fix their remuneration.

## **COMMENTS ON AUDITOR'S REPORT**

The notes referred to in the Auditor's Report are self explanatory and as such they do not call for any further explanation as required under section 217(3) of the Companies Act, 1956.

## **PARTICULARS OF EMPLOYEES**

There were optimum number of employees in Company during the year under review.

The information as required by provisions of section 217(2A) of the Companies Act, 1956 read with the companies (Particular of employees) amendments rules, 1988 is reported to be NIL.

## **PARTICULARS UNDER SECTION 217 (1) (E) OF THE COMPANIES ACT, 1956**

The necessary information regarding conservation of energy, Technology Absorption, Adoption and innovation, the information required under 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 not applicable to the Company.

The Company has not earned or used foreign exchange earnings/outgoings during the year under review.

## **DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000 the Directors confirm that:

1. In the preparation of the annuals accounts, for the year ended 31<sup>st</sup> March 2012, all the applicable accounting standards prescribed by the Institute of Chartered Accountants of India have been followed;
2. The Directors had adopted 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 at the end of the financial year and of the profit of the Company for that period.
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors had prepared the annual accounts on a going concern basis.

## **REPORT ON CORPORATE GOVERNANCE**

The Company is committed to good Corporate Governance. The Company respects the rights of its Shareholders to inform on the performance of the Company and its endeavor to maximize the long-term value to the Shareholders of the Company. As per Clause 49 of the listing Agreement of the Stock Exchange, a report on Corporate Governance is set out separately, which forms part of this report.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Corporate Social Responsibility (CSR) is commitment of the Company to improve the quality and living standard of the employees and their families and also to the community and society at large. The Company believes in undertaking business in such a way that it leads to overall development of all stake holders and Society.

## **APPRECIATION**

The Board of Directors wishes to convey their appreciation to all the Company's managing body for their performance and continued support. The Directors would also like to thank all the Shareholders, Consultants, Customers, Vendors, Bankers, Service Providers, and Governmental and Statutory Authorities for their continued support.

Kolkata, August 17, 2012

By order of the Board  
**For HINDUSTHAN SAFETY GLASS INDUSTRIES LIMITED**

### **Registered Office :**

158, Lenin Sarani, 3rd Floor,  
Kolkata, West Bengal-700 013,

Sd/-  
**PANKAJ BUBNA**  
Chairman