#### **BOARD OF DIRECTORS**

Shri M.P.Jindal (Chairman) Shri Abhiram Tayal (Managing Director) Smt. Anubha Tayal (Director) Shri Shital Parshad Jain (Director) Shri Sajjan Singh (Director) Shri Karan Dev Tayal (Director) Shri Rahul Dev Tayal (Director) Shri Sharat Jain (Director) Shri Ganesh Dutt (Director) Shri Anuj Kumar (Director)

#### COMPANY SECRETARY

Shri Pardeep Nandal

#### **AUDITORS**

Ram Sanjay & 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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#### NOTIÇE

Notice is hereby given that the 20<sup>th</sup> Annual General Meeting of the Members of HISAR METAL INDUSTRIES LIMITED will be held on Monday, the 27<sup>th</sup> day of September, 2010 at 11.00 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, 2010 and Profit and Loss Account for the year ended on that date and the reports of Auditors and Directors thereon.
- To declare a dividend.
- 3. To elect a Director in place Smt. Anubha Tayal who retires by rotation and being eligible, offers herself for reappointment.
- 4. To elect a Director in place Shri M.P. Jindal who retires by rotation and being eligible, offers himself for reappointment.
- 5. 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:

#### 6. Appointment of Mr. Sharat Jain as Director

To Consider and if thought fit to pass, with or without modification(s), the following resolution as ordinary resolution:

"RESOLVED THAT Mr. Sharat Jain who was appointed as the Additional Director of the Company by the Board of Directors in their meeting held on 31st day of October, 2009 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 the 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".

#### 7. Appointment of Mr. Ganesh Dutt as Director

To Consider and if thought fit to pass, with or without modification(s), the following resolution as ordinary resolution:

"RESOLVED THAT Mr. Ganesh Dutt who was appointed as the Additional Director of the Company by the Board of Directors in their meeting held on 31st day of October, 2009 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 the 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".

#### 8. Appointment of Mr. Anuj Kumar as Director

To Consider and if thought fit to pass, with or without modification(s), the following resolution as ordinary resolution:

"RESOLVED THAT Mr. Anuj Kumar who was appointed as the Additional Director of the Company by the Board of Directors in their meeting held on 31st day of October, 2009 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 the 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".

Regd. Office:

Near Industrial Development Colony Delhi Road, Hisar – 125005 (Haryana)

Dated: 31st May, 2010

By order of the Board of Directors

દ્ધ Pardeep Nandal (Company Secretary)

#### NOTES:

- 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 24<sup>th</sup> day of September, 2010 to 27<sup>th</sup> day of September, 2010 (both days inclusive) for the Annual General Meeting and determining the name of members eligible for dividend, if approved, at the Annual General Meeting.
- 4. The dividend of 10% for the year ended March 31, 2010 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 and List of Beneficiaries as on September 27, 2010.
- 5. 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 as to enable the Company to dispatch the dividend warrants at their correct addresses.
- 6. Pursuant to Section 205A read with Section 205C of the Companies Act, 1956 the unclaimed/unpaid dividend have been transferred to the Investor Education and Protection Fund of the Central Government (hereinafter called "the Fund"). The balance lying in the unpaid dividend account for the year ended 31st March, 2003 will be transferred to the Fund shortly. Shareholders are requested to note that the company is statutorily required to transfer to the Fund all dividends which remain unpaid/unclaimed for a period of seven years from the date they became due for payment and once such amount are transferred to the Fund, no claim shall lie against the Company. Shareholders who have not yet encashed their dividend warrants are requested to do so sufficiently in advance before the said transfers take place.
- 7. Members/Proxies should bring the Attendance slip duly filled in for attending the meeting.

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

#### Item No. 6:

Mr. Sharat Jain S/o Shri Subhash Jain R/o 13 City Plaza, Mall Road, Hisar – 125001 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 31st day of October, 2009. He is the Non-Executive director of the Company. He is a Science Graduate. He has 8 years of experience in Cold Rolling Mills. Pursuant to section 260 of the Companies Act, 1956 he can continue to his office of director up to the date of this 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

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his intention to propose him as the office of the 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.

Except Mr. Sharat Jain himself none of the other directors is interested in the resolution.

#### Item No. 7:

Mr. Ganesh Dutt S/o Shri Hiralal Pandey R/o H.No.01J, Ward No.26, Delhi Road Factories, Hisar — 125001 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 31st day of October, 2009. He is the Non-Executive director of the Company. He is a Graduate. He has about 3 years of experience in Cold Rolling Mills. Pursuant to section 260 of the Companies Act, 1956 he can continue to his office of director up to the date of this 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 the 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.

Except Mr. Ganesh Dutt himself none of the other directors is interested in the resolution.

#### Item No. 8:

Mr. Anuj Kumar S/o Shri Shiv Kumar R/o H.NO.238, Ward No.10, Bawani Khera, Bhiwani, – 125 032 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 31st day of October, 2009. He is the Non-Executive director of the Company. He is a Graduate. He has 5 years of experience in Steel Industry. Pursuant to section 260 of the Companies Act, 1956 he can continue to his office of director up to the date of this 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 the 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.

Except Mr. Anuj Kumar himself none of the other directors is interested in the resolution.

#### INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT

As required under the Listing Agreement, the particulars of Directors who are proposed to be re-appointed are given below:

1. Name : Smt. Anubha Tayal (Relative of Promoter Director)

Age : 53 years

Qualification : Graduate

No. of Shares held in the Company : 476100

Expertise : 20 years experience as Director.

Outside Directorship : Nil

Chairmanship/Membership of the Board Committees : Hisar Metal Industries Ltd.

Audit Committee - Member

Investors Grievance Redressal Committee - Member

2. Name : Mr. M.P. Jindal (Promoter Director)

Age : 61 years

Qualification : Graduate No. of Shares held in the Company : 107000

Expertise : 39 years experience as Industrialist.

Outside Directorship : Jindal Industries Limited, Hisar - Director

Ravindra Tubes Limited, Hisar - Director

Chairmanship/Membership of the Board Committees : Hisar Metal Industries Ltd.

Chairman of the Board

Remuneration Committee - Member

3. Name : Mr. Sharat Jain (Independent Directors)

Age : 38 years

Qualification : Graduate

No. of Shares held in the Company : NIL

Expertise : 8 years experience in Cold Rolling Mills

Outside Directorship : Nil Chairmanship/Membership of the Board Committees : Nil

4. Name : Mr. Ganesh Dutt (Independent Directors)

Age : 23 years
Qualification : Graduate

No. of Shares held in the Company : NIL

Expertise : 3 years experience in Cold Rolling Mills

Outside Directorship : Nil Chairmanship/Membership of the Board Committees : Nil

5. Name : Mr. Anuj Kumar (Independent Directors)

Age : 29 years
Qualification : Graduate

No. of Shares held in the Company : NIL

Expertise : 5 years experience in Steel Industries

Outside Directorship : Nil Chairmanship/Membership of the Board Committees : Nil

Regd. Office:

Near Industrial Development Colony Delhi Road, Hisar – 125005 (Haryana)

Dated: 31<sup>et</sup> May, 2010

By order of the Board of Directors

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PARDEEP NANDAL (COMPANY SECRETARY)

#### DIRECTORS' REPORT

Τo

The Members.

Hisar Metal Industries Limited

The Directors have pleasure in presenting before you 20th Annual Report together with Audited Statement of Account of the Company for the year ended 31st March, 2010.

			(Rs. In Lac)
1.	FINANCIAL RESULTS	2009-10	2008-09
	Sales/Other receipts	16099.85	13020.44
	Profit before depreciation and Taxation	557.17	198.12
	Less : depreciation	198.62	156.17
	Profit after depreciation	358.55	41.95
	Less : Provision for Taxation		
	Current Year (MAT)	64.81	33.66
	MAT Credit Entitlement	(8.24)	_
	Fringe Benefit Tax	_	1.40
	Deferred Tax	69.46	(19,68)
	Previous Year Tax		(0.42)
	Profit after Taxation	232.52	26.99
	Add profit brought forward	159.38	174.51
	Profit available for appropriation	391.90	201.50
	Dividend/Tax on dividend	41.98	42.12
	Transfer to General Reserve	_	_
	Surplus carried to Balance Sheet	349.92	159.38

#### 2. DIVIDEND

The Directors recommend a dividend of 10% per annum for the year ended 31st March, 2010.

#### 3. COMPANY'S BUSINESS GROWTH AND PROSPECTS

The Company has been consistently showing better performance. The production has increased by 57% to 13351M.T. The turnover has increased by 25% to Rs16058 Lac. The increase in PBT and PAT is very attractive. The PBT has increased by 755% to Rs.359 Lac and PAT has increased by 762% to Rs.233 Lac. We wish to repeat this growth in the coming financial year too.

#### 4. FIXED DEPOSITS

There was no such fixed deposit 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.

#### 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.

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#### 7. COMPLIANCE OF GUIDELINES OF SEBI/STOCK EXCHANGE

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

#### 8. DIRECTORS' RESPONSIBILITY STATEMENT

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 have been followed along-with proper explanation relating to material departures.
- b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit of the Company for that period.
- 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

Smt. Anubha Tayal and Shri M.P. Jindal being the longest in office retires in this meeting and being eligible, offers themself for re-appointment. Mr. Sharat Jain, Mr. Ganesh Dutt and Mr. Anuj Kumar who were appointed as the additional directors of the Company are to be appointed as the directors of the Company liable to retire by rotation under section 255 of the Companies Act, 1956. The Company has received notice under section 257 from shareholders signifying their intention to propose the name of Mr. Sharat Jain, Mr. Ganesh Dutt and Mr. Anuj Kumar as the directors liable to retire by rotation.

#### 10. CORPORATE GOVERNANCE

Your Company has in all material aspects complied with the conditions of Corporate Governance as contained in Clause 49 of the Listing Agreement. A separate report each on Corporate Governance and management discussion and analysis along-with Auditors certificate is given elsewhere in this report as Annexure and forming part of this report.

#### 11. AUDITORS

The Auditors of the Company M/s Ram Sanjay & Company, 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.

#### 12. INSURANCE

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

#### 13. ACKNOWLEDGEMENT

The Board of Directors thank and deeply acknowledge the co-operation, assistance and support provided by all the stakeholders viz workers, shareholders, bankers, customers, dealers, vendors. Government and the regulators.

Registered Office:

For and on behalf of the Board of Directors

Near Industrial Development Colony, Delhi Road, Hisar – 125 005 (Haryana) કર્ત (M.P.JINDAL)

Dated: 31st May, 2010

CHAIRMAN

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

#### CONSERVATION OF ENERGY

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

- 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** PREVIOUS YEAR 2009-201D 2008-2009 ELECTRICITY Units 6893080 4613920 a) Purchased Units Rs. Total amount 30903573 21361746 Rate/Unit Rs. 4.62 4.63 b) Own Generation 731542 i) Through Generator Units 105396 5767162 777548 Total amount Rs. 7.88 7.38 Cost per unit Rs. Not Applicable ii) Through Steam Turbine Generator Not Applicable Not Applicable 2. COAL Not Applicable 3. FURNACE OIL (LIGHT DIESEL OIL) Rs. 46789771 28202539 4. LPG 9572015 6563310 5. OTHER/INTERNAL GENERATION Not Applicable Not Applicable B) CONSUMPTION PER UNIT OF PRODUCTION **PRODUCT** C.R.STRIPS C.R.STRIPS 553 498 Electricity (Units) Furnace off (Ltr.) 142 114 Coal Others

#### 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	: NIL
2.	Benefits derived as a result of the above R & D	: NIL
3.	Future plan of action	: NIL
4.	Expenditure on R & D	: NIL
	a) Capital	: NIL
	b) Recurring	; NIL
	c) Total	: NIL
	d) Total R & D expenditure as a percentage of total Turnover	: NIL

#### TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product : NIL

development, import substitution etc.

3. In case of imported technology (imported during the last 5 years Reckoned from the : Not Applicable

beginning of the financial year) following Information may be furnished

a) Technology imported : NIL
b) Year of import : NIL

c) Has technology fully absorbed : NIL

d) If not fully absorbed, areas where this has not taken place, Reasons therefore and : Not Applicable

future plans of action

#### c) FOREIGN EXCHANGE EARNINGS AND OUT GO

The Particulars of Foreign exchange earnings and outgo are given in Item No. 7 (D), (E) & (F) of Schedule 'T' Notes to the accounts.

For and on behalf of the Board of Directors

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(M.P.JINDAL) Chairman

Annexure B

Dated: 31st May, 2010

Place : Hisar

#### CORPORATE GOVERNANCE REPORT

Corporate Governance Report for the year 2009-10 following the guidelines given as per clause 49 of the Listing Agreement of the Stock Exchanges is being published as under:

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE: Your Company is committed to set up best corporate practices.
The Company strives to achieve efficient conduct of its business in a true and fair manner providing transparency and accountability in business and endeavors to enhance shareholders' value and interests of all other stake-holders.

#### 2. BOARD OF DIRECTORS:

1) Composition: The Company's Board consisted of 10 members of which 9 were the Non-executive Directors. During the year 2009-10 Mr. Sharat Jain, Mr. Ganesh Dutt and Mr. Anuj Kumar, appointed as additional Directors of the Company. The particulars of directors viz. names, designation and the status are given hereunder:

\$.No.	NAME	DESIGNATION	STATUS
1.	Shri M. P. Jindal	Chairman	Promoter being Non-Executive
2.	Shri Abhiram Tayal	Managing Director	Promoter being Executive Director
3.	Smt. Anubha Tayal	Director	Non-Executive
4.	Shri Shital Parshad Jain	Director	Independent being Non-Executive
5.	Shri Sajjan Singh	Director	Independent being Non-Executive
6.	Mr. Karan Dev Tayal	Director	Non-Executive
7.	Mr. Rahul Dev Tayal	Director	Non-Executive
8.	Mr. Şharat Jain	Director	Independent being Non-Executive
9.	Mr. Ganesh Dutt	Director	Independent being Non-Executive
10.	Mr. Anuj Kumar	Director	Independent being Non-Executive

The Chairman of the Board is the Non-Executive and the number of independent Directors on the Board meets the requirement of corporate governance.

#### INTERSE RELATIONSHIP OF DIRECTORS:

Name of Director	M.P. Jindai	Abhiram Tayal	Anubha Tayal	Sajjan Singh	Karan Dev Tayal	Rahul Dev Tayal	Shitel Perehad Jain	Sherat Jain	Ganech Dutt	Anuj Kumar
M.P. Jindal	Self	Not related	Not related	Not related	Not related	Not related	Not related	Not related	Not related	Not related
Abhiram Tayal	Not related	Self	Wife	Not related	Son	Brother	Not related	Not related	Not related	Not related
Anubha Tayal	Not related	Husband	Self	Not related	Son	Husband's Brother	Not related	Not related	Not related	Not related
Sajjan Singh	Not related	Not related	Not related	Self	Not related	Not related	Not related	Not related	Not related	Not related
Shitel Parahad Jain	Not related	Not related	Not related	Not related	Not related	Not related	Self	Not retated	Not related	Not related
Karen Dev Tayal	Not related	Father	Mather	Not related	Self	Uncle	Not related	Not related	Not related	Not related
Rahul Dev Tayal	Not related	Brother	Brother's Wife	Not related	Nephew	Self	Not related	Not related	Not related	Not related
Sharat Jain	Not related	Not related	Not related	Not related	Not related	Not related	Not related	Self	Not related	Not related
Genesh Dutt	Not related	Not related	Not related	Not related	Not related	Not related	Not related	Not related	Self	Not related
Anuj Kumar	Not related	Not related	Not related	Not related	Not related	Not related	Not related	Not related	Not related	Self

ii) BOARD MEETINGS: In all, 14 meetings of directors were held during the financial year 2009-10 which consist of 5 meetings of Board of Directors, 4 meeting of committee to redress the grievances of shareholders and Investor Complaints, 4 meeting of Audit Committee and 1 meeting of Remuneration Committee.

Detailed agenda were circulated to all the directors and the members of the respective committees sufficiently in advance of their meetings.

The Board meeting held on the following dates viz., 30.06.2009, 31.07.2009, 31.10.2009, 04.12.2009, and 29.01.2010. The maximum interval between any two Board meetings was not more 91 days.

iii) ATTENDENCE OF DIRECTOS: The attendance of the directors during the year 2009-10 is shown as under:

Name of Director	Meating held During Tenurs of the Director	Meetings attended During the tenure	Attendance at the last AGM held on 29.09.2009		
Shri M. P Jindal	5	4	No		
Shri Abhiram Tayal	5	5	Yes		
Smt. Anubha Tayal	5	5	Yes		
Shri Sajjan Singh	5	5	Yes		
Shri Shital Parshad Jain	5	5	Yes		
Shri Karan Dev Tayal	5	5	Yes		
Shri Rahel Dev Tayal	5	5	Yes		
Shri Sharat Jain	2	2	No		
Shri Ganesh Dutt	2	2	No		
Shri Anuj Kumar	2	2	Nσ		

iv) OTHER DIRECTORSHIP: The number of directorships held in other bodies corporate by the Directors is as follows:

Name	No. of directorshi	p in other companies	No. of membership of Committees		
	Pvt.	Public	Chairman	Mamber	
Shri M.P. Jindal	_	2	_	1	
Shri Abhiram Tayal	_	_	<del></del>	_	
Smt. Anubha Tayal	_			2	
Shri Sajjan Singh	_		1	2	
Shri Shital Parshad Jain	<del></del>	_	2	_	
Shri Karan Dev Tayal	1	<del></del>	_	_	
Shri Rahul Dev Tayal	1	_	_	_	
Shri Sharat Jain		_	_	_	
Shri Ganesh Dutt	_	<del></del>	_	_	
Shri Anuj Kumar		_		_	