



**TWENTY FOURTH
ANNUAL REPORT
2013-2014**

HISAR METAL INDUSTRIES LTD.
CIN: L74899HR1990PLC030937

BOARD OF DIRECTORS

Mr. M.P. Jindal (Chairman)
Mr. Abhiram Tayal (Managing Director)
Mrs. Anubha Tayal
Mr. Shital Parshad Jain
Mr. Sajjan Singh
Mr. Karan Dev Tayal
Mr. Rahul Dev Tayal
Mr. Sharat Jain
Mr. Anuj Kumar

COMPANY SECRETARY

Mr. Abhishek Kapoor

STATUTORY AUDITORS

Ram Sanjay & Co.
Chartered Accountants
95-97, Green Square Market,
Hisar-125 001 (Haryana)

BANKERS

Punjab National Bank

REGISTERED & CORPORATE OFFICE

Near I.D.C., Delhi Road
Hisar-125 005
Haryana



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NOTICE

Notice is hereby given that the **twenty fourth Annual General Meeting** of **HISAR METAL INDUSTRIES LIMITED** will be held on **Wednesday, September 24, 2014, at 11:00 A.M.** at its Registered Office at **Near I. D. C., Delhi Road, Hisar-125 005, (Haryana)**, to transact the following businesses:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as on March 31, 2014 and the statement of Profit and Loss and cash flow statement for the year ending on that date, together with the Auditors' Report and Directors' Report thereon.
2. To declare a dividend of Re. 1/- per share as recommended by the Board of Directors.
3. To appoint a Director in place of Mr. Karan Dev Tayal (DIN-00181214) who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s. Ram Sanjay & Co., Chartered Accountants, having Firm Registration no. 021670N with the Institute of Chartered Accountants of India, as Statutory Auditors of the Company, as recommended by the Audit Committee of the Company, from the conclusion of this meeting till the conclusion of the third consecutive Annual General Meeting of the Company, subject to ratification of the Shareholders at every Annual General Meeting during the aforementioned period 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 an **Ordinary Resolution**:

"RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 ("Act"), if any (including any statutory modification or re-enactment thereof, for the time being in force) and the Rules made there under read with Schedule IV to the Act, Mr. Shital Parshad Jain (DIN-01844444), an Independent Director of the Company, in respect of whom the Company has received a notice from a member as per Section 160 of the Act proposing his candidature as an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term from September 24, 2014 to September 23, 2019."

6. To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

"RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 ("Act"), if any (including any statutory modification or re-enactment thereof, for the time being in force) and the Rules made there under read with Schedule IV to the Act, Mr. Sharat Jain (DIN-02846477), an Independent Director of the Company, in respect of whom the Company has received a notice from a member as per Section 160 of the Act proposing his candidature as an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term from September 24, 2014 to September 23, 2019."

7. To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

"RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 ("Act"), if any (including any statutory modification or re-enactment thereof, for the time being in force) and the Rules made there under read with Schedule IV to the Act, Mr. Anuj Kumar (DIN-02846580), an Independent Director of the Company, in respect of whom the Company has received a notice from a member as per Section 160 of the Act proposing his candidature as an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term from September 24, 2014 to September 23, 2019."

8. To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 (“Act”), if any (including any statutory modification or re-enactment thereof, for the time being in force) and the Rules made there under read with Schedule IV to the Act, Mr. Sajjan Singh (DIN-00081937), an Independent Director of the Company, in respect of whom the Company has received a notice from a member as per Section 160 of the Act proposing his candidature as an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term from September 24, 2014 to September 23, 2019.”

9. To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 (“Act”), if any (including any statutory modification or re-enactment thereof, for the time being in force) and the Rules made there under read with Schedule IV to the Act, Mr. Krishan Kumar Jain (DIN-06870291), an Independent Director of the Company, in respect of whom the Company has received a notice from a member as per Section 160 of the Act proposing his candidature as an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term from September 24, 2014 to September 23, 2019.”

10. To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“RESOLVED that pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V of the Companies Act, 2013 and other applicable provisions, if any (including any statutory modification or re-enactment thereof, for the time being in force) and the Rules made there under and subject to the Articles 108 to 111 of Articles of Association of the Company, the approval of the Members be and is hereby accorded to the re-appointment of Mr. Abhiram Tayal (DIN-00081453), as Managing Director of the Company for a period of five years with effect from February 14, 2015, on terms and conditions, as decided by the Nomination & Remuneration Committee of Board of Directors of the Company, specified herein-below read with explanatory statement as per Section 102(1) of the Act annexed to this notice:

a) Basic pay: Annual salary of Rs. 9,00,000/- to be paid periodically in accordance with the normal payroll practice of the Company.

b) Perquisites: In addition to the basic pay Mr. Tayal will be entitled to following perquisites during the currency of his tenure:

- i. **Medical reimbursement:** Reimbursement of expenses incurred for self and family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
- ii. **Leave travel concession:** Leave travel concession for self and family once in a year not exceeding two month's salary.
- iii. **Club fees:** Fees of clubs subject to two clubs provided that no life membership or admission fees will be paid.
- iv. Telephone and other necessary communication facilities at the residence for company's business shall be provided by the Company.
- v. Chauffeur driven cars for business purpose of the Company.
- vi. Contribution to provident fund and superannuation fund as per rules of the company to the extent said amount is not taxable under the Income Tax Act, 1961.
- vii. Gratuity payable shall not exceed half- month's salary for each completed year of service.

viii. Encashment of earned leave at the time of retirement/superannuation in accordance with the rules of the Company.

c) **Minimum remuneration:** In the event of absence or inadequacy of profits in any financial year during the currency of the tenure of Mr. Abhiram Tayal as Managing Director of the Company aforesaid remuneration will be paid to him as minimum remuneration subject to the provisions of Schedule V of the Act.”

“**RESOLVED FURTHER THAT** Mr. Abhiram Tayal shall perform such duties as shall be entrusted to him by the Board of Directors, subject to superintendence, guidance and control of the Board of Directors.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary to give effects to this resolution.”

11. To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“**RESOLVED that** pursuant to the provisions of Sections 148 and in accordance with Rule 14 of the Companies (Audit & Auditors) Rules, 2014, and other applicable provisions of the Companies Act, 2013, if any, a remuneration of Rs. 50,000 be and is hereby determined to be paid to M/s. Naveen Gupta & Co., Cost Accountants having Firm Registration no. 100920 with the Institute of Cost Accountants of India, as approved by the Board of Directors of the Company (“Board”) on recommendation of the Audit Committee of the Board to audit the cost records of the Company for the year 2014-15.”

12. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:

“**RESOLVED that** in supersession of the ordinary resolution passed at the Annual General Meeting of the Company held on September 25, 2006, under Section 293(1)(a) and (d) of the Companies Act, 1956, the consent of the Shareholders be and is hereby accorded as per the provisions of Section 180(1)(a) and (c) of the Companies Act, 2013 (Act) and all other applicable provisions, if any, of the Act to authorize the Board of Directors of the Company to borrow monies together with monies already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) up to Rs. 100 Crores (Rupees One Hundred Crores) as outstanding at any time in excess of the aggregate of Paid-up Capital and Free Reserves of the Company from time to time.”

**By the order of Board of Directors
For Hisar Metal Industries Limited**

Date: August 19, 2014
Place: Hisar

Sd/-
(Abhishek Kapoor)
Company Secretary

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 the proxy so appointed need not be a member of the Company.**
2. The instrument appointing a proxy, duly completed, shall be received not less than 48 hours before the commencement of the meeting at the registered office of the Company in order to make the proxies effective. A person appointed as proxy shall act on behalf of not more than fifty members and holding not more than ten percent of total share capital of the Company.
3. Members can inspect proxies lodged with the Company during the period from 24 hours before the meeting to the conclusion of the meeting by giving notice, in writing, at-least three days in advance.

4. Members/Proxies should bring duly filled attendance slip enclosed herewith for attending the meeting.
5. **Members are advised to nominate a person in respect of all the shares held by them.**
6. The statement as per Section 102(1) of the Companies Act, 2013, with respect to the special businesses in this notice and details of Directors to be appointed in this meeting as required under listing agreements with Stock Exchanges are annexed herein-below.
7. The Register of Members and Share Transfer Books of the Company will remain closed from September 15, 2014 to September 24, 2014 (both days inclusive) for determining the name of members eligible for dividend, if approved, at the Annual General Meeting.
8. The dividend of 10% (Re. 1/- per share) for the financial year ended on March 31, 2014 as recommended by the Board, if declared at the meeting will be paid on September 29, 2014, to those members whose names appear on the Company's Register of Members and List of Beneficiaries as on September 24, 2014.
9. Members holding shares in physical form may write to the Company Secretary or Registrar and Share Transfer Agent of the Company for any change in their address and bank mandates. While members holding shares in electronic form may inform the same to their depository participants immediately so as to enable the Company to dispatch the dividend warrants at their correct addresses.
10. The documents pertaining to businesses to be transacted at this Annual General Meeting are available for inspection at the Registered Office of the Company during business hours except on holidays.
11. Pursuant to Section 205A read with Section 205C of the Companies Act, 1956, any amount of Dividend or other specified items that remains unpaid / unclaimed for a period of seven years is required to be transferred to the Investor Education and Protection Fund of the Central Government (IEPF). The Company has transferred the amount of dividends declared till September 25, 2006, to the IEPF. The shareholders are requested to write to the Company Secretary to claim unpaid dividend.
12. Members holding shares in dematerialized form are requested to update the details pertaining to their shareholding such as change of address/name, bank details, ECS mandate, nominations, power of attorney etc. with their depository participants. However the members who hold shares in physical form may write to the Company Secretary or RTA at M/s. Skyline Financial Services Pvt. Ltd., D-153 A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi-110 020, Tel.: +91 (11) 26812682, 83, 64732681 to 88, Fax: +91 (11) 26812682, Email: admin@skylinerta.com
13. Members holding shares in physical form are requested to dematerialize their shares for their own convenience.
14. **Members are requested to submit the Permanent Account Number (PAN) to their Depository Participant however those who hold shares in physical form shall submit the PAN to Registrar and Share Transfer Agent or the Company.**

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 and information under Clause 49 of the listing agreements with the Stock Exchanges about Directors seeking appointment / re-appointment

Item : 3

Mr. Karan Dev Tayal aged about 34 years is a Software Engineer and was inducted into the Board of Directors of the Company on October 3, 2008. He has completed his M. Tech in Computer Science from New Jersey Institute of Technology and has experience of over 10 years.

Mr. Karan Dev Tayal has worked with Citi Group as AVP- Future and Options for a period of over 5 years and thereafter set-up his own Company Ariansh Infotech Private Limited, which provides IT solutions. Although he is a Non-executive Director of the Company but leveraging his vast experience and interest in technology he has advised the Organization in automation of various processes involved in the operations.

Mr. Karan Dev Tayal is a Director in Ariansh Infotech Private Limited and does not hold directorship in any other company. He does not chair or hold membership of committees of the Company and any other company. He does not hold any share of the Company.

Nature of expertise in specific functional area: Software solutions and Finance

Except the following Directors none of the Director is concerned or interested in this resolution:

Sr. No.	Name	Description	Relation
1.	Mr. Abhiram Tayal	Managing Director	Father
2.	Mrs. Anubha Tayal	Non-executive Director	Mother

The Board of Directors considers that in view of the background, experience and contribution to the Company of Mr. Karan Dev Tayal, it would be in the interest of the Company to re-appoint him as a director of the Company and recommends to the shareholders this resolution.

Item: 5

Mr. Shital Parshad Jain aged about 68 years was inducted into the Board of Directors on September 29, 2008. He is an Advocate and has experience of over 38 years.

Mr. Parshad is practicing as an Advocate and his proprietary firm provides consultancy in various areas under corporate laws, taxation, organizational restructuring etc. He is the Chairman of the Audit Committee and the Nomination & Remuneration Committee of the Company and does not hold directorship and membership of committees in any other company. He does not hold any share of the Company.

Nature of expertise in specific functional area: Corporate laws and taxation.

Mr. Parshad is an Independent Director of the Company liable to retire by rotation under the erstwhile provisions of Companies Act, 1956. However, as per the provisions of Section 149 of the Companies Act, 2013, an independent director shall not be liable to retire by rotation and be appointed for fixed period up to 5 years. Accordingly the Board of Directors has decided to recommend this resolution for his appointment as an Independent Director of the Company, for tenure from September 24, 2014 to September 23, 2019, considering his background, experience and fulfillment of conditions specified in the Companies Act, 2013.

The Company has received a notice in writing from a member of the Company along with deposit of Rs. 1,00,000/- (Rupees One Lac) in pursuance of the Section 160 of Companies Act, 2013, proposing the candidature of Mr. Shital Parshad Jain as an Independent director of the Company. None of the director and key managerial personnel of the Company, or their relatives are interested in this resolution except Mr. Shital Parshad Jain himself.

Item: 6

Mr. Sharat Jain aged about 42 years is a Businessman and was inducted into the Board of Directors on October 31, 2009. He is a graduate and has experience of over 12 years.

He is not a director in any other company and does not chair or hold membership of committees of the Company and any other company. He is not a shareholder of the Company.

Nature of expertise in specific functional area: Operational Management and Finance

Mr. Jain is an Independent Director of the Company liable to retire by rotation under the erstwhile provisions of Companies Act, 1956. However as per the provisions of Section 149 of the Companies Act, 2013, an independent director shall not be liable to retire by rotation and be appointed for fixed period up to 5 years. Accordingly the Board of Directors has decided to recommend this resolution for his appointment as an Independent Director of the Company, for tenure from September 24, 2014 to September 23, 2019, considering his background, experience and fulfillment of conditions specified in the Companies Act, 2013.

The Company has received a notice in writing from a member of the Company along with deposit of Rs. 1,00,000/- (Rupees One Lac) in pursuance of the Section 160 of Companies Act, 2013, proposing the candidature of Mr. Sharat Jain as an Independent director of the Company. None of the director and key managerial personnel of the Company, or their relatives are interested in this resolution except Mr. Sharat Jain himself.

Item: 7

Mr. Anuj Kumar aged about 34 years is an Accountant by profession and was inducted into the Board of Directors on October 31, 2009. He is a graduate and has experience of more than 6 years.

He does not chair or hold membership of committees of the Company and any other company. He is a director of Saransh Properties and Investments Pvt. Ltd. and does not hold directorship in any other company. Further he is not a shareholder of the Company.

Nature of expertise in specific functional area: Accountancy and Taxation in steel industry

Mr. Kumar is an Independent Director of the Company liable to retire by rotation under the erstwhile provisions of Companies Act, 1956. However as per the provisions of Section 149 of the Companies Act, 2013, an independent director shall not be liable to retire by rotation and be appointed for fixed period up to 5 years. Accordingly the Board of Directors has decided to recommend this resolution for his appointment as an Independent Director of the Company, for tenure from September 24, 2014 to September 23, 2019, considering his background, experience and fulfillment of conditions specified in the Companies Act, 2013.

The Company has received a notice in writing from a member of the Company along with deposit of Rs. 1,00,000/- (Rupees One Lac) in pursuance of the Section 160 of Companies Act, 2013, proposing the candidature of Mr. Anuj Kumar as an Independent director of the Company. None of the director and key managerial personnel of the Company, or their relatives are interested in this resolution except Mr. Anuj Kumar himself.

Item: 8

Mr. Sajjan Singh aged about 44 years is a science graduate and was inducted into the Board of Directors on September 28, 2002.

He is member of two committees namely Nomination & Remuneration Committee and Audit Committee and Chairman of the Stakeholder Relationship Committee. He does not hold directorship and membership of committees in any other company. Further he is not a shareholder of the Company.

Nature of expertise in specific functional area: Operations related to cold rolling mills

Mr. Sajjan Singh is an Independent Director of the Company liable to retire by rotation under the erstwhile provisions of Companies Act, 1956. However as per the provisions of Section 149 of the Companies Act, 2013, an independent director shall not be liable to retire by rotation and be appointed for fixed period up to 5 years. Accordingly the Board of Directors has decided to recommend this resolution for his appointment as an Independent Director of the Company, for tenure from September 24, 2014 to September 23, 2019, considering his background, experience and fulfillment of conditions specified in the Companies Act, 2013.

The Company has received a notice in writing from a member of the Company along with deposit of Rs. 1,00,000/- (Rupees One Lac) in pursuance of the Section 160 of Companies Act, 2013, proposing the candidature of Mr. Sajjan Singh as an Independent Director of the Company. None of the director and key managerial personnel of the Company, or their relatives are interested in this resolution except Mr. Sajjan Singh himself.

Item: 9

Mr. Krishan Kumar Jain aged about 70 years is a matriculate and a freelancer to advice on various aspects related to operations and financial matters. He was inducted into the Board of Directors on August 12, 2014, to fill the casual vacancy caused by the resignation of Mr. Ganesh Dutt, an Independent Director of the Company, on May 29, 2014.

He is not a director in any other company and does not chair or hold membership of committees of the Company and any other company. He is not a shareholder of the Company.

Nature of expertise in specific functional area: Finance and operations in steel industry

The Board of Directors considering the expertise and experience of Mr. Jain decided to recommend his appointment as an Independent Director of the Company as per the provisions of Section 149 of the Companies Act, 2013, for tenure from September 24, 2014 to September 23, 2019.

The Company has received a notice in writing from a member of the Company along with deposit of Rs. 1,00,000/- (Rupees One Lac) in pursuance of the Section 160 of Companies Act, 2013, proposing the candidature of Mr. Krishan Kumar Jain as an Independent Director of the Company. None of the director and key managerial personnel of the Company, or their relatives are interested in this resolution except Mr. Krishan Kumar Jain himself.

Item: 10

Mr. Abhiram Tayal, aged about 61 years, was inducted into the Board of Directors of the Company on July 21, 1990. He is a graduate from Punjab University, Chandigarh and has experience of over 37 years.

Mr. Abhiram Tayal is one of the two promoters of the Company. He has an extremely rich experience in the Steel industry. The Company has registered an incredible growth under his leadership.

The tenure of previous appointment of Mr. Abhiram Tayal, as Managing Director of the Company, is due to expire on February 13, 2015. Therefore the Board of Directors in its meeting held on August 12, 2014, on the recommendations of the Nomination & Remuneration Committee decided to recommend his re-appointment for a period of five years from February 14, 2015, to the shareholders of the Company in this Annual General Meeting on such remuneration as mentioned in the resolution. He does not chair or hold membership of committees of the Company and any other company. He is not a director of any other Company.

Nature of expertise in specific functional area: Operational Management

Except the following Directors none of the Director and key managerial personnel of the Company or their relatives are concerned or interested in this resolution:

Sr. No.	Name	Description	Relation
1.	Mrs. Anubha Tayal	Non-executive Director	Wife
2.	Mr. Rahul Dev Tayal	Non-executive Director	Brother
3.	Mr. Karan Dev Tayal	Non-executive Director	Son
4.	Ms. Kanika Tayal	Shareholder holding 2.10% share capital of the Company	Daughter

The Board of Directors considers that in view of the background, experience and contribution to the Company of Mr. Abhiram Tayal, it would be in the interest of the Company to re-appoint him as a Managing Director of the Company and recommends to the shareholders this ordinary resolution for his appointment and remuneration for a period of five years from February 14, 2015, in terms of the provisions of Companies Act, 2013.

The resolution read with explanatory statement should be considered as written memorandum, as required under the provisions of Section 190 of the Companies Act, 2013, setting out the terms of employment of Mr. Abhiram Tayal as Managing Director of the Company. Further either party can rescind this resolution by giving a six months notice.

Item: 11

The Board of Directors (Board) in its meeting held on August 12, 2014, has appointed M/s. Naveen Gupta & Co., Cost Accountants, having Firm Registration no. 100920 with the Institute of Cost Accountants of India, as the Cost Auditors of the Company to audit the cost records of the Company for the year 2014-15, at a remuneration of Rs. 50,000. The appointment and remuneration was made on the recommendation of Audit Committee of the Board. As per the provisions of the Companies Act, 2013, the remuneration of Cost Auditor shall be ratified by the shareholders of the Company.

Accordingly, consent of the shareholders is being sought for ratification of the remuneration payable to the Cost Auditors for the year 2014-15.

The Board recommends this resolution for approval of the Shareholders.

None of the Directors, Key Managerial Personnel of the Company or their relatives is interested in the proposed Resolution.

Item: 12

The Shareholders of the Company in its Annual General Meeting held on September 25, 2006 have authorized the Board to borrow monies up to the limit of Rs. 35 Crores as outstanding in excess of the aggregate of Paid-up Capital and Free Reserves of the Company, pursuant to Sections 293(1) (a) and 293(1) (d) of the Companies Act, 1956.

Now in pursuance of Section 180(1)(a) and (c) of the Companies Act, 2013, the Board of Directors needs approval of the Shareholders through Special Resolution to increase the limit of borrowing monies to 100 crores as outstanding in excess of the aggregate of Paid-up Capital and Free Reserves of the Company.

The Board recommends this resolution for approval of the Shareholders.

None of the Directors, Key Managerial Personnel of the Company or their relatives is interested in the proposed Resolution.

**By the order of Board of Directors
For Hisar Metal Industries Limited**

Date: August 19, 2014

Place: Hisar

Sd/-
(Abhishek Kapoor)
Company Secretary