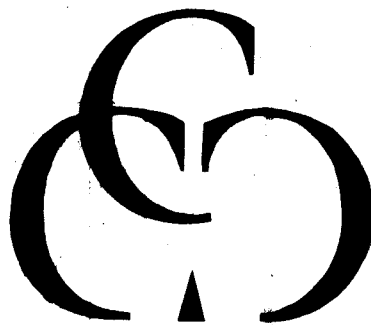


**NINTH
ANNUAL REPORT
2002 - 2003**

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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.

9TH ANNUAL GENERAL MEETING

Day	: Friday
Date	: 26th September, 2003
Time	: 12.30 P.M.
Venue	: Royal Court, 41, Ring Road, Lajpat Nagar - IV New Delhi - 110 024

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METAL COATINGS (INDIA) LIMITED

METAL COATINGS (INDIA) LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Ninth 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 26th day of September, 2003 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, 2003, 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 Mrs. V. P. Khandelwal who retires by rotation and who, being eligible, offers herself for reappointment.
3. To appoint a Director in place of Mr. D. P. 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 Accountant, retiring Auditors being eligible have given their consent for being considered for reappointment.

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 in accordance with the provisions of Sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the re-appointment of Mr. A. P. Khandelwal as a Whole Time Director of the Company for a period of 5 years with effect from 01st April, 2003 at a remuneration, of Rs. 10 lacs per annum by way of salary, allowances and perquisites etc. and 2.5% Commission on profits."

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

"RESOLVED THAT subject to the provisions of the Companies Act, 1956, [including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted hereinafter], the Securities and Exchange Board of India (Delisting of Securities) Guidelines 2003 and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee thereof for the time being exercising the power conferred on the Board by this Resolution), consent is hereby accorded to the Board to delist the Company's Equity Shares from The Delhi Stock Exchange Association Limited and Jaipur Stock Exchange Limited."

By Order of the Board

Date : 23.08.2003
Place : New Delhi

(PRAMOD KHANDELWAL)
Director

**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 Tuesday the 23rd day of September, 2003 to Friday the 26th day of September, 2003 (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.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**Item No. 5**

Mr. A. P. Khandelwal was appointed at the 4th Annual General Meeting as a Whole Time Director and Chairman of the Company for a term of 5 years w.e.f. 01.04.1998. The remuneration being paid to him currently is Rs. 10 lacs per annum by way of salary, allowances and perquisites etc. and 2.5% Commission on profits. Now this 5 years term expires on 31.03.2003.

Your Directors consider that the services of Mr. A. P. Khandelwal are of great value to the Company. Hence the resolution is recommended by the Board to reappoint Mr. A. P. Khandelwal as a Whole Time Director of the Company for another term of 5 years with effect from 01.04.2003 on the existing terms.

Mr. R. S. Khandelwal, Mr. D. P. Khandelwal, Mrs. V. P. Khandelwal, and Mr. Pramod Khandelwal are deemed to be interested in the proposed resolution.

Item No. 6

The Company's Equity shares are presently listed in on the following stock exchanges in India:

- The Stock Exchange Mumbai, (BSE)
- The Delhi Stock Exchange Association Limited, (DSE)
- Jaipur Stock Exchange Limited, (JSEL)

With the wide and extensive networking of centres of the BSE, the investors have access to online dealings in the Company's Equity Shares across the country

The trading volumes of the Company's equity Shares on the Stock Exchanges at Delhi and Jaipur (hereinafter referred to as "the said delisting Stock Exchanges") are insignificant for the past few years. The annual recurring listing fees paid to the said delisting Stock Exchanges do not now offer commensurate benefits to the Company / its investors in the changed scenario of the nationwide trading terminals set up by BSE. The continued listing on the said delisting Stock Exchanges is, therefore, not considered necessary. It would further contribute to reduction in administrative costs / efforts of the Company. The Board of Directors at its meeting held on 23 August, 2003, has decided to apply for the voluntary delisting of the Company's Equity Shares from the said delisting Stock Exchanges.

The proposed voluntary delisting of the Company's Equity Shares from the said delisting Stock Exchanges will not adversely affect any investors including the Members located in the regions where the said Stock Exchanges are situated. Pursuant to the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 it is now proposed to seek the Members' approval by way of a Special Resolution for voluntary delisting of the Company's Equity Shares from the said delisting Stock Exchanges as set out in the Resolution at item No. 6. In terms of the said Guidelines, as the Company's Equity Shares shall continue to remain listed on the BSE, no Exit Option is required to be offered to the Shareholders.

The proposed delisting is in the interest of the Company and the Board recommends the Resolution for acceptance by the Members. None of the Directors is concerned or interested in the resolution.

By Order of the Board

Date : 23.08.2003
Place : New Delhi

(PRAMOD KHANDELWAL)
Director

**METAL CONTINUS (INDIA) LIMITED**

DIRECTORS' REPORT

TO THE MEMBERS,

The Directors of your Company have pleasure in presenting their NINTH ANNUAL REPORT together with the Audited Statements of Account for the year ended 31st March, 2003.

FINANCIAL HIGHLIGHTS

	(Rs. in lacs)	
	2002-03	2001-02
Total Income	4387	5054
Operating Profit	169	331
Profit before Tax	6	166
Provision for Taxation	2	59
Profit after Tax	4	107

PERFORMANCE REVIEW

Your Company's turnover was Rs. 4360.55 lacs as against Rs. 5046.84 lacs in the previous year. The net profit was Rs. 6.28 lacs before tax as against Rs. 166.41 lacs in the previous year. The reduction in sales is due to steep fall in the national demand of Galvanised Steel Tape due to development and increase in use of alternative telecommunication technologies such as optic fibres, CDMA and cellular services. The sales of Galvanised Steel Tape (GST) fell sharply from Rs. 38.57 crores in 2001-02 to Rs. 10.94 crores in 2002-03. However, your Company responded quickly to the emerging scenario and diversified into manufacture of Hardened & Tempered Steel Strips, M. S. Wire, Galvanised Wire, Flat Wire and C. R. Strips for automobile/White goods application. The sale of these products (non-GST) has shown a highly encouraging growth of 274.45 % from Rs. 11.90 crores in 2001-02 to Rs. 32.66 crores in 2002-03 within a year's time. Further the future growth of the Company shall be propelled by these non-GST products which will constitute the main business of the Company in future.

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 payment of dividend for the year 2002-03.

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 Mrs. V. P. Khandelwal and Mr. D. P. 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.

ENERGY CONSERVATION, ABSORPTION OF TECHNOLOGY AND FOREIGN EXCHANGE

Particulars relation to conservation of energy, technology, absorption and foreign exchange earning 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 fee of all the Stock Exchanges.



**DIRECTORS' RESPONSIBILITY STATEMENT**

In compliance with the provisions of section 217(2AA) of the Companies Act, 1956 your Directors hereby confirm that

- (i) in the preparation of the Annual Accounts for the financial year ended 31st March, 2003 all the applicable accounting standards have been followed along with proper explanation relating to all material departures;
- (ii) accounting policies were adopted and applied 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 as at 31st March, 2003 and of the profit and loss of the Company for the year ended on that date;
- (iii) 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 have been taken and
- (iv) the Annual Accounts have been prepared 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.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, a Management Discussion and Analysis, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made a part of Annual Report.

ACKNOWLEDGMENTS

The Directors wish to place on record their appreciation to the Banks, Financial Institutions, suppliers and customers constituting the supply chain, employees and the shareholders of the Company for their continued support and co-operation.

For and on behalf of the Board of Directors

Date : 23.08.2003

Place : New Delhi

(R. C. KHANDELWAL)

Managing Director



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE

The Company is engaged in the manufacture and marketing of Galvanised Steel Tape and Cold Rolled Steel Strips (C R Strips). Recently your Company has diversified into other products such as Hardened & Tempered Steel Strips, Galvanised Wire and Flat Wire Strips.

THREATS AND OPPORTUNITIES

The Government who is the major user of the Jelly Filled Telecommunication Cable, have now reduced their purchases resulting into lower demand for Galvanised Steel Tape in the Country. The downtrend in demand for Galvanised Steel Tape (GST) is likely to continue with the advent of new technology such as optic fibre and Wireless-in-Local-Loop. With the diversification into other products and with the various cost reduction and operational efficiency programmes, your Company is geared to face the future challenges.

RISKS & CONCERNS

Your Company uses H. R. Coils, Wire Rods and Zinc as key inputs whose prices are dependant on the international market. The volatility of the prices of these key inputs may cause an adverse impact on the profitability of your Company.

OUTLOOK

Your Company is focusing on development of new markets and cost reduction. Efforts are being made for reducing overheads, develop new products using the existing facilities and enhancement of capacity which are expected to lead to better performance and improved financial results in the years to come.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has adequate internal control system monitored by an Internal Auditor reporting to the Audit Committee. The Audit Committee is meeting periodically for reviewing the performance of the Company and formulating policies/ issuing guidelines to the Management.

CAUTIONARY STATEMENT

Estimates and expectations stated in this Management Discussion and analysis may be "forward-looking" statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to your Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and international markets, change in the Government regulations, tax laws, other statutes and other incidental factors.