



**TWENTY THIRD  
ANNUAL REPORT  
2012-2013**

**HISAR METAL INDUSTRIES LTD.**

**BOARD OF DIRECTORS**

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

**COMPANY SECRETARY**

Shri Pardeep Nandal

**AUDITORS**

Ram Sanjay & Co.  
Chartered Accountants  
95-97, Green Square Market,  
Hisar - 125 001 (Haryana)

**BANKERS**

Punjab National Bank

**REGISTERED OFFICE & WORKS**

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

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**NOTICE**

Notice is hereby given that the 23<sup>rd</sup> Annual General Meeting of the Members of HISAR METAL INDUSTRIES LIMITED will be held on Monday, 30<sup>th</sup> day of September 2013 at 11.00 A.M. at the Registered office of the Company at Near Industrial Development Colony, Delhi Road, Hisar (Haryana) to conduct the following business :

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2013 and Profit and Loss Account for the year ended on that date and the reports of Auditors and Directors thereon.
2. To declare a dividend.
3. To elect a Director in place Smt. Anubha Tayal who retires by rotation and being eligible, offers herself for re-appointment.
4. To elect a Director in place Shri M.P.Jindal who retires by rotation and being eligible, offers himself for re-appointment.
5. To elect a Director in place Shri Anuj Kumar who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

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

**By order of the Board of Directors**

**Pardeep Nandal**  
**(Company Secretary)**

**NOTES :**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy so appointed need not be a member of the Company. The proxies in order to be effective must be received at the Company's registered office not less than 48 hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 24<sup>th</sup> day of September, 2013 to 30<sup>th</sup> day of September, 2013 (both days inclusive) for the Annual General Meeting and determining the name of members eligible for dividend, if approved, at the Annual General Meeting.
3. The dividend of 10% (Rs. 1/- per share) for the year ended March 31, 2013 as recommended by the Board, if sanctioned at the ensuing Annual General Meeting will be payable to those members whose names appear on the Company's Register of Members and List of Beneficiaries as on September 30, 2013.
4. While members holding shares in physical form may write to the Company for any change in their address and bank mandates, members having shares in electronic form may inform the same to their depository participants immediately so as to enable the Company to dispatch the dividend warrants at their correct addresses.
5. Pursuant to Section 205A read with Section 205C of the Companies Act, 1956 the unclaimed/unpaid dividend have been transferred to the Investor Education and Protection Fund of the Central Government ("the Fund"). The balance lying in the unpaid dividend account for the year ended 31<sup>st</sup> March, 2006 will be transferred to "the Fund" shortly. Shareholders are requested to note that the company is statutorily required to transfer to "the Fund" all dividends which remain unpaid/unclaimed for a period of seven years from the date they became due for payment and once such amount is transferred to "the Fund," no claim shall lie against the Company. Shareholders who have not yet encashed their dividend warrants are requested to do so sufficiently in advance before the said transfer take place.
6. Members/Proxies should bring the Attendance slip duly filled in for attending the meeting.

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

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

1. Name : Smt. Anubha Tayal (Relative of Promoter Director)  
Age : 56 years  
Qualification : Graduate  
No. of Shares held in the Company : 476100  
Expertise : More than 20 years experience as Director.  
Outside Directorship : NIL  
Chairmanship/Membership of the Board Committees : Hisar Metal Industries Ltd.  
: Audit Committee - Member  
: Investors Grievance Redressal Committee - Member
  
2. Name : Mr. M. P. Jindal (Promoter Director)  
Age : 64 years  
Qualification : Graduate  
No. of Shares held in the Company : 107000  
Expertise : More than 40 years experience as Industrialist.  
Outside Directorship : Jindal Industries Limited, Hisar - Director  
: Ravindra Tubes Limited, Hisar - Director  
Chairmanship/Membership of the Board Committees : Hisar Metal Industries Ltd.  
: Chairman of the Board - Member  
: Remuneration Committee
  
3. Name : Mr. Anuj Kumar (Independent Director)  
Age : 32 years  
Qualification : Graduate  
No. of Shares held in the Company : NIL  
Expertise : More than 5 years experience in Steel Industries  
Outside Directorship : 1  
Chairmanship/Membership of the Board Committees : NIL

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

**By order of the Board of Directors**

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

**DIRECTORS' REPORT**

To  
The Members,  
Hisar Metal Industries Limited

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

<b>1. FINANCIAL RESULTS</b>	<b>2012-13</b>	<b>2011-12</b>
Sales/Other receipts	<b>2024514940</b>	1977783035
Profit before depreciation and Taxation	<b>27385117</b>	28819988
Less : depreciation	<b>25618219</b>	25417450
Profit after depreciation	<b>1766898</b>	3402538
Less : Provision for Taxation		
Current Year	<b>2959062</b>	3875681
Deferred Tax	<b>(1417096)</b>	(2365092)
Previous Year Tax	<b>110260</b>	46020
Profit after Taxation	<b>114672</b>	1845929
Add profit brought forward	<b>33798780</b>	36136861
Profit available for appropriation	<b>33913452</b>	37982790
Dividend & Tax on dividend	<b>4184010</b>	4184010
Surplus carried to Balance Sheet	<b>29729442</b>	33798780

**2. DIVIDEND**

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

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

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

**4. FIXED DEPOSITS**

There was no such fixed deposit with the Company as matured and remained unpaid at the end of the year.

**5. PARTICULARS OF THE EMPLOYEES**

None of the employees of the Company is covered under the provision of Section 217 (2A) of the Companies Act, 1956.

**6. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO**

The particulars prescribed by the Companies (Disclosures of Particulars in the Report of the Board of the Directors) Rules, 1988 are given in Annexure which forms part of Directors Report.

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

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

**8. DIRECTORS' RESPONSIBILITY STATEMENT**

As required pursuant to the Companies (Amendment) Act, 2000, the Board of Directors confirm as under :

- a) That in the preparation of the annual accounts, the applicable accounting standards have been followed along-with proper explanation relating to material departures.
- b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit of the Company for that year.
- c) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, and
- d) That the Directors had prepared the annual accounts on going concern basis.

**9. DIRECTORS**

Smt. Anubha Tayal, Mr. M. P. Jindal and Mr. Anuj Kumar being the longest in office retire in this meeting and being eligible, offers themselves for re-appointment.

**10. CORPORATE GOVERNANCE**

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

**11. AUDITORS**

The Auditors of the Company M/s Ram Sanjay & Company, Chartered Accountants, Hisar retire at the conclusion of ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Necessary Certificate pursuant to section 224(1B) of the Companies Act, 1956 has been obtained from the Auditors.

**12. COST AUDITORS**

The Central Government has approved the appointment of M/s Naveen Gupta & Company, Chartered Accountants, Delhi as Cost auditor for conducting Cost Audit of the Company for the financial year 2012-13.

**13. INSURANCE**

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

**14. ACKNOWLEDGEMENT**

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

**Registered Office :**

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

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

Dated : 31st May, 2013

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

**ANNEXURE A**

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

**A. CONSERVATION OF ENERGY**

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

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

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

**FORM A****FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**

		CURRENT YEAR	PREVIOUS YEAR
		<u>2012-2013</u>	<u>2011-2012</u>
<b>A. POWER AND FUEL CONSUMPTION</b>			
<b>1. ELECTRICITY</b>			
a) Purchased Units	Units	8677144	9422924
Total amount	Rs.	50709090	45841340
Rate/Unit	Rs.	5.84	4.86
b) Own Generation			
i) Through Generator	Units	113290	129228
Total amount	Rs.	1068375	1210529
Cost per unit	Rs.	9.43	9.37
ii) Through Steam Turbine Generator		Not Applicable	Not Applicable
2. COAL		Not Applicable	Not Applicable
3. FURNACE OIL (LIGHT DIESEL OIL)	Rs.	46220472	61610980
4. LPG	Rs.	12184090	10456193
5. OTHER/INTERNAL GENERATION		Not Applicable	Not Applicable
<b>B) CONSUMPTION PER UNIT OF PRODUCTION</b>			
<b>PRODUCT</b>		<b>C. R. STRIPS</b>	<b>C. R. STRIPS</b>
Electricity (Units)		564	576
Furnace oil (Ltr.)		74	101
Coal		—	—
Others		—	—

**FORM B**

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

**RESEARCH AND DEVELOPMENT (R & D)**

1. Specified Area in which R & D carried out by the Company :
2. Benefits derived as a result of the above R & D :
3. Future plan of action :
4. Expenditure on R & D : NIL
  - a) Capital :
  - b) Recurring :
  - c) Total :
  - d) Total R & D expenditure as a percentage of total Turnover :

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

1. Efforts in brief, made towards technology absorption and innovation : NIL
2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc. : NIL
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following Information may be furnished : Not Applicable
  - a) Technology imported : NIL
  - b) Year of import : NIL
  - c) Has technology fully absorbed : NIL
  - d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action : Not Applicable

**C) FOREIGN EXCHANGE EARNINGS AND OUT GO**

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

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

Place : Hisar  
Dated : 31st May, 2013

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

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

Corporate Governance Report for the year 2012-13 following the guidelines given as per clause 49 of the Listing Agreement of the Stock Exchanges is being published as under :

1. **COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE** : Your Company is committed to set up best corporate practices. The Company strives to achieve efficient conduct of its business in a true and fair manner providing transparency and accountability in business and endeavors to enhance shareholder's value and interests of all other stake-holders.
2. **BOARD OF DIRECTORS** :
  - i) **Composition** : The Company's Board consisted of 10 members of which 9 are the Non-executive Directors. The particulars of directors viz. names, designation and the status are given hereunder :

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

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



## INTERSE RELATIONSHIP OF DIRECTORS :

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

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

- ii) **BOARD MEETINGS** : In all, 16 meetings of directors were held during the financial year 2012-13 which consist of 7 meetings of Board of Directors, 4 meeting of committee to redress the grievances of shareholders and Investor Complaints, 5 meeting of Audit Committee, detailed agenda were circulated to all the directors and the members of the respective committees sufficiently in advance of their meetings.

The Board meeting held on the following dates viz., 15.05.2012, 14.08.2012, 27.08.2012, 01.09.2012, 15.11.2012, 14.02.2013 and 07.03.2013. The maximum interval between any two Board meetings was not more 91 days.

- iii) **ATTENDANCE OF DIRECTORS** : The attendance of the directors during the year 2012-13 is shown as under :

Name of Director	Meeting held During Tenure of the Director	Meetings attended During the tenure	Attendance at the last AGM held on 29.09.2012
Shri M. P Jindal	7	2	Yes
Shri Abhiram Tayal	7	7	Yes
Smt. Anubha Tayal	7	7	Yes
Shri Sajjan Singh	7	7	Yes
Shri Shital Parshad Jain	7	7	Yes
Shri Karan Dev Tayal	7	7	No
Shri Rahul Dev Tayal	7	7	Yes
Shri Sharat Jain	7	7	Yes
Shri Ganesh Dutt	7	7	Yes
Shri Anuj Kumar	7	7	Yes

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

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

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

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

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

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

Further the brief resume of Smt. Anubha Tayal, Mr. M. P. Jindal and Mr. Anuj Kumar, their expertise, names of companies in which they are the directors and hold the membership of the Committees of the Board and their shareholding are being published as part of the Notice to the Annual General Meeting.

**3. AUDIT COMMITTEE :**

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

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

The composition of the Audit Committee and their attendance at the Committee meetings held during the year ended 31<sup>st</sup> March, 2013 are as under :

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

During the financial year ended 31st March, 2013 the Audit Committee Meetings held on 15.05.2012, 14.08.2012, 27.08.2012, 15.11.2012 and 14.02.2013.

**4. REMUNERATION COMMITTEE :**

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

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

Shri Shital Parshad Jain	Chairman	(Independent and Non-executive)
Shri Sajjan Singh	Member	(Independent and Non-Executive)
Shri M. P. Jindal	Member	(Promoter and Non-Executive)

**iii) Remuneration Committee Meeting (Attendance) :** During the year ended 31st March, 2013, no meeting of this committee was held.

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

v) **Details of Managing Director's Remuneration** : The details of the remuneration paid to the Managing Director during the financial year 2012-13 is as under :

S. No.	Name	Salary & Allowances (Rs.)	Perquisites (Rs.)	Contribution to P.F. (Rs.)	Total (Rs.)
1.	Mr. Abhiram Tayal	600000.00	NIL	9360.00	609360.00

1. Service contract is for 5 years.
2. Notice period is 3 calendar months.
3. Severance fee is payable in accordance with provisions of Section 318 of the Companies Act, 1956.
4. 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 31st March, 2013 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	78150
7.	Shri Sharat Jain	NIL
8.	Shri Ganesh Dutt	NIL
9.	Shri Anuj Kumar	NIL

## 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's complaints on 28.09.2002. The role of this committee is to consider why-why of pending investor's 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, 2013 the meetings of the Committee held on 15.05.2012, 14.08.2012, 15.11.2012 and 14.02.2013. The Minutes of the meeting of the committee were placed before the Board Meeting held after the committee meetings.

During the year ended 31<sup>st</sup> March, 2013, 20 Complaints were received and replied/resolved to the satisfaction of the shareholders. As on 31<sup>st</sup> March, 2013, no complaints of the shareholders were pending for redressal.

The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investor of actions taken on the complaint and its current status.

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

The Company has appointed M/s Skyline Financial Services Pvt. Ltd., D-153A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi-110 020 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
2009-10	Regd. Office	27.09.10	11.00 A.M.	No Special Resolution was passed
2010-11	- do -	26.09.11	- do -	No Special Resolution was passed
2011-12	- do -	29.09.12	- 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 31.03.2012 (in Rs.)	Rate of Interest	Period of Deposit
1.	Shri Abhiram Tayal	Promoter Director	3925000	11%	3yrs
2.	Smt. Anubha Tayal	Director	3725000	11%	3yrs
3.	Shri Vikram Kumar Jain	Brother of Director	9785000	11%	3yrs
4.	Mr. Karan Dev Tayal	Director	5000000	11%	3yrs
5.	Mrs. Kashni Tayal	Wife of Director	5000000	11%	3yrs
6.	Abhiram Tayal HUF	HUF/Relative	1500000	11%	3yrs
7.	Amtrex Trading Co. Pvt. Ltd.	Associated Concern	4964869	12%	-

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 31st March, 2013, the Company has done the following transactions with associated concerns of the Company :

<u>Nature of Transaction</u>	<u>Details of Transaction</u>
Rent	Rs.288000/- paid to Jindal Metal Ltd.
Interest	Rs. 537711/- paid to Amterx Trading Co. Pvt. Ltd., Rs. 431750/- to Abhiram Tayal, Rs.409750/- to Anubha Tayal, Rs. 550000/- to Karan Dev Tayal, Rs.1076350/- to Vikram Kumar Jain, Rs. 550000/- to Kashni Tayal and Rs. 165000/- to Abhiram Tayal HUF
Job Work	Rs. 5957/- received from Jindal Polybutton Ltd.

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.
- v) **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 23rd Annual General Meeting of the Company will be held on Monday, the 30th day of September, 2013 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 24th day of September to 30th day of September, 2013 (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 1st day of April, 2012 to 31st day of 31st March, 2013 are as under :

**Mumbai Stock Exchange :**

Month (2012-13)	Volume	High (Rupees)	Low (Rupees)
April	4196	20.00	17.00
May	1540	18.60	17.00
June	2832	19.90	17.50
July	3086	20.50	19.40
August	9019	19.95	16.10
September	4663	19.45	16.20
October	7616	18.80	16.45
November	2833	19.50	16.65
December	21516	19.50	16.50
January	59939	25.00	18.50
February	74008	28.25	22.80
March	1011	25.25	22.85

**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.**

D-153 A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi-110 020

Phone : 91 11 30857575 Fax : 91 11 30857562 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 31.03.2013**

Rs.	Shares holding of Nominal value of Rs.	Shareholders		Share Amount	
		Number	% of total	Amount	% of total
Upto	5000	944	76.69	14,26,350	3.96
5001	10000	78	6.34	6,50,290	1.81
10001	20000	51	4.14	8,29,230	2.30
20001	30000	25	2.03	6,20,820	1.72
30001	40000	19	1.54	6,82,210	1.90
40001	50000	16	1.30	7,56,000	2.10
50001	100000	43	3.49	30,63,980	8.51
100001	& above	55	4.47	2,79,71,120	77.70
<b>** Total**</b>		<b>1231</b>	<b>100.00</b>	<b>3,60,00,000</b>	<b>100.00</b>

**j) CATEGORIES OF SHAREHOLDERS AS ON 31.03.2013**

Name of the Company : **HISAR METAL INDUSTRIES LTD.**

Scrip Code : **590018**

Shareholding as on : **31-03-2013**

Category Code	Category of Shareholder	Number of shareholders	Total no. of shares	No. of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a %age of (A+B)	As a %age of (A+B+C)	No. of shares	As a %age (ix)
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	=(viii)/(iv) *100
(A)	Shareholding of Promoter and Promoter Group <sup>2</sup>							
(1)	Indian							
	(a) Individuals/ Hindu Undivided Family	34	1650921	1625121	45.86	45.86	NIL	NIL
	(b) Central Government/State Government(s)	-	-	-	-	-	-	-
	(c) Bodies Corporate	7	414200	400800	11.51	11.51	NIL	NIL
	(d) Financial Institutions/Banks	-	-	-	-	-	-	-
	(e) Any Other (specify)	-	-	-	-	-	-	-
	<b>Sub-Total (A) (1)</b>	<b>41</b>	<b>2065121</b>	<b>2025921</b>	<b>57.36</b>	<b>57.36</b>	<b>NIL</b>	<b>NIL</b>
(2)	Foreign							
	(a) Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-
	(b) Bodies Corporate	-	-	-	-	-	-	-
	(c) Institutions	-	-	-	-	-	-	-
	(d) Qualified Foreign Investor	-	-	-	-	-	-	-
	(e) 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>41</b>	<b>2065121</b>	<b>2025921</b>	<b>57.36</b>	<b>57.36</b>	<b>NIL</b>	<b>NIL</b>
(B)	Public shareholding <sup>3</sup>							
(1)	Institutions							
	(a) Mutual Funds/UTI	-	-	-	-	-	NIL	NIL
	(b) Financial Institutions/Banks	-	-	-	-	-	NIL	NIL
	(c) Central Government/State Government(s)	-	-	-	-	-	NIL	NIL
	(d) Venture Capital Funds	-	-	-	-	-	NIL	NIL
	(e) Insurance Companies	-	-	-	-	-	NIL	NIL
	(f) Foreign Institutional Investors	-	-	-	-	-	NIL	NIL
	(g) Foreign Venture Capital Investors	-	-	-	-	-	NIL	NIL
	(h) Qualified Foreign Investor	-	-	-	-	-	NIL	NIL
	(i) Any Other (specify)	-	-	-	-	-	NIL	NIL
	<b>Sub-Total (B) (1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>NIL</b>	<b>NIL</b>
(2)	Non-institutions							
	(a) Bodies Corporate	37	94810	94810	2.63	2.63	NIL	NIL
	(b) Individuals							
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	1088	640013	416998	17.78	17.78	NIL	NIL
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	31	692853	508753	19.25	19.25	NIL	NIL
	(c) Qualify Foreign Investor	-	-	-	-	-	NIL	NIL
	(d) Any Other (NRI)	6	3748	3748	0.10	0.10	NIL	NIL
	(d-i) HUF	28	103455	103455	2.87	2.87	NIL	
	(d-ii) Clearing Member	-	-	-	-	-	NIL	
	<b>Sub-Total (B) (2)</b>	<b>1190</b>	<b>1534879</b>	<b>1127764</b>	<b>42.64</b>	<b>42.64</b>	<b>NIL</b>	<b>NIL</b>
	<b>Total Public Shareholding</b>	<b>1190</b>	<b>1534879</b>	<b>1127764</b>	<b>42.64</b>	<b>42.64</b>	<b>NIL</b>	<b>NIL</b>
	<b>(B) = (B) (1) + (B) (2)</b>							
	<b>TOTAL (A) + (B)</b>	<b>1231</b>	<b>3600000</b>	<b>3153685</b>	<b>100</b>	<b>100</b>	<b>NIL</b>	<b>NIL</b>
(C)	Shares held by Custodians and against which Depository Receipts have been issued							
1.	Promotor and Promoter Group							
		-	-	-	-	-	NIL	NIL
2.	Public							
		-	-	-	-	-	NIL	NIL
	<b>GRAND TOTAL (A) + (B) + (C)</b>	<b>1231</b>	<b>3600000</b>	<b>3153685</b>	<b>100</b>	<b>100</b>	<b>NIL</b>	<b>NIL</b>

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

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

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

**k) Dematerialization of Shares :** As on 31.03.2013, the number of equity shares held in dematerialized form were 3153685 (87.60%) and in physical form were 446315 (12.40%).

**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, 2013.

**For Hisar Metal Industries Limited**

Place: Hisar

Date: 31st May, 2013

**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, 2013, 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 31st March, 2013 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.

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, 2013.

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  
Firm Reg. No. 021670N

(Sanjay Verma)  
Partner

Membership No. 89499

Place : Hisar

Dated : 31st May, 2013



**MANAGEMENT DISCUSSION AND ANALYSIS****Overview :**

FY 2012-13 was a challenging year. The global economy continues to face significant uncertainties. Anaemic rates of economic growth in the developed world, coupled with slowdown in developing countries, pose challenges to both policymaker and companies. Data from the International Monetary Fund (IMF) shows that global GDP expanded at 3.2% in 2012, with average growth rate of 1.3% and 5.1% in advanced and developing economies, respectively. Headwinds in developed nations and domestic supply bottlenecks affected India's economic growth in FY 2012-13 and it grew at 5% in the same period, compared to 6.2% in the previous fiscal year.

**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. The Indian steel industry has made a rapid progress on strong fundamentals over the recent few years. The industry is getting all essential ingredients required for dynamic growth. The government is backing the industry through favorable industrial reforms. Indian steel demand is expected to boost by Infrastructure & Construction development sustained by industrial, manufacturing and capital goods and be stimulated by the automotive and consumer durable sectors. The 1 trillion USD investments in to infrastructure and construction planned during the 12<sup>th</sup> Five Year Plan will drive demand. Direct demand for infrastructure and construction is pegged at approximately 40 MnT with per capita steel demand projected to increase from 60 kg in FY 2013- to 88 kg by FY 2016-17. The Indian Steel Industry is expected to achieve a growth of 5.9% during FY 2013-14 as per the projection given by World Steel Association.

**Opportunities :**

India has emerged as the fourth largest producer of steel about 78.12 MnT, in CY 2012 after China, Japan and USA. With its strong forward and backward linkages, the steel sector contributes significantly in India's economic growth. It is about 2% to the nation's GDP and has a 6% share in the official industrial production index. The steel sector is an important participant to the country's growth story and consumption of Steel is taken to be an indicator of economic development. Demand of Steel is rapidly growing due to increasing construction projects and automobile industry. Even in the tough times of economic slowdown, the Indian steel industry grow at 5.86% in 2012-13 - the highest among major global producers on the strong fundamentals of domestic demand from construction, automobile and infrastructure sectors.

Your company has 3 Nos. of 4 Hi-Cold Rolling Mills and 2 Nos. of 6 Hi-Cold Rolling Mills. Thus, your company has immense capability to keep pace with the growing requirement of the industry. Besides, we always look forward to cope with any technology advancement.

**Threats :**

In 2012 European countries, such as France, Italy, Portugal, Ireland, Greece and Spain, remained afflicted with high level of public debt and rising youth unemployment. Major Developing countries, the beacons of rising prosperity over the past few years, slowed down as well. Economic growth in China, India, Brazil and South Korea decelerated due to a combination of domestic policies, which hampered capital formation and sluggish export demand. During current slowdown among major sectors hit by economic downturn, steel sector occupies the top position. 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 Technological changes, demand volatility, fluctuation in prices of raw material due to fluctuation in the prices of nickel and chrome and poor availability of power and the concern of the government over rising steel prices are some major factor affecting the performance of the Company.

**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 :**

The Indian economy is expected to witness a moderate recovery in the medium term on account of ongoing reformatory measures, fiscal consolidation, improved prospects of liquidity which are envisaged to improve industrial and

manufacturing growth duly supported by reducing inflation. In accordance, economic growth is projected to increase by around 6.4% in FY 2013-14 as per the projection given by the Prime Minister's Economic Advisory Council while the Hon'ble Finance Minister has projected the same at 6.1% to 6.7% in the Union Budget speech for FY 2013-14.

Indian steel demand is primarily driven by construction and infrastructure sectors which together account for 63 % of total steel demand in the country. It is estimated that government spending of USD 1 trillion in infrastructure and construction will enhance the demand for steel in this sector. The automotive industry which has under performed in the current financial year is likely to recover with rising demand from semi urban and rural regions as rising disposable income would act an enabler. Engineering and capital goods which are under the threat of imports will get a new lease of life as government encourages the domestic industry to procure engineering goods rather to import, by giving various incentives to this industry. The appliances sector will also get a boost as the government increases its thrust on power for all and electrifying the rural areas.

**Risk and Concerns :**

Steelmakers had a challenging couple of years in the wake of the global financial crisis. In 2012, recovery in steel demand was far from consistent and steelmakers had to work hard at managing every aspect of their business in the face of fluctuating demand. This was compounded by increased raw material costs. The fluctuations in demand, as well as raw material price volatility are the two biggest challenges facing steelmakers.

Subsequent to high cost of production, under developed production technology and the recent fall in international prices of steel there is possibility to turn India into a dumping ground for Chinese and other countries manufacturers. Growing imports from Japan and Korea with concessional duty under Free Trade Agreements (FTAs) contributed 37% to India's total import. This constituted a major threat to the sustainability to the Indian steel industry.

**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 :**

The company has produced 15396 MT of prime CRSS Strips as compared to 16345 MT in the previous financial year while the company has sold 15397 MT of prime CRSS Strips as compared to 16357 MT in the previous financial year. The sales (net of excise) in terms of value is up by 2.3% to Rs. 202.09 Lac. The profit before tax has decreased to Rs. 17.67 Lac and profit after tax has decreased to Rs. 1.15 Lac down by 48% and 94% respectively. Capital Expenditure incurred during the year was Rs. 34.71 Lac. The reserve and surplus stood to Rs. 785 Lac. The earning per share is Rs. 0.03 and book value of the share is Rs. 31.80. The Board of Directors have proposed a dividend of Rs. 1/- (10%) for the financial year 2012-13.

**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 : 31st May, 2013

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

**INDEPENDENT AUDITORS' REPORT**

To the Members of Hisar Metal Industries Limited

**Report on financial statements**

We have audited the accompanying financial statements of Hisar Metal Industries Limited (the company) which comprise the Balance sheet as at 31st March, 2013 and also the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

**Management's responsible for the financial statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including accounting standards referred to in sub-section (3C) of the section 211 of the companies Act, 1956. This responsibility includes design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's Preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- a. In the case of the Balance sheet, of the state of affairs of the company as at March 31, 2013
- b. In the case of the statement of profit and Loss, of the profit for the year ended on that date, and
- c. In the case of Cash Flow Statements, of the cash flows for the year ended on that date.

**Report on other legal and regulatory requirements**

1. 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 give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, Statement of Profit and Loss 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, 2013 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2013 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Act nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **Ram Sanjay & Co.**  
Chartered Accountants  
Firm Reg. No. 021670N

(Sanjay Verma)  
Partner

Membership No. 89499

Place: Hisar

Dated: 31st May, 2013

**ANNEXURE TO THE AUDITORS' REPORT**

Referred to the Auditor's Report of even date to the members of Hisar Metal Industries Limited on the financial statements for the year ended March 31, 2013.

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 have been physically verified by the management at regular intervals in accordance with a program 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. As informed, no material discrepancies were noticed on such verification.
  - c) The Company has not disposed off any substantial part of fixed assets during the year and going concern status of the Company is not affected.
2. In respect of its inventories :
  - a) The inventory has 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. 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
  - a. The Company has not granted any loans to Companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Consequently, the requirements of Clauses (iii)(a), (iii)(b), (iii)(c) and (iii)(d) of paragraph 4 of the Order are not applicable.
  - b. The Company has not taken any loans during the year from parties covered in the register maintained under Section 301 of the Companies Act, 1956.
  - c. 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.
  - d. According to the information and explanations given to us, no repayment was due in respect of the principal portion till the balance sheet date. The payment of interest has been regular.
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 with regard to the purchases of inventory and fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the company.
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, the particulars of contracts and arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 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. The company had accepted deposits from the public and in our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Sections 58A, 58AA or any other relevant provision of the Companies Act, 1956 and rules framed there under, where applicable. 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. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have

however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

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.
- b. According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as at 31st March, 2013, for a period of more than six months from the date of becoming payable.
- c. According to the records of the Company Sales Tax, Excise Duty, Income Tax, Service tax, Customs Duty, Wealth Tax and Cess which have not been deposited on account of any dispute are given below :-

Name of the Statute	Nature of Dues	Amount (in Rs.)	Period to which the amount relates	Forum where dispute is pending
Excise Duty	Excise Duty Demand	385377	1999-2000	Commissioner Appeal

10. The Company does not have accumulated losses as at the end of the financial year and the Company has not incurred cash losses during the financial year covered by the audit 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 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 and according to the information and explanations given to us, the Company is not a chit fund or a Nidhi / mutual benefit fund / society. Accordingly, the provisions of 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. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that, 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 of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(xviii) of the Companies (Auditors Report) Order, 2003 are not applicable.
19. During the year under report, the Company has not issued any debentures and no debentures were outstanding at the beginning of the year. Accordingly, the provisions of clause 4(xix) of the Companies (Auditors Report) Order, 2003 are not applicable.
20. The Company has not raised any money by way of public issue during the year.
21. Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

**For Ram Sanjay & Co.**  
Chartered Accountants  
Firm Reg. No. 021670N

(Sanjay Verma)  
Partner

Place : Hisar  
Dated : 31st May, 2013

Membership No. 89499

## BALANCE SHEET AS AT 31st March, 2013

Particulars	Note	AS AT 31st March, 2013	AS AT 31st March, 2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	2	36,000,000	36,000,000
Reserves and Surplus	3	78,476,142	82,545,480
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	4	87,534,379	113,516,844
Deferred Tax Liabilities (Net)	5	16,267,294	17,684,390
Long Term Provisions	6	7,267,137	8,896,402
<b>Current Liabilities</b>			
Short-Term Borrowings	7	440,410,654	453,794,287
Trade Payables	8	79,738,869	121,109,935
Other Current Liabilities	9	39,574,304	69,342,927
Short-Term Provisions	10	5,235,187	5,454,655
<b>Total Equity &amp; Liabilities</b>		<b>790,503,966</b>	<b>908,344,920</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	11		
Tangible Assets		185,355,108	198,402,889
Intangible Assets		1,875,361	716,009
Capital Work in Progress		—	9,159,632
Intangible Assets Under Development		—	1,349,573
Non-current investments	12	84,000	84,000
Long term loans and advances	13	10,189,423	6,037,818
<b>Current Assets</b>			
Inventories	14	221,913,187	210,226,577
Trade receivables	15	310,170,413	379,455,544
Cash and cash equivalents	16	33,794,794	14,069,576
Short-term loans and advances	17	27,121,680	88,843,302
<b>Total Assets</b>		<b>790,503,966</b>	<b>908,344,920</b>

Notes referred to above and notes attached thereto form an integral part of Financial Statements.

This is the Balance Sheet referred to in our Report of even date.

For Ram Sanjay & Co.  
Chartered Accountants  
Firm Reg. No. 021670N

(CA Sanjay Verma)  
Partner  
Membership No. 89499

(M. P. Jindal)  
Chairman

For and on behalf of the Board of Directors

(Abhiram Tayal)  
Managing Director

(Karan Dev Tayal)  
Director

Place : HISAR  
Dated : 31st May, 2013

(R. S. Bansal)  
G. M. Finance

(Pardeep Nandal)  
Company Secretary

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31st March, 2013

DESCRIPTION	Note	FOR THE YEAR 31st March, 2013	FOR THE YEAR 31st March, 2012
<b>Revenue:</b>			
Revenue from operations	18	2,020,899,096	1,975,394,131
Other Income	19	3,615,844	2,388,904
<b>Total Revenue</b>		<b>2,024,514,940</b>	<b>1,977,783,035</b>
<b>Expenses:</b>			
Cost of materials consumed	20	1,713,373,408	1,635,803,918
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	(2,063,672)	534,658
Employee Benefit Expense	22	23,146,069	22,175,098
Finance Costs	23	71,617,276	82,948,218
Depreciation and Amortization Expense	24	25,618,219	25,417,450
Other Administrative Expenses	25	191,056,742	207,501,155
<b>Total Expenses</b>		<b>2,022,748,042</b>	<b>1,974,380,497</b>
Profit before exceptional and extraordinary items and tax		1,766,898	3,402,538
Exceptional Items		—	—
Profit before extraordinary items and tax		1,766,898	3,402,538
Extraordinary Items		—	—
Profit before tax		1,766,898	3,402,538
<b>Tax expense:</b>			
Current tax		2,959,062	3,875,681
Previous Year Tax		110,260	46,020
Deferred tax		(1,417,096)	(2,365,092)
Profit(Loss) for the period from continuing operations		114,672	1,845,929
Profit/(Loss) from discontinuing operations		—	—
Tax expense of discounting operations		—	—
Profit/(Loss) from Discontinuing operations		—	—
Profit/(Loss) for the year		114,672	1,845,929
<b>Earning per equity share:</b>			
Basic		0.03	0.51
Diluted		0.03	0.51

Notes referred to above and notes attached thereto form an integral part of Financial Statements.  
This is the Profit & Loss accounts referred to in our Report of even date.

For Ram Sanjay & Co.  
Chartered Accountants  
Firm Reg. No. 021670N

(CA Sanjay Verma)  
Partner  
Membership No. 89499

Place : HISAR  
Dated : 31st May, 2013

For and on behalf of the Board of Directors

(M. P. Jindal)  
Chairman

(Abhiram Tayal)  
Managing Director

(Karan Dev Tayal)  
Director

(R. S. Bansal)  
G. M. Finance

(Pardeep Nandal)  
Company Secretary



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

Particulars	As at 31st March, 2013	As at 31st March, 2012
<b>Cash flow from operating activities</b>		
<b>Profit before taxation</b>	1,766,898	3,402,538
Adjusted for :		
Depreciation	25,618,219	25,417,450
Loss on sale/disposal of fixed assets	120,332	9,845
Interest income	—	—
Interest expense	71,617,276	82,948,218
Bad debts written off during the year	—	208,263
Operating profit before working capital changes	99,122,725	111,986,314
<b>Operating profit before following adjustments :</b>		
(Increase)/Decrease in inventories	(11,686,610)	(127,131,766)
(Increase)/Decrease in trade receivables	69,285,131	(89,662,417)
Increase/(Decrease) in trade payables	(41,371,067)	72,554,408
Increase/(Decrease) in other current liabilities	(29,768,624)	16,907,045
Increase/(Decrease) in other long term liabilities		
Increase/(Decrease) in long term provisions	(1,629,265)	329,690
Increase/(Decrease) in short term provisions	—	—
<b>Cash used in operations</b>		
Income tax paid	(3,288,789)	(3,364,494)
Income tax refund	—	—
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>80,663,501</b>	<b>(18,381,221)</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets including intangible assets, capital work in progress and capital advances	(3,470,917)	(11,397,020)
Proceeds from sale of fixed assets	130,000	926,419
Movement in short term loans and advances	61,721,622	(14,580,352)
Movement in long term loans and advances	(4,151,605)	304,101
Interest received	0	0
<b>Net cash from/(used in) investing activities (B)</b>	<b>54,229,100</b>	<b>(24,746,852)</b>
<b>Cash flow from financing activities</b>		
Short term borrowing received from others	(13,383,632)	141,297,439
Long term borrowing taken (including current maturities)	(25,982,465)	(31,665,157)
Payment of dividend	(3,600,000)	(3,600,000)
Tax on dividend	(584,010)	(584,010)
Interest paid	(71,617,276)	(82,948,218)
<b>Net cash from/(used in) financing activities (C)</b>	<b>(115,167,383)</b>	<b>22,500,054</b>

Particulars	As at 31st March, 2013	As at 31st March, 2012
<b>Net changes in cash and cash equivalents (A+B+C)</b>	<b>19,725,218</b>	<b>(20,628,019)</b>
<b>Cash and cash equivalents - opening balance</b>	<b>14,069,576</b>	<b>34,697,595</b>
<b>Cash and cash equivalents - closing balance</b>	<b>33,794,794</b>	<b>14,069,576</b>
<b>Components of cash and cash equivalents (refer to note 23)</b>		
Cash in hand	422,354	329,068
Gold & Silver Coins	104,851	3,851
<b>With bank :</b>		
In current accounts	1,388,616	1,542,442
In fixed deposit accounts	31,878,973	12,194,215

Notes referred to above and notes attached thereto form an integral part of Financial statements.

This is the Cash Flow Statement referred to in our Report of even date.

For Ram Sanjay & Co.  
Chartered Accountants  
Firm Reg. No. 021670N

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

(CA Sanjay Verma)  
Partner  
Membership No. 89499

(M. P. Jindal)  
Chairman

(Abhiram Tayal)  
Managing Director

(Karan Dev Tayal)  
Director

Place : HISAR  
Dated : 31st May, 2013

(R. S. Bansal)  
G. M. Finance

(Pardeep Nandal)  
Company Secretary

**Note : 1 Accounting Policies****1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

- i) The financial statements are prepared under the historical cost convention, in accordance with the generally accepted accounting principles in India, the provisions of the Companies Act, 1956 and applicable accounting standards.
- ii) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.
- iii) Financial statements for the year ended 31st March, 2013 have been prepared based on revised Schedule VI of the Companies Act, 1956. The adoption of revised Schedule VI does not impact recognition and measurement principles of individual items within this Financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has accordingly reclassified the previous year's figures to meet the requirements applicable for the current year.

**1.2 USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that effect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Differences between the actual results and estimates are recognised in the period in which the results are known/materialised.

**1.3 REVENUE RECOGNITION**

Revenue is recognised only when it can be reliably measured and is reasonable to expect ultimate collection. Revenue from operations includes sale of goods, services, sales tax, excise duty and sales during the trial run period, adjusted for discounts, value added tax and gain/loss on corresponding hedge contracts.

**1.4 TAXATION**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from timing differences between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable/virtual certainty, as the case may be, that the asset will be realised in future.

**1.5 FIXED ASSETS**

- i) **Tangible assets** : Owned tangible fixed assets are stated at cost less accumulated depreciation and impairment loss, if any. All costs relating to acquisition and installation of fixed assets upto the time the assets get ready for their intended use are capitalised.
- ii) **Intangible assets** : Intangible assets are recognised only if acquired and it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of assets can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated depreciation and accumulated impairment losses, if any.

**1.6 ACCOUNTING FOR DERIVATIVE INSTRUMENTS**

In respect of derivative contracts, premium paid, gains/losses on settlement and losses on restatement are recognised in the profit and loss account except in case where they are relate to the acquisition or construction of fixed assets, in which case, they are adjusted to the carrying cost of such asset.

**1.7 DEPRECIATION**

Depreciation on fixed assets has been provided on the Straight line method in accordance with the provisions of Section 205(2)(b) of the Companies Act, 1956 and in the manner and at the rates specified in Schedule XIV of the Companies Act, 1956.

**1.8 VALUATION OF INVENTORIES**

Inventories are valued at lower of cost or net realisable value after providing for obsolescence, if any. Cost of inventories comprises of all costs of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. Cost of raw material store and spares and other products are determined on FIFO basis. By- products/ Scrap are valued at net realisable value.

**1.9 EMPLOYEE BENEFITS**

i) **Defined Contribution Plan** : Company's contribution paid/payable for the year to defined contribution schemes are charged to statement of Profit & Loss.

ii) **Defined benefit and other Long term Benefit plan** : Company liability towards defined benefit plans and other long term benefit plan are determined on the basis of actuarial valuations. Actuarial valuations are carried out at the balance sheet. Actuarial gains and losses are recognised in the statement of profit and loss in the period of occurrence of such gain and losses.

The employee benefit obligation recognised in the balance sheet represent the present value of the defined benefit obligation as adjusted for unrecognised past service cost.

iii) **Short Term Employee Benefits** : Short-term employees benefit expected to be paid in exchange for the services rendered by employees are recognised undiscounted during the period employee renders services.

**1.10 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions involving a substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements

**1.11 INVESTMENTS**

Current investments are carried at lower of cost or quoted/fair value. Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary.

**1.12 BORROWING COSTS**

Borrowing cost attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of such asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

**1.13 IMPAIRMENT OF ASSETS**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**1.14 EARNING/ (LOSS) PER SHARE**

Basic earnings/(Loss) per share are calculated by dividing the net profit/ (Loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year are 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/(Loss) per share, the net profit/(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.

**1.15 FOREIGN EXCHANGE TRANSACTION**

Transaction in Foreign Currency are recorded at the exchange rates prevailing on the date of transaction. Monetary items are restated at the period end rates. The exchange difference between the rate prevailing on the date of transaction and on settlement/restatement is recognised as income or expense as the case may be.

**Note : 2 Share Capital**

Particulars	As at 31st March 2013		As at 31st March 2012	
	No. of Shares	Amount	No. of Shares	Amount
<b>AUTHORIZED CAPITAL</b>				
Equity Shares of Rs. 10/- each	5,000,000	50,000,000	5,000,000	50,000,000
	<b>5,000,000</b>	<b>50,000,000</b>	<b>5,000,000</b>	<b>50,000,000</b>
<b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b>				
Equity Shares of Rs. 10/- each Fully Paid up	3,600,000	36,000,000	3,600,000	36,000,000
<b>Total</b>	<b>3,600,000</b>	<b>36,000,000</b>	<b>3,600,000</b>	<b>36,000,000</b>

**(a) Reconciliation of Equity shares and amounts outstanding**

Particulars	As at 31st March 2013		As at 31st March 2012	
	No. of Shares	Amount	No. of Shares	Amount
At the Beginning of the year	3,600,000	36,000,000	3,600,000	36,000,000
Fresh issue of shares	—	—	—	—
<b>At the end of the year</b>	<b>3,600,000</b>	<b>36,000,000</b>	<b>3,600,000</b>	<b>36,000,000</b>

**(b) Terms/Rights attached to Equity Shares**

The Company has only one class of shares referred to as equity shares having a par value of Rs. 10. The equity shares have rights, preferences and restrictions which are in accordance with the provisions of law, in particular the Companies Act, 1956.

**(c) Details of shareholders holding more than 5% shares in the company.**

Particulars	As at 31st March 2013		As at 31st March 2012	
	No. of Shares	%	No. of Shares	%
Sh Abhiram Tayal	235,420	6.54	235,420	6.54
Smt. Anubha Tayal	476,100	13.23	476,100	13.23

**Note : 3 Reserves & Surplus**

Particulars	As at 31st March 2013		As at 31st March 2012	
<b>Securities Premium Reserve</b>				
As per last Balance Sheet		11,546,700		11,546,700
<b>General Reserve</b>				
As per last Balance Sheet		37,200,000		37,200,000
<b>Profit &amp; Loss Account</b>				
As per Last Balance Sheet	33,798,780		36,136,861	
Add : Profit for the year	114,672		1,845,929	
Less : Appropriations				
Proposed Dividend on Equity Shares	3,600,000		3,600,000	
(Dividend per Share Re. 1/- (Previous Year Re. 1/-)				
Tax on Dividend	584,010		584,010	
		29,729,442		33,798,780
<b>Total</b>		<b>78,476,142</b>		<b>82,545,480</b>

**Note : 4 Long Term Borrowings**

Particulars	As at 31st March 2013		As at 31st March 2012	
	Non Current	Current	Non Current	Current
<b>Secured</b>				
Term Loans				
- From Bank	—	15,927,754	16,143,265	17,880,505
- From Other Parties	—	—	—	1,168,489
<b>Unsecured</b>				
- Fixed Deposits	10,545,000	7,050,000	17,135,000	460,000
- Corporate Loan	69,039,379	—	68,338,579	20,000,000
- Loans From Directors	7,950,000	4,700,000	11,900,000	750,000
- Dealer Security	—	—	—	—
<b>Total</b>	<b>87,534,379</b>	<b>27,677,754</b>	<b>113,516,844</b>	<b>40,258,994</b>

**Term Loan from Banks (Current and Non-current)**

Security	Terms of Repayment and Default
a. Term Loan from Punjab National Bank of Rs. 7595990 is secured against first charge on leasehold rights of landbuilding and block assets of the company.	Repayable in 4 quarterly instalments carrying an interest rate of Base rate plus 4%.
b. Term Loan from Punjab National Bank of Rs. 8101018 is secured against first charge on leasehold rights of land, building and block assets of the company.	Repayable in 4 quarterly instalments carrying an interest rate of Base rate plus 4%.
c. Term Loan from ICICI Bank Ltd. of Rs. 230746 is secured against first charge on hypothecation of car.	Repayable in 3 monthly instalments carrying an interest rate of 8.64%.

**Note : 5 Deferred Tax Liability (Net)**

Particulars	As at 31st March 2013	As at 31st March 2012
<b>Deferred Tax Liability</b>		
Related to Fixed Assets	19,023,531	21,008,489
<b>Deferred Tax Assets</b>		
Disallowances under the Income Tax Act, 1961	2,756,237	3,324,099
<b>Total</b>	<b>16,267,294</b>	<b>17,684,390</b>

**Note : 6 Long term Provisions**

Particulars	As at 31st March 2013	As at 31st March 2012
Gratuity	5,283,792	7,129,029
Leave Encashment	1,983,345	1,767,373
<b>Total</b>	<b>7,267,137</b>	<b>8,896,402</b>

**Note : 7 Short Term Borrowings**

Particulars	As at 31st March 2013	As at 31st March 2012
<b>Secured</b>		
<b>Working Capital Loans From Banks</b>		
- Rupee Loans	269,917,794	382,163,192
- Foreign Currency Loans-Buyers Credit	—	71,631,095
- PNB Bills Payable	170,492,860	—
<b>Total</b>	<b>440,410,654</b>	<b>453,794,287</b>

**Working Capital Loans from Banks (Current and Non Current)**

**Security**

- a. Cash Credit of Rs.269917795 from Punjab National Bank is secured against hypothecation of stock of finished goods, raw materials, work in progress, book debts, stores and spares and guaranteed by the directors.

**Note : 8 Trades Payable**

Particulars	As at 31st March 2013	As at 31st March 2012
Micro, Small and Medium Enterprises	—	—
Others	79,738,869	121,109,935
<b>Total</b>	<b>79,738,869</b>	<b>121,109,935</b>

**Note : 9 Other Current Liabilities**

Particulars	As at 31st March 2013	As at 31st March 2012
Current maturities of long term debt (Refer Note No. 3)	27,677,754	40,258,994
Unclaimed Dividends	362,921	419,881
Creditors for Capital Expenditure	431,496	5,530,479
Bank Book Overdraft	7,425	5,717,669
Advance from Customers	2,577,759	3,064,422
Other Payables	8,516,949	14,351,482
<b>Total</b>	<b>39,574,304</b>	<b>69,342,927</b>

**Note : 10 Short Term Provisions**

Particulars	As at 31st March 2013	As at 31st March 2012
Proposed Dividend	3,600,000	3,600,000
Tax on Dividend	584,010	584,010
Provision for Wealth Tax	1,051,177	1,270,645
<b>Total</b>	<b>5,235,187</b>	<b>5,454,655</b>

## Notes Forming Integral Part of the Financial Statement as at 31st MARCH, 2013

## Note : 11 Fixed Assets

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Value at the beginning	Addition during the year	Deduction during the year	Value as at 31st March, 2013	Value at the beginning	Addition during the year	Deduction during the year	Value as at 31st March, 2013	WDV as on 31.03.2013	WDV as on 31.03.2012
<b>Tangible Assets</b>										
Land	9,806,840	—	—	9,806,840	—	—	—	—	9,806,840	9,806,840
Industrial Plot	10,315,742	831,096	—	11,146,838	—	—	—	—	11,146,838	10,315,742
Shed and Building	22,444,646	—	—	22,444,646	6,214,565	749,551	—	6,964,216	15,480,430	16,230,082
Delhi office	3,710,000	—	—	3,710,000	293,659	60,473	—	354,132	3,355,868	3,416,341
Plant and Machinery	296,497,156	11,184,476	—	307,681,632	151,825,841	22,066,249	—	173,892,090	133,789,542	144,671,315
Generator	11,412,867	—	—	11,412,867	9,512,305	846,835	—	10,359,140	1,053,727	1,900,561
Vehicles	14,089,520	—	501,432	13,588,088	3,743,754	1,315,404	251,100	4,808,058	8,780,030	10,345,766
Furniture and Fixture	1,145,176	—	—	1,145,176	382,490	72,490	—	454,980	690,196	762,687
Office Equipments	1,366,069	288,165	—	1,654,234	481,864	71,340	—	553,204	1,101,030	884,205
Computer	1,559,463	176,812	—	1,736,275	1,490,112	95,556	—	1,585,668	150,607	69,350
<b>SUB TOTAL A</b>	<b>372,347,479</b>	<b>12,480,549</b>	<b>501,432</b>	<b>384,326,596</b>	<b>173,944,590</b>	<b>25,277,998</b>	<b>251,100</b>	<b>198,971,488</b>	<b>185,355,108</b>	<b>198,402,889</b>
<b>Intangible Assets</b>										
Computer Software	849,874	1,499,573	—	2,349,447	133,865	340,221	—	474,086	1,875,361	716,009
<b>SUB TOTAL B</b>	<b>849,874</b>	<b>1,499,573</b>	<b>—</b>	<b>2,349,447</b>	<b>133,865</b>	<b>340,221</b>	<b>—</b>	<b>474,086</b>	<b>1,875,361</b>	<b>716,009</b>
<b>Capital Work-in-progress</b>										
Plant and Machinery	9,159,632	2,024,844	11,184,476	0	—	—	—	—	—	9,159,632
<b>SUB TOTAL C</b>	<b>9,159,632</b>	<b>2,024,844</b>	<b>11,184,476</b>	<b>0</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>9,159,632</b>
<b>Intangible Assets Under Development</b>										
Computer Software	1,349,573	150,000	1,499,573	0	—	—	—	—	—	1,349,573
<b>SUB TOTAL D</b>	<b>1,349,573</b>	<b>150,000</b>	<b>1,499,573</b>	<b>0</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1,349,573</b>
<b>Total [A+B+C+D](Current Year)</b>	<b>383,706,558</b>	<b>16,154,966</b>	<b>13,185,481</b>	<b>386,676,043</b>	<b>174,078,455</b>	<b>25,618,219</b>	<b>251,100</b>	<b>199,445,574</b>	<b>187,230,469</b>	<b>209,628,103</b>
<b>(Previous Year)</b>	<b>373,264,447</b>	<b>11,397,020</b>	<b>954,909</b>	<b>383,706,558</b>	<b>148,679,650</b>	<b>25,417,450</b>	<b>18,645</b>	<b>174,078,455</b>	<b>209,628,103</b>	<b>223,109,348</b>

## Note : 12 Non Current Investments

Particulars	As at 31st March 2013	As at 31st March 2012
<b>Investment in Equity Instrument</b>	<b>84,000</b>	<b>84,000</b>
Quoted Non Trade at Cost		
2400 Equity Shares of Haryana Financial Corporation of Rs.10/- each fully paid up (Market value not Available)		
<b>Total</b>	<b>84,000</b>	<b>84,000</b>

## Note : 13 Long Term Loans and Advances

Particulars	As at 31st March 2013	As at 31st March 2012
<b>Unsecured, Considered Good :</b>		
Security Deposit	3,707,020	3,814,020
MAT Credit Entitlement	823,518	823,518
Sales Tax Refundable	5,658,885	1,400,280
<b>Total</b>	<b>10,189,423</b>	<b>6,037,818</b>



**Note : 14 Inventories**

Particulars	As at 31st March 2013	As at 31st March 2012
Raw Material	163,090,669	159,675,355
Finished Goods	12,265,438	10,201,766
Stores & Spares	46,557,080	40,349,456
<b>Total</b>	<b>221,913,187</b>	<b>210,226,577</b>

**Note : 15 Trade Recievables**

Particulars	As at 31st March 2013	As at 31st March 2012
<b>Unsecured, Considered Good :</b>		
Outstanding for more than six months	10,815,298	2,405,542
Others	299,355,115	377,050,002
<b>Total</b>	<b>310,170,413</b>	<b>379,455,544</b>

**Note : 16 Cash & Bank Balances**

Particulars	As at 31st March 2013	As at 31st March 2012
<b>Cash &amp; Cash Equivalent</b>		
Cash Balance	422,354	329,068
Bank Balances in Current accounts	1,025,695	1,122,561
Silver Coins	17,656	3,851
Gold Coins	87,195	—
<b>Bank balances</b>		
Bank Balance Representing Unclaimed Dividend	362,921	419,881
Balance with Banks in Fixed Deposit Account (Maturity more than three months but upto twelve months Rs. 31550324 and less than three months 328649)*	31,878,973	12,194,215
<b>Total</b>	<b>33,794,794</b>	<b>14,069,576</b>

\* Fixed deposit held as margin by the bank for and are not available for use by the company.

**Note : 17 Short Terms Loans and Advances**

Particulars	As at 31st March 2013	As at 31st March 2012
<b>Others</b>		
(Unsecured considered good)		
Excise Duty Recoverable	8,904,179	24,732,688
Advance Income Tax/Refund Due	426,293	—
Balance With Revenue Authorities (Indirect Taxes)	5,843,021	10,472,008
Advance against Machinery	—	1,202,776
Prepaid Expenses	4,419,942	1,579,877
Others	7,528,245	50,855,953
<b>Total</b>	<b>27,121,680</b>	<b>88,843,302</b>

## Notes Forming Integral Part of the Financial Statement as at 31st MARCH, 2013

## Note : 18 Revenue from Operations

Particulars	As at 31st March 2013	As at 31st March 2012
Sale of Products		
Cold Rolled Stainless Steel strips	2,246,861,646	2,162,463,321
Sale of Services		
Consultancy	10,000,000	10,000,000
Job Work Income	2,580,914	2,131,728
Other Operating Revenue		
Export Sale Income	814,878	365,145
<b>Less :</b>		
Excise Duty	239,358,342	199,566,063
<b>Total</b>	<b>2,020,899,096</b>	<b>1,975,394,131</b>

## Note : 19 Other Income

Particulars	As at 31st March 2013	As at 31st March 2012
Profits on sale of Fixed Assets		-
Miscellaneous Income		
- Exchange fluctuation	888,746	288,740
- Store sale	2,460,605	1,899,801
- Others	266,493	200,363
<b>Total</b>	<b>3,615,844</b>	<b>2,388,904</b>

## Note : 20 Cost of Material Consumed

Particulars	As at 31st March 2013		As at 31st March 2012	
	%	Amount	%	Amount
<b>Hot Rolled SS strips</b>				
Indigenous	99.83	1,710,496,939	87.87	1,437,334,697
Import	0.17	2,876,469	12.13	198,469,221
<b>Total</b>	<b>100.00</b>	<b>1,713,373,408</b>	<b>100.00</b>	<b>1,635,803,918</b>

## Note : 21 Change in Inventories

Particulars	As at 31st March 2013	As at 31st March 2012
<b>Inventories (at close)</b>		
Finished Goods	12,265,438	10,201,766
<b>Inventories (at commencement)</b>		
Finished Goods	10,201,766	10,736,424
<b>Total</b>	<b>(2,063,672)</b>	<b>534,658</b>

## Note : 22 Employee Benefit Expenses

Particulars	As at 31st March 2013	As at 31st March 2012
Salaries Wages and Bonus	17,514,470	16,937,098
Staff & Labour Welfare	1,142,153	1,212,053
Contribution to Provident & Other funds	2,324,763	2,237,250
Gratuity	1,719,059	1,725,882
Leave Encashment	445,624	62,815
<b>Total</b>	<b>23,146,069</b>	<b>22,175,098</b>

## Notes Forming Integral Part of the Financial Statement as at 31st MARCH, 2013

**Note : 23 Finance Cost**

Particulars	As at 31st March 2013	As at 31st March 2012
Interest on :		
Long Term Loan	15,102,969	17,501,063
Short Term	19,854,946	26,366,268
Others	32,144,454	37,227,990
Bank Charges	4,514,907	1,852,897
<b>Total</b>	<b>71,617,276</b>	<b>82,948,218</b>

**Note : 24 Depreciation & Amortised Cost**

Particulars	As at 31st March 2013	As at 31st March 2012
Depreciation	25,618,219	25,417,450
<b>Total</b>	<b>25,618,219</b>	<b>25,417,450</b>

**Note : 25 Other Expenses**

Particulars	As at 31st March 2013	As at 31st March 2012
Manufacturing Expenses :		
Stores and Spares	46,034,598	43,493,478
Power and Fuel	110,240,106	119,119,042
Chemical	19,826,042	28,774,425
Repair and Maintenance (Plant and Machinery)	3,781,547	4,404,731
Other Manufacturing Expenses	1,122,027	880,206
Rent	288,000	297,000
Filing Fees	20,000	4,500
Legal & Professional	329,467	394,238
Vehicle Upkeep & Maintenance	913,029	973,485
Insurance	2,064,448	2,305,627
Postage, Telegram & Telephone	612,188	708,724
Travelling & Conveyance	674,529	852,473
Printing & Stationery	633,164	556,498
Auditor's Remuneration as :		
Statutory Audit Fees	72,000	72,000
Tax Audit Fees	24,000	24,000
Consultancy	22,000	22,000
Advertisement	296,641	555,443
Fees & Subscription	599,218	598,874
Commission & Discount	465,448	535,545
Donation	26,500	61,700
Freight & Octroi	1,046,655	1,021,501
Miscellaneous Expenses	494,614	456,486
Export Sale Exp	585,807	299,801
Sale Tax Expenses	0	667,720
Sale Promotion Expenses	355,572	203,550
Loss on sale of fixed assets	120,332	9,845
Bad Debts	0	208,263
Exhibition Rental Charges	408,810	0
<b>Total</b>	<b>191,056,742</b>	<b>207,501,155</b>

## Notes Forming Integral Part of the Financial Statement as at 31st MARCH, 2013

## Note : 26 Disclosure as per AS15-Retirement Benefits :

## Post Retirement Employee Benefit :

Description of Plan

Gratuity

Leave Encasement

Principal actuarial assumptions

## i) Economic Assumptions

Particulars	Gratuity		Leave Encasement	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
a) Discounting Rate	8.00%	8.50%	8.00%	8.50%
b) Future Salary Increase	5.50%	6.00%	5.50%	6.00%
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	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
a) Present Value of obligation as at end of the period	5,283,792	7,129,029	1,983,345	1,767,373
b) Fair Value of plan assets as at the end of the period	-	-	-	-
c) Funded status / difference	(5,283,792)	(7,129,029)	(1,983,345)	(1,767,373)
d) Excess of actual over estimated	—	—	—	—
e) Unrecognized actuarial (gains)/ losses	—	—	—	—
f) Net asset/(liability) recognized in balance sheet	(5,283,792)	(7,129,029)	(1,983,345)	(1,767,373)

## iii) Expense recognized in the statement of Profit and Loss

Particulars	Gratuity		Leave Encasement	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
a) Current service cost	562,510	601,200	222,475	155,801
b) Past service cost	—	—	—	—
c) Interest cost	570,322	581,853	141,390	146,318
d) Expected return on plan assets	—	—	—	—
e) Curtailment cost/(Credit)	—	—	—	—
f) Settlement cost/(Credit)	—	—	—	—
g) Net actuarial (gain)/ loss recognized in the period	586,227	542,829	(81,759)	(239,304)
h) Expense recognized in the statement of profit & losses	1,719,059	1,725,882	445,624	62,815

## iv) Reconciliation statement of expense in the statement of Profit and Loss

Particulars	Gratuity		Leave Encasement	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
a) Present value of obligation as at the end of period	5,283,792	7,129,029	1,983,345	1,767,373
b) Present value of obligation as at the beginning of the period	7,129,029	6,845,327	1,767,373	1,721,385
c) Benefits paid	3,564,296	1,442,180	229,652	16,827
d) Actual return on plan assets	—	—	—	—
e) Expenses recognized in the statement of profit & losses	1,719,059	1,725,882	445,624	62,815

## v) Movement in the liability recognized in the Balance Sheet

Particulars	Gratuity		Leave Encasement	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
a) Opening net liability	7,129,029	6,845,327	1,767,373	1,721,385
b) Expenses as above	1,719,059	1,725,882	445,624	62,815
c) Benefits paid	(3,564,296)	(1,442,180)	(229,652)	(16,827)
d) Closing net Liability	5,283,792	7,129,029	1,983,345	1,767,373

## Note : 27 Disclosure as per Accounting Standard -18 on Related Party Disclosures

## (i) Name of the associates with whom transactions were carried out during the year.

## Associate Concerns

1. Jindal Polybutton Limited (Job work)
2. Jindal Metal Limited
3. Amtrex Trading Co. Pvt. Ltd.

## Name of the key management personnel and their relatives with whom transactions were carried out during the year

## (ii) Key management personnel &amp; their relatives :

- |                        |                   |
|------------------------|-------------------|
| 1. Sh. Abhiram Tayal   | Managing Director |
| Abhiram Tayal HUF      | HUF               |
| 2. Smt. Anubha Tayal   | Director          |
| Sh. Vikram Kumar Jain  | Brother           |
| 3. Sh. Karan Dev Tayal | Director          |
| Smt. Kashni Tayal      | Wife              |

## (iii) Transactions with the related parties

Particulars	Nature of relationship	Name of the related party	31st March 2013	31st March 2012	
Managerial Remuneration	KMP	Sh. Abhiram Tayal	609,360	609,360	
Interest Paid	Associate Concern	Ravindra Tubes Limited Hisar	—	2,110,685	
		Amtrex Trading Co. Pvt. Ltd.	537,711	855,039	
	KMP	Sh. Abhiram Tayal	431,750	335,275	
		Smt. Anubha Tayal	409,750	364,518	
		Sh. Karan Dev Tayal	550,000	550,000	
	Relative of KMP	Sh. Vikram Kumar Jain	1,076,350	1,076,350	
		Smt. Kashni Tayal	550,000	550,000	
		Abhiram Tayal HUF	165,000	68,525	
	Rent Paid	Associate Concern	Jindal Metal Limited	288,000	288,000
			Jindal Products Limited	—	9,000
Job Work		Jindal Polubuttons Ltd.	5,957	—	
Payable to:	Associate Concern	Amtrex Trading Co. Pvt. Ltd.	4,964,869	4,480,929	
		KMP	Sh. Abhiram Tayal	3,925,000	3,925,000
			Smt. Anubha Tayal	3,725,000	3,725,000
	Sh. Karan Dev Tayal		5,000,000	5,000,000	
	Relative of KMP	Smt. Kashni Tayal	5,000,000	5,000,000	
		Abhiram Tayal HUF	1,500,000	1,500,000	
			Sh. Vikram Kumar Jain	9,785,000	9,785,000

## Notes Forming integral Part of the Financial Statement as at 31st MARCH, 2013

## Note : 28 CIF Value of Imports

Particulars	31st March 2013	31st March 2012
Raw materials	2,296,754	201,804,601
Stores & Spares (Machinery)	978,840	4,697,663

## Note : 29 Earnings in foreign exchange

Particulars	31st March 2013	31st March 2012
FOB value of exports	22,737,919	8,007,670

## Note: 30 Expenditure in foreign currency

Particulars	31st March 2013	31st March 2012
Travel Expenses	20,424	—

## Note : 31 Earnings per share

The following represents profit and share data used in the basic and diluted EPS computations

Particulars	31st March 2013	31st March 2012
Profit for computation of Basic EPS	114,672	1,845,929
Add/(Less) adjustment	—	—
Profit for computation of Diluted EPS	114,672	1,845,929
Weighted average number of equity shares in calculating Basic EPS	3,600,000	3,600,000
Add:/(Less) adjustment	—	—
Weighted average number of equity shares in calculating Diluted EPS	3,600,000	3,600,000

## Note : 32 Commitments and Contingencies

Particulars	31st March 2013	31st March 2012
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	—	1,700,000
Counter guarantees issued to the bank for the bank guarantee obtained	1,312,377	1,112,377
Cheques/Bills/LCs/FLCs discounted with Company's Banker	33,116,757	49,348,449
Excise duty related matter	385,377	385,377
Sales tax related matter	26,661,708	22,519,770

The Central Excise Department had made a demand of Rs.385377/- towards tax liability for the year 2007. Haryana Government had imposed a levy namely Local Area Development Tax in the year 2007.

## Note : 33 Previous Year Figures

Previous year figures are regrouped, wherever necessary.

Notes referred to above and notes attached thereto form an integral part of financial statements.

For Ram Sanjay & Co.  
Chartered Accountants  
Firm Reg. No. 021670N

(CA Sanjay Verma)  
Partner  
Membership No. 89499

Place : HISAR  
Dated : 31st May, 2013

For and on behalf of the Board of Directors

(M. P. Jindal)  
Chairman

(Abhiram Tayal)  
Managing Director

(Karan Dev Tayal)  
Director

(R. S. Bansal)  
G. M. Finance

(Pardeep Nandal)  
Company Secretary

*If undelivered please return to :*

**HISAR METAL INDUSTRIES LIMITED**

Near Industrial Development Colony

Delhi Road, Hisar - 125 005

(Haryana), INDIA