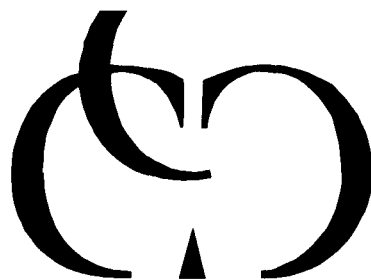


8th
ANNUAL REPORT
2001 - 2002



METAL COATINGS (INDIA) LIMITED



CORPORATE INFORMATION

DIRECTORS

A. P. Khandelwal	<i>Chairman</i>
R. C. Khandelwal	<i>Managing Director</i>
Virendra Hajela	
Pramod Khandelwal	
V. P. Khandelwal	
R. S. Khandelwal	
D. P. Khandelwal	
Rajesh Sharma	<i>Nominee, HSIDC</i>

AUDITORS

Anil Khandelwal & Associates
Chartered Accountants

BANKERS

Canara Bank

REGISTERED OFFICE

K-81 A, Lajpat Nagar-II,
New Delhi - 110024.

WORKS

- (i) Sector - 45, Meola Maharajpur,
Faridabad - 121003.
- (ii) 112 & 113, HSIDC Industrial Estate,
Sector-59, Faridabad - 121004.

8TH ANNUAL GENERAL MEETING

Day	: Friday
Date	: 27th September, 2002
Time	: 12.30 P.M.
Venue	: Royal Court, 41, Ring Road, Lajpat Nagar - IV New Delhi- 110 024

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Eighth Annual General Meeting of Metal Coatings (India) Limited will be held at Royal Court, 41, Ring Road, Lajpat Nagar - IV, New Delhi - 110024 on Friday the 27th day of September, 2002 at 12.30 P.M. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2002, the Profit and Loss Account for the year ended on that date, and the report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. V. K. Hajela who retires by rotation and who, being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. R. S. Khandelwal who retires by rotation and who, being eligible, offers himself for reappointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration. M/s Anil Khandelwal and Associates, Chartered Accountants, retiring Auditors being eligible have given their consent for being considered for reappointment.

By Order of the Board

Date : 24th August, 2002

Place : New Delhi

(PRAMOD KHANDELWAL)

Director (Commercial)

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead and a proxy need not be a member of the Company. A blank proxy form is enclosed. If used, it should be deposited with the Company, duly executed not later than 48 hours before the commencement of the Annual General Meeting.
2. The Register of Members and share transfer books of the Company will remain closed from Wednesday 25th of September, 2002 to Friday the 27th day of September, 2002 (both days inclusive).
3. Members are requested to notify immediately any change in their address to the Company's Registered Office.
4. Shareholders seeking any information with regard to accounts are requested to write to the Company atleast 10 days in advance so as to enable the management to keep the information ready.
5. Shareholders are requested to kindly bring their copies of Annual Report to the meeting.

By Order of the Board

Date : 24th August, 2002

Place : New Delhi

(PRAMOD KHANDELWAL)

Director (Commercial)



DIRECTORS' REPORT

TO THE MEMBERS,

The Directors of your company have pleasure in presenting their EIGHTH ANNUAL REPORT together with the Audited Statements of Account for the year ended 31st March, 2002.

FINANCIAL HIGHLIGHTS

	<i>(Rs. in lacs)</i>	
	2001-2002	2000-2001
Total Income	5054	6265
Operating Profit	331	396
Profit before Tax	166	225
Provision for Taxation	59	77
Profit after Tax	107	148
Proposed Dividend	—	49

PERFORMANCE REVIEW

Your company achieved a turnover of Rs. 5046.84 lacs as against Rs. 6260.41 lacs in the previous year and earned Rs. 166.41 lacs as profit before tax as against Rs. 225.07 lacs in the previous year. The steel industry as a whole faced severe recession throughout the year. This, coupled with substantial expansion in capacities in the Galvanised Steel Tape (GST) industry brought down the prices of GST by more than 15% on the whole. This had a major adverse impact on the sales revenue as well as the bottomline of the company. However, the company managed to partially offset the impact of this by undertaking cost control measures.

Besides, the Government who is the major user of the Jelly Filled Telecommunication Cable, have now reduced their purchases resulting into lesser demand of cable tape in the Country. The downtrend in demand for GST is likely to continue with the advent of new technology such as optic fibre and Wireless-in-Local-Loop. Anticipating this emerging scenario arising out of lower demand for GST, your Company has already embarked upon diversification into other products such as Hardened & Tempered Steel Strips, Galvanised Wire and Flat Wire Strips. Further, your directors have taken necessary measures for improving the performance of the company by laying more emphasis on marketing of Cold Rolled Strips and by reducing cost of production.

In view of the lower profits as also the investment in diversification, the directors feel that it would be in the interest of the company to skip dividend in this year and conserve funds for the smooth running and growth of the Company. Therefore, the Directors do not propose to pay dividend for the year 2001-2002.

PERSONNEL

Industrial relations remained cordial throughout the year. There is no employee who is in receipt of remuneration equivalent to or exceeding the amount prescribed u/s 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules 1975 as amended.

BOARD OF DIRECTORS

In accordance with the Articles of Association of the Company Mr. V. K. Hajela and Mr. R. S. Khandelwal, Directors, retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment.

NO DEFAULT

The Company has not defaulted in payment of interest or repayment of loans to any of the financial institutions and/or banks during the period under review.

**DEMATERIALISATION OF SHARES**

As the members are aware, your company's shares are tradable in electronic form under ISIN No. INE161E01014 and your company has established connectivity with both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The members are requested to dematerialise their physical holding in view of various advantages of holding the shares in dematerialised form.

ENERGY CONSERVATION, ABSORPTION OF TECHNOLOGY AND FOREIGN EXCHANGE.

Particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 217(1)(e) of the Companies Act, 1956 are given and form a part of this report.

LISTING AND LISTING AGREEMENT

Shares of the Company are listed with the Mumbai , Delhi and Jaipur Stock Exchanges . The company has paid the annual listing fees of all the Stock Exchanges.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed :

- (i) That in the preparation of the accounts for the financial year ended 31st, March, 2002, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were 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 or loss of the Company for the year under review;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and irregularities;
- (iv) That the Directors have prepared the accounts for the financial year ended 31st March, 2002 on a 'going concern' basis.

AUDITORS

M/s Anil Khandelwal & Associates, Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting. The Company has received letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1-B) of the Companies Act, 1956.

ACKNOWLEDGMENT

The Directors wish to place on record their appreciation to Canara Bank, Haryana State Industrial Development Corporation, Haryana Financial Corporation and the employees of the company for their support and co-operation.

For and on behalf of the Board of Directors

Date : 24th August, 2002
Place : New Delhi

(R. C. KHANDELWAL)
Managing Director