



ANNUAL REPORT DECEMBER, 2000



MULTIMETALS LIMITED

MULTIMETALS LIMITED



BOARD OF DIRECTORS

MR. P R DAMANI
(CHAIRMAN)

MR. S K THIRANI

MR NANDAN S DAMANI

MR H K VAKHARIA

MR G D BANGUR

MR J P SINGHAL

MR N R DAMANI

MR. O D PUROHIT

MANAGEMENT COMMITTEE

MR RAJESH DAMANI
(PRESIDENT)

MR D B BHATNAGAR
(VICE PRESIDENT)

SECRETARY

MR. R V JOSHI

BANKERS

BANK OF INDIA

STATE BANK OF BIKANER & JAIPUR

AUDITORS

MITTAL AND ASSOCIATES, MUMBAI

STOCK EXCHANGES AT WHICH THE
SHARES OF THE COMPANY ARE
LISTED

- JAIPUR STOCK EXCHANGE LTD.,
JAIPUR.
- CALCUTTA STOCK EXCHANGE
ASSOCIATION LTD., KOLKATA.

REGISTERED OFFICE & WORKS

HEAVY INDUSTRIES AREA,
KANSUA ROAD,
KOTA - 324 003 (RAJASTHAN)

HEAD OFFICE

'VIKAS'
11, BANK STREET
G N VAIDYA MARG
MUMBAI - 400 023

MULTIMETALS LIMITED**NOTICE**

IS HEREBY GIVEN that the thirtyseventh Annual General Meeting of the members of the Company will be held on 19 th May 2001 ,at 13.00 Hrs. at the Registered Office of the Company at Heavy Industries Area , Kansua Road, Kota – 324 003 (Rajasthan) to transact the following business.

1. To receive and adopt the Directors' and Auditors' Report and the Audited Accounts of the Company for the period ended 31st December, 2000.
2. To elect a director in place of Mr. H.K. Vakharia who retires by rotation and being eligible offers himself for re-election.
3. To elect a director in place of Mr. G.D. Bangur who retires by rotation and being eligible offers himself for re-election.
4. To appoint auditors and fix their remuneration.

SPECIAL BUSINESS

5. To elect a director in place of Mr. O.D. Purohit, who was appointed an additional director of the Company pursuant to the provisions of section 260 of the Companies Act, 1956 read with Article 114 of the Articles of Association of the Company and is now eligible for re-election and in respect of whom the Company has received a notice in writing from a member signifying his intention to propose Mr. O.D. Purohit as a candidate for the office of director.

By Order of the Board
For **MULTIMETALS LIMITED**

R.V. JOSHI
Secretary

Registered Office :
Heavy Industries Area,
Kansua Road,
KOTA – 324 003 (Rajasthan).

Date : 24th March , 2001

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND ANY VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Proxies in order to be effective, must be received by the Company not less than 48 hours before the meeting.

2. No amount of any dividend declared before three years from the date hereto remains unclaimed with the Company. The Company has duly complied with provisions of section 205A (5) of the Companies Act, 1956.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 12-05-2001 to 19-05-2001 (both days inclusive).

MULTIMETALS LIMITED**EXPLANATORY STATEMENT
(Pursuant to Section 173(2) of the Companies Act, 1956)****Item No. 5**

Mr. O.D. Purohit was appointed as an additional director by the board pursuant to the provisions of Section 260 of the Companies Act, 1956 read with Article 114 of the Articles of Association of the Company in the meeting held on 27.04.2000. Mr. O.D. Purohit is a very senior Company Secretary with wide experience in co-operate management. He was Chairman of Western India Regional Council of Institute of Company Secretaries of India and President of Organisation of Professional Executives. In view of his good experience in co-operate management, the directors feel that it will be in the Interest of the Company to appoint him as a director.

Notice under section 257 of the Companies Act, 1956 has been received from a member alongwith a deposit of Rs. 500/- signifying his intention to propose the appointment of Mr. O.D. Purohit as a director.

Mr. O.D. Purohit is interested in the resolution since it relates to his own appointment.

By Order of the Board
For **MULTIMETALS LIMITED**

R.V. JOSHI
Secretary

Registered Office :
Heavy Industries Area,
Kansua Road,
KOTA - 324 003 (Rajasthan).

Date 24th March, 2001

MULTIMETALS LIMITED**DIRECTORS' REPORT****TO THE SHAREHOLDERS,**

Your directors submit hereunder the thirtyseventh Annual Report and audited statement of accounts of your company for fifteen months period ended 31st December, 2000.

1) FINANCIAL RESULTS

	Period ended 31 st Dec., 2000	Period ended 30 th Sep., 1999
	Rs.	Rs.
Gross Loss for the period	29649985	31211442
Add : Depreciation	9580922	12513384
Net Loss for the period	39230907	43724826
Less : Investment Allowance Reserve		
Written back	171000	243000
Less : Earlier year expenses written		
Back	21591230	
	17468677	43481826
Add : Income tax provisions for the earlier		
years	-	442324
Carried forward loss of the previous	86247343	42323175
period		
Balance carried to Balance Sheet	103716020	86247343

2) WORKING

During the period under review your Company has made one time settlement with Financial Institutions and tried to reduce financial cost besides substantial reduction in salary, wages and administrative expenses on account of reduction in man power. Although losses were lower but working could not become profitable due to lower utilization of capacity for want of working capital.

3) FUTURE OUTLOOK

The demand for your Company's products both internationally and locally is strong. Due to addition of value added products like Capillary & Fin tubes, your Company's performance is expected to be better in the current year.

Your Company is in negotiation with bank for grant of additional working capital and also expected to get relief from BIFR which will increase the competitiveness and profitability of your Company.

4) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

A statement given details of conservation of energy, technology absorption, foreign exchange earning and outgo, in accordance with the companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 in annexed hereto and forms part of the report.

MULTIMETALS LIMITED**5) DIRECTORS**

Mr. O.D. Purohit was appointed as additional director. The board has now received notice from a shareholder proposing his appointment as regular director in the forthcoming annual general meeting of the company.

Mr. H.K. Vakharia and Mr. G.D. Bangur the directors of the company are retiring by rotation at the forthcoming annual general meeting. However, being eligible they have offered themselves for re-election.

6) DIVIDEND

In view of cash loss incurred by the company no dividend is recommended on the equity share capital of the company.

7) AUDITORS

M/s Mittal and Associates, the auditors of the Company, retire and are eligible and have consented for reappointment.

8) REHABILITATION PACKAGE

As reported last a reference was made to BIFR and Company was declared sick on 31.01.2001. BIFR has considered various aspects of the rehabilitation and has desired the Company to prepare and submit a rehabilitation proposal within 8 weeks through operating agency IDBI.

9) PERSONAL

During the period under review, the Company did not have in its employment any employee who was in receipt of remuneration aggregating Rs. 600000 or more per year or Rs. 50000 or more per month, when employed for part of the year. This information is given in compliance of section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended.

10) LISTING FEES

Company's shares are listed/quoted at the following stock exchanges:

- Jaipur Stock Exchange Ltd., Jaipur
- Calcutta Stock Exchange Association Ltd., Kolkata.

Listing fees are already paid to above stock exchanges for the period upto 31st March, 2001.

11) ACKNOWLEDGEMENTS

Your directors express their appreciation for the continued support and guidance extended by the financial institutions namely ICICI, IDBI and Bank of India.

Your directors also place on record their appreciation of the contribution made by the employees at all levels to the operations of the Company during the period under review.

By Order of the Board

P R DAMANI
CHAIRMAN

Registered Office:
Heavy Industries Area,
Kansua Road,
KOTA - 324 003 (RAHASTHAN)

MULTIMETALS LIMITED**ANNEXURE TO THE DIRECTORS' REPORT****CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO**

In accordance with the companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY

- (a) Energy conservation measures taken :
- Modification of annealing furnace for better energy efficiency.
- (b) Additional investments and proposals, if any, being implemented for reduction in consumption of energy :
- A proposal for modification of billet heating from electrical to gas based has been evaluated. However, the implementation of the proposal has been kept in abeyance for the time being due to cash losses incurred by the company.
- (c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods :
- Modification of annealing furnace has resulted into higher productivity.
- (d) Total energy consumption and energy consumption per unit of production :

FROM 'A'**(A) POWER AND FUEL CONSUMPTION**

	1999-2000 (15 months)	1998-1999 (18 months)
1. Electricity :		
(a) Purchased Units (KWH)	10066893	14482578
Total amount (Rs. in lacs)	456.47	500.77
Rate per unit (Rs.)	4.53	3.46
(b) Own generation :		
i) Through diesel generator :		
Unit (KWH)	303320	737520
Units per liter of Diesel Oil	0.35	0.35
Cost per unit (Rs.)	4.66	3.22
ii) Through steam/turbine generator :		
Unit(KWH)	N.A.	N.A.
Units per ltr. of fuel oil/gas	N.A.	N.A.
Cost per unit (Rs.)	N.A.	N.A.

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2.	Coal (Charcoal) :		
	Quantity (Tones)	77.39	87.59
	Total Cost (Rs. in lacs)	4.48	4.79
	Averages rate (Rs. per kg.)	5.79	5.67
3.	Furnace Oil :		
	Quantity (K.Ltrs.)	53.62	121.59
	Total Cost (Rs. in lacs)	6.31	8.05
	Average rate (Rs. per ltr.)	11.76	6.62
4.	Others/Internal generation (LPG and other gases) :		
	Quantity (Kgs.)	5069	7326
	Total cost (Rs. in lacs)	1.18	1.22
	Rate per unit (Rs.)	23.37	16.69

B) CONSUMPTION PER UNIT OF PRODUCTION

	Standards (if any)	1999-2000 (15 months)	1998-99 (18 months)
i) Electricity (KWH/Ton)	-	4915	5161
ii) Furnace Oil (Ltrs./Ton)	-	26	41
iii) Coal (Kgs/Ton)	-	38	30
iv) Others	-	-	-

C) TECHNOLOGY ABSORPTION**FORM 'B'**

- e) Research & Development (R&D)
- Specific areas in which R&D carried out by the Company :
- Trials are on for improvement in casting quality with different refractories.
 - Benefits derived as a result of the above R&D :
- Trials are still continuing.
 - Future plan of action :
- Under review, as trials are still continuing.

4. Expenditure on R&D :

	(Rs. in lacs)	
	1999-2000 (15 months)	1998-1999 (18 months)
a) Capital	Nil	Nil
b) Recurring	11.19	11.91
c) Total	11.19	11.91
e) Total R&D expenditure as percentage of Total turnover	0.26	0.25

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TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts in brief made towards technology absorption, adaptation and innovation :
 - Efforts being made to fullest utilization of melting and casting capacity by modification to increase and improve productivity of furnaces.

2. Benefits derived as a result of the above efforts eg. product improvement, cost reduction, product development, import substitution etc.
 - Production of furnace increased by 75%.

3. In case of imported technology (imported during the last five years reckoned from the beginning of the financial years) following information may be furnished :

a) Technology imported	:	None
b) Year of Import	:	N.A.
c) Has technology been fully absorbed	:	N.A.
d) If not fully absorbed area where this has not taken place reasons thereof and future plan of action	:	N.A.

D. FOREIGN EXCHANGE EARNING AND OUTGO

- e) Activity relating to export, initiatives taken to increase exports, development of new export market for products and services and export plans :

	(Rs. in lacs)	
	1999-2000 (15 months)	1998-1999 (18 months)
Foreign Exchange earned	516.52	1214.99
Foreign Exchange used		
On recurring account	325.88	845.13
On capital account	3.06	2.12

By Order of the Board

P. R. DAMANI
CHAIRMAN

Registered Office :
Heavy Industries Area,
Kansua Road,
KOTA – 324 003 (RAJASTHAN)

DATE : 24th March, 2001.

MULTIMETALS LIMITED**AUDITORS REPORT****THE MEMBERS,
MULTIMETALS LIMITED**

We have audited the attached Balance Sheet of MULTIMETALS LIMITED as at 31st December, 2000 and Profit and Loss Account of the Company for the period ended on that date and report that :

1. As required by the Manufacturing and other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks of the books and records of the Company as we considered appropriate and the information and explanations given to us during the course of our audit, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we state that :
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of such books.
 - c) The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of account maintained by the company.
 - d) In our opinion the Balance Sheet and Profit and Loss account comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, except accounting standard 15 regarding provision of accrued gratuity and leave salary the amount of which is unascertained.
 - e) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Loss account subject to note no. 6, read with other notes on Schedule - 15, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
 - a) in so far as it relates to the Balance Sheet of the state of affairs of the state of affairs of the Company as at 31st December, 2000;
 - b) in so far as it relates to the Profit and Loss Account, of the LOSS of the Company for the period ended on that date.

M. MEHTA

PARTNER

For and on behalf of

MITTAL & ASSOCIATES**CHARTERED ACCOUNTANTS**

PLACE : MUMBAI

DATE : MARCH 24, 2001