

HISAR

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For Hisar Metal Industries Ltd.

[Signature]
Company Secretary

TWELFTH
ANNUAL REPORT
2001-2002

HISAR METAL INDUSTRIES LTD.

BOARD OF DIRECTORS

Shri M. P. Jindal (Chairman)
Shri Abhiram Tayal (Managing Director)
Smt. Anubha Tayal (Director)
Sh. Rahul Dev Tayal (Director)

COMPANY SECRETARY

Shri V. K. Jain

AUDITORS

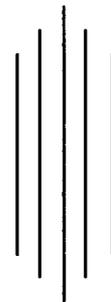
J.P. Tulsian & Co.,
Chartered Accountant
95-97, Green Square Market
Hisar-125 001 (Haryana)

BANKERS

Punjab National Bank

REGISTERED OFFICE & WORKS

Near Industrial Development Colony
Delhi Road, Hisar-125 005
(Haryana), INDIA



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HISAR METAL INDUSTRIES LTD.

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NOTICE

Notice is hereby given that the 12th Annual General Meeting of the Members of HISAR METAL INDUSTRIES LIMITED will be held on Saturday, the 28th September, 2002 at 11 A.M. at the Registered Office of the Company at Near Industrial Development Colony, Delhi Road, Hisar (Haryana) to conduct the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2002 and Profit and Loss Account for the year ended on that date and the Reports of Auditors and Directors thereon.
2. To declare a dividend.
3. To elect a Director in place of Sh. M.P. Jindal who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS :

5. To consider and if thought fit to pass, with or without modification(s), the following resolution as a special resolution :

"Resolved that pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 the Articles of Association of the Company be and are hereby altered to the extent and in the manner as set out hereunder :-

The following Heading and Article be inserted as Article 46A after the existing Article 46 :

BUY BACK OF SHARES**Buy Back of Shares**

- 46 A. Notwithstanding anything contained in the Articles of Association, the Board of Directors may, when and if thought fit, buy back such of the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions, and subject to such approvals, as may be permitted by law."

By order of the Board of Directors

Regd. Office :
Near Industrial Development Colony
Delhi Road, Hisar-125005 (Haryana)
Dated : 29th June, 2002

(V. K. Jain)
Company Secretary

NOTE :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy so appointed need not be a member of the Company. The proxies in order to be effective must be received at the Company's Registered Office not less than 48 hours before the commencement of the meeting.
2. An explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956 is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 25th day of September, 2002 to 28th day of September, 2002 (both days inclusive) in connection with the Annual General Meeting.
4. The dividend of 10 % for the year ended March 31, 2002 as recommended by the Board, if sanctioned at the ensuing Annual General Meeting will be payable to those members whose names appear on the Company's Register of Members as on September 28, 2002.
5. Members are requested to furnish their Permanent Account Number (PAN) or General Index Register Number (GIR No) and address of the Income Tax Ward/Range/District where assessed so as to reach the company on or before 28th September, 2002 as the same are required to be specified in the TDS Certificate and Return.

6. Shareholders who seek exemption from deduction of Income Tax at source are requested to submit FORM 15G in duplicate duly completed in all respects or tax exemption certificate issued by Income Tax Officer at the above Registered Office of the Company on or before 25-09-2002.
7. While members holding shares in physical form may write to the Company for any change in their address and bank mandates, members having shares in electronic form may inform the same to their depository participants immediately so to enable the Company to despatch dividend warrants at their correct addresses.
8. Members/Proxies should bring the Attendance slip duly filled in for attending the meeting.
9. In deference to the Govt. Policy, no gift will be distributed at the Annual General Meeting.
10. Members who have not encashed their dividend warrants for the financial years ending 1996, 1997, 1998, 1999, 2000 and 2001 are requested to approach the Company for renewing their dividend warrants.
11. Shares of the Company are listed at the following Stock Exchanges.
 - i) The Delhi Stock Exchange Association Ltd.
DSE House, 3/1, Asaf Ali Road, New Delhi – 110 002
 - ii) The Jaipur Stock Exchange Limited
Jawaharlal Nehru Building, Malviya Nagar, Jaipur – 302 017
 - iii) The Stock Exchange Ahmedabad
Kamdhenu Complex, Opp. Sahajanand College,
Panjarapole, Ahmedabad – 280 015

As on the date of this notice, no listing fee is due and remains unpaid.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.

Sub Section (1) of Section 77A of the Companies Act, 1956 provides that a Company may purchase its own shares or other specified securities subject to the provisions of Section 77A(2) and Section 77B. The Articles of Association of the Company are, therefore, proposed to be altered so as to include a new Article 46A, empowering the Company to purchase its own shares and/or securities.

The Resolution is accordingly recommended for the approval of the Members by means of Special Resolution as required under Section 31 of the Companies Act, 1956.

None of the Directors of the Company is deemed to be concerned or interested in the said Resolution.

Copy of the Memorandum and Article of Association of the Company together with the proposed alterations shall be open for inspection of the shareholders at the Company's Registered Office on any working day upto and inclusive of the date of Annual General Meeting between 10.00 a.m. to 1.00 p.m.

HISAR METAL INDUSTRIES LTD.

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DIRECTORS' REPORT

To
The Members,
Hisar Metal Industries Limited

The Directors have pleasure in presenting before you 12th Annual Report together with Audited Statement of Account of the Company for the year ended 31st March, 2002.

1. FINANCIAL RESULTS	(Rs. in Lacs)	
	<u>2001-2002</u>	<u>2000-2001</u>
Sales/Other receipts	4676.18	5180.42
Profit before depreciation and Taxation	167.12	127.36
Less depreciation	67.04	41.16
Profit after depreciation	100.08	86.20
Less : Provision for Taxation		
Current year :	9.44	32.36
Deferred Tax :	28.67	—
Less : Previous Year Income Tax	—	0.51
Profit after Taxation	61.97	53.33
Add profit brought forward	78.17	65.23
Profit available for appropriation	140.13	118.56
Dividend/Tax on dividend	36.00	39.67
Previous Year Dividend Tax Surcharge	—	0.72
Transfer to General Reserve	0.89	—
Surplus carried to Balance Sheet	103.24	78.17

2. DIVIDEND

The Directors recommend a dividend of 10% per annum for the year ended 31st March, 2002.

3. OPERATION

During the year under review, the Company has produced 6178 M.T. of stainless steel as compared to 5735 M. in the previous year, while, the profit before tax has risen to Rs.100 Lac as compared to Rs.86 Lac in the previous year. However, the decrease in turnover to Rs.468 million as compared to Rs.518 million in the previous year is due to lowering prices of Raw Material.

We wish to inform that as scheduled the new 6 Hi Mill has come into operation in the year 2001.

4. FIXED DEPOSITS

There was no such fixed deposits with the Company as matured and remained unpaid at the end of the year.

5. PARTICULARS OF THE EMPLOYEES

None of the employees of the Company is covered under the provision of Section 217 (2A) of the Companies Act, 1956.

6. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars prescribed by the Companies (Disclosures of Particulars in the Report of the Board of the Directors) Rules, 1988 are given in Annexure which forms part of Directors' Report.

7. COMPLIANCE OF GUIDELINES OF SEBI/STOCK EXCHANGE

We have duly complied with all the guidelines issued by SEBI/Stock Exchange.

8. DIRECTORS' RESPONSIBILITY

As required pursuant to the Companies (Amendment) Act, 2000, the Board of Directors confirm as under :

- a) That in the preparation of the annual accounts, the applicable accounting standards has been followed alongwith proper explanation relating to material departures.
- b) The directors had 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 of the Company for that period.
- c) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and
- d) That the Directors had prepared the annual accounts on going concern basis.

9. DIRECTOR

Sh. M.P. Jindal retires by rotation and being eligible, offers himself for re-appointment.

Sh. Rahul Dev Tayal was appointed as an Additional Director on 22.04.2002.

10. AUDITORS

The Auditors of the Company J.P.Tulsian & Co., Chartered Accountants, Hisar retires at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Necessary Certificate pursuant to section 224(1B) of the Companies Act, 1956 has been obtained from the Auditors.

11. INSURANCE

The properties and assets of the company to the extent required are adequately insured.

12. ACKNOWLEDGEMENT

The Directors wish to thank and deeply acknowledge the co-operation, assistance and support extended by the company's banker and customers of the Company. The Directors also wish to place on the record their appreciation for the devoted services of the officers, staff and workers and trust the same will be continued in future.

For and on behalf of the Board of Directors

Registered Office :
Near Industrial Development Colony,
Delhi Road, Hisar-125 005 (Haryana)
Dated : 29th June, 2002

(M.P. JINDAL)
CHAIRMAN