

HISAR
METAL

**TWENTY SIXTH
ANNUAL REPORT
2015-2016**

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. Sharat Jain
Mr. Anuj Kumar

COMPANY SECRETARY

Mr. Pardeep Nandal

CHIEF FINANCIAL OFFICER

Mr. R.S.Bansal

STATUTORY AUDITORS

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

BANKERS

Punjab National Bank

REGISTERED & CORPORATE OFFICE

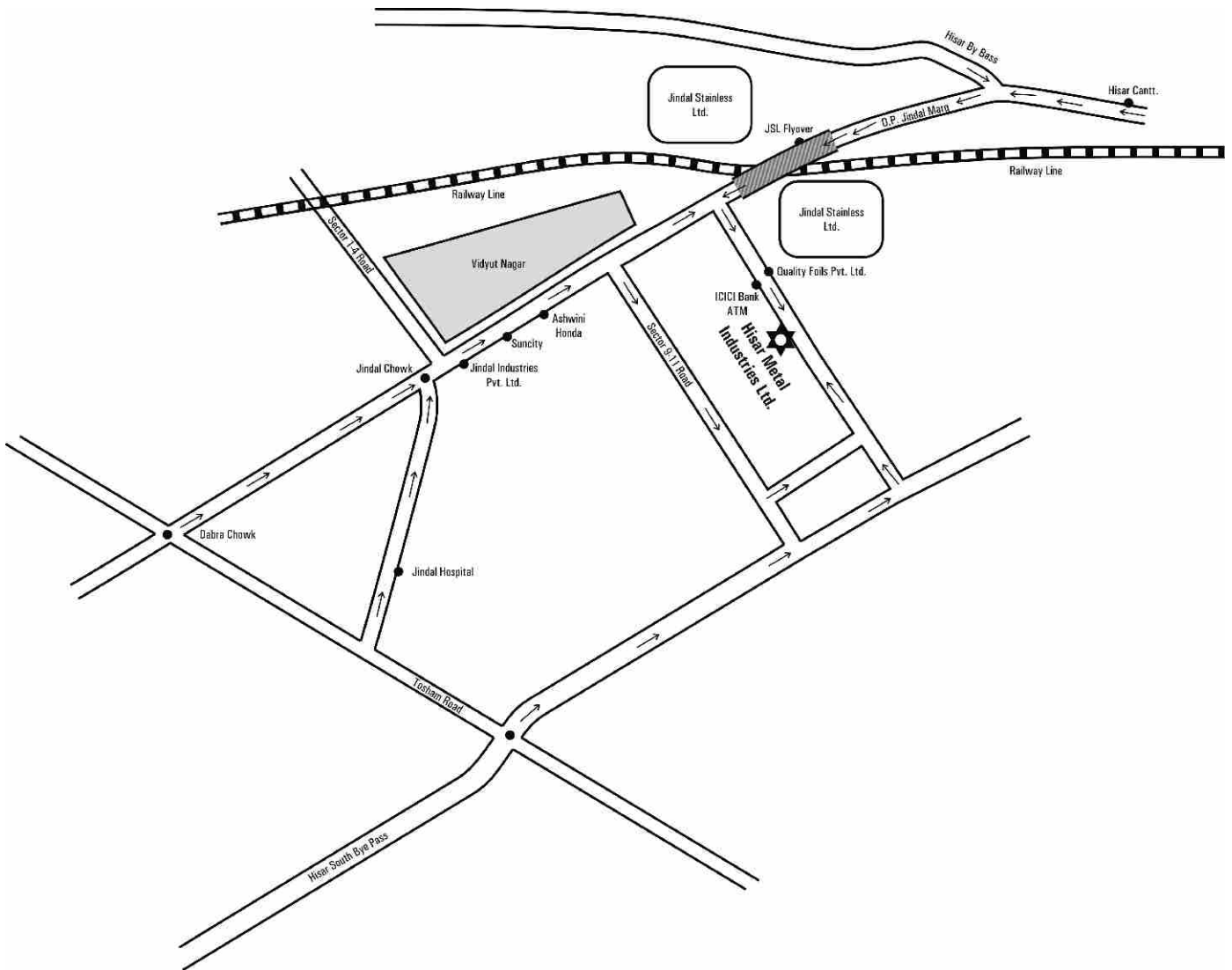
Near I.D.C., Delhi Road
Hisar-125 005
Haryana

CIN: L74899HR1990PLC030937



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Route map to the venue of the AGM



BOOK POST

If undelivered please return to :

HISAR METAL INDUSTRIES LIMITED

Near Industrial Development Colony

Delhi Road, Hisar-125 005.

(Haryana), INDIA

NOTICE

Notice is hereby given that the twenty sixth **Annual General Meeting (AGM)** of **Hisar Metal Industries Limited** will be held on Thursday, **July 28, 2016 at 11:00 A.M.** at its Registered Office at **Near Industrial Development Colony, Delhi Road, Hisar-125 005, (Haryana)**, to transact the following businesses:

Ordinary Business:

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2016, the reports of the Board of Directors and Auditors 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. M.P. Jindal (DIN-00049867), who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify the appointment of auditors of the Company, and to fix their remuneration and to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder, pursuant to the recommendations of the Audit Committee of the Board of Directors, and pursuant to the resolution passed by the members at the AGM held on September 24, 2014 the appointment of M/s. Ram Sanjay & Co., Chartered Accountants (Firm Registration No. 021670N), as the Statutory Auditors of the Company to hold office till the conclusion of the twenty seventh AGM to be held in the financial year 2017-18 be and is hereby ratified and that the Board of Directors be and are hereby authorised to fix the remuneration payable to them for the financial year ending March 31, 2017 as may be determined by the Audit Committee in consultation with the auditors.”

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 Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs. 50,000 (Rupees fifty thousand only) plus service tax as applicable and reimbursement of actual travel and out of pocket expenses, to be paid to M/s. Naveen Gupta & Co., Cost Accountants (Firm Registration No. 100920), Cost Auditors of the Company, for the financial year 2016-17, be and is hereby ratified.”
6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 and the rules issued thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting, be and are hereby approved and adopted in substitution and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

“RESOLVED THAT pursuant to the provisions of Section 4 and 13 and all other applicable provisions of the Companies Act, 2013 and the rules issued thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to necessary approval(s) if any, from the competent authorities, the Other Objects Clause of the Memorandum of Association of the Company be and is hereby removed by completely deleting the clause III (C).

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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 Section 61 and other applicable provisions of the Companies Act, 2013 and the rules issued thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the authorized share capital of the Company be and is hereby increased to Rs. 6,00,00,000 (Rupees six crore only) divided into 60,00,000 (sixty lacs only) equity shares of Rs. 10 (Rupees ten only) each, from Rs. 5,00,00,000 (Rupees five crore only) divided into 50,00,000 (fifty lacs only) equity shares of Rs. 10 (Rupees ten only) each, by way of creation of an additional 10,00,000 (ten lacs only) equity shares of Rs. 10 (Rupees ten only) each, aggregating to Rs. 1,00,00,000 (Rupees one crore only) ranking pari passu in all respect with existing equity shares of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

“RESOLVED THAT pursuant to the provisions of Sections 13 and 61 and other applicable provisions of the Companies Act, 2013 and the rules issued thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Clause V of the Memorandum of Association of the Company be and is hereby amended and substituted by the following :

V. The authorized share capital of the Company is Rs. 6,00,00,000 (Rupees six crore only) divided into 60,00,000 (sixty lacs only) equity shares of Rs. 10 (Rupees ten only) each.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

“RESOLVED THAT in accordance with Section 63 and other applicable provisions of the Companies Act, 2013, read with Rule 14 of the Companies (Share Capital & Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the relevant provisions of the Memorandum and Articles of Association of the Company and the recommendation of the Board of Directors (hereinafter referred to as 'The Board', which expression shall be deemed to include a committee of directors duly authorised in this behalf) of the Company and subject to the regulations and guidelines issued by the Securities and Exchange Board of India (SEBI), including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as amended from time to time) and applicable Regulatory Authorities, and such permissions, sanctions and approvals as may be required in this regard, consent of the Members be and is hereby accorded to the Board for capitalization of such sum standing to the credit of securities premium / free reserves of the Company, as may be considered necessary by the Board, for the purpose of issuance of bonus shares of Re.10/- (Rupee ten only)

each, credited as fully paid-up shares to the holders of the existing equity shares of the Company, whose names appear in the Register of Members maintained by the Company's Registrars and Transfer Agents / List of Beneficial Owners, as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), on such date ('record date') as may be fixed in this regard by the Board, in the proportion of 1 (one) equity share for every 2 (two) existing equity shares held by the Members.

RESOLVED FURTHER THAT the Bonus Shares so allotted shall rank pari passu in all respects with the fully paid-up equity shares of the Company as existing on the 'record date' (as determined by the Board) and shall always be subject to the terms and conditions contained in the Memorandum and Articles of Association of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all other steps as may be necessary to give effect to the aforesaid resolution and determine all other terms and conditions of the issue of bonus shares as the Board may in its absolute discretion deem fit.”

Hisar, June 24, 2016
Registered Office:
Near I.D.C., Delhi Road
Hisar-125 005
Haryana

By the order of Board of Directors
For Hisar Metal Industries Limited
Sd/-
(Pardeep Nandal)
Company Secretary

NOTES:

- 1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy so appointed need not be a member of the Company.**
- 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 in the aggregate not more than ten percent of total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
- Corporate members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company, authorising their representative to attend and vote on their behalf at the meeting.
- 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.
- Members/proxies/authorised representatives should bring the duly filled attendance slip enclosed herewith to attend the meeting.
- The register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
- The register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
- Members are advised to nominate a person in respect of all the shares held by them.
- Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to RTA/Company, for consolidation into a single folio.
- In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

11. 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/re-appointed in this meeting as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are annexed herein-below.
12. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 22. The Company will also send communication relating to remote e-voting which inter alia would contain details about User ID and password along with a copy of this Notice to the members, separately.
13. The Register of Members and Share Transfer Books of the Company will remain closed from July 07, 2016 to July 08, 2016 (both days inclusive) for the purpose of payment of the dividend for the financial year ended March 31, 2016 and the AGM.
14. Subject to the provisions of the Companies Act, 2013 dividend of 10% (Rs. 1/- per share) for the financial year ended on March 31, 2016 as recommended by the Board, if declared at the meeting, will be paid within 30 days from the date of declaration, to those members whose names appear on the Company's Register of Members/List of Beneficiaries as on July 06, 2016.
15. All documents referred to in the Notice will be available for inspection at the Registered Office of the Company during business hours on working days up to the date of the AGM.
16. Pursuant to Section 205A of the Companies Act, 1956 (Section 124 of the Companies Act, 2013), any amount of dividend that remains unpaid / unclaimed for a period of seven years from the date of transfer to the Company's Unpaid Dividend Account, 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 up to financial years 2007-08 from time to time, to the IEPF. The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on January 10, 2016 on the website of the Company (<http://www.hisarmetal.com>). Members are requested to write to the Company Secretary to claim unpaid dividend.
17. 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) 64732681 to 88, Fax: +91 (11) 26812682, Email: admin@skylinerta.com
18. Members holding shares in physical form are requested to dematerialize their shares for their own convenience.
19. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to Registrar and Share Transfer Agent or the Company.
20. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.
21. The Notice of the AGM alongwith the Annual Report 2015-16 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company/Depositories, unless any member has requested for a physical copy of the same. For members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. The Notice of the AGM alongwith the Annual Report 2015-16 will also be available on the Company's website: <http://www.hisarmetal.com>.
22. Instructions and other information relating to remote e-voting are as under:
 - I. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its

members facility to exercise their right to vote on resolutions proposed to be passed in the meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the meeting ('remote e-voting').

- II. The facility for voting through ballot paper system shall also be made available at the venue of the meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to vote at the meeting through above voting system.
- III. The members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.
- IV. The Company has engaged the services of National Securities Depository Limited ("NSDL") as the Agency to provide e-voting facility.
- V. The Board of Directors has appointed Mr. Yashlok Dubey, Company Secretary (ACS-39066), as Scrutinizer to scrutinise the remote e-voting and voting through ballot paper at the meeting in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
- VI. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. July 21, 2016 only shall be entitled to avail the facility of remote e-voting or voting by ballot paper at the meeting.
- VII. You can also update your mobile number and e-mail addresses in the user profile details of the folio which may be used for sending future communication(s).
- VIII. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. July 21, 2016.
- IX. Any person, who become a member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date i.e. July 21, 2016 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or RTA.
- X. The remote e-voting period commences on July 25, 2016 (9:00 am) and ends on July 27, 2016 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. July 21, 2016 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter.
- XI. The Scrutinizer, after scrutinising the votes cast at the meeting and through remote e-voting, will, not later than two days of conclusion of the meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company <http://www.hisarmetal.com> and on the website of NSDL <https://evoting.nsdl.com>. The results shall simultaneously be communicated to the Stock Exchanges.
- XII. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the meeting, i.e. July 28, 2016.
- XIII. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and remote e-voting user manual for shareholders available at the download section of <https://www.evoting.nsdl.com> or call on toll free no.: 1800-222-990.
- XIV. The process and manner for remote e-voting are as under:
 - A. In case a member receives an email from NSDL [for members whose email addresses are registered with the Company/Depository Participants(s)] :
 - (i) Open PDF file attached with the e-mail. The said PDF file contains your user ID and password for remote e-voting. Please note that the password is an initial password.

- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
 - (iii) Click on Shareholder – Login
 - (iv) If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on <https://www.evoting.nsdl.com> or contact NSDL at the following toll free no.: 1800-222-990
 - (v) If you are logging in for the first time, please enter the user ID and password provided through e-mail (as per Sr. No. (i) as mentioned in A above) or in physical form (as per Sr. No. (i) as mentioned in B below), as the case may be. Click Login.
 - (vi) The password change menu appears on your screen. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vii) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (viii) Select “EVEN” (E-Voting Event Number) of “Hisar Metal Industries Limited”. Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
 - (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
 - (xi) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained. The members can login any number of times during the voting period, till they have voted on all the resolutions.
 - (xii) Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast the vote again.
 - (xiii) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the relevant Board Resolution/ Power of Attorney/Authority letter etc. together with attested specimen signature(s) of the duly authorized representative(s), who is/are authorized to vote, to the Scrutinizer through e-mail at yashastilo@gmail.com with a copy marked to evoting@nsdl.co.in
- B. In case a member receives physical copy of the Notice by Post [for members whose email addresses are not registered with the Company/Depository Participants(s) or requesting physical copy] :
- (i) User ID and initial password – These will be sent separately.
 - (ii) Please follow all steps from Sr. No. (ii) to Sl. No. (xiii) as mentioned in (A) above, to cast your vote.

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 and information under Regulation 36 (3) of the SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015 about Directors seeking appointment / re-appointment

Item: 3

Mr. M.P. Jindal, aged about 67 years is a Graduate. He has more than 40 years experience as Industrialist and was inducted into the Board of Directors of the Company on February 14, 1995. Mr. M.P. Jindal is Chairman of the Board of Directors of the Company.

Although he is a Non-Executive Director of the Company but leveraging his vast experience and interest in cold rolling, tube and pipes mills, provides his guidance on various matters of the Company from time to time.

Mr. M.P. Jindal is Director in M/s Ravindra Tubes Pvt. Ltd. and M/s Jindal Industries Pvt. Ltd. and does not hold membership of committees in any other Company. He is member of one committee namely Nomination and Remuneration Committee but does not chair any committees of the Company. Further he is a shareholder of the Company and holds 107000 shares of the Company.

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

No director, key managerial personnel and their relatives, except Mr. M.P. Jindal, to whom the Resolution relates, are in any way concerned or interested in the Resolution set forth in Item No. 3.

The Board of Directors considers that in view of the background, experience and contribution to the Company of Mr. M.P. Jindal, it would be in the interest of the Company to re-appoint him as a Director of the Company and recommends the Resolution set forth in Item No. 3 for the approval of the Members.

Item: 5

The Board of Directors (Board) in its meeting held on May 28, 2016 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 financial year 2016-17 at a remuneration of Rs. 50,000 plus service tax as applicable and reimbursement of actual travel and out of pocket expenses. The appointment and remuneration was made on the recommendation of Audit Committee of the Board. As per provisions of the Companies Act, 2013 the remuneration of Cost Auditor shall be ratified by the Members of the Company.

Accordingly, consent of the Members is being sought for ratification of the remuneration payable to the Cost Auditors for the financial year 2016-17.

The Board recommends the Resolution set forth in Item No. 5 for the approval of the Members.

No director, key managerial personnel and their relatives are in any way concerned or interested in the Resolution set forth in Item No. 5.

Item No. 6 and 7

The existing Memorandum of Association and Articles of Association of the Company are based on the Companies Act, 1956. Not only do several regulations in the existing Articles of Association contain references to the specific Sections of the Companies Act, 1956, but some regulations in the existing Articles of Association are no longer in conformity with the Companies Act, 2013. With the coming into force of the Companies Act, 2013 several regulations of the existing Articles of Association of the Company require alteration or deletions. It is therefore considered expedient to replace the existing Articles of Association with an entirely new set of Articles of Association. The substitution of the existing Articles of Association with the new Articles of Association is proposed to align the Articles of Association of the Company with the provisions of the Companies Act, 2013.

Similarly, in order to comply with the provisions of Sections 4 and other applicable provisions, if any, of the Companies Act, 2013 the Company needs to delete the Other Objects Clause from the Memorandum of Association. The modification in Memorandum of Association is carried out to give effect to provisions of the Companies Act, 2013.

The substitution of the existing Articles of Association with the new Articles of Association and the modification in Memorandum of Association of the Company are subject to the approval of Members in terms of Sections 13 and 14 and other applicable provisions of the Companies Act, 2013 as well as any other applicable statutory and regulatory approvals. Accordingly, the Resolutions set forth in Item Nos. 6 and 7 of the Notice seek the approval of the Members in this regards.

The proposed new draft sets of Memorandum of Association and Articles of Association are being uploaded on the Company's website: <http://www.hisarmetal.com> for information of the Members and also kept available for inspection

during office hours at the registered office of the Company up to the date of the meeting.

No director, key managerial personnel and their relatives are in any way concerned or interested in the Resolutions set forth in Item Nos. 6 and 7.

The Board recommends the Resolutions set forth in Item Nos. 6 and 7 for the approval of the Members.

Item Nos. 8, 9 and 10

To cope-up with the dynamic environment and to ensure empowerment of the Boards to work toward increment of shareholder's wealth by way of Bonus Issue and to provide more liquidity to the Members by way of listing of equity shares of the Company at Nationwide Stock Exchange, at any time in the future, the Board in its meeting held on June 24, 2016 has proposed to capitalize the reserve and surplus or such other accounts as are permissible to be utilized for the purpose and hereby recommends the issue of bonus shares in the ratio of 1:2 {1 (one) equity share for every 2 (two) existing equity shares} held by the Members on the 'record date' to be determined by the Board for this purpose, subject to approval of the Members and such other authorities as may be necessary.

Presently, the authorized share capital of your Company is Rs. 5,00,00,000 (Rupees five crore only) divided into 50,00,000 (fifty lacs only) equity shares of Rs. 10 (Rupees ten only) each. To give effect to the recommendations of Bonus issue of equity shares as provided in the resolution under Item No. 10, and to meet any future requirements, the authorised share capital of the Company needs to be increased from Rs. 5,00,00,000 (Rupees five crore only) divided into 50,00,000 (fifty lacs only) equity shares of Rs. 10 (Rupees ten only) each to Rs. 6,00,00,000 (Rupees six crore only) divided into 60,00,000 (sixty lacs only) equity shares of Rs. 10 (Rupees ten only) each and consequential amendments to the existing Clause V of the Memorandum of Association of the Company.

The Bonus issue of equity shares, increase in the authorized share capital and alteration of the relevant clause of the Memorandum of Association of the Company are subject to the approval of Members in terms of Sections 13, 61 and 63 and other applicable provisions of the Companies Act, 2013 as well as any other applicable statutory and regulatory approvals.

Accordingly, the Resolutions set forth in Item Nos. 8, 9 and 10 of the Notice seek the approval of Members for capitalization of the amount standing to the credit of securities premium account / free reserve and issue of bonus shares on the terms and conditions set out in the Resolution No. 10, and also seek the approval of Members for consequential amendments to the relevant Clause of the Memorandum of Association of the Company.

No director, key managerial personnel and their relatives are in any way concerned or interested in the Resolutions set forth in Item Nos. 8, 9 and 10 of the Notice except to the extent of their shareholding in the Company.

The Board recommends the Resolutions set forth in Item Nos. 8, 9 and 10 for the approval of the Members.

Hisar, June 24, 2016**Registered Office:**

Near I.D.C., Delhi Road

Hisar-125 005

Haryana

**By the order of Board of Directors
For Hisar Metal Industries Limited**Sd/-
(Pardeep Nandal)
Company Secretary

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present 26th Annual Report and the Company's audited financial statement for the financial year ended March 31, 2016.

FINANCIAL RESULTS

The Company's financial performance for the year ended March 31, 2016 is summarized below:

FINANCIAL RESULTS	2015-16	2014-15
Sales/Others receipts	17613.08	22395.42
Profit before depreciation and Taxation	240.65	356.06
Less: depreciation	170.01	150.69
Profit after depreciation	70.64	205.37
Less: Provision for Taxation		
Current Year	13.46	73.09
Deferred Tax	31.07	(5.73)
Previous Year Tax	0.81	5.15
Mat Credit Entitlement	(13.46)	-
Profit after Taxation	38.76	132.86
Add: Profit brought forward	467.87	378.54
Profit available for appropriation	506.63	511.40
Dividend & Tax on dividend	43.33	43.53
Surplus carried to Balance Sheet	463.30	467.87

*Amounts are in Lacs.

COMPANY'S BUSINESS GROWTH AND PROSPECTS

The total income from operations (net of excise) for the current year has decreased to Rs. 17613.08 Lacs from Rs. 22395.42 Lacs in the previous year, on this account the profits after tax has also declined from Rs. 132.86 Lacs to Rs. 38.76 Lacs this year.

DIVIDEND

Your Directors have recommended a dividend of 10% on share of face value of Rs. 10 each i.e. Re. 1/- per share for the financial year ended on March 31, 2016.

TRANSFER TO RESERVES

Your Directors have not recommended any amount to transfer to general reserve.

CHANGES TO AUTHORISED SHARE CAPITAL AND BONUS ISSUE

The Board of the Company has in its meeting held on June 24, 2016, approved the proposal for:

- increase in the authorised share capital from Rs.5 Crore to Rs 6 Crore.
- Issue of 1 bonus share for every 2 shares held by the existing shareholders of the Company.

The said proposals are subject to approval of the Members at the ensuing Annual General Meeting of the Company.

FIXED DEPOSITS

Your Company has not accepted any deposit within the meaning of Section 73 of the Companies Act, 2013, read with the

Companies (Acceptance of Deposits) Rule, 2014.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loans or guarantees covered under the provisions of Section 186 of the Companies Act, 2013.

The details of the investments made by the Company are given in the notes to the financial statements.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: <http://www.hisarmetal.com>

Your Directors draw attention of the members to Note 27 to the financial statement which sets out related party disclosures.

INTERNAL FINANCIAL CONTROL

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.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy to report genuine concerns or grievances. The Whistle Blower Policy has been posted on the Company's website at the link: <http://www.hisarmetal.com>.

RISK MANAGEMENT POLICY

Your Directors have constituted a Risk Management Committee which has been entrusted with the responsibility to assist the Board in:

- a) Oversee and implementing the Company's risk management and internal control systems; and
- b) Overseeing that all the risks that the organization faces such as strategic, financial, operational, regulatory and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks. A Risk Management Policy was reviewed and approved by the Board on recommendation of the Committee.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in **Annexure A** to this Report.

NEW MANUFACTURING PLANT

New manufacturing plant of stainless steel tube & pipes of the Company has commenced commercial production w.e.f. May 02, 2016. The new plant is situated at Hisar (Haryana) and its total manufacturing capacity is 900 MT p.a.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with Section 134 (5) of Companies Act, 2013 the Board of Directors confirms that:

- a) in the preparation of the annual accounts for the year ended March 31, 2016 the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- 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 the financial year and of the profit and loss of the Company for that period;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a going concern basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. M.P. Jindal, Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

During the year under review, the members approved the re-appointment of Mrs. Anubha Tayal as a Non-Executive Non-Independent Director who is liable to retire by rotation.

During the year under review, due to personal reasons Mr. Rahul Dev Tayal, Non-Executive Non-Independent Director has resigned from the Company. The Board placed on record its appreciation for the valuable services rendered by Mr. Rahul Dev Tayal during his tenure with the Company.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Act and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. None of the Independent Directors are due for re-appointment.

The Company has devised a policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of the Non-Executive Directors and Executive Directors. The evaluation of all the Directors and the Board as whole was conducted based on the criteria and framework adopted by the Board. The evaluation process has been explained in the Corporate Governance Report section in this Annual Report.

The policy of the Company on Directors' appointment and remuneration, adopted by the Board, is appended as **Annexure-B** to the Boards' report.

AUDIT COMMITTEE

The Audit Committee consists of three Directors, out of which two are the Independent Directors, namely Mr. Shital Parshad Jain (Chairman), Mr. Sajjan Singh and Mrs. Anubha Tayal as other members. All the recommendations made by the Audit Committee were accepted by the Board.

MEETINGS OF THE BOARD

Four meetings of the Board of Directors were held during the year. For further details, please refer report on Corporate Governance in this Annual Report.

STATUTORY AUDITORS

At the AGM held on September 24, 2014 M/s. Ram Sanjay & Company, Chartered Accountants, were appointed as Statutory Auditor of the Company to hold office till the conclusion of the twenty seventh AGM to be held in the financial year 2017-18.

In terms of the first proviso to Section 139(1) of the Companies Act, 2013 the appointment of the Auditors shall be placed for ratification at every AGM. Accordingly, the appointment of M/s. Ram Sanjay & Company, Chartered Accountants, as Statutory Auditors of the Company, is placed for ratification by the shareholders. In this regards, the Company has received a certificate from the Auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

The Auditors' Report does not contain any qualification, reservation or adverse remark.

SECRETARIAL AUDITORS

M/s. Rajesh Garg & Company, Practicing Company Secretary, was appointed by the Board as Secretarial Auditor, to conduct the Secretarial Audit of the Company for the financial year 2015-16. The Secretarial Audit Report for financial year 2015-16 forms part of the Annual Report as **Annexure-C** to the Board's report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

The Board has appointed M/s. Rajesh Garg & Company, Practicing Company Secretary, as Secretarial Auditor of the Company for the financial year 2016-17.

COST AUDITORS

The Board has appointed M/s. Naveen Gupta & Company, Cost Accountants having Firm Registration no. 100920 with the Institute of Cost Accountants of India, as Cost Auditor of the Company for conducting Cost Audit of the Company for the financial year 2016-17.

EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company is annexed herewith as **Annexure D** to this Report.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

There was no such employee of the Company who is covered under provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in **Annexure E** to this Report.

CORPORATE GOVERNANCE

Your Company has complied with all the mandatory provisions of corporate governance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A separate report on Corporate Governance along-with Auditors' certificate in this regard forms part of the Annual Report as **Annexure F** to the Board's report.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section forms part of the Annual Report as **Annexure G** to the Board's report.

COMPLIANCE OF GUIDELINES OF SEBI/STOCK EXCHANGE

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

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this report.

INDUSTRIAL RELATIONS

Industrial relations continued to be cordial during the year under review.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. The Company has not constituted Employees' Stock Option Scheme (ESOS) and not issue any share to its employees under the said Scheme or any other scheme (including sweat equity shares) during the financial year.
3. Company has not any subsidiary Company. Neither the Managing Director nor the Whole-time Director of the Company receive any remuneration or commission from any of its subsidiaries.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
5. The Company does not require to constitute Corporate Social Responsibility and Governance Committee, hence no CSR Committee was constituted during the financial year.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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.

Date: June 24, 2016
Place: Hisar

For and on behalf of the Board of Directors	
Sd/-	Sd/-
(Abhiram Tayal)	(Karan Dev Tayal)
Managing Director	Director

ANNEXURE A

Pursuant to Companies (Accounts) Rules, 2014

A). CONSERVATION OF ENERGY

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

- a) The steps taken on conservation of energy:
 1. Installation of LED lights to reduce power consumptions.
 2. To optimise the combustion of annealing furnaces, the atmospheric air is pre-heated by flue gases at 220°C to reduce fuel consumption.
 3. Using the Operating pumps near the best efficiency point for saving energy.
 4. By maintaining power factor near to 1.00 to save energy.
 5. Installation of variable frequency drive at bright annealing lines and slitting machines resulted energy cost saving and significant reduction in DC motor maintenance cost.
 6. Timer provided for auto controlling of area and plant lighting.
 7. Installed 2x25KW frequency drive in place of DOL starters at rolling mills screw down for proper utilisation of screw speed, resulting saving of energy consumption.
 8. Power purchases through IEX.
 9. At plant area used roof extractors instead of exhaust fans for air circulation saving electrical energy.
- b) The steps taken by the Company for utilising alternate sources of energy:
 1. Asbester sheets replaced with the polycarbonate transparent sheets at different intervals in order to achieve better illumination during day time and hence significant reduction in power consumption by switching off shed lights during day time at the plant.
 2. Carbon Black Feed Stock (CBFS) used in furnace as fuel against Light Diesel Oil (LDO) to reduce the cost of fuel.
- c) The capital investment on energy conservation equipments:
 1. Day light linked control system to be installed on the street lights to shut off the streetlights automatically.
 2. Installing localised capacitor can increase the Power Factor of the motors & improve the voltage profile of the LT distribution & decrease the distribution losses in the cable networks.
 3. More LED lights will be installed in different areas of plant to reduce power consumption.

B). TECHNOLOGY ABSORPTION

The Company has made the below mentioned efforts for the technology absorption in an effective manner:

1. During the year the company has installed a BA (Bright Annealing) Line :
2. On account of installation of BA Line the air pollution level has gone down.
3. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year) following information may be furnished
 - a) Technology imported : From China
 - b) Year of import : 2015-16
 - c) Has technology fully absorbed : Yes
 - d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action : Not Applicable
4. Expenditure on Research and development : NIL

C). FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	For the year ended on March 31, 2016	For the year ended on March 31, 2015
Earnings	2,12,36,180	3,00,89,762
Outgo	2,48,91,121	4,80,25,852

Annexure B

Nomination and Remuneration Policy

Introduction:

The Company considers human resources as its invaluable assets. This policy on nomination and remuneration of Directors, Key Managerial Personnel (KMPs) and other employees has been formulated in terms of the provision of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to pay equitable remuneration to the Directors, KMPs and other employees of the Company and to harmonize the aspirations of human resources consistent with the goals of the Company.

Constitution of the Nomination and Remuneration Committee:

The Board has constituted the Nomination and Remuneration Committee of the Board as per the requirements under the Companies Act, 2013 ('the Act'). The Board has authority to reconstitute this Committee from time to time.

Meaning of the terms used in this Policy:

- a) **“Board”** means the Board of Directors of the Company.
- b) **“Directors”** means the Directors of the Company.
- c) **“The Committee”** means the Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and applicable other rules and/or regulations.
- d) **“The Company”** means Hisar Metal Industries Limited.
- e) **“Independent Director”** means a Director referred to in Section 149(6) of the Companies Act, 2013 and rules.
- f) **“Key Managerial Personnel” (KMP)** means key managerial personnel as defined under Section 2(51) of the Companies Act, 2013 and rules.
- g) **“Senior Management”** means the personnel of the Company who are members of its core management team excluding Board comprising all members of management one level below the Executive Directors, including the functional heads.

Terms that have not been defined in this policy shall have the same meaning assigned to them in the Companies Act, 2013 and/or any other SEBI regulation(s) as amended from time to time.

Objectives and purpose of the policy:

The objectives and purpose of this policy are:

- a) To formulate the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a Director (Executive/Non-Executive), senior management personnel and recommend to the Board policies relating to the remuneration of the Directors, KMPs and other employees.
- b) To formulate the criteria for evaluation of performance of all the Directors, as well as KMPs and senior management.
- c) To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- d) To retain, motivate and promote talent and to ensure long term sustainability of talented persons and create competitive advantage.

Policy:

This policy is divided into three parts:

Part-A covers the matters to be dealt with and recommended by the Committee to the Board;

Part-B covers the appointment and nomination; and

Part-C covers remuneration and perquisites etc.

This policy shall be included in the Report of the Board of Directors.

Part –A

Matters to be dealt with, perused and recommended to the Board by the Committee:

The following matters shall be dealt with by the Committee:

Size and composition of the Board:

The Committee periodically reviewing the size and composition of the Board to ensure that it is structured to make appropriate decisions, with a verity of perspectives and skill, in the best interests of the Company as a whole.

Directors:

Formulate the criteria determining qualifications, positive attributes and independence of a Director and recommending candidates to the Board, when circumstances warrant the appointment of a new Director, having regards to the range of skills, experience and expertise, on the Board.

Succession plans:

Establishing and reviewing Board and senior executive succession plans to ensure and maintain an appropriate balance of skill, experience and expertise on the Board and senior management.

Evaluation of performance:

Make recommendations to the Board on appropriate performance criteria for the Directors.

Formulate the criteria and framework for evaluation of performance of every Director on the Board of the Company.

Identify ongoing training and education programs for the Board to ensure that Non-Executive Directors are provided with adequate information regarding the options of the business, the industry and their legal responsibilities and duties.

Remuneration framework and policies:

The Committee is responsible for reviewing and making recommendations to the Board on:

- a) the remuneration of the Managing Director, Whole-Time Directors and KMPs;
- b) the total level of remuneration of Non-Executive Directors and for individual remuneration for Non-Executive Directors and the Chairman, including any additional fees payable for membership of Board Committees;
- c) the remuneration policies for all employees including KMPs, senior management and other employees including basic pay, incentive payments, equity awards, retirement rights and service contacts, having regards to the need to:
 - (i) attract and motivate talent to pursue the Company's long-term growth;
 - (ii) demonstrate a clear relationship between executive compensation and performance; and
 - (iii) be reasonable and fair, having regards to the best governance practices and legal requirements.
- d) the Company's superannuation arrangements and compliance with relevant laws and regulations in relation to superannuation arrangements; and
- e) the Company's equity-bases incentive schemes, including a consideration of performance thresholds and regulatory and market requirements.

Part –B

Policy for appointment and removal of Directors, KMPs and senior management:

Appointment criteria and qualifications:

The criteria for the appointment of Directors, KMPs and senior management are as follow:

- ▶ The Committee shall indentify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or senior management level and recommend to the Board his/her appointment.
- ▶ A person to be appointed as Director, KMP or in senior management should posses adequate qualification, expertise and experience for the position he/she is considered for appointment to. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the concerned position.
- ▶ A whole time KMP of the Company shall not hold office in more than one Company except in its subsidiary Company at the same. However, a whole-time KMP can be appointed as a Director in any Company, with the permission of the Board of the Company.

Term/Tenure:**Managing Director/ Whole-Time Director:**

The Company shall appoint or re-appoint any person as its Managing Director or Whole-Time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of the term.

Independent Director:

An Independent Director shall hold office for a term of up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after the expiration of three years of ceasing to become an Independent Director provided that he/she shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of an Independent Director, it should be ensured that the number of Boards on which such Independent Director serves is restricted to seven listed Companies as an Independent Director and three listed Companies as an Independent Director in case such person is serving as a Whole-Time (Executive) Director of a listed Company.

Removal:

Due to any of the reasons for disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend to the Board with reasons recorded in writing the removal of a Director or KMP subject to the provisions and compliance of the said Act, rules and regulations.

Retirement:

The Whole-Time Director, KMP and senior management personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Whole-Time Director, KMP and senior management personnel in the same position/ remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

PART-C**Policy relating to the remuneration of Director, KMPs and other employees:****General:**

- a) The remuneration/compensation/commission to Directors will be determined by the Committee and recommended to the Board for approval.
- b) The remuneration and commission to be paid to the Managing Director shall be in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder.
- c) Increments to the existing remuneration/compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the shareholders in the case of Managing Director.
- d) Where any insurance is taken by the Company on behalf of its Managing Director, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

Remuneration of KMPs and other employees:

KMPs and other employees receive basic salary and other perquisites. The perquisites include other allowances. The total salary includes fixed and variable components.

The Company's policy is that the total fixed salary should be fair and reasonable after taking into account the following factors:

- ▶ The scope of duties, the role and nature of responsibilities;
- ▶ The level of skill, knowledge and experience of individual;
- ▶ Core performance requirements and expectations of individuals;
- ▶ The Company's performance and strategy;
- ▶ Legal and industrial obligations.

The table below depicts the standard components of remuneration package:

Fixed Component		
Basic Salary	Allowances	Superannuation

Remuneration to Non-Executive / Independent Directors:**1. Remuneration:**

The remuneration payable to each Non-Executive Director is based on the remuneration structure as determined by the Board, depending on individual contribution, the Company's performance, and the provisions of the Companies Act, 2013 and the rules made there under.

2. Stock option:

Independent Directors shall not be entitled to any stock option of the Company.

Policy review:

This policy is framed based on the provisions of the Companies Act, 2013 and rules thereunder and requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulation which makes any of the provisions in the policy inconsistent with the Act or regulations, the provisions of the Act or regulations would prevail over the policy.

Annexure C

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
Hisar Metal Industries limited
Near I. D. C., Delhi Road,
Hisar-125005 (Haryana)

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Hisar Metal Industries limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2016 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**;
 - The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Audit Period)**;
 - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**;
 - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**; and
 - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period)**.

(vi) OTHER APPLICABLE ACTS;

- Factories Act, 1948;
- Industrial Disputes Act, 1947;
- Payment of Wages Act, 1936;
- The Minimum Wages Act, 1948;
- Employees' State Insurance Act, 1948;
- The Employees' Provident Fund and Miscellaneous Provisions Act, 1952;
- The Payment of Bonus Act, 1965;
- The Industrial Employment (Standing Orders) Act, 1946;
- Payment of Gratuity Act, 1972;
- The Workmen's Compensation Act, 1923;
- Air (Prevention & Control of Pollution) Act, 1981;
- Water (Prevention & Control of Pollution) Act, 1974;
- Hazardous Waste (Management & Handling) Rules, 1989;
- Manufacture, Storage and Import of Hazardous Chemical Rules, 1989;
- Environment (Protection) Act, 1986;

I have also examined compliance with the applicable clauses of the following:

- Secretarial Standards issued by The Institute of Company Secretaries of India.
- The listing agreements entered into by the Company with Stock Exchanges.
- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; (with effect from December 1, 2015)

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. as mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the Company has complied with the provisions of the section 180 of the Companies Act, 2013 and rules prescribed there under.

For Rajesh Garg and Co.
Company Secretaries

Sd/-

(Rajesh Garg)
C.P.No.4093

Place : Hisar
Date : June 24, 2016

Annexure D

Form No. MGT-9 EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L74899HR1990PLC030937
ii)	Registration Date	14-05-1990
ii)	Name of the Company	HISAR METAL INDUSTRIES LIMITED
iv)	Category / Sub-Category of the Company	Company limited by shares/Indian Non-Government Company
v)	Address of the Registered office and contact details	Hisar Metal Industries Limited Near I.D.C., Delhi Road, Hisar – 125 005 Tel.: +91 (1662) 220067/ 220367/220738 Fax: +91 (11) 43851119 E-mail: investor@hisarmetal.com Website: www.hisarmetal.com
vi)	Whether listed Company Yes / No	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Skyline Financial Services Pvt. Ltd. D-153 A, Ist 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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Cold Rolled Stainless Steel Strips	241- Manufacture of basic iron and steel	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares held	Applicable Section
	Not Applicable*				

* Company does not have any Holding/Subsidiary/Associate Company as on 31-03-2016.

i) Other (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	-	-	-	-	-	-	-	-	-
2.Non-institutions									
a) Bodies Corp.									
i) Indian	212866	-	212866	5.91	184218	-	184218	5.12	-0.79
ii) overseas									
b) Individuals									
i). Individual shareholders holding nominal share capital up to Rs. 1 lakh.	471638	204115	675753	18.77	706523	247415	953938	26.50	7.73
ii). Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	479525	206400	685925	19.05	279048	157100	436148	12.12	-6.93
C) Other (specify)									
(C-i) NRIs	3628	-	3628	0.10	3628	-	3628	0.10	NIL
(C-ii) HUF	99758	1700	101458	2.82	99998	1700	101698	2.82	0.00
Sub-Total(B)(2)	1267415	412215	1679630	46.66	1273415	406215	1679630	46.66	NIL
Total Public Shareholding (B)=(B)(1)+(B)(2)	1267415	412215	1679630	46.66	1273415	406215	1679630	46.66	NIL
C. Shares held by Custodian for GDRs and ADRs	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A)+(B)+(C)	3187785	412215	3600000	100.00	3193785	406215	3600000	100.00	NIL

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2015)			Share holding at the end of the year (As on 31-03-2016)			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Gayatri Devi Kokra	1700	0.05	0.00	1700	0.05	0.00	NIL
2	Ravinder Kumar Jindal & Sons HUF	18000	0.50	0.00	18000	0.50	0.00	NIL
3	Rahul Dev Tayal	78150	2.17	0.00	78150	2.17	0.00	NIL
4	Narender Kumar Jindal & Sons HUF	42000	1.17	0.00	42000	1.17	0.00	NIL
5	Pushpa Jindal	66100	1.83	0.00	66100	1.83	0.00	NIL
6	Narender Kumar Jindal	68000	1.89	0.00	68000	1.89	0.00	NIL
7	Mahabir Prasad Jindal	107000	2.97	0.00	107000	2.97	0.00	NIL
8	Ravinder Kumar Jindal	106200	2.95	0.00	106200	2.95	0.00	NIL
9	Pankaj Jindal	174500	4.85	0.00	174500	4.85	0.00	NIL
10	Kanika Tayal	75600	2.10	0.00	75600	2.10	0.00	NIL

11	Mahabir Prasad Jindal & Sons HUF	77800	2.16	0.00	77800	2.16	0.00	NIL
12	Abhiram Tayal	235420	6.54	0.00	235420	6.54	0.00	NIL
13	Anubha Tayal	476100	13.22	0.00	476100	13.22	0.00	NIL
14	Ravindra Tubes Limited	9400	0.26	0.00	9400	0.26	0.00	NIL
15	Jindal Metal Limited	40000	1.11	0.00	40000	1.11	0.00	NIL
16	Neeraj Jindal Ispat Udyog Limited	166000	4.61	0.00	166000	4.61	0.00	NIL
17	Amtrex Trading Company Private Limited	178400	4.96	0.00	178400	4.96	0.00	NIL
	Total	1920370	53.34	0.00	1920370	53.34	0.00	NIL

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Name	Shareholding		Date	Increase/decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-2015 to 31-03-2016)	
		No. of shares at the beginning/end of the year	% of total shares of the Company				No. of shares	% of total shares of the company
	Nil movement during the year							

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name	Shareholding		Date	Increase/decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-2015 to 31-03-2016)	
		No. of shares at the beginning/end of the year	% of total shares of the Company				No. of shares	% of total shares of the company
1.	Vivek Lamba	34686	0.96	01/04/2015				
				03/04/2015	-10	Transfer	34676	0.96
				10/04/2015	400	Transfer	35076	0.97
				17/04/2015	-1065	Transfer	34011	0.94
				24/04/2015	-1960	Transfer	32051	0.89
				08/05/2015	550	Transfer	32601	0.91
				15/05/2015	-80	Transfer	32521	0.90
				22/05/2015	-11	Transfer	32510	0.90
				29/05/2015	2658	Transfer	35168	0.98
				05/06/2015	5700	Transfer	40868	1.14
				12/06/2015	4351	Transfer	45219	1.26
				19/06/2015	4778	Transfer	49997	1.39
				26/06/2015	2071	Transfer	52068	1.45
				30/06/2015	15	Transfer	52083	1.45
				03/07/2015	1969	Transfer	54052	1.50
				10/07/2015	-20	Transfer	54032	1.50
				17/07/2015	-1453	Transfer	52579	1.46

				24/07/2015	-27398	Transfer	25181	0.70
				31/07/2015	13020	Transfer	38201	1.06
				07/08/2015	15336	Transfer	53537	1.49
				14/08/2015	3055	Transfer	56592	1.57
				21/08/2015	2710	Transfer	59302	1.65
				28/08/2015	7791	Transfer	67093	1.86
				04/09/2015	21181	Transfer	88274	2.45
				11/09/2015	16421	Transfer	104695	2.91
				18/09/2015	3517	Transfer	108212	3.01
				23/09/2015	1844	Transfer	110056	3.06
				30/09/2015	2987	Transfer	113043	3.14
				01/10/2015	-200	Transfer	112843	3.13
				09/10/2015	-387	Transfer	112456	3.12
				16/10/2015	-2281	Transfer	110175	3.06
				23/10/2015	566	Transfer	110741	3.08
				30/10/2015	-848	Transfer	109893	3.05
				06/11/2015	-2105	Transfer	107788	2.99
				13/11/2015	-1225	Transfer	106563	2.96
				20/11/2015	679	Transfer	107242	2.98
				27/11/2015	-999	Transfer	106243	2.95
				04/12/2015	-1549	Transfer	104694	2.91
				18/12/2015	2216	Transfer	106910	2.97
				25/12/2015	-1136	Transfer	105774	2.94
				31/12/2015	-426	Transfer	105348	2.93
				08/01/2016	1948	Transfer	107296	2.98
				15/01/2016	180	Transfer	107476	2.99
				22/01/2016	-1102	Transfer	106374	2.95
				29/01/2016	1000	Transfer	107374	2.98
				05/02/2016	-101	Transfer	107273	2.98
				12/02/2016	-1	Transfer	107272	2.98
				19/02/2016	-5	Transfer	107267	2.98
		107267	2.98	31/03/2016			107267	2.98
2.	Shri Parasram Holding Pvt. Ltd.	100847	2.80	01/04/2015				
				10/04/2015	15	Transfer	100862	2.80
				24/04/2015	3500	Transfer	104362	2.90
				30/06/2015	-15	Transfer	104347	2.90
				03/07/2015	1000	Transfer	105347	2.93
				31/07/2015	-100	Transfer	105247	2.92
				28/08/2015	-100	Transfer	105147	2.92
				04/09/2015	-600	Transfer	104547	2.90
				11/09/2015	-94386	Transfer	10161	0.28
				18/09/2015	-50	Transfer	10111	0.28
				25/09/2015	990	Transfer	11101	0.31
				30/09/2015	94881	Transfer	105982	2.94
				16/10/2015	-10	Transfer	105972	2.94
				29/01/2016	340	Transfer	106312	2.95
				11/03/2016	-50	Transfer	106262	2.95
				25/03/2016	200	Transfer	106462	2.96
		104462	2.90	31/03/2016	-2000	Transfer	104462	2.90

3.	Keshav Jindal	91300	2.54	01/04/2015	0	Nil movement during the year		
		91300	2.54	31/03/2016			91300	2.54
4.	Yashavi Jindal	71800	1.99	01/04/2015	0	Nil movement during the year		
		71800	1.99	31/03/2016			71800	1.99
5.	Aditya Jain	35000	0.97	01/04/2015	0	Nil movement during the year		
		35000	0.97	31/03/2016			35000	0.97
6.	Deepa Bansal	33782	0.94	01/04/2015	0	Nil movement during the year		
		33782	0.94	31/03/2016			33782	0.94
7.	Krishan Kumar Jain	30800	0.86	01/04/2015	0	Nil movement during the year		
		30800	0.86	31/03/2016			30800	0.86
8.	Shree Harivansh Securities Pvt. Ltd.	31852	0.88	01/04/2015				
				04/09/2015	-1805	Transfer	30047	0.83
				18/09/2015	-450	Transfer	29597	0.82
		29597	0.82	31/03/2016			29597	0.82
9.	Mahender Kumar Goyal	24300	0.68	01/04/2015	0	Nil movement during the year		
		24300	0.68	31/03/2016			24300	0.68
10.	Vishwanath Agarwal & Others HUF	22800	0.63	01/04/2015	0	Nil movement during the year		
		22800	0.63	31/03/2016			22800	0.63

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding		Date	Increase/decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-2015 to 31-03-2016)	
		No. of shares at the beginning of the year	% of total shares of the Company				No. of shares	% of total shares of the company
A	Directors:							
1	M. P. Jindal Non-Executive Chairman #	107000	2.97	01-04-2015	0	Nil movement during the year		
		107000	2.97	31-03-2016			107000	2.97
2	Abhiram Tayal Managing Director	235420	6.54	01-04-2015	0	Nil movement during the year		
		235420	6.54	31-03-2016			235420	6.54
3	Anubha Tayal Non-Executive Director	476100	13.22	01-04-2015	0	Nil movement during the year		
		476100	13.22	31-03-2016			476100	13.22
4	Karan Dev Tayal Non-Executive Director	0	0.00	01-04-2015	0	Nil Holding/ movement during the year		
		0	0.00	31-03-2016			0	0.00

5	Shital Parshad Jain Non-Executive Director	0	0.00	01-04-2015	0	Nil Holding/ movement during the year		
		0	0.00	31-03-2016			0	0.00
6	Sajjan Singh Non-Executive Director	0	0.00	01-04-2015	0	Nil Holding/ movement during the year		
		0	0.00	31-03-2016			0	0.00
7	Sharat Jain Non-Executive Director	0	0.00	01-04-2015	0	Nil Holding/ movement during the year		
		0	0.00	31-03-2016			0	0.00
8	Anuj Kumar Non-Executive Director	0	0.00	01-04-2015	0	Nil Holding/ movement during the year		
		0	0.00	31-03-2016			0	0.00
B	Key Managerial Personnel (KMP's)							
1	Chief Financial Officer R.S.Bansal #	0	0.00	01-04-2015	0	Nil Holding/ movement during the year		
		0	0.00	31-03-2016			0	0.00
2	Company Secretary Pardeep Nandal	0	0.00	01-04-2015	0	Nil Holding/ movement during the year		
		0	0.00	31-03-2016			0	0.00

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

Mr. R.S. Bansal, holds 2,500 shares in the Company through Radhey Shyam & Sons HUF.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(Rs. in lacs)

	Secured Loans	Unsecured Loans	Total Indebtedness
Indebtedness at the beginning of the financial year			
i) Principal Amount	6239.97	806.75	7046.72
ii) Interest due but not paid	-	-	-
iii) Interest accrued but not due	-	-	-
Total (i+ii+iii)	6239.97	806.75	7046.72
Change in Indebtedness during the financial year			
• Addition	-	27.58	27.58
• Reduction	1265.46	-	1265.46
Net Change	1265.46	27.58	1237.88
Indebtedness at the end of the financial year			
i) Principal Amount	4974.51	834.33	5808.84
ii) Interest due but not paid	-	-	-
iii) Interest accrued but not due	-	-	-
Total (i+ii+iii)	4974.51	834.33	5808.84

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Amount in Rs.)**

Sl. No.	Particulars of Remuneration	Name of Managing Director	Total Amount
		Abhiram Tayal	
1.	Gross salary	6,21,600	6,21,600
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
5.	Others	-	-
Total (A)		6,21,600	6,21,600
Ceiling as per the Act		Rs.3.53 Lac (being 5% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013).	
As the remuneration paid to the Managing Director is within the limit approved by members by passing ordinary resolution in its twenty fourth Annual General Meeting held on September 24, 2014. The Company has complied the provision of Schedule V of the Companies Act, 2013 and there is no need to obtain previous approval of Central Government as required under section 197 (3) Companies Act, 2013 in this regards.			

B. Remuneration to other Directors:

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Mahabir Prasad Jindal	Anubha Tayal	Karan Dev Tayal	Shital Parshad Jain	Shart Jain	Anuj Kumar	Sajjan Singh	
1.	Independent Directors								
	Fee for attending Board/ Committee meetings	-	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	-	-
	Others	-	-	-	-	-	-	-	-
	Total (1)	-	-	-	-	-	-	-	-
2.	Other Non-Executive Directors								
	Fee for attending Board/ Committee meetings	-	-	-	-	-	-	-	-

	Commission	-	-	-	-	-	-	-	-
	Others	-	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-	-	-	-
Total Managerial Remuneration*		-	-	-	-	-	-	-	6,21,600
Overall Ceiling as per the Act	Rs.7.77 Lac (being 11% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)								

* Total remuneration to Managing Director, Whole-Time Directors and other Directors (being the total of A and B).

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD: (Amount in Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	Company Secretary Pardeep Nandal	CFO (R.S. Bansal)	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Not Applicable	5,05,680	6,21,600	11,27,280
2.	Stock Option				
3.	Sweat Equity				
4.	Commission				
5.	Others				
	Total		5,05,680	6,21,600	11,27,280

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no Penalties / Punishment/ Compounding of Offences during the year ended 31st March 2016.

Annexure E

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013, READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- (I). The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

(Amount in Rs.)

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director /KMP for financial year 2015-16	% increase in Remuneration in the Financial Year	Ratio of remuneration /to median remuneration of employees (Excl.MD)	Ratio of remuneration /to median remuneration of employees (Incl.MD)	Comparison of the Remuneration of the KMP against the performance of the Company
1	Abhiram Tayal Managing Director	6,21,600	0	4.75	4.70	Profit before Tax decreased by 65.61% and Profit after Tax decreased by 70.83% in financial year 2015-16
2	Radhey Shyam Bansal (Chief Financial Officer)	6,21,600	0	4.75	4.70	Profit before Tax decreased by 65.61% and Profit after Tax decreased by 70.83% in financial year 2015-16
3	Pardeep Nandal (Company Secretary and Compliance Officer)	5,05,680	0	3.86	3.83	Profit before Tax decreased by 65.61% and Profit after Tax decreased by 70.83% in financial year 2015-16

- (ii). The median remuneration of employees of the Company excluding Managing Director (MD) was Rs. 1,30,974/- and Rs. 1,19,016/- in the financial year 2015-16 and 2014-15 respectively. The increase in median remuneration of employees excluding MD in the financial year 2015-16 as compared to financial year 2014-15 is 10.05%.*
- (iii). The median remuneration of employees of the Company including Managing Director (MD) was Rs. 1,32,120/- and Rs. 1,19,148/- in the financial year 2015-16 and 2014-15 respectively. The increase in median remuneration of employees including MD in the financial year 2015-16 as compared to financial year 2014-15 is 10.89%.*
- (iv). There were 149 permanent employees on the rolls of the Company as on March 31, 2016;
- (v). Relationship between average increase in remuneration and Company performance: -
The Profit before Tax for the financial year ended March 31, 2016 decreased by 65.61% whereas the increase in median remuneration of employees excluding MD was 10.05%. The average increase in median remuneration was in line with the performance of the Company.*
- (vi). Comparison of remuneration of the Key Managerial Personnel(s) against the performance of the Company:-
The total remuneration of Key Managerial Personnel increased by 0% whereas the Profit before Tax decreased by 65.61%.
- (vii).
- Variations in the market capitalisation of the Company: The market capitalisation as on March 31, 2016 was Rs. 902 lacs (Rs. 860 lacs as on March 31, 2015)
 - Price Earnings ratio of the Company was 23.19 as at March 31, 2016 and was 6.48 as at March 31, 2015.
 - Percent increase over/decrease in the market quotations of the shares of the Company as compared to the rate at which the Company came out with the last public offer: -
The Company had come out with initial public offer (IPO) in 1996. An amount of Rs.1,000/- invested in the

said IPO would be worth Rs. 2505/- as on March 31, 2016, indicating a Compounded Annual Growth Rate of 4.95%. This is excluding the dividend accrued thereon.

- (viii). Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2015-16 was 0% whereas the increase in the managerial remuneration for the same financial year was 0%.
- (ix). The key parameters for the variable component of remuneration availed by the Directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- (x). The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year – Not Applicable; and
- (xi). It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

** The increase in remuneration of median employees was due to reduction in numbers of lower grade salary employee's. Actually there was not any increment in remuneration of any employee during the financial year 2015-16.*

Annexure F

CORPORATE GOVERNANCE REPORT

Corporate Governance Report for the year 2015-16 following the compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on corporate governance.

2. BOARD OF DIRECTORS:

- a) **Composition:** The Company's Board consisted of 8 members as on March 31, 2016 out of which 7 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 requirements of the corporate governance.

Sr. no.	Name	Category	No. of Directorships in other Companies		No. of membership of Committees in other Companies ^{\$}	
			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. Anuj Kumar	Non-Executive Independent	-	1	-	-
6.	Mrs. Anubha Tayal	Promoter being Non Executive	-	-	-	-
7.	Mr. Karan Dev Tayal	Non-Executive Non- Independent	-	1	-	-
8.	Mr. Abhiram Tayal Managing Director	Promoter being Executive	1	-	-	-

^{\$} Includes only the membership of Audit and Shareholders/Investors' Grievance and Share Transfer Committees of Indian public limited companies.

Inter-se relationship between Directors:

Name of Director	Abhiram Tayal	Anubha Tayal	Karan Dev Tayal
Abhiram Tayal	Self	Wife	Son
Anubha Tayal	Husband	Self	Son
Karan Dev Tayal	Father	Mother	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 2015-16, four Board Meetings were held on May 30, August 12, November 10 and February 11, 2016. One separate meeting of Independent Directors was also held on February 11, 2016 which was attended by all the Independent Directors.
- c) **Attendance of Directors:** The attendance of the each Director at the Board meeting held during the year 2015-16 and the last AGM held on September 28, 2015 is shown as under :

Name of Director	No. of meetings attended	Attendance at the last AGM
Mr. M.P. Jindal	2	Absent
Mr. Abhiram Tayal	4	Present
Mrs. Anubha Tayal	4	Present
Mr. Shital Parshad Jain	4	Present
Mr. Sajjan Singh	4	Present
Mr. Karan Dev Tayal	4	Present
Mr. Sharat Jain	4	Present
Mr. Anuj Kumar	4	Present

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

The shareholding of the Non-Executive Directors of the Company as on March 31, 2016 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. Sharat Jain	NIL
7.	Mr. Anuj Kumar	NIL

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

- e) **Familiarization programmes for Board Members:** The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committee meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. Detailed presentations on the Company's business segments were made at the separate meetings of the Independent Directors held during the year. Quarterly updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are regularly circulated to the Directors. Site visits to plant location are organized for the Directors to enable them to understand the operations of the Company. The details of such familiarization programmes for Independent Directors are posted on the Company's website: <http://www.hisarmetal.com>.

- f) Code of Conduct:** The Company has adopted the code of conduct for all its Directors and employees. The code of conduct is posted on the Company's website: <http://www.hisarmetal.com>. All Board members and senior management personnel have affirmed compliance with their respective Codes of Conduct. The Managing Director has also confirmed and certified the same. The certification is enclosed at the end of this Report.
- g) Information placed before the Board:** The Company provides the information as set out in Regulation 17 read with Part A of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the Board and the Board Committees to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers in advance of the respective meetings or by way of presentations and discussions during the meeting.
- h) Conflict of Interests:** Each Director informs the Company on an annual basis about the Board and the Committee positions he occupies in other companies including Chairmanships and notifies changes during the year. The Members of the Board while discharging their duties, avoid conflict of interest in the decision making process. The Members of the Board restrict themselves from any discussions and voting in transactions in which they have concern or interest.
- i) Insider Trading Code:** The Company has adopted an 'Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Insiders' in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015. This Code is displayed on the Company's website: <http://www.hisarmetal.com>

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 the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 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 2015-16 four meetings of the Committee were held on May 30, August 12, November 10 and February 11, 2016. 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 four meetings held on May 30, August 12, November 10 and February 11, 2016.

4. NOMINATION AND REMUNERATION COMMITTEE:

- a) Terms of Reference:** The Committee reviews and approves the salaries, perquisites, service agreements and other employment conditions of the Directors, Key Managerial Personnel (KMPs) and other employees. The Committee is also responsible for recommending to the Board a policy relating to the remuneration of the Directors, KMPs and other employees. In line with this requirement, the Board has adopted the Nomination and Remuneration Policy for Directors, KMPs and other employees of the Company. The policy is attached as **Annexure-B** to the Board's Report.

- b) **Composition and attendance:** All the members of the Committee are Non-Executive Directors. During the financial year 2015-16 one meeting of the Committee was held on February 11, 2016. The Composition of the committee is as under:

Names of Members	No. of Meetings Attended
Mr. Shital Parshad Jain, Chairman	1
Mr. Sajjan Singh	1
Mr. M. P. Jindal	-

- c) **Mechanism for Evaluating Board Members:** One of the key functions of the Board is to monitor and review the Board evaluation framework. The Board works with the Nomination and Remuneration Committee to lay down the evaluation criteria for the performance of Executive / Non Executive / Independent Directors through a peer-evaluation excluding the Director being evaluated through a Board effectiveness survey. The questionnaire of the survey is a key part of the process of reviewing the functioning and effectiveness of the Board and for identifying possible paths for improvement. Each Board member is requested to evaluate the effectiveness of the Board dynamics and relationships, information flow, decision making of the Directors, relationship to stakeholders, Company performance, Company strategy, and the effectiveness of the whole Board and its various Committees on a scale of one to five. Feedback on each Director is encouraged to be provided as part of the survey. Independent Directors have three key roles – governance, control and guidance. Some of the performance indicators based on which the Independent Directors are evaluated include:

- ▶ Ability to contribute to and monitor our corporate governance practices;
- ▶ Active participation in long-term strategic planning;
- ▶ Commitment to the fulfilment of a Director's obligations and fiduciary responsibilities; these include participation in Board and Committee meetings.

5. REMUNERATION OF DIRECTORS:

- a) **Remuneration to Directors:** The Managing Director is paid remuneration approved by the Board of Directors on the recommendation of Nomination and 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 and not had any pecuniary transactions with the Company.
- b) **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 2015-16 is as under:

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of Managing Director	Total Amount
		Abhiram Tayal	
1.	Gross salary	6,21,600	6,21,600
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
5.	Others	-	-
	Total	6,21,600	6,21,600

1. Service contract is for 5 years
2. Notice period is 6 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.

6. STAKEHOLDERS' GRIEVANCE COMMITTEE:

- a) **Terms of Reference:** The Board of Directors had formed a Stakeholders' Relationship Committee to redress the grievances of stakeholders. The role of this Committee is to consider and resolve the grievances of the security holders including complaints like transfer of shares, non-receipt of annual reports, non-receipt of dividend etc.
- b) **Composition and Attendance:** The members of the Committee are Non-Executive Directors. The Company Secretary acts as the Secretary to the Committee. During the financial year 2015-16 four meetings of the Committee were held on May 30, August 12, November 10 and February 11, 2016. 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 2015-16 the Company has received fifteen shareholders complains 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. Pardeep Nandal, 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.

7. RISK MANAGEMENT COMMITTEE:

- a) **Terms of Reference:** The Board of Directors had formed a Committee to identify, mitigate and monitor risks, faced by the Company from time to time.
- b) **Composition and Attendance:** The members of the Committee are Non-Executive Directors. During the financial year 2015-16, four meeting of the Committee were held on May 30, August 12, November 10 and February 11, 2016. The composition of the Committee and attendance of its members are as under:

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

- 8. 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
2012-13	Registered Office	30.09.13	11.00 A.M	No Special Resolution was passed
2013-14	- do -	24.09.14	- do -	One Special Resolution was passed
2014-15	- do -	28.09.15	- 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.

- 9. MEANS OF COMMUNICATION:** The financial results and any other notice are published in the newspapers Business Standard for English and Hindi languages, respectively, and available on the Company's website: <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.

A separate dedicated section under “Investor Relations”, on the Company's website: <http://www.hisarmetal.com> gives information on unclaimed dividends, shareholding pattern, quarterly/half yearly results and other relevant information of interest to the investors/public

10. GENERAL SHAREHOLDERS INFORMATION:

- i. Detail of AGM:** As indicated in the Notice to our shareholders, the 26th Annual General Meeting of the Company will be held on Thursday, July 28, 2016 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 July 07, 2016 to July 08, 2016 (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 July 28, 2016 will be paid within 30 days from the date of declaration.
- 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 Jaipur Stock Exchange (Regional Stock Exchange)
Stock Exchange Building, J.L.N. Marg, Malviya Nagar, Jaipur – 302 017
 - iii) The Stock Exchange of Ahmedabad (Regional Stock Exchange)
Kamdheni Complex, Opp. Sahajanand College, Panjarapole, Ahmedabad – 280 015

The shares of the Company are permitted to be traded at the Bombay Stock Exchange 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 even SEBI has de-recognised the Delhi Stock Exchange and the Jaipur Stock Exchange. The trading done at the Bombay Stock Exchange (BSE) from 1st day of April, 2015 to 31st day of March, 2016 are as under :-

Bombay Stock Exchange (BSE)

Month (2015-16)	High (Rupees)	Low (Rupees)
April, 2015	26.00	19.15
May, 2015	27.00	23.85
June, 2015	24.85	20.25
July, 2015	27.85	21.35
August, 2015	28.55	21.20
September, 2015	31.95	25.65
October, 2015	30.00	23.10
November, 2015	28.00	23.00
December, 2015	29.05	20.60
January, 2016	26.25	22.25
February, 2016	26.85	23.30
March, 2016	27.30	23.90

- 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. as Registrar and Transfer Agent (RTA) for processing of requests relating to the shares of the Company. Further RTA 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 RTA is as under:
 Skyline Financial Services Pvt. Ltd
 D-153 A, Ist 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, 2016:

Number of shares		Number of Shareholders		Percentage of shares	
From	To	No.	% total	No.	% total
Up to 501	500	940	77.94	138882	3.86
1001	1000	77	6.38	64387	1.79
2001	2000	50	4.15	80412	2.23
3001	3000	17	1.41	44086	1.22
4001	4000	15	1.24	53949	1.50
5001	5000	16	1.33	75632	2.10
10001	10000	36	2.99	255857	7.11
	& above	55	4.56	2886795	80.19
Total		1206	100	36,00,000	100

S. No.	Particulars	No. of shares	
		No.	% total
1	Promoter & Promoter Group	19,20,370	53.34
2	Bodies Corporate	1,84,218	5.12
3	Individuals	13,90,086	38.62
4	HUFs	1,01,698	2.82
5	Non-residents	3,628	0.10
Total		36,00,000	100

- 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, 2016 the number of equity shares held in dematerialized form was 3193785 (88.72%) and in physical form were 406215 (11.28%).

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

- xiii. E-voting:** E-voting is a common internet infrastructure that enables investors to vote electronically on resolutions of Companies. The Company will also have the E-voting facility for the items to be transacted at this AGM. The Ministry of Corporate Affairs has authorised NSDL and CDSL for setting up electronic platform to facilitate casting of votes in electronic form. The Company has entered into agreements with NSDL for availing E-voting facilities.

- xiv. Commodity price risks and Commodity hedging activities:** The Company is exposed to the risk of price fluctuation of raw materials as well as finished goods. The Company proactively manages these risks through forward booking Inventory management and proactive vendor development practices. The Company's reputation for quality, products differentiation and service, coupled with existence of powerful brand image with robust marketing network mitigates the impact of price risk on finished goods.

xv. Plant Location :

Cold Rolled Stainless Steel Strips' Plant:
Near I.D.C., Delhi Road, Hisar - 125 005

Stainless Steel Tubes & Pipes' Plant:
Sector 27-28, Industrial Area, Hisar-125005

xvi. 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:** pnandal@hisarmetal.com

xvii. CIN:L74899HR1990PLC030937

11. OTHER DISCLOSURES:

- a) **Related Party Transactions:** The Company has not any materially significant related party transactions that may have potential conflict with the interests of the Company at large. The disclosures in compliance of the Accounting Standards on “Related Party Disclosures” are mentioned below:

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

S. No.	Name	Relation	Amount of loan as on 31.03.2016 (In Rs.)	Rate of Interest
1	Mr. Abhiram Tayal	Promoter Director	6725000	12%
2	Mrs. Anubha Tayal	Promoter Director	3025000	12%
3	Mr. Karan Dev Tayal	Director	5000000	12%
4	Amtrax Trading Co. Pvt. Ltd.	Directors Shareholding	6753472	12%

During the Financial year ended 31st March, 2016 the Company has done the following transactions with associated concerns of the Company:

Nature of Transaction	Details of Transaction
Rent	Rs. 396000/- paid to Jindal Metal Ltd.
Interest	Rs. 731423/- paid to M/s. Amtrax Trading Co. Pvt. Ltd. Rs. 683097/- paid to Mr. Abhiram Tayal Rs. 294284/- paid to Mrs. Anubha Tayal Rs. 600000/- paid to Mr. Karan Dev Tayal
Job Work	Rs. 740/- received from M/s. Jindal Polybutton Pvt.Ltd.

- b) **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.
- c) **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.
- d) **Details of compliance of Corporate Governance:** The Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on Corporate Governance. Further the Company has complied with the following non-mandatory requirements:
- The Company maintains the office of non-executive chairperson at the registered office of the Company and also reimburses the expenses incurred by him while performing his duties.
 - The Company's financial statements are unmodified.
 - The Company has appointed separate persons to the post of Chairman and Managing Director.
 - The Internal auditor report directly to the Audit Committee.
- e) **Disclosure of Subsidiary:** The Company does not have any subsidiary.
- f) **Policy on dealing related party transactions:** The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website: <http://www.hisarmetal.com>.
- g) **Disclosure of Accounting Treatment:** The Financial Statements have been prepared in accordance with applicable Accounting Standards and relevant presentational requirements of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.
- h) **Risk Management:** Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board.

DECLARATION FOR COMPLIANCE OF CODE OF CONDUCT

I, Abhiram Tayal, Managing Director, hereby declare that as provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the members of Board of Directors and the senior management personnel associated with the Company as on March 31, 2016 have confirmed compliance with the Code of Conduct of the Company for the year ended on March 31, 2016.

For **Hisar Metal Industries Limited**

Sd/-
(Abhiram Tayal)
Managing Director

Date: June 24, 2016

Place: Hisar

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 2016, as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 condition of Corporate Governance as stipulated in the above mentioned Regulations.

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

Sd/-
CA Ram Babu Aggarwal
(Partner)

Membership Number: - 082093

Place : Hisar

Date : June 24, 2016

CEO & CFO Certificate

We, Abhiram Tayal, Managing Director and R. S. Bansal, Chief Financial Officer, 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, 2016, 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 they 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 28, 2016

Place: Hisar

Sd/-
(Abhiram Tayal)
Managing Director

Sd/-
(R. S. Bansal)
Chief Financial Officer

Annexure G**MANAGEMENT DISCUSSION AND ANALYSIS****Overview:**

The financial year 2015-16 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. The slowdown and rebalancing of the Chinese economy, lower commodity prices, and strains in some large emerging market economies will continue to weigh on growth prospects in 2016–17. Owing to these developments, globally economies are estimated to grow at an average rate of 3.2% and 3.5% in 2016 and 2017 respectively as compared to 3.1% in 2015 [Source: IMF April 2016].

Industry Structure and Developments:

Your Company is engaged in the manufacture of Cold Rolled Stainless Steel Strips and Stainless Steel Tubes & Pipes. From manufacturing process involved it may be classified as a stainless steel strips, tubes and pipes manufacturer. The Indian steel industry has made a rapid progress on strong fundamentals over the recent few years. The industry is getting all essential ingredients required for dynamic growth. The government is backing the industry through favorable industrial reforms. Indian steel demand is expected to boost by Infrastructure & Construction development sustained by industrial, manufacturing and capital goods and be stimulated by the automotive and consumer durable sectors. Steel contributes to nearly two per cent of the gross domestic product (GDP) and employs over 600,000 people. Direct demand for infrastructure and construction is pegged at approximately 40 MnT with per capita steel demand projected to increase from 65 kg in FY 2014-15 to 88 kg by FY 2016-17. The Indian Steel Industry grows by 2% during FY 2015-16 while world Steel Industries growth was negative during the same period.

Opportunities:

India has emerged as the third largest producer of steel about 89.78 MnT, in FY 2015-16 after China and Japan. With its strong forward and backward linkages, the steel sector contributes significantly in India's economic growth. The steel sector is an important participant to the country's growth story and consumption of Steel is taken to be an indicator of economic development. Demand of Steel is rapidly growing due to increasing construction projects and automobile industry.

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 2 Nos. of 6 Hi-Cold Rolling Mills, 3 Nos. of 4 Hi-Cold Rolling Mills and 3 Tubes 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 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
- ▶ 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:

India has emerged as the third largest consumer of the finished steel in the world. The Indian economy is expected the domestic steel demand to improve in financial year 2016-17 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 7.8% in the said financial year over 7.6% 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 2016-17 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.

Indian steel demand is primarily driven by construction and infrastructure sectors which together account for 63 % of total steel demand in the country. It is estimated that government spending of USD 1 trillion in infrastructure and construction will enhance the demand for steel in this sector. The automotive industry which has under performed in the current financial year is likely to recover with rising demand from semi urban and rural regions as rising disposable income would act an enabler. Engineering and capital goods which are under the threat of imports will get a new lease of life as government encourages the domestic industry to procure engineering goods rather to import, by giving various incentives to this industry. The appliances sector will also get a boost as the government increases its thrust on power for all and electrifying the rural areas. Also Ministry of Steel is working in drafting new National Steel Policy to replace the existing National Steel Policy 2005 for long term development of steel industry with the aim of producing 300 MnT of steel by 2025.

Risk and Concerns:

The Companies engaged in production of stainless steel strips, tubes and pipes 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. As per the report of the Joint Plant Committee (JPC), a unit of the Steel Ministry, despite increase in steel output, imports have surged by 25.6 per cent to record 11.71 MnT in 2015-16 fiscal. However, exports of the commodity dipped by 27.1 per cent to 4.08 MnT during the period under review. The government has raised import duty to combat cheap steel imports from countries like China.

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 13814 MT of Cold Rolled Stainless Steel Strips and Stainless Steel Tubes & Pipes as compared to 16348 MT in the previous financial year while the company has sold 13875 MT of Cold Rolled Stainless Steel Strips and Stainless Steel Tubes & Pipes as compared to 16265 MT in the previous financial year. The turnover in terms of value is decreased by 21.32% to Rs. 19720 Lacs. The PBT and PAT have decreased to Rs. 71 Lacs and Rs. 39 Lacs respectively. Capital Expenditure incurred during the year was Rs. 257.48 Lacs. The reserve and surplus stood to Rs. 951 Lacs. The earnings per share is Rs. 1.08 and book value of the share is Rs. 36.41. The Board of Directors have proposed a dividend of Rs. 1/- (10%) for the financial year 2015-16.

Industrial Relations and Resource Management:

The Company during the previous year continued its record of good industrial relations with its 149 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 AUDITOR'S REPORT**To the Members of HISAR METAL INDUSTRIES LIMITED****Report on the Financial Statements**

We have audited the accompanying financial statements of **Hisar Metal Industries Limited** which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to 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 the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at March 31, 2016, and its Profit

and its Cash Flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

1. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
2. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
3. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
4. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
5. On the basis of written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
6. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**".
7. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Ram Sanjay & Co.
Chartered Accountants
Firm's Reg. No.: 021670N
Sd/-
CA Ram Babu Aggarwal
(Partner)
M No.: 082093

Place: Hisar
Date: 28.05.2016

“Annexure A” to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2016:

- 1)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
 - (c) The title deeds of immovable properties are held in the name of the company.
- 2)
 - (a) The management has conducted the physical verification of inventory at reasonable intervals. During the year at the time of inspection of Central Excise, 266 MT stock was found excess and the same was taken into account.
 - b) The discrepancies noticed on physical verification of the inventory as compared to books records have been properly dealt with in the books of account.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion that, prime 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.
- 7)
 - (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable.
 - b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan from the government and has not issued any debentures.

- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not

For Ram Sanjay & Co.
Chartered Accountants
Firm's Reg. No.: 021670N
Sd/-
CA Ram Babu Aggarwal
(Partner)
M No.: 082093

Place: Hisar
Date: 28.05.2016

“Annexure B” to the Independent Auditor's Report of even date on the Financial Statements of Hisar Metal Industries Limited Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of Hisar Metal Industries Limited as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Hisar
Date: 28.05.2016

For Ram Sanjay & Co.
Chartered Accountants
Firm's Reg. No.: 021670N
Sd/-
CA Ram Babu Aggarwal
(Partner)
M No.: 082093

<div> <div>HISAR METAL INDUSTRIES LIMITED</div> <div>BALANCE SHEET AS AT 31ST MARCH,2016</div> </div>			
Particulars	Note	As at 31st March 2016	As at 31st March 2015
EQUITY AND LIABILITIES			
<u>Shareholder's Funds</u>			
Share Capital	2	36,000,000	36,000,000
Reserves and Surplus	3	95,076,350	95,533,474
<u>Non-Current Liabilities</u>			
Long-Term Borrowings	4	88,382,291	79,925,191
Deferred Tax Liabilities (Net)	5	15,331,135	12,224,212
Long Term Provisions	6	7,859,614	7,720,409
<u>Current Liabilities</u>			
Short-Term Borrowings	7	491,503,760	623,996,876
Trade Payables	8	28,494,184	48,807,523
Other Current Liabilities	9	33,275,865	29,349,147
Short-Term Provisions	10	4,332,875	4,377,873
Total Equity & Liabilities		800,256,074	937,934,705
ASSETS			
<u>Non-Current Assets</u>			
Fixed Assets	11		
Tangible Assets		198,509,012	146,999,937
Intangible Assets		117,473	257,667
Capital Work in Progress		17,627,613	61,783,855
Non-current investments	12	84,000	84,000
Long term loans and advances	13	10,871,548	7,635,795
<u>Current Assets</u>			
Inventories	14	217,458,443	215,663,124
Trade receivables	15	287,617,321	416,798,521
Cash and cash equivalents	16	36,297,826	39,943,375
Short-term loans and advances	17	31,672,838	48,768,431
Total Assets		800,256,074	937,934,705
<div> <div>Notes referred to above and notes attached thereto form an integral part of Financial Statements</div> <div>This is the Balance Sheet referred to in our Report of even date.</div> <div> <div>For Ram Sanjay & Co.</div> <div>Chartered Accountants</div> <div>Firm Reg. No.: 021670N</div> <div>(CA. RAM BABU AGGARWAL)</div> <div>PARTNER</div> <div>Membership No. : 082093</div> <div>Place : Hisar</div> <div>Date : 28 May 2016</div> </div> <div> <div>For and on behalf of the Board of Directors</div> <div> <div>(Abhiram Tayal)</div> <div>Managing Director</div> <div>(R.S. Bansal)</div> <div>C.F.O.</div> </div> <div> <div>(Karan Dev Tayal)</div> <div>Director</div> <div>(Pardeep Nandal)</div> <div>Company Secretary</div> </div> </div> </div>			

HISAR METAL INDUSTRIES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Note	For the Year Ended March 31st, 2016	For the Year Ended March 31st, 2015
Revenue:			
Revenue from operations	18	1,759,574,568	2,237,030,046
Other Income	19	1,733,815	2,511,575
Total Revenue		1,761,308,383	2,239,541,621
Expenses:			
Cost of materials consumed	20	1,451,433,787	1,917,276,119
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	11,832,749	(12,305,697)
Employee Benefit Expense	22	25,415,773	26,422,216
Finance Costs	23	62,402,430	77,045,662
Depreciation and Amortization Expense	24	17,001,681	15,069,009
Other Administrative Expenses	25	186,158,471	195,497,407
Total Expenses		1,754,244,891	2,219,004,716
Profit before exceptional and extraordinary items and tax		7,063,492	20,536,905
Exceptional Items		-	-
Profit before extraordinary items and tax		7,063,492	20,536,905
Extraordinary Items		-	-
Profit before tax		7,063,492	20,536,905
Tax expense:			
Current tax		1,345,948	7,309,463
Previous Year Tax		80,818	514,657
Deferred tax		3,106,923	(573,258)
MAT Credit Entitlement		(1,345,948)	-
Profit(Loss) for the period from continuing operations		3,875,751	13,286,043
Profit/(Loss) from discontinuing operations		-	-
Tax expense of discounting operations		-	-
Profit/(Loss) from Discontinuing operations		-	-
Profit/(Loss) for the year		3,875,751	13,286,043
Earning per equity share:			
Basic		1.08	3.69
Diluted		1.08	3.69

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.

For and on behalf of the Board of Directors

Chartered Accountants

Firm Reg. No.: 021670N

(Abhiram Tayal)

(Karan Dev Tayal)

Managing Director

Director

(CA. RAM BABU AGGARWAL)

PARTNER

Membership No. : 082093

(R.S. Bansal)

(Pardeep Nandal)

C.F.O.

Company Secretary

Place : Hisar

Date : 28 May 2016

HISAR METAL INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

Particulars	For the Year Ended March 31st, 2016	For the Year Ended March 31st, 2015
Cash flow from operating activities		
Profit before taxation	7063492	20536905
Adjusted for :		
Depreciation	17001681	15069010
Profit/Loss on sale/disposal of fixed assets	329485	(75000)
Interest expense	62402430	77045662
Operating profit before working capital changes	86797088	112576577
Operating profit before following adjustments :		
(Increase)/Decrease in inventories	(1795319)	38073039
(Increase)/Decrease in trade receivables	129181200	(67465581)
Increase/(Decrease) in trade payables	(20313339)	(120815332)
Increase/(Decrease) in other current liabilities	3926718	(11009532)
Increase/(Decrease) in long term provisions	139205	276124
Cash used in operations		
Income tax paid	(2028665)	(7954119)
Net cash flow from/(used in) operating activities (A)	195906888	(56318824)
Cash flow from investing activities		
Purchase of fixed assets including intangible assets, capital work in progress and capital advances	(25748805)	(43365365)
Proceeds from sale of fixed assets	1205000	1625000
Movement in short term loans and advances	17652494	(13375462)
Movement in long term loans and advances	(1889805)	7113202
Net cash from/(used in) investing activities (B)	(8781116)	(48002625)
Cash flow from financing activities		
Short term borrowing received from others	(132493116)	190086025
Long term borrowing taken (including current maturities)	8457100	(2851652)
Payment of dividend	(3600000)	(3600000)
Tax on dividend	(732875)	(611820)
Interest paid	(62402430)	(77045662)
Net cash from/(used in) financing activities (C)	(190771321)	105976891
Net changes in cash and cash equivalents (A+B+C)	(3645549)	1655442
Cash and cash equivalents - opening balance	39943375	38287934
Cash and cash equivalents - closing balance	36297826	39943375
Components of cash and cash equivalents (refer to note 23)		
Cash in hand	435225	449052
Gold & Silver Coins	54203	39899
Euro	189429	-
Dollar	53920	-
with bank:		
In current accounts	1478906	1464598
In fixed deposit accounts	34086143	37989826

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

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

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

For and on behalf of the Board of Directors

(Abhiram Tayal)
Managing Director

(Karan Dev Tayal)
Director

(CA. RAM BABU AGGARWAL)
PARTNER
Membership No. : 082093

(R.S. Bansal)
C.F.O.

(Pardeep Nandal)
Company Secretary

Place : Hisar
Date : 28 May 2016

HISAR METAL INDUSTRIES LIMITED

Notes Forming integral Part of the Financial Statements for the year ended 31st March, 2016

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

- i) The financial statements have been prepared to comply with the Generally Accepted Accounting Principle in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.
- ii) The Financial Statements are prepared on accrual basis under the historical cost convention, except for certain Fixed Assets which are carried at revalued amounts.

1.2 USE OF ESTIMATES

The preparation of financial statements in conformity with Indian Generally Accepted Accounting Principles requires judgement, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues 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 risks and rewards incidental to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operation includes sale of goods, services, service tax, excise duty and sales during trial run period, adjusted for discounts (net), and gain/loss on corresponding hedge contracts.

Dividend Income is recognised when the right to receive payment is established.

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

1.4 TAXATION

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflects the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/period. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient further income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognised if there is virtual certainty that sufficient further taxable income will be available to realise the same.

Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

1.5 FIXED ASSETS**i) Tangible assets**

Tangible assets are stated at cost net of recoverable taxes, trade discounts and rebates and include amounts added on revaluation, less accumulated depreciation and impairment loss, if any. The cost of Tangible Assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent expenditures related to an item of Tangible Assets are added to its book value only if they increase the future benefits from the existing assets beyond its previously assessed standard of performance.

Projects under which assets are not ready for their intended use are disclosed under Capital Work-in-Progress.

ii) Intangible assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

1.6 ACCOUNTING FOR DERIVATIVE INSTRUMENT

In respect of derivative contracts, premium paid, gains/losses on settlement and losses on restatement are recognised in the Profit and Loss Statement except in case where they relate to the acquisition or construction of Fixed Assets, in which case, adjusted to the carrying cost of such assets.

1.7 DEPRECIATION

Depreciation on Fixed Assets is provided on Straight Line Method (SLM). Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act , 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule II are used.

In respect of addition or extensions forming an integral part of existing assets and insurance spares, including incremental cost arising on account of translation of foreign currency liabilities for acquisition of Fixed Assets, depreciation is provided as aforesaid over the residual life of the respective assets.

1.8 VALUATION OF INVENTORIES

Items of Inventories are measured at lower of cost or net realisable value after providing for obsolescence , if any, except in case of by-products which are valued at the net realisable value. 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 materials, process chemicals, store and spares, packing materials, trading and other products are determined on weighted average basis.

**1.9 EMPLOYEE BENEFITS
POST EMPLOYMENT BENEFITS****i) Defined Contribution Plan**

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Profit and Loss Statement during the period in which the employee renders the related service.

ii) Defined benefit and other Long term Benefit plan:

The liability in respect of defined benefit plan and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefits is expected to be derived from employees' services.

Actuarial gains and losses in respect of post-employment and other long term benefits are charged to the Profit and Loss Statement.

SHORT TERM EMPLOYEE BENEFITS

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services. These benefits include performance incentive and compensated absences.

1.10 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provision is recognised in the accounts, when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote.

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

- a. Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- b. Monetaty items denominated in foregin currencies at the year end are restated at year end rates. In the case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract .
- c. Non -monetary foreign currency items are carried at cost.
- d. In respect of integral foreign operations, all transactions are translated at rates prevailing on the date of transaction or that approximates the actual rate at the date of transaction . Monetary assets and liabilities are restated at the year end rates.
- e. Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss Statement , except in case of long term liabilities , where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

HISAR METAL INDUSTRIES LIMITED

Notes Forming integral Part of the Financial Statements for the year ended 31st March, 2016

Note : 2 Share Capital

Particulars	As at 31st March 2016		As at 31st March 2015	
	No. of Shares	Amount	No. of Shares	Amount
AUTHORIZED CAPITAL				
Equity Shares of Rs. 10/- each.	5,000,000	50,000,000	5,000,000	50,000,000
	5,000,000	50,000,000	5,000,000	50,000,000
ISSUED , SUBSCRIBED & PAID UP CAPITAL				
Equity Shares of Rs. 10/- each Fully Paid up	3,600,000	36,000,000	3,600,000	36,000,000
Total	3,600,000	36,000,000	3,600,000	36,000,000

(a) Reconciliation of Equity shares and amounts outstanding

Particulars	As at 31st March 2016		As at 31st March 2015	
	No. of Shares	Amount	No. of Shares	Amount
At the Beginning of the year	3,600,000	36,000,000	3,600,000	36,000,000
Fresh issue of shares	-	-	-	-
At the end of the Year	3,600,000	36,000,000	3,600,000	36,000,000

(b) Terms/Rights attached to Equity Shares

The Company has only one class of shares referred to as equity shares having a par value of Rs. 10. The equity shares have rights, preferences and restrictions which are in accordance with the provisions of law,in particular the Companies Act,2013.

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

Particulars	As at 31st March 2016		As at 31st March 2015	
	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 2016		As at 31st March 2015	
Securities Premium Reserve				
As per last Balance Sheet		11,546,700		11,546,700
General Reserve				
As per last Balance Sheet		37,200,000		37,200,000
Profit & Loss Account				
As per Last Balance Sheet	46,786,774		37,854,025	
Add: Profit for the year	3,875,751		13,286,043	
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	732,875		753,294	
		46,329,650		46,786,774
Total		95,076,350		95,533,474

Note : 4 Long Term Borrowings

Particulars	As at 31st March 2016		As at 31st March 2015	
	Non Current	Current	Non Current	Current
Secured				
-Hdfc Bank Car Loan	4,157,112	817,888	-	-
-Pnb Car Loan A/c	791,707	180,130	-	-
Unsecured				
-Corporate Loan	68,683,472	-	68,025,191	
-Loans From Directors	14,750,000	-	11,900,000	750,000
Total	88,382,291	998,018	79,925,191	750,000

HISAR METAL INDUSTRIES LIMITED

Notes Forming integral Part of the Financial Statements for the year ended 31st March, 2016

Note : 12 Non Current Investment

Particulars	As at 31st March 2016	As at 31st March 2015
Investment in Equity Instrument	84,000	84,000
Quoted Non Trade at Cost		
2400 Equity Shares of Haryana Financial Corporation of Rs.10/- each fully paid up (Market value not Available)		
Total	84,000	84,000

Note : 13 Long Term Loans and Advances

Particulars	As at 31st March 2016	As at 31st March 2015
Unsecured, Considered Good :		
Security Deposit	6,248,048	6,248,048
MAT Credit Entitlement	1,345,948	-
Sales Tax Refundable	3,277,552	1,387,747
Total	10,871,548	7,635,795

Note : 14 Inventories

Particulars	As at 31st March 2016	As at 31st March 2015
Raw Material	136,838,689	130,131,485
Finished Goods	18,249,448	30,082,197
Stores & Spares	62,370,306	55,449,442
Total	217,458,443	215,663,124

Note : 15 Trade Recievables

Particulars	As at 31st March 2016	As at 31st March 2015
Unsecured, Considered Good :		
Outstanding for more than six months	15,966,494	13,102,280
Others	271,650,827	403,696,241
Total	287,617,321	416,798,521

Note : 16 Cash & Bank Balances

Particulars	As at 31st March 2016	As at 31st March 2015
Cash & Cash Equivalent		
Cash Balance	435,225	449,052
Bank Balances in Current accounts	1,110,090	1,071,928
Silver Coins	20,855	6,551
Gold Coins	33,348	33,348
Euro	189,429	-
Dollar	53,920	-
Bank balances		
Bank Balance Representing Unclaimed Dividend	368,816	392,670
Balance with Banks in Fixed Deposit Account (Maturity more than three months but upto twelve months Rs. 4086143 and less than three months 30000000)*	34,086,143	37,989,826
Total	36,297,826	39,943,375

* 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 for the year ended 31st March, 2016

Note :17 Short Terms Loans and Advances

Particulars	As at 31st March 2016	As at 31st March 2015
Others		
(Unsecured considered good)		
Balance With Revenue Authorities (Indirect Taxes)	12,562,151	15,524,723
Advance against machinery	320,083	1,229,785
Prepaid Expenses	4,429,428	687,297
Others	14,361,176	31,326,626
Total	31,672,838	48,768,431

Note : 18 Revenue from Operations

Particulars	For the Year Ended March 31st, 2016	For the Year Ended March 31st, 2015
Sale of Products		
-Cold Rolled Stainless Steel strips	1,956,114,092	2,502,922,714
-S.S. PIPES	5,511,388	-
-S.S. CIRCLES	1,543,534	-
Sale of Services		
Job Work Income	8,435,362	3,161,620
Other Operating Revenue		
Export Sale Income	393,353	451,700
Less:		
Excise Duty	212,423,161	269,505,988
Total	1,759,574,568	2,237,030,046

Note : 19 Other Income

Particulars	For the Year Ended March 31st, 2016	For the Year Ended March 31st, 2015
Profits on sale of Fixed Assets	-	75,000
Miscellaneous Income		
-Exchange fluctuation	330,956	422,501
-Store sale	978,077	1,486,533
-Provision for Leave Encashment	-	362,961
-Others	424,782	164,580
Total	1,733,815	2,511,575

Note : 20 Cost of Material Consumed

Particulars	For the Year Ended March 31st, 2016		For the Year Ended March 31st, 2015	
	%	Amount	%	Amount
Hot Rolled SS strips				
Indigenous	99.05	1,437,711,774	97.92	1,877,463,088
Import	0.95	13,722,013	2.08	39,813,031
Total	100	1,451,433,787	100	1,917,276,119

Note : 21 Change in Inventories

Particulars	For the Year Ended March 31st, 2016	For the Year Ended March 31st, 2015
Inventories (at close)		
Finished Goods	18,249,448	30,082,197
Inventories (at commencement)		
Finished Goods	30,082,197	17,776,500
Total	11,832,749	(12,305,697)

HISAR METAL INDUSTRIES LIMITED**Notes Forming integral Part of the Financial Statements for the year ended 31st March, 2016****Note : 22 Employee Benefit Expenses**

Particulars	For the Year Ended March 31st, 2016	For the Year Ended March 31st, 2015
Salaries Wages and Bonus	20,608,546	21,052,938
Staff & Labour Welfare	1,031,695	1,201,874
Contribution to Provident & Other funds	2,773,121	2,946,716
Gratuity	846,623	1,220,688
Leave Encashment	155,788	-
Total	25,415,773	26,422,216

Note :23 Finance Cost

Particulars	For the Year Ended March 31st, 2016	For the Year Ended March 31st, 2015
Interest on :		
Long Term Loan	10,008,804	11,241,665
Short Term	11,608,176	11,641,558
Others	35,285,944	48,094,055
Bank Charges	5,499,506	6,068,384
Total	62,402,430	77,045,662

Note : 24 Depreciation & Amortization Expense

Particulars	For the Year Ended March 31st, 2016	For the Year Ended March 31st, 2015
Depreciation	17,001,681	15,069,009
Total	17,001,681	15,069,009

Note : 25 Other Expenses

Particulars	For the Year Ended March 31st, 2016	For the Year Ended March 31st, 2015
Manufacturing Expenses :		
Stores and Spares	58,728,588	47,091,032
Power and Fuel	102,750,086	113,342,982
Chemical	9,503,944	18,390,438
Repair and Maintenance	4,214,711	4,013,322
Other Manufacturing Expenses	1,203,362	872,992
Rent	396,000	288,000
Filing Fees	16,200	16,200
Legal & Professional	786,658	623,464
Vehicle Upkeep & Maintenance	1,317,142	1,317,649
Insurance	565,267	1,810,728
Postage, Telegram & Telephone	559,892	617,488
Travelling & Conveyance	1,047,343	805,337
Printing & Stationery	534,605	574,778
Auditor's Remuneration as:		
Statutory Audit Fees	78,000	78,000
Tax Audit Fees	28,000	28,000
Consultancy	24,000	24,000
Advertisement	230,550	667,629
Fees & Subscription	714,760	826,883
Commission & Discount	11,318	522,635
Donation	60,601	49,900
Freight & Octroi	1,229,279	1,586,764
Miscellaneous Expenses	552,786	591,201
Export Sale Exp	549,290	584,750
Sale Promotion Expenses	541,267	399,235
Loss on Sale of Fixed Assets	329,485	-
Bad Debts	185,336	-
Exhibition Rental Charges	-	374,000
Total	186,158,471	195,497,407

HISAR METAL INDUSTRIES LIMITED

Notes Forming integral Part of the Financial Statements for the year ended 31st March, 2016

Note : 26 Disclosure as per AS15-Retirement Benefits:

Post Retirement Employee Benefit:

Description of Plan

Gratuity

Leave Encashment

Principal actuarial assumptions:

i) Economic Assumptions					
Particulars		Gratuity		Leave Encashment	
		31-03-2016	31-03-2015	31-03-2016	31-03-2015
a)	Discounting Rate	8.00%	8.00%	8.00%	8.00%
b)	Future Salary Increase	5.50%	5.50%	5.50%	5.50%
c)	Expected Rate of return on plan assets	0.00	0.00	0.00	0.00
ii) The amounts to be recognized in balance sheet and related analysis					
Particulars		Gratuity		Leave Encashment	
		31-03-2016	31-03-2015	31-03-2016	31-03-2015
a)	Present Value of obligation as at end of the period	6,914,229	6,930,812	945,385	789,597
b)	Fair Value of plan assets as at the end of the period	-	-	-	-
c)	Funded status / difference	(6,914,229)	(6,930,812)	(945,385)	(789,597)
d)	Excess of actual over estimated	--	--	--	--
e)	Unrecognized actuarial (gains)/ losses	--	--	--	--
f)	Net asset/(liability) recognized in balance sheet	(6,914,229)	(6,930,812)	(945,385)	(789,597)
iii) Expense recognized in the statement of Profit and Loss					
Particulars		Gratuity		Leave Encashment	
		31-03-2016	31-03-2015	31-03-2016	31-03-2015
a)	Current service cost	665,409	721,364	95,537	103,775
b)	Past service cost	--	--	--	--
c)	Interest cost	554,465	513,091	63,168	119,673
d)	Expected return on plan assets	--	--	--	--
e)	Curtailment cost/(Credit)	--	--	--	--
f)	Settlement cost/(Credit)	--	--	--	--
g)	Net actuarial (gain)/ loss recognized in the period	(373,251)	(13,767)	(2,917)	(586,409)
h)	Expense recognized in the statement of profit & losses	846,623	1,220,688	155,788	(362,961)

HISAR METAL INDUSTRIES LIMITED*Notes Forming integral Part of the Financial Statements for the year ended 31st March, 2016*

iv)	Reconciliation statement of expense in the statement of profit and loss				
	Particulars	Gratuity		Leave Encashment	
		31-03-2016	31-03-2015	31-03-2016	31-03-2015
a)	Present value of obligation as at the end of period	6,914,229	6,930,812	945,385	789,597
b)	Present value of obligation as at the beginning of the period	6,930,812	6,036,369	789,597	1,407,916
c)	Benefits paid	(863,206)	(326,245)	-- -	(255,358)
d)	Actual return on plan assets	--	--	--	--
e)	Expenses recognized in the statement of profit & losses	846,623	1,220,688	155,788	(362,961)
v)	Movement in the liability recognized in the balance sheet				
	Particulars	Gratuity		Leave Encashment	
		31-03-2016	31-03-2015	31-03-2016	31-03-2015
a)	Opening net liability	6,930,812	6,036,369	789,597	1,407,916
b)	Expenses as above	846,623	1,220,688	155,788	(362,961)
c)	Benefits paid	(863,206)	(326,245)	--	(255,358)
d)	Closing net Liability	6,914,229	6,930,812	945,385	789,597

HISAR METAL INDUSTRIES LIMITED*Notes Forming integral Part of the Financial Statements for the year ended 31st March, 2016***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 Private Limited | CIN : U18101HR1992PTC031543 |
| 2 Jindal Metal Limited | CIN : U28113HR1980PLC010992 |
| 3 Amtrex Trading Company Private Limited | CIN : U51909HR1999PTC034218 |

Name of the key management personnel and their relatives with whom transactions were carried out**(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 2016	31st March 2015
Managerial Remuneration	KMP	Sh. Abhiram Tayal	621,600	616,500
Interest Paid	Associate Concern	Amtrex Trading Co. Pvt. Ltd	731,423	660,129
		Sh. Abhiram Tayal	683,097	371,220
		Smt. Anubha Tayal	294,284	377,790
		Sh. Karan Dev Tayal	600,000	526,644
	Relative of KMP	Sh. Vikram Kumar Jain		769,322
		Smt. Kashni Tayal		508,562
		Abhiram Tayal HUF		96,514
Rent Paid	Associate Concern	Jindal Metal Limited	396,000	288,000
Job Work		Jindal Polybutton Pvt. Limited	740	9,789
Payable to	Associate Concern	Amtrex Trading Co. Pvt. Ltd.	6,753,472	6,095,191
	KMP	Sh. Abhiram Tayal	6,725,000	4,625,000
		Smt. Anubha Tayal	3,025,000	3,025,000
		Sh. Karan Dev Tayal	5,000,000	5,000,000

Note : 28 CIF Value of Imports

Particulars	31st March 2016	31st March 2015
Raw materials	12,231,414	31,207,238
Machinery	9,798,420	16,107,836
Stores & Spares	2,465,007	556,350

Note : 29 Earnings in foreign exchange

Particulars	31st March 2016	31st March 2015
FOB value of exports	21,236,180	30,089,762

Note: 30 Expenditure in foreign currency

Particulars	31st March 2016	31st March 2015
Travel Expenses	164,280	154,428

Note : 31 Earnings per share

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

Particulars	31st March 2016	31st March 2015
Profit for computation of Basic EPS	3,875,751	13,286,043
Add:/(Less) adjustment	-	-
Profit for computation of Diluted EPS	3,875,751	13,286,043
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 2016	31st March 2015
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	252,000	2,615,215
Counter guarantees issued to the bank for the bank guarantee obtained	727,000	727,000
Cheques/Bills/LCs/FLCs discounted with Company's Banker	26,676,620	24,114,399
Excise duty related matter	6,652,000	-
Sales tax related matter	39,430,029	36,404,084

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.	For and on behalf of the Board of Directors	
Chartered Accountants		
Firm Reg. No.: 021670N		
	(Abhiram Tayal)	(Karan Dev Tayal)
	Managing Director	Director
(CA. RAM BABU AGGARWAL)		
PARTNER		
Membership No. : 082093		
	(R.S. Bansal)	(Pardeep Nandal)
Place : Hisar	C.F.O.	Company Secretary
Date : 28 May 2016		

HISAR METAL INDUSTRIES LIMITED

REGISTERD OFFICE: NEAR INDUSTRIAL DEVELOPMENT COLONY
DELHI ROAD, HISAR – 125005, HARYANA, INDIA
Ph: 01662-220067, 220367, 220738 Fax: 011- 43851119
E-mail: info@hisarmetal.com Website: www.hisarmetal.com
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(s):

Registered Address:

E-mail ID:

Folio No. / Client ID:

DP ID:

I/ We, being the member(s) 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 (on a poll) for me /us and my/our behalf at the twenty sixth Annual General Meeting of the Company, to be held on Thursday, July 28, 2016 at 11:00 A.M. at its registered office at near IDC, Delhi Road, Hisar-125005, (Haryana) and at any adjournment thereof in respect of such resolutions as indicated below:

S. No.	Resolutions to be passed in the meeting	For	Against
1.	Adoption of Audited Financial Statements for the year ended 31st March 2016 together with the Reports of the Board of Directors and the Auditors thereon.		
2.	Declaration of dividend for the financial year 2015-16.		
3.	Appointment of Director in place of Mr. M.P. Jindal, who retires by rotation and being eligible, offer himself for re-appointment.		
4.	Ratification of appointment of Statutory Auditors and fixing their remuneration.		
5.	Ratification of Cost Auditors' remuneration.		
6.	Adoption of new Articles of Association of the Company.		
7.	Deletion of the Other Objects Clause of the Memorandum of Association		
8.	Increase in Authorized Share Capital of the Company		
9.	Alteration in Capital Clause of Memorandum of Association		
10.	Issue of Bonus Shares		

Signed this day of 2016

Signature

.....
(Proxy holder)

Signature.....
(Shareholder)

Affix
Revenue
Stamp
Re.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

REGISTERD OFFICE: NEAR INDUSTRIAL DEVELOPMENT COLONY

DELHI ROAD, HISAR – 125005, HARYANA, INDIA

Ph: 01662-220067, 220367, 220738 Fax: 011- 43851119

E-mail: info@hisarmetal.com Website: www.hisarmetal.com

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 sixth Annual General Meeting to be held on Thursday, July 28, 2016 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 heldFolio No.

*(Strike out whichever is Not Applicable)

(Signature of the Shareholder/Proxy)