

**HISAR**  
**METAL**

**NINETEENTH  
ANNUAL REPORT  
2008-2009**

**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)

**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 19<sup>th</sup> Annual General Meeting of the Members of HISAR METAL INDUSTRIES LIMITED will be held on Monday, the 28<sup>th</sup> day of September, 2009 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, 2009 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 Sajjan Singh who retires by rotation and being eligible, offers himself 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. Appointment of Shri. Abhiram Tayal as Managing Director**

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

**“RESOLVED THAT** in accordance with the provisions of section 198, 309, 269 read with schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or reenactment thereof, for the time being in force) and pursuant to article 108 to 111 of the Article of Association of the Company, the consent of the Company be and is hereby accorded to the re-appointment of Shri. Abhiram Tayal, as Managing Director of the Company for a period of five years w.e.f. 14<sup>th</sup> February, 2010 on the remuneration for the time being, as set out herein below and approved by the Remuneration Committee set up in accordance to the requirement of clause 49 of the Listing Agreement of the Stock Exchanges with liberty to the said Remuneration Committee of Directors to alter and vary terms and conditions of the said appointment so as the remuneration not to exceed the limits specified in schedule XIII to the Companies Act, 1956 including any statutory modification or re-enactment thereof for the time being in force or any amendments and/or modification that may hereafter be made thereto by the Central Government or as may be agreed to between the Board of Directors and Shri Abhiram Tayal.

For the time being following remuneration be paid/payable to Shri Abhiram Tayal w.e.f. 14<sup>th</sup> February, 2010:  
Salary Rs. 50,000/- (Rs. Fifty Thousand only) per month.

Perquisites: Perquisites, in addition to salary, shall be restricted to the following :

- 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. Personal long distance calls on telephone shall be billed by the company to the Managing Director.
- v. Cars facilities with driver for business purpose of the company.
- vi. Contribution to provident fund and superannuation fund as per rules of the company to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- vii. Gratuity payable shall not exceed half a 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.
- ix. Shri. Abhiram Tayal shall not be entitled to any sitting fee.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profit in any financial year, the total remuneration by way of salary and perquisites to be paid/payable to Shri Abhiram Tayal shall not exceed the ceiling limit as prescribed in Section II (A) of Part II of Schedule XIII of the Companies Act, 1956 as may be amended from time to time.

**FURTHER RESOLVED THAT** in the event of any statutory amendment or modification or relaxation by the Central Govt. to Schedule XIII to the Companies Act, 1956, the Remuneration Committee of Directors be and hereby authorized to vary the remuneration including salary, commission, perquisites, allowance, etc. within such prescribed limit or ceiling and the terms of appointment be suitably amended to give effect to such modification, relaxation or variation without any further reference to the Company in General Meeting.

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

**6. Appointment of Mr. Karan Dev Tayal as Director**

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

**"RESOLVED THAT** Mr. Karan Dev Tayal who was appointed as the Additional Director of the Company by the Board of Directors in their meeting held on 3<sup>rd</sup> day of October, 2008 at 11.00 A.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 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. Rahul Dev Tayal as Director**

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

**"RESOLVED THAT** Mr. Rahul Dev Tayal who was appointed as the Additional Director of the Company by the Board of Directors in their meeting held on 2<sup>nd</sup> day of March, 2009 at 11.00 A.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 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: 5<sup>th</sup> August, 2009

**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. 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 25<sup>th</sup> day of September, 2009 to 28<sup>th</sup> day of September, 2009 (both days inclusive) in connection with the Annual General Meeting.
4. The dividend of 10% for the year ended March 31, 2009 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 28, 2009.

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 ("the Fund"). The balance lying in the unpaid dividend account for the year ended 31<sup>st</sup> March, 2002 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 Fund or 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. 5 :**

The Board of Directors in their meeting held on 30<sup>th</sup> June, 2009 have resolved to continue the appointment of Shri. Abhiram Tayal as the Managing Director of the Company for a further period of five years commencing with effect from 14<sup>th</sup> February, 2010 on the same terms & conditions and the remuneration which was fixed by the Remuneration Committee. The current tenure of Shri Abhiram Tayal, will expire on 13<sup>th</sup> Day of February, 2010.

The Company registered a tremendous growth and got benefited by his rich experience in Stainless Steel Industry during his tenure of service as the Managing Director of the company in past. The Board of Directors have reposed full confidence in his leadership as the Managing Director of the Company.

The Remuneration Committee in its meeting held on 30<sup>th</sup> June, 2009 at the registered office of the company has made no change in the current remuneration package of Shri Abhiram Tayal as decided by it in its meeting held on 23<sup>rd</sup> June, 2008 and approved by the shareholders in their Annual General Meeting held on 29<sup>th</sup> day of September, 2008. Shri. Abhiram Tayal will get his remuneration as under:

Salary Rs. 50,000/- (Rs. Fifty Thousand only) per month.

Perquisites : Perquisites, in addition to salary, shall be restricted to the following :

- 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. Personal long distance calls on telephone shall be billed by the company to the Managing Director.
- v. Cars facilities with driver for business purpose of the company.
- vi. Contribution to provident fund and superannuation fund as per rules of the company to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- vii. Gratuity payable shall not exceed half a 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.
- ix. Shri. Abhiram Tayal shall not be entitled to any sitting fee.

In the event of loss or inadequacy of profit in any financial year, the total remuneration by way of salary and perquisites shall not exceed the ceiling limit as in section II (A) of Part II of Schedule XIII of the Companies Act, 1956.

The Board of Directors is therefore proposing the aforesaid resolution for due approval of the members. Except Shri Abhiram Tayal himself, Mrs. Anubha Tayal, his wife, Mr. Karan Dev Tayal, his son and Mr. Rahul Dev Tayal, his brother no other Director is concerned or interested in the resolution.

This Explanatory Statement will also constitute the statement to be sent to the members of the Company under Section 302 of the Companies Act, 1956.

**Item No. 6:**

Mr. Karan Dev Tayal S/o Shri Abhiram Tayal R/o Raghunath Bhawan, Kath Mandi 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 3<sup>rd</sup> day of October, 2008. He is the Non-Executive director of the Company. He is a Software Engineer. He has 5 years of experience as a Software Engineer in Citi Group. 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 to 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. Abhiram Tayal, his father, Mr. Rahul Dev Tayal, his uncle and Mrs. Anubha Tayal, his mother none of the director is interested in the resolution.

**Item No. 7:**

Mr. Rahul Dev Tayal S/o Shri Baldev Tayal R/o Raghunath Bhawan, Kath Mandi 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 2<sup>nd</sup> day of March, 2009. He is the Non-Executive director of the Company. He is a Commerce Graduate. He has about 15 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 to 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. Abhiram Tayal, his brother, Mrs. Anubha Tayal his brother's wife, and Mr. Karan Dev Tayal, his cousin no other director 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 as given below :

1. Name : Mr. Sajjan Singh (Independent Director)  
Age : 39 years  
Qualification : B.Sc.  
No. of Shares held in the Company : NIL  
Expertise : Experience of working in a cold rolling mill.  
Outside Directorship : NIL  
Chairmanship/Membership of the Board Committees : Hisar Metal Industries Ltd.  
Shareholders Grievance Committee - Chairman  
Audit Committee - Member  
Remuneration Committee - Member
  
2. Name : Mr. Karan Dev Tayal (Relative of Promoter Directors)  
Age : 29 years  
Qualification : Master in Computer Science  
No. of Shares held in the Company : NIL  
Expertise : 5 Years experience in Citi Group as Software Engineer  
Outside Directorship : NIL  
Chairmanship/Membership of the Board Committees : NIL
  
3. Name : Mr. Rahul Dev Tayal (Relative of Promoter Directors)  
Age : 51 years  
Qualification : Commerce Graduate  
No. of Shares held in the Company : NIL  
Expertise : 15 years experience in Cold Rolling Mills  
Outside Directorship : North Cott Ginning and Trading Company Pvt. Ltd.  
Chairmanship/Membership of the Board Committees : NIL

**Regd. Office :**

Near Industrial Development Colony  
Delhi Road, Hisar – 125 005 (Haryana)  
Dated : 5<sup>th</sup> August, 2009.

**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 19<sup>th</sup> Annual Report together with Audited Statement of Account of the Company for the year ended 31<sup>st</sup> March, 2009.

(Rs. In Lacs)

<b>1. FINANCIAL RESULTS</b>	<b>2008-09</b>	<b>2007-08</b>
Sales/Other receipts	<b>13020.44</b>	17287.48
Profit before depreciation and Taxation	<b>198.12</b>	313.61
Less : depreciation	<b>156.17</b>	155.77
Profit after depreciation	<b>41.95</b>	157.84
Less : Provision for Taxation		
Current Year	<b>33.66</b>	56.83
Fringe Benefit Tax	<b>1.40</b>	1.24
Deferred Tax	<b>(19.67)</b>	(15.56)
Previous Year Tax	<b>(0.42)</b>	1.03
Profit after Taxation	<b>26.98</b>	114.30
Add profit brought forward	<b>174.51</b>	402.33
Profit available for appropriation	<b>201.49</b>	516.63
Dividend/Tax on dividend	<b>42.12</b>	42.12
Transfer to General Reserve	<b>—</b>	300.00
Surplus carried to Balance Sheet	<b>159.37</b>	174.51

**2. DIVIDEND**

The Directors recommend a dividend of 10% per annum for the year ended 31<sup>st</sup> March, 2009.

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

This year the performance is not good although satisfactory. The production is down by 9% and the Sales in terms of quantity by 11%. The Sales in terms of value is down by 25% approx. to Rs.13020 lacs and the result is that the PBT and PAT both are down by 73% to Rs.41.95 and 76% to Rs.26.98 lacs respectively. The main reasons are price fluctuation in the raw material throughout the year causing lower demand of our finished product, lower export demand and poor availability of power throughout the year. We hope to do better in the coming financial year.

**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 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**

Shri Sajjan Singh being the longest in office retires in this meeting and being eligible, offers himself for re-appointment. Mr. Karan Dev Tayal and Mr. Rahul Dev Tayal 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. Karan Dev Tayal and Mr. Rahul Dev Tayal 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.

*For and on behalf of the Board of Directors*

**Registered Office :**

Near Industrial Development Colony,  
Delhi Road, Hisar – 125005 (Haryana)  
Dated: 30<sup>th</sup> June, 2009

**(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

## A. POWER AND FUEL CONSUMPTION

		CURRENT YEAR 2008-2009	PREVIOUS YEAR 2007-2008
1. ELECTRICITY			
a) Purchased Units	Nos.	4613920	5389680
Total amount	Rs.	2,13,61,746	2,46,58,131
Rate/Unit	Rs.	4.63	4.57
b) Own Generation			
i) Through Generator	Ltr.	23895	118867
Cost per unit	Rs.	7.38	7.33
ii) Through Steam Turbine Generator		Not Applicable	Not Applicable
2. COAL		Not Applicable	Not Applicable
3. FURNACE OIL (LIGHT DIESEL OIL)	Rs.	2,82,02,539	2,72,61,857
4. LPG		8563310	7695889
5. OTHER/INTERNAL GENERATION		Not Applicable	Not Applicable

## B. CONSUMPTION PER UNIT OF PRODUCTION

PRODUCT		C.R.STRIPS	C.R.STRIPS
Electricity (Units)		496	614
Furnace oil (Ltr.)		114	138
Coal		—	—
Others		—	—

## FORM — B

## (FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION)

## RESEARCH AND DEVELOPMENT (R &amp; 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 Item No. 7 (D), (E) & (F) of Schedule 'T' Notes to the accounts.

For and on behalf of the Board of Directors

Place : Hisar  
Dated : 30<sup>th</sup> June, 2009

(M. P. JINDAL)  
CHAIRMAN

## Annexure B

**CORPORATE GOVERNANCE REPORT**

Corporate Governance Report for the year 2008-09 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 7 members of which 6 were the Non-executive Directors. During the year 2008-09 Mr. Karan Dev Tayal and Mr. Rahul Dev Tayal, appointed as additional Directors of the Company. As per amendment in Clause 49 of the listing agreement dated 08.04.08, the Company need three more independent directors. The amended requirement of the listing agreement has been discussed in the Board Meeting of the Directors held on 30.06.09 and it has been decided to look for three more competent independent director to meet with the amended requirement of clause 49 (I). 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.	Mr. Karan Dev Tayal	Director	Non-Executive
7.	Mr. Rahul Dev Tayal	Director	Non-Executive

The Chairman of the Board is the Non-Executive and the number of independent Directors on the Board doesn't meet the requirement of corporate governance.

**INTERSE RELATIONSHIP OF DIRECTORS :**

Name of Director	M. P. Jindal	Abhiram Tayal	Anubha Tayal	Sajjan Singh	Karan Dev Tayal	Rahul Dev Tayal	Shital Parshad Jain
M. P. Jindal	Self	Not related	Not related	Not related	Not related	Not related	Not related
Abhiram Tayal	Not related	Self	Wife	Not related	Son	Brother	Not related
Anubha Tayal	Not related	Husband	Self	Not related	Son	Husband's Brother	Not related
Sajjan Singh	Not related	Not related	Not related	Self	Not related	Not related	Not related
Shital Parshad Jain	Not related	Not related	Not related	Not related	Not related	Not related	Self
Karan Dev Tayal	Not related	Father	Mother	Not related	Self	Uncle	Not related
Rahul Dev Tayal	Not related	Brother	Brother's Wife	Not related	Cousin	Self	Not related

- ii) **BOARD MEETINGS :** In all, 17 meetings of directors were held during the financial year 2008-09 which consist of 8 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., 18.04.2008, 30.06.2008, 31.07.2008, 03.10.2008, 31.10.2008, 23.12.2008, 31.01.2009 and 02.03.2009. The maximum interval between any two Board meetings was not more 63 days.

iii) **ATTENDANCE OF DIRECTORS** : The attendance of the directors during the year 2008-09 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 28.09.2008
Shri M. P Jindal	8	8	Yes
Shri Abhiram Tayal	8	8	Yes
Smt. Anubha Tayal	8	8	No
Shri Sajjan Singh	8	8	Yes
Shri Shital Parshad Jain	8	7	Yes
Shri Karan Dev Tayal	4	4	No
Shri Rahul Dev Tayal	-	-	No

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	-	-	-	-
Shri Rahul Dev Tayal	-	-	-	-

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

Shri Sajjan Singh, who is liable to retire by rotation on the date of the ensuing Annual General Meeting, is to be re-appointed. Shri Sajjan Singh, aged about 39 years is the Non-executive Director.

Mr. Karan Dev Tayal was appointed as the additional director of the Company on 03.10.08 and is to remain in office till this annual general meeting therefore, in order to appoint him as the director liable to retire by rotation, the Company has received a notice under section 257 of the Companies Act, 1956 from a member signifying his intention to propose the name of Mr. Karan Dev Tayal as the director liable to retire by rotation.

Mr. Rahul Dev Tayal was appointed as the additional director of the Company on 02.03.09 and is to remain in office till this annual general meeting therefore, in order to appoint him as the director liable to retire by rotation, the Company has received a notice under section 257 of the Companies Act, 1956 from a member signifying his intention to propose the name of Mr. Rahul Dev Tayal as the director liable to retire by rotation.

Further the brief resume of Mr. Karan Dev Tayal, Mr. Rahul Dev Tayal and Shri Sajjan Singh, 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 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 attend the meeting of the committee on the invitation of the Chairman.

**Corporate Governance Report for the year ended 31<sup>st</sup> March, 2009.**

The composition of the Audit Committee and their attendance at the Committee meetings held during the year ended 31<sup>st</sup> March, 2009 are as under :

Member Director	Executive/Non Executive	Independent/ Non-Independent	No. of Meetings Attended (Total meetings held 4)
Sh. Shital Parshad Jain	Non-Executive/Chairman	Independent	4
Sh. Sajjan Singh	Non- Executive/Member	Independent	4
Smt. Anubha Tayal	Non-Executive/Member	Non-Independent	4

During the financial year ended 31<sup>st</sup> March, 2009, the Audit Committee Meetings held on 23.06.2008, 26.07.2008, 27.10.2008 and 31.01.2009.

**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 31<sup>st</sup> March, 2009, one 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 2008-09 is as under :

S. No.	Name	Salary & Allowances (Rs.)	Perquisites (Rs.)	Contribution to P.F. (Rs.)	Total (Rs.)
1	Mr. Abhiram Tayal	3,90,000.00	NIL	9,360.00	3,99,360.00

- Service contract is for 5 years
- Notice period is 3 calendar months.
- Severance fee is payable in accordance with provisions of Section 318 of the Companies Act, 1956.
- Managing Director's remuneration does not include contribution to gratuity fund since the same is paid for the Company as a whole.

The Company has not paid any fixed component and performance linked incentives to the Directors during the year.

The Company does not have any stock option scheme.

**vi) Shareholding of the Non-Executive Directors :**

The shareholding of the Non-Executive Directors of the Company as on 31<sup>st</sup> March, 2009 is as under :

S. No.	Name	No. of Shares
1.	Shri M. P. Jindal	107000
2.	Smt. Anubha Tayal	476100
3.	Shri Shital Parshad Jain	NIL
4.	Shri Sajjan Singh	NIL
5.	Shri. Karan Dev Tayal	NIL
6.	Shri. Rahul Dev Tayal	77100

**5. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE :**

- i) **Terms of Reference :** The Board of Directors had formed a committee to redress the grievances of shareholders and investor complaints on 28.09.2002. The role of this committee is to consider why-why of pending investors' complaints like transfer of shares, non-receipt of balance sheet, non-receipt of dividend etc.
- ii) **Composition and Attendance :** The Committee consists of Shri Sajjan Singh, Chairman being a Non-executive independent Director, Smt. Anubha Tayal, Member being the Non-Executive Director and Mr. Pardeep Nandal, being Secretary of the committee.

During the year under review, the Grievances Redressal Committee has met four times in which all the members were present. During the financial year ended 31<sup>st</sup> March, 2009 the meetings of the Committee held on 30.06.2008, 31.07.2008, 31.10.2008 and 31.01.2009. The Minutes of the meeting of the committee were placed before the Board Meeting held immediately after the committee meetings.

During the year ended 31<sup>st</sup> March, 2009, 6 Complaints were received and replied/resolved to the satisfaction of the shareholders. As on 31<sup>st</sup> March, 2009, no complaints of the shareholders were pending for redressal.

Separate email id for lodging investors' complaint/Correspondence is: [feedback@hisarmetal.com](mailto:feedback@hisarmetal.com)

The Company has appointed M/s Skyline Financial Services Pvt. Ltd., 246 1st Floor, Sant Nagar, Main Iscon Temple Road, East of Kailash, New Delhi – 110065 as Share Transfer Agent to give services to the shareholders holding shares in physical or dematerialized form. All requests for dematerialization of shares are processed and confirmations thereof are sent to the shareholders within the prescribed time.

The Company has appointed Mr. Pardeep Nandal, Company Secretary as the Compliance Officer to monitor the Share Transfer process, Dematerialization/Re-materialization and liaison with the regulatory bodies. The Company has complied with the various requirements of the listing agreements and the depositories with respect to transfer of shares. The requisite certificates are sent to them within the prescribed time.

The Board of Directors in their meeting held on 2<sup>nd</sup> day of March, 2009 had delegated the power of share transfer to the compliance officer of the company.

**6. GENERAL BODY MEETINGS :**

The last three Annual General Meetings of the Company were held at the registered office of the Company at Near I.D.C., Delhi Road, Hisar on the following dates and times :

Financial Year	Location	Date	Time	Special Resolutions
2005-06	Registered Office	25.09.06	11.00 A.M.	No Special Resolution was passed
2006-07	- do -	28.09.07	- do -	One Special Resolution was passed
2007-08	- do -	29.09.08	- do -	No Special Resolution was passed

There were no resolutions which have been passed by the shareholders through postal ballot at any of the above meetings. Further there is no item in the Notice for the forthcoming Annual General Meeting that is proposed to be passed through a Postal ballot.

**7. DISCLOSURES :**

- i) **Related Party Transactions :** The details of the deposits accepted by the Company from the related parties are as under :

S. No.	Name	Relations	Amount of deposit as on 31.03.2009 (in Rs.)	Rate of Interest	Period of Deposit
1.	Shri Abhiram Tayal	Promoter Director	425000	11%	3 yrs
			425000	Interest Free	On demand
2.	Smt. Anubha Tayal	Director	1025000	11%	3 yrs
			400000	Interest Free	On demand
3.	Shri Vikram Kumar Jain	Brother of Director	9785000	11%	3 yrs
4.	Mr. Karan Dev Tayal	Additional Director	5000000	11%	3 yrs
5.	Mrs. Kashni Tayal	Wife of Director	5000000	11%	3 yrs

The above said deposits were accepted by the Company at the terms and conditions approved by the Board of Directors and declared in the Statement in lieu of advertisement which has been filed with the Registrar of Companies.

During the Financial year ended 31<sup>st</sup> March, 2009, the Company has done the following transactions with Ravindra Tubes Ltd., Hisar which is the associated concern of the Company :

Nature of Transaction	Details of Transaction
Lending	Lent Rs. 2.00 Crore @ 11% rates of interest per annum and loan realized on 03.05.08 along with interest.
Borrowing	Borrowed Rs.2.00 Crore on 05.02.09 and paid on 27.03.09 from Ravindra Tubes Ltd.
Job Work	Job of Slitting coils was given to Ravindra Tubes Ltd. and paid Rs.100396/-.
Purchase	Purchase of Pipes of Rs.164307/- from Ravindra Tubes Ltd. Purchasing was done at prevailing market prices.

- ii) **Subsidiary** : The Company does not have any subsidiary.
- iii) **Disclosure of Accounting Treatment** : The Financial statements have been prepared in accordance with applicable Accounting Standards and relevant presentational requirements of the Companies Act, 1956 and are based on the historical cost convention.
- iv) **Disclosure of Non-Compliance** : Neither has any non compliance with any of the legal provisions of law been made by the Company nor any penalty or stricture imposed by the stock exchanges or SEBI or any other statutory authority on any matter related to the capital markets during the last 3 years.
- v) **Risk Management** : The Company has laid down Risk Management Policy to inform assessment and minimization procedures.
- vi) **Whistle Blower Policy** : Under the whistle blower policy, the employees of the Company are free to communicate any matter of concern in any area including accounts, finance, management, operations, employment and other affairs of the Company. Further no employee has been denied access to the Audit Committee.
- vii) **Details of compliance of clause 49** : The Company has complied with all the mandatory requirements. Further the Company has complied with the following non-mandatory requirements :
- The Company has a non-executive chairman which maintains office at the Company's expense.
  - The Company has constituted a Remuneration Committee.
  - The Company's financial statements are un-qualified.
  - The Company has laid down a whistle blower policy.
  - The performance evaluation of the non-executive director is done by the entire Board excluding the Board member to be evaluated. The director is evaluated on a scale of 1 to 5 based on the performance indicators.

8. **MEANS OF COMMUNICATION** : Quarterly/Annual Financial Results are published in the English and Hindi language newspaper named "Business Standard/Financial Express" and "Amar Ujala/Dainik Bhaskar". These results are also hosted on the Company's website in <http://www.hisarmetal.com>. Significant Developments are made available to the press and to the stock exchanges. During the year under review, no presentations were made to any institutional investors or analysts. Further, a report on management discussion and analysis has been given elsewhere in this report.

9. **GENERAL SHAREHOLDERS INFORMATION :**

- As indicated in the Notice to our shareholders, the 19<sup>th</sup> Annual General Meeting of the Company will be held on Monday, the 28<sup>th</sup> day of September, 2009 at 11.00 A.M. at the Registered office of the Company at Near I.D.C., Delhi Road, Hisar – 125 005.
- The Financial Year of the Company is from April 1 to March 31.
- Date of Book Closure : From 25<sup>th</sup> day of September to 28<sup>th</sup> day of September, 2009 (both days inclusive) for the purpose of the Annual General Meeting and payment of final dividend, if approved by members.
- The Dividend if approved by members will be paid within the statutory time limit.
- The shares of the Company are listed on
  - The Delhi Stock Exchange ( Regional Stock Exchange)  
DSE House, 3/1, Asaf Ali Road, New Delhi – 110 002
  - The Stock Exchange of Ahmedabad.  
Kamdhenu Complex, Opp. Sahajanand College, Panjarapole, Ahmedabad – 280 015
  - The Jaipur Stock Exchange.  
Stock Exchange Building, J.L.N. Marg, Malviya Nagar, Jaipur – 302 017

As on the date of this report, no listing fee to any stock exchange is due and remains unpaid.

- f) Stock Code : Delhi Stock Exchange : 08131  
 Jaipur Stock Exchange : 732  
 Ahmedabad Stock Exchange : 24843

The shares of the Company are permitted to be traded at the Mumbai Stock Exchange under the Indonext segment. The details are :

Securities Category	"INDONEXT"
Scrip Code	590018
Scrip ID on the BOLT System	HISARMET
Abbreviated Name on the BOLT system	HISAR METAL

**Market Price Data :**

During the year under review, no trading took place either in the Delhi Stock Exchange, Ahmedabad Stock Exchange or the Jaipur Stock Exchange. This is certainly due to no operations at these stock exchanges. The trading done at the Mumbai stock exchange from 1<sup>st</sup> day of April, 2008 to 31<sup>st</sup> day of March, 2009 are as under:

**Mumbai Stock Exchange**

Month (2008-09)	Volume	High (Rupees)	Low (Rupees)
April	21079	36.50	27.30
<b>May</b>	10853	34.00	28.00
June	7402	31.15	27.00
July	5313	33.05	27.75
<b>August</b>	1974	30.80	27.60
September	3327	31.80	25.65
October	3795	27.15	20.40
November	9420	20.50	18.45
December	775	22.30	18.50
January	12677	24.35	21.15
February	11407	23.95	20.00
March	5189	23.65	19.15

**g) Share Transfer Agent :**

All the works relating to the share registry both for the shares held in the physical as well in the electronic form (demat) are being done at the single point and for this purpose SEBI Registered Category I Registrar and Transfer Agent has been appointed w.e.f. 01.04.2003 whose address is as under :

**Skyline Financial Services Pvt. Ltd.**

246, 1st Floor, Sant Nagar, Main Iscon Temple Road, East of Kailash,  
 New Delhi – 110 065

Phone : 26292682, 26292683 Fax : 26292681

Email: [admin@skylinerta.com](mailto:admin@skylinerta.com)

- h) Shares received for transfer in the physical form are processed and the share certificates returned within a period of 30 days from the date of the receipt subject to the documents being complete and valid in all respects.

**i) DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2009 :**

Shares holding of Nominal value of		Shareholders		Share Amount	
Rs.	Rs.	Number	% of total	Amount	% of total
Upto	5000	1049	75.79	16, 09,880	4.47
5001	10000	100	7.23	8,22,160	2.28
10001	20000	62	4.48	10, 36,170	2.88
20001	30000	28	2.02	7, 07,890	1.97
30001	40000	22	1.59	8, 04,580	2.24
40001	50000	21	1.52	11, 64,080	3.23
50001	100000	56	4.05	42, 02,930	11.67
100001 & above		46	3.32	2,56,52,310	71.26
** Total**		1384	100.00	3,60,00,000	100.00



**J) CATEGORIES OF SHAREHOLDERS AS ON 31.03.2009 :**

Name of the Company : **HISAR METAL INDUSTRIES LTD.**  
 Scrip Code : **590018**  
 Shareholding as on : **31-03-2009**

Category code	Category of shareholder	Number of share holders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a %age of total number of shares		Shares Pledged or otherwise encumbered	
					As a %age of (A+B) (VI)	As a %age of (A+B+C) (VII)	Number of Shares (VIII)	As a %age (IX)=(VIII)/(IV)* 100
(I)	(II)	(III)	(IV)	(V)				
<b>(A) Shareholding of Promoter and Promoter Group</b>								
<b>(1) Indian</b>								
(a)	Individuals/ Hindu Undivided Family	45	1681221	754501	46.700	46.700	NIL	NIL
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-
(c)	Bodies Corporate	7	414200	225400	11.506	11.506	NIL	NIL
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-
(e)	Any Other(specify)	-	-	-	-	-	-	-
	<b>Sub-Total (A) (1)</b>	<b>52</b>	<b>2095421</b>	<b>979901</b>	<b>58.206</b>	<b>58.206</b>	<b>NIL</b>	<b>NIL</b>
<b>(2) Foreign</b>								
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-
(d)	Any Other (specify)	-	-	-	-	-	-	-
	<b>Sub-Total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Shareholding of Promoter and Promoter Group (A) = (A) (1) + (A) (2)</b>	<b>52</b>	<b>2095421</b>	<b>979901</b>	<b>58.206</b>	<b>58.206</b>	<b>NIL</b>	<b>NIL</b>
<b>(B) Public shareholding</b>							<b>NA</b>	<b>NA</b>
<b>(1) Institutions</b>								
(a)	Mutual Funds/ UTI	-	-	-	-	-	NA	NA
(b)	Financial Institutions/ Banks	-	-	-	-	-	NA	NA
(c)	Central Government/ State Government(s)	-	-	-	-	-	NA	NA
(d)	Venture Capital Funds	-	-	-	-	-	NA	NA
(e)	Insurance Companies	-	-	-	-	-	NA	NA
(f)	Foreign Institutional Investors	-	-	-	-	-	NA	NA
(g)	Foreign Venture Capital Investors	-	-	-	-	-	NA	NA
(h)	Any Other (specify)	-	-	-	-	-	NA	NA
	<b>Sub-Total (B) (1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>NA</b>	<b>NA</b>
<b>(2) Non-institutions</b>								
(a)	Bodies Corporate	63	154157	154157	4.282	4.282	NA	NA
(b)	Individuals -							
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.	1238	805531	548062	22.376	22.376	NA	NA
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	25	543743	373143	15.104	15.104	NA	NA
(c)	Any Other (NRI)	6	1148	1148	0.0319	0.0319	NA	NA
	<b>Sub-Total (B)(2)</b>	<b>1332</b>	<b>1504579</b>	<b>1076510</b>	<b>41.794</b>	<b>41.794</b>	<b>NA</b>	<b>NA</b>
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>1332</b>	<b>1504579</b>	<b>1076510</b>	<b>41.794</b>	<b>41.794</b>	<b>NA</b>	<b>NA</b>
	<b>TOTAL (A) + (B)</b>	<b>1384</b>	<b>3600000</b>	<b>2056411</b>	<b>100</b>	<b>100</b>	<b>NA</b>	<b>NA</b>
<b>(C) Shares held by Custodians and against which Depository Receipts have been issued</b>								
	<b>GRAND TOTAL (A) + (B) + (C)</b>	<b>1384</b>	<b>3600000</b>	<b>2056411</b>	<b>100</b>	<b>100</b>	<b>NA</b>	<b>NA</b>

For determining public shareholding for the purpose of Clause 40A.

Ø For definitions of "Promoter" and "Promoter Group", refer to Clause 40A.

Ø For definitions of "Public Shareholding", refer to Clause 40A.

**k) Dematerialization of Shares:** As on 31.03.2009, the number of equity shares held in dematerialized form were 2056411 (57.12%) and in physical form were 1543589 (42.88%).

**l) Plant Location :**

**HISAR METAL INDUSTRIES LIMITED**

Near I.D.C., Delhi Road, Hisar – 125 005

**m) Address for correspondence :**

**HISAR METAL INDUSTRIES LIMITED**

Near I.D.C., Delhi Road, Hisar – 125 005

Phone : 91-1662-220067, 220367, 220738

Fax : 91-1662-220265

#### **DECLARATION**

I, Abhiram Tayal, Managing Director, hereby declare that as provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the senior management personnel have confirmed compliance with the Code of Conduct for the year ended March 31, 2009.

**For Hisar Metal Industries Limited**

Place: Hisar

Date: 30<sup>th</sup> June, 2009

**Abhiram Tayal**

**(Managing Director)**

#### **CEO/CFO CERTIFICATION**

As required by sub-clause V of Clause 49 of the Listing Agreement with the Stock Exchanges, we have certified to the Board that for the financial year ended March 31, 2009, the Company has complied with the requirement of the said sub-clause.

**For Hisar Metal Industries Limited**

**Abhiram Tayal**

**(Managing Director)**

**For Hisar Metal Industries Limited**

**R. S. Bansal**

**(General Manager-Finance)**

#### **10. AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE :**

To the Members of Hisar Metal Industries Limited.

We have examined the compliance of conditions of Corporate Governance by Hisar Metal Industries Limited for the year ended 31<sup>st</sup> March, 2009 as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges, with relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors. The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us and the representation made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement except for number of independent directors on the Board.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the Company, there were no investor grievance remaining unattended / pending for a period exceeding one month as on March 31, 2009.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Ram Sanjay & Co.  
Chartered Accountants**

Place : Hisar

Dated: 30<sup>th</sup> June, 2009

**Ram Babu Aggarwal**

**Partner**

**Annexure C****MANAGEMENT DISCUSSION AND ANALYSIS**

**Overview :** The Indian economy is on a robust growth path on an average of 9% growth rate in recent past except last year due to world recession the growth rate slashed to 6%.

Indian Economic is one of the fastest growing in the world today. It has tremendous potential which is attracting global investors to invest in several segments of the economy. Even in last year when almost all world is facing recession crisis Indian FDI showed a positive growth.

Encouraged by the overall economic growth, the Company has made an investment plan of Rs.800 Lac for setting up a new Cold Rolling Mills in its existing plant Hisar. Company has already completed the project upto 90% and is hopeful that new rolling mills will start production by end of July, 2009.

**Industry Structure and Developments :** Your Company is engaged in the manufacture of Cold Rolled Stainless Steel. From manufacturing process involved it may be classified as a stainless steel strips manufacturer. Stainless Steel (SS), combination of Steel, Nickel, and Chromium is recognized for its anti-corrosive nature, long life glossy outlook. Stainless Steel is an environmental friendly material and most appropriate for sustainable development especially because of its 100% recyclability. Although steel is one of the oldest industries, stainless steel emerged on the industrial landscape only in 1960s. In India over 70% of the country's demand comes from Kitchen segment and the rest 30% comes from industrial and other segments. The Indian steel industry entered into a new development stage from 2005-06, resulting in India becoming the 5<sup>th</sup> largest producer of steel globally. Producing about 55 mmt. of steel a year, today India accounts for a little over 4 per cent of the world's total production.

In 2009, world growth is projected to fall due to world recession. Among all other major sectors hit by economic downturn, steel industries occupies the top position with demand falling.

**Opportunities :** The world crude steel production reached 1,329.7 million metric tones for the year of 2008. Year 2008 is the second consecutive year that world steel production has over 1,300 mmt. India is one of the fastest growing market in the world. Recently major automobile's and other companies started operation here. India is expected to be one of major auto hub in the world map soon. This will generate more SS demand in these sectors which show's a bright future of the SS industry in India. Stainless steel because of its anti-corrosive property has found favour with builders and architects. This is significant given the fact that some 65% of the domestic steel is consumed in the rural sector. The National Steel Policy has a target for taking steel production up to 110 mmt. by 2019-20. Nonetheless, with the current rate of ongoing greenfield and brownfield projects, the Ministry of Steel has projected India's steel capacity is expected to touch 124.06 mmt. by 2011-12. In fact, based on the status of Memorandum of Understanding (MOUs) signed by the private producers with the various state governments, India's steel capacity is likely to be 293 mmt. by 2020. According to a study by ICICI Direct, Indian steel companies are likely to get 19 per cent of the total global demand in the years to come.

Your company has 3 Nos. of 4 Hi-Cold Rolling Mills and One 6 Hi-Cold Rolling Mill and work related to installation of new 6 Hi-Cold Rolling Mill is almost 90% complete. Thus, your company has immense capability to keep pace with the growing requirement of the industry.

**Threats :** While all world is facing the recession, world growth is projected to fall to 1.5% in 2009, its lowest rate since World War II. Among major sectors hit by economic downturn, steel occupies the top position with demand falling by 18% while automobile sector fell 3.8% and textile demand was down 0.25%. It is also facing a numbers of challenges like raw material costs, high price volatility, trade barriers etc. Moreover there are other deterrents also like rise in rupee value, poor availability of power and the concern of the government over rising steel prices.

Lack of demand due to world recession, fluctuation in prices of raw material due to fluctuation in the prices of nickel and chrome and poor availability of power are the main reasons for lower performance during the financial year 2008-09.

**Segment-wise or Product wise Performance :** Currently your Company is engaged only in one type of product and involve one type of process and it is called Engineering Product, so there is no segment wise or product wise performance available.

**Outlook :** Stainless steel has gained impressive recognition and achieved quantum progress over the past decade. With the improvement in the lifestyle of the average Indian and the burgeoning middle class with a higher propensity to spend on life style products the per capita consumption of S.S. in India is expected to improve significantly. However,

its use in railway coaches, wagons, airports, hotels and retail stores is growing immensely. Demand for steel in India is likely to grow at around 12 per cent against the global average of 5-6 per cent. The scope for raising the total consumption of steel is huge, given that per capita steel consumption is only 50 kg as compared to 150 kg across the world and 300 kg in China.

The rising costs of the key inputs such as Chromium and Nickel have triggered substitution efforts world-wide with low nickel content grades (Cr-MN 200 series) and ferritic grades gaining momentum. Indian Stainless Steel Manufacturers for the past few years have been focusing on low nickel stainless grades.

**Risk and Concerns :** In recent pricing volatility and world recession are the key factors affecting the growth rate of SS industry in India. In April, 2008 when price of SS were almost at its top, subsequently they dropped almost 40% during the year 2008-09. Nickel accounts for more than 60% of cost of making the 300 series of stainless steel and therefore, volatility in its price has always been affecting the growth of S.S. High nickel prices has led a growth in low nickel SS. This is a trend, which is growing fast the world over. Subsequent to the recent fall in international prices of steel there is possibility to turn India into a dumping ground for Chinese and other countries manufacturers.

To avoid the dumping the government has removed full exemption of customs duty on some industrial and agricultural commodities. Iron and steel products like pig iron, spiegeleisen, semi-finished products, flat products and long products are now subject to a basic custom duty of 5 per cent ad-valorem. The government's plan to boost up the economy by injecting funds in various industries like infrastructure, construction, automobile and power, near future is expected to see growth.

While the demand for steel will continue to grow in traditional sectors such as infrastructure, construction, housing automotive, steel tubes and pipes, consumer durables, packaging, and ground transportation, specialized steel will be increasingly used in hi-tech engineering industries such as power generation, petrochemicals, fertilizers, etc. The new airports and railway metro projects will require a large amount of stainless steel.

The Company has challenges ahead in future for top line and bottom-line growth. Your company has installed a new 6Hi-Coiled Rolling Mill which will start production by end of July, 2009 to fulfill the growing demand of customers and will add to both bottom line and top line growth of the company.

**Internal Control System and their Adequacy :** Your company has adequate internal control systems commensurate with its size and operations, although not documented. The company regularly gets its accounts audited from internal auditor.

**Financial Performance with respect to Operational Performance :** This year the production and turnover both are down by 9% and 11% respectively in terms of volume. The Company has produced 8530 M.T. of prime CRSS Strips as compared to 9407 M.T in the previous financial year while the Company has sold 8516 M.T. of prime CRSS Strips as compared to 9549 M.T. in the previous financial year. The turnover in terms of value is down by 25% to Rs.13020 lacs. The Profit before tax has decreased to Rs.42 lacs and Profit after tax has decreased to Rs.27 lacs, down by 73% and 76% respectively. Capital Expenditure during the year stood to Rs.797.18 Lac. The Reserve and Surplus stood to Rs.646.85 Lac. The Earning per share is Rs.0.75 and the Book value per share is Rs.27.97. The Board of Directors have recommended a dividend of 10% for the financial year 2008-09.

**Industrial Relations and Resource Management :** The company during the previous year continued its record of good industrial relations with its employees. During the year various initiatives had been taken to improve the performance and productivity levels in various departments of the Company. The company has its in house technical centre in the plant to train the new recruits before their placement that helps in optimum utilisation of resources as well as maintaining quality standards. It also indulges into and implements various HR initiatives and activities including employee welfare, special rewards, performance review system and various employee motivation activities

**Cautionary Statement :** Management Discussion and Analysis Report may be "forward looking statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied depending upon global and Indian demand-supply conditions, changes in government regulations, tax regimes, and economic developments within India and overseas.

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

Place : Hisar  
Dated 30<sup>th</sup> June, 2009

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

## AUDITORS' REPORT

To the Members of Hisar Metal Industries Limited

1. We have audited the attached Balance Sheet of Hisar Metal Industries Limited as at 31st March, 2009 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that :
  - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our Audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - (e) On the basis of written representations received from the Directors, as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
  - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
    - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2009,
    - (ii) In the case of the Profit and Loss Account, of the profit for the year ended on that date and
    - (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Ram Sanjay & Co.  
Chartered Accountants

Place : Hisar  
Dated: 30<sup>th</sup> June, 2009

Ram Babu Aggarwal  
Partner  
Membership No. 82093

**ANNEXURE TO THE AUDITORS' REPORT**

Referred to in paragraph 3 of our report of even date on the accounts for the year ended on March 31, 2009 of Hisar Metal Industries Ltd.

1. In respect of its fixed assets :
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) These fixed assets were physically verified by the management at regular intervals in accordance with a programme of verification adopted by the Company, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
  - c) Fixed Assets disposed off during the year were not substantial. According to the information and explanation given to us, we are of the opinion that the disposal of fixed assets has not affected the going concern status of the Company.
2. In respect of its inventories :
  - a) As explained to us, inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of its inventories and no material discrepancies were noticed on physical verification.
3. According to the information and explanations given to us, in respect of loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956
  - I. (a) The Company has granted loans to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956 amounting to Rs.200.00 Lac.
    - b) The rate of interest and other terms and conditions on which loans have been given by the Company are not prima facie, prejudicial to the interest of the Company.
    - c) The payment of principal amount and interest are also regular.
    - d) There are no overdue amounts of principal and interest.
  - II (a) The Company has taken corporate loans aggregating to Rs.200.00 Lac from one party covered in the register maintained under Section 301 of the Companies Act, 1956.
    - b) The rate of interest and other terms and conditions on which loans have been taken by the Company are not prima facie, prejudicial to the interest of the Company.
    - c) The payment of principal amount and interest are also regular.
    - d) There are no overdue amounts of principal and interest.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
5. In respect of transactions entered in the register maintained under Section 301 of the Companies Act, 1956:
  - a) In our opinion and to the best of our knowledge and belief and according to the information and explanations given to us, transactions that needed to be entered into the register have been so entered.
  - b) According to the information and explanations given to us, no transaction (excluding loans/ deposits reported under paragraph 3 above) is in excess of Rs. Five lacs in respect of each party, has been entered during the year.

6. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A, 58AA or any other relevant provision of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. As informed to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 for the products of the Company.
9. In respect of statutory dues:
- a) The Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees' state Insurance, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess, Service Tax and other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as at 31st March, 2009 for a period of more than six months from the date of becoming payable.
- b) According to the records of the Company Sales Tax, Excise Duty, Income Tax, Customs Duty and Wealth Tax which have not been deposited on account of any dispute are given below :-
- | <i>Name of the Statute</i> | <i>Nature of Dues</i>        | <i>Amount (Rs.)</i> | <i>Forum where dispute is pending</i> |
|----------------------------|------------------------------|---------------------|---------------------------------------|
| Excise Duty                | Excise Duty Demand 1999-2000 | 385377.00           | Commissioner Appeal                   |
10. The Company has no accumulated losses as at the end of the financial year and the Company has not incurred cash losses during the current and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, clause 4(xiii) of the Companies (Auditors Report) Order, 2003 is not applicable to the Company.
14. In our opinion the Company is not dealing in or trading in shares, securities, debentures and other securities. However, in respect of investments the Company has maintained proper records of the transactions and contracts as well as timely entries have been made therein. These investments have been held by the Company in its own name.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. In our opinion, the term loans have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
18. The Company has not made any preferential allotment on shares during the year.
19. The Company has not issued any debenture.
20. The Company has not raised any money by way of public issue during the year.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For Ram Sanjay & Co.  
Chartered Accountants

Place : Hisar  
Dated: 30<sup>th</sup> June, 2009

Ram Babu Aggarwal  
Partner  
Membership No. 82093

## BALANCE SHEET AS AT 31.3.2009

DESCRIPTION	SCHEDULE	AS AT 31ST March, 2009	AS AT 31ST March, 2008
<b>SOURCE OF FUNDS</b>			
1. SHARE HOLDER'S FUND :			
a) Share Capital	A	36,000,000	36,000,000
b) Reserve & Surplus	B	64,684,685	66,198,029
2. LOAN FUNDS :			
a) Secured Loan	C	255,010,117	309,412,568
b) Unsecured Loan	D	99,226,324	59,889,281
c) Dealer Security		26,000,000	66,000,000
3. DEFERRED TAX LIABILITY		14,191,392	16,159,108
	<b>TOTAL</b>	<b>495,112,518</b>	<b>553,658,986</b>
<b>APPLICATION OF FUNDS</b>			
1. FIXED ASSETS			
a) Gross Block	E	241,615,377	230,337,541
b) Less Depreciation		105,888,315	90,553,576
c) Net Block		135,727,062	139,783,965
d) Capital Work in Progress		69,378,019	1,310,214
		<b>205,105,081</b>	<b>141,094,179</b>
2. INVESTMENTS	F	84,000	84,000
		<b>84,000</b>	<b>84,000</b>
3. CURRENT ASSETS, LOANS & ADVANCES			
a) Inventories	G	41,761,536	154,783,043
b) Sundry Debtors	H	210,746,372	364,169,910
c) Cash & Bank Balances	I	54,720,465	26,223,148
d) Loans & Advances	J	34,463,503	34,477,719
		<b>341,691,876</b>	<b>579,653,820</b>
Less : CURRENT LIABILITIES AND PROVISIONS			
a) Liabilities	K	47,178,413	162,862,908
b) Provisions	L	4,590,026	4,310,105
		<b>51,768,439</b>	<b>167,173,013</b>
NET CURRENT ASSETS		<b>289,923,437</b>	<b>412,480,807</b>
	<b>TOTAL</b>	<b>495,112,518</b>	<b>553,658,986</b>

Significant Accounting Policies/Notes on Accounts

T

The Schedules referred to above and notes on accounts form an integral part of the Balance Sheet.

As per our report of even date attached.

For RAM SANJAY & CO.  
CHARTERED ACCOUNTANTS(M. P. JINDAL)  
CHAIRMAN(RAM BABU AGGARWAL)  
PARTNER(PARDEEP NANDAL)  
COMPANY SECRETARY(ABHIRAM TAYAL)  
MANAGING DIRECTORPlace: HISAR  
Dated: 30th June, 2009(R. S. BANSAL)  
G.M. FINANCE(KARAN DEV TAYAL)  
DIRECTOR



## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.3.2009

DESCRIPTION	SCHEDULE	For the year ended 31ST March, 2009	For the year ended 31ST March, 2008
<b>INCOME</b>			
Sales & Other Income	M	1,302,044,277	1,728,748,259
Increase/Decrease in Closing Stock	N	(2,357,205)	(29,739,602)
		<u>1,299,687,072</u>	<u>1,699,008,657</u>
<b>EXPENDITURE</b>			
Raw Material Consumed	O	971,696,128	1,251,688,476
Excise Duty		141,251,987	216,219,579
Manufacturing Expenses	P	92,221,109	115,595,875
Personnel Expenses	Q	19,846,090	18,698,256
Administrative Selling & Other Expenses	R	8,450,479	12,004,203
Financial Expenses	S	46,408,937	53,441,408
Depreciation		15,617,391	15,576,658
		<u>1,295,492,121</u>	<u>1,683,224,455</u>
<b>PROFIT</b>			
Profit before Taxation		4,194,951	15,784,202
Less : Provision for Income Tax		3,366,255	5,683,114
: Current		140,336	124,480
: Fringe Benefit Tax		(1,967,716)	(1,555,623)
: Deferred Tax			
		<u>2,656,076</u>	<u>11,532,231</u>
Add : Previous year Tax		42,400	(102,514)
		<u>2,698,476</u>	<u>11,429,717</u>
Balance brought forward from earlier years		17,451,329	40,233,432
Profit available for appropriation		<u>20,149,805</u>	<u>51,663,149</u>
<b>APPROPRIATIONS</b>			
Proposed Dividend (Including tax on dividend)		4,211,820	4,211,820
Transfer to General Reserve		0.00	30,000,000
Balance carried over to Balance Sheet		15,937,985	17,451,329
		<u>20,149,805</u>	<u>51,663,149</u>

Significant Accounting Policies/Notes on Accounts T

The Schedules referred to above and notes on accounts form an integral part of the Profit and Loss Account.

As per our report of even date attached.

For RAM SANJAY & CO.  
CHARTERED ACCOUNTANTS

(M. P. JINDAL)  
CHAIRMAN

(RAM BABU AGGARWAL)  
PARTNER

(PARDEEP NANDAL)  
COMPANY SECRETARY

(ABHIRAM TAYAL)  
MANAGING DIRECTOR

Place: HISAR  
Dated: 30th June, 2009

(R.S. BANSAL)  
G.M. FINANCE

(KARAN DEV TAYAL)  
DIRECTOR

DESCRIPTION	AS AT 31ST March, 2009	AS AT 31ST March, 2008
<b>SCHEDULE "A"</b>		
<b>SHARE CAPITAL</b>		
AUTHORISED :		
5000000 Equity Shares of Rs.10/- each	50,000,000	50,000,000
ISSUED SUBSCRIBED & PAID UP :		
3600000 Equity Shares of Rs.10/- each of the above shares 306960 Equity shares of Rs.10/- each have been issued as fully paid up bonus shares by capitalisation of surplus in Profit & Loss A/c.	36,000,000	36,000,000
	36,000,000	36,000,000
<b>SCHEDULE "B"</b>		
<b>RESERVE &amp; SURPLUS</b>		
Share Premium	11,546,700	11,546,700
General Reserve		
Opening	37,200,000	7,200,000
Add : Transferred from Profit & Loss A/c	0	30,000,000
	37,200,000	37,200,000
Profit & Loss Account	15,937,985	17,451,329
	64,684,685	66,198,029
<b>SCHEDULE "C"</b>		
<b>SECURED LOANS</b>		
A) FROM PUNJAB NATIONAL BANK Cash credit secured against hypothecation of stock of Finished Goods Raw Materials, Work-in-progress Book Debts, Stores and Spares and guaranteed by the Directors.	163,193,384	62,319,522
B) FROM PUNJAB NATIONAL BANK Foreign Currency Loan	0	215,165,800
C) FROM PUNJAB NATIONAL BANK Term Loan secured against first charge on leasehold rights of land, Building and block assets of the Company.	18,174,705	31,721,368
D) FROM PUNJAB NATIONAL BANK Term Loan II secured against first charge on leasehold rights of land, Building and block assets of the Company.	33,525,973	0
E) FROM PUNJAB NATIONAL BANK Corporate Loan secured against first charge leasehold rights of land, Building and block assets of the Company.	40,116,055	0
F) FROM ICICI BANK Term Loan Secured against hypothecation of Car	0	205,878
	255,010,117	309,412,568
<b>SCHEDULE "D"</b>		
<b>UNSECURED LOANS</b>		
Fixed Deposits	16,260,000	11,260,000
Corporate Loan	75,691,324	46,354,281
<b>Loan From Directors</b>		
Fixed Deposits	6,450,000	1,450,000
Interest Free Loan	825,000	825,000
	99,226,324	59,889,281

**SCHEDULE "E"****FIXED ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS ON 01.04.2008	ADDITION	SALES/ TRANSFER	TOTAL UPTO LAST YEAR	FOR THE YEAR	WRITTEN OFF/ADJ.	TOTAL	AS ON 31.03.2009	AS ON 31.03.2008	
LAND	9567240	0	0	9567240	0	0	0	9567240	9567240	
INDUSTRIAL PLOT	0	10681904	0	10681904	0	0	0	10681904	0	
SHED & BUILDING	19195366	0	0	19195366	3438800	641125	0	4079925	15115441	15756567
PLANT & MACHINERY	184324461	0	0	184324461	78210337	13676875	0	91887212	92437249	106114124
GENERATOR	11412867	0	0	11412867	6124966	846835	0	6971801	4441066	5287900
VEHICLES	3518758	793097	372549	3939306	1246566	345788	282651	1309703	2629603	2272192
FURNITURE & FIXTURE	382169	41335	0	423504	224866	26114	0	250980	172524	157303
OFFICE EQUIPEMENTS	872247	30975	0	903222	273063	42717	0	315780	587442	599184
COMPUTER	1064432	103075	0	1167507	1034977	37937	0	1072914	94593	29455
	230337540	11650386	372549	241615377	90553575	15617391	282651	105888315	135727062	139783965
CAPITAL WORK-IN-PROGRESS	1310214	68067805	0	69378019	0	0	0	0	69378019	1310214
	<b>231647754</b>	<b>79718191</b>	<b>372549</b>	<b>310993396</b>	<b>90553575</b>	<b>15617391</b>	<b>282651</b>	<b>105888315</b>	<b>205105081</b>	<b>141094179</b>
PREVIOUS YEAR	232377972	2308625	3038842	231647755	75397021	15576658	420103	90553576	141094179	156980951

**DESCRIPTION****AS AT 31ST  
March, 2009****AS AT 31ST  
March, 2008****SCHEDULE "F"****INVESTMENTS**

(Non Trade Investments at cost in quoted  
fully paid up equity shares of Rs.10/- each)  
2400 Shares of Haryana Financial Corporation  
(Market value not available)

**84,000****84,000****84,000****84,000****SCHEDULE "G"****INVENTORIES**

(As valued &amp; certified by the management)

Raw Material

**12,444,595****127,430,900**

Finished Goods

**6,739,229****9,096,434**

Stores &amp; Spares

**22,577,712****18,255,709****41,761,536****154,783,043****SCHEDULE "H"****SUNDRY DEBTORS**

(Unsecured Considered Good)

a) Outstanding for over six months

**4,238,801****5,876,800**

b) Others

**206,507,571****358,293,110****210,746,372****364,169,910****SCHEDULE "I"****CASH AND BANK BALANCES**

Cash in hand

**178,907****256,756**

Gold Coins (At Cost)

**0****53,945**

Puja Silver Coins (At Cost)

**21,846****1,931**

FDR with PNB

**50,000,000****0**

With Scheduled Banks in Current Accounts

**1,370,961****1,574,001**

Fixed Deposits (For Margin Money)

**3,148,751****24,336,515****54,720,465****26,223,148**

DESCRIPTION	AS AT 31ST March, 2009	AS AT 31ST March, 2008
<b>SCHEDULE "J"</b>		
<b>LOANS AND ADVANCES</b>		
(Unsecured Considered Good)		
Advance recoverable in cash or in kind or for value to be received	27,996,287	23,859,536
Application Money for allotment of Industrial Plot	0	902,000
Advance Against Machinery	1,670,000	6,446,730
Security Deposits	3,655,610	2,208,680
Prepaid Expenses	1,141,606	1,060,773
	<u>34,463,503</u>	<u>34,477,719</u>
<b>SCHEDULE "K"</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors For Purchase	From S.S.I.* From Others	142,983,320
	5,739,762	
For Capital Goods	From S.S.I.* From Others	0
	14,184,659	
(*Refer Clause No. 6 of Schedule 'T' Notes on Accounts)		
Advance from Customers	1,958,797	1,385,677
Other Liabilities	24,914,270	18,136,349
Unclaimed Dividend	380,925	357,562
	<u>47,178,413</u>	<u>162,862,908</u>
<b>SCHEDULE "L"</b>		
<b>PROVISIONS</b>		
Proposed Dividend (Including Tax)	4,211,820	4,211,820
Wealth Tax	352,870	98,285
Fringe Benefit Tax	25,336	0
	<u>4,590,026</u>	<u>4,310,105</u>
<b>SCHEDULE "M"</b>		
<b>SALES &amp; OTHER INCOME</b>		
Gross Sale	1,280,821,290	1,685,463,492
Less : Sale Discount	264,468	442,029
	<u>1,280,556,822</u>	<u>1,685,021,463</u>
Export Sale Income	1,248,769	4,163,484
Job Charges	6,176,709	1,337,222
Misc. Income	14,056,875	4,819,597
Consultancy Fees	0	20,000,000
Long Term Profit on Sale of Land	0	13,394,322
Long Term Profit on Sale of Mutual Fund	0	12,171
Profit on sale of Fixed Assets	5,102	0
	<u>1,302,044,277</u>	<u>1,728,748,259</u>
<b>SCHEDULE "N"</b>		
<b>INCREASE (DECREASE) IN STOCK</b>		
Stock at close	6,739,229	9,096,434
Less : Stock at Commencement	9,096,434	38,836,036
	<u>(2,357,205)</u>	<u>(29,739,602)</u>

DESCRIPTION	AS AT 31ST March, 2009	AS AT 31ST March, 2008
<b>SCHEDULE "O"</b>		
<b>RAW MATERIAL CONSUMED</b>		
Opening Stock	127,430,900	121,769,606
Add : Gross Purchase	859,084,743	1,261,256,669
Less : Purchase Discount	2,374,920	3,906,899
Net Purchase	856,709,823	1,257,349,770
Less : Closing Stock	12,444,595	127,430,900
	<b>971,696,128</b>	<b>1,251,688,476</b>
<b>SCHEDULE "P"</b>		
<b>MANUFACTURING EXPENSES</b>		
Stores & Spares	19,373,120	33,388,228
Power & Fuel	56,984,584	63,368,923
Chemical	12,934,511	15,405,504
Job Charges	354,302	750,213
Repair & Maintenance : Plant & Machinery	0	350,617
: Others	1,404,630	1,413,170
: Generator Maintenance	360,000	360,000
: Other Mfg. Expenses	659,036	407,747
: Building Repair	150,926	151,473
	<b>92,221,109</b>	<b>115,595,875</b>
<b>SCHEDULE "Q"</b>		
<b>PERSONNEL EXPENSES</b>		
Salaries, Wages & Bonus	15,740,951	14,673,640
Staff & Labour Welfare	882,986	789,491
Contribution to Provident & Other Funds	2,133,131	2,080,958
Gratuity	1,062,612	1,132,787
Welfare Fund	26,410	21,380
	<b>19,846,090</b>	<b>18,698,256</b>
<b>SCHEDULE "R"</b>		
<b>ADMINISTRATIVE SELLING &amp; OTHER EXPENSES</b>		
Rent	294,000	294,000
Filing Fees	10,000	4,000
Legal & Professional	166,998	75,508
Vehicle Upkeep & Maintenance	613,329	635,339
Insurance	1,686,338	1,702,425
Postage, Telegram & Telephone	743,149	825,134
Travelling & Conveyance	772,887	1,157,708
Printing & Stationery	461,468	451,248
Auditor's Remuneration as : Statutory Audit Fees	60,000	50,000
: Tax Audit Fees	20,000	20,000
Advertisement	233,055	266,728
Fees & Subscription	347,132	322,293
Commission & Discount	24,523	221,988
Donation	23,303	37,204
Freight & Octroi	715,519	697,899
Misc. Expenses	376,445	272,065
Sale Promotion	280,362	40,212
Exchange Fluctuation Account	0	686,384
Loss on Sale of Fixed Assets	0	87,506
Sale Tax Expenses	0	390,611
Export Sale Expenses	1,621,971	3,765,951
	<b>8,450,479</b>	<b>12,004,203</b>

**SCHEDULE "S"****FINANCIAL EXPENSES**

Interest on Term Loans	<b>2,826,493</b>	4,685,193
Interest on Cash Credits	<b>22,115,177</b>	22,563,652
Interest on Fixed Deposits	<b>1,479,470</b>	1,281,109
Interest on Others	<b>16,856,788</b>	22,164,832
Bank Charges	<b>3,131,009</b>	2,746,622
	<b><u>46,408,937</u></b>	<u>53,441,408</u>

**SCHEDULE "T"**

Significant Accounting Policies and Notes on Accounts for the year ended 31st March, 2009.

**A. SIGNIFICANT ACCOUNTING POLICIES****i) GENERAL**

- a) The financial statements are prepared under the historical cost convention and in accordance with the requirement of the Companies Act, 1956.
- b) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

**ii) BASIS OF ACCOUNTING**

The Company follows the mercantile system of Accounting and recognises income and expenditure on accrual basis.

**iii) SALES**

Sales are inclusive of Excise Duty but net of Sales Tax.

**iv) TAXATION**

The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the Company. Deferred tax assets and liabilities are recognised for future tax consequences attributable to the timing differences that result between the profit offered for income tax and the profit as per the financial statements. Deferred tax assets and liabilities are measured as per the tax rates / laws that have been enacted or substantively enacted by the Balance Sheet date.

**v) FIXED ASSETS AND DEPRECIATION****a) VALUATION OF FIXED ASSETS**

Fixed Assets are stated at cost of acquisition inclusive of all incidental expenses related thereto.

**b) DEPRECIATION**

Depreciation on all fixed assets has been provided on straight line method on pro-rata basis for the period of use at the rates specified in SCHEDULE XIV to the Companies Act, 1956.

**vi) VALUATION OF INVENTORIES**

Raw Materials, stores and spare parts are valued at cost. Finished Goods & Scrap are valued at cost or Market value whichever is lower.

**vii) RETIREMENT BENEFITS.**

Gratuity and Leave Encashment is accounted for on accrual basis, on the basis of actuarial valuations.

**viii) CONTINGENT LIABILITIES**

Contingent liabilities are usually not provided for unless it is probable that the future outcome may be materially detrimental to the Company and are disclosed by way of notes.

ix) INVESTMENTS

Investments are stated at cost.

x) IMPAIRMENT

- i. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.
- ii. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.
- iii. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

xi) EXPENDITURE ON NEW PROJECTS AND SUBSTANTIAL EXPANSION

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period, which are not related to the construction activity nor is incidental thereto are charged to the Profit & Loss Account. Income earned during construction period is deducted from the total of the indirect expenditure.

All direct capital expenditure on expansion is capitalized. As regards indirect expenditure on expansion, only that portion is capitalized which represents the marginal increase in such expenditure involved as a result of expansion. Both direct and indirect expenditure are capitalized only if they increase the value of the asset beyond its originally assessed standard of performance.

xii) EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue to existing shareholders; share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

xiii) PROVISIONS

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions except those disclosed elsewhere in the notes to the financial statements, are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

xiv) FOREIGN EXCHANGE TRANSACTION

Transaction in Foreign Currency are converted at the rates prevailing on the date of transaction. Gain/Loss on Realization/Payment of revenue transaction in the same year is charged to "Exchange Fluctuation Account" in the Profit & Loss Account.

**B. NOTES ON ACCOUNTS**

1. Disclosure as per AS15-Retirement Benefits :

Post Retirement Employee Benefit :

a) Description of Plan

- i) Gratuity
- ii) Leave Encasement

b) Principal actuarial assumptions :

i) Economic Assumptions

Particulars	Gratuity		Leave Encasement	
	31.3.09	31.3.08	31.3.09	31.3.08
a) Discounting Rate	7.00	8.00	7.00	8.00
b) Future Salary Increase	4.50	5.50	4.50	5.50
c) Expected Rate of return on plan assets	0.00	0.00	0.00	0.00

ii) The amounts to be recognized in balance sheet and related analysis

Particulars	Gratuity		Leave Encasement	
	31.3.09	31.3.08	31.3.09	31.3.08
a) Present Value of obligation as at end of the period	4940752	4140692	1253880	900090
b) Fair Value of plan assets as at the end of the period	—	—	—	—
c) Funded status / difference	(4940752)	(4140692)	(1253880)	(900090)
d) Excess of actual over estimated	—	—	—	—
e) Unrecognized actuarial (gains)/ losses	—	—	—	—
f) Net asset/(liability) recognized in balance sheet	(4940752)	(4140692)	(1253880)	(900090)

iii) Expense recognized in the statement of Profit and Loss

Particulars	Gratuity		Leave Encasement	
	31.3.09	31.3.08	31.3.09	31.3.08
a) Current service cost	493771	466791	102947	94320
b) Past service cost	—	—	—	—
c) Interest cost	289848	257682	63006	61141
d) Expected return on plan assets	—	—	—	—
e) Curtailment cost/(Credit)	—	—	—	—
f) Settlement cost/(Credit)	—	—	—	—
g) Net actuarial (gain)/ loss recognized in the period	278993	408314	223222	(19628)
h) Expense recognized in the statement of profit & losses	1062612	1132787	389175	135833

iv) Reconciliation statement of expense in the statement of profit and loss

Particulars	Gratuity		Leave Encasement	
	31.3.09	31.3.08	31.3.09	31.3.08
a) Present value of obligation as at the end of period	4940752	4140692	1253880	900090
b) Present value of obligation as at the beginning of the period	4140692	3221027	900090	764257
c) Benefits paid	262552	213122	35385	—
d) Actual return on plan assets	—	—	—	—
e) Expenses recognized in the statement of profit & losses	1062612	1132787	389175	135833



## v) Movement in the liability recognized in the balance sheet

Particulars	Gratuity		Leave Encasement	
	31.3.09	31.3.08	31.3.09	31.3.08
a) Opening net liability	4140692	3221027	900090	764257
b) Expenses as above	1062612	1132787	389175	135833
c) Benefits paid	(262552)	(213122)	(35385)	—
d) Closing net Liability	4940752	4140692	1253880	900090

2. CONTINGENT LIABILITIES NOT PROVIDED FOR	31.03.2009	31.03.2008
	(Rs.)	(Rs.)
a) Cheques/Bills/LCs/FLCs discounted with Company's Banker	3,61,72,449	7,87,40,968
b) Guarantee issued by banker for which counter guarantee given by the Company	11,98,007	11,98,007
c) Debts not acknowledge as debt		
i) In respect of Excise Duty	3,85,377	3,85,377
ii) In respect of Electricity	2,10,630	2,10,630
iii) In respect of Sales Tax	6,67,720	6,67,720
d) Capital Commitments (Net of Advances)	62,90,000	3,75,26,850
e) Local Area Development Tax	72,45,178	43,33,378

3. Internal salaries and wages incurred during the year on repair and maintenance have been charged directly to salaries and wages account, the separate amount of which are not ascertainable.

4. Stores and spares consumed during the year on repair and maintenance has been charged directly to store and spares consumed.

5. Disclosure on related party transactions :

Description of relationship and Names of related parties :-

i) Key Management Personnel :

Sh. Abhiram Tayal (Managing Director)

Smt. Anubha Tayal (Director)

Sh. Karan Dev Tayal (Director)

ii) Relative of Key Management Personnel :

Smt. Kashni Tayal

Sh. Vikram Kumar Jain

iii) Associate Concerns :

M/s. Ravindra Tubes Limited, Hisar

(Rs. In Lacs)

Sr. No. Particulars	Key Management Personnel		Relations of Key Management Personnel		Associate Concern Personnel	
	31.03.09	31.03.08	31.03.09	31.03.08	31.03.09	31.03.08
<b>A. Transactions for the year ended 31.03.2009</b>						
1. Managerial Remuneration	3.99	1.89	—	—	—	—
2. Interest Paid	2.00	1.60	11.17	9.59	3.42	0.06
3. Interest Received	—	—	—	—	0.54	2.80
4. Loan received	—	—	—	—	200.00	100.00
5. Loan given	—	—	—	—	200.00	325.00
6. Job Work got done	—	—	—	—	1.00	0.84
7. Purchases	—	—	—	—	1.64	1.52
<b>B. Outstanding as on 31.03.2009</b>						
1. Due to	72.75	22.75	147.85	97.85	—	—
2. Due from	—	—	—	—	—	—

6. Sundry Creditors for goods and expenses include dues to Small Scale Industrial Undertakings aggregating to Rs. Nil. (Previous Year Rs.Nil).
7. Additional information pursuant to the provisions of paragraph 3 & 4 of part II of Schedule VI of the Companies Act, 1956.

**A) LICENCED, INSTALLED CAPACITY AND ACTUAL PRODUCTION**

	<b>Current Year</b>	<b>Previous Year</b>
i) Licenced & installed capacity	<b>(MT)</b>	<b>(MT)</b>
Goods manufactured	<b>C.R. Strips</b>	<b>C.R. Strips</b>
Licenced Capacity	<b>Not Applicable</b>	<b>Not Applicable</b>
Installed Capacity	<b>14400</b>	<b>14400</b>
ii) ACTUAL PRODUCTION		
OWN PRODUCTION		
Cold Rolled Strips (S.S.)	<b>8530</b>	<b>9407</b>
FOR OTHERS - ON JOB		
Cold Rolled Strips (S.S.)	<b>983</b>	<b>182</b>

**B) DETAILS OF OPENING STOCK, TURNOVER AND CLOSING STOCK**

		<b>Qty. (MT)</b>	<b>Amount (Rs.)</b>	<b>Qty. (MT)</b>	<b>Amount (Rs.)</b>
i) OPENING STOCK					
C. R. STRIPS (S.S.)	<b>31</b>	<b>65,41,077</b>	<b>173</b>	<b>3,69,88,282</b>	
SCRAP (S.S.)	<b>41</b>	<b>25,55,357</b>	<b>30</b>	<b>18,47,754</b>	
		<b>90,96,434</b>		<b>3,88,36,036</b>	
ii) TURNOVER					
C.R. STRIPS (S.S.)	<b>8516</b>	<b>1,20,95,10,851</b>	<b>9549</b>	<b>1,58,89,40,346</b>	
SCRAP (S.S.)	<b>768</b>	<b>7,13,10,439</b>	<b>803</b>	<b>9,65,23,146</b>	
		<b>1,28,08,21,290</b>		<b>1,68,54,63,492</b>	
iii) CLOSING STOCK					
C.R. STRIPS (S.S.)	<b>45</b>	<b>51,04,164</b>	<b>31</b>	<b>65,41,077</b>	
SCRAP (S.S.)	<b>34</b>	<b>16,35,065</b>	<b>41</b>	<b>25,55,357</b>	
		<b>67,39,229</b>		<b>90,96,434</b>	

**C) RAW MATERIAL CONSUMED**

H.R. STRIPS (S.S.)	<b>9557</b>	<b>97,16,96,128</b>	<b>10533</b>	<b>1,25,16,88,475</b>
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**VALUE OF IMPORTED AND INDIGENOUS RAW MATERIAL AND SPARE PARTS & COMPONENTS CONSUMED AND PERCENTAGE THERE OF**

		<b>%AGE</b>	<b>AMOUNT (Rs.)</b>	<b>%AGE</b>	<b>AMOUNT (Rs.)</b>
i) RAW MATERIAL	Indigenous	<b>96</b>	<b>93,12,97,791</b>	<b>98</b>	<b>1,22,80,33,877</b>
	Imported	<b>04</b>	<b>4,03,98,337</b>	<b>02</b>	<b>2,36,54,598</b>
		<b>100</b>	<b>97,16,96,128</b>	<b>100</b>	<b>1,25,16,88,475</b>
ii) STORES AND SPARES	Indigenous	<b>100</b>	<b>1,93,73,120</b>	<b>100</b>	<b>3,33,88,228</b>
	Imported	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
		<b>100</b>	<b>1,93,73,120</b>	<b>100</b>	<b>3,33,88,228</b>

D) C.I.F. Value of imports (Capital Goods)	<b>25,96,528</b>	<b>—</b>
(Store and Spares)	<b>—</b>	<b>—</b>
E) Expenditure in Foreign Currency (Others)	<b>3,73,11,027</b>	<b>1,86,47,249</b>
F) Earnings in Foreign Exchange	<b>4,56,19,812</b>	<b>14,68,42,716</b>

8. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS ON 31<sup>ST</sup> MARCH 2009.  
(AS PER SCHEDULE VI, PART IV OF THE COMPANIES ACT, 1956)

a) Registration Detail		
Registration Number		30937
Corporate Identification No.	L74899HR1990PLC030937	
State Code	:	05
Balance Sheet Date	:	31.03.2009
b) Capital raised during the year (amount Rs. In Thousands)		
a) Public issue	:	NIL
b) Right issue	:	NIL
c) Bonus issue	:	NIL
d) Private Placement	:	NIL
c) Position of mobilisation and deployment of funds (amount Rs. In Thousands)		
Total Liabilities	:	495112
Total Assets	:	495112
<b>SOURCE OF FUNDS</b>		
Paid up Capital	:	36000
Reserve & Surplus	:	64685
Secured Loans	:	255010
Unsecured Loans	:	99226
Deferred Tax Liability	:	14191
Dealer Security	:	26000
<b>APPLICATION OF FUNDS</b>		
Net Fixed Assets	:	205105
Investments	:	84
Net Current Assets	:	289923
Misc. Expenditure	:	NIL
Accumulated Losses	:	NIL
d) Performance of Company (Amount in Rs. Thousands)		
Turnover/Other Income	:	1302044
Total Expenditure	:	1297849
Profit/Loss before tax	:	4195
Profit/Loss after tax	:	2698
Earning per share	:	0.75
Dividend	:	10%
e) Generic names of principle products/services of Company (as per monetary terms)		
Item Code No. (ITC Code)	:	7220.20
Product Description	:	CR Strips (S.S.)

9. Previous year figures have been regrouped and/or rearranged wherever considered necessary and practical to make them comparable with current year's figures.

10. Schedule A to T is annexed to and form an integral part of Balance Sheet and Profit and Loss account and has been duly authenticated.

SIGNATURE TO SCHEDULE A TO T  
FOR RAM SANJAY & CO.  
CHARTERED ACCOUNTANTS

(M.P. JINDAL)  
CHAIRMAN

(RAM BABU AGGARWAL)  
PARTNER

(PARDEEP NANDAL)  
COMPANY SECRETARY

(ABHIRAM TAYAL)  
MANAGING DIRECTOR

Place: HISAR  
Dated: 30th June, 2009

(R.S. BANSAL)  
G.M. FINANCE

(KARAN DEV TAYAL)  
DIRECTOR

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009.

			(Rs.in thousands)	
	FOR THE YEAR ENDED MARCH 31, 2009		FOR THE YEAR ENDED MARCH 31, 2008	
A) CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax & Extraordinary items		4195		15784
Adjustments for : Depreciation	15617		15577	
Profit on sale of fixed assets	(5)		(—)	
Loss on sale of Fixed Assets	—		(87)	
Amortised expenditure	—		—	
Interest paid	45141	60753	53441	68931
Operating profit before working Capital Changes		64948		84715
Adjustments for :				
Trade & other Receivables	153438		(89213)	
Inventories	113022		22556	
Trade Payables & Other Liabilities	(115405)	151055	41400	(25257)
Cash Generated from Operations		216003		59458
Interest Paid	(45141)		(53441)	
Direct Taxes Paid	(3463)	(48604)	(4355)	(57796)
Cash flow before Extraordinary items		167399		1662
Adjustments for: Extraordinary items	—		—	
Net Cash from Operating Activities		167399		1662
B) CASH FLOW FROM INVESTING ACTIVITIES				
Fixed Assets	(79718)		397	
Sale of Fixed Assets	95		—	
Sale of Shares	—		—	
Investment in Mutual Fund	—		1100	
Net cash used in Investing Activities		(79623)		1497
C) CASH FLOW FROM FINANCING ACITIVITIES				
Proceeds from Issue of Share Capital	—		—	
Proceeds from Issue of Share Premium	—		—	
Proceeds from long term borrowings	(664)		48357	
Proceeds from short term borrowings	(114292)		(3083)	
Proceeds / (Repayment) of term loans	59889		(29528)	
Proposed Dividend	(4212)		(4212)	
Net Cash flow from Financing Activities		(59279)		11534
Net increase/ (decrease) in cash & cash equivalents		28497		14693
Cash & cash equivalents (Opening balance)		26223		11530
Cash & cash equivalents (Closing balance)		54720		26223

## NOTES :

Cash & cash equivalents consist of Cash in Hand and balance with banks.

*For and on behalf of the Board*

Place: Hisar  
Dated: 30th June, 2009

**(ABHIRAM TAYAL)**  
**MANAGING DIRECTOR**

**AUDITOR'S CERTIFICATE**

We have examined the attached Cash Flow statement of **HISAR METAL INDUSTRIES LIMITED** for the year ended 31<sup>st</sup> March 2009. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of Listing agreements with various stock exchanges and is based on and in agreement with the corresponding profit and loss account and balance sheet of the Company covered by our report of 30<sup>th</sup> June, 2009 to the members of the Company.

**For Ram Sanjay & Co.**  
**Chartered Accountants**

Place: Hisar  
Dated: 30th June, 2009

**(RAM BABU AGGARWAL)**  
**PARTNER**

**HISAR METAL INDUSTRIES LIMITED**

REGD. OFFICE : NEAR INDUSTRIAL DEVELOPMENT COLONY  
DELHI ROAD, HISAR – 125 005, HARYANA, INDIA

**PROXY FORM**

FOLIO No. ....

I/We .....

Of .....

being a member/members of HISAR METAL INDUSTRIES LIMITED hereby appoint .....

..... of .....

..... of failing him/her .....

of ..... as my/our proxy to attend vote for me/us and on my/our behalf at the 19<sup>th</sup> Annual General Meeting of the Company to be held on Monday, the 28<sup>th</sup> September, 2009 at 11.00a.m.

Signed this ..... day of ..... 2009.

Signature of Proxy/s .....

Signature .....



**NOTE :**

- a) The form should be signed across the stamp as per specimen Signature.
- b) The Proxy must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.

TEAR OFF

**HISAR METAL INDUSTRIES LIMITED**

REGD. OFFICE : NEAR INDUSTRIAL DEVELOPMENT COLONY  
DELHI ROAD, HISAR – 125 005, HARYANA, INDIA

**ATTENDANCE SLIP**

(Please complete this slip and hand it over at the entrance of the Meeting Hall)

I/We hereby record my/our presence at the 19<sup>th</sup> Annual General Meeting to be held on 28<sup>th</sup> September, 2009 at 11.00 a.m. at the Registered Office : Near Industrial Development Colony, Delhi Road, Hisar – 125 005 (Haryana).

NAME OF THE SHARE HOLDER/PROXY\* .....

ADDRESS .....

NO. OF SHARES HELD ..... FOLIO NO. ....

\*(Strike out whichever is Not Applicable)

SIGNATURE OF SHARE HOLDER/PROXY

# BOOK POST

*If undelivered please return to :*

**HISAR METAL INDUSTRIES LIMITED**

Near Industrial Development Colony

Delhi Road, Hisar - 125 005

(Haryana), INDIA