

44th

ANNUAL
REPORT
2007-2008



MULTIMETALS LIMITED

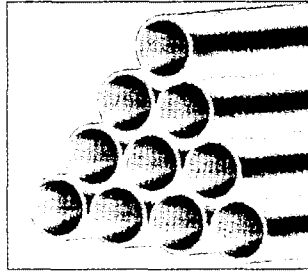


PRODUCT RANGE

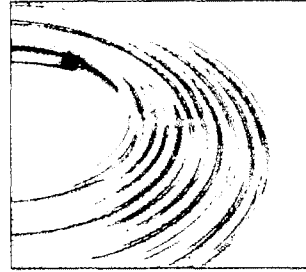
PRESENTLY MANUFACTURING



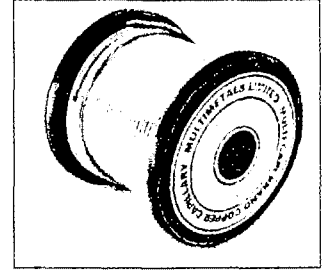
Copper Tube
Level Wound Coil



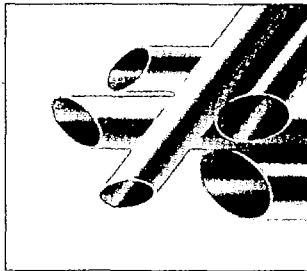
Copper Tube Straight Length



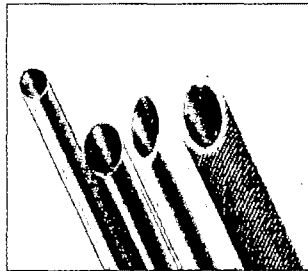
Copper Pancake Coil



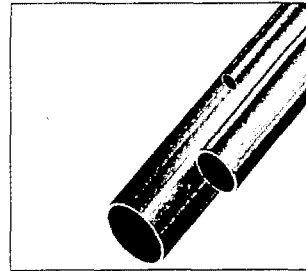
Copper Capillary Tubes



Admiralty Brass Tubes



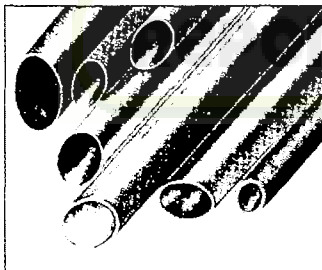
Aluminium Brass Tubes



70/30 Brass Tubes



90/10 Cupro Nickel Tubes
Level Wound Coil



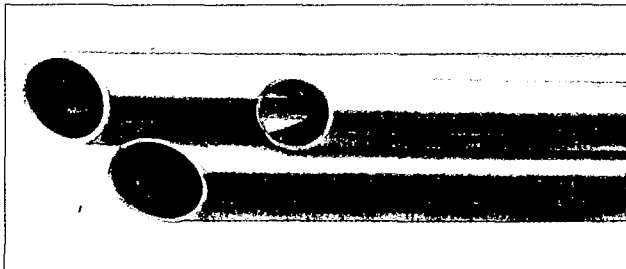
Finned Tubes



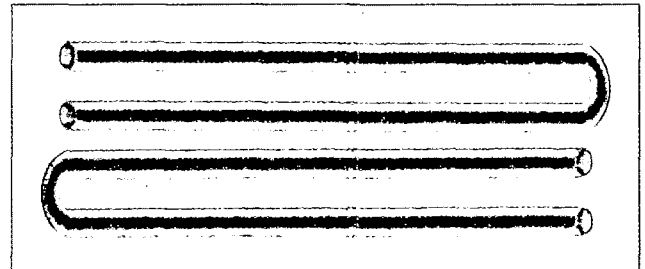
95/5 Cuni and Cunifer Tubes



90/10 Cupro Nickel Tubes



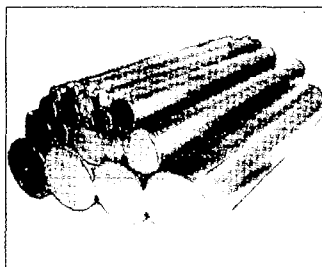
70/30 Cupro Nickel Tubes



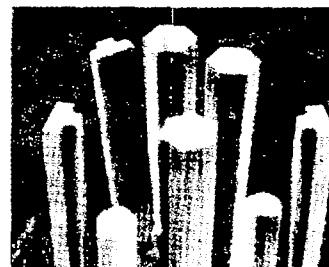
U-Bend Tubes



PVC Coated Tubes



Copper & Copper Alloys Extruded and Drawn Semis
(Sections, Profiles and Rods)





BOARD OF DIRECTORS

MR. VASUDEV AGRAWAL
(CHAIRMAN)

MR RAJENDRA AGRAWAL
(VICE CHAIRMAN & MANAGING DIRECTOR)

MR NITIN AGRAWAL
(EXECUTIVE DIRECTOR)

MRS PRIYANKA AGRAWAL
(EXECUTIVE DIRECTOR)

MR AASHISH MAHESHWARI

MR VIJAY KUMAR JAIN

MRS VINEETA MEHTA

MANAGEMENT COMMITTEE

MR D B BHATNAGAR
(PRESIDENT)

MR H N GUPTA
(COMMERCIAL MANAGER)

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SECRETARY

MR. B.S. TANWAR

BANKERS

BANK OF INDIA
STATE BANK OF BIKANER & JAIPUR
HDFC BANK, KOTA

AUDITORS

M.P. SHARMA & CO. KOTA

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)



MULTIMETALS LIMITED

NOTICE is hereby given that the forty fourth Annual General Meeting of the members of the company will be held on Saturday, the 30th August, 2008 at 11.00 A.M. at the Registered Office of the company at Heavy Industries Area, Kansua Road, Kota - 324 003 (Rajasthan) to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as on 31st March, 2008 and Profit & Loss Account for the financial year ended on that date, together with the Directors' Report and Auditors' Report thereon.
2. To declare dividend @6% on the Preference Shares and 3% on Equity Shares.
3. To elect a Director in place of Mr. Vasudev Agarwal, who retire by rotation and being eligible offers himself for re-election.
4. To elect a Director in place of Mr. Aashish Maheshwari, who retire by rotation and being eligible offers himself for re-election.
5. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit to pass the following resolution as an Ordinary Resolution :

"RESOLVED THAT M/s M. P. Sharma & Co., Chartered Accountants, Kota, the retiring auditors, who being eligible offered themselves for re-appointment, be and is hereby re-appointed as the Auditors of the company to hold office upto the conclusion of the next Annual General Meeting of the company on a remuneration as may be decided by the Managing Director of the company and acceptable to M/s M. P. Sharma & Co., Chartered Accountants, Kota."

By order of the Board
For Multimetals Limited

Date : June 26, 2008
Place : KOTA

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B. S. Tanwar
Secretary

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
 1. 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 seven 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 27th August, 2008 to 30th August, 2008 (Both days inclusive).
 4. Company has appointed M/s Sharex Dynamic (India) Pvt. Ltd., Unit -1, Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai - 400 072, as the Registrar and Share Transfer Agents of the company to deal with the physical as well as electronic share registry.
 5. Members are requested to notify immediately any change in their addresses to the Registrar and Share Transfer Agent at their address in case of physical holdings and to their respective Depository Participants in case of dematerialized shares.
 6. Members desiring any information as regards the accounts are requested to write to the company so as to reach the Registered Office at least 5 days before the date of the meeting to enable the management to keep the information ready.
 7. Members attending the Annual General Meetings are requested to bring with them :
 - i. Copy of Annual Report received by post;
 - ii. Members holding shares in dematerialized form, their DP ID & Client ID nos.
 - iii. Members holding shares in physical form, their folio numbers.

**DIRECTORS' REPORT****To the Shareholders,**

Your Directors are pleased to submit the 44th Annual Report and Audited Statement of Accounts of your company for the year ended 31st March, 2008.

1. FINANCIAL RESULTS

(Rs. in lacs)

	For the year ended on 31st March, 2008	For the year ended on 31st March, 2007
Gross Revenues	11973.58	11256.48
Profit for the year (Before Financial Exp., Tax, Depreciation & Earlier Year Items)	1359.59	1156.35
Financial Expenses	529.35	399.95
Depreciation	122.33	80.79
Profit before Taxes	707.91	675.61
Less : Prov. For Taxes (incl. Deferred Tax Asset / Liabilities)	248.74	276.72
Profit After Tax	459.17	398.89
Earlier year items	-	90.60
NET PROFIT	459.17	308.29

The Indian Economy remained buoyant and posted a growth rate of just under 9% during the financial year 2007-08, which is enough to stimulate demand and growth. We are pleased to inform your Company was also followed the more or less same trend and registered a marginal growth.

Your company achieved a gross turnover of Rs. 11,973.58 Lacs during the financial year 2007-08, which is 6.37% higher than the last year's turnover. However, the bottom line i.e. profit after tax has increased substantially because of lesser tax burden on the company.

The financial figures indicate a moderate growth, which is quite satisfactory in the high volatile market. The overall volatility at macro level affected the industry a lot. However, with the good vision and timely decision making your company managed to do well in the environment of high volatility.

Your directors foresee a long lasting fast track growth in the Indian economy. Your company is well placed to gear up to reap the benefits of growing Indian Economy. Your directors expect consistent growth by the company during the coming years also.

FINANCE

Having regard to the long term corporate planning, your company went into capital re-structuring exercise under which, 65,00,000 6% Preference Shares of Rs. 10/- each, is to be converted into Equity Shares at par through a scheme of arrangement under section 391 of the Companies Act, 1956. The Scheme was duly approved by the members in the Extra Ordinary General Meeting of the members as convened by the Hon'ble Rajasthan High Court on 28th March, 2007. The final approval of the scheme by the Hon'ble High Court is awaited.

FUTURE OUTLOOK

Sustained economic growth, fiscal consolidation and an enabling policy environment will continue to provide incentive to capacity addition in Industry and sustaining its high growth. However, committing anything very positive is not desirable at this stage as most of the macro level factors are too volatile. Despite of that your management team is quite sure to give better results in the time to come.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed Report on Management Discussion and Analysis is provided elsewhere in this Annual Report.

2. DIVIDEND

Your Directors proposes to declare final dividend @ 6% on preference shares whereas 3% on equity share capital to those stakeholders who are members on the record date.

3. DIRECTORS

There was no change in the Board structure during the year under review.



At the ensuing Annual General Meeting, Shri Vasudev Agarwal and Shri Aashish Maheshwari, shall retire by rotation. However, being eligible, they have offered themselves for reappointment. Your Directors recommend reappointment of both Shri Vasudev Agarwal and Shri Aashish Maheshwari on the Board.

4. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A Statement depicting details of conservation of energy, technology absorption, foreign exchange earnings and outgo, in accordance with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto and forms part of this Report.

5. CORPORATE GOVERNANCE

The company accords highest importance to good corporate governance and has made persistent efforts to efficiently implement the same in your company. A separate Report on Corporate Governance as per listing agreement entered into with the Stock Exchanges, is enclosed as a part of Annual Report. A compliance certificate from the practicing company Secretary regarding compliance of conditions of Corporate Governance has also been obtained as stipulated in clause 49 of the Listing Agreement entered into by the company with the Stock Exchanges and the same has been annexed hereto.

6. AUDITORS AND THEIR REPORT

M/s M.P. Sharma & Co., Chartered Accountants, Kota, Auditors of the company retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Auditors' observations in their report and the relative notes on the accounts are self-explanatory and need no separate clarifications.

7. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm :

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanations relating to material departures;
- ii) that the Directors have selected such accounting policies and applied them consistently and make judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that year, accordingly, accounting policy for valuation of closing stock changed from FIFO to Weighted Average Cost Method, facilitating the realistic valuation of closing stock.
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) that the Directors had prepared the annual accounts on a going concern basis.

8. PERSONNEL

The company is making relentless efforts to provide healthy work environment to its employees and makes various arrangements from time to time for proper training and motivation of the employees of the company.

The company is providing for gratuity on the actuarial basis for the eligible employees.

During the period under review, the company was not having any employee who was in receipt of remuneration aggregating Rs.24 Lacs or more per year or Rs.2 Lacs or more per month.

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.

9. LISTING AND LISTING FEES

Your company's shares are listed at the following Stock Exchanges :

- Jaipur Stock Exchange Limited, Jaipur
- The Calcutta Stock Exchange Association Limited, Kolkata

Listing fees have already been paid to the above Stock Exchanges for period upto 31st March, 2008.

10. ACKNOWLEDGEMENT

The Directors express their sincere gratitude for the continued support extended by Bank of India and various statutory and administrative agencies. Your Directors also place on record their appreciation for the unstinted faith and support shown by the shareholders and other investors and dedicated and sincere contribution made by the staff and employees at all levels.

By Order of the Board

Kota
June 26, 2008

Vasudev Agrawal
Chairman


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 :
- Installation of variable frequency drives on Draw Benches & Pilger Mill.
 - Installation of Nitrogen Gas plant for Annealing of Tubes.
 - Installation of New Melting Furnace.
 - Installation of New Annealing Furnace.
- (b) Additional investment and proposals, if any, being implemented for reduction in consumption of energy :
- Modification of Annealing Furnace.
- (c) Impact of the measures at (a) and (b) above :
- Reduction in energy consumption.
 - Increase in productivity.
- (d) Total energy consumption and energy consumption per unit as per Form 'A' given below :

FORM 'A'
A) POWER AND FUEL CONSUMPTION

		2007-08 (12 months)	2006-07 (12 months)
1.	Electricity :		
(a)	Purchased Units (KWH)	7407696	6675096
	Total amount (Rs. In lacs)	345.31	310.33
	Rate per unit (Rs.)	4.66	4.62
(b)	Own generation :		
i)	Through diesel generator :		
	Unit (KWH)	11150	15500
	Units per ltr. of Diesel oil	3.30	3.30
	Cost per unit (Rs.)	8.33	9.10
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.
2.	Coal (Charcoal) :		
	Quantity (Tones)	61.00	69.24
	Total Cost (Rs. in lacs)	5.11	5.14
	Average rate (Rs. per Kg.)	8.38	7.43
3.	Furnace Oil :		
	Quantity (Tones)	-	0.24
	Total Cost (Rs. in lacs)	-	0.44
	Average rate (Rs. per Kg.)	-	18.41
4.	Others/Internal generation (LPG and other gases) :		
	Quantity (Kgs.)	10298	8094
	Total cost (Rs. In lacs)	4.77	3.51
	Rate per unit (Rs.)	46.29	43.39



B) CONSUMPTION PER UNIT OF PRODUCTION

	Standards (if any)	2007-08 (12 months)	2006-07 (12 months)
i) Electricity (KWH/MT)	-	2830.60	2818.47
ii) Furnace Oil (Ltrs./MT)	-	-	1.01
iii) Coal (Kgs/MT)	-	23.27	29.24
iv) Others - LPG & other Gases (Kgs/MT)	-	3.92	3.42

B. TECHNOLOGY ABSORPTION

e). Efforts made in technology absorption as per form 'B' as given below :

FORM 'B'

Research & Development (R&D)

- Specific areas in which R&D carried out by the Company :
 - Improvement in new developed products alloys for both domestic and overseas market.
- Benefits derived as a result of the above R&D :
 - Improvement in the quantity and productivity of manufactured products.
- Future plan of action :
 - Installation of Propane Tank for heating billets.
- Expenditure on R&D :

	2007-08 (12 months)	2006-07 (12 months)
	(Rs. in lacs)	
a) Capital	Nil	Nil
b) Recurring	12.52	9.51
c) Total	12.52	9.51
d) Total R&D expenditure as percentage of Total turnover	0.10	0.08

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- Efforts in brief made towards technology absorption, adaptation and innovation:
 - Revamping and automation of existing annealing furnace.
- Benefits derived as a result of the above efforts eg. product improvement, cost reduction, product development, import Substitution etc.
 - Improvement in quality and productivity.
- 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.

C. FOREIGN EXCHANGE EARNING AND OUTGO

- Activity relating to export, initiatives taken to increase exports, development of new export market for products and services and export plans:
The company's Products are well accepted in the international market and are being exported to various countries of the world. The detail of exports made during the year 2007-08 is as under :



S.N.	COUNTRY	QUANTITY EXPORTED (Kgs.)	VALUE OF EXPORTS (\$)	QUANTITY EXPORTS GBP	VALUE OF EXPORTS EURO
1.	Africa	63465	601093		
2.	Europe	42229	400275	43562	13339
3.	Middle East	96342	1045578		
4.	South East Asia	7049	80177		
5.	USA	18501	200114		
	Total	227586	2327237	43562	13339

The company is planning to enter into untapped export markets in the coming years.

g) Earning and Outgo

	<u>2007-08</u>	<u>(Rs. in lacs)</u> <u>2006-07</u>
Foreign exchange earned	1114.01	843.70
Foreign exchange used		
On recurring account	417.47	330.95
On capital account	19.73	84.59

Kota
June 26, 2008

By Order of the Board

VASUDEV AGRAWAL
CHAIRMAN



Registered Office:
Heavy Industries Area,
Kansua Road,
KOTA-324003 (RAJASTHAN)

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****A. ECONOMIC SCENARIO**

Sustained growth and resilience in the year of a global slowdown characterized the developments of the Indian economy in 2007-08. The economy has also been largely successful in containing domestic inflationary pressures despite global hardening of commodity prices and an upsurge in capital inflows, which has made liquidity management difficult. The GDP grew by 8.7% which represents a moderate deceleration from high growth of 9.6% in 2006-07. Although there was a slight decrease in the growth rate but still there was a growth in capital goods industry as high as 20.02%.

Your company has always played a pivotal role in the growth of copper tubes industry and endeavors to contribute to the development of copper industry in India.

B. PRODUCT AND INDUSTRIAL SCENARIO

The copper tube industry was on the growth path during the financial year 2007-08. There is vigorous demand of copper from all over the world. Multimetals till date has launched a wide variety of products of copper, brass and aluminium like copper tubes, brass tubes, cupronickel tubes and also various other products. All the products possess different properties and hence are suited to a range of different applications such as in defence, refrigeration, air-conditioning, power plants, refineries, sugar industries, ship building & ship repairs and general engineering industries due to which the company's product are widely accepted among customers.

C. MARKET

The market of Copper Tubes can be categorised in two broad areas, viz., Domestic Market and Export Market.

Domestic Market :

The industrial sector witnessed a slowdown in the first nine months of the current financial year. The growth of 9 per cent during April-December 2007, when viewed against the back drop of the robust growth witnessed in the preceding four years, suggests that there is a certain degree of moderation in the momentum of the industrial sector. But this was with the consumer durable goods sector which has shown a distinct slowdown. In contrast, the capital goods industry has sustained strong growth performance during 2007-08 your company is also included in this sector and so has no effect of the deceleration of the other sectors. On the other hand, the growing thrust in the Air-conditioning industry, shipping industry, the power reforms and government's focus on infrastructure have paved way for increased demand in the domestic market as well. The company always seeks to take best possible advantage of any opportunity that comes its way.

Export Market :

There is ample scope for the products being manufactured by the company in the export market. The merchandise exports have come under some pressure due to the appreciation of the Rupee and may fall just short of the target of US\$ 160 billion, although the growth rate was strong at 21.8 per cent during April-December 2007-08. Relief was given to exporters in three tranches amounting to over Rs.8,000 crore. The company is making its best efforts to explore all possible opportunities available in the export market and looks forward to an overwhelming response looking to the global demand of the products which your company can capably satisfy. The company has been a proud winner of many Export Excellence Awards. Although the company enjoys the confidence of its foreign customers, still there is a great deal of overseas market which has not yet been tapped.

D. OPPORTUNITIES

The present market scenario i.e. of vigorous growth with strong macro-economic fundamentals that has characterised developments in the Indian economy offers ample opportunity for the growth of our company. It is expected that the improving global economies of the country will lead to growth in consumption of company's product in all the user industries. This reflects significant potential for continued demand growth in future. The export market in Asian region presents a strong opportunity for copper industries like ours. The Company's financial strength, superior project execution capabilities and strong leadership skills is uniquely poised to effectively avail of all opportunities and create new ones going forward.

E. CHALLENGES

The threat perception for the company includes great volatility of world copper prices and increasing cost of inputs, particularly power and fuel due to global inflationary trends. Further, the Company may also witness threat to its existing market share on account of intense competition from imports and domestic manufacturers of copper and its products. However, with the improved business strategies, proper planning, cost competitiveness and through better customer services, the company will be able to maintain the operating margins and successfully compete in the market.