



**TWENTY SECOND
ANNUAL REPORT
2011-2012**

HISAR METAL INDUSTRIES LTD.

BOARD OF DIRECTORS

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

COMPANY SECRETARY

Shri Pardeep Nandal

AUDITORS

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

BANKERS

Punjab National Bank

REGISTERED OFFICE & WORKS

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

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NOTICE

Notice is hereby given that the 22nd Annual General Meeting of the Members of HISAR METAL INDUSTRIES LIMITED will be held on Saturday, 29th day of September, 2012 at 11.00 A.M. at the Registered office of the Company at Near Industrial Development Colony, Delhi Road, Hisar (Haryana) to conduct the following businesses :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2012 and Profit and Loss Account for the year ended on that date and the reports of Auditors and Directors thereon.
2. To declare a dividend.
3. To elect a Director in place Shri Rahul Dev Tayal who retires by rotation and being eligible, offers himself for re-appointment.
4. To elect a Director in place Shri Sharat Jain who retires by rotation and being eligible, offers himself for re-appointment.
5. To elect a Director in place Shri Ganesh Dutt who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

Regd. Office :

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

By order of the Board of Directors

Pardeep Nandal
(Company Secretary)

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy so appointed need not be a member of the Company. The proxies in order to be effective must be received at the Company's registered office not less than 48 hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 24th day of September, 2012 to 29th day of September, 2012 (both days inclusive) for the Annual General Meeting and determining the name of members eligible for dividend, if approved, at the Annual General Meeting.
3. The dividend of 10% for the year ended March 31, 2012 as recommended by the Board, if sanctioned at the ensuing Annual General Meeting will be payable to those members whose names appear on the Company's Register of Members and List of Beneficiaries as on September 24, 2012.
4. While members holding shares in physical form may write to the Company for any change in their address and bank mandates, members having shares in electronic form may inform the same to their depository participants immediately so as to enable the Company to dispatch the dividend warrants at their correct addresses.
5. Pursuant to Section 205A read with Section 205C of the Companies Act, 1956 the unclaimed/unpaid dividend is required to be transferred to the Investor Education and Protection Fund of the Central Government of India ("the Fund"). Accordingly the balance lying in the unpaid dividend account for the year ended 31st March, 2005 will be transferred to "the Fund" shortly with in the prescribed time.

Shareholders are requested to note that the company is statutorily required to transfer to "the Fund" all dividends which remain unpaid/unclaimed for a period of seven years from the date they became due for payment and once such amount are transferred to "the Fund," no claim shall lie against the Company or "the Fund".

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

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

HISAR METAL INDUSTRIES LIMITED

INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT

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

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

Regd. Office :

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

By order of the Board of Directors

PARDEEP NANDAL
(COMPANY SECRETARY)

HISAR METAL INDUSTRIES LIMITED

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DIRECTORS' REPORT

To
The Members,
Hisar Metal Industries Limited

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

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

2. DIVIDEND

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

3. COMPANY'S BUSINESS GROWTH AND PROSPECTS

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

4. FIXED DEPOSITS

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

5. PARTICULARS OF THE EMPLOYEES

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

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

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

7. COMPLIANCE OF GUIDELINES OF SEBI/STOCK EXCHANGE

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

HISAR METAL INDUSTRIES LIMITED
8. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

9. DIRECTORS

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

10. CORPORATE GOVERNANCE

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

11. AUDITORS

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

12. COST AUDITORS

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

13. INSURANCE

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

14. ACKNOWLEDGEMENT

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

Registered Office :

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

Dated : 27th August, 2012

For and on behalf of the Board of Directors

(M. P. JINDAL)
CHAIRMAN

ANNEXURE A

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

A. CONSERVATION OF ENERGY

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

- i) Improving power factor by the Company for conservation of energy.
 - ii) Utilising the proper load of plant and equipment, Electric Motor etc.
 - iii) Reducing the maximum demand by properly distributing the loads.
- Total energy consumption and energy consumption per unit of production as per Form A is as under :-

FORM A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

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

FORM B

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

RESEARCH AND DEVELOPMENT (R & D)

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

HISAR METAL INDUSTRIES LIMITED

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TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

C) FOREIGN EXCHANGE EARNINGS AND OUT GO

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

For and on behalf of the Board of Directors

(M. P. JINDAL)
CHAIRMAN

Place : Hisar

Dated : 27th August, 2012

Annexure B

CORPORATE GOVERNANCE REPORT

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

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

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

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

HISAR METAL INDUSTRIES LIMITED
INTERSE RELATIONSHIP OF DIRECTORS :

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

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

- ii) **BOARD MEETINGS:** In all, 17 meetings of directors were held during the financial year 2011-12 which consist of 8 meetings of Board of Directors, 4 meeting of committee to redress the grievances of shareholders and Investor Complaints, 5 meeting of Audit Committee.

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

The Board meeting held on the following dates viz., 14.05.2011, 12.08.2011, 20.08.2011, 14.11.2011, 12.12.2011, 26.12.2011, 13.02.2012 and 06.03.2012. The maximum interval between any two Board meetings was not more 89 days.

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

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

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

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

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

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

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

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

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

3. AUDIT COMMITTEE :

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

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

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

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

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

4. REMUNERATION COMMITTEE :

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

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

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

Shri Sajjan Singh, Member Independent and Non-Executive

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

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

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

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

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, 2012 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 :

- Terms of Reference :** The Board of Directors had formed a committee to redress the grievances of shareholders and investor complaints on 28.09.2002. The role of this committee is to consider why-why of pending investors' complaints like transfer of shares, non-receipt of balance sheet, non-receipt of dividend etc.
- 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 31st March, 2012 the meetings of the Committee held on 14.05.2011, 12.08.2011, 14.11.2011 and 13.02.2012. The Minutes of the meeting of the committee were placed before the Board Meeting held after the committee meetings.

During the year ended 31st March, 2012, 14 Complaints were received and replied/resolved to the satisfaction of the shareholders. As on 31st March, 2012, 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 investors' complaint/Correspondence is : 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.

HISAR METAL INDUSTRIES LIMITED

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 2nd 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
2008-09	Regd. Office	29.09.09	11.00 a.m.	No Special Resolution was passed
2009-10	- do -	27.09.10	- do -	No Special Resolution was passed
2010-11	- do -	26.09.11	- 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	Promoter Director	1500000	11%	3yrs

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 prospectus which has been filed with the Registrar of Companies.

During the financial year ended 31st March, 2012, the Company has done the following transactions with associated concerns of the Company :

Nature of Transaction	Details of Transaction
-----------------------	------------------------

Rent	Rs.288000/- paid to Jindal Metal Ltd. and Rs.9000/- paid to Jindal Product Ltd.
Borrowing	Borrowed Rs.300 Lac on 30.06.2011 @ 12% from Ravindra Tubes Ltd.
Borrowing	Borrowed Rs.35 Lac on 31.10.2011 @ 12% from Amtrex Trading Co. Pvt. 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:

- i) The Company has a non-executive chairman which maintains office at the Company's expense.
- ii) The Company has constituted a Remuneration Committee.
- iii) The Company's financial statements are un-qualified.
- iv) The Company has laid down a whistle blower policy.
- v) 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 :**

- a) As indicated in the Notice to our shareholders, the 22nd Annual General Meeting of the Company will be held on Saturday, the 29th day of September, 2012 at 11.00 A.M. at the Registered office of the Company at Near I.D.C., Delhi Road, Hisar – 125 005.
- b) The Financial Year of the Company is from April 1 to March 31.
- c) Date of Book Closure : From 24th day of September to 29th day of September, 2012 (both days inclusive) for the purpose of the Annual General Meeting and payment of final dividend, if approved by members.
- d) The Dividend if approved by members will be paid within the statutory time limit.
- e) The shares of the Company are listed on

- i) The Delhi Stock Exchange (Regional Stock Exchange)
DSE House, 3/1, Asaf Ali Road, New Delhi – 110 002
- ii) The Stock Exchange of Ahmedabad.
Kamdhenu Complex, Opp. Sahajanand College, Panjarapole, Ahmedabad – 280 015
- iii) 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

HISAR METAL INDUSTRIES LIMITED

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, 2011 to 31st day of March, 2012 are as under : -

Mumbai Stock Exchange :

Month (2011-12)	Volume	High (Rupees)	Low (Rupees)
April	26873	25.00	22.20
May	2240	24.85	22.40
June	15426	24.20	21.00
July	8138	23.10	21.05
August	5577	22.15	17.45
September	1331	20.80	18.00
October	1275	20.75	18.00
November	3170	19.65	17.80
December	527	20.50	18.50
January	986	23.65	19.15
February	12850	25.50	18.45
March	4870	19.90	17.25

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

- 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 31.03.2012

Shares holding of		Shareholders		Share Amount	
Rs.	Nominal value of Rs.	Number	% of total	Amount	% of total
Upto	5000	972	76.29	14,70,870	4.08
5001	10000	85	6.67	7,15,530	1.99
10001	20000	56	4.39	9,11,730	2.53
20001	30000	23	1.81	5,99,070	1.66
30001	40000	21	1.65	7,43,520	2.07
40001	50000	15	1.18	7,15,500	1.99
50001	100000	47	3.69	33,66,210	9.35
100001	& above	55	4.32	2,74,77,570	76.33
** Total**		1274	100.00	3,60,00,000	100.00

j) CATEGORIES OF SHAREHOLDERS AS ON 31.03.2012

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

Scrip Code : **590018**

Shareholding as on : **31-03-2012**

HISAR METAL INDUSTRIES LIMITED

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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 (viii)	As a %age (ix)=(viii)/(iv) *100
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)
(A)	Shareholding of Promoter and Promoter Group							
(1)	Indian							
	(a) Individuals/ Hindu Undivided Family	36	1647921	1627521	45.775	45.775	NIL	NIL
	(b) Central Government/State Government(s)	-	-	-	-	-	-	-
	(c) Bodies Corporate	7	414200	400800	11.506	11.506	NIL	NIL
	(d) Financial Institutions/Banks	-	-	-	-	-	-	-
	(e) Any Other (specify)	-	-	-	-	-	-	-
	Sub-Total (A) (1)	43	2062121	2028321	57.281	57.281	NIL	NIL
(2)	Foreign							
	(a) Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-
	(b) Bodies Corporate	-	-	-	-	-	-	-
	(c) Institutions	-	-	-	-	-	-	-
	(d) Any Other (specify)	-	-	-	-	-	-	-
	Sub-Total (A) (2)	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A) = (A) (1) + (A) (2)	43	2062121	2028321	57.281	57.281	NIL	NIL
(B)	Public shareholding						NA	NA
(1)	Institutions	-	-	-	-	-	NA	NA
	(a) Mutual Funds/UTI	-	-	-	-	-	NA	NA
	(b) Financial Institutions/Banks	-	-	-	-	-	NA	NA
	(c) Central Government/State Government(s)	-	-	-	-	-	NA	NA
	(d) Venture Capital Funds	-	-	-	-	-	NA	NA
	(e) Insurance Companies	-	-	-	-	-	NA	NA
	(f) Foreign Institutional Investors	-	-	-	-	-	NA	NA
	(g) Foreign Venture Capital Investors	-	-	-	-	-	NA	NA
	(h) Any Other (specify)	-	-	-	-	-	NA	NA
	Sub-Total (B) (1)	-	-	-	-	-	NA	NA
(2)	Non-institutions						NA	NA
	(a) Bodies Corporate	47	77994	77994	2.167	2.167	NA	NA
	(b) Individuals						NA	NA
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	1141	693150	462635	19.254	19.254	NA	NA
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	36	761987	577887	21.166	21.166	NA	NA
	(c) Any Other (NRI)	7	4748	4748	0.132	0.132	NA	NA
	Sub-Total (B) (2)	1231	1537879	1123264	42.719	42.719	NA	NA
	Total Public Shareholding (B) = (B) (1) + (B) (2)	1231	1537879	1123264	42.719	42.719	NA	NA
	TOTAL (A) + (B)	1274	3600000	3151585	100	100	NA	NA
(C)	Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-	NA	NA
GRAND TOTAL (A) + (B) + (C)		1274	3600000	3151585	100	100	NA	NA

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.

HISAR METAL INDUSTRIES LIMITED

k) **Dematerialization of Shares** : As on 31.03.2012, the number of equity shares held in dematerialized form were 3151585 (87.54%) and in physical form were 448415 (12.46%).

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, 2012.

For Hisar Metal Industries Limited

Abhiram Tayal
(Managing Director)

Place: Hisar
 Date: 27th August, 2012

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, 2012, 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, 2012 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, 2012.

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

(Ram Babu Aggarwal)
 Partner
 Membership No. 82093

Place : Hisar
 Dated : 27th August, 2012

MANAGEMENT DISCUSSION AND ANALYSIS**Overview :**

Financial year 2011-12 was a challenging year. The global economy, barely a year after recession, witnessed lower economic growth. According to the International Monetary Fund (IMF), the global economy is estimated to grow at a modest pace of 3.8% in 2011, as compared to a robust 5.2% in 2010. Even in current slowdown, Indian economy grew at 6.5% in the same period and became the second fastest growing economy in the world today after China, which is attracting global investors to invest in several segments of the economy. India is today rated as one of the most attractive investment destinations across the globe.

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, while the private sector is supporting it with investments worth billions of rupees, during India 12th Plan period which runs till 2017, India expects an investment of \$ one trillion in the infrastructure sector. According to new market research report "Indian Steel Industry Outlook to 2012", India offers a fast growing steel industry with enormous future growth potentials inherent. Even in the tough times of economic slowdown, the industry succeeded to sustain its positive growth momentum on the strong fundamentals of domestic demand from construction, automobile and infrastructure sectors.

Opportunities :

The Indian steel industry have entered into a new development stage from 2005-06. Steel production in India in the financial year 2010-11 was 72.2 MMT. Demand of Steel is rapidly growing due to increasing construction projects and automobile industry. The Indian steel industry plays an important role in the country's economic growth. Consumption of Steel is taken to be an indicator of economic development. With new global acquisitions by Indian steel giants, setting up of new state-of-the-art steel mills, modernisation of existing plants, improving energy efficiency and backward integration into global raw material sources, India is now on the centre of the global steel map. Consumption of steel in the construction sector, industrial applications, and transport sector has been on the rise and special steel usage in engineering industries such as power generation, petrochemicals and fertiliser industry is also growing.

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. Beside, we always look forward to cope with any technology advancement.

Threats :

Even after more than 3 years of 2008 recession, USA and European countries have still not come out from its effects and it is spreading all over the world once again. During recession 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 :

India has emerged as the fourth largest producer of steel in the world producing about 72.2 MMT. of steel a year and is likely to become the second largest producer of crude steel by 2015-16, on account of growing steel demand, rich resources base of iron ore, skilled manpower and vast experience of steel making and the huge capacity

HISAR METAL INDUSTRIES LIMITED

expansion planned and being executed in the steel sector. Indian steel industry plays a significant role in the country's economic growth. The major contribution directs the attention that steel is having a stronghold in the traditional sectors, such as infrastructure & constructions, automobile, transportation, industrial applications etc. Moreover, steel variant stainless steel is finding innovative applications due to its corrosion resistive property.

Indian domestic crude steel production grew at a compounded annual growth rate of 8.4% during 2005-06 to 2009-10. The Indian steel industry accounted for around 5% of the world's total production in 2010. Domestic demand for steel is anticipated to grow by around 12% in the next two years on the back of strong GDP growth forecast. The short-term demand forecast for steel suggests growth of about 10-12% over the next two years. Given its direct correlation to GDP growth, we expect the Indian steel industry to experience robust growth in the future. We believe the sector's long-term positive indicators will exceed its challenges.

Risk and Concerns :

Steelmakers had a challenging couple of years in the wake of the global financial crisis. In 2011, 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. To avoid the dumping the government is thinking to impose the Anti-Dumping duty on import of steel.

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 16345 MT of prime CRSS Strips as compared to 12470 MT in the previous financial year while the company has sold 16357 MT of prime CRSS Strips as compared to 12489 MT in the previous financial year. The turnover in terms of value is up by 36% to Rs. 21625 Lac. The profit before tax has decreased to Rs. 34.03 Lac and profit after tax has decreased to Rs. 18.46 Lac down by 57% and 65% respectively. Capital Expenditure incurred during the year was Rs. 114 Lac. The reserve and surplus stood to Rs. 825 Lac. The earning per share is Re. 0.51 and book value of the share is Rs. 32.93. The Board of Directors have proposed a dividend of 10% for the financial year 2011-12.

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

(M. P. JINDAL)
CHAIRMAN

Place : Hisar
Dated : 27th August, 2012

HISAR METAL INDUSTRIES LIMITED
AUDITORS' REPORT

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To the Members of Hisar Metal Industries Limited

1. We have audited the attached Balance Sheet of Hisar Metal Industries Limited as at 31st March, 2012 and also the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that :
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our Audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, 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, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012,
 - (ii) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date and
 - (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

(Ram Babu Aggarwal)
Partner
Membership No. 82093

Place : Hisar
Dated : 27th August, 2012

HISAR METAL INDUSTRIES LIMITED

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 of 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, 2012.

1. In respect of its fixed assets :
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) These fixed assets were physically verified by the management at regular intervals in accordance with a programme of verification adopted by the Company, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
 - c) Fixed Assets disposed off during the year were not substantial. According to the information and explanation given to us, we are of the opinion that the disposal of fixed assets has not affected the going concern status of the Company.
2. In respect of its inventories :
 - a) 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 taken loans during the year aggregating to Rs.372 Lac from five 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 thereunder, 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, 2012, 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

(Ram Babu Aggarwal)
Partner
Membership No. 82093

Place : Hisar
Dated : 27th August, 2012

HISAR METAL INDUSTRIES LIMITED

BALANCE SHEET AS AT 31.03.2012

DESCRIPTION	Note	AS AT 31ST March, 2012	AS AT 31ST March, 2011
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	2	36,000,000	36,000,000
Reserves and Surplus	3	82,545,480	84,883,561
Non-Current Liabilities			
Long-Term Borrowings	4	113,516,844	145,182,001
Deferred Tax Liabilities (Net)	5	17,684,390	20,049,482
Long Term Provisions	6	8,896,402	8,566,712
Current Liabilities			
Short-Term Borrowings	7	453,794,287	312,496,848
Trade Payables	8	121,109,935	48,555,527
Other Current Liabilities	9	69,342,927	52,435,883
Short-Term Provisions	10	5,454,655	4,897,448
Total Equity & Liabilities		908,344,920	713,067,462
ASSETS			
Non-Current Assets			
Fixed Assets	11	198,402,889	224,301,262
Tangible Assets		716,009	283,535
Intangible Assets		9,159,632	—
Capital Work in Progress		1,349,573	—
Intangible Assets Under Development		84,000	84,000
Non-current investments	12	6,037,818	6,341,919
Long term loans and advances	13		
Current Assets			
Inventories	14	210,226,577	83,094,811
Trade receivables	15	379,455,544	290,001,390
Cash and cash equivalents	16	14,069,576	34,697,595
Short-term loans and advances	17	88,843,302	74,262,950
Total Assets		908,344,920	713,067,462

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 and on behalf of the Board of Directors

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

(M. P. Jindal)
Chairman

(Abhiram Tayal)
Managing Director

(Karan Dev Tayal)
Director

(Ram Babu Aggarwal)
Partner
Membership No. 082093

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

(Pardeep Nandal)
Company Secretary

Place : HISAR
Dated : 27th August, 2012

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2012

DESCRIPTION	Note	FOR THE YEAR 31ST March, 2012	FOR THE YEAR 31ST March, 2011
Revenue:			
Revenue from operations	18	1,975,394,131	1,451,802,458
Other Income	19	2,388,904	3,426,074
Total Revenue		1,977,783,035	1,455,228,532
Expenses:			
Cost of materials consumed	20	1,635,803,918	1,181,865,266
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	534,658	7,147,007
Employee Benefit Expense	22	22,175,098	21,869,600
Finance Costs	23	82,948,218	57,671,129
Depreciation and Amortization Expense	24	25,417,450	23,858,278
Other Expenses	25	207,501,155	154,914,467
Total Expenses		1,974,380,497	1,447,325,747
Profit before exceptional and extraordinary items and tax		3,402,538	7,902,785
Exceptional Items		—	—
Profit before extraordinary items and tax		3,402,538	7,902,785
Extraordinary Items		—	—
Profit before tax		3,402,538	7,902,785
Tax expense :			
Current tax		3,875,681	3,745,177
Previous Year Tax		46,020	(83,936)
Deferred tax		(2,365,092)	(1,087,693)
Profit(Loss) from the perid from continuing operations		1,845,929	5,329,237
Profit/(Loss) from discontinuing operations		—	—
Tax expense of discounting operations		—	—
Profit/(Loss) from Discontinuing operations		—	—
Profit/(Loss) for the year		1,845,929	5,329,237
Earning per equity share :			
Basic		0.51	1.48
Diluted		0.51	1.48

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

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

(M. P. Jindal)
Chairman

For and on behalf of the Board of Directors

(Abhiram Tayal)
Managing Director

(Karan Dev Tayal)
Director

(Ram Babu Aggarwal)
Partner
Membership No. 082093

Place : HISAR
Dated : 27th August, 2012

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

(Pardeep Nandal)
Company Secretary

HISAR METAL INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2012

Particulars	As at 31st March, 2012	As at 31st March, 2011
Cash flow from operating activities	3,402,538	7,902,785
Profit before taxation		
Adjusted for :	25,417,450	23,858,278
Depreciation	9,845	237,401
Loss on sale/disposal of fixed assets	—	—
Interest income	82,948,218	57,671,129
Interest expense	208,263	—
Bad debts written off during the year	111,986,314	89,669,593
Operating profit before working capital changes		
Operating profit before following adjustments :	(127,131,766)	199,255,623
(Increase)/Decrease in inventories	(89,662,417)	41,844,434
(Increase)/Decrease in trade receivables	72,554,408	(210,008,564)
Increase/(Decrease) in trade payables	16,907,045	33,039,060
Increase/(Decrease) in other current liabilities		
Increase/(Decrease) in other long term liabilities	329,690	969,063
Increase/(Decrease) in long term provisions	—	—
Increase/(Decrease) in short term provisions		
Cash used in operations	(3,364,494)	(3,695,249)
Income tax paid	—	—
Income tax refund	(18,381,220)	151,073,960
Net cash flow from/(used in) operating activities (A)		
Cash flow from investing activities	(11,397,020)	(26,040,002)
Purchase of fixed assets including intangible assets, capital work in progress and capital advances	926,419	468,874
Proceeds from sale of fixed assets	(14,580,352)	(34,441,286)
Movement in short term loans and advances	304,101	(2,626,399)
Movement in long term loans and advances	0	0
Interest received	(24,746,852)	(62,638,813)
Net cash from/(used in) investing activities (B)		
Cash flow from financing activities	141,297,439	80,133,909
Short term borrowing received from others	(31,665,157)	(76,883,185)
Long term borrowing taken (including current maturities)	(3,600,000)	(3,600,000)
Payment of dividend	(584,010)	(597,915)
Tax on dividend	(82,948,218)	(57,671,129)
Interest paid	22,500,054	(58,618,320)
Net cash from/(used in) financing activities (C)	(20,628,018)	29,816,827
Net changes in cash and cash equivalents (A+B+C)	34,697,595	4,880,767
Cash and cash equivalents - opening balance	14,069,577	34,697,594
Cash and cash equivalents - closing balance		

HISAR METAL INDUSTRIES LIMITED**23****Components of cash and cash equivalents (refer to note 23)**

Cash on hand	329,069	269,915
With bank :		
In current accounts	1,542,442	29,731,734
In fixed deposit accounts	12,198,066	4,695,945

*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

(M. P. Jindal)
Chairman

For and on behalf of the Board of Directors

(Abhiram Tayal)
Managing Director

(Karan Dev Tayal)
Director

(Ram Babu Aggarwal)
Partner
Membership No. 082093

Place : HISAR
Dated : 27th August, 2012

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

(Pardeep Nandal)
Company Secretary

HISAR METAL INDUSTRIES LIMITED

Notes Forming Integral Part of the Financial Statements as at 31ST MARCH 2012

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.

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 lowe 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.

HISAR METAL INDUSTRIES LIMITED

Notes Forming Integral Part of the Financial Statements as at 31ST MARCH 2012

Note : 2 Share Capital

Particulars	As at 31st March 2012		As at 31st March 2011	
	No. of Shares	Amount	No. of Shares	Amount
AUTHORIZED CAPITAL				
Equity Shares of Rs. 10/- each	5,000,000	50,000,000	5,000,000	50,000,000
	5,000,000	50,000,000	5,000,000	50,000,000
ISSUED, SUBSCRIBED & PAID UP CAPITAL				
Equity Shares of Rs. 10/- each Fully Paid up	3,600,000	36,000,000	3,600,000	36,000,000
Total	3,600,000	36,000,000	3,600,000	36,000,000

(a) Reconciliation of Equity shares and amounts outstanding

Particulars	As at 31st March 2012		As at 31st March 2011	
	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	—	—	—	—
At the end of the year	3,600,000	36,000,000	3,600,000	36,000,000

(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 2012		As at 31st March 2011	
	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 2012		As at 31st March 2011	
Securities Premium Reserve				
As per last Balance Sheet		11,546,700		11,546,700
General Reserve				
As per last Balance Sheet		37,200,000		37,200,000
Profit & Loss Account				
As per Last Balance Sheet	36,136,861		34,991,634	
Add : Profit for the year	1,845,929		5,329,237	
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	
		33,798,780		36,136,861
Total		82,545,480		84,883,561

Note : 4 Long Term Borrowings

Particulars	As at 31st March 2012		As at 31st March 2011	
	Non Current	Current	Non Current	Current
Secured				
Term Loans				
- From Bank	16,143,265	17,880,505	34,157,785	19,827,942
- From Other Parties	—	1,168,489	1,190,103	2,218,141
Unsecured				
- Fixed Deposits	17,135,000	460,000	7,510,000	8,585,000
- Corporate Loan	68,338,579	20,000,000	70,874,113	—
- Loans From Directors	11,900,000	750,000	5,450,000	5,000,000
- Dealer Security	—	—	26,000,000	—
Total	113,516,844	40,258,994	145,182,001	35,631,083

Security	Terms of Repayment and Default
a. Term Loan from Punjab National bank of Rs. 16710044 is secured against first charge on leasehold rights of landbuilding and block assets of the company.	Repayable in 8 quarterly instalments carrying an interest rate of Base rate plus 3.5%.
b. Term Loan from Punjab National bank of Rs. 16202475 is secured against first charge on leasehold rights of land, building and block assets of the company.	Repayable in 8 quarterly instalments carrying an interest rate of Base rate plus 3.5%.
c. Term Loan from ICICI Bank Ltd. of Rs. 1111251 is secured against first charge on hypothecation of car.	Repayable in 15 monthly instalments carrying an interest rate of 8.64%.
d. Term Loan from Kotak Mahindra Prime Ltd. of Rs. 1168489 is secured against first charge on hypothecation of car.	Repayable in 6 monthly instalments carrying an interest rate of 8.96%.

Note : 5 Deferred Tax Liability (Net)

Particulars	As at 31st March 2012	As at 31st March 2011
Deferred Tax Liability		
Depreciation	21,008,489	23,378,321
Deferred Tax Assets		
Disallowances under the Income Tax Act, 1961	3,324,099	3,328,839
Total	17,684,390	20,049,482

Note : 6 Long term Provisions

Particulars	As at 31st March 2012	As at 31st March 2011
Gratuity	7,129,029	6,845,327
Leave Encashment	1,767,373	1,721,385
Total	8,896,402	8,566,712

HISAR METAL INDUSTRIES LIMITED**28****Note : 7 Short Term Borrowings**

Particulars	As at 31st March 2012	As at 31st March 2011
Secured		
Working Capital Loans From Banks		
- Rupee Loans	382,163,192	312,496,848
- Foreign Currency Loans-Buyers Credit	71,631,095	—
Total	453,794,287	312,496,848

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

- Cash Credit of Rs.179997438 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.
- Working Capital Demand Loan of Rs.202165753 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.
- Foreign Currency Loan - Buyer's Credit of Rs.71631095 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 2012	As at 31st March 2011
Micro, Small and Medium Enterprises	—	—
Others	121,109,935	48,555,527
Total	121,109,935	48,555,527

Note : 9 Other Current Liabilities

Particulars	As at 31st March 2012	As at 31st March 2011
Current maturities of long term debt (Refer Note No. 4)	40,258,994	35,631,083
Unclaimed Dividends	419,881	453,902
Creditors for Capital Expenditure	5,530,479	—
Bank Book Overdraft	5,717,669	—
Advance from Customers	3,064,422	6,374,728
Other Payables	14,351,482	9,976,170
Total	69,342,927	52,435,883

Note : 10 Short Term Provisions

Particulars	As at 31st March 2012	As at 31st March 2011
Proposed Dividend	3,600,000	3,600,000
Tax on Dividend	584,010	584,010
Provision for Tax (Net of Advance Tax)	1,270,645	713,438
Total	5,454,655	4,897,448

HISAR METAL INDUSTRIES LIMITED

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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, 2012	Value at the beginning	Addition during the year	Deduction during the year	Value as at 31st March, 2012	WDV as on 31.03.2012	WDV as on 31.03.2011
Tangible Assets										
Land	9,806,840	—	—	9,806,840	—	—	—	—	9,806,840	9,806,840
Industrial Plot	11,234,647	—	918,905	10,315,742	—	—	—	—	10,315,742	11,234,647
Shed and Building	22,444,646	—	—	22,444,646	5,464,913	749,651	—	6,214,564	16,230,082	16,979,733
Delhi office	3,710,000	—	—	3,710,000	169,745	123,914	—	293,659	3,416,341	3,540,255
Plant and Machinery	296,497,156	—	—	296,497,156	129,825,752	22,000,089	—	151,825,841	144,671,315	166,671,404
Generator	11,412,867	—	—	11,412,867	8,665,471	846,835	—	9,512,306	1,900,561	2,747,396
Vehicles	14,074,175	51,349	36,004	14,089,520	2,424,146	1,338,253	18,645	3,743,754	10,345,766	11,650,029
Furniture and Fixture	975,479	169,697	—	1,145,176	310,960	71,529	—	382,489	762,687	664,519
Office Equipments	1,338,719	27,350	—	1,366,069	417,085	64,779	—	481,864	884,205	921,634
Computer	1,483,174	76,289	—	1,559,463	1,398,369	91,744	—	1,490,113	69,350	84,805
SUB TOTAL A	372,977,703	324,685	954,909	372,347,479	148,676,441	25,286,794	18,645	173,944,590	198,402,889	224,301,262
Intangible Assets										
Computer Software	286,744	563,130	—	849,874	3,209	130,656	—	133,865	716,009	283,535
SUB TOTAL B	286,744	563,130	—	849,874	3,209	130,656	—	133,865	716,009	283,535
Capital Work-in-progress										
Plant and Machinery	—	9,159,632	—	9,159,632	—	—	—	—	9,159,632	—
SUB TOTAL C	—	9,159,632	—	9,159,632	—	—	—	—	9,159,632	—
Intangible Assets Under Development										
Computer Software	—	1,349,573	—	1,349,573	—	—	—	—	1,349,573	—
SUB TOTAL D	—	1,349,573	—	1,349,573	—	—	—	—	1,349,573	—
Total [A+B+C+D](Current Year)	373,264,447	11,397,020	954,909	383,706,558	148,679,650	25,417,450	18,645	174,078,455	209,628,103	224,584,797
(Previous Year)	348,859,649	46,480,744	22,075,946	373,264,447	125,750,301	23,858,278	928,929	148,679,650	224,584,797	223,109,348

Note : 12 Non Current Investments

Particulars	As at 31st March 2012	As at 31st March 2011
Investment in Equity Instrument	84,000	84,000
Quoted Non Trade at Cost		
2400 Equity Shares of Haryana Financial Corporation of Rs.10/- each fully paid up (Market value not Available)		
Total	84,000	84,000

Note : 13 Long Term Loans and Advances

Particulars	As at 31st March 2012	As at 31st March 2011
Unsecured, Considered Good :		
Security Deposit	3,814,020	3,698,520
MAT Credit Entitlement	823,518	823,518
Sales Tax Refundable	1,400,280	1,819,881
Total	6,037,818	6,341,919

Note : 14 Inventories

Particulars	As at 31st March 2012	As at 31st March 2011
Raw Material	159,675,355	40,958,098
Finished Goods	10,201,766	10,736,424
Stores & Spares	40,349,456	31,400,289
Total	210,226,577	83,094,811

Note : 15 Trade Recievables

Particulars	As at 31st March 2012	As at 31st March 2011
Unsecured, Considered Good :		
Outstanding for more than six months	2,405,542	23,874,627
Others	377,050,002	266,126,763
Total	379,455,544	290,001,390

Note : 16 Cash & Bank Balances

Particulars	As at 31st March 2012	As at 31st March 2011
Cash & Cash Equivalent		
Cash Balance	329,068	269,916
Bank Balances in Current accounts	1,122,561	29,277,832
Silver Coins	3,851	20,641
Bank balances		
Bank Balance Representing Unclaimed Dividend	419,881	453,902
Balance with Banks in Fixed Deposit Account (Maturity more than three months but upto twelve months Rs. 2219378 and less than three months 9974837)*	12,194,215	4,675,304
Total	14,069,576	34,697,595

* 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 2012	As at 31st March 2011
Others		
(Unsecured considered good)		
Excise Duty Recoverable	24,732,688	18,479,327
Advance Income Tax/Refund Due	-	1,352,091
Balance With Revenue Authorities (Indirect Taxes)	10,472,008	12,820,896
Advance against machinery	1,202,776	268,960
Prepaid Expenses	1,579,877	1,722,377
Others	50,855,953	39,619,299
Total	88,843,302	74,262,950

HISAR METAL INDUSTRIES LIMITED**31****Note : 18 Revenue from Operations**

Particulars	As at 31st March 2012	As at 31st March 2011
Sale of Products		
Cold Rolled Stainless Steel strips	2,162,463,321	1,592,582,281
Sale of Services		
Consultancy	10,000,000	-
Job Work Income	2,131,728	2,036,853
Other Operating Revenue		
Export Sale Income	365,145	766,174
Less :		
Excise Duty	199,566,063	143,582,850
Total	1,975,394,131	1,451,802,458

Note : 19 Other Income

Particulars	As at 31st March 2012	As at 31st March 2011
Profits on sale of Fixed Assets	-	24,588
Miscellaneous Income		
- Exchange fluctuation	288,740	547,255
- Store sale	1,899,801	2,182,859
- Others	200,363	671,372
Total	2,388,904	3,426,074

Note : 20 Cost of Material Consumed

Particulars	As at 31st March 2012		As at 31st March 2011	
	%	Amount	%	Amount
Hot Rolled SS strips				
Indigenous	87.87	1,437,334,697	97.05	1,146,972,883
Import	12.13	198,469,221	2.95	34,892,383
Total	100.00	1,635,803,918	100.00	1,181,865,266

Note : 21 Change in Inventories

Particulars	As at 31st March 2012	As at 31st March 2011
Inventories (at close)		
Finished Goods	10,201,766	10,736,424
Inventories (at commencement)		
Finished Goods	10,736,424	17,883,431
Total	534,658	7,147,007

Note : 22 Employee Benefit Expenses

Particulars	As at 31st March 2012	As at 31st March 2011
Salaries Wages and Bonus	16,937,098	16,954,282
Staff & Labour Welfare	1,212,053	1,223,325
Contribution to Provident & Other funds	2,237,250	2,281,337
Gratuity	1,725,882	1,219,018
Leave Encashment	62,815	191,638
Total	22,175,098	21,869,600

HISAR METAL INDUSTRIES LIMITED**32****Note : 23 Finance Cost**

Particulars	As at 31st March 2012	As at 31st March 2011
Interest on :		
Long Term Loan	17,501,063	19,077,973
Short Term	26,366,268	23,471,830
Others	37,227,990	14,250,333
Bank Charges	1,852,897	870,993
Total	82,948,218	57,671,129

Note : 24 Depreciation & Amortised Cost

Particulars	As at 31st March 2012	As at 31st March 2011
Depreciation	25,417,450	23,858,278
Total	25,417,450	23,858,278

Note : 25 Other Expenses

Particulars	As at 31st March 2012	As at 31st March 2011
Manufacturing Expenses :		
Stores and Spares	43,493,478	33,508,263
Power and Fuel	119,119,042	88,306,378
Chemical	28,774,425	18,914,691
Repair and Maintenance(Plant and Machinery)	4,404,731	3,043,105
Other Manufacturing Expenses	880,206	753,572
Rent	297,000	314,000
Filing Fees	4,500	3,000
Legal & Professional	394,238	350,168
Vehicle Upkeep & Maintenance	973,485	823,543
Insurance	2,305,627	1,798,423
Postage, Telegram & Telephone	708,724	724,741
Travelling & Conveyance	852,473	856,452
Printing & Stationery	556,498	478,534
Auditor's Remuneration as:		
Statutory Audit Fees	72,000	60,000
Tax Audit Fees	24,000	20,000
Consultancy	22,000	22,000
Advertisement	555,443	489,142
Fees & Subscription	598,874	259,148
Commission & Discount	535,545	1,016,790
Donation	61,700	55,251
Freight & Octroi	1,021,501	746,012
Miscellaneous Expenses	456,486	468,260
Export Sale Exp	299,801	1,042,058
Sale Tax Expenses	667,720	-
Sale Promotion Expenses	203,550	598,948
Loss on sale of fixed assets	9,845	261,989
Bad Debts	208,263	-
Total	207,501,155	154,914,467

Note : 26 Disclosure as per AS15-Retirement Benefits :
Post Retirement Employee Benefit :

Description of Plan

Gratuity

Leave Encasement

Principal actuarial assumptions

	Gratuity		Leave Encashment	
	31.3.2012	31.3.2011	31.3.2012	31.3.2011
i) Economic Assumptions				
a) Discounting Rate	8.50%	8.00%	8.50%	8.00%
b) Future Salary Increase	6.00%	5.50%	6.00%	5.50%
c) Expected Rate of return on plan assets	-	-	-	-
ii) The amounts to be recognized in balance sheet and related analysis				
a) Present Value of obligation as at end of the period	7,129,029	6,845,327	1,767,373	1,721,385
b) Fair Value of plan assets as at the end of the period	-	-	-	-
c) Funded status / difference	(7,129,029)	(6,845,327)	(1,767,373)	(1,721,385)
d) Excess of actual over estimated	-	-	-	-
e) Unrecognized actuarial (gains)/ losses	-	-	-	-
f) Net asset/(liability) recognized in balance sheet	(7,129,029)	(6,845,327)	(1,767,373)	(1,721,385)
iii) Expense recognized in the statement of Profit and Loss				
a) Current service cost	601,200	595,439	155,801	141,223
b) Past service cost	-	-	-	-
c) Interest cost	581,853	484,973	146,318	122,839
d) Expected return on plan assets	-	-	-	-
e) Curtailment cost/(Credit)	-	-	-	-
f) Settlement cost/(Credit)	-	-	-	-
g) Net actuarial (gain)/ loss recognized in the period	542,829	138,606	(239,304)	(72,424)
h) Expense recognized in the statement of profit & losses	1,725,882	1,219,018	62,815	191,638
iv) Reconciliation statement of expense in the statement of profit and loss				
a) Present value of obligation as at the end of period	7,129,029	6,845,327	1,767,373	1,721,385
b) Present value of obligation as at the beginning of the period	6,845,327	6,062,167	1,721,385	1,535,482
c) Benefits paid	1,442,180	435,858	16,827	5,735
d) Actual return on plan assets	-	-	-	-
e) Expenses recognized in the statement of profit & losses	1,725,882	1,219,018	62,815	191,638
v) Movement in the liability recognized in the balance sheet				
a) Opening net liability	6,845,327	6,062,167	1,721,385	1,535,482
b) Expenses as above	1,725,882	1,219,018	62,815	191,638
c) Benefits paid	(1,442,180)	(435,858)	(16,827)	(5,735)
d) Closing net Liability	7,129,029	6,845,327	1,767,373	1,721,385

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. Ravindra Tubes Limited Hisar
2. Jindal Polybutton Limited
3. Jindal Product Limited
4. Jindal Metal Limited
5. 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 & 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 2012	31st March 2011
Managerial Remuneration	KMP	Sh. Abhiram Tayal	609,360	609,360
Interest Paid	Associate Concern	Ravindra Tubes Limited Hisar	2,110,685	12,603
		Amtrex Trading Co. Pvt. Ltd.	855,039	751,527
	KMP	Sh. Abhiram Tayal	335,275	230,887
		Smt. Anubha Tayal	364,518	296,887
		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	68,525	-
	Associate Concern	Jindal Metal Limited	288,000	278,000
		Jindal Products Limited	9,000	36,000
Payable to:	Associate Concern	Amtrex Trading Co. Pvt. Ltd.	4,480,929	7,211,394
	KMP	Sh. Abhiram Tayal	3,925,000	2,425,000
		Smt. Anubha Tayal	3,725,000	3,025,000
		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	-
		Sh. Vikram Kumar Jain	9,785,000	9,785,000

Note : 28 CIF Value of Imports

Particulars	31st March 2012	31st March 2011
Raw materials	201,804,601	28,604,386
Stores & Spares	4,697,663	255,955

Note : 29 Earnings in foreign exchange

Particulars	31st March 2012	31st March 2011
FOB value of exports	8,007,670	24,737,999

Note: 30 Expenditure in foreign currency

Particulars	31st March 2012	31st March 2011
Travel Expenses	-	60,200

Note : 31 Earnings per share

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

Particulars	31st March 2012	31st March 2011
Profit for computation of Basic EPS	1,845,929	5,329,237
Add/(Less) adjustment	-	-
Profit for computation of Diluted EPS	1,845,929	5,329,237
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 2012	31st March 2011
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	1,700,000	280,000
Counter guarantees issued to the bank for the bank guarantee obtained	1,112,377	987,377
Cheques/Bills/LCs/FLCs discounted with Company's Banker	49,348,449	23,608,626
Excise duty related matter	385,377	385,377
Sales tax related matter	22,519,770	17,783,500

The Central Excise Department had made a demand of Rs.385377/- towards tax liability for the year 2000. Management contends that the Company has sufficient grounds to defend its position and has already filed appeal with appellate authorities.

Haryana Government had imposed a levy namely Local Area Development Tax in the year 2007. However, the applicability of the levy has been challenged and the appeal is pending in the Hon'ble Punjab & Haryana High Court and matter is still pending, therefore, no provision in this regard has been made.

HISAR METAL INDUSTRIES LIMITED**Note : 33 Previous Year Figures**

Financial statements for the year ended 31st March, 2012 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.

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

(Ram Babu Aggarwal)
Partner
Membership No. 082093

Place : HISAR
Dated : 27th August, 2012

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

HISAR METAL INDUSTRIES LIMITED

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

PROXY FORM

FOLIO No.

I/We
of
being a member/members of HISAR METAL INDUSTRIES LIMITED hereby appoint
..... of
..... of failing him/her
of as my/our proxy to attend vote for me/us and on my/our behalf at the 22nd
Annual General Meeting of the Company to be held on Saturday, the 29th September, 2012 at 11.00 a.m.
Signed this day of 2012.

Signature of Proxy/s

Signature-----

Affix
Revenue
Stamp
Rs. 1/-

NOTE :

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

TEAR OFF

HISAR METAL INDUSTRIES LIMITED

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

ATTENDANCE SLIP

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

I/We hereby record my/our presence at the 22nd Annual General Meeting to be held on 29th September, 2012 at 11.00 a.m. at the Registered Office : Near Industrial Development Colony, Delhi Road, Hisar – 125 005 (Haryana).

NAME OF THE SHARE HOLDER/PROXY*

ADDRESS

NO. OF SHARES HELDFOLIO NO.

*(Strike out whichever is Not Applicable)

SIGNATURE OF THE SHARE HOLDER/PROXY