



**TWENTY THIRD  
ANNUAL REPORT  
2012-2013**

**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 23<sup>rd</sup> Annual General Meeting of the Members of HISAR METAL INDUSTRIES LIMITED will be held on Monday, 30<sup>th</sup> day of September 2013 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 31<sup>st</sup> March, 2013 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 Smt. Anubha Tayal who retires by rotation and being eligible, offers herself for re-appointment.
4. To elect a Director in place Shri M.P.Jindal who retires by rotation and being eligible, offers himself for re-appointment.
5. To elect a Director in place Shri Anuj Kumar 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 : 31st May, 2013

**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 24<sup>th</sup> day of September, 2013 to 30<sup>th</sup> day of September, 2013 (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% (Rs. 1/- per share) for the year ended March 31, 2013 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 30, 2013.
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 have been transferred to the Investor Education and Protection Fund of the Central Government ("the Fund"). The balance lying in the unpaid dividend account for the year ended 31<sup>st</sup> March, 2006 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 is 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 transfer take place.
6. Members/Proxies should bring the Attendance slip duly filled in for attending the meeting.

**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   | : Smt. Anubha Tayal (Relative of Promoter Director) |
| Age   | : 56 years  |
| Qualification                                   | : Graduate  |
| No. of Shares held in the Company               | : 476100  |
| Expertise                                       | : More than 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   | : 64 years  |
| Qualification                                   | : Graduate  |
| No. of Shares held in the Company               | : 107000  |
| Expertise                                       | : More than 40 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 - Member                    |
|   | : Remuneration Committee                            |
| 3. Name   | : Mr. Anuj Kumar (Independent Director)             |
| Age   | : 32 years  |
| Qualification                                   | : Graduate  |
| No. of Shares held in the Company               | : NIL   |
| Expertise                                       | : More than 5 years experience in Steel Industries  |
| Outside Directorship                            | : 1   |
| Chairmanship/Membership of the Board Committees | : NIL   |

**Regd. Office :**  
Near Industrial Development Colony  
Delhi Road, Hisar - 125 005 (Haryana)  
Dated : 31st May, 2013

**By order of the Board of Directors**

**PARDEEP NANDAL**  
**(COMPANY SECRETARY)**

**DIRECTORS' REPORT**

To  
The Members,  
Hisar Metal Industries Limited

The Directors have pleasure in presenting before you 23rd Annual Report together with Audited Statement of Account of the Company for the year ended 31st March, 2013.

**1. FINANCIAL RESULTS**

	<u>2012-13</u>	<u>2011-12</u>
Sales/Other receipts	<b>2024514940</b>	1977783035
Profit before depreciation and Taxation	<b>27385117</b>	28819988
Less : depreciation	<b>25618219</b>	25417450
Profit after depreciation	<b>1766898</b>	3402538
Less : Provision for Taxation		
Current Year	<b>2959062</b>	3875681
Deferred Tax	<b>(1417096)</b>	(2365092)
Previous Year Tax	<b>110260</b>	46020
Profit after Taxation	<b>114672</b>	1845929
Add profit brought forward	<b>33798780</b>	36136861
Profit available for appropriation	<b>33913452</b>	37982790
Dividend & Tax on dividend	<b>4184010</b>	4184010
Surplus carried to Balance Sheet	<b>29729442</b>	33798780

**2. DIVIDEND**

The Directors recommend a dividend of 10% (Rs. 1/- per share) per annum for the year ended 31<sup>st</sup> March, 2013.

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

During the financial year the sale & other receipts (net of excise) of the company increased to Rs. 202.45 crore from 197.79 crore in the previous year. The PAT has gone down to Rs. 1.15 lac from Rs.18.46 lac in the previous year mainly due to market competition.

**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.

**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 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**

Smt. Anubha Tayal, Mr. M. P. Jindal and Mr. Anuj Kumar 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 Central Government has approved the appointment of M/s Naveen Gupta & Company, Chartered Accountants, Delhi as Cost auditor for conducting Cost Audit of the Company for the financial year 2012-13.

**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)

***For and on behalf of the Board of Directors***

Dated : 31st May, 2013

**(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**

		<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>
		<b><u>2012-2013</u></b>	<b><u>2011-2012</u></b>
<b>A. POWER AND FUEL CONSUMPTION</b>			
<b>1. ELECTRICITY</b>			
a) Purchased Units	Units	<b>8677144</b>	9422924
Total amount	Rs.	<b>50709090</b>	45841340
Rate/Unit	Rs.	<b>5.84</b>	4.86
b) Own Generation			
i) Through Generator	Units	<b>113290</b>	129228
Total amount	Rs.	<b>1068375</b>	1210529
Cost per unit	Rs.	<b>9.43</b>	9.37
ii) Through Steam Turbine Generator		<b>Not Applicable</b>	Not Applicable
2. COAL		<b>Not Applicable</b>	Not Applicable
3. FURNACE OIL (LIGHT DIESEL OIL)	Rs.	<b>46220472</b>	61610980
4. LPG	Rs.	<b>12184090</b>	10456193
5. OTHER/INTERNAL GENERATION		<b>Not Applicable</b>	Not Applicable
<b>B) CONSUMPTION PER UNIT OF PRODUCTION</b>			
<b>PRODUCT</b>		<b>C. R. STRIPS</b>	<b>C. R. STRIPS</b>
Electricity (Units)		<b>564</b>	576
Furnace oil (Ltr.)		<b>74</b>	101
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 :
2. Benefits derived as a result of the above R & D :
3. Future plan of action :
4. Expenditure on R & D : **NIL**
  - 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 : 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 therefore 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 Note on 28, 29 & 30.

**For and on behalf of the Board of Directors**

Place : Hisar  
Dated : 31st May, 2013

**(M. P. JINDAL)**  
**CHAIRMAN**

**Annexure B****CORPORATE GOVERNANCE REPORT**

Corporate Governance Report for the year 2012-13 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 shareholder's 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
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.



**INTERSE RELATIONSHIP OF DIRECTORS :**

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, 16 meetings of directors were held during the financial year 2012-13 which consist of 7 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., 15.05.2012, 14.08.2012, 27.08.2012, 01.09.2012, 15.11.2012, 14.02.2013 and 07.03.2013. The maximum interval between any two Board meetings was not more 91 days.

- iii) **ATTENDANCE OF DIRECTORS :** The attendance of the directors during the year 2012-13 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 29.09.2012
Shri M. P Jindal	7	2	Yes
Shri Abhiram Tayal	7	7	Yes
Smt. Anubha Tayal	7	7	Yes
Shri Sajjan Singh	7	7	Yes
Shri Shital Parshad Jain	7	7	Yes
Shri Karan Dev Tayal	7	7	No
Shri Rahul Dev Tayal	7	7	Yes
Shri Sharat Jain	7	7	Yes
Shri Ganesh Dutt	7	7	Yes
Shri Anuj Kumar	7	7	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	1	—	—	—

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

Smt. Anubha Tayal, who is liable to retire by rotation on the date of the ensuing Annual General Meeting, is to be re-appointed. Smt. Anubha Tayal, aged about 56 years is the Non-executive Director.

Mr. M. P. Jindal, who is liable to retire by rotation on the date of the ensuing Annual General Meeting, is to be re-appointed. Mr. M. P. Jindal, aged about 64 years is the Non-executive Director and Chairman of the Board of the Company.

Mr. Anuj Kumar, who is liable to retire by rotation on the date of the ensuing Annual General Meeting, is to be re-appointed. Mr. Anuj Kumar, aged about 32 years is the Non-executive Independent Director.

Further the brief resume of Smt. Anubha Tayal, Mr. M. P. Jindal and Mr. Anuj Kumar, their expertise, names of companies in which they are the directors and hold 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 has 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 31<sup>st</sup> March, 2013 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, 2013 the Audit Committee Meetings held on 15.05.2012, 14.08.2012, 27.08.2012, 15.11.2012 and 14.02.2013.

**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, 2013, 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.