



**TWENTY FOURTH  
ANNUAL REPORT  
2013-2014**

**HISAR METAL INDUSTRIES LTD.**  
**CIN: L74899HR1990PLC030937**

## **BOARD OF DIRECTORS**

Mr. M.P. Jindal (Chairman)  
Mr. Abhiram Tayal (Managing Director)  
Mrs. Anubha Tayal  
Mr. Shital Parshad Jain  
Mr. Sajjan Singh  
Mr. Karan Dev Tayal  
Mr. Rahul Dev Tayal  
Mr. Sharat Jain  
Mr. Anuj Kumar

## **COMPANY SECRETARY**

Mr. Abhishek Kapoor

## **STATUTORY AUDITORS**

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

## **BANKERS**

Punjab National Bank

## **REGISTERED & CORPORATE OFFICE**

Near I.D.C., Delhi Road  
Hisar-125 005  
Haryana



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**NOTICE**

**Notice** is hereby given that the **twenty fourth Annual General Meeting** of **HISAR METAL INDUSTRIES LIMITED** will be held on **Wednesday, September 24, 2014, at 11:00 A.M.** at its Registered Office at **Near I. D. C., Delhi Road, Hisar-125 005, (Haryana)**, to transact the following businesses:

**Ordinary Business:**

1. To receive, consider and adopt the Audited Balance Sheet as on March 31, 2014 and the statement of Profit and Loss and cash flow statement for the year ending on that date, together with the Auditors' Report and Directors' Report thereon.
2. To declare a dividend of Re. 1/- per share as recommended by the Board of Directors.
3. To appoint a Director in place of Mr. Karan Dev Tayal (DIN-00181214) who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s. Ram Sanjay & Co., Chartered Accountants, having Firm Registration no. 021670N with the Institute of Chartered Accountants of India, as Statutory Auditors of the Company, as recommended by the Audit Committee of the Company, from the conclusion of this meeting till the conclusion of the third consecutive Annual General Meeting of the Company, subject to ratification of the Shareholders at every Annual General Meeting during the aforementioned period and to fix their remuneration.

**Special Business:**

5. To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

**"RESOLVED that** pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 ("Act"), if any (including any statutory modification or re-enactment thereof, for the time being in force) and the Rules made there under read with Schedule IV to the Act, Mr. Shital Parshad Jain (DIN-01844444), an Independent Director of the Company, in respect of whom the Company has received a notice from a member as per Section 160 of the Act proposing his candidature as an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term from September 24, 2014 to September 23, 2019."

6. To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

**"RESOLVED that** pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 ("Act"), if any (including any statutory modification or re-enactment thereof, for the time being in force) and the Rules made there under read with Schedule IV to the Act, Mr. Sharat Jain (DIN-02846477), an Independent Director of the Company, in respect of whom the Company has received a notice from a member as per Section 160 of the Act proposing his candidature as an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term from September 24, 2014 to September 23, 2019."

7. To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

**"RESOLVED that** pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 ("Act"), if any (including any statutory modification or re-enactment thereof, for the time being in force) and the Rules made there under read with Schedule IV to the Act, Mr. Anuj Kumar (DIN-02846580), an Independent Director of the Company, in respect of whom the Company has received a notice from a member as per Section 160 of the Act proposing his candidature as an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term from September 24, 2014 to September 23, 2019."

8. To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

**“RESOLVED that** pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 (“Act”), if any (including any statutory modification or re-enactment thereof, for the time being in force) and the Rules made there under read with Schedule IV to the Act, Mr. Sajjan Singh (DIN-00081937), an Independent Director of the Company, in respect of whom the Company has received a notice from a member as per Section 160 of the Act proposing his candidature as an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term from September 24, 2014 to September 23, 2019.”

9. To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

**“RESOLVED that** pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 (“Act”), if any (including any statutory modification or re-enactment thereof, for the time being in force) and the Rules made there under read with Schedule IV to the Act, Mr. Krishan Kumar Jain (DIN-06870291), an Independent Director of the Company, in respect of whom the Company has received a notice from a member as per Section 160 of the Act proposing his candidature as an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term from September 24, 2014 to September 23, 2019.”

10. To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

**“RESOLVED that** pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V of the Companies Act, 2013 and other applicable provisions, if any (including any statutory modification or re-enactment thereof, for the time being in force) and the Rules made there under and subject to the Articles 108 to 111 of Articles of Association of the Company, the approval of the Members be and is hereby accorded to the re-appointment of Mr. Abhiram Tayal (DIN-00081453), as Managing Director of the Company for a period of five years with effect from February 14, 2015, on terms and conditions, as decided by the Nomination & Remuneration Committee of Board of Directors of the Company, specified herein-below read with explanatory statement as per Section 102(1) of the Act annexed to this notice:

**a) Basic pay:** Annual salary of Rs. 9,00,000/- to be paid periodically in accordance with the normal payroll practice of the Company.

**b) Perquisites:** In addition to the basic pay Mr. Tayal will be entitled to following perquisites during the currency of his tenure:

- i. **Medical reimbursement:** Reimbursement of expenses incurred for self and family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
- ii. **Leave travel concession:** Leave travel concession for self and family once in a year not exceeding two month's salary.
- iii. **Club fees:** Fees of clubs subject to two clubs provided that no life membership or admission fees will be paid.
- iv. Telephone and other necessary communication facilities at the residence for company's business shall be provided by the Company.
- v. Chauffeur driven cars for business purpose of the Company.
- vi. Contribution to provident fund and superannuation fund as per rules of the company to the extent said amount is not taxable under the Income Tax Act, 1961.
- vii. Gratuity payable shall not exceed half- month's salary for each completed year of service.

viii. Encashment of earned leave at the time of retirement/superannuation in accordance with the rules of the Company.

c) **Minimum remuneration:** In the event of absence or inadequacy of profits in any financial year during the currency of the tenure of Mr. Abhiram Tayal as Managing Director of the Company aforesaid remuneration will be paid to him as minimum remuneration subject to the provisions of Schedule V of the Act.”

“**RESOLVED FURTHER THAT** Mr. Abhiram Tayal shall perform such duties as shall be entrusted to him by the Board of Directors, subject to superintendence, guidance and control of the Board of Directors.”

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

11. To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution:**

“**RESOLVED that** pursuant to the provisions of Sections 148 and in accordance with Rule 14 of the Companies (Audit & Auditors) Rules, 2014, and other applicable provisions of the Companies Act, 2013, if any, a remuneration of Rs. 50,000 be and is hereby determined to be paid to M/s. Naveen Gupta & Co., Cost Accountants having Firm Registration no. 100920 with the Institute of Cost Accountants of India, as approved by the Board of Directors of the Company (“Board”) on recommendation of the Audit Committee of the Board to audit the cost records of the Company for the year 2014-15.”

12. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution:**

“**RESOLVED that** in supersession of the ordinary resolution passed at the Annual General Meeting of the Company held on September 25, 2006, under Section 293(1)(a) and (d) of the Companies Act, 1956, the consent of the Shareholders be and is hereby accorded as per the provisions of Section 180(1)(a) and (c) of the Companies Act, 2013 (Act) and all other applicable provisions, if any, of the Act to authorize the Board of Directors of the Company to borrow monies together with monies already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) up to Rs. 100 Crores (Rupees One Hundred Crores) as outstanding at any time in excess of the aggregate of Paid-up Capital and Free Reserves of the Company from time to time.”

**By the order of Board of Directors  
For Hisar Metal Industries Limited**

**Date:** August 19, 2014  
**Place:** Hisar

Sd/-  
(Abhishek Kapoor)  
**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/herself and the proxy so appointed need not be a member of the Company.**
2. The instrument appointing a proxy, duly completed, shall be received not less than 48 hours before the commencement of the meeting at the registered office of the Company in order to make the proxies effective. A person appointed as proxy shall act on behalf of not more than fifty members and holding not more than ten percent of total share capital of the Company.
3. Members can inspect proxies lodged with the Company during the period from 24 hours before the meeting to the conclusion of the meeting by giving notice, in writing, at-least three days in advance.

4. Members/Proxies should bring duly filled attendance slip enclosed herewith for attending the meeting.
5. **Members are advised to nominate a person in respect of all the shares held by them.**
6. The statement as per Section 102(1) of the Companies Act, 2013, with respect to the special businesses in this notice and details of Directors to be appointed in this meeting as required under listing agreements with Stock Exchanges are annexed herein-below.
7. The Register of Members and Share Transfer Books of the Company will remain closed from September 15, 2014 to September 24, 2014 (both days inclusive) for determining the name of members eligible for dividend, if approved, at the Annual General Meeting.
8. The dividend of 10% (Re. 1/- per share) for the financial year ended on March 31, 2014 as recommended by the Board, if declared at the meeting will be paid on September 29, 2014, to those members whose names appear on the Company's Register of Members and List of Beneficiaries as on September 24, 2014.
9. Members holding shares in physical form may write to the Company Secretary or Registrar and Share Transfer Agent of the Company for any change in their address and bank mandates. While members holding 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.
10. The documents pertaining to businesses to be transacted at this Annual General Meeting are available for inspection at the Registered Office of the Company during business hours except on holidays.
11. Pursuant to Section 205A read with Section 205C of the Companies Act, 1956, any amount of Dividend or other specified items that remains unpaid / unclaimed for a period of seven years is required to be transferred to the Investor Education and Protection Fund of the Central Government (IEPF). The Company has transferred the amount of dividends declared till September 25, 2006, to the IEPF. The shareholders are requested to write to the Company Secretary to claim unpaid dividend.
12. Members holding shares in dematerialized form are requested to update the details pertaining to their shareholding such as change of address/name, bank details, ECS mandate, nominations, power of attorney etc. with their depository participants. However the members who hold shares in physical form may write to the Company Secretary or RTA at M/s. Skyline Financial Services Pvt. Ltd., D-153 A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi-110 020, Tel.: +91 (11) 26812682, 83, 64732681 to 88, Fax: +91 (11) 26812682, Email: admin@skylinerta.com
13. Members holding shares in physical form are requested to dematerialize their shares for their own convenience.
14. **Members are requested to submit the Permanent Account Number (PAN) to their Depository Participant however those who hold shares in physical form shall submit the PAN to Registrar and Share Transfer Agent or the Company.**

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**Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 and information under Clause 49 of the listing agreements with the Stock Exchanges about Directors seeking appointment / re-appointment**

**Item : 3**

Mr. Karan Dev Tayal aged about 34 years is a Software Engineer and was inducted into the Board of Directors of the Company on October 3, 2008. He has completed his M. Tech in Computer Science from New Jersey Institute of Technology and has experience of over 10 years.

Mr. Karan Dev Tayal has worked with Citi Group as AVP- Future and Options for a period of over 5 years and thereafter set-up his own Company Ariansh Infotech Private Limited, which provides IT solutions. Although he is a Non-executive Director of the Company but leveraging his vast experience and interest in technology he has advised the Organization in automation of various processes involved in the operations.



Mr. Karan Dev Tayal is a Director in Ariansh Infotech Private Limited and does not hold directorship in any other company. He does not chair or hold membership of committees of the Company and any other company. He does not hold any share of the Company.

Nature of expertise in specific functional area: Software solutions and Finance

Except the following Directors none of the Director is concerned or interested in this resolution:

Sr. No.	Name	Description	Relation
1.	Mr. Abhiram Tayal	Managing Director	Father
2.	Mrs. Anubha Tayal	Non-executive Director	Mother

The Board of Directors considers that in view of the background, experience and contribution to the Company of Mr. Karan Dev Tayal, it would be in the interest of the Company to re-appoint him as a director of the Company and recommends to the shareholders this resolution.

#### Item: 5

Mr. Shital Parshad Jain aged about 68 years was inducted into the Board of Directors on September 29, 2008. He is an Advocate and has experience of over 38 years.

Mr. Parshad is practicing as an Advocate and his proprietary firm provides consultancy in various areas under corporate laws, taxation, organizational restructuring etc. He is the Chairman of the Audit Committee and the Nomination & Remuneration Committee of the Company and does not hold directorship and membership of committees in any other company. He does not hold any share of the Company.

Nature of expertise in specific functional area: Corporate laws and taxation.

Mr. Parshad is an Independent Director of the Company liable to retire by rotation under the erstwhile provisions of Companies Act, 1956. However, as per the provisions of Section 149 of the Companies Act, 2013, an independent director shall not be liable to retire by rotation and be appointed for fixed period up to 5 years. Accordingly the Board of Directors has decided to recommend this resolution for his appointment as an Independent Director of the Company, for tenure from September 24, 2014 to September 23, 2019, considering his background, experience and fulfillment of conditions specified in the Companies Act, 2013.

The Company has received a notice in writing from a member of the Company along with deposit of Rs. 1,00,000/- (Rupees One Lac) in pursuance of the Section 160 of Companies Act, 2013, proposing the candidature of Mr. Shital Parshad Jain as an Independent director of the Company. None of the director and key managerial personnel of the Company, or their relatives are interested in this resolution except Mr. Shital Parshad Jain himself.

#### Item: 6

Mr. Sharat Jain aged about 42 years is a Businessman and was inducted into the Board of Directors on October 31, 2009. He is a graduate and has experience of over 12 years.

He is not a director in any other company and does not chair or hold membership of committees of the Company and any other company. He is not a shareholder of the Company.

Nature of expertise in specific functional area: Operational Management and Finance

Mr. Jain is an Independent Director of the Company liable to retire by rotation under the erstwhile provisions of Companies Act, 1956. However as per the provisions of Section 149 of the Companies Act, 2013, an independent director shall not be liable to retire by rotation and be appointed for fixed period up to 5 years. Accordingly the Board of Directors has decided to recommend this resolution for his appointment as an Independent Director of the Company, for tenure from September 24, 2014 to September 23, 2019, considering his background, experience and fulfillment of conditions specified in the Companies Act, 2013.

The Company has received a notice in writing from a member of the Company along with deposit of Rs. 1,00,000/- (Rupees One Lac) in pursuance of the Section 160 of Companies Act, 2013, proposing the candidature of Mr. Sharat Jain as an Independent director of the Company. None of the director and key managerial personnel of the Company, or their relatives are interested in this resolution except Mr. Sharat Jain himself.

**Item: 7**

Mr. Anuj Kumar aged about 34 years is an Accountant by profession and was inducted into the Board of Directors on October 31, 2009. He is a graduate and has experience of more than 6 years.

He does not chair or hold membership of committees of the Company and any other company. He is a director of Saransh Properties and Investments Pvt. Ltd. and does not hold directorship in any other company. Further he is not a shareholder of the Company.

Nature of expertise in specific functional area: Accountancy and Taxation in steel industry

Mr. Kumar is an Independent Director of the Company liable to retire by rotation under the erstwhile provisions of Companies Act, 1956. However as per the provisions of Section 149 of the Companies Act, 2013, an independent director shall not be liable to retire by rotation and be appointed for fixed period up to 5 years. Accordingly the Board of Directors has decided to recommend this resolution for his appointment as an Independent Director of the Company, for tenure from September 24, 2014 to September 23, 2019, considering his background, experience and fulfillment of conditions specified in the Companies Act, 2013.

The Company has received a notice in writing from a member of the Company along with deposit of Rs. 1,00,000/- (Rupees One Lac) in pursuance of the Section 160 of Companies Act, 2013, proposing the candidature of Mr. Anuj Kumar as an Independent director of the Company. None of the director and key managerial personnel of the Company, or their relatives are interested in this resolution except Mr. Anuj Kumar himself.

**Item: 8**

Mr. Sajjan Singh aged about 44 years is a science graduate and was inducted into the Board of Directors on September 28, 2002.

He is member of two committees namely Nomination & Remuneration Committee and Audit Committee and Chairman of the Stakeholder Relationship Committee. He does not hold directorship and membership of committees in any other company. Further he is not a shareholder of the Company.

Nature of expertise in specific functional area: Operations related to cold rolling mills

Mr. Sajjan Singh is an Independent Director of the Company liable to retire by rotation under the erstwhile provisions of Companies Act, 1956. However as per the provisions of Section 149 of the Companies Act, 2013, an independent director shall not be liable to retire by rotation and be appointed for fixed period up to 5 years. Accordingly the Board of Directors has decided to recommend this resolution for his appointment as an Independent Director of the Company, for tenure from September 24, 2014 to September 23, 2019, considering his background, experience and fulfillment of conditions specified in the Companies Act, 2013.

The Company has received a notice in writing from a member of the Company along with deposit of Rs. 1,00,000/- (Rupees One Lac) in pursuance of the Section 160 of Companies Act, 2013, proposing the candidature of Mr. Sajjan Singh as an Independent Director of the Company. None of the director and key managerial personnel of the Company, or their relatives are interested in this resolution except Mr. Sajjan Singh himself.

**Item: 9**

Mr. Krishan Kumar Jain aged about 70 years is a matriculate and a freelancer to advice on various aspects related to operations and financial matters. He was inducted into the Board of Directors on August 12, 2014, to fill the casual vacancy caused by the resignation of Mr. Ganesh Dutt, an Independent Director of the Company, on May 29, 2014.



He is not a director in any other company and does not chair or hold membership of committees of the Company and any other company. He is not a shareholder of the Company.

Nature of expertise in specific functional area: Finance and operations in steel industry

The Board of Directors considering the expertise and experience of Mr. Jain decided to recommend his appointment as an Independent Director of the Company as per the provisions of Section 149 of the Companies Act, 2013, for tenure from September 24, 2014 to September 23, 2019.

The Company has received a notice in writing from a member of the Company along with deposit of Rs. 1,00,000/- (Rupees One Lac) in pursuance of the Section 160 of Companies Act, 2013, proposing the candidature of Mr. Krishan Kumar Jain as an Independent Director of the Company. None of the director and key managerial personnel of the Company, or their relatives are interested in this resolution except Mr. Krishan Kumar Jain himself.

#### Item: 10

Mr. Abhiram Tayal, aged about 61 years, was inducted into the Board of Directors of the Company on July 21, 1990. He is a graduate from Punjab University, Chandigarh and has experience of over 37 years.

Mr. Abhiram Tayal is one of the two promoters of the Company. He has an extremely rich experience in the Steel industry. The Company has registered an incredible growth under his leadership.

The tenure of previous appointment of Mr. Abhiram Tayal, as Managing Director of the Company, is due to expire on February 13, 2015. Therefore the Board of Directors in its meeting held on August 12, 2014, on the recommendations of the Nomination & Remuneration Committee decided to recommend his re-appointment for a period of five years from February 14, 2015, to the shareholders of the Company in this Annual General Meeting on such remuneration as mentioned in the resolution. He does not chair or hold membership of committees of the Company and any other company. He is not a director of any other Company.

Nature of expertise in specific functional area: Operational Management

Except the following Directors none of the Director and key managerial personnel of the Company or their relatives are concerned or interested in this resolution:

Sr. No.	Name	Description	Relation
1.	Mrs. Anubha Tayal	Non-executive Director	Wife
2.	Mr. Rahul Dev Tayal	Non-executive Director	Brother
3.	Mr. Karan Dev Tayal	Non-executive Director	Son
4.	Ms. Kanika Tayal	Shareholder holding 2.10% share capital of the Company	Daughter

The Board of Directors considers that in view of the background, experience and contribution to the Company of Mr. Abhiram Tayal, it would be in the interest of the Company to re-appoint him as a Managing Director of the Company and recommends to the shareholders this ordinary resolution for his appointment and remuneration for a period of five years from February 14, 2015, in terms of the provisions of Companies Act, 2013.

The resolution read with explanatory statement should be considered as written memorandum, as required under the provisions of Section 190 of the Companies Act, 2013, setting out the terms of employment of Mr. Abhiram Tayal as Managing Director of the Company. Further either party can rescind this resolution by giving a six months notice.

**Item: 11**

The Board of Directors (Board) in its meeting held on August 12, 2014, has appointed M/s. Naveen Gupta & Co., Cost Accountants, having Firm Registration no. 100920 with the Institute of Cost Accountants of India, as the Cost Auditors of the Company to audit the cost records of the Company for the year 2014-15, at a remuneration of Rs. 50,000. The appointment and remuneration was made on the recommendation of Audit Committee of the Board. As per the provisions of the Companies Act, 2013, the remuneration of Cost Auditor shall be ratified by the shareholders of the Company.

Accordingly, consent of the shareholders is being sought for ratification of the remuneration payable to the Cost Auditors for the year 2014-15.

The Board recommends this resolution for approval of the Shareholders.

None of the Directors, Key Managerial Personnel of the Company or their relatives is interested in the proposed Resolution.

**Item: 12**

The Shareholders of the Company in its Annual General Meeting held on September 25, 2006 have authorized the Board to borrow monies up to the limit of Rs. 35 Crores as outstanding in excess of the aggregate of Paid-up Capital and Free Reserves of the Company, pursuant to Sections 293(1) (a) and 293(1) (d) of the Companies Act, 1956.

Now in pursuance of Section 180(1)(a) and (c) of the Companies Act, 2013, the Board of Directors needs approval of the Shareholders through Special Resolution to increase the limit of borrowing monies to 100 crores as outstanding in excess of the aggregate of Paid-up Capital and Free Reserves of the Company.

The Board recommends this resolution for approval of the Shareholders.

None of the Directors, Key Managerial Personnel of the Company or their relatives is interested in the proposed Resolution.

**By the order of Board of Directors  
For Hisar Metal Industries Limited**

**Date:** August 19, 2014  
**Place:** Hisar

Sd/-  
(Abhishek Kapoor)  
**Company Secretary**

**DIRECTORS' REPORT**

The Directors have pleasure in presenting before you 24<sup>th</sup> Annual Report together with Audited Statement of Account of the Company for the year ended March 31, 2014.

<b>FINANCIAL RESULTS</b>	<b>2013-14</b>	<b>2012-13</b>
Sales/Others receipts	<b>21166.55</b>	20245.15
Profit before depreciation and taxation	<b>434.11</b>	273.85
Less : Depreciation	<b>264.45</b>	256.18
Profit after depreciation	<b>169.67</b>	17.67
Less : Provision for Taxation		
Current Year	<b>89.71</b>	29.59
Deferred Tax	<b>(34.70)</b>	(14.17)
Previous Year Tax	<b>(8.71)</b>	1.10
Profit after Taxation	<b>123.36</b>	1.15
Add : Profit brought forward	<b>297.29</b>	337.99
Profit available for appropriation	<b>420.66</b>	339.13
Dividend & Tax on dividend	<b>42.12</b>	41.84
Surplus carried to Balance Sheet	<b>378.54</b>	297.29

**DIVIDEND**

The Board of Directors has recommended a dividend of 10% on share of face value of Rs. 10 each i.e. Rs. 1/- per share for the financial year ended on March 31, 2014.

**COMPANY'S BUSINESS GROWTH AND PROSPECTS**

The total income from operations (net of excise) for the current year has been increased to 21166.55 lacs from 20245.15 lacs in the previous year. Moreover the Profits after tax have shown a remarkable growth from 1.15 lacs to 123.36 lacs this year.

**FIXED DEPOSITS**

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

**PARTICULARS OF THE EMPLOYEES**

There was no such employee of the Company who is covered under the provision of Section 217 (2A) of the Companies Act, 1956.

**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 A which forms part of this report.

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

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

**DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with Section 217 (2AA) of Companies Act, 1956, the Board of Directors confirms that:

- a) 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 have 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 this financial year and of the Profit of the Company for the year.
- c) The Directors have 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) The Directors have prepared the annual accounts ongoing concern basis.

**DIRECTORS**

Mr. Ganesh Dutt, an independent director of the Company, has resigned from the Company in the Board Meeting held on May 29, 2014 with immediate effect. The Board of Directors in its meeting held on August 12, 2014, has appointed Mr. Krishan Kumar Jain (DIN 06870291), as an Independent Director to fill the vacancy cause by resignation of Mr. Ganesh Dutt and decided to recommend appointment of Mr. Jain as an Independent Director of the Company not liable to retire by rotation in the ensuing Annual General Meeting from September 24, 2014 to September 23, 2019.

As required under the provisions of Companies Act, 2013, Mr. Shital Parshad Jain, Mr. Sajjan Singh, Mr. Sharat Jain and Mr. Anuj Kumar are proposed to be re-appointed as Independent Directors of the Company, not liable to retire by rotation, in this ensuing Annual General Meeting for a period from September 24, 2014 to September 23, 2019.

Mr. Karan Dev Tayal, the Non-Executive and Non-Independent Director, retires by rotation in ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Further the tenure of Mr. Abhiram Tayal as Managing Director of the Company is due to expire on February 13, 2015 therefore the Board of Directors decided to recommend his appointment at the ensuing Annual General Meeting to the shareholders of the Company for a period of five years with effect from February 14, 2015, on the terms and conditions recommended by the Nomination and Remuneration Committee.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report, as required under Clause 49(IV) (F) of Listing Agreement with the Stock Exchange, is enclosed in Annexure C.

**CORPORATE GOVERNANCE**

Your Company has complied with all the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges. A separate report on Corporate Governance along-with Auditors' certificate in this regard forms part of this report as Annexure B is attached herewith.

**AUDITORS**

The Auditors of the Company M/s. Ram Sanjay & Company, Chartered Accountants having Firm Registration no. 021670N with the Institute of Chartered Accountants of India, will retire at the conclusion of ensuing Annual General Meeting (AGM) and have confirmed their eligibility and willingness to accept the office of the Auditors, if reappointed. Further the Audit Committee has also recommended the appointment of M/s. Ram Sanjay & Company as Statutory Auditors of the Company from the conclusion of ensuing AGM till the conclusion of the third consecutive AGM of the Company.

**COST AUDITORS**

The Company has appointed M/s. Naveen Gupta & Company, Cost Accountants having Firm Registration no. 100920 with the Institute of Cost Accountants of India, for conducting Cost Audit of the Company for the financial year 2014-15. In terms of the Companies (Cost Accounting Records and Compliance) Rules, 2011, Cost Audit Report for the year ended on March 31, 2013 was filed on November 19, 2013, however due date for filing the same was September 30, 2013.

**INSURANCE**

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

**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 Regulatory agencies.

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

**Date:** August 12, 2014

**Place:** Hisar

Sd/-  
(M.P.Jindal)  
**Chairman**

**ANNEXURE A**

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

**A). CONSERVATION OF ENERGY**

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

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

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

**FORM A****(Form for Disclosure of Particulars with respect to Conservation of Energy)**

		Current Year	Previous Year
		2013-14	2012-13
<b>A. Power and Fuel Consumption</b>			
1. Electricity			
a) Purchased units	Units	8614206	8677144
Total amount	Rs.	52916165	50709090
Rate/unit	Rs.	6.14	5.84
b) Own generation			
i. Through diesel generator units	Units	99810	113290
Total amount	Rs.	1114628	1068375
Cost per unit	Rs.	11.17	9.43
ii. Through Steam Turbine Generator		Not Applicable	Not Applicable
2. Coal		Not Applicable	Not Applicable
3. Furnance Oil (Light Diesel Oil)			
Quantity	K.liters.	1131467	1151934
Total amount	Rs.	48535389	46220472
Average rate	Rs.	42.90	40.12
4. Other/Internal Generation			
<b>LPG</b>			
Quantity	Kg.	210461	210565
Total cost	Rs.	15597235	12184090
Rate per unit	RS.	74.11	57.86
<b>B. Consumption per unit of production</b>			
Product		C.R. STRIPS	C.R. STRIPS
Electricity	Units	552	564
Furnace oil	Liters	72	74
Coal	-	Not Applicable	Not Applicable
LPG		13	14
Others	-	Not Applicable	Not Applicable



**B). TECHNOLOGY ABSORPTION**

The Company has made efforts for the technology absorption in an effective manner, described in detail in Form B, below.

**FORM B****(Form for Disclosure of Particulars with respect to Technology Absorption)****Research and development (R & D)**

- |  |   |     |
|--|---|-----|
| 1. Specified Areas 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 |

**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 |   |                |
| a) Technology imported  | : | Not Applicable |
| b) Year of import   | : | Not Applicable |
| c) Has technology fully absorbed  | : | NIL            |
| d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action  | : | Not Applicable |

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

Particulars	For the year ended on March 31, 2014	For the year ended on March 31, 2013
<b>Earnings</b>	26,538,112	22,737,919
<b>Outgo</b>	9,201,720	3,275,594

**CORPORATE GOVERNANCE REPORT**

Corporate Governance Report for the year 2013-14 following the guidelines given as per clause 49 of the Listing Agreement with the Stock Exchanges is being published as under:

**1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :** Your Company believes not only in maximizing the wealth and earnings for the stakeholders but also in operating business in an environment conducive to transparency, integrity and trusteeship by incorporating an effective disclosure policy and sense of accountability. The Company is committed to adopt the best corporate governance practices and continuously strives to adhere to them and is in compliance with the requirements of the guidelines on corporate governance stipulated in Clause 49 of the Listing Agreements with the Stock Exchanges.

**2. BOARD OF DIRECTORS :**

**a) Composition:** The Company's Board consisted of 10 members as on March 31, 2014, out of which 9 are the Non-executive Directors. The particulars of said directors are provided herein below. The Chairman of the Board is the Non-Executive and the number of independent Directors on the Board meets the requirement of corporate governance.

Sr. No.	Name	Category	No. of directorships in other Companies		No. of membership of Committees in other Companies <sup>\$</sup>	
			Public	Private	Member	Chairman
1.	Mr. M. P. Jindal, Chairman	Promoter being Non Executive	2	-	-	-
2.	Mr. Shital Parshad Jain	Non-executive Independent	-	-	-	-
3.	Mr. Sajjan Singh	Non-executive Independent	-	-	-	-
4.	Mr. Sharat Jain	Non-executive Independent	-	-	-	-
5.	Mr. Ganesh Dutt <sup>#</sup>	Non-executive Independent	-	-	-	-
6.	Mr. Anuj Kumar	Non-executive Independent	-	1	-	-
7.	Mrs. Anubha Tayal	Non-executive Non-Independent	-	-	-	-
8.	Mr. Karan Dev Tayal	Non-executive Non-Independent	-	1	-	-
9.	Mr. Rahul Dev Tayal	Non-executive Non-Independent	-	1	-	-
10.	Mr. Abhiram Tayal, M.D.	Promoter being Executive	-	-	-	-

<sup>\$</sup> Includes only the membership of Audit and Shareholders/Investors' Grievance and Share Transfer Committees of Indian public limited companies.

<sup>#</sup> Mr. Ganesh Dutt resigned from the Directorship of the Company on May 29, 2014 with immediate effect.

**Inter-se relationship between Directors:**

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

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

**b) BOARD MEETINGS:** The dates of meetings are fixed in advance and detailed agendas are circulated to all the Directors and the members of the respective committees sufficiently in advance of respective meetings. During the financial year 2013-14, five Board Meetings were held on May 31, August 14, September 9, November 13 and February 12, 2014.

**c) ATTENDANCE OF DIRECTORS :** The attendance of the each director at the Board Meeting held during the year 2013-14 and the last AGM held on September 30, 2013 is shown as under :

Name of Director	No. of meetings attended	Attendance at the last AGM
Mr. M.P. Jindal	5	Absent
Mr. Abhiram Tayal	5	Present
Mrs. Anubha Tayal	5	Present
Mr. Shital Parshad Jain	5	Present
Mr. Sajjan Singh	5	Present
Mr. Karan Dev Tayal	5	Present
Mr. Rahul Dev Tayal	5	Present
Mr. Sharat Jain	5	Present
Mr. Ganesh Dutt	5	Present
Mr. Anuj Kumar	5	Present

### 3. AUDIT COMMITTEE

**a) Terms of Reference :** 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.

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

During the financial year 2013-14, four meetings of the Committee were held on May 31, August 14, November 13 and February 12, 2014. The composition of the Audit Committee and attendance of members of the Committee are as under:

Name of Member	No. of Meetings Attended
Mr. Shital Parshad Jain, Chairman	4
Mr. Sajjan Singh	4
Mrs. Anubha Tayal	4

Mr. Abhiram Tayal, Managing Director of the Company has attended two meetings held on November 13, 2013 and February 12, 2014.

### 4. REMUNERATION COMMITTEE

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

- b) Composition and attendance :** All the members of the Remuneration Committee are Non-Executive Directors. During the financial year 2013-14, no meeting of the Committee was held. The Composition of the committee is as under:

---

**Names of Members**


---

Mr. Shital Parshad Jain, Chairman  
 Mr. Sajjan Singh  
 Mr. M. P. Jindal

---

- c) 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.
- d) Details of Managing Director's Remuneration :** The details of the remuneration paid to Mr. Abhiram Tayal, Managing Director of the Company during the financial year 2013-14 is as under :

(in Rs.)			
Salary & Allowances	Perquisites	Contribution to P.F.	Total
600,000.00	NIL	9,360.00	609,360.00

1. Service contract is for 5 years
2. Notice period is 3 calendar months.
3. The Directors of the Company are not eligible for any severance.
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.

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

The shareholding of the Non-Executive Directors of the Company as on March 31, 2014 is as under:

S. No.	Name	No. of shares
1.	Mr. M. P. Jindal	1,07,000
2.	Mrs. Anubha Tayal	4,76,100
3.	Mr. Shital Parshad Jain	NIL
4.	Mr. Sajjan Singh	NIL
5.	Mr. Karan Dev Tayal	NIL
6.	Mr. Rahul Dev Tayal	78,150
7.	Mr. Sharat Jain	NIL
8.	Mr. Ganesh Dutt	NIL
9.	Mr. Anuj Kumar	NIL

**Note:** Mr. M. P. Jindal also holds 77,800 shares in the Company through Mahabir Prasad Jindal & Sons HUF.

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

- a) Terms of Reference:** The Board of Directors had formed a committee to redress the grievances of shareholders and investor complaints on September 28, 2002. The role of this committee is to consider pending investors' complaints like transfer of shares, non-receipt of balance sheet, non-receipt of dividend etc.

- b) Composition and Attendance:** The members of the Remuneration Committee are Non-Executive Directors. The Company Secretary acts as the Secretary to the Committee. During the financial year 2013-14, four meetings of the Committee were held on May 31, August 14, November 13 and February 12, 2014. The composition of the Committee and attendance of its members are as under:

Name of Member	No. of Meetings Attended
Mr. Sajjan Singh, Chairman	4
Mrs. Anubha Tayal	4

The Minutes of the meeting of the committee were placed before the Board Meeting held after the committee meetings.

During the financial year 2013-14, the Company has received four shareholders complaints which were duly resolved to the satisfaction of the respective shareholders. Further, there was no complaint pending at the end of the said year.

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

Mr. Abhishek Kapoor Company Secretary of the Company is the Compliance Officer.

The Board of Directors has delegated the power of share transfer to the compliance officer of the Company and all the requests for transfer of shares are processed within 15 days of the receipt except those that are disputed or sub-judice or other legal constraints.

- 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 - 125 005 (Haryana) detailed as under:

Financial Year	Location	Date	Time	Special Resolutions
2010-11	Registered Office	26.09.11	11.00 A.M	No Special Resolution was passed
2011-12	- do -	29.09.12	- do -	No Special Resolution was passed
2012-13	- do -	30.09.13	- do -	No Special Resolution was passed

There was no resolution passed 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:

### a) Related Party Transactions :

The details of the deposits accepted by the Company from the related parties are as under:

S. No.	Name	Relation	Amount of deposit as on 31.03.2014 (in Rs.)	Rate of Interest	Period
1.	Mr. Abhiram Tayal	Promoter Director	3925000	11%	3yrs
2.	Mrs. Anubha Tayal	Director	3725000	11%	3yrs
3.	Mr. Vikram Kumar Jain	Brother of Director	9785000	11%	3yrs

4.	Mr. Karan Dev Tayal	Director	5000000	11%	3yrs
5.	Mrs. Kashni Tayal	Wife of Director	5000000	11%	3yrs
6.	Abhiram Tayal HUF	HUF/Relative	1500000	11%	3yrs

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

During the Financial year ended 31st March, 2014, the Company has done the following transactions with associated concerns of the Company:

Nature of Transaction	Details of Transaction
<b>Rent</b>	Rs.288000/- paid to M/s. Jindal Metal Ltd.
<b>Interest</b>	Rs. 595784/- paid to M/s. Amtrex Trading Co. Pvt. Ltd. Rs. 431750/- paid to Mr. Abhiram Tayal Rs. 409750/- paid to Mrs. Anubha Tayal Rs. 550000/- paid to Mr. Karan Dev Tayal Rs. 1076350/- paid to Mr. Vikram Kumar Jain Rs. 550000/- paid to Mrs. Kashni Tayal Rs. 165000/- paid to Abhiram Tayal HUF
<b>Job Work</b>	Rs. 11071/- received from M/s. Jindal Polybuttons Ltd.

- b) Disclosure of Subsidiary:** The Company does not have any subsidiary.
- c) 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.
- d) Disclosure of non-compliance:** There is no incidence of non compliance by the Company for which any penalty, stricture imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
- e) Risk Management:** The Company has laid down Risk Management Policy to inform assessment and minimization procedures.
- f) 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.
- g) Details of compliance of clause 49:** The Company has complied with all the mandatory requirements. Further the Company has complied with the following non-mandatory requirements:
- The Company maintains the Office of non-executive at the registered office and also reimburses the expenses incurred by him while discharging his duties. Further the Company appoints Independent director based on his experience and credentials, which in the opinion of the Board would enable him to contribute effectively to the company in his capacity as an independent director.
  - 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:** The financial results and any other notice are published in the newspapers Business Standard / The Pioneer and Business Standard / Veer Arjun for English and Hindi languages, respectively, and available on the website of the Company [www.hisarmetal.com](http://www.hisarmetal.com). The Company regularly intimates the quarterly and yearly results to the stock exchanges immediately after taken on records by the Board of Directors. During the year under review, no presentations were made to any institutional investors or analysts.

## 9. GENERAL SHAREHOLDERS INFORMATION:

- i. **Details of AGM:** As indicated in the Notice to our shareholders, the 24th Annual General Meeting of the Company will be held on Wednesday, September 24, 2014 at 11.00 A.M. at the Registered office of the Company at Near I.D.C., Delhi Road, Hisar - 125 005.
- ii. **Financial Year:** The Financial Year of the Company is from April 1 to March 31.
- iii. **Date of Book Closure:** The books will be remain closed from September 15, 2014 to September 24, 2014 (both days inclusive) for the purpose of the Annual General Meeting and payment of final dividend, if approved by members.
- iv. **Dividend Payment Date:** The Dividend if approved by the shareholders in the ensuing Annual General Meeting on September 24, 2014, will be paid on September 29, 2014.
- v. **Listing on Stock Exchanges:** 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

The shares of the Company are permitted to be traded at the Bombay Stock Exchange (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 under the Indo next segment.

The Company has paid listing fee to the Stock exchanges and annual custodial fee to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) before due date.

### vi. Stock Code:

Delhi Stock Exchange	8279
Jaipur Stock Exchange	732
Ahmedabad Stock Exchange	24843
The details of Stock on BSE are:	
Scrip Code	590018
Scrip ID on the BOLT System	HISARMET
Abbreviated Name on the BOLT system	HISAR METAL

**vii. Market Price Data:** During the year under review, no trading took place either in the Delhi Stock Exchange, the Ahmedabad Stock Exchange or the Jaipur Stock Exchange. This is certainly due to no operations at these stock exchanges. The trading done at the Bombay Stock Exchange (BSE) from 1st day of April, 2013 to 31st day of March, 2014 are as under : -

Month (2013-14)	High (Rupees)	Low (Rupees)
April, 2013	24.00	20.75
May, 2013	19.75	17.85
June, 2013	18.70	18.70
July, 2013	18.95	18.05
August, 2013	18.15	16.50
September, 2013	26.25	18.15
October, 2013	25.00	22.00
November, 2013	22.50	22.50
December, 2013	23.10	22.00
January, 2014	21.10	20.20
February, 2014	21.00	20.00
March, 2014	24.00	20.75

**viii. Stock performance:** The shares of the Company are not listed on Bombay Stock Exchange (BSE) or any other stock exchange having nationwide terminal on which trading takes place. Therefore the performance of shares in comparison to broad-based indices is not available.

**ix. Registrar and Transfer Agent:** The Company has appointed M/s. Skyline Financial Services Pvt. Ltd. (Skyline) as Registrar and Transfer Agent for processing of requests relating to the shares of the Company. Further Skyline is also the interface of the Company for all the correspondence to be made with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The details for correspondence with Skyline is as under:

Skyline Financial Services Pvt. Ltd  
D-153 A, 1st Floor, Okhla Industrial Area, Phase - I,  
New Delhi-110 020  
Tel.: +91 (11) 26812682, 83, 64732681 to 88  
Fax: +91 (11) 26812682  
Email: admin@skylinerta.com

**x. Share Transfer System:** Shares received for transfer in the physical form are processed and the share certificates returned within a period of 15 days from the date of the receipt subject to the documents being complete and valid in all respects.

**xi. Distribution of Shareholding as on March 31, 2014:**

Holding shares		Shareholders		No. of shares	
From	To	No.	% total	No.	% total
Up to	5000	921	76.05	139692	3.88
5001	10000	80	6.61	66632	1.85
10001	20000	55	4.54	88245	2.45
20001	30000	23	1.90	56428	1.57
30001	40000	19	1.57	66873	1.86
40001	50000	15	1.24	71550	1.99
50001	100000	40	3.30	276779	7.69
100001	& above	58	4.79	2833801	78.72
<b>Total</b>		<b>1211</b>	<b>100</b>	<b>36,00,000</b>	<b>100</b>

  

S. No.	Particulars	No. of shares	% of total
1	Promoter & Promoter Group	19,20,370	53.34
2	Bodies Corporate	1,07,201	2.98
3	Individuals	14,63,626	40.66
4	HUFs	1,05,155	2.92
5	Non-residents	3,648	0.10
<b>Total</b>		<b>36,00,000</b>	<b>100</b>

**xii. Dematerialization of Shares and liquidity:** The shares of the Company are available to trade on the Bombay Stock Exchange (BSE) under the Indo next segment. As on March 31, 2014, the number of equity shares held in dematerialized form was 3183485 (88.43%) and in physical form was 416515 (11.57%).

The International Securities Identification Number (ISIN) of shares of the Company is INE598C01011.

**xiii. Plant Location :**

Hisar Metal Industries Limited  
Near I.D.C., Delhi Road, Hisar - 125 005

**xiv. Address for correspondence :**

Company Secretary  
Hisar Metal Industries Limited  
Near I.D.C., Delhi Road, Hisar – 125 005  
Tel.: +91 (1662) 220067/ 220367/220738  
Fax: +91 (11) 43851119  
Email: akapoor@hisarmetal.com

**xv. CIN: L74899HR1990PLC030937**

**DECLARATION FOR COMPLIANCE OF CODE OF CONDUCT**

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 associated with the Company as on March 31, 2014, have confirmed compliance with the Code of Conduct for the year ended on March 31, 2014.

For **Hisar Metal Industries Limited**

Date: May 29, 2014  
Place: Hisar

Sd/-  
(Abhiram Tayal)  
**Managing Director**

**CEO & CFO Certificate**

We Abhiram Tayal, Managing Director and R. S. Bansal, G.M. - Finance, of the Company, hereby certify to the Board of Directors of Hisar Metal Industries Limited that:

- a) We have reviewed financial statements and the cash flow statement for the year ended on March 31, 2014 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit committee:
  - i. there were no significant changes in internal control over financial reporting during the year;
  - ii. there were no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. there were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **Hisar Metal Industries Limited**

Date: May 29, 2014  
Place: Hisar

Sd/-  
(Abhiram Tayal)  
**Managing Director**

Sd/-  
(R. S. Bansal)  
**G. M. - Finance**

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

To the Members of Hisar Metal Industries Limited

We have examined the compliance of condition of Corporate Governance by Hisar Metal Industries Limited, Hisar-125005 for the year ended 31st March 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of Company's management. Our examination was limited to procedures and limitation 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 statement of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Stakeholders' Relationship Committee.

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 Regn. No. 021670N

Place : Hisar  
Date : August 12, 2014

CA Sanjay Verma  
(Partner)  
Membership Number: - 089499

## MANAGEMENT DISCUSSION AND ANALYSIS

### Overview:

The financial year 2013-14 was a challenging year. The global economy continues to face significant uncertainties. Anaemic rates of economic growth in the developed world, coupled with slowdown in developing countries, pose challenges to both policymaker and companies. The developed economies gathered momentum even as consumer demand recovered modestly in the US and Japan. However, emerging economies experienced external and localised vulnerabilities and market turmoil. There has been a reduction in the fiscal cliff in the US recently, coupled with encouraging economic data about the region's housing and employment scenario. It is likely that structural policies across emerging nations like China and India will bolster the investment climate. Owing to these developments, globally economies are estimated to grow at an average rate of 3.6% in 2014 compared to 3% in 2013 [Source: IMF April 2014].

### 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. India has become the second best in terms of growth amongst the top ten steel producing countries in the world and a net exporter of steel during 2013-14. Steel production in India recorded a growth rate of 4.8 per cent in February 2014 over February 2013. The cumulative growth during April-February, 2013-14 stood at 4.2 per cent over the corresponding period of the previous year. Steel contributes to nearly two per cent of the gross domestic product (GDP) and employs over 500,000 people. The total market value of the Indian steel sector stood at US\$ 57.8 billion in 2011 and is expected to touch US\$ 95.3 billion by 2016. Total steel exports by India during 2013-14 stood at 5.59 MT, as against imports of 5.44 MT.

The Government of India has allowed 100 per cent FDI through the automatic route in the Indian steel sector. It has significantly reduced the duty payable on finished steel products and has streamlined the associated approval process.

### Opportunities:

India became net steel exporter in 2013-14 and is likely to maintain the momentum in 2014-15 as producers are looking to dock more overseas shipment to tide over subdued domestic consumption.

There are many more opportunities that will be helping grow the Indian steel market. These opportunities include:

- Rural demand picking up
- Investment planned in road sector
- Indian railway expansion
- Automobile and power sectors offer opportunity for specialized steel
- Refocus on manufacturing

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. Further, a Bright Annealing Furnace has also been installed recently in order to reduce the hardness of steel strips for smooth subsequent processing. Besides, we always look forward to cope with any technology advancement to grasp the all available opportunities.

### Threats:

There are yet some challenges that this industry has faced during the previous year. These challenges include:

- Land acquisition and environment regulations
- Shortage of coking coal
- Availability and pricing of domestic iron ore
- Downstream value addition
- Insufficient infrastructure and logistics
- Overburdened port facilities
- Adoption of modern technology



**Segment-wise or Product wise Performance:**

Currently your Company is engaged only in one type of product and involves one type of process and it is called Engineering Product, so there is no segment wise or product wise performance available.

**Outlook:**

The Indian economy is expected the domestic steel demand to improve in financial year 2014-15 on the back of a modest recovery in economic growth and an infrastructure push by the government of India. Further it is expected to record better GDP growth of 5.6% in the said financial year over 4.9% estimated in previous financial year. The reason behind this moderate uptick in steel demand is the high positive correlation of steel demand with GDP growth.

The steel prices are not expected a major hike in financial year 2014-15 due to prevailing overcapacity in the domestic steel industry which would continue to limit the prices despite a modest improvement in steel demand. However, any contraction in steel demand could pressure steel prices further.

**Growth trend:** Steel consuming sectors like construction, auto and capital goods continue to underperform. The Government of India is planning to invest US \$ 1 tn in the infrastructure sector could boost steel demand provided it is timely implemented.

**Risk and Concerns:**

The Companies engaged in production of stainless steel had faced major challenges due to slowdown in the growth of steel industry. The falling demand, low prices, cost escalation in inputs, reduction in import duty are some of the major threats to the sustainability of the Indian Steel Industry. Further reduction in import duty stimulated the import of steel from China and other countries manufacturers at low prices leading to decrease in demand of domestic goods.

**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 15662 MT of prime CRSS Strips as compared to 15396 MT in the previous financial year while the company has sold 15322 MT of prime CRSS Strips as compared to 15397 MT in the previous financial year. The turnover in terms of value is up by 5.28% to Rs. 23656 Lac. The PBT and PAT have increased to Rs. 170 Lacs and Rs. 123 Lacs respectively. Capital Expenditure incurred during the year was Rs. 216.87 Lacs. The reserve and surplus stood to Rs. 866 Lacs. The earnings per share is Rs. 3.43 and book value of the share is Rs. 34.06. The Board of Directors have proposed a dividend of Re. 1/- (10%) for the financial year 2013-14.

**Industrial Relations and Resource Management:**

The company during the previous year continued its record of good industrial relations with its 185 employees. During the year various initiatives had been taken to improve the performance and productivity levels in various departments of the Company. The Company conducts training sessions on various topics ranging from safety, productivity, handling of hazardous products etc. that help to train employees to overcome operational constraints. 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.

**INDEPENDENT AUDITORS' REPORT****To the Members of Hisar Metal Industries Limited****Report on financial statements**

We have audited the accompanying financial statements of Hisar Metal Industries Limited (the company) which comprise the Balance sheet as at 31st March, 2014 and also the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

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

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

**Auditor's responsibility**

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

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

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

**Opinion**

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

- a. In the case of the Balance sheet, of the state of affairs of the company as at March 31, 2014
- b. In the case of the statement of profit and Loss, of the profit for the year ended on that date, and
- c. In the case of Cash Flow Statements, of the cash flows for the year ended on that date.

**Report on other legal and regulatory requirements**

1. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

- a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose 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 which shall continue to apply in respect of section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 issued by the Ministry of Corporate Affairs.
- e. On the basis of written representations received from the Directors, as on 31st March, 2014 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2014 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Act nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

Place: Hisar  
Dated: 29<sup>th</sup> May 2014

Sanjay Verma  
Partner  
Membership No. 089499

**ANNEXURE TO THE AUDITOR'S REPORT**

Referred to the Auditor's Report of even date to the members of Hisar Metal Industries Limited on the financial statements for the year ended March 31, 2014.

1. In respect of its fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) These fixed assets have been physically verified by the management at regular intervals in accordance with a program of verification adopted by the Company, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
  - c) The Company has not disposed off any substantial part of fixed assets during the year and going concern status of the Company is not affected.
2. In respect of its inventories:
  - a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of its inventories and no material discrepancies were noticed on physical verification.
3. In respect of loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956
  - a. The Company has not granted any loans to Companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Consequently, the requirements of Clauses (iii)(a), (iii)(b), (iii)(c) and (iii)(d) of paragraph 4 of the Order are not applicable.
  - b. The Company has not taken any loans during the year from parties covered in the register maintained under Section 301 of the Companies Act, 1956.
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 Lac in respect of each party, has been entered during the year.
6. The company had accepted deposits from the public and in our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Sections 58A, 58AA or any other relevant provision of the Companies Act, 1956 and rules framed there under, where applicable. As informed to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
9. In respect of statutory dues:
- The Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess, Service Tax and other statutory dues with the appropriate authorities during the year.
  - According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as at 31st March, 2014, for a period of more than six months from the date of becoming payable.
  - According to the records of the Company, no 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 pending.
10. The Company does not have accumulated losses as at the end of the financial year and the Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institution, bank or debenture holders.
12. Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a Nidhi /mutual benefit fund / society. Accordingly, the provisions of clause 4(xiii) of the Companies (Auditors Report) Order, 2003 is not applicable to the Company.
14. In our opinion the Company is not dealing in or trading in shares, securities, debentures and other securities. However, in respect of investments the Company has maintained proper records of the transactions and contracts as well as timely entries have been made therein. These investments have been held by the Company in its own name.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that, the term loans have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(xviii) of the Companies (Auditors Report) Order, 2003 are not applicable.
19. During the year under report, the Company has not issued any debentures and no debentures were outstanding at the beginning of the year. Accordingly, the provisions of clause 4(xix) of the Companies (Auditors Report) Order, 2003 are not applicable.
20. The Company has not raised any money by way of public issue during the year.
21. Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

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

Sanjay Verma  
Partner  
Membership No. 089499

**HISAR METAL INDUSTRIES LIMITED****BALANCE SHEET AS AT 31ST MARCH, 2014**

Particulars	Note	As at 31st March 2014	As at 31st March 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	2	36,000,000	36,000,000
Reserves and Surplus	3	86,600,725	78,476,142
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	4	82,776,843	87,534,379
Deferred Tax Liabilities (Net)	5	12,797,469	16,267,294
Long Term Provisions	6	7,444,285	7,267,137
<b>Current Liabilities</b>			
Short-Term Borrowings	7	433,910,851	440,410,654
Trade Payables	8	169,622,855	79,738,869
Other Current Liabilities	9	40,358,679	39,574,304
Short-Term Provisions	10	4,366,398	5,235,187
<b>Total Equity &amp; Liabilities</b>		<b>873,878,105</b>	<b>790,503,966</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	11		
Tangible Assets		159,851,620	185,355,108
Intangible Assets		1,494,516	1,875,361
Capital Work in Progress		20,948,967	-
Intangible Assets Under Development		-	-
Non-current investments	12	84,000	84,000
Long term loans and advances	13	14,748,997	10,189,423
<b>Current Assets</b>			
Inventories	14	253,736,163	221,913,187
Trade receivables	15	349,332,940	310,170,413
Cash and cash equivalents	16	38,287,934	33,794,794
Short-term loans and advances	17	35,392,968	27,121,680
<b>Total Assets</b>		<b>873,878,105</b>	<b>790,503,966</b>

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

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

For Ram Sanjay & Co.

Chartered Accountants

Firm Reg. No.: 021670N

For and on behalf of the Board of Directors

(M.P. Jindal)

Chairman

(Abhiram Tayal)

Managing Director

(Karan Dev Tayal)

Director

SANJAY VERMA

PARTNER

Membership No. 089499

Place : Hisar

Date : 29 May 2014

(R.S. Bansal)

G.M. Finance

(Abhishek Kapoor)

Company Secretary



**HISAR METAL INDUSTRIES LIMITED****STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st March, 2014**

Particulars	Note	As at 31st March 2014	As at 31st March 2013
<b>Revenue:</b>			
Revenue from operations	18	2,112,810,654	2,020,899,096
Other Income	19	3,844,602	3,615,844
<b>Total Revenue</b>		<b>2,116,655,256</b>	<b>2,024,514,940</b>
<b>Expenses:</b>			
Cost of materials consumed	20	1,773,284,713	1,713,373,408
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	(5,511,062)	(2,063,672)
Employee Benefit Expense	22	25,479,874	23,146,069
Finance Costs	23	63,901,820	71,617,276
Depreciation and Amortization Expense	24	26,444,848	25,618,219
Other Administrative Expenses	25	216,088,475	191,056,742
<b>Total Expenses</b>		<b>2,099,688,667</b>	<b>2,022,748,042</b>
Profit before exceptional and extraordinary items and tax		<b>16,966,589</b>	<b>1,766,898</b>
Exceptional Items		-	-
Profit before extraordinary items and tax		<b>16,966,589</b>	<b>1,766,898</b>
Extraordinary Items		-	-
Profit before tax		<b>16,966,589</b>	<b>1,766,898</b>
<b>Tax expense:</b>			
Current tax		8,970,902	2,959,062
Previous Year Tax		(870,891)	110,260
Deferred tax		(3,469,825)	(1,417,096)
Profit(Loss) for the period from continuing operations		<b>12,336,403</b>	<b>114,672</b>
Profit/(Loss) from discontinuing operations		-	-
Tax expense of discounting operations		-	-
Profit/(Loss) from Discontinuing operations		-	-
Profit/(Loss) for the year		<b>12,336,403</b>	<b>114,672</b>
<b>Earning per equity share:</b>			
Basic		3.43	0.03
Diluted		3.43	0.03

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

For and on behalf of the Board of Directors

(M.P. Jindal)

Chairman

(Abhiram Tayal)

Managing Director

(Karan Dev Tayal)

Director

SANJAY VERMA

PARTNER

Membership No. 089499

(R.S. Bansal)

G.M. Finance

(Abhishek Kapoor)

Company Secretary

Place : Hisar

Date : 29 May 2014

## HISAR METAL INDUSTRIES LIMITED

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2014

Particulars	As at 31st March 2014	As at 31st March 2013
<b>Cash flow from operating activities</b>		
<b>Profit before taxation</b>	16,966,589	1,766,898
Adjusted for :		
Depreciation	<b>26,444,848</b>	<b>25,618,219</b>
Profit/Loss on sale/disposal of fixed assets	(21,999)	120,332
Interest income		
Interest expense	<b>63,901,820</b>	<b>71,617,276</b>
Reversal of Modvat of last year on Fixed Assests	177,359	-
Operating profit before working capital changes	107,468,617	99,122,725
<b>Operating profit before following adjustments :</b>		
(Increase)/Decrease in inventories	<b>(31,822,976)</b>	<b>(11,686,610)</b>
(Increase)/Decrease in trade receivables	<b>(39,162,527)</b>	<b>69,285,131</b>
Increase/(Decrease) in trade payables	<b>89,883,986</b>	<b>(41,371,067)</b>
Increase/(Decrease) in other current liabilities	<b>784,375</b>	<b>(29,768,624)</b>
Increase/(Decrease) in long term provisions	<b>177,148</b>	<b>(1,629,265)</b>
<b>Cash used in operations</b>		
Income tax paid	<b>(8,996,610)</b>	<b>(3,288,789)</b>
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>118,332,012</b>	<b>80,663,501</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets including intangible assets, capital work in progress and capital advances	<b>(21,686,841)</b>	<b>(3,470,917)</b>
Proceeds from sale of fixed assets	<b>22,000</b>	<b>130,000</b>
Movement in short term loans and advances	(8,271,288)	61,721,622
Movement in long term loans and advances	(4,559,574)	(4,151,605)
<b>Net cash from/(used in) investing activities (B)</b>	<b>(34,495,703)</b>	<b>54,229,100</b>
<b>Cash flow from financing activities</b>		
Short term borrowing received from others	(6,499,803)	(13,383,632)
Long term borrowing taken (including current maturities)	(4,757,536)	(25,982,465)
Payment of dividend	(3,600,000)	(3,600,000)
Tax on dividend	(584,010)	(584,010)
Interest paid	(63,901,820)	(71,617,276)
<b>Net cash from/(used in) financing activities (C)</b>	<b>(79,343,169)</b>	<b>(115,167,383)</b>
<b>Net changes in cash and cash equivalents (A+B+C)</b>	<b>4,493,140</b>	<b>19,725,218</b>
<b>Cash and cash equivalents - opening balance</b>	<b>33,794,794</b>	<b>14,069,576</b>
<b>Cash and cash equivalents - closing balance</b>	<b>38,287,934</b>	<b>33,794,794</b>
<b>Components of cash and cash equivalents (refer to note 23)</b>		
Cash in hand	275188	422354
Gold & Silver Coins	104795	104851
with bank:		
In current accounts	1447359	1388616
In fixed deposit accounts	36460592	31878973
Notes referred to above and notes attached thereto form an integral part of financial statements.		
<i>This is the Cash Flow Statement referred to in our Report of even date.</i>		
For Ram Sanjay & Co. Chartered Accountants Firm Reg. No.: 021670N	For and on behalf of the Board of Directors	
	(M.P. Jindal) Chairman	(Abhiram Tayal) Managing Director
		(Karan Dev Tayal) Director
SANJAY VERMA PARTNER Membership No. 089499 Place : Hisar Date : 29 May 2014	(R.S. Bansal) G.M. Finance	(Abhishek Kapoor) Company Secretary

**HISAR METAL INDUSTRIES LIMITED**

Notes Forming Integral Part of the Financial Statements as at 31ST MARCH 2014

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

- i) The financial statements are prepared under the historical cost convention, in accordance with the generally accepted accounting principles in India, the provisions of the Companies Act, 1956 and applicable accounting standards.
- ii) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.
- iii) Financial statements for the year ended 31st March, 2014 have been prepared based on revised Schedule VI of the Companies Act, 1956. The adoption of revised Schedule VI does not impact recognition and measurement principles of individual items within this Financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has accordingly reclassified the previous year's figures to meet the requirements applicable for the current year.

**1.2 USE OF ESTIMATES**

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

**1.3 REVENUE RECOGNITION**

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

**1.4 TAXATION**

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

**1.5 FIXED ASSETS****i) Tangible assets**

Owned tangible fixed assets are stated at cost less accumulated depreciation and impairment loss, if any. All costs relating to acquisition and installation of fixed assets upto the time the assets get ready for their intended use are capitalised.



ii) Intangible assets

Intangible assets are recognised only if acquired and it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of assets can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated depreciation and accumulated impairment losses, if any.

### 1.6 ACCOUNTING FOR DERIVATIVE INSTRUMENTS

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

### 1.7 DEPRECIATION

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

### 1.8 VALUATION OF INVENTORIES

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

### 1.9 EMPLOYEE BENEFITS

**i) Defined Contribution Plan**

Company's contribution paid/payable for the year to defined contribution schemes are charged to statement of Profit & Loss.

**ii) Defined benefit and other Long term Benefit plan:**

Company liability towards defined benefit plans and other long term benefit plan are determined on the basis of actuarial valuations. Actuarial valuations are carried out at the balance sheet date. 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 2014****Note : 2 Share Capital**

Particulars	As at 31st March 2014		As at 31st March 2013	
	No. of Shares	Amount	No. of Shares	Amount
<b>AUTHORIZED CAPITAL</b>				
Equity Shares of Rs. 10/- each.	5,000,000	50,000,000	5,000,000	50,000,000
	5,000,000	50,000,000	5,000,000	50,000,000
<b>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</b>				
Equity Shares of Rs. 10/- each Fully Paid up	3,600,000	36,000,000	3,600,000	36,000,000
<b>Total</b>	<b>3,600,000</b>	<b>36,000,000</b>	<b>3,600,000</b>	<b>36,000,000</b>

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

Particulars	As at 31st March 2014		As at 31st March 2013	
	No. of Shares	Amount	No. of Shares	Amount
At the Beginning of the year	3,600,000	36,000,000	3,600,000	36,000,000
Fresh issue of shares	-	-	-	-
<b>At the end of the Year</b>	<b>3,600,000</b>	<b>36,000,000</b>	<b>3,600,000</b>	<b>36,000,000</b>

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

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

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

Particulars	As at 31st March 2014		As at 31st March 2013	
	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 2014		As at 31st March 2013	
<b>Securities Premium Reserve</b>				
As per last Balance Sheet		11,546,700		11,546,700
<b>General Reserve</b>				
As per last Balance Sheet		37,200,000		37,200,000
<b>Profit &amp; Loss Account</b>				
As per Last Balance Sheet	29,729,442		33,798,780	
Add: Profit for the year	12,336,403		114,672	
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	611,820		584,010	
		37,854,025		29,729,442
<b>Total</b>		<b>86,600,725</b>		<b>78,476,142</b>

# HISAR METAL INDUSTRIES LIMITED

Notes Forming Integral Part of the Financial Statements as at 31st March 2014

## Note : 4 Long Term Borrowings

Particulars	As at 31st March 2014		As at 31st March 2013	
	Non Current	Current	Non Current	Current
<b>Secured</b>				
Term Loans				
- From Bank			-	15,927,754
<b>Unsecured</b>				
-Fixed Deposits	7,510,000	9,985,000	10,545,000	7,050,000
-Corporate Loan	69,816,843	-	69,039,379	-
-Loans From Directors	5,450,000	7,200,000	7,950,000	4,700,000
<b>Total</b>	<b>82,776,843</b>	<b>17,185,000</b>	<b>87,534,379</b>	<b>27,677,754</b>

## Note : 5 Deferred Tax Liability (Net)

Particulars	As at 31st March 2014	As at 31st March 2013
<b>Deferred Tax Liability</b>		
Related to Fixed Assets	15,591,046	19,023,531
<b>Deferred Tax Assets</b>		
Disallowances under the Income Tax Act, 1961	2,793,577	2,756,237
<b>Total</b>	<b>12,797,469</b>	<b>16,267,294</b>

## Note : 6 Long term Provisions

Particulars	As at 31st March 2014	As at 31st March 2013
Gratuity	6,036,369	5,283,792
Leave Encashment	1,407,916	1,983,345
<b>Total</b>	<b>7,444,285</b>	<b>7,267,137</b>



**HISAR METAL INDUSTRIES LIMITED****Notes Forming Integral Part of the Financial Statements as at 31st March 2014****Note : 7 Short Term Borrowings**

Particulars	As at 31st March 2014	As at 31st March 2013
<b>Secured</b>		
<b>Working Capital Loans From Banks</b>		
-Rupee Loans	344,050,786	269,917,794
-Pnb Bills Payble	89,860,065	170,492,860
<b>Total</b>	<b>433,910,851</b>	<b>440,410,654</b>

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

a. Cash Credit of Rs.344050786 from Punjab National Bank is secured against hypothecation of stock of finished goods, raw materials, work in progress, book debts, stores and spares and guaranteed by the directors.

**Note : 8 Trades Payable**

Particulars	As at 31st March 2014	As at 31st March 2013
Micro, Small and Medium Enterprises	-	-
Others	169,622,855	79,738,869
<b>TOTAL</b>	<b>169,622,855</b>	<b>79,738,869</b>

**Note : 9 Other Current Liabilities**

Particulars	As at 31st March 2014	As at 31st March 2013
Current maturities of long term debt ( Refer Note No. 3)	17,185,000	27,677,754
Unclaimed Dividends	397,895	362,921
Creditors for Capital Expenditure	400,000	431,496
Bank Book Overdraft	-	7,425
Excise Duty Payble	4,188,695	
Advance from Customers	1,238,676	2,577,759
Other Payables	16,948,413	8,516,949
<b>Total</b>	<b>40,358,679</b>	<b>39,574,304</b>

**Note : 10 Short Term Provisions**

Particulars	As at 31st March 2014	As at 31st March 2013
Proposed Dividend	3,600,000	3,600,000
Tax on Dividend	611,820	584,010
Provision for Wealth Tax/Income Tax	154,578	1,051,177
<b>Total</b>	<b>4,366,398</b>	<b>5,235,187</b>

# HISAR METAL INDUSTRIES LIMITED

Notes Forming Integral Part of the Financial Statements as at 31st March 2014

## Note :11 Fixed Asset

Particulars	Gross Block			Depreciation			Net Block			
	Value at the beginning	Addition during the year	Deduction during the year	Value as at 31st march 2014	Value at the beginning	Addition during the year	Deduction during the year	Value as at 31st march 2014	WDV as on 31.03.2014	WDV as on 31.03.2013
<b><u>Tangible Assets</u></b>										
Land	9,806,840	-	-	9,806,840	-	-	-	-	9,806,840	9,806,840
Industrial Plot	11,146,838	206,550	-	11,353,388	-	-	-	-	11,353,388	11,146,838
Shed and Building	22,444,646	-	-	22,444,646	6,964,216	749,651	-	7,713,867	14,730,780	15,480,430
Delhi office	3,710,000	-	-	3,710,000	354,132	60,473	-	414,605	3,295,395	3,355,868
Plant and Machinery	307,681,632	-	1,77,359 *	307,504,273	173,892,090	22,816,817	-	196,708,907	110,795,366	133,789,542
Generator	11,412,867	-	-	11,412,867	10,359,140	846,835	-	11,205,975	206,892	1,053,727
Vehicles	13,588,088	313,702	310,342	13,591,448	4,808,058	1,271,665	310,341	5,769,382	7,822,066	8,780,030
Furniture and Fixture	1,145,176	49,522	-	1,194,698	454,980	73,357	-	528,337	666,361	690,196
Office Equipments	1,654,234	27,000	-	1,681,234	553,204	78,987	-	632,191	1,049,043	1,101,030
Computer	1,736,275	141,100	-	1,877,375	1,585,668	166,218	-	1,751,886	125,489	150,607
<b>SUB TOTAL A</b>	<b>384,326,596</b>	<b>737,874</b>	<b>487,701</b>	<b>384,576,769</b>	<b>198,971,488</b>	<b>26,064,003</b>	<b>310,341</b>	<b>224,725,150</b>	<b>159,851,620</b>	<b>185,355,108</b>
<b><u>Intangible Assets</u></b>										
Computer Software	2,349,447	-	-	2,349,447	474,086	380,845	-	854,931	1,494,516	1,875,361
<b>SUB TOTAL B</b>	<b>2,349,447</b>	<b>0</b>	<b>-</b>	<b>2,349,447</b>	<b>474,086</b>	<b>380,845</b>	<b>-</b>	<b>854,931</b>	<b>1,494,516</b>	<b>1,875,361</b>
<b><u>Capital Work-in-progress</u></b>										
Plant and Machinery	-	20,948,967		20,948,967	-	-	-	-	20,948,967	-
<b>SUB TOTAL C</b>	<b>-</b>	<b>20,948,967</b>	<b>-</b>	<b>20,948,967</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,948,967</b>	<b>-</b>
<b>Total [A + B + C] (Current Year)</b>	<b>386,676,043</b>	<b>21,686,841</b>	<b>487,701</b>	<b>407,875,183</b>	<b>199,445,574</b>	<b>26,444,848</b>	<b>310,341</b>	<b>225,580,081</b>	<b>182,295,103</b>	<b>187,230,469</b>
<b>(Previous Year)</b>	<b>383,706,558</b>	<b>16,154,966</b>	<b>13,185,481</b>	<b>386,676,043</b>	<b>174,078,455</b>	<b>25,618,219</b>	<b>251,100</b>	<b>199,445,574</b>	<b>187,230,469</b>	<b>209,628,103</b>

\* Reversal of Modvat of last year on Plant & Machinery

**HISAR METAL INDUSTRIES LIMITED***Notes Forming Integral Part of the Financial Statements as at 31st March 2014***Note : 12 Non Current Investments**

Particulars	As at 31st March 2014	As at 31st March 2013
<b>Investment in Equity Instrument</b>		
Quoted Non Trade at Cost	84,000	84,000
2400 Equity Shares of Haryana Financial Corporation of Rs.10/- each fully paid up (Market value not Available)		
<b>Total</b>	<b>84,000</b>	<b>84,000</b>

**Note : 13 Long Term Loans and Advances**

Particulars	As at 31st March 2014	As at 31st March 2013
<b>Unsecured, Considered Good :</b>		
Security Deposit	4,247,939	3,707,020
MAT Credit Entitlement	823,518	823,518
Sales Tax Refundable	9,677,540	5,658,885
<b>Total</b>	<b>14,748,997</b>	<b>10,189,423</b>

**Note : 14 Inventories**

Particulars	As at 31st March 2014	As at 31st March 2013
Raw Material	196,085,884	163,090,669
Finished Goods	17,776,500	12,265,438
Stores & Spares	39,873,779	46,557,080
<b>Total</b>	<b>253,736,163</b>	<b>221,913,187</b>

**Note : 15 Trade Recievables**

Particulars	As at 31st March 2014	As at 31st March 2013
<b>Unsecured, Considered Good :</b>		
Outstanding for more than six months	12,621,138	10,815,298
Others	336,711,802	299,355,115
<b>Total</b>	<b>349,332,940</b>	<b>310,170,413</b>

**Note : 16 Cash & Bank Balances**

Particulars	As at 31st March 2014	As at 31st March 2013
<b>Cash &amp; Cash Equivalent</b>		
Cash Balance	275,188	422,354
Bank Balances in Current accounts	1,049,464	1,025,695
Silver Coins	21,007	17,656
Gold Coins	83,788	87,195
<b>Bank balances</b>		
Bank Balance Representing Unclaimed Dividend	397,895	362,921
Balance with Banks in Fixed Deposit Account (Maturity more than three months but upto twelve months Rs. 34561552 and less than three months 1899040)*	36,460,592	31,878,973
<b>Total</b>	<b>38,287,934</b>	<b>33,794,794</b>

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

## HISAR METAL INDUSTRIES LIMITED

Notes Forming Integral Part of the Financial Statements as at 31st March 2014

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

Particulars	As at 31st March 2014	As at 31st March 2013
<b>Others</b> (Unsecured considered good)		
Excise Duty Recoverable		8,904,179
Advance Income Tax/Refund Due		426,293
Balance With Revenue Authorities (Indirect Taxes)	15,359,532	5,843,021
Advance against machinery	6,319,925	-
Prepaid Expenses	5,509,320	4,419,942
Others	8,204,191	7,528,245
<b>Total</b>	<b>35,392,968</b>	<b>27,121,680</b>

**Note : 18 Revenue from Operations**

Particulars	As at 31st March 2014	As at 31st March 2013
Sale of Products		
Cold Rolled Stainless Steel strips	2,363,353,440	2,246,861,646
Sale of Services		
Consultancy		10,000,000
Job Work Income	1,498,320	2,580,914
Other Operating Revenue		
Export Sale Income	729,125	814,878
<b>Less:</b>		
Excise Duty	252,770,231	239,358,342
<b>Total</b>	<b>2,112,810,654</b>	<b>2,020,899,096</b>

**Note : 19 Other Income**

Particulars	As at 31st March 2014	As at 31st March 2013
Profits on sale of Fixed Assets	21,999	
Miscellaneous Income		
-Exchange fluctuation	1,074,393	888,746
-Store sale	2,748,210	2,460,605
-Others		266,493
<b>Total</b>	<b>3,844,602</b>	<b>3,615,844</b>

**Note : 20 Cost of Material Consumed**

Particulars	As at 31st March 2014		As at 31st March 2013	
	%	Amount	%	Amount
<b>Hot Rolled SS strips</b>				
Indigenous	100.00	1,773,284,713	99.83	1,710,496,939
Import	0.00		0.17	2,876,469
<b>Total</b>	<b>100.00</b>	<b>1,773,284,713</b>	<b>100.00</b>	<b>1,713,373,408</b>

**Note : 21 Change in Inventories**

Particulars	As at 31st March 2014	As at 31st March 2013
<b>Inventories (at close)</b>		
Finished Goods	17,776,500	12,265,438
<b>Inventories (at commencement)</b>		
Finished Goods	12,265,438	10,201,766
<b>Total</b>	<b>(5,511,062)</b>	<b>(2,063,672)</b>

## HISAR METAL INDUSTRIES LIMITED

Notes Forming Integral Part of the Financial Statements as at 31st March 2014

**Note : 22 Employee Benefit Expenses**

Particulars	As at 31st March 2014	As at 31st March 2013
Salaries Wages and Bonus	19,573,799	17,514,470
Staff & Labour Welfare	1,182,926	1,142,153
Contribution to Provident & Other funds	2,405,356	2,324,763
Gratuity	1,536,300	1,719,059
Leave Encashment	781,493	445,624
<b>Total</b>	<b>25,479,874</b>	<b>23,146,069</b>

**Note :23 Finance Cost**

Particulars	As at 31st March 2014	As at 31st March 2013
Interest on :		
Long Term Loan	12,808,060	15,102,969
Short Term	11,501,596	19,854,946
Others	33,422,272	32,144,454
Bank Charges	6,169,892	4,514,907
<b>Total</b>	<b>63,901,820</b>	<b>71,617,276</b>

**Note : 24 Depreciation & Amortised Cost**

Particulars	As at 31st March 2014	As at 31st March 2013
Depreciation	26,444,848	25,618,219
<b>Total</b>	<b>26,444,848</b>	<b>25,618,219</b>

**Note : 25 Other Expenses**

Particulars	As at 31st March 2014	As at 31st March 2013
Manufacturing Expenses :		
Stores and Spares	60,933,630	46,034,598
Power and Fuel	116,939,547	110,240,106
Chemical	21,665,459	19,826,042
Repair and Maintenance( Plant and Machinery)	4,290,600	3,781,547
Other Manufacturing Expenses	1,360,789	1,122,027
Rent	288,000	288,000
Filing Fees	10,500	20,000
Legal & Professional	822,498	329,467
Vehicle Upkeep & Maintenance	1,227,743	913,029
Insurance	1,764,292	2,064,448
Postage, Telegram & Telephone	556,418	612,188
Travelling & Conveyance	714,372	674,529
Printing & Stationery	560,489	633,164
Auditor's Remuneration as:		
Statutory Audit Fees	72,000	72,000
Tax Audit Fees	24,000	24,000
Consultancy	22,000	22,000
Advertisement	280,941	296,641
Fees & Subscription	802,578	599,218
Commission & Discount	390,816	465,448
Donation	51,400	26,500
Freight & Octroi	1,285,122	1,046,655
Miscellaneous Expenses	789,034	494,614
Export Sale Exp	835,533	585,807
Sale Tax Expenses	279,857	—
Sale Promotion Expenses	120,856	355,572
Loss on sale of fixed assets	—	120,332
Exhibition Rental Charges	—	408,810
<b>Total</b>	<b>216,088,475</b>	<b>191,056,742</b>



**HISAR METAL INDUSTRIES LIMITED****Notes Forming Integral Part of the Financial Statements as at 31ST MARCH 2014****Note : 26 Disclosure as per AS15-Retirement Benefits:****Post Retirement Employee Benefit:**

Description of Plan

Gratuity

Leave Encasement

Principal actuarial assumptions:

<b>i) Economic Assumptions</b>					
<b>Particulars</b>		<b>Gratuity</b>		<b>Leave Encasement</b>	
		<b>31/03/2014</b>	<b>31/03/2013</b>	<b>31/03/2014</b>	<b>31/03/2013</b>
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	0.00	0.00	0.00	0.00

<b>ii) The amounts to be recognized in balance sheet and related analysis</b>					
<b>Particulars</b>		<b>Gratuity</b>		<b>Leave Encasement</b>	
		<b>31/03/2014</b>	<b>31/03/2013</b>	<b>31/03/2014</b>	<b>31/03/2013</b>
a)	Present Value of obligation as at end of the period	6036369	5283792	1407916	1983345
b)	Fair Value of plan assets as at the end of the period	--	--	--	--
c)	Funded status / difference	6,036,369	(5,283,792)	1,407,916	(1,983,345)
d)	Excess of actual over estimated	--	--	--	--
e)	Unrecognized actuarial (gains)/ losses	--	--	--	--
f)	Net asset/(liability) recognized in balance sheet	6,036,369	(5,283,792)	1,407,916	(1,983,345)

<b>iii) Expense recognized in the statement of Profit and Loss</b>					
<b>Particulars</b>		<b>Gratuity</b>		<b>Leave Encasement</b>	
		<b>31/03/2014</b>	<b>31/03/2013</b>	<b>31/03/2014</b>	<b>31/03/2013</b>
a)	Current service cost	668892	562510	366070	222475
b)	Past service cost	--	--	--	--
c)	Interest cost	422703	570322	158668	141390
d)	Expected return on plan assets	--	--	--	--
e)	Curtailment cost/(Credit)	--	--	--	--
f)	Settlement cost/(Credit)	--	--	--	--
g)	Net actuarial (gain)/ loss recognized in the period	444705	586227	256,755	(81,759)
h)	Expense recognized in the statement of profit & losses	1536300	1719059	781493	445624

**HISAR METAL INDUSTRIES LIMITED****Notes Forming Integral Part of the Financial Statements as at 31ST MARCH 2014**

<b>iv) Reconciliation statement of expense in the statement of profit and loss</b>					
<b>Particulars</b>		<b>Gratuity</b>		<b>Leave Encashment</b>	
		<b>31/03/2014</b>	<b>31/03/2013</b>	<b>31/03/2014</b>	<b>31/03/2013</b>
a)	Present value of obligation as at the end of period	6036369	5283792	1407916	1983345
b)	Present value of obligation as at the beginning of the period	5283792	7129029	1983345	1767373
c)	Benefits paid	(783723.00)	3564296	1356922	229652
d)	Actual return on plan assets	--	--	--	--
e)	Expenses recognized in the statement of profit & losses	1536300	1719059	781493	445624

<b>v) Movement in the liability recognized in the balance sheet</b>					
<b>Particulars</b>		<b>Gratuity</b>		<b>Leave Encashment</b>	
		<b>31/03/2014</b>	<b>31/03/2013</b>	<b>31/03/2014</b>	<b>31/03/2013</b>
a)	Opening net liability	5283792	7129029	1983345	1767373
b)	Expenses as above	1536300	1719059	781493	445624
c)	Benefits paid	(783,723)	(3,564,296)	(1,356,922)	(229,652)
d)	Closing net Liability	6036369	5283792	1407916	1983345



**HISAR METAL INDUSTRIES LIMITED**

Notes Forming Integral Part of the Financial Statements as at 31ST MARCH 2014

**Note : 27 Disclosure as per Accounting Standard -18 on Related Party Disclosures****(i) Name of the associates with whom transactions were carried out during the year.****Associate Concerns**

- 1 Jindal Polybutton Limited
- 2 Jindal Metal Limited
- 3 Amtrex Trading Co. Pvt. Ltd

**Name of the key management personnel and their relatives with whom transactions were carried out during the year****(ii) Key management personnel & their relatives:**

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

**(iii) Transactions with the related parties**

Particulars	Nature of relationship	Name of the relative party	31st March 2014	31st March 2013
Managerial Remuneration	KMP	Sh. Abhiram Tayal	609,360	609,360
Interest Paid	Associate Concern	Amtrex Trading Co. Pvt. Ltd	595,784	537,711
	KMP	Sh. Abhiram Tayal	431,750	431,750
		Smt. Anubha Tayal	409,750	409,750
		Sh. Karan Dev Tayal	550,000	550,000
	Relative of KMP	Sh. Vikram Kumar Jain	1,076,350	1,076,350
		Smt. Kashni Tayal	550,000	550,000
		Abhiram Tayal HUF	165,000	165,000
Rent Paid	Associate Concern	Jindal Metal Limited	288,000	288,000
Job Work		Jindal Polybutton Limited	12,310	5,957
Payable to:	Associate Concern	Amtrex Trading Co. Pvt. Ltd.	5,501,075	4,964,869
	KMP	Sh. Abhiram Tayal	3,925,000	3,925,000
		Smt. Anubha Tayal	3,725,000	3,725,000
		Sh. Karan Dev Tayal	5,000,000	5,000,000
	Relative of KMP	Smt. Kashni Tayal	5,000,000	5,000,000
		Abhiram Tayal HUF	1,500,000	1,500,000
		Sh. Vikram Kumar Jain	9,785,000	9,785,000

**Note : 28 CIF Value of Imports**

Particulars	31st March 2014	31st March 2013
Raw materials	-	2,296,754
Stores & Spares (Machinery)	9,201,720	978,840

**Note : 29 Earnings in foreign exchange**

Particulars	31st March 2014	31st March 2013
FOB value of exports	26,538,112	22,737,919

**Note: 30 Expenditure in foreign currency**

Particulars	31st March 2014	31st March 2013
Travel Expenses	-	20,424

**Note : 31 Earnings per share**

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

Particulars	31st March 2014	31st March 2013
Profit for computation of Basic EPS	12,336,403	114,672
Add:/(Less) adjustment	-	-
Profit for computation of Diluted EPS	12,336,403	114,672
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 2014	31st March 2013
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	11,858,389	-
Counter guarantees issued to the bank for the bank guarantee obtained	1,312,377	1,312,377
Cheques/Bills/LCs/FLCs discounted with Company's Banker	35,662,193	33,116,757
Excise duty related matter	385,377	385,377
Sales tax related matter	31,838,619	26,661,708

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 matter is pending in the Supreme Court.

**Note : 33 Previous Year Figures**

Previous year figure are regrouped, wherever necessary.

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

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

SANJAY VERMA  
PARTNER  
Membership No. 089499

Place : Hisar  
Date : 29 May 2014

For and on behalf of the Board of Directors

(M.P. Jindal) (Abhiram Tayal) (Karan Dev Tayal)  
Chairman Managing Director Director

(R.S. Bansal) (Abhishek Kapoor)  
G.M. Finance Company Secretary

**HISAR METAL INDUSTRIES LIMITED**

REGISTERED OFFICE: NEAR INDUSTRIAL DEVELOPMENT COLONY  
DELHI ROAD, HISAR – 125005, HARYANA, INDIA

CIN: L74899HR1990PLC030937

**PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member  
Registered Address  
E-mail ID  
Folio No. / Client ID

I/ We being the member of ..... shares of the Hisar Metal Industries Limited, hereby appoint:

Name \_\_\_\_\_  
Address \_\_\_\_\_  
E-mail ID \_\_\_\_\_  
Signature \_\_\_\_\_

Or failing him/her

Name \_\_\_\_\_  
Address \_\_\_\_\_  
E-mail ID \_\_\_\_\_  
Signature \_\_\_\_\_

Or failing him/her

Name \_\_\_\_\_  
Address \_\_\_\_\_  
E-mail ID \_\_\_\_\_  
Signature \_\_\_\_\_

as my/our proxy to attend and vote for me /us and on my/our behalf at the twenty fourth Annual General Meeting of the Company to be held on Wednesday, September 24, 2014, at 11:00 A.M. at its registered office at Near I.D.C., Delhi Road, Hisar-125 005, (Haryana) and any adjournment thereof in respect of such resolution as indicated below:

Sr. no.	Resolutions to be passed in the meeting	For	Against
1.	Adoption of Financial Statements for the year ended on March 31, 2014		
2.	Declare a dividend of Rs. 1 per share as recommended by the Board		
3.	Reappointment of Mr. Karan Dev Tayal as Director of the Company		
4.	Appointment of M/s. Ram Sanjay & Co., Chartered Accountants as Statutory Auditors of the Company for a term from the conclusion of this meeting till the conclusion of the third consecutive Annual General Meeting of the Company		
5.	Appointment of Mr. Shital Parshad Jain, as an independent director for a term from September 24, 2014 to September 23, 2019		

6.	Appointment of Mr. Sharat Jain, as an independent director for a term from September 24, 2014 to September 23, 2019		
7.	Appointment of Mr. Anuj Kumar, as an independent director for a term from September 24, 2014 to September 23, 2019		
8.	Appointment of Mr. Sajjan Singh, as an independent director for a term from September 24, 2014 to September 23, 2019		
9.	Appointment of Mr. Krishan Kumar Jain, as an independent director for a term from September 24, 2014 to September 23, 2019		
10.	Re-appointment of Mr. Abhiram Tayal as Managing Director of the Company for a term of five years and to fix his remuneration		
11.	Fixing remuneration of M/s. Naveen Gupta & Co., Cost Accountants as Cost Auditor of the Company for audit of cost records for the financial year 2014-15		
12.	Borrowing of monies up to Rs. 100 Crores in excess of paid-up capital & free reserves		

Signed this ..... day of ..... 2014

Signature

.....  
(Proxy holder)

Signature.....

Affix  
Revenue  
Stamp  
Rs. 1/-

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.**

✂

## HISAR METAL INDUSTRIES LIMITED

REGISTERED OFFICE: NEAR INDUSTRIAL DEVELOPMENT COLONY  
DELHI ROAD, HISAR – 125005, HARYANA, INDIA

CIN: L74899HR1990PLC030937

### 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 twenty fourth Annual General Meeting to be held on Wednesday, September 24, 2014, at 11:00 A.M. at its registered office at near IDC, Delhi Road, Hisar-125 005, (Haryana).

Name of the share holder/proxy\*.....

Address .....

No. of shares held .....Folio No. ....

\*(Strike out whichever is Not Applicable)

.....  
(Signature of the Shareholder/Proxy)\*

# BOOK POST

*If undelivered please return to :*

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Near Industrial Development Colony

Delhi Road, Hisar – 125 005

(Haryana), INDIA