


HISAR

**THIRTEENTH
ANNUAL REPORT
2002-2003**

CERTIFIED TO BE TRUE COPY
For Hisar Metal Industries Ltd.

Company Secretary

HISAR METAL INDUSTRIES LTD.

BOARD OF DIRECTORS

Shri M. P. Jindal (Chairman)
 Shri Abhiram Tayal (Managing Director)
 Smt. Anubha Tayal (Director)
 Sh. Dharam Paul (Director)
 Sh. Sajjan Singh (Director)

COMPANY SECRETARY

Shri V. K. Jain

AUDITORS

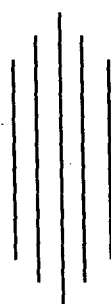
J.P. Tulsian & Co.,
 Chartered Accountants
 95-97, Green Square Market
 Hisar-125 001 (Haryana)

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 13th Annual General Meeting of the Members of HISAR METAL INDUSTRIES LIMITED will be held on Saturday, the 27th September, 2003 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, 2003 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 Smt. Anubha Tayal who retires by rotation and being eligible, offers herself 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 resolutions :
 - a) "Resolved that Shri Dharam Paul who was appointed as the Additional Director of the Company by the Board of Directors in their meeting held on 28th day of September, 2002 at 3.00 P.M. at the Registered Office of the company and in respect of whom the company has received a notice in writing under section 257 of the Companies Act, 1956 from a shareholder intending to propose him for the office of Director, be and is hereby appointed as the Director of the Company liable to retire by rotation under section 255 of the Companies Act, 1956"
 - b) "Resolved that Shri Sajjan Singh who was appointed as the Additional Director of the Company by the Board of Directors in their meeting held on 28th day of September, 2002 at 3.00 P.M. at the Registered Office of the company and in respect of whom the company has received a notice in writing under section 257 of the Companies Act, 1956 from a shareholder intending to propose him for the office of Director, be and is hereby appointed as the Director of the Company liable to retire by rotation under section 255 of the Companies Act, 1956"

By order of the Board of Directors

Regd. Office :
Near Industrial Development Colony
Delhi Road, Hisar-125005 (Haryana)
Dated : 30th June, 2003

(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, 2003 to 27th day of September 2003 (both days inclusive) in connection with the Annual General Meeting.
4. The dividend of 10% for the year ended March 31, 2003 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 27, 2003.
5. Members are requested to note that pursuant to SEBI guidelines, the Company has appointed M/s. Skyline Financial Services Pvt. Ltd., 123, Vinoba Puri, Lajpat Nagar – II, New Delhi – 110 024 as the Registrar and Transfer Agent to look after the work related to shares held in physical as well as dematerialised form.

6. 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.
7. Members/Proxies should bring the Attendance slip duly filled in for attending the meeting.
8. In deference to the Govt. Policy, no gift will be distributed at the Annual General Meeting.
9. Members who have not encashed their dividend warrants for the financial years ending 1996, 1997, 1998, 1999, 2000, 2001 and 2002 are requested to approach the Company for renewing their dividend warrants.

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

- a) Shri Dharam Paul S/o Shri Agar Chand was appointed as the additional director of the company pursuant to section 260 of the Companies Act, 1956 by the Board of Directors in their meeting held on 28th day of September, 2002. He is a reputed and senior-most Chartered Accountant of Hisar. He is the independent director according to the Explanation given to clause 49(I)A of the Listing Agreement of the Stock Exchanges. He was further appointed by the Board of Directors as the Chairman of Audit Committee. Pursuant to section 260 of the Companies Act, 1956 he can continue to his office of director up to the date of the Annual General Meeting of the Company. The Company has received a notice in writing from a member under section 257 of the Companies Act, 1956 signifying his intention to propose him as the office of Director liable to retire by rotation. The Board of Directors is therefore proposing the aforesaid resolution for his appointment under section 255 of the Companies Act, 1956 for due approval of the members.

None of the Directors are interested in the resolution except Shri Dharm Paul, himself.

- b) Shri Sajjan Singh S/o Shri Ran Singh was appointed as the additional director of the company pursuant to section 260 of the companies Act, 1956 by the Board of Directors in their meeting held on 28th day of September, 2002. He is independent director according to the Explanation given to clause 49(I)A of the Listing Agreement of the Stock Exchanges. He was further appointed by the Board of Directors as the member of the Audit Committee as well as the member of the Committee to Redress the Grievances of Shareholders and Investor Complaints. Pursuant to section 260 of the Companies Act, 1956 he can continue to his office of director up to the date of the Annual General Meeting of the Company. The Company has received a notice in writing from a member under section 257 of the Companies Act, 1956 signifying his intention to propose him as the office of Director liable to retire by rotation. The Board of Directors is therefore proposing the aforesaid resolution for his appointment under section 255 of the Companies Act, 1956 for due approval of the members.

None of the Director is interested in the resolution except Shri Sajjan Singh, himself.

By order of the Board of Directors

Regd. Office :
Near Industrial Development Colony
Delhi Road, Hisar-125005 (Haryana)
Dated : 30th June, 2003

(V.K.Jain)
Company Secretary

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 13th Annual Report together with Audited Statement of Account of the Company for the year ended 31st March, 2003.

	2002-2003	(Rs. In Lacs) 2001-2002
1. FINANCIAL RESULTS		
Sales/Other receipts	6282.03	4676.18
Profit before depreciation and Taxation	180.87	167.12
Less depreciation	79.32	67.04
Profit after depreciation	101.55	100.08
Less : Provision for Taxation		
Current Year :	22.11	9.44
Deferred Tax :	18.00	28.67
Profit after Taxation	61.44	61.97
Add profit brought forward	103.24	78.16
Profit available for appropriation	164.68	140.13
Dividend/Tax on dividend	40.73	36.00
Transfer to General Reserve	—	0.89
Surplus carried to Balance Sheet	123.95	103.24

2. DIVIDEND

The Directors recommend a dividend of 10% per annum for the year ended 31st March, 2003.

3. OPERATION

During the year under review, the Company has produced 7954 M.T. of stainless steel as compared to 6209 M.T. in the previous year, while, the turnover has increased by 35 % to Rs.6295 lacs as compared to previous year. The Export Sale has increased by 186 % as compared to previous year, however, PBT and PAT is almost equal to previous year due to lower realisation from sales. The Company has achieved ISO 9001 : 2000 during the year under review.

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 OUT GO

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.

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HISAR METAL INDUSTRIES LTD.**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.

DIRECTOR

Smt. Anubha Tayal retires by rotation and being eligible, offers herself for re-appointment.

Sh. Dharm Paul and Shri Sajjan Singh, have been appointed as the additional directors of the Company by the Board of Directors on 28.09.2002. Their tenure expires on the date of the ensuing Annual General Meeting. Their appointment as the directors liable to retire by rotation has been recommended by the Board. Being appointed as additional director on 22.04.2002 Shri Rahul Dev Tayal ceased to be director as on the date of previous AGM i.e. 28.09.2002.

10. Your Company has in all material aspects complied with the conditions of Corporate Governance as contained in Clause 49 of the Listing Agreement during 2002-03. A separate report each on corporate governance and management discussion and analysis alongwith Auditors' certificate are given elsewhere in this report and forming part of this report.

1. AUDITORS

The Auditors of the Company J.P.Tulsian & Co., Chartered Accountants, Hisar retires at the conclusion of 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.

2. INSURANCE

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

3. 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 : 30th June, 2003

(M.P. JINDAL)
CHAIRMAN

HISAR METAL INDUSTRIES LTD.

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ANNEXURE TO DIRECTORS' REPORT

Pursuant to Companies (Disclosure of Particulars in the Report of Directors) Rules 1988.

A. CONSERVATION OF ENERGY

The following measures are employed by the Company for conservation of energy :-

- i) Improving power factor by the Company for conservation of energy.
- ii) Utilising the proper load of plant and equipment, Electric Motor etc.
- iii) Reducing the maximum demand by properly distributing the loads.

Total energy consumption and energy consumption per unit of production as per FORM A is as under :-

FORM A**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY****A. POWER AND FUEL CONSUMPTION**

	CURRENT YEAR 2002-2003	PREVIOUS YEAR 2001-2002
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1. ELECTRICITY**a) Purchased units**

Nos.	2388309	2299813
Total amount	Rs. 1,00,59,624	1,01,34,347
Rate/Unit	Rs. 4.21	4.41

b) Own Generation**i) Through Generator**

Ltr.	406026	123000
Cost per unit	Rs. 3.46	2.60

ii) Through Steam Turbine Generator

	N.A.	N.A.
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2. COAL

	N.A.	N.A.
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3. FURNACE OIL (LIGHT DIESEL OIL)

Rs.	1,57,30,611*	1,12,72,027*
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(*includes Rs.23,11,305 of LPG consumed)

4. OTHER/INTERNAL GENERATION

	N.A.	N.A.
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B) CONSUMPTION PER UNIT OF PRODUCTION**PRODUCT**

	C. R. STRIPS	C. R. STRIPS
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Electricity (Units)

480	462
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Furnace Oil (Ltr.)

135*	175
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Coal

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Others

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(*Consumption of Furnace oil is low as compared to last year due to partial use of LPG)

FORM B**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION****RESEARCH AND DEVELOPMENT (R & D)**

1. Specified Area in which R & D carried out by the company

2. Benefits derived as a result of the above R & D

3. Future plan of action

4. Expenditure on R & D

a) Capital

b) Recurring

c) Total

d) Total R & D expenditure as a percentage of total Turnover

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts in brief, made towards technology absorption and innovation

2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished

a) Technology imported

b) Year of import

c) Has technology fully absorbed

d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars of Foreign exchange earnings and outgo are given in item No. 7(d), (e) and (f) of Schedule "T" Notes to the accounts.

For and on behalf of the Board of Directors

Place : Hisar

Date : 30th June, 2003

(M.P. JINDAL)
CHAIRMAN