

ANNUAL REPORT

FOR THE YEAR ENDED 31ST March 2013

HINDUSTAN WIRES LIMITED

HINDUSTAN WIRES LIMITED

BOARD OF DIRECTORS

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

BANKERS

State Bank of India
Punjab National Bank
HSBC Ltd

AUDITORS

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

REGISTERED OFFICE

5th Floor, 3A, Shakespeare Sarani, Kolkata – 700 071
Phone :- 033-22823586,
e-mail :- ho@hwlgas.com

FACTORY:

Plot No.267, Sector – 24, Faridabad,(Haryana) – 121 005,
Phone :- 0129-2233411,
e-mail:- fd@hwlgas.com

REGISTRAR AND TRANSFER AGENT :

Niche Technologies Pvt. Ltd., D-511, Bagree Market (5th Floor),
71, B.R.B. Basu Road, Kolkata – 700001.
Phone :- 033-22357270/71, Fax:- 033-22156823,
email- nichetchpl@nichetchpl.com

SHAREHOLDERS/INVESTORS

GRIEVANCES:-

Phone :- 033-22823586,
email- ho@hwlgas.com

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HINDUSTAN WIRES LIMITED

NOTICE

NOTICE is hereby given that the 53rd 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 Thursday the 12th September, 2013 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, 2013 and Balance Sheet as at 31st March, 2013 and the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri G.R. Goenka 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:

5th Floor, 3A, Shakespeare Sarani,
Kolkata - 71
The 29th May, 2013.

(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 close from 10th September, 2013 to 12th September, 2013 (both days inclusive).

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

Name of the Director	Shri G.R. Goenka
Date of Birth	2 nd September 1936
Date of Appointment	24 th September 2003
Expertise in specific functional area	He is having more than 53 years experience in the field of finance and in the management of industries.
Qualification	M.Com, L.L.B.
Shareholding in HWL	1024 equity shares
Directorship in other Public Limited Companies	a) Naga Dhunseri Group Ltd. b) Kashipur Holdings Ltd.
Chairman/Member of the Committees of the Board of the Public Limited Companies on which he is a Director	Audit Committee of Naga Dhunseri Group Ltd. - Member

By Order of the Board of Directors

Regd. Office:

5th Floor, 3A, Shakespeare Sarani,
Kolkata - 71
The 29th May, 2013.

(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, 2013

FINANCIAL RESULTS

The Results are summarised below:

	(Rs. in Lacs)	
	Year ended on 31.03.2013	Year ended on 31.03.2012
Revenue from Operations (excluding excise duty)	415.62	490.96
Other income & provisions no longer required written back	86.67	12.67
Expenses	424.25	466.22
Profit/(Loss) before Depreciation & Tax	78.04	37.41
Depreciation	36.02	35.95
Provision for income tax (MAT)	-	-
Net Profit after tax	42.02	1.46
Less : Deferred tax assets adjusted	-	50.00
Net Profit/(Loss) Carried to Balance Sheet	42.02	(48.54)

OPERATIONS & GENERAL REVIEW

During the year Company continued its activities in manufacturing, trading and transportation of Industrial Gases. The revenue from operations for the current year was Rs. 415.62 Lacs as against revenue of Rs. 490.96 Lacs in the previous year. In addition the Company has also earned other income of Rs. 86.67 Lacs mainly on account of receipt of warehousing and storage charges as against income of Rs. 12.67 lacs in the previous year. The sales decreased in the current year as compared to previous year due to increased competition in the market. However the Company expects to improve its performance in the current year. The Company is also exploring the possibility of renting out some of its vacant factory sheds for storage & warehousing on a regular basis to improve its performance.

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. The Company applied to BIFR for de-registration of the Company from the purview of Sick Industrial Companies (special provision)(SICA) Act, 1985. However the decision of the BIFR in this matter is awaited. The matter is being pursued by the Company.

DIVIDEND

In view of accumulated losses, your Directors are not in a position to recommend any dividend for the year ended 31st March, 2013.

PUBLIC DEPOSITS

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

Trading in Shares of the Company

Presently the trading in shares of the Company is under suspension at BSE. The Company is taking necessary steps to revoke the suspension of the script of the Company and to get its shares re-listed so that trading in shares could commence.

HINDUSTAN WIRES LIMITED

DIRECTORS

Shri G.R. Goenka 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

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956 your Directors confirm that:

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 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. 415.62 lacs and the other income including receipt of warehousing and storage charges & bad debts recovered is Rs. 86.67 lacs. The net profit after tax is Rs. 42.02 lacs. The net accumulated loss at the year end is Rs. 1176.25 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 relations with the employees were cordial and harmonious during the year 2012-13. The Company considers the quality of its human resources to be an important asset. The Company has around 50 employees including contracted workmen.

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.

HINDUSTAN WIRES LIMITED

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 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 Members of the Company 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 : 29th May, 2013

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, 2013

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 : 29th May, 2013

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	Non-Independent - Executive Director

NO. OF BOARD MEETINGS

During the year ended 31st March, 2013, four Board Meetings were held. These were on 25th June 2012, 11th August 2012, 5th November 2012 and 13th February 2013.

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	No	2	1	NIL
Shri K.M. Lal	3	Yes	5	3	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 and Shri G.R. Goenka are independent Directors and Shri K.M. Lal is the Chairman of the Audit Committee.

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 25th June 2012, 11th August 2012, 5th November 2012 and 12th February 2013.

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	3
Shri G.R. Goenka	Member	4

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.32.79 lacs which is in terms of the appointment as approved by members of the Company and also by Central Government.

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. 48,000
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 financial statements in 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 with all the requirements of Listing Agreements with the Stock Exchanges as well as Regulations and guidelines prescribed by SEBI except requirement of Clause 40A of the listing agreement in respect of minimum level of Public share holding. The requirement of this clause could not be complied with since the script of the Company were under suspension for trading at BSE. The Company is making necessary efforts to get the suspension revoked at the earliest. 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 (Non- Executive Director) 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 31st March 2013.

The details of compliance officer:-

Name : Mr. R.K. Gupta, Executive Director of the Company. Address: Hindustan Wires Limited, Plot No. 267, Sector-24, Faridabad 121005, Haryana. Email: ho@hwlgas.com.

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 quarterly and yearly financial results are also placed on the website of the Company. 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.

HINDUSTAN WIRES LIMITED

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, 5th floor Shakespeare Sarani, Kolkata – 700071. Since the BSE has kept the script of the company under suspension for trading, the process of dematerialization of the script of the company could not be completed. During the year the Company is making efforts to complete the dematerialization process of the script and also to revoke the suspension of the script for trading at BSE.

GENERAL BODY MEETINGS

The details of the last three Annual General Meetings are as under :-

Financial Year	Date	Time	Venue.
2011-2012	7 th September 2012	11.00 AM	Bharatiya Bhasha Parishad,36A, Shakespeare Sarani, Kolkata-700017
2010-2011	20 th September 2011	11:00 AM	Gyan Manch, 11 Pretoria Street, Kolkata – 700071
2009-2010	24 th September 2010	11.00 AM	Bharatiya Bhasha Parishad,36A, Shakespeare Sarani, Kolkata-700017

POSTAL BALLOT

During the year ended 31st March, 2013 there have been no ordinary or special resolutions passed by the Company's share holders through postal ballot.

ADDITIONAL SHARE HOLDERS INFORMATION

a) Annual General Meeting

Date & Time : 12th September 2013 at 11.00 AM.

Venue : Auditorium of Bharatiya Bhasha Parishad at 36A, Shakespeare sarani, Kolkata - 700017

b) Financial Calendar

Financial Year : 1st April to 31st March

Quarterly results : within 45 days from the end of each quarter of the financial year.

Results of Year Ending 2013 : By 31st May, 2013

c) Book Closure

The Register of members and share transfer books of the Company shall remain close from 10th September, 2013 to 12th September, 2013 (Both days inclusive).

d) Dividend :

The Company has not declared any dividend for the year ended 31.03.2013

e) Listing in Stock Exchanges and stock codes

The Stock Exchange, Mumbai Stock code No. 504713

The Stock Exchange, Kolkata Stock Code No.018303

f) Stock data

The shares are not frequently traded in the stock market hence, their market prices could not be ascertained.

g) CEO/CFO Certification

The Executive Director has certified to the Board with respect to the financial statements, internal controls and other matters, as required by Clause 49 of the Listing Agreement with Stock Exchanges and the said certificate is contained in this Annual Report.

HINDUSTAN WIRES LIMITED

h) Shareholding pattern as on 31st March, 2013

Category	No. of shares held	% of share holding
Indian Promoters & Associates	89,16,493	90.80
Banks, Financial Institutions, Insurance Companies	3,13,881	3.20
Body Corporates	1,03,643	1.05
General public	4,85,983	4.95
	98,20,000	100.00

i) Distribution of Shareholding as on 31st March 2013.

S.No.	Range	No. of share Holders	% to total shareholders	Amount (Rs)	% to Capital
1	1 to 500	3088	96.29	3470040	3.53
2	501 to 1000	83	2.59	589430	0.60
3	1001 to 5000	20	0.62	380490	0.39
4	5001 to 10000	1	0.03	56240	0.06
5	10001 to 50000	5	0.16	1797490	1.83
6	50001 to 100000	3	0.09	2074740	2.11
7	100001 and above	7	0.22	89831570	91.48
	Total	3207	100.00	98200000	100.00

j) Registrar and Transfer Agent:-

Niche Technologies Pvt. Ltd., D-511, Bagree Market (5th Floor), 71, B.R.B. Basu Road, Kolkata – 700001.
Phone :- 033-22357270/71, Fax:- 033-22156823, email- nichetchpl@nichetchpl.com

k) Website of the Company :- www.hwlgas.com .

l) Corporate Identification No. :- L2710600B1959PLC 024177.

m) Plant Location - Plot No. 267, Sector –24, Faridabad, Haryana – 121005

n) Address for Correspondence

All correspondence related to shareholders and investors should be addressed to Registered Office of the Company at 3A, 5th Floor Shakespeare Sarani, Kolkata – 700071

For any general assistance at the Registered Office, investors can call on telephone No. 033-22823586, Fax No. 033-22823585, e-mail for investor grievances ho@hwlgas.com . .

For and on behalf of the Board of Directors

Place: Noida
Date : 29th May, 2013

R.K.Gupta
Executive Director

G.R. Goenka
Director

Declaration

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct and Ethics for the year ended 31st March 2013.

For Hindustan Wires Limited

Place : Noida
Date 29th May, 2013

R. K. Gupta
Executive Director

HINDUSTAN WIRES LIMITED

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS STIPULATED IN CLAUSE 49 OF THE LISTING AGREEMENTS WITH STOCK EXCHANGE

To the Members of
Hindustan Wires Limited.

We have examined the compliance of conditions of corporate governance by Hindustan Wires Limited ("the Company") for the year ended 31st March 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note issued by the Institute of Chartered Accountant of India on Corporate Governance and was limited to procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations sought and replies given to us by the Company, its Directors and Officers. We certify that the Company has complied with, in all materials respect, the mandatory conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement, except the following :

- (i) The Shares of the Company are not yet dematerialised.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

PLACE : NEW DELHI
DATE : 29th May, 2013

FOR K.N. GUTGUTIA & COMPANY
CHARTERED ACCOUNTANTS
FRN 304153E

(B.R. GOYAL)
PARTNER
M.NO. 12172

HINDUSTAN WIRES LIMITED

C E O / C F O CERTIFICATE

**The Board of Directors
Hindustan Wires Limited**

Re: Financial Statements for the year ended 31st March, 2013 – Certification

We, have reviewed financial statements and the cash flow statement for the financial year ended March 31,2013, and certify that:

- a) These results and statements to the best of our knowledge and belief:
 - 1. These statements do not contain any materially untrue statements or omit any material fact or contains statements that might be misleading.
 - 2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) That there are to the best of our knowledge and belief, no transaction entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting, we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.
- d) We have also indicated to the auditors and the audit committee about the:
 - (a) significant changes in the international control over financial reporting during this year.
 - (b) significant changes, if any, in accounting policies during this year and that the same have been disclosed in the notes to the financial statements. However there were no changes in accounting policies.
 - (c) Instances of significant fraud, if any, of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems over financial reporting. However there is no such case.

Place: Noida
Date: May 29, 2013

R.K.Gupta
Executive Director (CEO/CFO)
Hindustan Wires Limited

HINDUSTAN WIRES LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HINDUSTAN WIRES LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statement of **HINDUSTAN WIRES LIMITED** ("the Company"), which comprises the Balance Sheet as at March 31, 2013 and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Qualified Opinion

6. **Refer to note no. 26 regarding amounts (Rs. 1,29,82,571) recoverable from the Oil Companies which have been estimated by the Management and relied upon by us.**

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, except for the **effect of the matter described in the Basis for Qualified Opinion Paragraph**, the financial statement give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-
 - (a) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2013;
 - (b) In the case of Statement of Profit and Loss, of the Profit for the year ended on that date; and
 - (c) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act 1956 (the Act), we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
9. As required by section 227(3) of the Act, we report that :-
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit & Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit & Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act; &
 - e) On the basis of the written representations received from the Directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2013 from being appointed as a Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956

PLACE : NEW DELHI
DATE : 29th May, 2013

FOR K.N. GUTGUTIA & COMPANY
CHARTERED ACCOUNTANTS
FRN 304153E

(B.R. GOYAL)
PARTNER
M.NO. 12172

HINDUSTAN WIRES LIMITED

This is the Annexure referred to in paragraph 8 of our report of even date to the member of Hindustan Wires Limited (the Company) for the year ended 31st March, 2013

- i) **In respect of Fixed Assets:**
- a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) The Fixed Assets have been physically verified by the management during the year and discrepancies noticed on such verification have been properly dealt with in the accounts.
 - c) In terms of Sanctioned Rehabilitation Scheme by AAIFR, part of fixed assets was disposed off. However, it has not affected the status of going concern since the company has diversified its business activities and has set up a unit for manufacturing Industrial Gases and the same is in operation.
- ii) **In respect of Inventories:**
- a) The inventory has been physically verified during the year by the management at reasonable intervals.
 - b) In our opinion, the procedure of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The Company is maintaining proper records of inventory and the discrepancies noticed on physical verification of inventory as compared to the book records were not material, have been properly dealt with in the books of account.
- iii) **In respect of Loans:**
- a) The Company has not granted unsecured loans to the Companies, Firms or other parties listed in the register maintained Under Section 301 of the Companies Act, 1956 and accordingly clause 3 (a) to 3 (d) is not applicable to it.
 - b) The Company has taken unsecured loan of 10 Lacs during the year from the Associates Company listed in the register maintained under Section 301 of the Companies Act 1956. The year end balances of loans taken from such companies covered under Section 301 of the Companies Act, 1956 were Rs. 117.71 Lacs.
 - c) In our opinion, the rate of interest wherever applicable and other terms and conditions on which such unsecured loans have been taken are not, prima facie, prejudicial to the interest of the Company.
 - d) The unsecured loans are repayable on demand. In respect of interest on such loans the Company can not make any payment of the interest as per terms of Rehabilitation Scheme sanctioned by BIFR / AAIFR. As informed to us the concerned parties have also agreed to waive off the interest on their respective loans.
- iv) In our opinion, and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchases of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in internal control systems.
- v)
- a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered into the register maintained under section 301 of the Companies Act, 1956 has been so entered.
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements (exceeding the value of Rs. 5 lacs in respect of each party during the year) have been made at prices which are generally reasonable having regard to the prevailing market prices at the relevant time.
- vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, the provisions of clause (vi) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.
- vii) In our opinion, the Company has an internal Audit System commensurate with the size and nature of its business.
- viii) As informed to us, the Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 for any of the products of the Company.
- ix) (a) **According to the records of the Company, it is regular in depositing undisputed statutory dues of Provident Fund, Employees' State Insurance, Income Tax, Service Tax, VAT, Excise duty, Cess and other material statutory dues, with appropriate authorities except in respect of Sales Tax. The undisputed statutory dues on account of Sales Tax outstanding for more than six months at the year end are Rs. 9.14 lacs.**
- (b) **According to the records of the Company, it has not deposited disputed amount of statutory dues on account of Sales Tax, Excise duty, ESI and PF for which the details are as hereunder :-**

<i>Nature of the Dues</i>	<i>Year to which it relates</i>	<i>Amount (Rs. In Lacs)</i>	<i>Forum where dispute is pending</i>
Sales Tax	1982 to 1985	18.97	Punjab & Haryana High Court at Chandigarh

HINDUSTAN WIRES LIMITED

- x) **The Company has been registered for a period of more than five years and its accumulated losses at the end of the financial year are more than 50% of its net worth.** The Company has not incurred cash loss in the current financial year as well as in the immediately preceding financial year.
- xi) The Company has not defaulted in repayment of any dues to Banks, financial institutions and debenture holders.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The Company has not given any guarantee for loans taken by others from banks or Financial Institutions.
- xiv) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund / society. Therefore, the provision of clause 4(XIII) of the Companies (Auditors' Report) Order , 2003 are not applicable to the Company.
- xv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provision of clause 4(XIV) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- xvi) The Company has not taken any new term loans from Bank and/or Financial Institutions during the year.
- xvii) On the basis of information and explanations given to us and on an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used for long term investments or towards repayment of long term borrowings.
- xviii) According to the information and explanations given to us, the company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. In our opinion, the price at which shares have been issued is not prejudicial to the interest of the company.
- xix) The Company has neither issued debentures during the year nor any creation of security is pending in respect of debentures raised in earlier years.
- xx) The Company has not raised any money by public issues during the year.
- xxi) Based upon on our audit procedure applied and according to the information and explanation given to us and to the best of our knowledge and belief no fraud on or by the Company has been noticed or reported during the year.

PLACE : NEW DELHI
DATE : 29th May, 2013

FOR K.N. GUTGUTIA & COMPANY
CHARTERED ACCOUNTANTS
FRN 304153E
(B.R. GOYAL)
PARTNER
M.NO. 12172

HINDUSTAN WIRES LIMITED

BALANCE SHEET AS AT 31ST MARCH 2013

(₹ in lacs)

Particulars	Note No.	As at 31st March 2013		As at 31st March 2012	
I EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share Capital	2	1,472.00		1,372.00	
(b) Reserves and Surplus	3	(1,140.84)	331.16	(1,182.86)	189.14
(2) Non-current liabilities					
(a) Long-term borrowings	4	117.71		229.71	
(b) Long-term provisions	5	7.86	125.57	7.25	236.96
(3) Current liabilities					
(a) Short-term borrowings	6	-		8.50	
(b) Trade payables	7	20.43		25.21	
(c) Other current liabilities	8	38.73		37.81	
(d) Short term provisions	9	48.44	107.60	42.80	114.32
Total			564.33		540.42
II ASSETS					
(1) Non-current assets					
(a) Fixed Assets					
Tangible assets	10	274.84		314.16	
(b) Long-term loans and advances	11	1.58		1.58	
(c) Other non-current assets	12	129.83	406.25	129.83	445.57
(2) Current assets					
(a) Inventories	13	5.24		2.93	
(b) Trade receivables	14	71.48		51.53	
(c) Cash and cash equivalents	15	69.05		26.24	
(d) Short-term loans and advances	16	4.84		10.02	
(e) Other current assets	17	7.47	158.08	4.13	94.85
Total			564.33		540.42
Significant Accounting Policies	1				
Notes on Financial Statements	1 to 37				

In terms of our Report of even date attached herewith
 For K.N. Gutgutia & Company
 Chartered Accountants
 Firm Registration Number 304153E

For and on behalf of the board

(B.R.Goyal)
 Partner
 Membership No. 12172
 New Delhi.
 Date: 29th May, 2013

R.K.Gupta
 Executive Director

G.R.Goenka
 Director

HINDUSTAN WIRES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013

(₹ in lacs)

Particulars	Note No.	For the year ended 31st March, 2013	For the year ended 31st March, 2012
I Revenue from operations (Gross)	18	463.98	539.23
Less: Excise duty / Service Tax Recovered		48.36	48.27
Revenue from operations (Net)		415.62	490.96
II Other Income	19	86.67	12.67
III Total Revenue (I + II)		502.29	503.63
IV Expenses:			
(a) Cost of Raw Materials Consumed	20	216.68	266.44
(b) Purchases of Trading goods	21	0.52	6.14
(c) Change in inventories of finished goods, work in progress and Stock in Trade		-	-
(d) Employee benefits expense	22	91.60	86.12
(e) Finance cost		0.75	0.77
(f) Depreciation and amortization expenses		36.02	35.95
(g) Other expenses	23	114.70	106.75
Total Expense		460.27	502.17
V Profit before tax (III-IV)		42.02	1.46
VI Tax expense: (refer note No. 33)			
Deferred tax Assets written off		-	50.00
VII Profit (Loss) for the period (V-VI)		42.02	(48.54)
VIII Earning per share:	34		
1 Basic		0.43	(0.55)
2 Diluted		0.43	(0.55)
Significant Accounting Policies			
Notes on Financial Statements	1 to 37		

In terms of our Report of even date attached herewith
For K.N. Gutgutia & Company
Chartered Accountants
Firm Registration Number 304153E

For and on behalf of the board

(B.R.Goyal)
Partner
Membership No. 12172
New Delhi.
Date: 29th May, 2013

R.K.Gupta
Executive Director

G.R.Goenka
Director

HINDUSTAN WIRES LIMITED

Notes to Accounts for the Financial year ended 31st March, 2013

Note No.	Particulars
1	SIGNIFICANT ACCOUNTING POLICIES
1.1	BASIS OF PREPARATION OF FINANCIAL STATEMENTS These accounts are prepared on the historical cost basis and on the accounting principles of a going concern. Accounting policies not specifically referred to otherwise are consistent and in consonance with the generally accepted accounting principles. The company has adopted mercantile system of accounting and all income and expenditure are treated on accrual basis unless otherwise stated herein below. All Accounting standards issued by the Govt. of India are followed. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current-noncurrent classification of assets and liabilities.
1.2	FIXED ASSETS Fixed Assets are stated at cost inclusive of all incidental expenses and net of taxes recoverable less accumulated depreciation.
1.3	DEPRECIATION Depreciation (on assets in use) has been provided for on straight line method (for proportionate period of use) in accordance with the rates of Schedule XIV of the Companies Act, 1956.
1.4	VALUATION OF INVENTORIES Inventories of Raw Materials, Work-in-Progress and Stores and Spare Parts are at or below cost. Finished goods, if any are valued at cost or net estimated realisable value whichever is lower. Valuation of Inventory is in line with Accounting Standard (AS-2) issued by the Institute of Chartered Accountants of India. For valuation purpose, FIFO basis has been adopted. Cost has been calculated with reference to cost incurred by the company to bring the inventory to its present condition and locations.
1.5	TAXATION The Company has adopted Accounting Standard-22 (AS-22) as to 'Accounting for Taxation on Income' issued by the Institute of Chartered Accountants of India. Deferred Tax Assets are recognised only if there is virtual certainty as to its realisation.
1.6	BORROWING COST Borrowing costs attributable to acquisition and construction of assets are capitalised as a part of the cost of such assets up to the date of commissioning of qualifying asset. Other borrowing costs are charged to Statement of Profit & Loss.
1.7	RECOGNITION OF INCOME AND EXPENDITURE Items of Income and Expenditure are accounted for on the accrual basis except otherwise stated in the notes to accounts in Part (B) of this Schedule.
1.8	SALES & OTHER REVENUE (a) Gross sales are inclusive of Excise Duty and net of rebates and discounts etc. (b) Income in respect of renting of immovable property/ warehousing services is recognised in terms of the respective agreements on accrued basis.
1.9	EMPLOYEE BENEFITS (a) Liability is computed on the basis of actuarial valuation of the gratuity and earned leave as on the Balance Sheet date, as per Accounting Standard- 15 (Revised). (b) Employer's contribution to Provident Fund and ESI is charged to revenue on accrual basis.
1.10	IMPAIRMENT OF ASSETS The Company in accordance with the Accounting Standard 28 (AS-28) in respect of impairment of Assets issued by the Institute of Chartered Accountants of India has adopted the practice of assessing at each Balance Sheet date whether there is any indication that an asset may be impaired and if any impairment exists, then the Company provides for the loss for impairment of Assets after estimating the recoverable amount of the assets.
1.11	PROVISIONS, CONTINGENT LIABILITY AND CONTINGENT ASSETS The Company recognises a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are not recognised but are disclosed in the notes on accounts. Contingent Assets are neither recognised nor disclosed in the financial statements.

HINDUSTAN WIRES LIMITED

(₹ in lacs)

Note No. Particulars	As at 31st March 2013	As at 31st March 2012
2 : SHARE CAPITAL :		
(I) Authorised :		
(a) 1,00,00,000 Equity Shares of Rs. 10 each	1,000.00	1,000.00
(b) 4,68,000 15% Redeemable Non-Cumulative Preference Shares of Rs. 100 each.	468.00	468.00
(c) 32,000 15% Redeemable Cumulative Preference Shares of Rs. 100 each.	32.00	32.00
Total	<u>1,500.00</u>	<u>1,500.00</u>
(II) Issued, subscribed and fully paid up :		
(a) 98,20,000 (previous year 88,20,000) Equity Shares of Rs. 10 each	982.00	882.00
(b) 4,68,000 15% Redeemable Non-Cumulative Preference Shares of Rs. 100 each.	468.00	468.00
(c) 22,000 15% Redeemable Cumulative Preference Shares of Rs. 100 each.	22.00	22.00
Total	<u>1,472.00</u>	<u>1,372.00</u>

During the year the Company has allotted 10,00,000 equity shares of Rs. 10/- each fully paid up amounting to Rs. 1,00,00,000/- on Preferential basis to Promoters by conversion of loans into Equity pursuant to the Sanctioned Rehabilitation Scheme of BIFR.

2.1 Reconciliation of Shares outstanding :

Equity Share	As at 31st March 2013		As at 31st March 2012	
	No. of shares	% held	No. of shares	% held
At the beginning of the year	8,820,000	882.00	8,820,000	882.00
Issued during the year	1,000,000	100.00	-	-
Outstanding at the end of the year	9,820,000	982.00	8,820,000	882.00

2.2 Details of Shareholdings more than 5% shares in the company :

	As at 31st March 2013		As at 31st March 2012	
	No. of shares	% held	No. of shares	% held
(i) <u>Equity Shares</u>				
Kashipur Holdings Ltd (Holding Company)	8000000	81.47	7000000	79.37
(ii) <u>Preference Shares :</u>				
IGL Finance Ltd				
15% Redeemable Non-Cumulative Preference shares	468000	100.00	468000	100.00
15% Redeemable Cumulative Preference shares	22000	100.00	22000	100.00

2.3 Preference Shares are redeemable after five years beginning from 30th March 2009 and the same are due for redemption on 30th March 2014.

3 : RESERVES AND SURPLUS :

(i) Capital Reserve :				
As per last Balance Sheet	3.41			3.41
(ii) Capital Redemption Reserve :				
As per last Balance Sheet	32.00			32.00
(iii) Surplus :				
Opening Balance	(1,218.27)		(1,169.73)	
Add: Net Profit/ (Net Loss) transferred from the Statement of Profit and Loss	42.02	(1,176.25)	(48.54)	(1,218.27)
Total		<u>(1,140.84)</u>		<u>(1,182.86)</u>

HINDUSTAN WIRES LIMITED

(₹ in lacs)

Note No. Particulars	As at 31st March 2013	As at 31st March 2012
NON-CURRENT LIABILITIES :		
4 : Long Term Borrowings :		
(i) Loan & Advances from Related Parties (unsecured and interest free) (Refer note no. 35)	117.71	229.71
Total	117.71	229.71
4.1 A sum of Rs. 100 lacs has been converted into equity during the year.		
5 : Long-term provisions :		
(i) Provision for employee benefits:	7.86	7.25
Total	7.86	7.25
CURRENT LIABILITIES :		
6 : Short-term borrowings :		
(i) Loans repayable on demand :- From Other Parties (Unsecured)	-	8.50
Total	-	8.50
7 : Trade Payable :		
(i) Dues to Micro Small & Medium enterprises (Refer Note No. 29)	-	-
(ii) Others	20.43	25.21
Total	20.43	25.21
8 : Other Current Liabilities :		
(i) Current maturities of long term debt (unsecured)	-	-
(ii) Income Tax Deducted at source	0.79	0.87
(iii) Sales Tax Liabilities	31.02	30.44
(iv) Interest Accrued and due on borrowings	0.67	2.14
(v) Other Payables	6.25	4.36
Total	38.73	37.81
9 : Short Term Provisions :		
(i) Provision for employee benefits:	48.44	42.80
Total	48.44	42.80

HINDUSTAN WIRES LIMITED

10 : Fixed Assets :

(₹ in lacs)

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost/Value As at 31.03.2012	Additions during the year	Deduction/ Adjustments during the year	Total As at 31.03.2013	As at 31.03.2012	Additions during the year	Deduction/ Adjustments during the year	Total As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
Tangible Assets										
Land (Freehold)	8.16	-	-	8.16	-	-	-	-	8.16	8.16
Buildings	109.99	-	-	109.99	49.29	3.68	-	52.97	57.02	60.70
Plant & Machinery	144.61	-	14.78	129.83	26.31	6.29	1.00	31.60	98.23	118.30
Mobile Gas Tankers with Vehicles	149.35	-	-	149.35	31.71	24.21	-	55.92	93.43	117.64
Furniture & Fixture	6.43	0.10	-	6.53	5.34	0.15	-	5.49	1.04	1.09
Vehicles	7.00	13.14	5.50	14.64	2.68	0.89	1.89	1.68	12.96	4.32
Office Equipments	4.10	-	-	4.10	2.14	0.16	-	2.30	1.80	1.96
Computers	5.07	0.44	0.29	5.22	3.36	0.59	0.22	3.73	1.49	1.71
A. C. Equipments	1.66	0.48	-	2.14	1.38	0.05	-	1.43	0.71	0.28
TOTAL	436.37	14.16	20.57	429.96	122.21	36.02	3.11	155.12	274.84	314.16
Previous Year	405.34	35.08	4.05	436.37	89.69	35.95	3.43	122.21	314.16	

11: Long Term Loans and Advances :

Unsecured considered good

(i) Capital Advances

(ii) Security Deposits

Total

12: Other non-current assets :

Trade receivables under litigation

Unsecured considered Good

Unsecured considered Doubtful

Less: Provision for Doubtful debts

Total

13: Inventories :

(a) Raw Materials

(At cost)

Total

Details of Closing Stock

(i) Liquid Oxygen

(ii) Liquid Argon

(iii) Co2 Liquid Gas

(iv) Liquid Nitrogen

14: Trade Receivables :

(a) Trade receivables outstanding for a period exceeding six months from the date they are due for payment

(b) Trade receivables outstanding for a period less than six months from the date they are due for payment

Unsecured considered Good

Total

As at 31st March, 2013	As at 31st March, 2012
---------------------------	---------------------------

-	-
1.58	1.58
1.58	1.58

129.83	129.83
-	29.46
-	29.46
129.83	129.83

5.24	2.93
5.24	2.93

1.33	1.00
2.02	0.28
1.66	1.35
0.23	0.30
5.24	2.93

1.04	-
70.44	51.53
71.48	51.53

HINDUSTAN WIRES LIMITED

(₹ in lacs)

Note No.	Particulars	As at 31st March, 2013	As at 31st March, 2012
15: Cash and cash equivalents:			
(a)	Balances with banks	5.40	4.19
(b)	Cash in hand	1.65	1.48
		<u>7.05</u>	<u>5.67</u>
	Other Banks Balances :		
(c)	Fixed Deposits with banks (Maturity within 12 months)	62.00	20.57
	Total	<u>69.05</u>	<u>26.24</u>
16 : Short-term loans and advances :			
	Others:		
	<u>Unsecured - Considered Good</u>		
(a)	Advances recoverable in cash or in kind or for value to be received	2.85	2.91
(b)	Tax Deducted at Source & Refundable	1.99	7.11
(c)	Sales Tax Payments	-	-
	Total	<u>4.84</u>	<u>10.02</u>
17 : Other Current Assets:			
	Prepaid Expenses	4.00	3.74
	Interest accrued on Fixed Deposits	3.02	0.37
	Excise duty recoverable	0.45	0.02
	Total	<u>7.47</u>	<u>4.13</u>
Note No.	Particulars	Current Year	Previous Year
18 : Revenue from operations:			
(a)	Sale of products : Industrial Gases Manufacturing	430.12	505.42
	: Industrial Gases Trading	1.30	7.66
(b)	Sale of services : Cylinder testing charges received	5.53	6.26
(c)	Income from Transport/ Other services	27.03	19.89
		<u>463.98</u>	<u>539.23</u>
(d)	Less: Excise duty recovered	47.75	47.68
(e)	Less: Service Tax Recovered	0.61	0.59
	Total	<u>415.62</u>	<u>490.96</u>
19 : Other Income:			
(a)	Warehousing & Storage Services and License fee (Immovable Property held in fixed assets)	51.24	7.50
(b)	Interest Income	5.25	1.07
(c)	Miscellaneous receipts	0.72	0.72
(d)	Bad/Doubtful Debts recovered	29.46	-
(e)	Excess Provision/Liabilities no longer required/unclaimed balances written back	-	3.38
	Total	<u>86.67</u>	<u>12.67</u>
20: Cost of Raw Materials consumed :			
	Opening Stock	2.93	3.39
	Add: Purchases	218.99	265.98
		<u>221.92</u>	<u>269.37</u>
	Less: Closing	5.24	2.93
	Total	<u>216.68</u>	<u>266.44</u>
	Product wise Consumption :		
	Class of Goods		
(a)	Liquid Oxygen Gas	66.73	81.04
(b)	Liquid Argon Gas	51.73	64.56
(c)	Liquid Carbon Dioxide	80.93	103.22
(d)	Liquid Nitrogen	17.29	17.62
	Total	<u>216.68</u>	<u>266.44</u>

HINDUSTAN WIRES LIMITED

(₹ in lacs)

Note No.	Particulars	Current Year	Previous Year
21:	<u>Purchases of Trading goods :</u>		
	<u>Class of Goods</u>		
(a)	Liquid Oxygen Gas	-	3.65
(b)	Liquid Argon Gas	-	2.03
(c)	Liquid Carbon Dioxide	0.52	0.46
	Total	0.52	6.14
22 :	Employee benefits expense :		
(a)	Salaries, Wages & Other Allowances	77.00	72.88
(b)	Contribution to Provident & Other Funds	6.15	6.21
(c)	Employees Welfare Expenses	8.45	7.03
	Total	91.60	86.12
23 :	Other Expenses & Provisions :		
(a)	Running & Maintenance Expenses of Mobile Gas Tankers with Vehicles	55.32	53.75
(b)	Stores and Spare parts Consumed	3.48	2.86
(c)	Test Shop Expenses	2.19	1.84
(d)	Electricity, Power and fuel charges	10.30	9.70
(e)	Repairs & Maintenance - Plant & Machinery	2.24	4.56
(f)	Repairs & Maintenance - Buildings	1.91	1.60
(g)	Repairs & Maintenance -Others	1.18	1.46
(h)	Rent	0.89	0.86
(i)	Rates & Taxes	2.49	2.37
(j)	Insurance	2.72	2.44
(k)	Vehicle Running/Maintenance Expenses	4.81	3.99
(l)	Legal & Consultancy Expenses	8.69	7.38
(m)	Miscellaneous Expenses	11.99	10.87
(n)	Re-Lisitng Fees of BSE Ltd	3.22	-
(o)	Directors' Fees	1.32	1.16
(p)	Payment to Auditors (refer note no. 24)	1.24	1.27
(q)	Bad Debts/ Advances written off	-	20.44
	Less: Utilised from Provision for doubtful Debts-	-	20.44
(q)	Loss on sale of Fixed Assets (Net)	0.71	0.48
(r)	Sundry Debit Balances written off	-	0.16
	Total	114.70	106.75
24 :	Payment to Auditors :		
(a)	Statutory Audit Fees	0.60	0.60
(b)	For Other Services : Certifications	0.44	0.44
(c)	For Tax Audit Fees	0.20	0.20
(d)	Reimbursement of Expenses & Service Tax	-	0.03
	Total	1.24	1.27

HINDUSTAN WIRES LIMITED

(₹ in lacs)

Note No.	Particulars	As at 31st March, 2013	As at 31st March, 2012
25	Contingent Liabilities and commitments : (to the extent not provided for)		
	Contingent Liabilities:		
	(i) Claims against the company not acknowledged as debts	115.33	115.33
	(ii) Dividend liability on 15% Cumulative Preference Shares	46.20	42.90
	(iii) Claim of the ex-employees under litigation, amount not ascertainable.	-	-
	(iv) Claim/demands from owner of the rented property in kolkata which are under litigation- amount not ascertainable.	-	-
	Sub Total	161.53	158.23
	Commitments:		
	Estimated amount of contracts unexecuted on capital account	-	-
	Sub Total	-	-
26	Public Sector Oil Companies i.e. IOCL, HPCL, BPCL and IBP had reduced in the earlier years, the price of LPG cylinders with retrospective effect i.e. from 01.07.1999. The Oil Companies after reduction in prices had withheld in aggregate Rs. 3,24,56,427/- (previous year Rs. 3,24,56,427/-) from the supply bills of the Company. The Company is contesting this reduction in price of Cylinders before the appropriate authorities. Based upon the management estimation, out of these amounts forty percent of amount i.e. Rs. 1,29,82,571/- is considered recoverable and the balance amount of Rs. 1,94,73,856 has been written off during earlier years.		
27	The company is a Sick Industrial Company as per Sick Industrial Companies (Special Provision) Act, (SICA), 1985. The Hon'ble Appellate Authority for Industrial and Financial Reconstruction (AAIFR) had vide order dated 8 th November 2002 sanctioned the Rehabilitation Scheme of the Company. The Company moved an application to BIFR in November, 2006 seeking deregistration from the purview of SICA 1985, but the BIFR negated the original Scheme due to non and delayed compliance and discharged the Company out of the purview of SICA 1985. The Company preferred an Appeal against the said order and the Appellate Authority has set aside the order of BIFR and remanded the matter to BIFR and the decision in this matter is awaited. The matter is being pursued by the Company.		
28	Interest on Unsecured loans of Rs. 1,17,70,984/- (previous year Rs. 2,29,70,984/- from Holding Company & Associate Companies of promoters have not been provided for in the accounts in terms of sanctioned Rehabilitation Scheme and the said Companies have agreed to waive off their claims of interest.		
29	The amount due to units covered under "The Micro, Small & Medium enterprises Development Act, 2006" in respect of Faridabad Unit is Rs. NIL (Previous Year Rs. Nil). In respect of Sodepur Unit the factory was permanently closed on 1/8/2002, however in respect of outstanding Sundry Creditors the company had requested them to furnish the relevant registration certificate, but none of them have furnished the Certificate, it is deemed that none of them is covered under the said Act.		
30	Impairment of Assets—Consideration is given at Balance Sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's Fixed Assets as required by Accounting Standard (AS)-28 "Impairment of Assets". If any indication exists, an Asset's realisable amount is estimated. During the year The Company has reviewed the Fixed Assets of the Company and found that there is no indication of impairment of the carrying amount of the Company's Fixed Assets.		
31	Balances in Debtors, Creditors, advances and Deposit accounts are subject to confirmations.		
32	Employees Benefits- Disclosure pursuant to AS-15		
	The Company has calculated and recognised the various benefits provided to employees in the Statement of Profit & Loss during the year ended 31 st March, 2013 as under:		
A	Defined Contribution Plans	<u>₹ in lacs</u>	
	Employer's contribution to P.F.	3.59	
	Employer's contribution to Employees Pension Scheme, 1995	1.26	
B	State Plans		
	Employer's contribution to ESI	0.77	
C	Defined Benefit Plans		
	1. Gratuity	-	
	2. Leave Encashment	-	
D	Actuarial Assumptions		
	The discount rate assumed is 7%, which is determined by reference to the market yield on Government Bonds as at Balance Sheet date. The estimate of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.		

HINDUSTAN WIRES LIMITED

Note No.	Particulars	(₹ in lacs)			
E	The following information is certified by the Actuary and relied on by the Auditors :				
		Gratuity		Leave Encashment	
		Year ended		Year ended	
		31 st Mar, 13	31 st Mar,12	31 st Mar, 13	31 st Mar,12
	Reconciliation of opening and closing balances of the present value of the defined benefit obligation:				
	Present value of Obligation at the beginning of the year	39.45	35.34	10.60	9.09
	Current Service Cost	2.08	1.94	0.59	0.53
	Interest Cost	2.76	2.47	0.74	0.64
	Actuarial (gain)/ loss	(0.11)	0.20	0.25	0.82
	Less: Benefits paid	-	(0.50)	(0.06)	(0.48)
	Present value of Obligation at the end of year	44.18	39.45	12.12	10.60
	Reconciliation of the present value of defined benefit obligation and the fair value of the plan assets :				
	Present value of obligation at the end of the year	44.18	39.45	12.12	10.60
	Fair value of plan assets at end of period	-	-	-	-
	Assets / (Liabilities) recognised in the Balance Sheet	44.18	39.45	12.12	10.60
	Cost recognised for the year (included under Salaries, Wages, Gratuity and Employee Benefits) :				
	Current Service Cost	2.08	1.94	0.59	0.53
	Interest Cost	2.76	2.47	0.74	0.64
	Actuarial (gain)/ loss	-0.11	0.20	0.25	0.82
	Net cost recognised for the period	4.73	4.61	1.58	1.99
33	Taxation				
	a. Deferred Taxation				
	The institute of Chartered Accountants of India, has made mandatory the Accounting Standard-22 (AS-22) in respect of "Accounting for Taxation on Income". Accordingly, the Company has reviewed its Business prospects in coming years and observed that there is no certainty of earning Business profits in coming years and as such the amount of Deferred Tax Assets is calculated at Nil.				
	b. Current Taxation				
	In view of carry forward losses and absorbed depreciation no provision of Income Tax (MAT) has been made under Section 115-JB of the Income Tax Act. The Income Tax Assessment of the Company are completed up to Assessment year 2011-2012.				
34	Earning Per Share	<u>Current year</u>		<u>Previous Year</u>	
	(a) Profit/(Loss) as per Statement of Profit & Loss (including extra ordinary/exceptional income of Rs. 0.72 lacs previous year Rs. 4.10 lacs)	42.02		(48.54)	
	(b) No of Equity Shares (in lacs)	98.20		88.20	
	(c) Earning Per Share (including exceptional Income) (Rs.)	0.43		(0.55)	
	(d) Earning per share, if exceptional income is not considered	0.42		(0.59)	
	<u>Details of extra ordinary/exceptional Income:</u>				
	(i) Excess Provisions and Liabilities no longer required Written Back	-		3.38	
	(ii) Sale of Scrap of old used Stores, obsolete Machinery Parts and Fabricated steel items	0.72		0.72	
	Total	<u>0.72</u>		<u>4.10</u>	
35	Related Party Disclosure:				
	Related party as required by Accounting Standard—AS 18 "Related Parties Disclosures" issued by the Institute of chartered Accountants of India are given below:				
	(a) Key Management Personnel	Mr.R.K.Gupta (Executive Director)			
	(b) Enterprises over which key Management personnel or his relatives are able to exercise significant influence.	Nil			
	(c) Holding Company	Kashipur Holdings Ltd			
	(d) Other Related Parties (Associates) (with whom transactions have taken place)	1. Searock Credit (P) Ltd 2. India Glycols Ltd 3. Ajay Commercial (P) Ltd 4. J.Boseck & Co. (P) Ltd 5. Facit Commosales (P) Ltd 6. Sukhvarsha Distributors Pvt Ltd			

HINDUSTAN WIRES LIMITED

		(₹ in lacs)		
Particulars		Holding Co.	Key Management Personnel	Other Related Parties (Associates)
(e)	(I) Transactions with Related Parties during the current year:			
	Inter corporate Loans taken :			
	Ajay Commercial Company Pvt Ltd	-	-	-
	J.Boseck & Co. (P) Ltd	-	-	(0.80)
	Facit Commosales (P) Ltd	-	-	(1.00)
	Sukhvarsha Distributors Pvt Ltd	-	-	1.20
	Sales & Charges for Services rendered :			
	India Glycols Limited	-	-	(Nil)
	Inter corporate Loans repaid / adjusted :			
	Kashipur Holdings Limited (Including 100 lacs converted into equity)	122.00	-	-
	Ajay Commercial Company Pvt Ltd	(21.00)	-	-
	J.Boseck & Co. (P) Ltd	-	-	-
	Facit Commosales (P) Ltd	-	-	(0.80)
	Remuneration to Executive Director :			
	R.K.Gupta	-	32.79	-
	Purchases of goods :			
	India Glycols Limited	-	-	-
	Equity shares allotted (conversion of loan into equity)	100.00	-	225.19
		(Nil)	-	(271.96)
	(ii) <u>Balance Outstanding as at 31.03.2013 :</u>			
	Inter corporate Loans Payable :			
	Kashipur Holdings Limited	103.36	-	-
	Searock Credit (P) Ltd	(225.36)	-	-
	Sukhvarsha Distributors Pvt Ltd	-	-	4.35
	Purchases of goods :			
	India Glycols Limited	-	-	(4.35)
		-	-	10.00
		-	-	(Nil)
		-	-	Nil
		-	-	(5.27)

Notes:-

- (i) The above information as to Related parties have been identified by the Management on the basis of information available with the Company and relied on by the Auditors.
- (ii) Figures in brackets represent the figures of previous year.

36 Segment Reporting As Required By Accounting Standard-17

Presently the Business activity of the Company falls within a single primary business segment viz Industrial Gases as such the disclosure requirement of Accounting standard (AS) – 17” Segment Reporting” issued by the Institute of Chartered Accountants of India is not applicable.

37 Previous Year's figures have been regrouped/recast wherever found necessary to confirm to this years classification in view of the applicability of the revised Schedule VI to the Companies Act 1956.

Signature to Notes 1 to 37

For K.N. Gutgutia & Company
Chartered Accountants
Firm Registration Number 304153E

For and on behalf of the board

(B.R.Goyal)
Partner
Membership No. 12172
New Delhi.
Date: 29th May, 2013

R.K.Gupta
Executive Director

G.R.Goenka
Director

HINDUSTAN WIRES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH-2013

PREVIOUS YEAR			CURRENT YEAR
₹ in lacs			₹ in lacs
	(A) CASH FLOW FROM OPERATING ACTIVITIES		
+	1.46	Net Profit/Loss(-) before tax and extraordinary items	+ 42.02
		Adjustment for :	
+	35.95	Depreciation & Provision for Impairment of Assets	+ 36.02
+	0.77	Interest Paid	+ 0.75
	-	Provision for Doubtful debts/Advances	-
	-	Bad debts written off	-
-	1.07	Interest Received	- 5.25
+	0.48	Profit/Loss on Sale of Fixed Assets	+ 0.71
-	3.38	Liabilities no longer required written back(exceptional in nature)	-
+	34.21	Operating Profit before Working Capital Changes	+ 74.25
		Adjustment for :	
+	13.73	Trade and other Receivables	- 18.11
+	0.46	Inventories	- 2.31
-	24.67	Trade and other payables	- 118.11
+	23.73	Cash generated from operations	- 64.28
-	0.77	Interest Paid	- 0.75
+	1.07	Interest Received	+ 5.25
-		Excess provision for Income Tax in earlier years reversed	-
+	24.03	Cash Flow before Extraordinary Items	- 59.78
+	3.38	Liabilities no longer required written back (Income)	+ -
+	27.41	Net Cash from Operating Activities	- 59.78
	(B) CASH FLOW FROM INVESTING ACTIVITIES		
-	16.28	Purchase of Fixed Assets / Capital Work-in-progress	- 14.16
+	0.14	Sale of Fixed Assets held for Disposal	+ 16.75
-	16.14	Net Cash used in investing activities	+ 2.59
	(C) CASH FLOW FROM FINANCING ACTIVITIES		
-	-	Increase(Decrease) in Long and Short Term Borrowings	-
		Increase(Decrease) in share Capital (Conversion of loan in to Equity)	+ 100.00
-	-	Net Cash used in Financing Activities	+ 100.00
+	11.27	Net increase (Decrease) in cash and cash Equivalents (A+B+C)	+ 42.81
	14.97	Cash and cash Equivalents as at 01.04.2012 (Opening Balance)	26.24
	26.24	Cash and cash Equivalents as at 31.03.2013 (Closing Balance)	69.05
		(Including Rs.62 lacs in F.D. of Banks of maturity period of more than 3 months)	
		(i) Cash Flow Statement has been prepared as per AS-3 under indirect method.	
		(ii) Issue of equity shares by conversion of loan into equity is not a cash transaction.	

This is the Cash Flow Statement referred to in our report of even date

For K.N. Gutgutia & Company
Chartered Accountants
Firm Registration Number 304153E

(B.R.Goyal)
Partner
Membership No. 12172
New Delhi.
Date: 29th May, 2013

R.K.Gupta
Executive Director

G.R.Goenka
Director

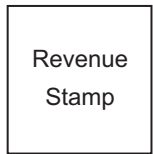
HINDUSTAN WIRES LIMITED

PROXY

I/We
of
being a Member/Members of HINDUSTAN WIRES LIMITED hereby appoint
of or failing him
of or failing him
of as my/our proxy in my/our absence to attend and vote on a poll for me/us, and on my/our behalf,
at the 53rd Annual General Meeting of the Company to be held on Thursday the 12th September 2013 and at any adjournment thereof.

AS WITNESS my/our hand/hands this day of 2013

Signed by the said



- NOTES: (1) The proxy need not be a Member of the Company.
(2) The proxy duly signed across Revenue Stamp should reach the Company's Registered Office at least 48 hours before the time of Meeting.

HINDUSTAN WIRES LIMITED

ATTENDANCE SLIP

I hereby record my presence at the 53rd ANNUAL GENERAL MEETING of the Company held at the Auditorium of BHARATIYA BHASHA PARISHAD, 36 A, SHAKESPEARE SARANI, Kolkata-700017 at 11.00 A.M. on Thursday the 12th September 2013.

.....
Full name of the Shareholder
(in block letters)

.....
Signature

Folio No.

.....
Full name of Proxy
(in block letters)

.....
Signature

[Shareholders attending the Meeting in person or by proxy are requested to fill-up the attendance slip and hand it over at the entrance of the Meeting hall]

**Book Post
(Printed Matter)**

If undelivered please return to:

**Hindustan Wires Limited
5th Floor, 3 A, Shakespeare Sarani
Kolkata-700 071**

FORM B

Format of covering letter of the annual audit report to be filed with the stock Exchanges

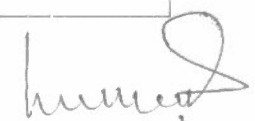
1.	Name of the Company	Hindustan Wires limited
2.	Annual financial statements for the year ended	31st March 2013
3.	Type of Audit qualification	Qualified/Subject to : "Refer to Note No. 26 regarding amounts (Rs. 1,29,82,571) recoverable from Oil Companies which have been estimated by the Management and relied upon by us."
4.	Frequency of qualification	Whether appeared first time : NO, it is appearing since 31-03-2008.
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	Audit Report is on page 14 and reply of the Management in Directors report is on page 6 and Note No.26 is on page 25.
6.	Additional comments from the board/audit committee chair:	<p>The matter relates to recovery of old outstanding dues of the Company outstanding since 1999 from Public sector Oil Companies and are being contested by the Company in arbitration proceedings and also before Supreme Court of India. The arbitrator in respect of decision on the same matter in other Companies had given favourable decision but latter on decision of the arbitrator stayed by Higher Courts. However based on the legal advice in the matter the Audit Committee and the Board of the Company formed an opinion that 40 % of the amount which is under litigation is good for recovery and based upon such best judgement, no provision in accounts was made for the amounts of Rs. 1,29,82,571/- for the said reason.</p> <p>The Statutory Auditors are in disagreement with the opinion of the Company and hence they have qualified the Audit Report. In their view the amount of outstanding is quite old and hence were of the opinion that it should be provided for in the books of the accounts of the Company.</p>

For K.N. GUTGUTIA & CO.


 PARTNER

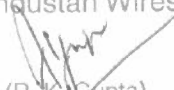
For Hindustan Wires Ltd.


 (R. K. Gupta)
 Executive Director


 (K. M. Lal)
 (Chairman Audit -
 Committee)

		In the current year ending 31.03.2014 the Company will again review the matter and will try to evolve a consensus between the opinion of Auditors and the Audit Committee/Board
7.	To be signed by- <input type="checkbox"/> Executive Director/ Whole time Director <input type="checkbox"/> Auditor of the company <input type="checkbox"/> Audit Committee Chairman	

For Hindustan Wires Ltd.


 (R. K. Gupta)
 Executive Director

EXECUTIVE DIRECTOR

For K.N. GUTGUTIA & CO.


**AUDITOR OF PARTNER
 COMPANY**


 (K. H. Lal)
**CHAIRMAN AUDIT
 COMMITTEE**

