



**TWENTY SECOND
ANNUAL REPORT
2011-2012**

HISAR METAL INDUSTRIES LTD.

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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NOTICE

Notice is hereby given that the 22nd Annual General Meeting of the Members of HISAR METAL INDUSTRIES LIMITED will be held on Saturday, 29th day of September, 2012 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 businesses :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2012 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 Shri Rahul Dev Tayal who retires by rotation and being eligible, offers himself for re-appointment.
4. To elect a Director in place Shri Sharat Jain who retires by rotation and being eligible, offers himself for re-appointment.
5. To elect a Director in place Shri Ganesh Dutt who retires by rotation and being eligible, offers himself for re-appointment.
6. 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.

Regd. Office :

Near Industrial Development Colony
Delhi Road, Hisar – 125 005 (Haryana)
Dated : 27th August, 2012

By order of the Board of Directors

Pardeep Nandal
(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 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. The Register of Members and Share Transfer Books of the Company will remain closed from 24th day of September, 2012 to 29th day of September, 2012 (both days inclusive) for the Annual General Meeting and determining the name of members eligible for dividend, if approved, at the Annual General Meeting.
3. The dividend of 10% for the year ended March 31, 2012 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 24, 2012.
4. 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.
5. Pursuant to Section 205A read with Section 205C of the Companies Act, 1956 the unclaimed/unpaid dividend is required to be transferred to the Investor Education and Protection Fund of the Central Government of India ("the Fund"). Accordingly the balance lying in the unpaid dividend account for the year ended 31st March, 2005 will be transferred to "the Fund" shortly with in the prescribed time.

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 or "the Fund".

Shareholders who have not yet encashed their dividend warrants are requested to do so sufficiently in advance before the said transfer take place.

6. Members/Proxies should bring the Attendance slip duly filled in for attending the meeting.

HISAR METAL INDUSTRIES LIMITED

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 as given below :

- | | |
|---|--|
| 1. Name | : Mr. Rahul Dev Tayal (Relative of Promoter Directors) |
| Age | : 54 years |
| Qualification | : Commerce Graduate |
| No. of Shares held in the Company | : 78150 |
| Expertise | : 18 years experience in Colled Rolling Mills. |
| Outside Directorship | : NIL |
| Chairmanship/Membership of the Board Committees | : NIL |
| 2. Name | : Mr. Sharat Jain (Independent Director) |
| Age | : 40 years |
| Qualification | : Graduate |
| No. of Shares held in the Company | : NIL |
| Expertise | : 10 years experience in Colled Rolling Mills. |
| Outside Directorship | : NIL |
| Chairmanship/Membership of the Board Committees | : NIL |
| 3. Name | : Mr. Ganesh Dutt (Independent Director) |
| Age | : 25 years |
| Qualification | : Graduate |
| No. of Shares held in the Company | : NIL |
| Expertise | : 5 years experience in Colled Rolling Mills |
| Outside Directorship | : NIL |
| Chairmanship/Membership of the Board Committees | : NIL |

Regd. Office :

Near Industrial Development Colony
Delhi Road, Hisar - 125 005 (Haryana)
Dated : 27th August, 2012

By order of the Board of Directors

PARDEEP NANDAL
(COMPANY SECRETARY)

HISAR METAL INDUSTRIES LIMITED

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DIRECTORS' REPORT

To

The Members,

Hisar Metal Industries Limited

The Directors have pleasure in presenting before you 22nd Annual Report together with Audited Statement of Account of the Company for the year ended 31st March, 2012.

1. PARTICULARS	2011-12	2010-11
Sales and Other receipts (Net of excise duty)	1,97,77,83,035	1,45,52,28,532
Profit before depreciation and Taxation	2,88,19,988	3,17,61,063
Less: depreciation	2,54,17,450	2,38,58,278
Profit after depreciation	34,02,538	79,02,785
Less : Provision for Taxation		
Current Year	38,75,681	37,45,177
Deferred Tax	(23,65,092)	(10,87,693)
Previous Year Tax	46,020	(83,936)
Profit after Taxation	18,45,929	53,29,237
Add profit brought forward	3,61,36,861	3,49,91,634
Profit available for appropriation	3,79,82,790	4,03,20,871
Dividend & Tax on dividend	41,84,010	41,84,010
Surplus carried to Balance Sheet	3,37,98,780	3,61,36,861

2. DIVIDEND

The Directors recommend a dividend of 10% per annum for the year ended 31st March, 2012.

3. COMPANY'S BUSINESS GROWTH AND PROSPECTS

The company has been showing good performance. The turnover has increased from Rs. 15926 Lac to Rs. 21625 Lac showing a growth of 36%. The PAT has gone down from Rs. 53.29 Lac to Rs. 18.46 Lac mainly on account of higher input cost and higher depreciation.

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.

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.

HISAR METAL INDUSTRIES LIMITED

8. DIRECTORS' RESPONSIBILITY STATEMENT

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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 year.
- 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. DIRECTORS

Mr. Rahul Dev Tayal, Mr. Sharat Jain and Mr. Ganesh Dutt being the longest in office retire in this meeting and being eligible, offers themselves for re-appointment.

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 retire 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. COST AUDITORS

The Company has approved the appointment of M/s Naveen Gupta & Company, Cost Accountants, as Cost Auditor for conducting Cost Audit of the Company for the financial year 2011-12

13. INSURANCE

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

14. 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 :

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

Dated : 27th August, 2012

For and on behalf of the Board of Directors

(M. P. JINDAL)
CHAIRMAN

ANNEXURE A

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

		CURRENT YEAR 2011-2012	PREVIOUS YEAR 2010-2011
A. POWER AND FUEL CONSUMPTION			
1. ELECTRICITY			
	Units	9422924	7008556
a) Purchased Units	Rs.	45841340	33253215
Total amount	Rs.	4.86	4.74
Rate/Unit			
b) Own Generation	Units	129228	523080
i) Through Generator	Rs.	1210529	4721117
Total amount	Rs.	9.37	9.03
Cost per unit		Not Applicable	Not Applicable
ii) Through Steam Turbine Generator		Not Applicable	Not Applicable
2. COAL	Rs.	61610980	43197382
3. FURNACE OIL (LIGHT DIESEL OIL)	Rs.	10456193	7134665
4. LPG		Not Applicable	Not Applicable
5. OTHER/INTERNAL GENERATION			
B) CONSUMPTION PER UNIT OF PRODUCTION			
		C.R.STRIPS	C.R.STRIPS
PRODUCT		576	595
Electricity (Units)		101	123
Furnace oil (Ltr.)		—	—
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

HISAR METAL INDUSTRIES LIMITED

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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 development, import substitution etc. : NIL
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 : Not Applicable
 - 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 thereof and future plans of action : Not Applicable

C) FOREIGN EXCHANGE EARNINGS AND OUT GO

The Particulars of Foreign exchange earnings and outgo are given in Notes on 28, 29 & 30.

For and on behalf of the Board of Directors

(M. P. JINDAL)
CHAIRMAN

Place : Hisar

Dated : 27th August, 2012

Annexure B

CORPORATE GOVERNANCE REPORT

Corporate Governance Report for the year 2011-12 following the guidelines given as per clause 49 of the Listing Agreement of the Stock Exchanges is being published as under :

1. **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** :
 - i) **Composition** : The Company's Board consisted of 10 members of which 9 are the Non-executive Directors. The particulars of directors viz. names, designation and the status are given hereunder :

S.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.	Shri Karan Dev Tayal	Director	Non-Executive
7.	Shri Rahul Dev Tayal	Director	Non-Executive
8.	Shri Sharat Jain	Director	Independent being Non-Executive
9.	Shri Ganesh Dutt	Director	Independent being Non-Executive
10.	Shri 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.

HISAR METAL INDUSTRIES LIMITED
INTERSE RELATIONSHIP OF DIRECTORS :

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Name of Director	Abhiram Tayal	Anubha Tayal	Karan Dev Tayal	Rahul Dev Tayal
Abhiram Tayal	Self	Wife	Son	Brother
Anubha Tayal	Husband	Self	Son	Husband's Brother
Karan Dev Tayal	Father	Mother	Self	Uncle
Rahul Dev Tayal	Brother	Brother's Wife	Nephew	Self

Other than above, there is no inter-se relationship amongst other directors.

- ii) **BOARD MEETINGS:** In all, 17 meetings of directors were held during the financial year 2011-12 which consist of 8 meetings of Board of Directors, 4 meeting of committee to redress the grievances of shareholders and Investor Complaints, 5 meeting of Audit 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., 14.05.2011, 12.08.2011, 20.08.2011, 14.11.2011, 12.12.2011, 26.12.2011, 13.02.2012 and 06.03.2012. The maximum interval between any two Board meetings was not more 89 days.

- iii) **ATTENDENCE OF DIRECTOS :** The attendance of the directors during the year 2011-12 is shown as under :

Name of Director	Meeting held During Tenure of the Director	Meetings attended During the tenure	Attendance at the last AGM held on 26.09.2011
Shri M. P Jindal	8	6	Yes
Shri Abhiram Tayal	8	8	Yes
Smt. Anubha Tayal	8	8	Yes
Shri Sajjan Singh	8	8	Yes
Shri Shital Parshad Jain	8	8	Yes
Shri Karan Dev Tayal	8	8	Yes
Shri Rahul Dev Tayal	8	8	Yes
Shri Sharat Jain	8	8	Yes
Shri Ganesh Dutt	8	8	Yes
Shri Anuj Kumar	8	8	Yes

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

Name	No. of directorship in other companies		No. of membership of Committees	
	Pvt.	Public	Chairman	Member
Shri M.P. Jindal	—	2	—	1
Shri Abhiram Tayal	—	—	—	—
Smt. Anubha Tayal	—	—	—	2
Shri Sajjan Singh	—	—	1	2
Shri Shital Parshad Jain	—	—	2	—
Shri Karan Dev Tayal	1	—	—	—
Shri Rahul Dev Tayal	—	—	—	—
Shri Sharat Jain	—	—	—	—
Shri Ganesh Dutt	—	—	—	—
Shri Anuj Kumar	—	—	—	—

v) DETAILS OF DIRECTORS TO BE APPOINTED/RE-APPOINTED AT THE ANNUAL GENERAL MEETING:

Mr. Rahul Dev Tayal, who is liable to retire by rotation on the date of the ensuing Annual General Meeting, is to be re-appointed. Mr. Rahul Dev Tayal, aged about 54 years is the Non-executive Director.

Mr. Sharat Jain, who is liable to retire by rotation on the date of the ensuing Annual General Meeting, is to be re-appointed. Mr. Sharat Jain, aged about 40 years is the Non-executive Independent Director.

Mr. Ganesh Dutt, who is liable to retire by rotation on the date of the ensuing Annual General Meeting, is to be re-appointed. Mr. Ganesh Dutt, aged about 25 years is the Non-executive Director.

Further the brief resume of Mr. Rahul Dev Tayal, Mr. Sharat Jain and Mr. Ganesh Dutt, their expertise, names of companies in which they are the directors and holds the membership of the Committees of the Board and their shareholding are being published as part of the Notice to the Annual General Meeting.

3. AUDIT COMMITTEE :

i) Terms of Reference : In Compliance with the requirement of clause 49 of the Listing Agreement of the Stock Exchanges, an Audit Committee had been constituted on 28.09.2002. The Committee deals with accounting, financial matters and internal control. The powers, role, delegation, responsibilities and terms of reference of the Audit Committee are as provided in Clause 49 of the Listing Agreement.

ii) Composition : The Audit Committee consists of three directors, out of which two are the independent directors. The Company secretary acts as the secretary of the audit committee. All the members of the audit committee have sound knowledge of finance and accounts. The head of Finance, Internal Auditors and Statutory Auditors attended the meeting of the committee on the invitation of the Chairman.

The composition of the Audit Committee and their attendance at the Committee meetings held during the year ended 31st March, 2012 are as under :

Member Director	Executive/Non Executive	Independent/ Non-Independent	No. of Meetings Attended (Total meetings held 5)
Sh. Shital Parshad Jain	Non-Executive/Chairman	Independent	5
Sh. Sajjan Singh	Non- Executive/Member	Independent	5
Smt. Anubha Tayal	Non-Executive/Member	Non-Independent	5

During the financial year ended 31st March, 2012, the Audit Committee Meetings held on 14.05.2011, 12.08.2011, 20.08.2011, 14.11.2011 and 13.02.2012.

4. REMUNERATION COMMITTEE :

i) Terms of Reference : The committee reviews and approves the salaries, perquisites, service agreements and other employment conditions of for the Executive Directors.

ii) Composition : All the members of the Remuneration Committee are Non-Executive Directors. The members of the Remuneration committee are :

Shri Shital Parshad Jain Chairman (Independent and Non-executive)

Shri Sajjan Singh, Member Independent and Non-Executive

Shri M. P. Jindal, Member Promoter and Non-Executive

iii) Remuneration Committee Meeting (Attendance) : During the year ended 31st March, 2012, no meeting of this committee was held.

iv) Remuneration Policy : The Managing Director is paid remuneration approved by the Board of Directors on the recommendation of Remuneration Committee. The remuneration so approved is subject to the approval by the shareholders at the Annual General Meeting and such other authorities as the case may be. The Non Executive Directors do not draw any remuneration from the Company.

v) Details of Managing Director's Remuneration : The details of the remuneration paid to the Managing Director during the financial year 2011-12 is as under :